

ASSIGNMENT OF UNIT INTEREST

THIS AGREEMENT made as of the 15th day October, 2003.

BETWEEN:

PROGRESS ENERGY PRODUCTION PARTNERSHIP, a general partnership, having an office at the City of Calgary, in the Province of Alberta (hereinafter referred to as the "Assignor")

OF THE FIRST PART

- and -

TUNDRA OIL AND GAS LTD., a body corporate, having an office at the City of Winnipeg, in the Province of Manitoba (hereinafter referred to as the "Assignee")

OF THE SECOND PART

WHEREAS the Assignor is a party to or successor in interest to a party to a Plan of Unit Operation agreement more particularly set forth and described in Schedule "A" attached hereto (such agreement, including all amendments thereto, if any, hereinafter referred to as the "Agreement");

AND WHEREAS, effective October 1, 2003 (hereinafter referred to as the "Effective Date"), the Assignor sold, inter alia, the interests described in Schedule "A" hereto to the Assignee;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual premises and covenants hereinafter contained, the parties hereto agree as follows:

1. The Assignor hereby assigns, transfers, sets over and conveys unto the Assignee, effective as of the Effective Date, all of the Assignor's right, title, estate and interest in and to the Agreement and all benefit and advantage to be derived therefrom, together with the interest of the Assignor in and to all facilities, property and rights to which the Agreement pertains, including the Assignor's interest in all lands, all petroleum substances within, upon or under such lands, all property and equipment owned in conjunction with said facilities pursuant to the terms and conditions of the Agreement (all right, title, estate and interest of Assignor being assigned hereinafter collectively referred to as the "Assigned Interest").

2. The Assignee hereby accepts the within assignment and conveyance of the Agreement and hereby covenants and agrees with the Assignor that it shall and will from time to time and at all times hereafter be bound by and observe, perform and fulfil each and every covenant, agreement, term, condition and stipulation on the part of the Assignor in and under the Agreement as if the Assignee had as of the Effective Date been named a party to the Agreement.
3. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
4. This Agreement shall be effective as of the Effective Date.
5. The address for notices for the Assignee under the Agreement shall be:

Tundra Oil and Gas Ltd.
1111 One Lombard Place
Winnipeg, Manitoba
R3B 0X4

IN WITNESS WHEREOF the parties hereto have executed and delivered this Agreement as of the day and year first above written.

PROGRESS ENERGY PRODUCTION
PARTNERSHIP

(Assignor)

Per: 

M.R. CULBERT, V.P. MARKETING
& BUSINESS DEVELOPMENT

TUNDRA OIL AND GAS LTD.
(Assignee)

Per: 

Per: 


SCHEDULE "A"

To an Assignment of Unit Interest Agreement dated the 15th day October, 2003 between
Progress Energy Production Partnership, as Assignor and Tundra Oil and Gas Ltd., as Assignee

"Agreement":

Unit Operating Agreement Birdtail Unit No. 2

"Assigned Interest":

100%

Lands (reference only)

Twp 16 Rge 27 W1M Sections 18-20

BIRDTAIL UNIT NO. 2

EXHIBIT 'A' PART II

WORKING INTEREST OWNERS

PARTICIPATION

Tundra Oil and Gas Ltd.

100%