



September 27, 2007

Dear Sir/Madam:

Re: CBM Complex Well Best Practices Joint Industry Project

PTAC Petroleum Technology Alliance Canada in collaboration with a number of Canadian and International CBM stakeholders, recently hosted a Technical Information Session to review the specifics of a proposed Joint Industry Project, (JIP) for the development and transfer of best practices for optimized Coalbed Methane (CBM) exploitation with complex, (non-vertical), well technology.

Given the positive response from potential participant operators expressed at an information session we are very confident in obtaining the minimum "start trigger" of 12 participants in the short term, and anticipate the start of JIP activities during the fourth quarter of 2007, with the first JIP steering committee meeting to be held in Calgary prior to year end.

We are very excited about the initial tasks proposed in this JIP as listed below:

- A. Both a publicly accessed and "participant-only" website offering a direct networking and experience exchange medium for active operators, technical investigators and service providers.
- B. A comprehensive library of detailed recent and novel operational well histories documenting the latest field experience with complex well CBM exploitation from various fields and basins.
- C. A scientifically controlled and intensive study of all CBM well effluent, interpreted and reported by a team of industry "Subject Matter Experts" to define the dynamics of water, free cleat/butt gas, fines and produced matrix gas from coal beds conducted on a series of targeted and thoroughly documented CBM wells.

This is designed to be a collaborative project offering a leveraging effect of contributed resources and field information from multiple CBM operators active in numerous basins and varying coal assets. The more participation attracted to the JIP, the greater the benefit to all participants. We request that you pass on the information to any other CBM operators or related stakeholders that you think may be interested in considering JIP participation. Your direct contact with CBM stakeholders presents the most effective promotional vehicle available to help expand JIP participation. If you can lend support to the JIP in this manner, please copy any such forward correspondence to the undersigned so that we can effectively follow up with any leads stemming from your effort in this regard.

Please note we have made every effort to provide a simple and direct legal agreement to offer a "fit-for-all" document for operator JIP participants. The intent is to treat all participants equally, with majority rule of the "one seat, one vote" steering committee made up of representatives from all participants. We expect the project to grow globally with additional participants and related funding. Thus we are likely to gain momentum and pursue additional technical or operational issues as the JIP expands. All "go-forward" decisions regarding expanding project budget and work tasks are to be defined solely by the JIP Steering Committee. Please understand that we have little lee-way in adjusting any terms or conditions of this participation agreement as it must be acceptable to all initial participants.

Please contact me if you are interested in participating in this project, phone (403) 218-7710, email dgaudet@ptac.org

.../2

Page 2 of 2

For technical information, please contact:

R.G. (Bob) Knoll, CBM JIP Manager
H-Tech. Petroleum Consulting Inc.
Calgary, Alberta, Canada
Ph: (403) 239-4168; Email: bobknoll@shaw.ca

I look forward to hearing from you on this exciting and timely CBM JIP initiative.

Sincerely,

A handwritten signature in black ink, appearing to read "Denis Gaudet", with a long horizontal flourish extending to the right.

Denis Gaudet
Director, Technology Transfer

c.c. R.G. (Bob) Knoll, CBM JIP Manager