

**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 CARIBOU RESOURCES CORP.

AFFIDAVIT

I, **RICHARD D. CARMICHAEL**, C.A., of the City of Calgary, in the Province of Alberta, **DO MAKE OATH AND SAY AS FOLLOWS:**

1. I am the Chief Financial Officer of JED Oil Inc. (**'JED'**). As such I have personal knowledge of the matters hereinafter deposed to, except where stated to be on information and belief.

2. I have read the Affidavit of James Reid sworn in this action on May 24, 2007 (the **Reid Affidavit**). Paragraphs 7 to 9 of the Reid Affidavit relate to a Press Release issued by JED on May 23, 2007. In paragraph 9(b), Mr. Reid states that the Press Release notes:

that JED has filed a business plan with the American Stock Exchange ("Amex") assuming completion of the acquisition of the Caribou assets and other assumptions, all of which would be necessary to put JED "back in compliance with the continuous listing requirements of Amex".

3. The words quoted in the above paragraph are taken out of context in a way that makes the whole paragraph misleading. The message that the acquisition of the Caribou assets would be "necessary to put JED "back in compliance with the continuous listing requirements of Amex"" is not correct, nor does it properly summarize what the Press Release itself says. The Press Release expressly states the opposite of this -- specifically, that:

JED's plan also provides for JED's compliance with Amex requirements based on its current drilling opportunities, if the Caribou transaction is not completed.

4. The recent agreement between JED and Chamaelo Exploration Ltd.. ("**Chamaelo**") for the sale to Chamaelo of some JED assets for a cash consideration of \$36,600,000 (the "**Chamaelo Agreement**") will also go a long ways toward placing JED back in compliance with Amex's continuous listing requirements, by ensuring profitability for the 2007 fiscal year.

5. Paragraph 9(d) of the Reid Affidavit paraphrases the JED Press Release to the effect that:

concurrently JED proposes to extend the repayment date and reduce (from \$16 to \$3.50) the conversion price of existing JED preferred shares.

6. The proposed amendments governing the JED preferred shares are a completely separate matter from JED's Offer to acquire the shares of Caribou and to settle with Caribou's creditors (the "**JED Offer**"). However, the amendment of the terms governing the preferred shares will substantially assist JED in overcoming the going concern uncertainty noted in its financial statements. The Press Release notes that JED has been advised that the holders of a substantial majority of the Series B preferred shares have verbally agreed to these proposed amendments.

7. As noted by Mr. Reid in his Affidavit, JED's quarterly report to its shareholders (Exhibit "C" to the Reid Affidavit) and its Consolidated Financial Statements for the year ending December 31, 2006 (Exhibit "D" to the said Affidavit) both contain a "going concern note". Note 1 to the 2006 Financial Statements states that the preparation of the statements on a going concern basis "presumes that [JED] will be able to realize assets and discharge liabilities in the normal course of business for the foreseeable future." The note later states as follows:

Therefore, the Company has recently offered many of the Company's oil and gas assets for sale ... with a plan to re-invest the proceeds into new drilling activity in order to create additional value and cash flow. Additionally, management has been actively responding to these issues by cutting costs where possible including reducing staff.

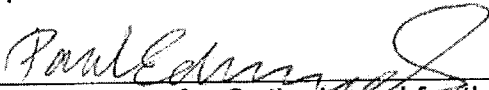
8. The sale of assets to Chamaelo pursuant to the Chamaelo Agreement represents part of the strategy referred to in this note.

9. The same note to the Financial Statements indicates that JED had recorded significant non-cash write-downs of its oil and gas assets. This was a major reason for the losses experienced in 2006 and the accumulated deficit of \$85,321,927 recorded as at the end of that year (\$89,338,950 as at March 31, 2007). (All figures shown on the financial statements are in US dollars.)

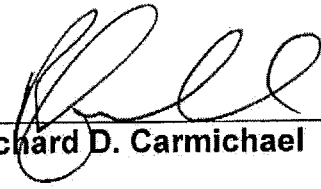
10. By far the largest expense recorded in 2006 was depletion, depreciation and accretion (\$79,011,109 out of total expenses of \$94,867,715). As explained in Note 6 to the 2006 Financial Statements, the large size of this non-cash expense item was due to

"ceiling test write-downs" as at September 30, 2006 and again as at December 31, 2006, totalling \$66,015,535. The reasons for these write-downs are explained in Note 6. They include the fact that during 2006 JED entered into an exchange of interests under which it exchanged some mature oil-producing properties for interests in a natural gas field, resulting in a higher weighting of JED's assets in natural gas. A drop in the price of natural gas during 2006 resulting in a low reference price at September 30, 2006 and at December 31, 2006, was responsible for a significant portion of these write-downs.

SWORN BEFORE ME at the Town of)
Didsbury, Alberta, this 29th day of May,)
2007.)



A Commissioner for Oaths in and for the)
Province of Alberta)
PAUL EDWARDS
Barrister & Solicitor



Richard D. Carmichael

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Sworn: May 29, 2007

GOWLINGS

GOWLING LAFLEUR HENDERSON LLP
Barristers & Solicitors
1400, 700 – 2nd Street S.W.
Calgary, Alberta T2P 4V5

Responsible Solicitor:
Paul Edwards

Telephone: (403) 292-9815
Facsimile: (403) 695-3489

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