PURCHASE AND SALE AGREEMENT

Jumpbush Area, Alberta

THIS AGREEMENT made as of the 27th day of May, 2011.

BETWEEN:

BRITOIL INC. a body corporate, having an office in the City of Calgary, in the Province of Alberta (hereinafter called the "**Vendor**" or the "**Transferor**")

- and -

CARMEN ENERGY INC., a body corporate, having an office in the City of Calgary, in the Province of Alberta (hereinafter called the "**Purchaser**" or the "**Transferee**")

WHEREAS the Vendor and the Purchaser entered into an offer to purchase letter agreement dated April 5, 2011 for the purchase of oil and gas assets in the Jumpbush Area, Alberta; and

WHEREAS the Vendor wishes to sell and the Purchaser wishes to purchase the Assets, in accordance with the following terms and conditions, and the Parties hereto agree as follows:

1. **Definitions**

Each capitalized term used in this Head Agreement will have the meaning given to it in the 2000 CAPL Property Transfer Procedure ("**Property Transfer Procedure**"). In addition:

(a) "**Closing Date**" means the later of

(i) June 27, 2011 and two (2) Business Days following the date all applicable Rights of First Refusal have been exercised or waived or have expired by passage of time; or

(ii) any other Business Day as the Vendor and the Purchaser may agree;

(b) "**Effective Date**" means 7:00 a.m. on the Closing Date;

2. **Schedules**

The following Schedules are attached hereto and made part of this Head Agreement:

(a) Schedule "A" which is the Land Schedule, and identifies for the Assets:

(i) the Lands,

(ii) the Leases,

(iii) any other agreements, document or data that are to be excluded from the Miscellaneous Interests under that definition,

(iv) any encumbrances, Rights of First Refusal, production sale agreements, other agreements or penalties required to be included in the Land Schedule under the definition of Permitted Encumbrances or the definition of Title and Operating Documents,

(v) any Facilities required to be included in the Land Schedule under the definition of Facilities, any other Tangibles described in paragraph (c) of the definition of Tangibles and any assets otherwise falling within the definition of Tangibles that are specifically excluded therefrom, and

(vi) the Wells;

(b) Schedule "B" which is the Elections and Amendments Sheet to the Property Transfer Procedure and Exhibit "A" to the Property Transfer Procedure that is the form of the General Conveyance; and

(c) Schedule "C" (1) and (2) which are the Representations and Warranties Certificates.

3. **Purchase and Sale**

The Purchaser agrees to purchase the Assets from the Vendor and the Vendor agrees to sell the Assets to the Purchaser on the terms and conditions set forth in this Head Agreement. Subject to the modifications that may be made under the Property Transfer Procedure, the consideration payable by the Purchaser to the Vendor for the Assets is $52,500, such consideration to be allocated among the Assets as follows:

(a)	To the Petroleum and Natural Gas Rights	$44,625.00
(b)	To the Tangibles	$7,874.00
(c)	To the Miscellaneous Interests	$1.00
	TOTAL	$52,500.00

Plus 5% GST on Tangibles and Miscellaneous Interests	$2,625.00

4. **Payment of Purchase Price**

The Purchaser will pay the Purchase Price and the applicable GST to the Vendor at Closing.

5. **Additional Conditions for the Benefit of the Transferee**

The following additional conditions precedent are included for the benefit of the Transferee under Paragraph 10.02(d) of the Property Transfer Procedure:

(a) **TSXV Approval**: The Transferee will have received conditional listing approval from the TSX Venture Exchange for completion of the Qualifying Transaction (as defined in its application to the TSX Venture Exchange) prior to July 15, 2011; and

(b) **Financing**: The Transferee will have successfully completed the brokered private placement of between 12,000,000 and 14,000,000 common shares of the Transferee ("**Common Shares**") at $0.25 per Common Share and the non-brokered private placement of between 4,000,000 and 6,000,000 Common Shares at $0.25 per Common Share prior to July 15, 2011; and

(c) **Due Diligence**: The Transferee will have completed, and shall be satisfied, in its sole discretion, as to results of its due diligence of the Assets.

6. **Treatment of Income During Interim Period**

Pursuant to Alternate 2 of Paragraph 4.03 of the Property Transfer Procedure, the Vendor and the Purchaser agree that as the Effective Date is the Closing Date there is no "Interim Period" for which there will a calculation of net production income or loss realized and accordingly the Parties will not adjust for income tax in the Interim Period.

7. **Modifications to the Property Transfer Procedure**

(a) The Property Transfer Procedure has not been modified except as specifically noted in this Head Agreement and in the Elections and Modifications Form.

(b) In the event that modifications are made to the Property Transfer Procedure and such modifications are not appropriately noted pursuant to subclause 7(a) herein, then the applicable provisions in the standard Property Transfer Procedure are deemed to prevail.

8. **Counterpart Execution**

This Head Agreement may be executed in any number of separate counterparts (including by facsimile and electronic transmission) with the same effect as if all Parties had signed the same document. All counterparts shall be construed together and shall constitute one Agreement. No Party shall be bound hereby until all Parties have executed either one document.

IN WITNESS WHEREOF the parties have executed this Agreement.

BRITOIL INC.

Per: (signed) "*Karen Mark*"
Name: Karen Mark
Title: President

CARMEN ENERGY INC.

Per: (signed) "*Brian Doherty*"
Name: Brian Doherty
Title: President

SCHEDULE "A"

This is Schedule "A" attached to and forming part of the Purchase and Sale Agreement made as of the • day of May, 2011 between BritOil Inc., as Vendor, and Carmen Energy Inc., as Purchaser which identifies the Lands, the Leases, the Petroleum and Natural Gas Rights, Facilities and Wells

LANDS, LEASES, PETROLEUM AND NATURAL GAS RIGHTS

LOCATIONS REDACTED

FACILITIES

None.

WELLS

LOCATIONS OF WELLS REDACTED

SCHEDULE "B"

This is Schedule "B" attached to and forming part of the Purchase and Sale Agreement made as of the • day of May, 2011 between BritOil Inc., as Vendor, and Carmen Energy Inc., as Purchaser

2000 CAPL PROPERTY TRANSFER PROCEDURE
ELECTIONS AND AMENDMENTS

1. GST (Clause 2.03 A): Alternate 1 __X__; Alternate 2 ______
GST Business Number – Transferor (BritOil): # 829634153RT0001
GST Business Number – Transferee (Carmen): # 829500206RT0001

2. Interest Accrual (Clause 2.04): Alternate _____; Neither Alternate 1 nor 2 __X__

3. Place of Closing (Clause 3.01): Office of Burnet Duckworth & Palmer LLP

4. Access to Transferee's Files (Subclause 3.04 B): 3 months

5. Distribution of Specific Conveyances (Clause 3.05): Alternate 1 ____; Alternate 2 __X____

6. Final Statement of Adjustments (Paragraph 4.02 A (b)): __**90**__ day period

7. Treatment of Income During Interim Period (Clause 4.03): Alternate 1 ____; Alternate 2 __X_
Income Tax Adjustment if Alternate 1 applies: ___%
Exception to 4.03A if Alternate 1 applies (Subclause 4.03B) will ____; will not _____ apply

8. Transferor's Representations and Warranties (Clause 6.02): Those representations and warranties in that Clause **that apply** are indicated by a "Y" below:

Y (a)	Residency for Tax Purposes	**Y** (m)	Abandonment of Wells
Y (b)	Lawsuits and Claims	**Y** (n)	Condition of Tangibles
Y (c)	No Default Notices	**Y** (o)	Well and Tangibles License Transfers
Y (d)	Compliance with Leases and Agreements	**Y** (p)	Regulatory Production Penalties
Y (e)	Payment of Royalties and Taxes	**Y** (q)	Regulatory Production Allowables
Y (f)	Encumbrances	**Y** (r)	Area of Mutual Interest
Y (g)	No Reduction	**Y** (s)	No Offset Obligations
Y (h)	Sale Agreements	**Y** (t)	Commitment to Deliver
Y (i)	Provision of Documents	**Y** (u)	Alberta Overriding Royalty Tax Credits
Y (j)	Authorized Expenditures	**Y** (v)	Quiet Enjoyment
Y (k)	Environmental Matters	**N** (w)	Additional Representations
Y (l)	Condition of Wells		

9. Survival of Representations and Warranties (Clause 6.04): __**12**__ months

10. Option to Terminate Re: ROFR Exercises (Subclause 7.01D): will ______; will not __X___ apply

11. Notice of Title Defects (Subclause 8.02A): __**5**__ business days

12. Title Defects Mechanism (Subclause 8.02B): Alternate 1 _____; Alternate 2 __X____
If Alternate 2 applies:
(i) $ Value threshold (Subclause 8.02B): $10,000.00
(ii) Transferor's termination threshold (Paragraph 8.02B(c)): 30%
(iii) Transferee's termination threshold (Paragraph 8.02B(d)): 30%

13. Responsibility of Transferor (Clause 13.01):
    (i) Subclause 13.01 A: Alternate 1 __________; Alternate 2 ____**X**_____
    (ii) Subclause 13.01 B: __24_ months

14. Limit on Transferor's Responsibility (Subclause 13.03A): will ___; will not _**X**_ apply

15. Minimum Claim Threshold (Subclause 13.03B): will ___**X**______; will not ______ apply
    $ Threshold if Subclause B applies: $5,000.00

16. Addresses for Service (Clause 15.02):

TRANSFEROR	**TRANSFEREE**
BritOil Inc. 304-1111 13th Avenue S.W. Calgary, Alberta T2R 0L7 Attention: • Fax: • Email: •	Carmen Energy Inc. 300, 840 6th Avenue S.W. Calgary, Alberta T2P 3E5 Attention: Brian Doherty, President Fax: (403) 537-5591 Email: brian.doherty@carmenenergy.ca

Exhibit "A"

This is Exhibit "A" to the Property Transfer Procedure attached as Schedule "B" to the Purchase and Sale Agreement made as of the 27th day of May, 2011 between BritOil Inc., as Vendor, and Carmen Energy Inc., as Purchaser

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GENERAL CONVEYANCE

Jumpbush Area, Alberta

This General Conveyance made this 27th day of June, 2011.

BETWEEN:

> **BRIT OIL INC.**, a body corporate, having an office in the City of Calgary, in the Province of Alberta (hereinafter called the "**Transferor**")
>
> - and -
>
> **CARMEN ENERGY INC.**, a body corporate, having an office in the City of Calgary, in the Province of Alberta (hereinafter called the "**Transferee**")

WHEREAS the Transferor has agreed to convey the Transferor's entire interest in the Assets to the Transferee and the Transferee has agreed to acquire the Transferor's entire interest in the Assets, the Parties hereto agree as follows:

1. **Definitions**

In this General Conveyance, "**Agreement**" means the Agreement made as of the 27th day of May, 2011 between the Transferor and the Transferee. In addition, the definitions provided for in the Head Agreement and in the Property Transfer Procedure included as Schedule "C" to the Agreement are adopted in this General Conveyance.

2. **Conveyance**

The Transferor, for the consideration provided for in the Agreement, the receipt and sufficiency of which is acknowledged by the Transferor, conveys the Assets to the Transferee. The Transferee acquires those interests from the Transferor subject to the terms of the Agreement, the Permitted Encumbrances and compliance with the terms of the Title and Operating Documents.

3. **Effective Time**

This General Conveyance is effective as of the Effective Date.

4. **Subordinate Document**

This General Conveyance is executed and delivered by the Parties under the Head Agreement for the purpose of the provisions of the Agreement and the terms are to be read in conjunction with the terms of the Agreement. The Agreement will prevail if there is a conflict between the provisions of the Agreement and this General Conveyance.

5. **Enurement**

This General Conveyance enures to the benefit of and binds upon the Parties and their respective successors and permitted assigns.

6. **Further Assurances**

Each Party will, after the date of this General Conveyance, on a timely basis and without further consideration, do all acts and execute and deliver all further documents that are reasonably required to carry out the terms of this General Conveyance.

IN WITNESS WHEREOF the Parties have duly executed this General Conveyance.

BRITOIL INC.	**CARMEN ENERGY INC.**
Per: ______________________	Per: ______________________
Name: Karen Mark	Name: Brian Doherty
Title: President	Title: President

SCHEDULE "C (1)"

This is Schedule "C (1)" attached to and forming part of the Purchase and Sale Agreement made as of the 27th day of May, 2011 between BritOil Inc., as Vendor, and Carmen Energy Inc., as Purchaser

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FORM OF REPRESENTATIONS AND WARRANTIES CERTIFICATE

OFFICER'S CERTIFICATE OF VENDOR

TO: Carmen Energy Inc. **("Purchaser")**

The undersigned, •, •, of BritOil Inc. (**"Vendor"**), does hereby certify, for and on behalf of the Vendor and not in her personal capacity, as follows:

1. To the best of his knowledge, the undersigned is familiar, in his capacity as an officer of the Vendor, with the matters hereinafter mentioned.

2. This Certificate is made pursuant to a Purchase and Sale Agreement made as of the • day of May, 2011 between the Vendor and the Purchaser (the "**Sale Agreement**").

3. The definitions contained in the Sale Agreement are herein adopted and wherever used shall have the meanings ascribed to them in the Sale Agreement.

4. The representations and warranties of the Vendor contained in the Sale Agreement were true in all material respects when made and are true in all material respects as of the date hereof.

5. All obligations of the Vendor contained in the Sale Agreement to be performed prior to or at Closing have been performed in a timely manner in all material respects.

DATED at Calgary, Alberta this • day of June, 2011.

BRITOIL INC.

Per:

____
Name:
Title:

SCHEDULE "C (2)"

This is Schedule "C (2)" attached to and forming part of the Purchase and Sale Agreement made as of the 27th day of May, 2011 between BritOil Inc., as Vendor, and Carmen Energy Inc., as Purchaser

FORM OF REPRESENTATIONS AND WARRANTIES CERTIFICATE

OFFICER'S CERTIFICATE OF PURCHASER

TO: BritOil Inc. **("Vendor")**

The undersigned, President and Chief Executive Officer, of Carmen Energy Inc. ("**Purchaser**"), does hereby certify, for and on behalf of the Purchaser and not in his personal capacity, as follows:

1) To the best of his knowledge, the undersigned is familiar, in his capacity as an officer of the Purchaser, with the matters hereinafter mentioned.

2) This Certificate is made pursuant to a Purchase and Sale Agreement made as of the • day of May, 2011 between the Vendor and the Purchaser (the "**Sale Agreement**").

3) The definitions contained in the Sale Agreement are herein adopted and wherever used shall have the meanings ascribed to them in the Sale Agreement.

4) The representations and warranties of the Purchaser contained in the Sale Agreement were true in all material respects when made and are true in all material respects as of the date hereof.

5) All obligations of the Purchaser contained in the Sale Agreement to be performed prior to or at Closing have been performed in a timely manner in all material respects.

DATED at Calgary, Alberta this 27th day of June, 2011.

CARMEN ENERGY INC.

Per:

____
Name: Brian Doherty
Title: President and Chief Executive Officer