PRE-ACQUISITION AGREEMENT

BETWEEN

CANELSON DRILLING INC.

AND

EAGLE DRILLING SERVICES LTD.

Dated January 13, 2011

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PRE-ACQUISITION AGREEMENT

THIS AGREEMENT is made as of the 13th day of January, 2011,

BETWEEN:

> **CANELSON DRILLING INC.** a body corporate amalgamated under the laws of the Province of Alberta (hereinafter referred to as the "**Offeror**")
>
> - and -
>
> **EAGLE DRILLING SERVICES LTD.** a body corporate incorporated under the laws of the Province of Saskatchewan (hereinafter referred to as "**Eagle**")

Background:

(a) the Offeror has advised the Eagle Board that it is prepared to make an Offer for all of the issued and outstanding Common Shares on reliance on Eagle's representation that no additional Common Shares may be issued after the date hereof upon the exercise or conversion, as applicable, of outstanding options or other rights to acquire Common Shares, and the Eagle Board wishes to encourage the Offeror to make such Offer on the terms and subject to the conditions set forth in this Agreement;

(b) the Parties intend for the acquisition of the Common Shares by the Offeror to constitute an exempt take-over bid pursuant to Part 4 of Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids* by virtue of the fact that, as of the date hereof, the number of Eagle Shareholders is not more than fifty (50), exclusive of holders who are, or were, in the employment of Eagle;

(c) the Eagle Board has unanimously determined that the Offer is in the best interests of Eagle and the Eagle Shareholders and to recommend that the Eagle Shareholders accept the Offer and to cooperate with the Offeror with respect to the Offer, subject to the terms and conditions as set forth herein; and

(d) the Offeror is willing to make the Offer, on the terms and subject to the conditions set forth in this Agreement;

NOW THEREFORE IN CONSIDERATION OF the mutual covenants hereinafter contained and other good and valuable consideration (the receipt and adequacy thereof are hereby acknowledged), the Parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, including in "Background", 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:

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

"**affiliate**" has the meaning ascribed thereto in the *Securities Act*, except as otherwise provided;

"**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;

"**applicable laws**" means Securities Laws, rules of applicable stock exchanges and Corporate Laws, all applicable competition and regulatory laws, including any statute, regulation, by-law, treaty, guideline, directive, rule, standard, requirement, policy, order, judgment, decision, injunction, award, decree or resolution of any Governmental Authority, whether or not having the force of law;

"**Assets**" means all of the rig equipment (including all attachments, accessories and all other items required for the operation thereof) used by Eagle in the operation of its business and all furniture, fixtures, vehicles, office equipment and other tangible property owned by Eagle, including, but not limited to, those principal assets listed in Schedule 1.1 hereto and all other assets including working capital which have been set forth and described in writing by Eagle to the Offeror;

"**associate**" has the meaning ascribed thereto in the *Securities Act*, except as otherwise provided;

"**Bonus Payments**" means a maximum aggregate of $300,000 payable by Eagle to certain employees and consultants of Eagle as disclosed in writing to the Offeror;

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

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

"**Common Shares**" means the Class "A" shares in the capital of Eagle;

"**Compulsory Acquisition**" has the meaning ascribed thereto in Section 4.1;

"**Confidentiality Agreement**" means the confidentiality agreement dated November 19, 2010 between the Offeror and Eagle;

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

"**disclosed in writing**" means any information disclosed in writing, including information transmitted in electronic form (including, for greater certainty, information posted on Eagle's data site at https://services.intralinks.com from November 19, 2010 to January 12, 2011) by Eagle or any of its directors, officers, employees or professional advisors;

"**Drag-Along Notice**" has the meaning ascribed thereto in Section 2.2(d);

"**Drag-Along Option**" has the meaning ascribed thereto in Section 2.2(c);

"**Eagle Board**" means the board of directors of Eagle;

"**Eagle Financial Statements**" means, collectively, the audited financial statements of Eagle as at and for the years ended May 31, 2010, 2009 and 2008;

"**Eagle Governing Documents**" means the Certificates and Articles of Incorporation and Amendment and the By-laws of Eagle;

"**Eagle's Net Debt**" means the amount which is the sum of Eagle's long term debt, current portion of long term debt, capital leases, current portion of capital leases, bank debt less cash and committed capital expenditures to complete the construction of Eagle's Rigs #7 and #8 (and excluding any financial advisor, legal and all other costs associated with the Offer) all determined in accordance with Canadian GAAP;

"**Eagle Shareholders**" means the holders of Common Shares;

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

"**Encumbrance**" includes, without limitation, any mortgage, pledge, assignment, charge, lien, security interest, claim, trust, royalty or carried, participation, net profits or other third party interests or any agreement, option, right of first refusal, right of privilege (whether by law, contract or otherwise), capable of becoming any of the foregoing;

"**Environmental Law**" means any federal, provincial or local statute, regulation or rule, any judicial or administrative order or judgment or written administrative request of any Governmental Authority having jurisdiction, and any provision or condition of any permit, license or other governmental operating authorization, applicable to Eagle and relating to protection of the environment, persons or the public welfare from actual or potential exposure (or the effects of exposure) to any actual or potential release, discharge, spill or emission (whether past or present) of, or regarding the manufacture, processing, production, gathering, transportation, use, treatment, storage or disposal of, any chemical, raw material, pollutant, contaminant or toxic, corrosive or hazardous substance or waste;

"**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**" includes any federal, provincial, state, municipal or other political subdivision, government department or agency, commission, court, tribunal, ward, bureau, regulatory body or agency or instrumentality, domestic or foreign;

"**Initial Expiry Time**" means the earlier of (i) 9:00 a.m. (Calgary time) on January 28, 2011; and (ii) the date on which at least 50% of the outstanding Common Shares are tendered by the holders thereof and taken-up by the Offeror pursuant to the Offer;

"**Leased Real Property**" has the meaning ascribed thereto in Section 6.36;

"**LOI**" means the letter of intent dated December 23, 2010 between the Offeror and Eagle;

"**Lock-up Agreements**" means agreements, substantially in the form of the agreement attached hereto as Schedule 2.2(b), between certain Eagle Shareholders and the Offeror pursuant to which such holders agree to tender their Common Shares under the Offer as contemplated under Section 2.2(b);

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

"**Material Adverse Effect**" in relation to any event or change in respect of Eagle, or the Offeror, as applicable, means an effect that is or would reasonably be expected to be materially adverse to the financial condition, operations, prospects, assets, liabilities, capitalization, licenses, permits, concessions, rights or privileges or business, whether contractual or otherwise, of Eagle, or the Offeror, as applicable, taken as a whole, provided that a Material Adverse Effect shall not include an adverse effect in the business, condition, operations, assets, capitalization, financial condition, licenses, permits, concessions, rights, liabilities, prospects or privileges, whether contractual or otherwise, of Eagle, or the Offeror, as applicable, that arises or results from or is in any way connected with, either directly or indirectly: (i) a matter that has prior to the date hereof been publicly disclosed or otherwise disclosed in writing by Eagle to the Offeror or by the Offeror to Eagle, as applicable; (ii) conditions affecting the oil and natural gas service industry as a whole (including changes in commodity prices for crude oil, natural gas or related hydrocarbons, applicable royalty regimes, general market prices and regulatory changes); (iii) general economic, financial, currency exchange, securities or commodity market conditions in Canada, the United States or elsewhere; or (iv) any action or inaction taken by Eagle with the approval, consent or authority of the Offeror, including matters contemplated by this Agreement;

"**material change**" has the meaning ascribed thereto under applicable Securities Laws;

"**material fact**" has the meaning ascribed thereto under applicable Securities Laws;

"**Minimum Condition**" means the condition set forth in paragraph (a) of Schedule 2.1(c);

"**Minimum Required Shares**" means at least that number of the outstanding Common Shares required to be tendered to the Offer to satisfy the Minimum Condition, unless the Offeror waives the Minimum Condition (to the extent permitted herein), in which case "**Minimum Required Shares**" means that number of the outstanding Common Shares that the Offeror takes-up on the Take-up Date;

"**misrepresentation**" has the meaning ascribed thereto under applicable Securities Laws;

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

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

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

"**Offeror Financial Statements**" means, collectively, the interim consolidated financial statements of the Offeror as at and for the nine months ended September 30, 2010 and the audited consolidated financial statements of the Offeror as at and for the years ended December 31, 2009 and 2008;

"**Offeror Public Documents**" has the meaning ascribed thereto in Section 5.21;

"**Offeror Shares**" means common shares in the capital of the Offeror;

"**Officer Obligations**" means the obligations of Eagle, to its officers, directors, employees and consultants for retention, severance or termination payments in connection with a termination of employment or change of control or bonuses, in each case pursuant to any written or oral agreements or resolution of the Eagle Board, pension plans or other plans or otherwise (and, for greater certainty, excluding obligations that arise by law and not by any written or oral agreement to which Eagle, is a party) and obligations in respect of salary, or directors' fees in the ordinary course in amounts consistent with past practice;

"**Owned Real Property**" has the meaning ascribed thereto in Section 6.36;

"**Parties**" means the parties to this Agreement and their respective successors and permitted assigns and "**Party**" means any one of them;

"**person**" means an individual, a sole proprietorship, a firm, an entity, a partnership, a corporation or other body corporate, a trust, an unincorporated organization, a union, a government or any department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual;

"**Representatives**" has the meaning set forth in Section 8.3(a) hereof;

"**Returns**" includes all returns, reports, declarations, designations, elections, notices, filings, forms, statements and other documents (whether in tangible, electronic or other form) and including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared, filed or required to be made, prepared or filed in accordance with applicable laws in respect of Taxes;

"**SBCA**" means the *Business Corporations Act* (Saskatchewan), R.S.S. 1978, c. B-10, as amended, including the regulations promulgated thereunder;

"**Securities Act**" means the *Securities Act* (Alberta) and the rules, regulations and policies made thereunder, as now in effect and as they may be amended from time to time;

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

"**Subsequent Acquisition Transaction**" has the meaning ascribed thereto in Section 4.1;

"**subsidiary**" has the meaning ascribed thereto in the ABCA;

"**Superior Proposal**" has the meaning ascribed thereto in Section 8.3;

"**Take-over Proposal**" means a proposal or offer (verbal, written or by public announcement) by a third person (i.e. other than by the Offeror or an affiliate of the Offeror), whether or not subject to a due diligence condition, to acquire in any manner, directly or indirectly, beneficial ownership of all or a material portion of the assets of Eagle or to acquire in any manner, directly or indirectly, beneficial ownership of or control or direction over more than 20% of the outstanding Common Shares, whether by an arrangement, amalgamation, merger, consolidation or other business combination, by means of a sale of shares, sale of assets, take-over bid, tender offer or exchange offer or similar transaction involving Eagle, including without limitation any single or multi-step transaction or series of related transactions that is structured to permit such third party to acquire beneficial ownership of all or a material portion of the assets of Eagle or to acquire in any manner, directly or indirectly, more than 20% of the outstanding Common Shares (in all cases other than the transactions contemplated by this Agreement);

"**Take-up Date**" means the date that the Offeror first takes-up and acquires Common 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;

"**Taxes**" shall mean, with respect to any person, firm, corporation or other entity, all taxes, imposts, rates, levies, assessments and government fees and all other charges, however denominated, including any interest, penalties or other additions thereto currently or at the time of determination payable in respect thereof, levied, assessed or imposed by any Governmental Authority, which 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, employment insurance premiums, social insurance taxes, Canada Pension Plan contributions, sales and use taxes, ad valorem taxes, value added taxes, goods and services tax, 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 obligations of the same or of a similar nature to any of the foregoing;

"**Third Party Beneficiaries**" has the meaning ascribed thereto in Section 9.4;

"**Transferor**" has the meaning ascribed thereto in Section 2.2(c);

"**TSXV**" means the TSX Venture Exchange Inc.;

"**USA**" means the unanimous shareholder agreement dated and effective March 15, 2005 among Eagle and those persons who may, from time to time become Eagle Shareholders; and

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

1.2 Singular, Plural

Words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neutral 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

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

1.8 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable 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.

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 shall be regarded as illustrative without being either characterizing or exhaustive.

1.10 Knowledge

In this Agreement, whenever a representation or warranty is made on the basis of the knowledge or awareness of Eagle or the Offeror, such knowledge or awareness consists only of the actual knowledge or awareness after due inquiry, as of the date of this Agreement, of the officers of Eagle or the Offeror, as applicable, but does not include the knowledge or awareness of any other individual or any constructive, implied or imputed knowledge.

1.11 Incorporation of Schedules

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

Schedule 1.1	-	List of Key Assets
Schedule 2.1(c)	-	Conditions to the Offer
Schedule 2.2(b)	-	Form of Lock-Up Agreement
Schedule 6.36	-	Location of Owned Real Property and Leased Real Property

ARTICLE 2
THE OFFER

2.1 The Offer

(a) On the terms and subject to the conditions set out in this Agreement, the Offeror shall mail to registered Eagle Shareholders as soon as practicable but in any event not later than 5:00 p.m. (Calgary time) on January 14, 2011, an offer to purchase all of the outstanding Common Shares on the basis of the Offer Price (the "**Offer**").

The 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 2.1(c) hereto and such other conditions as agreed to by the Parties (hereinafter referred to as the "Offer", which term shall include any amendments to, or extensions of, such Offer, including, without limitation, any increase in the consideration offered for the Common Shares, the removal or waiver of any condition or extension of the date by which Common Shares may be tendered under the Offer by the holder thereof). The Offeror and Eagle shall cooperate in making on a timely basis any filings with respect to the Offer, including amendments thereafter on a timely basis 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. The Offeror shall provide Eagle with a draft copy of the Offer Documents prior to their finalization and mailing for Eagle's review and comment. The Offeror shall use all reasonable efforts to complete the Offer, subject to the terms hereof and thereof.

(b) (i) Subject to subsections (ii) and (iii) and subject to there being 9,323 Common Shares issued and outstanding as at the Take-Up Date, the offer price per Common Share shall be $2,113.05 in cash and 1,059.69 Offeror Shares per Common Share.

(ii) The offer price per Common Share held by Robert G. MacCuish in respect of: (i) an aggregate of 1,583 Common Shares shall be $2,705.72 in cash and 916.88 Offeror Shares per Common Share; and (ii) an aggregate of 444 Common Shares represented by certificate number 57 shall be 1,568.86 Offeror Shares per Common Share.

(iii) The offer price per Common Share held by Derrick Big Eagle in respect of: (i) an aggregate of 583 Common Shares shall be $5,338.80 in cash and 282.40 Offeror Shares per Common Share; and (ii) an aggregate of 890 Common Shares represented by certificate number 56 shall be 1,568.86 Offeror Shares per Common Share

(collectively, the "**Offer Price**").

(c) No fractional Offeror Shares will be issued pursuant to the Offer. If any depositing Eagle Shareholder would be entitled to receive a fractional Offeror Share, the number of Offeror Shares issuable to such Eagle Shareholder will be rounded to the nearest whole number of Offeror Shares. If an Eagle Shareholder (registered or beneficial) deposits more than one certificate for Common Shares which are taken-up under the Offer, the number of Offeror Shares to be issued to such Eagle Shareholder will be computed on the basis of the aggregate number of Common Shares deposited by such Eagle Shareholder.

(d) The Offer shall expire at the Initial Expiry Time, except that the Offer may be extended, one or more times, subject to Section 2.1(e), at the sole discretion of the Offeror, if the conditions thereto set forth in Schedule 2.1(c) are not satisfied at the date and time at which the Offer would otherwise expire in accordance with its terms; provided, however, that the Expiry Time shall in no event be later than February 28, 2011. Subject to the satisfaction or waiver of the conditions set forth in Schedule 2.1(c), the Offeror shall as soon as practicable, and in any event, within three (3) Business Days following the Expiry Time, take-up and pay for all Common Shares validly tendered (and not properly withdrawn) pursuant to the Offer.

(e) The Offeror agrees that it shall not amend any term or condition of the Offer (which for greater certainty, does not include waiving, in whole or part, a condition of the Offer) in a manner that is, in the opinion of Eagle, acting reasonably, adverse to the Eagle Shareholders, without the prior written consent of Eagle which may be withheld, other than: (i) to extend the Offer; or (ii) to comply with the legal obligations of the Offeror with respect to any amendment, modification or change of the Offer. The Offeror further agrees that it shall not amend any term or condition of the Offer to: (i) change the number of Common Shares for which the Offer is made; (ii) decrease or change the form of the consideration offered for each Common Share as set out in Section 2.1(b); or (iii) modify or impose additional conditions to the Offer. Notwithstanding and without limiting the foregoing, the Offeror may not, without the prior written consent of Eagle, which may be withheld, waive or reduce the Minimum Condition to a percentage less than 50.1% of the outstanding Common Shares. The Offeror shall, subject to the conditions of the Offer being satisfied or waived, take-up and pay for all Common Shares validly deposited to the Offer. The Offeror shall provide a draft of any proposed amendment, modification or change to the Offer to Eagle.

(f) The Offeror will instruct the depositary under the Offer to advise Eagle from time to time as Eagle may reasonably request and in such manner as Eagle may reasonably request, as to the number of Common Shares that have been tendered (and not withdrawn) under the Offer.

(g) The Offeror's obligation to make the Offer is conditional upon:

(i) no event having occurred or circumstance existing which would make it impossible or impracticable to satisfy one or more of the conditions of the Offer described in Schedule 2.1(c);

(ii) persons holding not less than 50% of the issued and outstanding Common Shares shall have entered into Lock-up Agreements on or before the date of the Offer;

(iii) the Eagle Board shall have unanimously recommended (and not modified or changed such recommendation) that the Eagle Shareholders accept the Offer;

(iv) the Transferor shall concurrently with the mailing of the Offer, send the Drag-Along Notice to each of the Eagle Shareholders notifying them of the Transferors' intention to sell their Common Shares to the Offeror pursuant to the Offer and advising the Eagle Shareholders that they are required to transfer their Common Shares to the Offeror in accordance with Section 12.1.6 of the USA;

(v) each of the representations and warranties of Eagle provided herein shall be true and correct at the date the Offer is made and Eagle shall have complied with each of its covenants and obligations set out herein except for any breaches of representations and warranties or non-compliance with, covenants or obligations which, would not individually or in the aggregate cause or be reasonably expected to cause a Material Adverse Change in respect of Eagle or materially impede the ability of the Offeror to consummate the transactions contemplated hereby;

(vi) the Offeror shall be satisfied, acting reasonably, that a Material Adverse Change in respect of Eagle shall not have occurred;

(vii) no act, action, suit, proceeding, objection or opposition shall have been taken against or affecting Eagle before or by any Governmental Authority or by any elected or appointed public official or private person in Canada, whether or not having the force of law and no law, regulation, policy, judgement, 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 judgement of the Offeror, acting reasonably, in either case has had or, if the Offer was consummated, would result in a Material Adverse Change in respect of either Eagle or the Offeror or would materially impede the ability of the Parties to complete the Offer;

(viii) 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

(ix) no person shall have made a Take-over Proposal which provides (or if successful would provide) to Eagle Shareholders consideration that has greater value per Common Share than the Offer Price (as determined by the Offeror, acting reasonably).

The foregoing conditions are for the sole benefit of the Offeror and may be waived by the Offeror 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 Eagle Directors' Approval

(a) Eagle hereby consents to the Offer as set forth in Section 2.1 and confirms that the Eagle Board has unanimously approved the Offer and this Agreement and, subject to the provisions of Section 8.3, has unanimously determined that the Offer is in the best interests of Eagle and the Eagle Shareholders and has unanimously resolved to recommend acceptance of the Offer by the Eagle Shareholders.

(b) Eagle hereby agrees to use its reasonable commercial efforts to deliver (concurrently with the execution of this Agreement), Lock-up Agreements (in the form or substantially in the form of the agreement attached hereto as Schedule 2.2(b)) duly executed by certain Eagle Shareholders such that, in the aggregate, holders of a minimum of 50% of the issued and outstanding Common Shares shall have executed Lock-up Agreements.

(c) Eagle hereby acknowledges and agrees that Section 12.1.6 of the USA provides that in the event that any Eagle Shareholder or group of Eagle Shareholders (the "**Transferor**") proposes to transfer Common Shares, the Transferor shall have the option (the "**Drag-Along Option**") to require all remaining Eagle Shareholders to participate in the transfer and sale of Common Shares to such third party on a pro-rata basis with the Transferor.

(d) Eagle hereby agrees to use its reasonable commercial efforts to cause the Transferor to exercise the Drag-Along Option and to deliver, concurrent with the mailing of the Offer, to the Eagle Shareholders a written notice (the "**Drag-Along Notice**"), prepared in compliance with the USA, notifying the Eagle Shareholders of the Transferor's intention to sell their Common Shares to the Offeror pursuant to the Offer and the Transferor's intention to exercise the Drag-Along Option in connection therewith.

2.3 Offer Documents

(a) Within the time periods required pursuant to this Agreement, the Offeror shall mail or deliver to Eagle Shareholders an offer to purchase and the related letter of transmittal pursuant to which the Offer will be made (collectively, the "**Offer Documents**"). The Offer Documents, when mailed to Eagle Shareholders shall contain (or shall be amended in a timely manner to contain) all information that is required to be included therein in accordance with all applicable Canadian provincial securities laws and any other applicable securities laws (collectively, the "**Securities Laws**") and all Corporate Laws, subject to any applicable exemptions from such laws granted by a competent regulatory authority.

(b) Eagle agrees to provide such assistance to the Offeror and its representatives and to the Transferor and its representatives as the Offeror or the Transferor may reasonably request in connection with the mailing or other delivery of the Offer Documents (and any amendments and supplements thereto) and the Drag-Along Notice to the registered Eagle Shareholders and to such other persons as are entitled to receive the Offer under Securities Laws, including by providing a list of the registered Eagle Shareholders concurrently with the execution of this Agreement and updates or supplements thereto from time to time as may be requested by the Offeror. Eagle shall also make such of its executive officers available for meetings with the Eagle Shareholders and others as the Offeror may reasonably request.

(c) The Offeror agrees to provide such assistance to Eagle and its representatives as Eagle may reasonably request in connection with communicating the Offer (and any amendments or supplements thereto) to the Eagle Shareholders and to such other persons as are entitled to receive the Offer under Securities Laws.

2.4 Certificates

Upon the request of the Offeror, Eagle shall provide a certificate of the President and Chairman of Eagle (or such other officers as are acceptable to the Offeror, acting reasonably), effective immediately prior to the time the Offeror intends to take-up Common Shares pursuant to the Offer, certifying on behalf of Eagle and not in their personal capacity and without personal liability that:

(a) except as contemplated by this Agreement, the representations and warranties made by Eagle in this Agreement are true and correct in all material respects as at the Take-up Date as if made on and as of such date;

(b) Eagle has complied in all material respects with its covenants contained in this Agreement;

(c) there has not occurred any Material Adverse Change in respect of Eagle;

(d) there are not more than 9,323 Common Shares outstanding, or such greater number as may be agreed to by the Offeror; and

(e) there are no outstanding options or other rights to acquire Common Shares.

2.5 Withholding Tax

The Offeror and Eagle shall be entitled to deduct and withhold from any consideration otherwise payable to any Eagle Shareholder who is not resident in Canada for purposes of the Tax Act, and remit to the applicable Governmental Authority, such amounts as the Offeror and Eagle are required to deduct, withhold and remit with respect to such payment under the Tax Act and other applicable laws. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Eagle Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

2.6 Resale Restriction

An aggregate of 95% of the Offeror Shares received by Eagle Shareholders in exchange for their Common Shares pursuant to the Offer, shall be subject to a restriction on the resale or other disposition of such Offeror Shares and the certificate(s) representing such Offeror Share shall be endorsed by a legend, in a form satisfactory to the Offeror and Eagle, acting reasonably, to this effect. Such Offeror Shares shall be released from the restrictions on resale as follows:

(a) 33.33% on the date that is four months after the Take-Up Date;

(b) 33.33% on the date that is eight months after the Take-Up Date; and

(c) the remainder on the date that is twelve months after the Take-Up Date.

ARTICLE 3
PUBLICITY

3.1 Press Releases

From the date hereof until the Expiry Time, each of the Offeror and Eagle shall consult and cooperate with and advise each other prior to issuing, or permitting any of its directors, officers, employees or agents to issue, any press release or other written public or private statement to the press with respect to this Agreement, the transactions contemplated hereby or any other matters relating to the proposed business combination between the Offeror and Eagle. The Offeror and Eagle shall not issue any such press release or make any such public or private 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 commercially reasonable 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 Subsequent Acquisition Transaction

If the Offeror takes-up and pays for more than 66⅔% of the outstanding Common Shares on a diluted basis, pursuant to the terms of the Offer, the Offeror shall use all commercially reasonable efforts to acquire, and Eagle agrees to use all commercially reasonable efforts to assist the Offeror in acquiring, the balance of the Common Shares by way of a statutory arrangement, amalgamation, merger, reorganization, consolidation, recapitalization or other type of acquisition transaction or transactions (each a "**Subsequent Acquisition Transaction**") carried out for consideration per Common Share that (i) consists of the same form of consideration paid pursuant to the Offer, and (ii) is not less than the consideration paid pursuant to the Offer. Nothing herein shall be construed to prevent the Offeror from acquiring, directly or indirectly, additional Common Shares in privately negotiated transactions, in another take-over bid, tender or exchange offer, pursuant to the Drag-Along Option, or otherwise in accordance with Securities Laws, including by way of compulsory acquisition ("**Compulsory Acquisition**"), following completion of the Offer.

4.2 Information Circular

Without limiting Section 4.1, Eagle agrees that if the Offeror is required to effect a Subsequent Acquisition Transaction which requires approval of the Eagle Shareholders in a meeting of the Eagle Shareholders, Eagle shall take all action necessary in accordance with Securities Laws, Corporate Laws, other applicable laws and the Eagle Governing Documents to duly call, give notice of, convene and hold a meeting of the Eagle Shareholders as promptly as practicable to consider and vote upon the action proposed by the Offeror. In the event of such a meeting or meetings, Eagle shall use all commercially reasonable efforts to mail to its securityholders an Information Circular with respect to the meeting of the Eagle Shareholders. The term "**Information Circular**" shall mean such proxy or other informational statement or circular, as the case may be, and all related materials at the time required by applicable law to be mailed to the Eagle Shareholders and all amendments or supplements thereto, if any. The Offeror and Eagle, as applicable, each 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 the Offeror and Eagle, as applicable, for use in the Information Circular on both the date that the Information Circular is first mailed to the Eagle 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 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. The Offeror and Eagle, as applicable, each agree to promptly correct 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 THE OFFEROR

The Offeror hereby represents and warrants (and as applicable, covenants) to Eagle as follows and acknowledges that Eagle is relying upon these representations and warranties (and as applicable, covenants) in connection with the execution and delivery of this Agreement.

5.1 Organization and Qualification

The Offeror is a corporation duly amalgamated and organized and validly existing under the laws of Alberta and the Offeror has the requisite corporate power and capacity to conduct its business as it is now being conducted. The Offeror is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not have a Material Adverse Effect.

5.2 Subsidiaries

The Offeror does not have any direct or indirect subsidiaries, investment in persons, firms, corporations, partnerships, joint ventures or other entity other than CanElson Drilling (US), Inc. (a Delaware incorporated company), CanElson Drilling (US), LLC (a Delaware limited liability company), CanElson American Drilling, LLC (a Delaware limited liability company), CanElson Drilling (Midland), LLC (a Delaware limited liability company) and CanElson Management, LLC (a Texas limited liability company) each of which is a direct or indirect wholly-owned subsidiary of the Offeror, and the Offeror also holds 50% of the outstanding shares of a Mexican joint venture company, Diavaz CanElson de Mexico, S.A. de C.V. and a 50% membership interest in Midland C Ranch Holding, LLC (a Texas limited liability company) which owns a 100% membership interest in C Ranch Drilling I, LLC (a Texas limited liability company).

Other than in respect of the formation of C Ranch Drilling II, LLC (a Texas limited liability company), which will own the Offeror's Rig #8, neither the Offeror nor its subsidiaries have any agreements of any nature to acquire, directly or indirectly, any shares in the capital of or other equity or proprietary interests in any person, firm, corporation or other entity and neither the Offeror nor its subsidiaries have any agreements to acquire any other business operations.

5.3 Authority Relative to this Agreement

The Offeror has the requisite corporate power and capacity to enter into this Agreement and all agreements contemplated hereunder and to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and all agreements contemplated hereunder and the consummation by the Offeror of the transactions contemplated hereby and thereby have been duly authorized by the board of directors of the Offeror, and no other corporate proceedings on its part are or will be necessary to authorize this Agreement or any agreements contemplated hereunder and the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Offeror and all agreements contemplated hereunder have been or will be on or before the date of the Offer duly executed and delivered by the Offeror, as applicable, and this Agreement constitutes and all agreements contemplated hereunder constitute, or will by the date of the Offer constitute, the legal, valid and binding obligation of the Offeror enforceable against it in accordance with their 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.

5.4 No Violations

(a) Except as set out herein, neither the execution and delivery of this Agreement or any other agreements contemplated hereunder by the Offeror, the consummation of the transactions contemplated hereby and thereby nor compliance by the Offeror with any of the provisions hereof or thereof will: (i) violate, conflict with, result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in a creation of an Encumbrance upon any of the properties or assets of the Offeror under, any of the terms, conditions or provisions of (a) the constating documents of the Offeror or (b) any note, bond, mortgage, indenture, loan agreement, deed of the Offeror, agreement, lien, contract or other material instrument or obligation to which the Offeror is a party or to it, or any of its properties or assets, may be subject or by which the Offeror is bound; (ii) subject to compliance with the statutes and regulations referred to in Section 5.4(b), violate any judgement, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to the Offeror (except, in the case of each of clauses (i) and (ii) above, for such violations, conflicts, breaches, defaults or terminations which, or any consents, approvals or notices which if not given or received, would not have any Material Adverse Effect on the Offeror or materially impede the ability of the Offeror to consummate the transactions contemplated hereby); or (iii) cause the suspension or revocation of any authorization, consent, approval or license currently in effect which would have a Material Adverse Effect on the Offeror or materially impede the ability of the Offeror to consummate the transactions contemplated hereby.

(b) Other than in connection with or in compliance with the provisions of applicable laws, including the *Competition Act* (Canada), the requirements of the TSXV and the applicable securities regulatory authorities: (i) there is no legal impediment to the Offeror's consummation of the transactions contemplated by this Agreement or any agreements contemplated hereunder, and (ii) no filing or registration with, or authorization, consent or approval of, any Government Authority is necessary by the Offeror in connection with the making of this Agreement or the consummation of the transactions contemplated by this Agreement or any agreement contemplated hereunder, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals which, if not received, would materially impede the ability of the Offeror to consummate the transactions contemplated hereby.

5.5 Capitalization of the Offeror

As of the date hereof, the authorized share capital of the Offeror consists of an unlimited number of Offeror Shares and an unlimited number of preferred shares, of which only 50,280,834 Offeror Shares are issued and outstanding. As of the date hereof, options to purchase 2,531,266 Offeror Shares have been granted and are outstanding. Except as set forth in this Section 5.5, there are no options, warrants or other rights, agreements or commitments requiring the issuance, sale or transfer by the Offeror of any shares of the Offeror (including the Offeror Shares) or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares of the Offeror (including the Offeror 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 any other attribute of the Offeror. All outstanding Offeror Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights, and all Offeror Shares issuable upon exercise or conversion, as applicable, of outstanding options and warrants to purchase Offeror Shares, will be, when issued, duly authorized and validly issued as fully-paid and non-assessable shares.

5.6 Litigation

Except as disclosed in the Offeror Public Documents as at the date hereof there are no actions, suits or proceedings pending or, to the knowledge of the Offeror, threatened against the Offeror before or by any Governmental Authority, which action, suit or proceeding involves the possibility of any judgment against or liability of the Offeror or any other person which, if successful, would have a Material Adverse Effect on the Offeror or materially impede the ability of the Offeror to consummate the transactions contemplated by this Agreement.

5.7 No Material Adverse Change

Except as disclosed in the Offeror Public Documents, there has not been any material change in the assets, liabilities or obligations (absolute, contingent or otherwise) of the Offeror from the position set forth in the Offeror Financial Statements and there has not been any Material Adverse Change in respect of the Offeror since September 30, 2010; and since that date there have been no material facts, transactions, events or occurrences which could reasonably be expected to have a Material Adverse Effect on the Offeror which have not been disclosed in the Offeror Public Documents and that could materially impede Offeror’s ability to consummate the transactions contemplated by this Agreement.

5.8 Offeror Financial Statements

The Offeror 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 the Offeror’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 the consolidated financial position, results of operations and changes in financial position of the Offeror 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 the Offeror on a consolidated basis. There has been no change in the Offeror's accounting policies, except as described in the notes to the Offeror Financial Statements, since December 31, 2009.

5.9 Minute Books

The corporate records and minute books of the Offeror and its subsidiaries have been maintained in accordance with all applicable statutory requirements and are complete and accurate in all material respects and contain the: (i) constating documents and by-laws; (ii) the minutes of the meetings which have been approved by the directors (iii) the resolutions of the directors (and committees of directors); and (iv) the resolutions of the shareholders, of the Offeror and its subsidiaries, as applicable.

5.10 No Cease Trade Order

No securities commission or similar Governmental Authority or stock exchange has issued any order currently preventing or suspending trading of any securities of the Offeror and the Offeror is not in default of any requirement of applicable Securities Laws that would have a Material Adverse Effect on the Offeror or materially impede the ability of the Offeror to consummate the transaction contemplated by this Agreement.

5.11 Compliance with Applicable Laws

Each of the Offeror and its subsidiaries has conducted and is conducting its business in compliance in all material respects with all applicable laws, and, in particular, all applicable licensing and environmental legislation, regulations or by-laws or other lawful requirements of any Governmental Authority applicable to it in each jurisdiction in which it carries on business and holds all licenses, registrations and qualifications material to the business and assets of the Offeror and its subsidiaries, taken as a whole, in all jurisdictions in which it carries on business and where the failure to so conduct business or be in such compliance would have a Material Adverse Effect on the Offeror which are necessary or desirable to carry on its business, as now conducted, and none of such licenses, registrations or qualifications contains any burdensome term, provision, condition or limitation which has, or would reasonably be expected to have, any Material Adverse Effect on the Offeror.

5.12 Conduct of Operations

To the best of the Offeror's knowledge, any and all operations by third parties, on or in respect of the assets and properties of the Offeror, have been conducted in compliance in all material respects with all applicable laws, rules and regulations.

5.13 Tax Matters

(a) The fiscal year end of the Offeror for income tax purposes is December 31.

(b) All Returns required to be filed by or on behalf of the Offeror and its subsidiaries have been duly filed in prescribed form on a timely basis, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, and such Returns are true, complete and correct in all material respects. All Taxes shown to be payable or due on the Returns or subsequent assessments with respect thereto have been paid in full on a timely basis and, to the knowledge of the Offeror, no other Taxes are payable or due by the Offeror or its subsidiaries with respect to items or periods covered by such Returns.

(c) For all periods covered by the filed Returns, Eagle has had the opportunity to review true and complete copies of: (i) all income tax audit reports, statements of deficiencies and material communications received by the Offeror or any of its subsidiaries or on behalf of the Offeror or any of its subsidiaries relating to Taxes and Returns of the Offeror or any of its subsidiaries; and (ii) all federal, provincial, state, local or foreign income or franchise Returns for Taxes for the Offeror; and (iii) all invoices, purchase orders, and all such other documents as are necessary to report any material claim for income tax credits or refunds claimed or to be claimed pursuant to the *Excise Tax Act* (Canada).

(d) Each of the Offeror and its subsidiaries has duly and timely paid all Taxes, including all instalments on account of Taxes for the current year, that are payable by it whether or not due or assessed by the appropriate Governmental Authority and adequate provision has been made in the Offeror Financial Statements for amounts at least equal to the amount of all Taxes which were owing by the Offeror and its subsidiaries but which were not yet due or payable.

(e) Except as set out in the Offeror Public Documents, to the knowledge of the Offeror, neither the Offeror or its subsidiaries has ever acquired or had the use of any of its respective property and assets from a person, firm, corporation or other entity with whom the Offeror or its subsidiaries were not dealing at arm's length within the meaning of the Tax Act on terms less favourable to the Offeror or its subsidiaries than arm's length terms; and no such entity has disposed of any property or asset to such a person, firm, corporation or other entity for proceeds less than the fair market value thereof.

(f) Neither the Offeror or its subsidiaries has acquired property from a non-arm's length person, within the meaning of the Tax Act, for consideration, the value of which was less than the fair market value of the property acquired in circumstances which could subject it to a liability under Section 160 of the Tax Act.

(g) To the knowledge of the Offeror, for all transactions between the Offeror or its subsidiaries and any non-resident person with whom the Offeror or its subsidiaries were not dealing at arm's length during a taxation year, the Offeror or its subsidiaries has made or obtained records or documents that meet the requirements of Subsection 247(4) of the Tax Act.

(h) The liability for Taxes of the Offeror and its subsidiaries under the Tax Act, and any other applicable law has been assessed by the relevant Governmental Authority in Canada or the United States, as applicable, for all taxation years to and including the taxation year ended on December 31, 2009. Neither the Offeror nor its subsidiaries is a party to any action or proceeding for assessment or collection of Taxes, nor has such event been asserted or, to the Offeror's knowledge, threatened against the Offeror or any of its assets or subsidiaries. No waiver or extension of any statute of limitations is in effect with respect to Taxes or Returns of the Offeror or any of its subsidiaries. The Returns of the Offeror and its subsidiaries have not been audited by a government or taxing authority for the last three years that resulted in a Material Adverse Effect, nor is any such audit in process, pending or, to the knowledge of the Offeror, threatened.

(i) All filings made by the Offeror under which it has received or are entitled to government incentives have been made in all material respects in accordance with all applicable legislation and, to the knowledge of the Offeror, contain no misrepresentations of material fact and do not omit to state any material fact which could cause any amount previously paid or previously accrued on its accounts to be recovered or disallowed.

(j) The provision for Taxes reflected in each of the financial statements of the Offeror for the year ended December 31, 2009 is in accordance with Canadian GAAP and is adequate for all liabilities for Taxes, whether or not yet due and/or payable and whether or not disputed, for the periods covered by such financial statements and for all prior periods and neither the Offeror or its subsidiaries have liability for any Taxes in respect thereof of any nature other than those provided for in such financial statements and those arising for any period after December 31, 2009 in the ordinary course of its business.

(k) There are no assessments, reassessments of any Taxes that have been issued or pursuant to which there are any amounts owing. No Governmental Authority has challenged, disputed or questioned the Offeror or its subsidiaries in respect of Taxes or of any Returns, filings or other reports filed under any applicable law providing for Taxes. Neither the Offeror or its subsidiaries is negotiating any draft assessment or reassessment with any Governmental Authority. The Offeror is not aware of any contingent liabilities for Taxes or any grounds for an assessment or reassessment including, without limitation, aggressive treatment of income, expenses, credits or other claims for deduction under any return or notice other than as disclosed in the Offeror Financial Statements. Neither the Offeror or its subsidiaries have received any indication from any Governmental Authority that an assessment or reassessment is pending or proposed in respect of any Taxes, regardless of its merits. Except for an extension filed in the United States in respect of the Offeror's March 15, 2010 U.S. Returns, neither the Offeror or its subsidiaries have executed or filed with any Governmental Authority any agreement extending the period for the filing of any Returns or for the assessment, reassessment or collection of any Taxes. Neither the Offeror or its subsidiaries have requested, or entered into any agreement or other arrangement, or executed any waiver providing for, any extension of time within which: (i) to file any Return with respect to any Taxes for which it is or may be liable; (ii) to file any elections, designations or similar documents or instruments relating to Taxes for which it is or may be liable; (iii) it is required to pay or remit any Taxes or amounts on account thereof; or (iv) any Governmental Authority may assess, reassess or collect Taxes for which either it is or may be liable.

(l) The Offeror has not claimed and will not claim any reserve under the Tax Act including without limitation any one or more of subparagraph 40(1)(a)(iii), or paragraphs 20(1)(m) or 20(1)(n) or any equivalent provincial provision, if any such amount could be included in the Offeror's income (on a consolidated basis) for any period ending after the Effective Time.

(m) The Offeror 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 Taxes and other amounts required by law and will continue to do so until the Effective Time and has remitted such withheld amounts within the prescribed periods of time to the appropriate Governmental Authority. The Offeror has remitted all Canada Pension Plan contributions, employment insurance premiums, employer health taxes and other Taxes payable by it in respect of its employees and has or will have remitted such amounts to the proper Governmental Authority within the time required by applicable law. To the knowledge of the Offeror, it 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 Offeror.

(n) The Offeror has not carried on business outside Canada, United States and Mexico.

(o) The Offeror is a "public corporation" for the purposes of the Tax Act.

5.14 Environmental Matters

Except to the extent that any violation or other matter referred this subparagraph does not have a Material Adverse Effect:

(a) Neither the Offeror or its subsidiaries has received notice of any in violation of any applicable federal, provincial, state, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters Environmental Law.

(b) Each of the Offeror or its subsidiaries has operated their business at all times and, to the best of the Offeror's knowledge, information and belief, has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws.

(c) The Offeror is not aware of any spills, releases, deposits or discharges of any hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by the Offeror or its subsidiaries that have not been remedied.

(d) Neither the Offeror or its subsidiaries has received notice of any orders, directions or notices being issued and remaining outstanding pursuant to any Environmental Laws relating to the business or assets of the Offeror or its subsidiaries.

(e) Neither the Offeror or its subsidiaries has failed to report to the proper Governmental Authority the occurrence of any event of which it is aware which is required to be so reported by any Environmental Law.

(f) Each of the Offeror or its subsidiaries holds all licenses, permits and approvals required under any Environmental Laws in connection with the operation of their respective business and the ownership and use of its assets, all such licenses, permits and approvals are in full force and effect, and except for notifications and conditions of general application to assets of the type owned by the Offeror or its subsidiaries; neither the Offeror or its subsidiaries has received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any license, permit or approval issued pursuant thereto, or that any license, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated, nor any demand or notice issued with respect to the breach of any Environmental Law applicable to its assets, which demand or notice remains outstanding on the date hereof.

5.15 No Material Transactions

Since September 30, 2010, the Offeror has not taken any action that would be in violation of Section 9.1 if such provision had been in effect since such date, other than violations which would not have any Material Adverse Effect or would not materially impede the Offeror's ability to consummate the transactions contemplated by this Agreement.

5.16 Disclosure

(a) The data and information in respect of each of the Offeror and its subsidiaries and its assets, liabilities, business and operations provided by the Offeror or the Offeror's advisors to Eagle or Eagle's advisors was and is accurate and correct in all material respects as at the respective dates thereof and, in respect of any information provided or requested, did not knowingly omit any material data or information necessary to make any data or information provided not misleading as at the respective dates thereof.

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

5.17 Impairment

Other than the consent, if any, to the Offer and related transactions, which may be required to be provided under the loan agreements between the Offeror and HSBC Bank Canada, neither the making of the Offer nor the successful completion of the Offer will result in a Material Adverse Change pursuant to or as a result of the provisions of any agreement or arrangement to which the Offeror or any of its subsidiaries is a party.

5.18 Restrictions on Business

Neither the Offeror or its subsidiaries are a party to or bound or affected by any commitment, agreement or document containing any covenant expressly limiting its freedom to compete in any line of business, compete in any geographic region, transfer or move any of its assets or operations, where such covenant would have a Material Adverse Effect.

5.19 Reporting Issuer

The Offeror is a reporting issuer or equivalent in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

5.20 Offeror Shares and Cash

The issued and outstanding Offeror Shares are listed and posted for trading on the TSXV and the Offeror is in material compliance with the by-laws, rules and regulations of the TSXV. Subject to the satisfaction of the terms and conditions to the Offer, the Offeror Shares to be issued in connection with the Offer will be freely tradable, fully-paid and non-assessable shares in the capital of the Offeror, free of all liens, claims, security interests and encumbrances, except as set out herein.

The aggregate cash consideration payable pursuant to the Offer will at the Expiry Time be available in full to the Offeror such that the Offeror will be in a position to pay for all Common Shares tendered pursuant to the Offer in accordance with the terms of the Offer.

5.21 Public Record

The information and statements set forth in the information filed by or on behalf of the Offeror, with any securities commission or similar Governmental Authority or stock exchange in compliance, or intended compliance, with applicable Securities Laws (the "**Offeror Public Documents**") as at the date hereof, as relates to the Offeror and its subsidiaries, taken as a whole, are true, correct and complete and did not contain any material misrepresentation, as of the respective dates of such information or statements, and no material change has occurred in relation to the Offeror which is not disclosed in the Offeror Public Documents, and the Offeror has not filed any confidential material change reports which continue to be confidential.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF EAGLE

Eagle hereby represents and warrants (and as applicable, covenants) to the Offeror as follows and acknowledges that the Offeror is relying upon such representations and warranties (and as applicable, covenants) in connection with the execution and delivery of this Agreement and the making of the Offer, as applicable.

6.1 Organization and Qualification

Eagle is a corporation duly incorporated and organized and validly subsisting under the laws of the Province of Saskatchewan and has the requisite corporate power and capacity to carry on its business as it is now being conducted. Eagle 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 Subsidiary

Eagle does not have any direct or indirect subsidiaries, investments in persons, firms, corporations, partnerships, joint ventures or other entities.

Eagle does not have any agreements of any nature to acquire, directly or indirectly, any shares in the capital of or other equity or proprietary interests in any person, firm, corporation or other entity and Eagle does not have any agreements to acquire any other business operations.

6.3 Authority Relative to this Agreement

Eagle has the requisite corporate power and capacity to enter into this Agreement and all agreements contemplated hereunder and to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and all agreements contemplated hereunder and the consummation by Eagle of the transactions contemplated hereby and thereby have been duly authorized by the board of directors of Eagle, and no other corporate proceedings on its part are or will be necessary to authorize this Agreement or any agreements contemplated hereunder and the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by Eagle and all agreements contemplated hereunder have been or will be on or before the date of the Offer duly executed and delivered by Eagle, as applicable, and this Agreement constitutes and all agreements contemplated hereunder constitute, or will by the date of the Offer constitute, the legal, valid and binding obligation of Eagle enforceable against it in accordance with their 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.

6.4 No Violations

(a) Other than the consent, if any, which may be required from the Royal Bank of Canada, Komatsu International (Canada) Inc. and Regus PLC, neither the execution and delivery of this Agreement or any other agreements contemplated hereunder by Eagle, the consummation by Eagle of the transactions contemplated hereby and thereby, nor compliance by Eagle with any of the provisions hereof or thereof will: (i) violate, conflict with, result in the breach of any provision of, require any consent, approval or notice under, constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in a creation of any Encumbrance upon any of the properties or assets of Eagle under any of the terms, conditions or provisions of (A) the Eagle Governing Documents or (B) any material note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which Eagle is a party or to which any of the properties or assets of Eagle may be subject, or by which any of them is bound; (ii) subject to compliance with applicable laws, violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Eagle (except, in the case of each of clauses (i) and (ii) directly above, for such violations, conflicts, breaches, defaults, terminations which, or any consents, approvals or notices which if not given or received, would not have any Material Adverse Effect or materially impede the ability of Eagle to consummate the transactions contemplated hereby) or cause the suspension or revocation of any authorization, consent, approval or license currently in effect which would have a Material Adverse Effect on Eagle or materially impede the ability of Eagle to consummate the transactions contemplated hereby.

(b) Other than in connection with or in compliance with the provisions of applicable laws: (i) there is no legal impediment to the consummation by Eagle of the transactions contemplated by this Agreement or any agreement contemplated hereunder, and (ii) no filing or registration with, or authorization, consent or approval of any Government Authority is necessary by Eagle in connection with the consummation of the transactions contemplated by this Agreement or any agreement contemplated hereunder, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would materially impede the ability of Eagle to consummate the transactions contemplated hereby.

6.5 Capitalization of Eagle

As of the date hereof, the authorized share capital of Eagle consists of an unlimited number of Common Shares, Class B Shares, Class C Shares, Class D Shares, Class E Shares and Class F Shares, of which only 9,323 Common Shares are issued and outstanding. Except as set forth above, there are no securities of Eagle outstanding and no options, warrants or other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by Eagle of any shares of Eagle (including the Common Shares) or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares of Eagle (including the Common Shares) outstanding, 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 Eagle. All outstanding Common Shares have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights.

6.6 Litigation

As at the date hereof there are no actions, suits or proceedings pending or, to the knowledge of Eagle, threatened against Eagle before or by any federal, provincial, state, local, foreign, municipal or other governmental department, commission, board, bureau, agency, court or instrumentality, which action, suit or proceeding involves the possibility of any judgment against or liability of Eagle or any other person which, if successful, would have a Material Adverse Effect or materially impede the ability of Eagle to consummate the transactions contemplated by this Agreement.

6.7 No Material Adverse Change

Except as disclosed in writing to the Offeror, there has not been any material change in the assets, liabilities or obligations (absolute, contingent or otherwise) of Eagle from the position set forth in the Eagle Financial Statements. There has not been any Material Adverse Change in respect of Eagle since May 31, 2010, and since that date there have been no material facts, transactions, events or occurrences which could reasonably be expected to have a Material Adverse Effect which have not been disclosed in writing to the Offeror and that could materially impede Eagle's ability to consummate the transactions contemplated by this Agreement.

6.8 Financial Statements

The Eagle 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 Eagle'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 in accordance with Canadian GAAP present the financial position, results of operations and changes in financial position of Eagle as of the dates thereof and for the periods indicated therein and reflect appropriate and adequate reserves in respect of contingent liabilities, if any, of Eagle. There has been no change in Eagle's accounting policies, except as described in the notes to the Eagle Financial Statements, since May 31, 2010.

6.9 Minute Books

The corporate records and minute books of Eagle have been maintained in accordance with all applicable statutory requirements and are complete and accurate in all material respects and contain the Eagle Governing Documents and the minutes of all of the meetings and all of the resolutions of the directors (and committees of directors) and shareholders of Eagle passed to the date hereof.

6.10 Compliance with Applicable Laws

Eagle has conducted and is conducting its business in compliance in all material respects with all applicable laws, and, in particular, all applicable licensing and environmental legislation, regulations or by-laws or other lawful requirements of any governmental or regulatory bodies applicable to Eagle in each jurisdiction in which Eagle carries on business and holds all licenses, registrations and qualifications material to the business and assets of Eagle in all jurisdictions in which Eagle carries on business and where the failure to so conduct business or be in such compliance would have a Material Adverse Effect and none of such licenses, registrations or qualifications contains any burdensome term, provision, condition or limitation which has, or is likely to have, any Material Adverse Effect.

6.11 Related Party Transactions

(a) No officer, director, employee or consultant of Eagle, any associate or affiliate of any such person or any party not at arm's length to Eagle owns, has or is entitled to any royalty, net profits interest, carried interest or other Encumbrances of any nature whatsoever which are based on any revenue or rights attributed to Eagle's assets.

(b) Except as disclosed in this Agreement, or as otherwise disclosed in writing to the Offeror, there are no contracts or arrangements (other than obligations to employees that arise by operation of law, and consulting agreements and indemnity agreements, the details of which have been previously disclosed in writing to the Offeror) to which Eagle is a party with any present or former director, officer, employee or consultant of Eagle or any other person not dealing at arm's length with Eagle, or any associate or affiliate of any such director, officer, employee or consultant, nor is there any indebtedness owing by Eagle to any such parties or by any such parties to Eagle.

6.12 Conduct of Operations

To the best of Eagle's knowledge, any and all operations by third parties, on or in respect of the assets and properties of Eagle, have been conducted in compliance in all material respects with all applicable laws, rules and regulations.

6.13 Tax Matters

(a) The fiscal year end of Eagle for income tax purposes is May 31.

(b) All Returns required to be filed by or on behalf of Eagle have been duly filed in prescribed form on a timely basis, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect, and such Returns are true, complete and correct in all material respects. All Taxes shown to be payable or due on the Returns or subsequent assessments with respect thereto have been paid in full on a timely basis, and, to the knowledge of Eagle, no other Taxes are payable or due by Eagle with respect to items or periods covered by such Returns.

(c) For all periods covered by the filed Returns, the Offeror has been furnished by Eagle with true and complete copies of: (i) all income tax audit reports, statements of deficiencies and material communications received by Eagle or on behalf of Eagle relating to Taxes and Returns of Eagle; and (ii) all federal, provincial, state, local or foreign income or franchise Returns for Taxes for Eagle; and (iii) all invoices, purchase orders, and all such other documents as are necessary to report any material claim for income tax credits or refunds claimed or to be claimed pursuant to the *Excise Tax Act* (Canada).

(d) Eagle has duly and timely paid all Taxes, including all instalments on account of Taxes for the current year, that are payable by it whether or not due or assessed by the appropriate Governmental Authority and adequate provision has been made in the Eagle Financial Statements for amounts at least equal to the amount of all Taxes which were owing by Eagle, but which were not yet due or payable.

(e) To the knowledge of Eagle, no transactions have been entered into by Eagle which could result in an application of the provisions of Sections 17 or 78 of the Tax Act to Eagle, other than an application which has been reflected on Returns filed prior to the date hereof.

(f) To the knowledge of Eagle, Eagle has never acquired or had the use of any of its respective property and assets from a person, firm, corporation or other entity with whom Eagle was not dealing at arm's length within the meaning of the Tax Act on terms less favourable to Eagle than arm's length terms; and no such entity has disposed of any property or asset to such a person, firm, corporation or other entity for proceeds less than the fair market value thereof.

(g) Eagle has never acquired property from a non-arm's length person, within the meaning of the Tax Act, for consideration, the value of which was less than the fair market value of the property acquired in circumstances which could subject it to a liability under Section 160 of the Tax Act.

(h) To the knowledge of Eagle, for all transactions between Eagle and any non-resident person with whom Eagle was not dealing at arm's length during a taxation year, Eagle has made or obtained records or documents that meet the requirements of Subsection 247(4) of the Tax Act.

(i) The liability for Taxes of Eagle under the Tax Act, and any other applicable law has been assessed by the relevant Governmental Authority in Canada for all taxation years to and including the taxation year ended on May 31, 2010. Eagle is not a party to any action or proceeding for assessment or collection of Taxes, nor has such event been asserted or, to Eagle's knowledge, threatened against Eagle or any of its assets. No waiver or extension of any statute of limitations is in effect with respect to Taxes or Returns of Eagle. Except as disclosed in writing to the Offeror, the Returns of Eagle have not been audited by a government or taxing authority for the last three years, nor is any such audit in process, pending or, to the knowledge of Eagle, threatened.

(j) All filings made by Eagle under which it has received or is entitled to government incentives have been made in all material respects in accordance with all applicable legislation and, to the knowledge of Eagle, contain no misrepresentations of material fact and do not omit to state any material fact which could cause any amount previously paid or previously accrued on its accounts to be recovered or disallowed.

(k) The provision for Taxes reflected in each of the Eagle Financial Statements is in accordance with Canadian GAAP and is adequate for all liabilities for Taxes, whether or not yet due and/or payable and whether or not disputed, for the periods covered by such financial statements and for all prior periods and Eagle has no liability for any Taxes in respect thereof of any nature other than those provided for in such financial statements and those arising for any period after May 31, 2010 in the ordinary course of its business.

(l) There are no assessments, reassessments of any Taxes that have been issued or pursuant to which there are any amounts owing. No Governmental Authority has challenged, disputed or questioned Eagle in respect of Taxes or of any Returns, filings or other reports filed under any applicable law providing for Taxes. Eagle is not negotiating any draft assessment or reassessment with any Governmental Authority. Eagle is not aware of any contingent liabilities for Taxes or any grounds for an assessment or reassessment including, without limitation, aggressive treatment of income, expenses, credits or other claims for deduction under any return or notice other than as disclosed in the Eagle Financial Statements. Eagle has not received any indication from any Governmental Authority that an assessment or reassessment is pending or proposed in respect of any Taxes, regardless of its merits. Eagle has not executed or filed with any Governmental Authority any agreement extending the period for the filing of any Returns or for the assessment, reassessment or collection of any Taxes. Eagle has not requested, or entered into any agreement or other arrangement, or executed any waiver providing for, any extension of time within which: (i) to file any Return with respect to any Taxes for which it is or may be liable; (ii) to file any elections, designations or similar documents or instruments relating to Taxes for which it is or may be liable; (iii) it is required to pay or remit any Taxes or amounts on account thereof; or (iv) any Governmental Authority may assess, reassess or collect Taxes for which either it is or may be liable.

(m) Eagle has not claimed and will not claim any reserve under the Tax Act including, without limitation, any one or more of subparagraph 40(1)(a)(iii), or paragraphs 20(1)(m) or 20(1)(n) or any equivalent provincial provision, if any such amount could be included in Eagle's income for any period ending after the Effective Time.

(n) Eagle has not made or filed any election under section 83 in respect of capital dividends.

(o) Eagle 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 Taxes and other amounts required by law and will continue to do so until the Effective Time and has remitted such withheld amounts within the prescribed periods of time to the appropriate Governmental Authority. Except as disclosed in writing to the Offeror, Eagle has remitted all Canada Pension Plan contributions, employment insurance premiums, employer health taxes and other Taxes payable by it in respect of its employees and has or will have remitted such amounts to the proper Governmental Authority within the time required by applicable law. To the knowledge of Eagle, it 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 Eagle.

(p) Eagle has not carried on business outside Canada.

(q) Eagle is a "private corporation" for the purposes of the Tax Act.

6.14 Environmental Matters

Except to the extent that any violation or other matter referred to in this subparagraph does not have a Material Adverse Effect:

(a) Eagle has not received notice of any violation of any applicable federal, provincial, state, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters pursuant to Environmental Laws;

(b) Eagle has operated its business at all times and, to the best of Eagle's knowledge, information and belief, has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;

(c) Eagle is not aware of any spills, releases, deposits or discharges of any hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by Eagle that have not been remedied;

(d) Eagle has not received notice of any orders, directions or notices being issued and remaining outstanding pursuant to any Environmental Laws relating to the business or assets of Eagle;

(e) Eagle has not failed to report to the proper Governmental Authority the occurrence of any event of which it is aware which is required to be so reported by any Environmental Law; and

(f) Eagle holds all licenses, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets, all such licenses, permits and approvals are in full force and effect, and except for notifications and conditions of general application to assets of the type owned by Eagle, Eagle has not received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any license, permit or approval issued pursuant thereto, or that any license, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated, nor any demand or notice issued with respect to the breach of any Environmental Law applicable to its assets, which demand or notice remains outstanding on the date hereof.

6.15 Net Debt

As at January 13, 2011, Eagle's Net Debt did not exceed $17,100,000.

6.16 No Default Under Lending Agreements

Except as disclosed in writing to the Offeror or in the Eagle Financial Statements, no event of default or material breach of any covenant has occurred under any of Eagle's existing banking and lending agreements which has not been cured.

6.17 Impairment

Other than the consent, if any, to the Offer and related transactions, which may be required to be provided under the loan agreements between Eagle and the Royal Bank of Canada, the agreement between Eagle and Komatsu International (Canada) Inc., and the Office Services Agreement between Eagle and Regus PLC, neither the making of the Offer nor the successful completion of the Offer will result in a Material Adverse Change pursuant to or as a result of the provisions of any agreement or arrangement to which Eagle is a party.

6.18 No Undisclosed Material Liabilities

Except: (a) as disclosed or reflected in the Eagle Financial Statements; (b) as disclosed in writing to the Offeror; and (c) for liabilities and obligations: (i) incurred in the ordinary course of business; (ii) agreements pertaining to the Officer Obligations and agreements pertaining to office, equipment and other leases; or (iii) pursuant to the terms of this Agreement, Eagle has not incurred any liabilities of any nature, whether accrued, contingent or otherwise (or which would be required by Canadian GAAP to be reflected on the balance sheet of Eagle) that have constituted or would be reasonably likely to constitute a Material Adverse Change.

6.19 Material Contracts

Except as disclosed in writing to the Offeror, there are no material contracts or agreements which have or which might have or create any material obligation to Eagle or from which they derive or could derive any material benefit or which are required by Eagle to carry on the business as now conducted by Eagle or as is now proposed to be carried on by Eagle.

6.20 Intellectual Property

(a) Eagle owns, or is validly licensed or otherwise has the right to use, all patents, patent rights, trademarks, trade names, service marks, industrial designs, design patents, copyrights, know how and other proprietary industrial or intellectual property industrial or rights that are used in its business;

(b) the use by Eagle of its trademarks, trade names, service marks, copyrights, industrial designs, patents, design patents, know how and other industrial or intellectual property and all applications therefor ("**Applicable IP**") does not infringe upon or breach the industrial or intellectual property rights of any other person; and

(c) Eagle has not commenced legal proceedings against any person relating to an infringement by such person of any Applicable IP, except in each case to the extent that could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

6.21 Employees

Eagle is in compliance with all applicable laws respecting employment and employment practices, terms and conditions of employment and wages in respect of all of its employees and all withholding taxes and other statutory withholdings have been withheld and remitted to the applicable Governmental Authority in accordance with applicable laws.

6.22 Employment Agreements

(a) Other than the Bonus Payments, there are no Officer Obligations owing to any officer, director, employee or consultant of Eagle. In addition, other than the Bonus Payments, there are no accrued bonuses payable to any officers, directors, employees or consultants of Eagle and no verbal or implied agreements for the payment of bonuses to consultants or the giving of periods of notice for the termination of any consulting arrangements.

(b) Eagle has provided to the Offeror in writing, current as of the date of this Agreement, a copy of Eagle's compensation policy, a list of the names, titles and base salaries of all full and part time employees and consultants employed or engaged by Eagle and the date each such employee or consultant was first hired or retained by Eagle and their corresponding length of service with Eagle.

(c) Eagle does not have in place any consulting agreements or employment agreements or other agreements that would give rise to a payment on a change of control (including completion of the transaction contemplated hereby).

(d) Except as may be required pursuant to statutory and common law rights and other than the Bonus Payments, upon payment of the amount provided for in this Section 6.22(d), Eagle will not have any further obligations to any Person in respect of termination, change of control, bonus payments or payments pursuant to Eagle's compensation policy as a result of the Offer.

6.23 Employee Benefit Plans

Except as disclosed in writing to the Offeror, Eagle does not have any employee benefit plans and has made no promises with respect to increased benefits under such plans.

6.24 Financial Advisor

Except as disclosed in writing to the Offeror, Eagle has not retained nor will it retain any financial advisor, broker, agent or finder or paid, or agreed 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. Eagle has not incurred any obligation or liability, contingent or otherwise, for brokerage fees, finder's fees, agents' commission or other forms of compensation with respect to the transactions contemplated by this Agreement. No financial advisor, broker, agent or finder is entitled to receive any compensation or other payment from Eagle in connection with the transactions contemplated by this Agreement.

6.25 Disclosure

(a) The data and information in respect of Eagle and its assets, liabilities, business and operations provided by Eagle or its advisors to the Offeror or its advisors was and is accurate and correct in all material respects as at the respective dates thereof and, in respect of any information provided or requested, did not knowingly omit any material data or information necessary to make any data or information provided not misleading as at the respective dates thereof.

(b) To the knowledge of Eagle, Eagle has not withheld from the Offeror any material information or documents concerning Eagle or its assets or liabilities during the course of the Offeror's review of Eagle and its respective assets. Eagle has disclosed in writing to the Offeror any information in its possession of which it is aware regarding any event, circumstance or action taken which could reasonably be expected to have a Material Adverse Effect.

6.26 No Guarantees or Indemnities

Eagle is not 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 Eagle and indemnity agreements between Eagle and Eagle's officers and directors 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, indemnities and guarantees in favour of Eagle's bankers and indemnities to support Eagle'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.

6.27 Reporting Issuer

Eagle is not a reporting issuer or equivalent under applicable Securities Laws and the issued and outstanding Common Shares are not listed and posted for trading on a stock exchange.

6.28 No Cease Trade Orders

No securities commission or similar regulatory authority has issued any order preventing or suspending trading of any securities of Eagle and Eagle is not in default of any requirement of applicable Securities Laws that would have a Material Adverse Effect on the transactions contemplated by this Agreement.

6.29 No Material Transactions

Except as disclosed in writing to the Offeror or the Eagle Financial Statements, since May 31, 2010, Eagle 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 Eagle, which is not in the ordinary course of business.

6.30 No Shareholder Agreements

Other than the USA, neither Eagle nor any of its shareholders is a party to any shareholders agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of Eagle.

6.31 No Shareholders' Rights Protection Plan

Eagle is not a party to, and prior to the Expiry Time, Eagle will not implement, a shareholder rights plan or any other form of plan, agreement, contract or instrument that will trigger any rights to acquire Common Shares or other securities of Eagle 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.

6.32 Confidentiality Agreements

Eagle has not discussed or negotiated any Take-over Proposal with any person who has not entered into a confidentiality agreement or provided access to confidential information in respect of Eagle to any person who has not entered into a confidentiality agreement. Without the consent of the Offeror, Eagle will not amend, modify or provide any consents under such confidentiality agreements or provide any release from, or relaxation of the obligations under such confidentiality agreements to any of the other parties thereto.

6.33 Restrictions on Business

Eagle is not a party to or bound or affected by any commitment, agreement or document containing any covenant expressly limiting its freedom to compete in any line of business, compete in any geographic region, transfer or move any of its assets or operations, where such covenant would have a Material Adverse Effect.

6.34 Outstanding Acquisitions or Dispositions

Eagle does not have any rights to purchase any assets, properties or undertakings of third parties nor do they collectively have any obligation to sell assets, properties or undertakings with a value in excess of $50,000 in the aggregate, under any agreements to purchase or sell that have not closed.

6.35 Assets of Eagle

All the Assets of Eagle having a value greater than $10,000 have been disclosed to the Offeror in writing.

6.36 Location of Owned Real Property and Leased Real Property

Schedule 6.36 sets forth the legal description of all the real property owned (the "**Owned Real Property**") or leased (the "**Leased Real Property**") by Eagle and, in the case of the Owned Real Property, all indebtedness secured against it. There are no Encumbrances in respect of the Owned Real Property or the Leased Real Property that would have a Material Adverse Effect in respect of such property or in any way affect the Offeror's ability to own the Owned Real Property or affect its sole use of the Owned Real Property or the Leased Real Property. Except as set forth in Schedule 6.36, Eagle (a) does not own or lease and has not agreed to acquire or lease any real property or interest in real property other than the Owned Real Property and the Leased Real Property, and (b) has not since May 31, 2010, or to the knowledge of Eagle, prior to May 31, 2010, held title to any other real property.

6.37 Title to Assets

Except for Encumbrances in favour of the Royal Bank of Canada and Komatsu International (Canada) Inc., or to the extent any failure does not have a Material Adverse Effect, Eagle has good and marketable title to the Assets and there are no Encumbrances upon the Assets.

6.38 Condition of Assets

The Assets of Eagle which are material to the business of Eagle are in operable working condition and have been maintained in accordance with industry standards (normal wear and tear excepted) except where the failure to do so would not have a Material Adverse Effect. To the knowledge of Eagle, no buildings, plants, structures, fixtures, equipment or other property owned or leased by Eagle are in need of material repairs except for ordinary routine maintenance and repairs consistent with past practice and that are not material in nature or cost.

6.39 Customers and Suppliers

Eagle has not received notice of, and there is not, to the knowledge of Eagle, any intention on the part of any such customer to cease doing business with Eagle or to modify or change in any material manner any existing arrangement with Eagle for the purchase or supply of any products or services. The relationships of Eagle with its principal suppliers and customers are satisfactory, and there are no unresolved disputes with any such supplier or customer. No contract with any supplier or customer contains terms under which the execution or performance of this Agreement would give the supplier or customer the right to terminate or adversely change the terms of that contract. There has been no termination or cancellation of, and no modification or change in, the business relationship of Eagle with any major customer or group of major customers. Eagle has no reason to believe that the benefits of any relationship with any of the major customers or suppliers of Eagle will not continue after the consummation of the transactions hereunder in substantially the same manner as prior to the date of this Agreement.

6.40 Insurance

Policies of insurance in force as of the date hereof naming Eagle as an insured and a complete insurance claims history for Eagle have been disclosed in writing to the Offeror.

6.41 Number of Eagle Shareholders

The number of Eagle Shareholders is not more than fifty (50), exclusive of Eagle Shareholders who are or were in the employment of Eagle.

6.42 United States Securityholders

(a) The Common Shares that are subject to the Offer are not registered pursuant to Section 12 of the United States Securities Exchange Act of 1934, as amended.

(b) Eagle is not registered, or required to be registered, as an investment company under the United States Investment Company Act of 1940.

6.43 Transaction Costs

Eagle’s costs in connection with this Agreement and the transactions contemplated hereby, consisting of financial advisory and legal fees, will not exceed $1,250,000.

ARTICLE 7
CONDUCT OF BUSINESS

7.1 Conduct of Business by Eagle

Eagle covenants and agrees that, during the period from the date of this Agreement until the earlier of either: (i) the Effective Time; or (ii) the date that this Agreement is terminated, unless the Offeror shall otherwise agree in writing, except as required by law, as directed by the Offeror, or as otherwise expressly permitted or specifically contemplated by this Agreement including, without limitation, pursuant to Section 8.6:

(a) the business of Eagle shall be conducted only in, and Eagle shall not take any action except in, the usual and ordinary course of business and consistent with past practice, and Eagle shall use all commercially reasonable efforts to maintain and preserve its business organization, assets, employees and advantageous business relationships;

(b) the Assets of Eagle shall continue to be maintained in good working condition in accordance with industry standards;

(c) Eagle shall not directly or indirectly do or permit to occur any of the following: (i) amend the Eagle Governing Documents; (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its outstanding shares; (iii) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares of Eagle, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares of Eagle; (iv) redeem, purchase or otherwise acquire any of its outstanding Common Shares or other securities; (v) split, combine or reclassify any of its shares; (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of Eagle; or (vii) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing, except as permitted above;

(d) after the date of this Agreement, Eagle shall not, other than as contemplated by the provisions of this Agreement, without prior consultation with and the consent of the Offeror (such consent not to be unreasonably withheld) directly or indirectly do any of the following: (i) sell, pledge, dispose of or encumber any assets having an individual value in excess of $25,000 or $50,000 in the aggregate; (ii) expend or commit to expend more than $50,000 individually with respect to any capital expenditures (excluding committed capital expenditures for the completion of Eagle's Rigs #7 and #8); (iii) other than costs incurred pursuant to the transactions contemplated herein, expend or commit to expend any amounts in excess of $50,000 with respect to any operating expenses other than in the ordinary course of business; (iv) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof, or make any investment therein either by purchase of shares or securities; contributions of capital or property transfer; (vi) incur any indebtedness for borrowed money in excess of the maximum amounts available under its lending agreements, or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise become responsible for, the obligations of any other individual or entity, or make any loans or advances, other than in respect of the Officer Obligations and fees payable to legal, financial and other advisors in respect of the Offer; (vii) authorize, recommend or propose any release or relinquishment of any material contract right; or (viii) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;

(e) other than the Bonus Payments, Eagle 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 compensation or termination pay policies or arrangements for any directors, officers, employees or consultants, nor 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 from a trust fund or arrangement for the benefit of directors, officers, employees or consultants, except as is necessary to comply with the law or with respect to existing provisions or payment accruals of any such plans, programs, arrangements or agreements;

(f) unless done so at the request of the Offeror, in writing, or pursuant to the provisions of Section 8.6, Eagle shall not take any action that would render or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect;

(g) Eagle will maintain in force and effect its current policies of insurance until the Expiry Time and will pay all premiums in respect of such insurance policies that fall due between the date hereof and the Expiry Time. All such policies shall not be increased or amended without the prior written consent of the Offeror; and

(h) Eagle will not incur any expenses in excess of the amounts set out in Section 6.43 hereof (inclusive of GST) in respect of the matters contemplated by such section.

7.2 Access to Information and Integration of Operations

From and after the later of the date of this Agreement and subject to the terms of the Confidentiality Agreement, Eagle agrees to provide to the Offeror all information relating to its business and affairs and, the Offeror and their representatives will be permitted reasonable access to Eagle's management personnel, premises, field operations, records, computer systems, properties, books, contracts and employees to permit the Offeror to be in a position to expeditiously integrate the business and operations of Eagle with those of the Offeror immediately upon but not prior to, the Effective Time, provided that the activities of the Offeror pursuant to this Section 7.2 do not cause any unreasonable disruptions to Eagle's business or operations prior to the Effective Time. Eagle will conduct itself so as to keep the Offeror fully informed as to its business affairs and the decisions required with respect to the most advantageous methods of operating and utilizing its assets and conducting its operations and shall cooperate with the Offeror in respect thereof. In the event the Offeror desires physical access to any of Eagle's work sites, the Offeror agrees to indemnify, defend and hold harmless Eagle, its affiliates and subsidiaries from and against any and all liabilities, claims and causes of action for personal injury, death or property damage occurring on or to such work site as a result of the Offeror's entry onto the premises for the purposes of access and integration set forth in this Section 7.2. The Offeror agrees to comply fully with all rules, regulations and instructions issued by Eagle regarding the Offeror's actions while upon, entering or leaving the work sites of Eagle.

Eagle shall disclose to the Offeror the existence and nature of all confidentiality agreements between Eagle and any third party.

ARTICLE 8
COVENANTS OF EAGLE

8.1 Notice of Material Change

From the date hereof until the earlier of: (i) the Effective Time; or (ii) that date that this Agreement is terminated, Eagle shall promptly notify the Offeror in writing of:

(a) any material change (actual, anticipated, contemplated or, to the knowledge of Eagle, threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of Eagle;

(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 Eagle 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.

Eagle shall, in good faith, discuss with the Offeror any change in circumstances (actual, anticipated, contemplated or, to the knowledge of Eagle, 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 the Offeror pursuant to this Section 8.1.

8.2 The Offeror Non-Completion Fee

If at any time after the execution and delivery of this Agreement and prior to the expiration of any withdrawal rights under the Offer (and provided that there is no material breach or non performance by the Offeror of a material provision of this Agreement in any respect):

(a) the Eagle Board fails to recommend that Eagle Shareholders accept the Offer or withdraws or, in any manner adverse to the Offeror, redefines, modifies or changes any of its recommendations or determinations referred to in Section 2.1 prior to the Expiry Time, or shall have resolved to do so;

(b) prior to the Expiry Time, any *bona fide* Take-over Proposal for the Common Shares is publicly announced or commenced, and the Eagle Board shall have failed to publicly reaffirm and maintain its recommendation of the Offer to the Eagle Shareholders within two (2) days after the public announcement or commencement of any such Take-over Proposal;

(c) the Eagle Board recommends that the Eagle Shareholders deposit their Common Shares under, vote in favour of, or otherwise accept, a Take-over Proposal; or

(d) a Take-over Proposal is publicly announced, proposed, offered or made to Eagle Shareholders prior to the Expiry Time, the Offer shall have expired by reason of the Minimum Condition not being satisfied, and such Take-over Proposal has been completed within one hundred eighty (180) days of the Expiry Time,

Eagle shall, upon the occurrence of any such event and in any event within seven (7) Business Days, pay as liquidated damages to the Offeror the amount of $2,500,000 in the aggregate. Such payment shall be made in immediately available funds to an account designated by the Offeror. On the date of the earliest event described above in this Section 8.2, Eagle shall be deemed to hold such sum in trust for the Offeror.

8.3 No Solicitation

(a) Eagle shall immediately upon execution of this Agreement cease and cause to be terminated any existing solicitations, initiations, encouragement, activity, discussions or negotiations with any parties (other than the Offeror or its affiliates) conducted heretofore by Eagle, any of its officers, directors, employees, financial advisors, representatives and agents ("**Representatives**") with respect to all Take-over Proposals. Eagle shall not release any third party from any confidentiality or standstill agreement to which Eagle and such third party is a party or amend any of the foregoing and shall exercise all rights to require the destruction or return of information regarding Eagle to Eagle or its Representatives, as the case may be, in accordance with the terms of such agreements (provided that the failure by any third party to so destroy or return any such information following the exercise of such rights by Eagle shall not be deemed to be or otherwise constitute a breach by Eagle of this Section 8.3(a)). From and after the date hereof, Eagle will not, and will not authorize or permit any of its Representatives to, directly or indirectly, solicit, initiate or encourage (including by way of furnishing information) or participate in or take any action to facilitate any inquiries or the making of any proposal that constitutes or may reasonably be expected to lead to a Take-over Proposal from any person, or engage in any discussion, negotiations or inquiries relating thereto or accept any Take-over Proposal; provided, however, that Eagle may: (i) engage in discussions or negotiations with a third party who (without any solicitation, initiation or encouragement, directly or indirectly, by Eagle or its Representatives after the date hereof) seeks to initiate such discussions or negotiations and may furnish to such third party information concerning Eagle and its business, properties and assets that has previously been provided to the Offeror if, and only to the extent that: (A) the third party has first made a *bona fide* Take-over Proposal that if consummated in accordance with its terms would result in a transaction that is financially more favourable to the Eagle Shareholders than the Offer, such proposal could be carried out in a reasonable time frame and the necessary funds or other consideration is available or is reasonably likely to be obtained (all as determined in good faith by Eagle's board of directors) (a "**Superior Proposal**") and the Eagle Board has concluded in good faith, after considering applicable laws and receiving the advice of outside counsel that such action may reasonably be considered to be required by the Eagle Board to comply with fiduciary duties under applicable laws; (B) prior to furnishing such information to or entering into discussions or negotiations with such person, Eagle provides prompt notice (and in any event within 24 hours) orally and in writing to the Offeror specifying that it is furnishing information to or entering into discussions or negotiations with such person in respect of a Superior Proposal, receives from such person an executed confidentiality agreement having confidentiality terms substantially similar to those contained in the Confidentiality Agreement, and immediately provides the Offeror with a copy of such Superior Proposal and any amendments thereto and confirming in writing the determination of the Eagle Board that the Take-over Proposal, if completed, would constitute a Superior Proposal; (C) Eagle provides immediate notice to the Offeror at such time as it or such person terminates any such discussions or negotiations; and (D) Eagle immediately provides or makes available to the Offeror any information provided to any such person to the extent not previously made available to the Offeror; (ii) comply with applicable Securities Laws with regard to a tender or exchange offer, if applicable, and other rules relating to the provision of directors' circulars, and makes appropriate disclosure with respect thereto to Eagle's shareholders; and (iii) accept, recommend, approve or implement a Superior Proposal from a third party, but only (in the case of this clause (iii)) if prior to such acceptance, recommendation, approval or implementation, the Eagle Board shall have concluded in good faith, after considering provisions of applicable law and after considering all proposals to adjust the terms and conditions of this Agreement and the Offer which may be offered by the Offeror during the forty-eight (48) hour notice period set forth below and after receiving the advice of counsel, that such action may reasonably be considered to be required by the Eagle Board to comply with fiduciary duties under applicable law, and provided that Eagle complied with its obligations pursuant to Section 8.2 hereof in connection therewith.

(b) Eagle shall give the Offeror orally and in writing at least forty-eight (48) hours advance notice of any decision by the Eagle Board to accept, recommend, approve or implement a Superior Proposal which notice shall identify the party making the Superior Proposal and shall provide a true and complete copy thereof and any amendments thereto. In addition, Eagle shall, and shall cause its respective financial and legal advisors to negotiate in good faith with the Offeror to make such adjustments in the terms and conditions of this Agreement and the Offer as would enable Eagle to proceed with the Offer as amended rather than the Superior Proposal. In the event that the Offeror proposes to and does amend this Agreement and the Offer to provide substantially equivalent or superior value to that provided under the Superior Proposal within the forty-eight (48) hour notice period specified above, then Eagle shall not accept, recommend, approve or enter into any agreement regarding the Superior Proposal.

8.4 Board of Directors and Officers of Eagle

Upon the purchase by the Offeror of such number of Common Shares as satisfies the Minimum Condition, the Offeror shall be entitled to designate all of the members of the Eagle Board and the board of directors and the officers of Eagle shall be reconstituted through resignations of all existing directors of Eagle (other than those agreed to by the Offeror) and the appointment of the Offeror nominees, as agreed to by the Offeror, in their stead. Eagle shall, in accordance with the foregoing and subject to the provisions of the ABCA, assist the Offeror to secure the resignations of all directors and officers of Eagle (other than those agreed to by the Offeror) to be effective at such time as may be required by the Offeror and to use its commercially reasonable efforts to cause the election or appointment of the Offeror nominees to fill the director vacancies so created in order to effect the foregoing without the necessity of a shareholder meeting. Each of the resignations of Eagle’s directors and officers shall be accompanied by a mutual release from and to the resigning director or officer, which release shall release Eagle and the Offeror from any claims or potential claims for any further amounts owed to such director or officer and such officers and directors of Eagle from any matters up to the date of such release (but excepting fraud), which releases shall be in a form satisfactory to the Offeror and Eagle, acting reasonably.

8.5 Use of Financial Statements

Eagle shall make available to the Offeror, and consents to the use of, all financial statements and other information of Eagle which may be required to be disclosed in the Offer or in any other documents including any proxy statement or prospectus of the Offeror or pursuant to a Subsequent Acquisition 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 Eagle’s auditors. Eagle shall use commercially reasonable efforts to have its auditors, to the extent required by Securities Laws, provide the consent to the use of their report(s) and the use of their name in connection with any disclosure by the Offeror of such financial statements.

8.6 Structure of Transaction

Eagle shall, to the extent reasonable, cooperate with the Offeror in structuring the acquisition by the Offeror of Eagle in a tax efficient manner.

8.7 Definitive Agreement

Eagle hereby consents to the purchase of Common Shares pursuant to the Offer and any other purchases permitted under applicable law.

ARTICLE 9
COVENANTS OF THE OFFEROR

9.1 Notice of Material Change

From the date hereof until the earlier of: (i) the Effective Time; or (ii) that date that this Agreement is terminated, the Offeror shall promptly notify Eagle in writing of:

(a) any material change (actual, anticipated, contemplated or, to the knowledge of the Offeror, threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Offeror;

(b) any change in the factual basis for any representation or warranty set forth in Article 5, 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 the Offeror 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.

The Offeror shall, in good faith, discuss with Eagle any change in circumstances (actual, anticipated, contemplated or, to the knowledge of the Offeror, 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 Eagle pursuant to this Section 9.1.

9.2 Indemnities

The Offeror agrees that, if the Minimum Required Shares under the Offer are acquired, it shall cause Eagle to fulfill its obligations pursuant to indemnities provided or available to past and present officers and directors of Eagle pursuant to the provisions of the articles, by-laws or similar constating documents of Eagle, applicable Corporate Laws and any written indemnity agreements between Eagle and its past and present directors and officers (copies of such agreements, if any, having been provided to the Offeror) and further agrees that it will take no action (and will ensure that Eagle takes no action) that would have the effect of terminating such indemnity rights or rendering the same unavailable to such officers and directors.

9.3 Other Covenants

The Offeror covenants and agrees that, from and including the date hereof until the termination of this Agreement, unless Eagle agrees otherwise in writing:

(a) the Offeror shall use all commercially reasonable efforts to consummate the Offer, subject only to the terms and conditions hereof and thereof;

(b) the Offeror shall use all commercially reasonable efforts to obtain all of the third party and regulatory approvals, waivers and consents set out in paragraph (c) of Schedule 2.1(c);

(c) the Offeror shall use all commercially reasonable efforts to cause Robert G. MacCuish to be appointed as an advisor to the Board of Directors of the Offeror;

(d) the Offeror shall offer Derrick Big Eagle a non-executive management position with the Offeror; and

(e) the Offeror will agree to jointly file an election under section 85(1) of the Tax Act in connection with any Eagle Shareholder who requests the same so that, if eligible under the Tax Act, the exchange of the Offeror's Shares for the Common Shares may be completed on a tax free roll-over basis for such Eagle Shareholders.

9.4 Third Party Beneficiaries

The provisions of Sections 9.2, 9.3(c)and 9.3(c) are intended for the benefit of the employees of Eagle and present and former directors and officers of Eagle, as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such persons and his or her heirs, executors, administrators and other legal representatives (collectively, the "**Third Party Beneficiaries**") and Eagle shall hold the rights and benefits of Section 9.2 in trust for and on behalf of the Third Party Beneficiaries and Eagle 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 (ii) are in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries may have by contract or otherwise.

ARTICLE 10
MUTUAL COVENANTS

10.1 Other Filings

The Offeror and Eagle 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.

10.2 Additional Agreements

Subject to the terms and conditions herein provided and to fiduciary obligations under applicable law as advised by counsel in writing, 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 Eagle'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 and approvals 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.

10.3 Liquidated Damages

The Offeror and Eagle acknowledge and agree that any payment made pursuant to Section 8.2 is a payment of liquidated damages which is a genuine pre estimate of the damages which the Offeror will suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement and is not a penalty. Eagle irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. For greater certainty, the Parties agree and acknowledge that payment of the amount pursuant to Section 8.2 is the sole monetary remedy of the Offeror.

Notwithstanding the above, nothing herein shall prevent the Offeror seeking specific performance, injunctive or other equitable relief in order to enforce or cause the enforcement of or compliance with, any provision of this Agreement.

10.4 Compliance with Privacy Laws

(a) For the purposes of this Section 10.4, the following definitions apply:

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

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

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

(iv) "**Personal Information**" means information about an individual transferred by Eagle to the Offeror or by the Offeror to Eagle (or by representatives of any of the foregoing) in accordance with this Agreement or as a condition of the Offer.

(b) Each of Eagle and the Offeror acknowledges that it is responsible for compliance at all times with applicable privacy laws which govern the collection, use and disclosure of Personal Information acquired by or disclosed to it pursuant to or in connection with this Agreement (the "**Disclosed Personal Information**").

(c) Neither Eagle or the Offeror shall use the Disclosed Personal Information for any purposes other than those related to the performance of this Agreement and the completion of the transactions contemplated by this Agreement.

(d) Each of Eagle and the Offeror acknowledges and confirms that the disclosure of Personal Information is necessary for the purposes of determining if the Parties will proceed with the Offer, and that the disclosure of Personal Information relates solely to the carrying on of the business and the completion of the transactions contemplated by this Agreement.

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

(f) Each of Eagle and the Offeror shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or advisors responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the Parties' obligations hereunder. Each of Eagle and the Offeror shall ensure that access to the Disclosed Personal Information is restricted to its employees or advisors who have a bona fide need to access to such information in order to complete the completion of the transactions contemplated by this Agreement.

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

(h) Upon the expiry or termination of this Agreement, or otherwise upon the reasonable request of the other Party, each Party shall forthwith cease all use of the Personal Information acquired by it in connection with this Agreement and shall return to the applicable other Party and cause its advisors to return to the applicable Party or, at the applicable Party's request, destroy in a secure manner, the Disclosed Personal Information (and any copies).

ARTICLE 11
TERMINATION, AMENDMENT AND WAIVER

11.1 Termination

Subject to Section 11.2, this Agreement may be terminated by written notice promptly given to the other Parties hereto, at any time prior to the time that the Offeror first takes-up and pays for Common Shares:

(a) by mutual agreement of the Offeror and Eagle;

(b) by either the Offeror or Eagle, 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 any of the transactions contemplated by this Agreement and such order, decree, ruling or other action shall have become final;

(c) by Eagle, if the Offeror has not mailed the Offer Documents to the Eagle Shareholders prior to 5:00 p.m. (Calgary time) on January 17, 2011;

(d) by the Offeror, if the Offeror has the right pursuant to Section 2.1(g) to refuse to make the Offer due to the failure to be satisfied of any of the conditions set forth therein prior to the time specified therein;

(e) by the Offeror, subject to Section 2.1(e), if the conditions to the Offer have not been satisfied or waived by the Offeror on or before the Expiry Time (provided that the Offeror may not terminate this Agreement under this Section 11.1(e) prior to the Expiry Time);

(f) by Eagle, if the Offeror has not taken-up and paid for the Common Shares deposited under the Offer on or before February 28, 2011;

(g) by either the Offeror or Eagle, subject to Section 2.1(e), if the Offer terminates or expires at the Expiry Time without the Offeror taking-up and paying for any of the Common Shares as a result of the failure of any condition to the Offer to be satisfied or waived by the Offeror 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;

(h) by either the Offeror or Eagle, upon the occurrence of any event which results in the non-completion fee referred to in Section 8.2 becoming payable by Eagle (provided that for the purposes of a termination by Eagle, Eagle must have first paid the non-completion fee); or

(i) by either the Offeror on the one hand, or Eagle, on the other hand, if any representation or warranty by the other Party contained in this Agreement shall have been determined by the Offeror or Eagle, in its sole judgment, acting reasonably, to be materially inaccurate, unless such inaccuracy, when considered in aggregate with all other material inaccuracies in the representations and warranties of such Party, has not had or would not reasonably be expected to have a Material Adverse Effect on Eagle or a Material Adverse Effect on the Offeror (or, in the case of representations and warranties that are themselves qualified by materiality limitations, determined to be inaccurate) or if either the Offeror or Eagle determines the other Party has breached or failed to comply with, in any material respect, any of its covenants or obligations contained in this Agreement, provided that such other Party has been given notice of, and three (3) Business Days to cure any such breach or failure and has failed to cure such breach or failure.

11.2 Effect of Termination

In the event of the termination of this Agreement as provided in Section 11.1, this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of the Offeror or

Eagle hereunder except those obligations that have accrued to such date (including, without limiting the generality of the foregoing, the obligations set forth in Sections 8.2 and 12.4 hereof). Nothing herein shall relieve any Party from liability for a breach of the Agreement.

11.3 Amendment

This Agreement may be amended by mutual agreement between the Parties hereto. This Agreement may not be amended except by an instrument in writing signed by the appropriate officers on behalf of each of the Parties hereto.

11.4 Waiver

Either of the Offeror or Eagle 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 12
GENERAL PROVISIONS

12.1 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 Eagle :

Eagle Drilling Services Ltd.
8th Street W. Box 312
Carlyle, Saskatchewan S0C 0R0

Attention: Derrick Big Eagle
Facsimile No.: (306) 453-2508

with a copy to:

McCarthy Tétrault LLP
3300, 421 – 7th Avenue SW
Calgary, Alberta T2P 4K9

Attention: Gregory G. Turnbull
Facsimile No.: (403) 260-3501

(b) if to the Offeror:

CanElson Drilling Inc.
515, 808 – 4th Avenue S.W.
Calgary, Alberta T2P 3E8

Attention: Randy Hawkings
Facsimile No.: (403) 266-3968

with a copy to:

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 -3rd Avenue S.W.
Calgary, Alberta T2P 0R3

Attention: Daniel G. Kolibar
Facsimile No.: (403) 266-1395

12.2 Miscellaneous

This Agreement: (i) together with the Confidentiality Agreement, 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 enure to the benefit of the Parties hereto and their respective successors and assigns. The Parties hereto shall be entitled to rely upon delivery of an executed facsimile or electronic PDF copy of this Agreement, and such facsimile or electronic copy shall be legally effective to create a valid and binding agreement among the Parties hereto. The Parties hereto 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 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 they are entitled at law or in equity.

12.3 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 any of the Parties hereto without the prior written consent of the other Parties. The Offeror may assign all or any part of its rights or obligations under this Agreement to a direct or indirect wholly-owned subsidiary or an affiliate, provided that if such assignment takes place, the Offeror shall continue to be liable to Eagle for any default in performance by the assignee.

12.4 Expenses

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 and for greater certainty, all costs and expenses in connection with any restructuring as contemplated by Section 8.6, shall be paid by the Offeror.

12.5 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.

12.6 Counterpart Execution

This Agreement may be executed and delivered (including by facsimile or other electronic transmission) by the different Parties hereto in separate counterparts, each of which will when executed be deemed an original and all of which taken together will constitute one and the same agreement. The exchange of copies of this agreement and of signature pages by facsimile or electronic transmission will constitute effective execution and delivery of this agreement as to the Parties and may be used in lieu of the original agreement for all purposes. Signatures of the authorized signatories of the Parties transmitted by facsimile or electronic transmission will be deemed to be their original signatures for all purposes.

12.7 Time is of the Essence

Time is of the essence for this Agreement.

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

CANELSON DRILLING INC.

By: (signed) *"Randy Hawkings"*
Name: Randy Hawkings
Title: Chief Executive Officer

EAGLE DRILLING SERVICES LTD.

By: (signed) *"Robert G. MacCuish"*
Name: Robert G. MacCuish, P.Eng.
Title: Chairman

SCHEDULE 1.1

LIST OF KEY ASSETS

The list of Key Assets has been omitted as management of CanElson Drilling Inc. reasonably believes that the disclosure of this information would be seriously prejudicial to its interests.

SCHEDULE 2.1(c)

CONDITIONS TO THE OFFER

The capitalized terms used in this Schedule 2.1(c) have the meanings set forth in the attached Pre-Acquisition Agreement dated January 13, 2011, (the "**Agreement**") between the Offeror and Eagle to which this Schedule 2.1(c) is attached.

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 Common Shares deposited under the Offer unless all of the following conditions are satisfied or waived by the Offeror:

(a) prior to the Expiry Time and at the time the Offeror shall first take-up and pay for Common Shares under the Offer, there shall have been validly deposited under the Offer and not withdrawn at least 50.1% of the outstanding Common Shares on a diluted basis (the "**Minimum Condition**");

(b) the Drag-Along Notice shall have been delivered by the Transferor to the Eagle Shareholders in accordance with the provision of the USA and the Offeror shall have determined in its sole judgment, acting reasonably, that there does not exist any impediment to the acquisition of 100% of the Common Shares by the Offeror pursuant to the Offer and the exercise of the Drag-Along Option;

(c) any and all third party, government or regulatory approvals, waiting or suspensory periods, waivers, permits, consents, reviews, orders, rulings, decisions and exemptions (including, without limitation, those of any stock exchanges or other securities regulatory authorities) that are, in the Offeror's sole discretion, acting reasonably, necessary to complete the Offer, shall have been obtained or concluded or, in the case of waiting or suspensory periods, expired or been terminated, each on terms and conditions satisfactory to the Offeror in its sole discretion, acting reasonably;

(d) (i) 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 or by any elected or appointed public official or by any private person in Canada, the United States or elsewhere, whether or not having the force of law; and

(ii) no law, action, governmental regulation, policy or inquiry shall have been proposed, enacted, promulgated or applied, whether or not having the force of law, which in the sole judgment of the Offeror, acting reasonably, 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 Common Shares or the right of the Offeror to own or exercise full rights of ownership of the Common Shares;

(e) the Offeror shall have determined in its sole judgment, acting reasonably, that there shall not exist any prohibition at law in Canada or the United States against the Offeror making the Offer or taking-up and paying for all of the Common Shares under the Offer;

(f) the Offeror shall not have become aware of any untrue statement of material fact, or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made and at the date it was made (after giving effect to all subsequent filings in relation to all matters covered in earlier filings), in any document filed by or on behalf of Eagle with any securities commission or similar securities regulatory authority or other governmental regulatory authority in any of the provinces or territories of Canada or with the United States Securities and Exchange Commission, including, without limitation, any annual information form, financial statements, material change report, press release or management proxy circular or in any documents so filed or released by Eagle to the public which in the reasonable judgment of the Offeror, has or may have a Material Adverse Effect on Eagle or which, if the Offer were consummated, would or could have a Material Adverse Effect on Eagle or a Material Adverse Effect on the Offeror;

(g) the Offeror shall have determined in its sole judgment, acting reasonably, that (i) Eagle shall not have breached, or failed to comply with, in any material respect, any of its covenants or other obligations under the Agreement, the impact of which has a Material Adverse Effect on Eagle and (ii) all representations and warranties of Eagle contained in the Agreement shall have been true and correct in all material respects, unless there is no Material Adverse Effect as a result of such, as of the date of the Agreement and shall continue to be true and correct in all material respects as of the Take-up Date as if made on and as of such date, provided that Eagle has been given notice of and three (3) Business Days to cure any misrepresentation, breach or non-performance and has failed to cure any such misrepresentation, breach or non-performance;

(h) the Offeror shall have determined, acting reasonably, that no Material Adverse Change in respect of Eagle shall exist or shall have occurred that either was not publicly disclosed or disclosed in writing to the Offeror in each case prior to the announcement of the Offer and since announcement of the Offer no Material Adverse Change in respect of Eagle shall have occurred;

(i) the Agreement shall not have been terminated or the Offeror shall have determined, acting reasonably, that such termination shall not affect the ability of the Offeror to consummate the Offer or that such termination was not related to any matter that is materially adverse to the business of Eagle or to the value of the Common Shares to the Offeror;

(j) the Lock-up Agreements with certain of the Eagle Shareholders as contemplated in Section 2.2(b) shall not have been terminated and shall have been complied with in all material respects or the Offeror shall have determined, acting reasonably, that such termination shall not affect the ability of the Offeror to consummate the Offer;

(k) the Assets shall be free and clear of any Encumbrances, other than the security interest of the Royal Bank of Canada and Komatsu International (Canada) Inc.; and

(l) arrangements satisfactory to the Offeror, in its sole judgement acting reasonably, shall have been entered into in respect of the retention of key employees of Eagle and Robert

G. MacCuish and Derrick Big Eagle shall have executed and delivered to the Offeror, in a form satisfactory to the Offeror in its sole judgment, acting reasonably, non-competition agreements with the Offeror for a period of three years.

SCHEDULE 2.2(b)

FORM OF LOCK-UP AGREEMENT

See Attached

An executed copy of this Lock-Up Agreement must be returned to McCarthy Tétrault LLP, Suite 3300, 421 – 7th Avenue S.W., Calgary, Alberta T2P 4K9 Attention: Sony Gill or by email (preferred) at sgill@mccarthy.ca, as soon as possible and in any event, not later than 4:00 p.m. (Calgary time) on January 13, 2010.

LOCK-UP AGREEMENT

January 13, 2011

Dear Sir:

Re: Offer by CanElson Drilling Inc. to Purchase all of the outstanding Class "A" Shares of Eagle Drilling Services Ltd.

Reference is made to the Pre-Acquisition Agreement dated January 13, 2011 (the "**Pre-Acquisition Agreement**") between CanElson Drilling Inc. (hereafter referred to as the "**Offeror**") and Eagle Drilling Services Ltd. (hereafter referred to as "**Eagle**") pursuant to which the Offeror has agreed to make an offer to purchase all of the issued and outstanding Class "A" Shares of Eagle ("**Common Shares**"). Unless otherwise defined herein, all capitalized terms referred to herein shall have the meanings attributed thereto in the Pre-Acquisition Agreement.

We understand that you (the "**Shareholder**") or your affiliates beneficially own, directly or indirectly, or exercise control or direction over, the number of Common Shares set forth in your acceptance at the end of this letter agreement.

Any references in this letter agreement to Common Shares owned or controlled by the Shareholder or the Shareholder's affiliates shall mean such number of Common Shares and, where the context requires, shall include all Common Shares issued to the Shareholder or the Shareholder's affiliates after the date hereof, if any.

This letter agreement sets out the terms and conditions upon which the Shareholder has agreed, among other things, to support the Offer and to deposit under the Offer, or cause to be deposited under the Offer, all of the Common Shares held by the Shareholder or the Shareholder's affiliates that are, or will be, beneficially owned or controlled by the Shareholder or the Shareholder's affiliates.

1. Covenants of Shareholder

By the acceptance of this letter agreement, the Shareholder hereby agrees, subject to the terms of Section 3 of this letter agreement, from the date hereof until the earlier of the termination of this letter agreement and the Expiry Time:

(a) not to sell, assign, convey or otherwise dispose of any of the Common Shares owned by such Shareholder and not to permit any affiliate of such Shareholder to sell, assign, convey or otherwise dispose of any of the Common Shares owned by it;

(b) unconditionally and irrevocably to accept and to cause any affiliate of such Shareholder to unconditionally and irrevocably accept the Offer made by the Offeror by depositing or causing to be deposited the Common Shares presently owned or hereafter acquired by such Shareholder or affiliate prior to the Expiry Time and in accordance with the terms and conditions of the Offer, provided that if the Offeror increases the consideration to be paid for Common Shares under the Offer, the Common Shares purchased from the Shareholder are purchased at such increased consideration per Common Share;

(c) to exercise, jointly with the other Eagle Shareholders executing substantially similar letter agreements, the Drag-Along Option pursuant to Section 12.1.6 of the USA so as to require all of the remaining Eagle Shareholders to sell all of their Common Shares to the Offeror pursuant to, and in compliance with, the USA;

(d) to mail, or cause to be mailed, to the Eagle Shareholders, no later than January 14, 2011, the Drag-Along Notice as contemplated in the Pre-Acquisition Agreement;

(e) not to exercise any statutory or other rights of withdrawal with respect to any Common Shares owned by such Shareholder or any affiliate of such Shareholder once deposited pursuant to the Offer unless this letter agreement is terminated prior to the Offeror taking-up the Common Shares under the Offer;

(f) not to exercise any shareholder rights or remedies available at common law or pursuant to the *Business Corporations Act* (Saskatchewan) or applicable securities legislation to delay, hinder, upset or challenge the Offer;

(g) not, subject to Section 3 hereof, directly or indirectly:

(i) continue in any discussions or negotiations, if any, in respect of any proposal made to Eagle or its shareholders from any person other than the Offeror that constitutes or may reasonably be expected to lead to: (a) an acquisition of 20% or more of the outstanding Common Shares; (b) an acquisition of assets of Eagle having a value equal to or greater than 20% of the value of all of the Assets; (c) an amalgamation, arrangement, merger, or consolidation; (d) a take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, winding-up, reorganization into a royalty trust or income fund, or other form of similar transaction; or (e) any other transaction, the consummation of which would or could reasonably be expected to materially impede, interfere with, prevent or delay the transactions contemplated by the Pre-Acquisition Agreement or the Offer or which would, or could reasonably be expected to, materially reduce the benefits to the Offeror under the Pre-Acquisition Agreement or the Offer;

(ii) solicit, facilitate, initiate or encourage any Take-over Proposal;

(iii) enter into or participate in any negotiations or initiate discussions regarding any Take-over Proposal, or furnish to any other person any information with respect to the business of Eagle or its assets, operations, prospects or conditions (financial or otherwise) in connection with an Take-over 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; or

(iv) 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; and

(h) promptly notify the Offeror upon any of undersigned's representations or warranties contained in this letter agreement becoming untrue or incorrect in any material respect prior to the earlier of the Take-up Date and the date this letter agreement is terminated, and for the purposes of this provision, each representation and warranty shall be deemed to be given at and as of all times during such period (irrespective of any language which suggests that it is only being given as at the date hereof).

2. Covenants of the Offeror

(a) The Offeror shall make the Offer in accordance with the terms and conditions of the Pre-Acquisition Agreement and shall comply with the terms and conditions of Article 2 and Article 9 thereof in respect of the Offer.

(b) The Offeror shall, subject to the satisfaction or waiver of the conditions set forth in the Offer, take-up and pay for all Common Shares owned or controlled by the Shareholder or any affiliate of the Shareholder deposited pursuant to the Offer, all in accordance with the terms and conditions of the Offer and the provisions of the Pre-Acquisition Agreement.

3. Fiduciary Duties

Nothing herein shall: (i) restrict or limit the actions of any director or officer required to be taken in the discharge of his fiduciary duties as a director or officer of Eagle; or (ii) require the Shareholder, in his capacity as an officer of Eagle, to take any action in contravention of, or omit to take any action pursuant to, or otherwise take or refrain from taking any actions which are inconsistent with, instructions or directions of Eagle's board of directors undertaken in the exercise of their fiduciary duties.

4. Termination

It is understood and agreed that the respective rights and obligations hereunder of the Offeror and the Shareholder shall cease and this letter agreement shall terminate in the following events:

(c) by mutual agreement of the parties;

(d) if the Offer has not been made by January 14, 2011;

(e) if the Offeror has not taken-up the Common Shares deposited under the Offer on or before February 28, 2011 and paid for such Common Shares within the time specified in the Pre-Acquisition Agreement;

(f) if there has been any breach or non-performance by the Offeror of any material provision of this letter agreement; or

(g) if Pre-Acquisition Agreement is terminated.

In the event of termination of this letter agreement, the Shareholder shall have the right not to deposit any Common Shares under the Offer, and to withdraw all of the Common Shares deposited in accordance with the terms and conditions of the Offer, this letter agreement shall forthwith be of no further force and effect and there shall be no obligation or liability on the part of either the Shareholder or the Offeror, except as set forth in this Section 4 which provisions shall survive the termination of this letter agreement. Nothing herein shall relieve any party from liability for any breach of this letter agreement.

5. Representations and Warranties of Shareholder

The Shareholder hereby represents and warrants to the Offeror that:

(h) the Shareholder or the Shareholder's affiliates is the beneficial owner, directly or indirectly, or controls or exercises direction over, the Common Shares set forth below in the Shareholder's acceptance at the end of this letter agreement, and other than such Common Shares, the Shareholder or the Shareholder's affiliates holds no securities of Eagle and has no agreement, option or other right (whether by law, pre-emptive or contractual) capable of becoming an agreement, option, or other right to purchase or otherwise acquire any securities of Eagle;

(i) the Common Shares owned by the Shareholder or the Shareholder's affiliates will be, at the time at which the Offeror takes-up and pays for the Common Shares deposited under the Offer, fully paid and non-assessable shares in the capital of Eagle and beneficially owned by the Shareholder or the Shareholder's affiliates with good and marketable title thereto, free and clear of any and all liens, charges, restrictions, security interests, adverse claims, pledges and encumbrances (except for the Shareholder's obligations under this letter agreement);

(j) no person, firm, corporation or other entity whatsoever has any agreement, option or other right (whether by law, pre-emptive or contractual) capable of becoming an agreement, option, or other right to purchase or otherwise acquire any Common Shares owned by the Shareholder or the Shareholder's affiliates or any interest therein or right thereto, except for the Offeror pursuant to this letter agreement; and

(k) the Shareholder is duly authorized to execute and deliver this letter agreement and this letter agreement has been duly executed and delivered by the Shareholder and is a valid and binding agreement, enforceable against the Shareholder in accordance with its terms, and the consummation by the Shareholder of the transactions contemplated hereby will not constitute a violation or default under, or conflict with, (i) any contract, commitment, agreement, understanding, arrangement or restriction of any kind to which the Shareholder is a party or by which the Shareholder will be bound at the time of such consummation, or (ii) any judgement, decree, order or award of any court, governmental body or arbitrator applicable to the Shareholder.

6. Representations and Warranties of Offeror

The Offeror hereby represents and warrants to the Shareholder that:

(l) the Offeror is a corporation duly incorporated and organized and validly existing under the laws of Alberta and has the requisite corporate power and capacity to conduct its business as it is now being conducted;

(m) the Offeror has the requisite corporate power and capacity to enter into this letter agreement and the Pre-Acquisition Agreement and to carry out its obligations hereunder and thereunder. The execution and delivery of this letter agreement and the Pre-Acquisition Agreement and the consummation by the Offeror of the transactions contemplated hereby and thereby have been duly authorized by the Offeror, and no other corporate proceedings on its part are or will be necessary to authorize this letter agreement and the Pre-Acquisition Agreement and the transactions contemplated hereby and thereby. This letter agreement and the Pre-Acquisition Agreement have been duly executed and delivered by the Offeror and constitute legal, valid and binding obligations of the Offeror enforceable in accordance with their respective 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; and

(n) the Offeror Shares issuable pursuant to the Offer will be validly issued as fully paid and non-assessable securities of the Offeror.

7. Specific Performance

The Shareholder recognizes and acknowledges that this agreement is an integral part of the Offeror making the Offer, and that the Offeror would not contemplate making the Offer unless this letter agreement was executed, and that a material breach by the Shareholder of any covenants or commitments contained in this letter agreement will cause the Offeror to sustain injury for which it would not have an adequate remedy at law for money damages. Therefore, the Shareholder agrees that, in the event of any such material breach, the Offeror shall be entitled to claim the remedy of specific performance of such covenants or commitments and preliminary and permanent injunctive and other equitable relief in addition to any other remedy to which it may be entitled, at law or in equity, and the Shareholder further agrees to waive any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief.

8. Amendment

Except as expressly set forth herein, this letter agreement constitutes the whole of the agreement between the parties and may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by the parties hereto.

9. Assignment

Except as expressly set forth herein, no party to this letter agreement may assign any of its rights or obligations under this letter agreement without the prior written consent of the other party.

10. Disclosure

Prior to first public disclosure of the existence and terms and conditions of this letter agreement, neither of the parties hereto shall disclose the existence of this letter agreement, or any details hereof, to any person other than Eagle, its directors and officers or other Eagle Shareholders executing substantially similar letter agreements, without the prior written consent of the other party hereto, except to the extent required by law or pursuant to a request from a stock exchange. The existence and terms and conditions of this letter agreement may be disclosed by the Offeror and Eagle in the press release issued in connection with the execution of the Pre-Acquisition Agreement and the Offer Documents.

11. Fees and Expenses

The parties hereto agree to pay their own respective expenses incurred in connection with this letter agreement. Each of the parties hereto agrees to indemnify the other against any claim for a finder's fee or other compensation validly made by any broker which has an agreement with such indemnifying party for the payment of such fee or compensation. This section shall survive the termination of this letter agreement pursuant to Section 4.

12. Unenforceable Terms

If any provision of this letter agreement or the application thereof to any party or circumstance shall be invalid or unenforceable to any extent the remainder of this letter agreement or application of such provision to a party or circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining provision of this letter agreement shall be valid and shall be enforceable to the fullest extent permitted by applicable law.

13. Further Assurances

The Shareholder shall from time to time and at all times hereafter at the request of the Offeror but without further consideration, do and perform all such further acts, matters and things and execute and deliver all such further documents, deeds, assignments, agreements, notices and writings and give such further assurances as shall be reasonably required for the purpose of giving effect to this letter agreement.

14. Enurement

This letter agreement will be binding upon and enure to the benefit of the Offeror, the Shareholder and their respective executors, administrators, successors and permitted assigns.

15. Applicable Law

This letter agreement shall be governed and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein and each of the parties hereto irrevocably attorns to the jurisdiction of the courts of the Province of Alberta.

16. Counterparts

This letter agreement may be executed and delivered (including delivery by facsimile or other electronic transmission) by the different parties hereto in separate counterparts, each of which will when executed be deemed an original and all of which taken together will constitute one and the same agreement. The exchange of copies of this letter agreement and of signature pages by facsimile or electronic transmission will constitute effective execution and delivery of this letter agreement as to the parties and may be used in lieu of the original letter agreement for all purposes. Signatures of the authorized signatories of the parties transmitted by facsimile or electronic transmission will be deemed to be their original signatures for all purposes.

Yours truly,

CanElson Drilling Inc.

By: ____

Randy Hawkings, Chief Executive Officer

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ACCEPTANCE

In consideration of the agreement of the Offeror to make the Offer in accordance with the terms of the Pre-Acquisition Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the foregoing is hereby accepted by the Shareholder as of and with effect from the date first above written and the undersigned Shareholder hereby confirms that:

1. the undersigned Shareholder or its affiliates of the undersigned Shareholder beneficially owns or controls __________ Common Shares; and

2. the affiliates of the Shareholder that hold Common Shares and the number of Common Shares held by such affiliates are as follows:

Affiliate Name	**Number of Common Shares**

DATED the ____ day of January, 2011.

Witness

Signature of Shareholder or, if a corporation, authorized signing officer

Name of Witness (please print)

Name of Shareholder (please print)

Address

SCHEDULE 6.36

LOCATION OF OWNED REAL PROPERTY AND LEASED REAL PROPERTY

1. NE Section 12 Twp 08 Rge 03
   Extension 1
   As shown on Plan 101913960
   RM of Moose Mountain #63
   Saskatchewan

   Encumbered by Mortgage – value $750,000
   registered on April 27, 2009 under Interest #146847426

   Holder - Royal Bank of Canada
   Business Service Centre
   180 Wellington Street West, 3^{rd} Floor
   Toronto, Ontario, Canada M5J 1J1

2. Calgary office lease in Bankers Hall