

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, as amended

AND IN THE MATTER OF PIPER RESOURCES LTD.

AFFIDAVIT

I, Greg Cave, of the City of Calgary, in the Province of Alberta, MAKE OATH
AND SAY AS FOLLOWS:

1. That I am President and a shareholder of Piper Resources Ltd. ("hereinafter "Piper", the "Company", or the "Debtor") and as such have personal knowledge of the matters hereinafter deposed to, except where stated to be based on information and belief, and whereso stated I believe the same to be true.
2. That the Stay Extension granted by this Court March 17th, Piper has continued to operate in accordance with the terms of the Order, and subject to the review of Deloitte Touche Inc., the Monitor (hereinafter "Deloitte").

Sales/Restructuring Process

3. That throughout March and early April, Piper continued to promote and advance the sale process pursuant to the Tristone Agreement, previously placed before this Court in my earlier Affidavits (February 12th Affidavit, Exhibits "G" and "H"). Tristone completed the process of soliciting bids for the assets of Piper. A number of parties who had engaged in the process through Tristone submitted bids to Piper. These bids were received by way of closed tender and opened on April 3rd at Piper's offices.

4. That information relating to the numbers of parties bidding, the names of these parties, and the amounts of their bids are available to this Court should the Court so desire. For the purposes of this Affidavit, I have not disclosed nor attached any information pertaining to the names of the parties bidding nor the amounts bid for specific assets of Piper. I do verily believe that this confidential information ought not to be disclosed in a public forum, although Matco is fully aware of the names of the bidders and the amounts bid with respect to the various asset packages.
5. In addition to those bids received and evaluated an additional 5 companies have been brought into Tristone process by Matco to evaluate the Piper assets.

Asset Value

6. That in my earlier Affidavits of February 12th and March 12th, I disclosed to this Court the projected value of the reserves of Piper. In accordance with the AMJ Petroleum Consultant's Report (the "AMJ Report"), and analysing various case scenarios, and assuming an NPV at ten (10%) percent, the values of Piper's reserves ranged between 57.34 million and 63.48 million. Information pertaining to these analysis and calculations was attached, at paragraph 12 of my March 12th Affidavit.
7. That although I appreciate that mathematical calculations are to some extent theoretical, it is apparent that based on accepted reserves and calculations, the value of the Piper reserves and the assets held by Piper are well in excess of the Matco indebtedness.
8. That currently an AMJ price forecast, using the reserve report as prepared would value Piper at \$66MM, using current gas prices of March 13, 2008. These valuations do not include the value of Upside (\$20.8MM based on March 13 gas pricing), the land (\$5.1MM) or \$97MM in tax losses. I have attached the March 13 pricing with the AJM reserves and Upside. Attached hereto marked **Exhibit "A"** to this my affidavit is a calculation showing the current AMJ price forecast estimating the value of Piper's reserves at \$66 million. Attached hereto marked **Exhibit "B"** to this my affidavit are calculations demonstrating the upside

potential of approximately \$20 million. In addition, the value of Piper's undeveloped lands is estimated at \$5 million, and Piper currently has \$97 million in tax losses.

9. That I do verily believe that the Tristone process established that bidders in today's markets were not prepared to pay the full value of the Piper assets, for any number of reasons. I believe that the current credit crisis broadly disseminated in the media is an obvious factor. The existing royalty structure has impacted current business models, and purchasers are reviewing their options. Further, the market was aware that Piper was affectively an unwilling seller, and offers reflected an attempt to obtain these assets at substantially less than their current value.

Capital Expenditures and Production

10. That Piper's production of gas for the month of February averaged 950 boepd. For the month of March it was approximately 900 boepd. In my previously sworn Affidavits, I advised this Court of Piper's intention to increase production from its existing lands and upside potential. Almost concurrently with the filing of the CCAA, break-up in the oil and gas industry has prevented Piper from completing any major capital programs which may have the affect of increasing production to the benefit of Piper and its creditors. Obviously, if production is increased, value is brought to the company. Piper has been prevented from completing these programs for reasons beyond its control. It remains the intent of Piper, should it be possible, to pursue these capital expenditures with this continued strategy to increase production and enhance asset value.

Financial Performance

11. That projected cash flows attached to my March 12th Affidavit demonstrated a positive cash flow balance. As of the date of this Affidavit, the cash balance through to the end of May 2008 is estimated to be \$1,716,429.

12. That attached hereto marked **Exhibit "C"** to this my Affidavit are actual Cash Flow Statements for the period February 15th to April 18th, allowing this Court to compare the financial performance of Piper to its estimates as originally filed.

The Forward Plan

13. That throughout the Tristone process, Piper has engaged Allied Capital Corporation from Toronto, ("Allied"), and Provident Group Asset Management out of New York, ("Provident"), to assist in restructuring Piper. Information pertaining to the Allied retainer is contained in paragraph 24 of my February 12th Affidavit.
14. That the strategy of Piper and its consultants was to raise a combination of debt and equity sufficient to repay Matco and to allow Piper to pursue the asset development program on the Farmout lands. I am advised by Mark Bishop of Provident that an offer for debt refinancing will be forth coming. Although the debt is not sufficient to repay Matco in its entirety, it is anticipated by Piper and its advisors that the restructuring will, by necessity, be of two stages. Initially, debt would be placed with the company relating to the existing assets. Practically, only after the debt portion of the restructuring is secured can equity properly consider their position and potential investment.
15. That as a result, it is anticipated that the restructure of Piper with funds sufficient to pay out Matco will be in two stages, the equity component following the completion of the debt restructuring.
16. That Piper is clearly aware of the timing constraints and Matco's position on this matter. Although Piper has been informally seeking equity since the fall of 2007, the executive of Piper believed, obviously erroneously, that Matco would be prepared to extend its loan beyond February of 2008. Whether or not this belief was well founded, I can positively swear that throughout the fall and winter, until January of 2008, the executive of Piper did not urgently begin the process of seeking debt and equity restructuring to take out Matco.
17. That as a result, the restructuring we are currently seeking has only seriously started to return results from interested parties. Based on the information from

Mr. Bishop of Provident, I continue to believe that there is a reasonable chance that a restructuring is achievable. Certainly, if there is a commitment to debt refinancing and to a capital development program, I am advised by Mr. Bishop, and do believe that there is a greater likelihood of equity investment upon completion of the debt restructure.

18. That while Piper continues to operate in the ordinary course, there are no serious creditor issues outside of the Matco obligation. Piper acknowledges the Matco debt and Matco's entitlement to be repaid. There are however 290 shareholders who have invested in excess of \$17 million in Piper.
19. That the Reserve Reports and reasonable calculations of the reserve based on the current values of gas suggest that there is value in this company for the shareholders to pay out all that is required is a reasonable period to complete the debt restructure and thereafter the equity investment. At the time of swearing this Affidavit, Piper does not have a written commitment from any party with respect to the debt restructure. We have received verbal assurances from Mr. Bishop that a commitment is forthcoming, which, if accepted, would assist in the raising and placement of equity. Mr. Bishop advises that the process Piper is going through is not extraordinary, but restructurings of this type and of this size are complicated by the insolvency process. Lenders who are ordinarily cautious are simply more cautious when a secured creditor has demanded repayment. Mr. Bishop believes a commitment will be forthcoming in the next several days.
20. Piper has received a draft Letter of Intent ("LOI"), with respect to the initial debt restructuring. Attached hereto marked **Exhibit "D"** to this my affidavit is a true copy of this correspondence. I appreciate and understand that this is a draft and non-binding agreement, but it demonstrates that Provident does have interest in becoming involved in the Piper restructuring. Obviously, to proceed to a binding letter or to the actual debt investment, further due diligence and further work will be required on behalf of Provident and its group.
21. That as an officer and director of Piper, I continue to believe it my duty to investigate all avenues to restructure on behalf of the shareholders. If there is

PIPER RESOURCES INC.
TABLE 1
DETAILED ECONOMIC SUMMARY REPORT - BEFORE TAX
Piper March 13, 2008 Strip Forecast Pricing
Canada

Effective December 31, 2007

		Proved Developed Producing	Proved Developed Non-Producing	Proved Undeveloped	Proved	Probable Additional	Proved Plus Probable Additional
Light and Medium Oil							
	Mstb						
Ultimate Remaining		71.6	0.0	0.0	71.6	22.1	93.6
WI Before Royalty		3.9	0.0	0.0	3.9	1.4	5.3
WI After Royalty		3.6	0.0	0.0	3.6	1.3	4.9
Royalty Interest		0.0	0.0	0.0	0.0	0.0	0.0
Total Net		3.6	0.0	0.0	3.6	1.3	4.9
Heavy Oil							
	Mstb						
Ultimate Remaining		0.0	0.0	0.0	0.0	0.0	0.0
WI Before Royalty		0.0	0.0	0.0	0.0	0.0	0.0
WI After Royalty		0.0	0.0	0.0	0.0	0.0	0.0
Royalty Interest		0.0	0.0	0.0	0.0	0.0	0.0
Total Net		0.0	0.0	0.0	0.0	0.0	0.0
Total Oil							
	Mstb						
Ultimate Remaining		71.6	0.0	0.0	71.6	22.1	93.6
WI Before Royalty		3.9	0.0	0.0	3.9	1.4	5.3
WI After Royalty		3.6	0.0	0.0	3.6	1.3	4.9
Royalty Interest		0.0	0.0	0.0	0.0	0.0	0.0
Total Net		3.6	0.0	0.0	3.6	1.3	4.9
Sales Gas							
	MMcf						
Ultimate Remaining		22,367.5	5,348.3	8,175.4	35,891.2	19,581.1	55,472.3
WI Before Royalty		6,741.5	2,809.2	1,995.5	11,546.2	7,666.7	19,212.9
WI After Royalty		5,219.5	2,285.4	1,522.6	9,027.4	5,915.6	14,943.0
Royalty Interest		78.4	8.7	0.0	87.1	20.8	107.9
Total Net		5,297.8	2,294.1	1,522.6	9,114.5	5,936.4	15,050.9
NGLs							
	Mstb						
Ultimate Remaining		130.5	35.4	7.4	173.3	82.5	255.8
WI Before Royalty		18.4	19.6	2.1	40.0	24.0	64.1
WI After Royalty		11.1	12.8	1.2	25.1	14.5	39.7
Royalty Interest		3.7	0.0	0.0	3.7	1.4	5.0
Total Net		14.8	12.8	1.2	28.8	15.9	44.7
Sulohur							
	Mstb						
Ultimate Remaining		0.0	0.0	0.0	0.0	0.0	0.0
WI Before Royalty		0.0	0.0	0.0	0.0	0.0	0.0
WI After Royalty		0.0	0.0	0.0	0.0	0.0	0.0
Royalty Interest		0.0	0.0	0.0	0.0	0.0	0.0
Total Net		0.0	0.0	0.0	0.0	0.0	0.0
Mboe							
	Mboe						
Ultimate Remaining		3,930.0	926.8	1,370.0	6,226.7	3,368.1	9,594.8
WI Before Royalty		1,145.9	487.8	334.6	1,968.3	1,303.2	3,271.5
WI After Royalty		884.6	393.7	255.0	1,533.3	1,001.8	2,535.0
Royalty Interest		16.8	1.5	0.0	18.2	4.8	23.0
Total Net		901.4	395.2	255.0	1,551.5	1,006.6	2,558.1
Net Present Values							
	MS						
Before Income Tax							
Not Including ARTC							
Undiscounted		37,506.8	17,811.6	6,670.5	61,990.9	44,394.1	106,385.0
Discounted at 5%		30,377.3	15,028.0	5,223.8	50,629.1	30,317.0	80,946.0
Discounted at 10%		25,878.2	13,033.1	4,163.8	43,075.1	22,872.0	65,947.2
Discounted at 15%		22,763.1	11,541.4	3,361.3	37,665.8	18,304.7	55,970.5
Discounted at 20%		20,463.7	10,386.3	2,737.4	33,587.5	15,222.3	48,809.8
ARTC							
Undiscounted		0.0	0.0	0.0	0.0	0.0	0.0
Discounted at 5%		0.0	0.0	0.0	0.0	0.0	0.0
Discounted at 10%		0.0	0.0	0.0	0.0	0.0	0.0
Discounted at 15%		0.0	0.0	0.0	0.0	0.0	0.0
Discounted at 20%		0.0	0.0	0.0	0.0	0.0	0.0
Including ARTC							
Undiscounted		37,506.8	17,811.6	6,670.5	61,990.9	44,394.1	106,385.0
Discounted at 5%		30,377.3	15,028.0	5,223.8	50,629.1	30,317.0	80,946.0
Discounted at 10%		25,878.2	13,033.1	4,163.8	43,075.1	22,872.0	65,947.2
Discounted at 15%		22,763.1	11,541.4	3,361.3	37,665.8	18,304.7	55,970.5
Discounted at 20%		20,463.7	10,386.3	2,737.4	33,587.5	15,222.3	48,809.8

For reference only: 1 boe = 1 bbl Oil = 6 mcf Gas = 1 bbl NGL
 *If the Total does not equal the sum of Light and Heavy oil, it includes oil volumes classified as Undefined

This is Exhibit "A" referred to in the
 Affidavit of

GREG CAVE

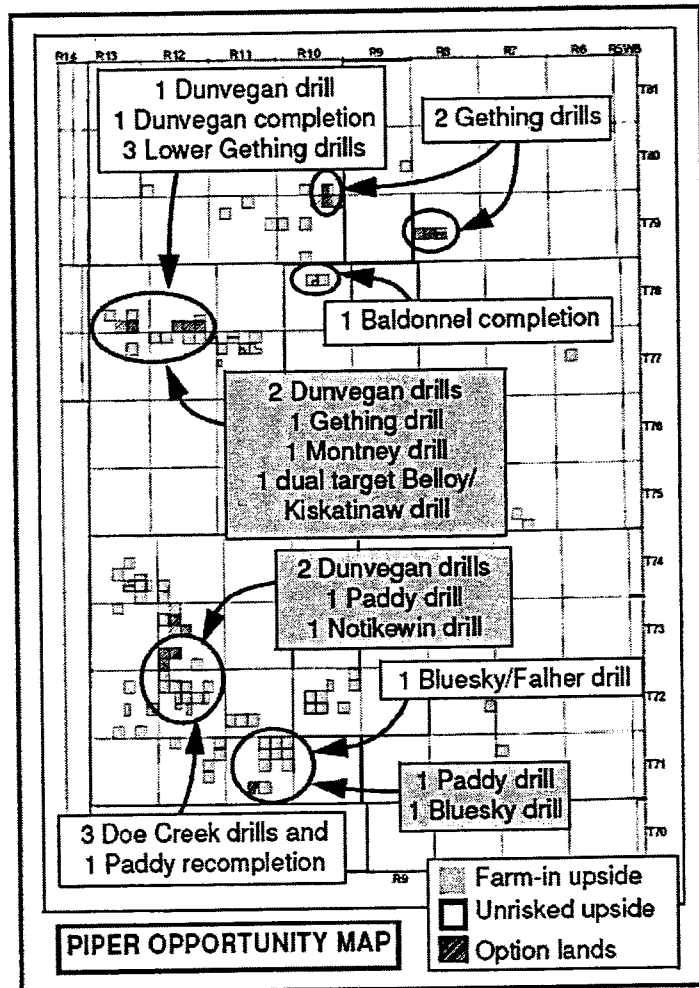
Sworn before me this *27* day
 of *April* A.D. 20*08*

A Commissioner for Oaths in and for
 the Province of Alberta.

JAMES G. HANLEY
 Barrister & Solicitor

ADDITIONAL UPSIDE OPPORTUNITY SYNOPSIS

- Combining both the unrisksed upside and the farm-in upside a total of 25 opportunities exist with in the Peace River Arch
- 11 Doe Creek/
Dunvegan opportunities
- 2 Paddy drills
- 1 Notikewin drill
- 8 Bluesky/Gething opportunities
- 1 dual target Belloy/
Kiskatinaw opportunity
- 1 Montney drill
- 1 Baldonnel completion



This is Exhibit "B" referred to in the
Affidavit of

GREG CAVE

Sworn before me this *24* day
of *APRIL* A.D. 20*08*

[Signature]
A Commissioner for Oaths in and for
the Province of Alberta.

JAMES G. HANLEY
Barrister & Solicitor

Piper Resources Ltd. - FARM 10 LOCATIONS

Escalating Prices as of May 1, 2008
Total Proved + Probable
A-Upside-AFI (Working Copy)

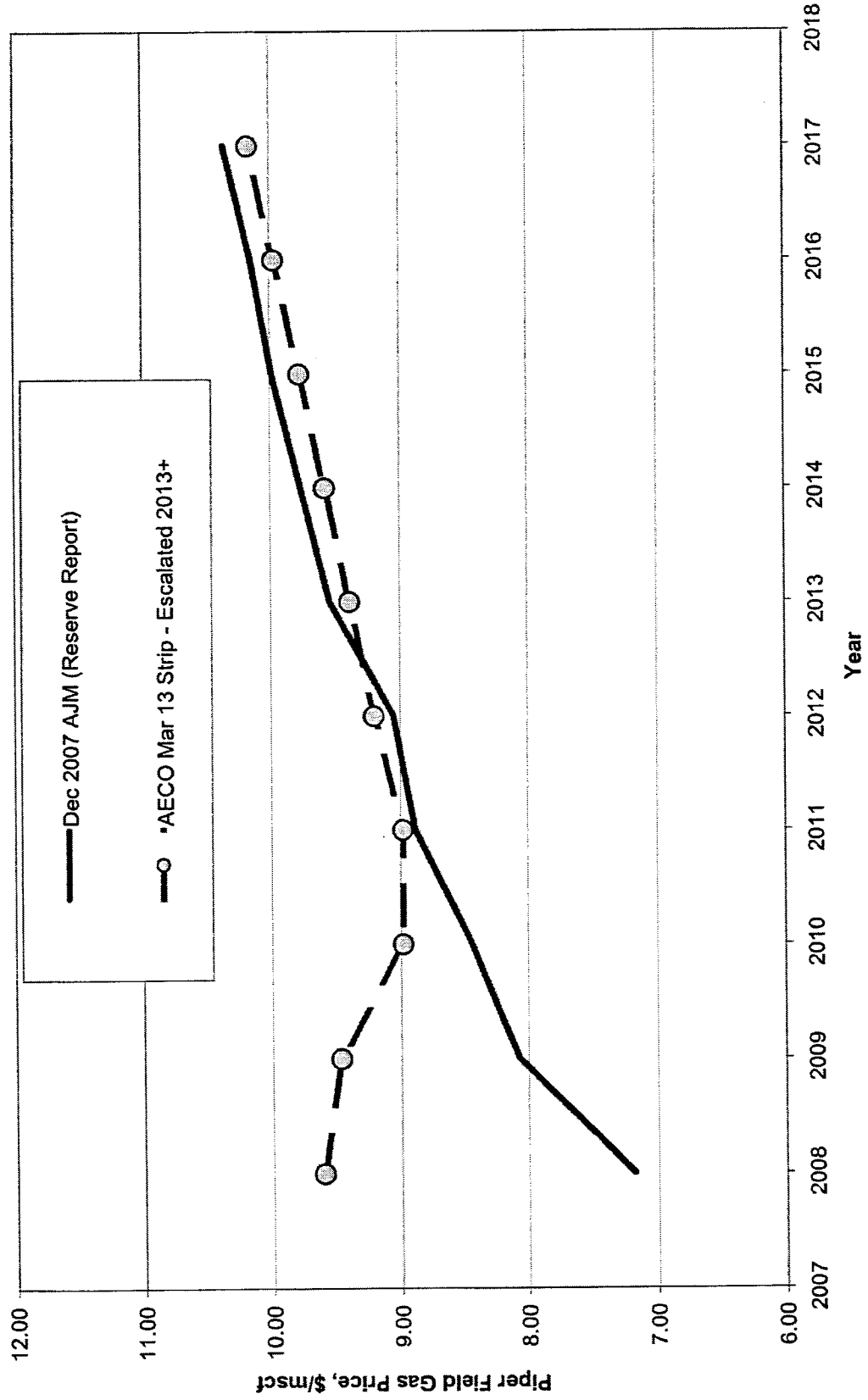
Area and Property	Company Interest %	Zones	Res. Cat	Company Share Reserves			Net Reserves			Before Tax Cash Flow (M\$)				
				Oil mbbl	Gas mmmcf	Liquids mbbl	Oil mbbl	Gas mmmcf	Liquids mbbl	Sulphur mt	NPV @ 8.0%	NPV @ 10.0%	NPV @ 15.0%	
Upside - Gordondale - AFI														
078-08W60	W=52,500	Gething	P+PUD	-	800.5	1.0	-	343.4	-	1.0	-	1,147.0	1,048.7	844.2
080-10W60	W=35,000	Gething	P+PUD	-	333.7	0.7	-	228.9	-	0.7	-	784.7	698.1	562.8
Subtotal Upside - Gordondale - AFI				-	834.2	1.7	-	672.3	-	1.7	-	1,911.7	1,747.8	1,407.0
Upside - Pouca Coupe S - AFI														
1-078-12W60	W=26,250	Durvegan	P+PUD	-	130.8	0.1	-	106.8	-	0.1	-	317.8	282.6	210.1
1-078-12W60	W=26,250	Montney	P+PUD	-	378.9	0.2	-	281.6	-	0.2	-	653.0	441.4	240.3
1-078-12W62	W=26,250	Upper Gething	P+PUD	-	182.8	0.1	-	131.0	-	0.1	-	693.0	680.5	590.7
1-078-12W60	W=18,750	Durvegan	P+PUD	-	93.4	0.0	-	76.3	-	0.0	-	241.8	216.5	184.7
1-078-12W60	W=26,250	Kuskatinew	P+PUD	-	1,248.3	0.7	-	733.7	-	0.6	-	3,679.3	3,421.1	2,900.5
1-078-12W62	W=26,250	Bellay	P+PUD	-	509.5	0.3	-	344.3	-	0.3	-	1,532.6	1,401.6	1,154.7
1-078-13W60	W=65,000	Gething	P+PUD	-	788.0	0.4	-	670.5	-	0.4	-	1,849.5	1,783.9	1,444.6
Subtotal Upside - Pouca Coupe S - AFI				-	3,332.8	1.7	-	2,284.0	-	1.7	-	8,987.0	8,207.5	6,706.5
Upside - Sinclair - AFI														
1-071-11W60	W=35,000	Blueaky	P+PUD	-	324.5	0.2	-	230.7	-	0.2	-	525.2	455.9	315.9
1-071-11W60 Loc2	W=35,000	Paddy	P+PUD	-	272.1	0.5	-	223.7	-	0.6	-	424.3	353.6	214.9
1-073-12W60	W=35,200	Durvegan	P+PUD	-	279.7	0.6	-	228.9	-	0.6	-	690.1	600.9	426.4
1-073-12W62	W=35,200	Durvegan	P+PUD	-	191.7	0.4	-	153.3	-	0.4	-	778.5	728.0	624.0
1-073-12W60	W=35,000	Nolkewin	P+PUD	-	249.6	0.5	-	197.7	-	0.4	-	278.0	218.8	103.6
1-073-12W62	W=35,000	Durvegan	P+PUD	-	397.1	0.8	-	304.5	-	0.5	-	1,030.3	948.9	792.2
1-073-12W60	W=65,000	Nolkewin	P+PUD	-	1,872.6	3.4	-	1,511.4	-	3.4	-	4,194.9	3,671.4	2,626.9
Subtotal Upside - Sinclair - AFI				-	6,033.3	6.9	-	4,337.7	-	6.9	-	15,073.2	13,626.8	10,739.4
Subtotal A-Upside-AFI				-			-		-		-	15,073.2	13,626.8	10,739.4
ARTC / Intl. Tax														
Total														

Piper Resources Ltd. - Non Farm W Locations

Escalating Prices as of May 1, 2008
Total Proved + Probable
A-Upside (Working Copy)

Area and Property	Company Interest % Zones	Res. Cat.	Company Share Reserves			Net Reserves			Before Tax Cash Flow (M\$)		
			Oil mbbbl	Sales Gas mmmcf	Liquids mbbbl	Oil mbbbl	Sulphur mt	Sulphur mt	NPV @ 8.0%	NPV @ 10.0%	NPV @ 15.0%
Upside - Gordondale 1-078-10W610	W=18,393 Belconnel	P+PUD	-	236.5	0.5	-	-	-	756.0	686.8	586.4
Upside - Pouce Coupe S.											
1-078-12W615	W=75,000 Gething	P+PUD	-	140.7	0.1	-	-	-	456.2	437.1	384.5
1-078-12W610	W=30,000 Gething	P+PUD	-	130.7	0.1	-	-	-	276.8	252.4	201.2
1-078-13W610	W=85,000 Gething	P+PUD	-	785.0	0.4	-	-	-	2,082.1	1,928.0	1,585.6
1-078-13W610	W=85,000 Gething	P+PUD	-	602.8	0.3	-	-	-	1,589.8	1,472.9	1,212.5
Subtotal Upside - Pouce Coupe S			-	1,492.0	0.9	-	-	-	4,424.7	4,085.3	3,393.8
Upside - Sinclair											
1-071-11W610	W=50,000 Blueahy	P+PUD	-	463.6	0.2	-	-	-	1,007.2	906.3	701.6
1-072-10W610	W=14,888 Gething	P+PUD	-	71.3	0.3	-	-	-	215.0	188.9	158.3
1-072-10W610	W=12,500 Gething	P+PUD	-	60.7	0.2	-	-	-	188.1	162.3	148.4
1-072-10W610	W=12,500 Gething	P+PUD	-	60.7	0.2	-	-	-	188.1	162.3	148.4
1-072-12W613	W=56,000 Paddy	P+PUD	-	255.0	0.5	-	-	-	1,071.8	984.7	814.5
Subtotal Upside - Sinclair			-	811.3	1.6	-	-	-	2,890.1	2,482.2	1,973.1
Subtotal A-Upside			-	2,408.7	2.9	-	-	-	7,870.8	7,239.2	5,853.3
ARTC / Imp. Tax			-	-	-	-	-	-	-	-	-
Total			-	-	-	-	-	-	-	-	-

**Gas Price Comparison
Alberta Plantgate Price - \$/mscf**




This is Exhibit "C" referred to in the
Affidavit of

GREG CAVE

Sworn before me this 24 day

of April A.D. 2008


A Commissioner for Oaths in and for
the Province of Alberta.

JAMES G. HANLEY
Barrister & Solicitor

	Week Beginning												Total				
	19-Feb-08	25-Feb-08	3-Mar-08	10-Mar-08	17-Mar-08	24-Mar-08	31-Mar-08	7-Apr-08	14-Apr-08	21-Apr-08	28-Apr-08	5-May-08		12-May-08	19-May-08	26-May-08	2-Jun-08
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Cash balance as at February 15, 2008 and start of period	\$520,885	\$523,948	\$1,534,706	\$1,225,593	\$903,828	\$850,048	\$1,904,568	\$1,731,885	\$1,358,987	\$1,276,079	\$2,589,529	\$1,537,046	\$1,429,348	\$1,068,488	\$884,018	\$1,716,429	\$1,567,429
Cash Payments:																	
General and administrative (office)																	
Payroll	\$0	\$33,013	\$0	\$33,013	\$0	\$33,013	\$0	\$33,013	\$0	\$33,013	\$0	\$33,013	\$0	\$33,013	\$0	\$33,013	\$0
Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rent and parking (Note 1)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consultants - Land Admin	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Consultants - Production Accounting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Reserve Report	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Audit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Accumap License	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Income Engagement Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total G&A Expenses	\$0	\$33,013	\$0	\$33,013	\$0	\$33,013	\$0	\$33,013	\$0	\$33,013	\$0	\$33,013	\$0	\$33,013	\$0	\$33,013	\$0
Contract Operations:																	
Jackson Well Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cabrera Oilfield	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bear Creek Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Roddor Contracting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Contract Operator Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Operating Costs and Royalties:																	
Crown Royalties Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Overriding Royalty Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Crown Royalty Deposit Payment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Spectra Midstream (Gas Transportation)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PrimeWest (Gas Transportation)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Suppliers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Operating Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payments to Joint Venture Partners	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
CCAA Administration Fees (\$50,000 per week)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest on Secured Debt (at 8.25%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
sub-total of Cash Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Contingency (10% of Cash Payments)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Estimated Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Payment from Joint Venture Partners	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Receipts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Excess of Cash Receipts over Cash Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Balance at End of Period	\$523,948	\$1,534,706	\$1,225,593	\$903,828	\$850,048	\$1,904,568	\$1,731,885	\$1,358,987	\$1,276,079	\$2,589,529	\$1,429,348	\$1,068,488	\$884,018	\$1,716,429	\$1,567,429	\$1,244,079	

PROVIDENT GROUP ASSET MANAGEMENT, LLC

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Mr. Greg Cave-President
Piper Resources Ltd.
905 – 500 4th Ave S.W.
Calgary, Alberta
T2P 2V6

This is Exhibit "D" referred to in the
Affidavit of

GREG CAVE
Sworn before me this 24 day
of APRIL A.D. 20 08

A Commissioner for Oaths in and
the Province of Alberta.

JAMES G. HANLEY
Barrister & Solicitor

Re: Non-Binding Letter of Intent for Funding of Piper Resources

Mr. Cave:

Based upon and subject to the terms and conditions set forth in this Letter (the "Letter of Intent"), PGAM is pleased to advise you of its non-binding commitment to fund a financing facility of no less than C\$30,000,000 to be used for the repayment of an existing senior secured facility, for development capital to be used *inter alia* for well reworks, tie-ins and the drilling of PUDs and developmental prospects and for advisory fees.

The commitments of PGAM hereunder are based upon the financial and other information regarding the Borrower and its subsidiaries previously provided to us. Accordingly, the commitments hereunder are subject to the satisfaction of each of the following conditions precedent in a manner reasonably acceptable to us:

- (i) each of the terms and conditions set forth herein and in the Term Sheet;
- (ii) the absence of a material breach of any representation, warranty or agreement of the Borrower set forth herein;
- (iii) no change, occurrence or development that could reasonably be expected to have a material adverse effect on the business, assets, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects of the Borrower and its subsidiaries taken as a whole shall have occurred or become known to us;
- (iv) the completion, to our satisfaction, of all legal, tax, business and other due diligence with respect to the business, assets, liabilities, operations, condition (financial or otherwise) and prospects of the Borrower and its subsidiaries;
- (v) material compliance with all applicable laws and regulations by the Borrower and its subsidiaries (including compliance of this Commitment Letter and the transactions described herein with all applicable federal banking laws, rules and regulations);

PROVIDENT GROUP ASSET MANAGEMENT, LLC

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(vii) the negotiation, execution and delivery of definitive documentation for the Facility consistent with the Term Sheet and otherwise reasonably satisfactory to us;

You hereby represent, warrant and covenant that (i) all information, other than Projections (as defined below), which has been or is hereafter made available to PGAM by you or any of your representatives in connection with the transactions contemplated hereby ("Information") is and will be complete and correct in all material respects as of the date made available to PGAM, and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not materially misleading and (ii) all financial projections concerning the Borrower and its subsidiaries that have been or are hereafter made available to PGAM, by you or any of your representatives (the "Projections") have been or will be prepared in good faith based upon reasonable assumptions. You agree to furnish to us such Information and Projections as we may reasonably request and to supplement the Information and the Projections from time to time until the closing date of the Facility so that the representation, warranty and covenant in the preceding sentence is correct on the closing date of the Facility.

By executing this Letter of Intent, you further agree to indemnify and hold harmless PGAM, and each director, officer, employee, attorney, advisor, agent and affiliate of PGAM, (each such person or entity referred to hereafter in this paragraph as an "Indemnified Person") from any losses, claims, costs, damages, expenses or liabilities (or actions, suits or proceedings, including any inquiry or investigation, with respect thereto) to which any Indemnified Person may become subject, insofar as such losses, claims, costs, damages, expenses or liabilities (or actions, suits, or proceedings, including any inquiry or investigation, with respect thereto) arise out of, in any way relate to, or result from, this Letter, the Definitive Term Sheet, the Fee Letter, the Facility, reports or other information provided to any Indemnified Person or contemplated by or referred to herein or therein or the other transactions contemplated hereby and thereby and to reimburse upon demand each Indemnified Person for any and all reasonable legal and other expenses incurred in connection with investigating, preparing to defend or defending any such loss, claim, cost, damage, expense or inquiry or investigation, with respect thereto; provided, that you shall have no obligation to any Indemnified Person under this indemnity provision for liabilities to the extent that such liabilities are determined by a final, non-appealable judgment of a court of competent jurisdiction to have resulted directly from the gross negligence or willful misconduct of such Indemnified Person; provided, further that you shall not be required to reimburse any Lender (other than PGAM) for legal or other fees and expenses incurred in connection with the negotiation and closing of the definitive closing documentation executed and delivered at closing. The foregoing provisions of this paragraph shall be in addition to any right that an Indemnified Person shall have at common law or otherwise. This Commitment Letter is addressed solely to the Borrower and is not intended to confer any obligations to or on, or benefits to or on, any third party. No Indemnified Person shall be liable for any damages arising from the use by others of Information or other materials obtained through internet, Intralinks or other similar transmission systems in connection with the Facility. In addition, no Indemnified Person shall be responsible or liable for consequential damages which may be alleged as a result of this Letter of Intent, the Term Sheet or the Fee Letter.

PROVIDENT GROUP ASSET MANAGEMENT, LLC

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The terms of this Letter of Intent, Definitive Term Sheet are confidential and may not be disclosed by you in whole or in part to any third party without the prior consent of PGAM, except for disclosure on a confidential basis to your attorneys, financial advisors and accountants, in each case in connection with your evaluation hereof and to the extent necessary in your reasonable judgment or as may be required by law, regulation or legal process. You acknowledge and agree that PGAM may share with their respective affiliates any information relating to the Facility, the Borrower and its subsidiaries. You further acknowledge and agree to the disclosure by PGAM of information relating to the Facility to Gold Sheets and other similar bank trade publications, with such information to consist of deal terms and other information customarily found in such publications. Furthermore, PGAM hereby notify you that pursuant to the requirements of the USA Patriot Act (the "Act"), each of them is required to obtain, verify and record information that identifies you in accordance with the Act.

The provisions of the immediately preceding three paragraphs shall remain in full force and effect regardless of whether definitive financing documentation shall be executed and delivered and notwithstanding the termination of this Letter or the commitment of PGAM or PGAM hereunder.

This Commitment Letter and the Term Sheet do not summarize all of the terms, conditions, covenants, representations, warranties and other provisions which will be contained in the definitive credit documentation for the Facility and the transactions contemplated thereby. PGAM shall have the right to require that such credit documentation include, in addition to the provisions outlined herein and in the Term Sheet, provisions considered customary and appropriate by PGAM for this type of financing transaction, as well as provisions that PGAM may deem customary and appropriate after they are afforded the opportunity to conduct and complete, to their satisfaction, the due diligence review described above.

PGAM shall have the right to review and approve any public announcement or public filing made after the date hereof relating to any of the transactions contemplated hereby or relating to PGAM or any of its affiliates, as the case may be, before any such announcement or filing is made (such approval not to be unreasonably withheld or delayed).

This Commitment Letter shall be governed by and construed in accordance with the laws of the State of New York without reference to the conflicts or choice of laws principles thereof. Each of us hereby irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Commitment Letter, the Term Sheet, the transactions contemplated hereby and thereby or the actions of PGAM in the negotiation, performance or enforcement hereof and thereof.

This Commitment Letter may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this Commitment Letter by facsimile transmission shall be effective as delivery of a manually executed counterpart hereof; provided that such facsimile transmission shall be promptly followed by the original thereof.

PROVIDENT GROUP ASSET MANAGEMENT, LLC

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This Commitment Letter may not be amended or any provision hereof waived or modified except by an instrument in writing signed by PGAM and the Borrower. This Commitment Letter may not be assigned by the Borrower without the prior written consent of PGAM (and any purported assignment without such consent shall be null and void).

Please indicate your acceptance of this Letter of Intent and the Term Sheet by signing in the space provided and returning the original copy to us.

PROVIDENT GROUP ASSET MANAGEMENT, LLC
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Summary of Indicative Terms

Facility Description:	Senior Secured Debt with attached Warrants
Borrower:	Piper Resources
Lender:	Provident Group Asset Management and affiliates
Facility Size:	\$C 30,000,000
Term:	24 months
Rate:	30 day LIBOR +700 bps, payable semi-annually in arrears. Coupon may be PIK in Year 1 only.
Amortization:	Straight line
Collateral:	The facility will be secured by all assets of Piper Resources including but not limited to its reserves, all land, buildings and improvements, equipment and bank accounts.
Warrant Coverage:	Lender will receive American Style warrant coverage equal to [30.0%] of Piper Resources fully diluted equity at a cost of C\$.01, exercisable at lender discretion

Very truly yours,

PGAM

Name: Mark Bishop

PROVIDENT GROUP ASSET MANAGEMENT, LLC

A PROVIDENT GROUP COMPANY

Title: Partner

Date:

Action No.: 0801-01618

IN THE COURT OF QUEEN'S BENCH OF
ALBERTA
JUDICIAL DISTRICT OF CALGARY

IN THE MATTER OF THE COMPANIES
CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36, as amended

AND IN THE MATTER OF PIPER
RESOURCES LTD.

AFFIDAVIT

THACKRAY BURGESS
Barristers and Solicitors
Attention: JAMES G. HANLEY
Suite 1900, 736 - 6 Avenue SW
Calgary, AB, T2P 3T7

Phone: (403) 531-4712
Fax: (403) 531-4720

File No.: 34900-11

BOX 3