

**Government of Alberta** ■

Energy

**CARBON SEQUESTRATION LEASE  
NO. 5911050001**

**Term Commencement Date:** May 27, 2011

**Lessee:**

SHELL CANADA LIMITED

100.0000000%

WHEREAS Her Majesty is the owner of the pore space in respect of which rights are granted under this Lease;

THEREFORE, subject to the terms and conditions of this Lease, Her Majesty grants to the Lessee, insofar as Her Majesty has the right to grant the same, the right to drill wells, conduct evaluation and testing and inject captured carbon dioxide into deep subsurface reservoirs within the Location for the term of fifteen (15) years computed from the Term Commencement Date and renewable under and in accordance with the *Mines and Minerals Act* and *Carbon Sequestration Tenure Regulation* (AR 68/2011), and subject to the terms and conditions prescribed by the Minister in relation to each renewal;

RESERVING AND PAYING to Her Majesty, in respect of each year during which this Lease remains in effect, a clear yearly rental computed at the rate prescribed by and payable in accordance with the *Mines and Minerals Act*;

- 1.(1) In this Lease, a reference to the *Mines and Minerals Act* or to any other Act of the Legislature of Alberta referred to in section 2(2)(b) of this Lease shall be construed as a reference to
  - (a) that Act, as amended from time to time,
  - (b) any replacement of all or part of that Act from time to time enacted by the Legislature, as amended from time to time, and
  - (c) any regulations, orders, directives or other subordinate legislation from time to time made under any enactment referred to in clause (a) or (b), as amended from time to time.
- (2) In this Lease,
  - (a) "Her Majesty" means Her Majesty in right of Alberta, as represented by the Minister of Energy of the Province of Alberta;
  - (b) "Location" means the subsurface area or areas underlying the surface area of the tract or tracts of land described under the heading "Description of Location" in the Appendix to this Lease;
  - (c) "Term Commencement Date" means the date shown on the first page of this Lease as the Term Commencement Date;
2. This Lease is granted upon the following conditions:
  - (1) The Lessee shall pay to Her Majesty the rental reserved under this Lease.
  - (2) The Lessee shall comply with the provisions of
    - (a) the *Mines and Minerals Act*, and
    - (b) the *Oil and Gas Conservation Act* or any other Acts of the Legislature of Alberta that prescribe, apply to or affect the rights and obligations of a Lessee to inject captured carbon dioxide into a deep subsurface reservoir for sequestration, or that relate to, apply to or affect the Lessee in the conduct of its operations or activities under this Lease.

- (3) The provisions of the Acts referred to in subsection (2) are deemed to be incorporated in this Lease.
- (4) In the event of conflict between a provision of this Lease and a provision referred to in subsection (2), the latter provision prevails.
- (5) The Lessee shall not claim or purport to exercise any rights, prerogatives, privileges or immunities that would otherwise exempt the Lessee from compliance with any of the provisions of the *Mines and Minerals Act* or of any other Act of the Legislature of Alberta referred to in subsection (2)(b).
- (6) The Lessee does not have the right to win, work or recover any minerals found within the Location.
- (7) The Lessee shall keep Her Majesty indemnified against
  - (a) all actions, claims and demands brought or made against Her Majesty by reason of anything done or omitted to be done, whether negligently or otherwise, by the Lessee or any other person in the exercise or purported exercise of the rights granted and duties imposed under this Lease, and
  - (b) all losses, damages, costs, charges and expenses that Her Majesty sustains or incurs in connection with any action, claim or demand referred to in clause (a).
- (8) The use in this Lease of the word "Lessee", "Lease", or "rental," or of any other word or expression,
  - (a) does not create any implied covenant or implied liability on the part of Her Majesty, and
  - (b) does not create the relationship of landlord and tenant between Her Majesty and the Lessee for any purpose.
- (9) This Lease is also subject to the special provisions, if any, contained in the Appendix to this Lease.

EXECUTED on behalf of the Minister of Energy of the Province of Alberta at Edmonton, Alberta.



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For Minister of Energy  
on behalf of Her Majesty

APPENDIX

TO

CARBON SEQUESTRATION LEASE NO. 5911050001

TERM COMMENCEMENT DATE:

MAY 27, 2011

AGGREGATE AREA:

73 728 HECTARES

DESCRIPTION OF LOCATION:

4-18-059: 1-36

4-18-060: 1-36

4-18-061: 1-36

4-19-059: 1-36

4-19-060: 1-36

4-19-061: 1-36

4-19-062: 1-36

4-20-060: 1-36

PORE SPACE BELOW THE TOP OF THE ELK POINT GRP  
AS DESIGNATED IN D00284

INTERVAL: 783.00 - 1370.00 METERS

KEY WELL: 02/06-13-063-08W4/00

LOG TYPE: COMPENSATED NEUTRON-LITHO DENSITY

SPECIAL PROVISIONS:

NIL

**CARBON SEQUESTRATION LEASE  
NO. 5911050002**

**Term Commencement Date:** May 27, 2011

**Lessee:**

SHELL CANADA LIMITED

100.0000000%

WHEREAS Her Majesty is the owner of the pore space in respect of which rights are granted under this Lease;

THEREFORE, subject to the terms and conditions of this Lease, Her Majesty grants to the Lessee, insofar as Her Majesty has the right to grant the same, the right to drill wells, conduct evaluation and testing and inject captured carbon dioxide into deep subsurface reservoirs within the Location for the term of fifteen (15) years computed from the Term Commencement Date and renewable under and in accordance with the *Mines and Minerals Act* and *Carbon Sequestration Tenure Regulation (AR 68/2011)*, and subject to the terms and conditions prescribed by the Minister in relation to each renewal;

RESERVING AND PAYING to Her Majesty, in respect of each year during which this Lease remains in effect, a clear yearly rental computed at the rate prescribed by and payable in accordance with the *Mines and Minerals Act*;

- 1.(1) In this Lease, a reference to the *Mines and Minerals Act* or to any other Act of the Legislature of Alberta referred to in section 2(2)(b) of this Lease shall be construed as a reference to
  - (a) that Act, as amended from time to time,
  - (b) any replacement of all or part of that Act from time to time enacted by the Legislature, as amended from time to time, and
  - (c) any regulations, orders, directives or other subordinate legislation from time to time made under any enactment referred to in clause (a) or (b), as amended from time to time.
- (2) In this Lease,
  - (a) "Her Majesty" means Her Majesty in right of Alberta, as represented by the Minister of Energy of the Province of Alberta;
  - (b) "Location" means the subsurface area or areas underlying the surface area of the tract or tracts of land described under the heading "Description of Location" in the Appendix to this Lease;
  - (c) "Term Commencement Date" means the date shown on the first page of this Lease as the Term Commencement Date;
2. This Lease is granted upon the following conditions:
  - (1) The Lessee shall pay to Her Majesty the rental reserved under this Lease.
  - (2) The Lessee shall comply with the provisions of
    - (a) the *Mines and Minerals Act*, and
    - (b) the *Oil and Gas Conservation Act* or any other Acts of the Legislature of Alberta that prescribe, apply to or affect the rights and obligations of a Lessee to inject captured carbon dioxide into a deep subsurface reservoir for sequestration, or that relate to, apply to or affect the Lessee in the conduct of its operations or activities under this Lease.

- (3) The provisions of the Acts referred to in subsection (2) are deemed to be incorporated in this Lease.
- (4) In the event of conflict between a provision of this Lease and a provision referred to in subsection (2), the latter provision prevails.
- (5) The Lessee shall not claim or purport to exercise any rights, prerogatives, privileges or immunities that would otherwise exempt the Lessee from compliance with any of the provisions of the *Mines and Minerals Act* or of any other Act of the Legislature of Alberta referred to in subsection (2)(b).
- (6) The Lessee does not have the right to win, work or recover any minerals found within the Location.
- (7) The Lessee shall keep Her Majesty indemnified against
  - (a) all actions, claims and demands brought or made against Her Majesty by reason of anything done or omitted to be done, whether negligently or otherwise, by the Lessee or any other person in the exercise or purported exercise of the rights granted and duties imposed under this Lease, and
  - (b) all losses, damages, costs, charges and expenses that Her Majesty sustains or incurs in connection with any action, claim or demand referred to in clause (a).
- (8) The use in this Lease of the word "Lessee", "Lease", or "rental," or of any other word or expression,
  - (a) does not create any implied covenant or implied liability on the part of Her Majesty, and
  - (b) does not create the relationship of landlord and tenant between Her Majesty and the Lessee for any purpose.
- (9) This Lease is also subject to the special provisions, if any, contained in the Appendix to this Lease.

EXECUTED on behalf of the Minister of Energy of the Province of Alberta at Edmonton, Alberta.



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For Minister of Energy  
on behalf of Her Majesty

APPENDIX

TO

CARBON SEQUESTRATION LEASE NO. 5911050002

TERM COMMENCEMENT DATE:

MAY 27, 2011

AGGREGATE AREA:

64 512 HECTARES

DESCRIPTION OF LOCATION:

4-19-056: 1-36

4-19-057: 1-36

4-19-058: 1-36

4-20-056: 1-36

4-20-057: 1-36

4-20-058: 1-36

4-20-059: 1-36

PORE SPACE BELOW THE TOP OF THE ELK POINT GRP  
AS DESIGNATED IN D00284

INTERVAL: 783.00 - 1370.00 METERS

KEY WELL: 02/06-13-063-08W4/00

LOG TYPE: COMPENSATED NEUTRON-LITHO DENSITY

SPECIAL PROVISIONS:

NIL



**Government of Alberta** ■

Energy

**CARBON SEQUESTRATION LEASE  
NO. 5911050003**

**Term Commencement Date:** May 27, 2011

**Lessee:**

SHELL CANADA LIMITED

100.0000000%

WHEREAS Her Majesty is the owner of the pore space in respect of which rights are granted under this Lease;

THEREFORE, subject to the terms and conditions of this Lease, Her Majesty grants to the Lessee, insofar as Her Majesty has the right to grant the same, the right to drill wells, conduct evaluation and testing and inject captured carbon dioxide into deep subsurface reservoirs within the Location for the term of fifteen (15) years computed from the Term Commencement Date and renewable under and in accordance with the *Mines and Minerals Act* and *Carbon Sequestration Tenure Regulation* (AR 68/2011), and subject to the terms and conditions prescribed by the Minister in relation to each renewal;

RESERVING AND PAYING to Her Majesty, in respect of each year during which this Lease remains in effect, a clear yearly rental computed at the rate prescribed by and payable in accordance with the *Mines and Minerals Act*;

- 1.(1) In this Lease, a reference to the *Mines and Minerals Act* or to any other Act of the Legislature of Alberta referred to in section 2(2)(b) of this Lease shall be construed as a reference to
  - (a) that Act, as amended from time to time,
  - (b) any replacement of all or part of that Act from time to time enacted by the Legislature, as amended from time to time, and
  - (c) any regulations, orders, directives or other subordinate legislation from time to time made under any enactment referred to in clause (a) or (b), as amended from time to time.
- (2) In this Lease,
  - (a) "Her Majesty" means Her Majesty in right of Alberta, as represented by the Minister of Energy of the Province of Alberta;
  - (b) "Location" means the subsurface area or areas underlying the surface area of the tract or tracts of land described under the heading "Description of Location" in the Appendix to this Lease;
  - (c) "Term Commencement Date" means the date shown on the first page of this Lease as the Term Commencement Date;
2. This Lease is granted upon the following conditions:
  - (1) The Lessee shall pay to Her Majesty the rental reserved under this Lease.
  - (2) The Lessee shall comply with the provisions of
    - (a) the *Mines and Minerals Act*, and
    - (b) the *Oil and Gas Conservation Act* or any other Acts of the Legislature of Alberta that prescribe, apply to or affect the rights and obligations of a Lessee to inject captured carbon dioxide into a deep subsurface reservoir for sequestration, or that relate to, apply to or affect the Lessee in the conduct of its operations or activities under this Lease.

- (3) The provisions of the Acts referred to in subsection (2) are deemed to be incorporated in this Lease.
- (4) In the event of conflict between a provision of this Lease and a provision referred to in subsection (2), the latter provision prevails.
- (5) The Lessee shall not claim or purport to exercise any rights, prerogatives, privileges or immunities that would otherwise exempt the Lessee from compliance with any of the provisions of the *Mines and Minerals Act* or of any other Act of the Legislature of Alberta referred to in subsection (2)(b).
- (6) The Lessee does not have the right to win, work or recover any minerals found within the Location.
- (7) The Lessee shall keep Her Majesty indemnified against
  - (a) all actions, claims and demands brought or made against Her Majesty by reason of anything done or omitted to be done, whether negligently or otherwise, by the Lessee or any other person in the exercise or purported exercise of the rights granted and duties imposed under this Lease, and
  - (b) all losses, damages, costs, charges and expenses that Her Majesty sustains or incurs in connection with any action, claim or demand referred to in clause (a).
- (8) The use in this Lease of the word "Lessee", "Lease", or "rental," or of any other word or expression,
  - (a) does not create any implied covenant or implied liability on the part of Her Majesty, and
  - (b) does not create the relationship of landlord and tenant between Her Majesty and the Lessee for any purpose.
- (9) This Lease is also subject to the special provisions, if any, contained in the Appendix to this Lease.

EXECUTED on behalf of the Minister of Energy of the Province of Alberta at Edmonton, Alberta.



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For Minister of Energy  
on behalf of Her Majesty

APPENDIX

TO

CARBON SEQUESTRATION LEASE NO. 5911050003

TERM COMMENCEMENT DATE:

MAY 27, 2011

AGGREGATE AREA:

64 512 HECTARES

DESCRIPTION OF LOCATION:

4-20-061: 1-36

4-20-062: 1-36

4-20-063: 1-36

4-21-060: 1-36

4-21-061: 1-36

4-21-062: 1-36

4-21-063: 1-36

PORE SPACE BELOW THE TOP OF THE ELK POINT GRP  
AS DESIGNATED IN D00284

INTERVAL: 783.00 - 1370.00 METERS

KEY WELL: 02/06-13-063-08W4/00

LOG TYPE: COMPENSATED NEUTRON-LITHO DENSITY

SPECIAL PROVISIONS:

NIL

**CARBON SEQUESTRATION LEASE  
NO. 5911050004**

**Term Commencement Date:** May 27, 2011

**Lessee:**

SHELL CANADA LIMITED

100.0000000%

WHEREAS Her Majesty is the owner of the pore space in respect of which rights are granted under this Lease;

THEREFORE, subject to the terms and conditions of this Lease, Her Majesty grants to the Lessee, insofar as Her Majesty has the right to grant the same, the right to drill wells, conduct evaluation and testing and inject captured carbon dioxide into deep subsurface reservoirs within the Location for the term of fifteen (15) years computed from the Term Commencement Date and renewable under and in accordance with the *Mines and Minerals Act* and *Carbon Sequestration Tenure Regulation* (AR 68/2011), and subject to the terms and conditions prescribed by the Minister in relation to each renewal;

RESERVING AND PAYING to Her Majesty, in respect of each year during which this Lease remains in effect, a clear yearly rental computed at the rate prescribed by and payable in accordance with the *Mines and Minerals Act*;

- 1.(1) In this Lease, a reference to the *Mines and Minerals Act* or to any other Act of the Legislature of Alberta referred to in section 2(2)(b) of this Lease shall be construed as a reference to
  - (a) that Act, as amended from time to time,
  - (b) any replacement of all or part of that Act from time to time enacted by the Legislature, as amended from time to time, and
  - (c) any regulations, orders, directives or other subordinate legislation from time to time made under any enactment referred to in clause (a) or (b), as amended from time to time.
- (2) In this Lease,
  - (a) "Her Majesty" means Her Majesty in right of Alberta, as represented by the Minister of Energy of the Province of Alberta;
  - (b) "Location" means the subsurface area or areas underlying the surface area of the tract or tracts of land described under the heading "Description of Location" in the Appendix to this Lease;
  - (c) "Term Commencement Date" means the date shown on the first page of this Lease as the Term Commencement Date;
2. This Lease is granted upon the following conditions:
  - (1) The Lessee shall pay to Her Majesty the rental reserved under this Lease.
  - (2) The Lessee shall comply with the provisions of
    - (a) the *Mines and Minerals Act*, and
    - (b) the *Oil and Gas Conservation Act* or any other Acts of the Legislature of Alberta that prescribe, apply to or affect the rights and obligations of a Lessee to inject captured carbon dioxide into a deep subsurface reservoir for sequestration, or that relate to, apply to or affect the Lessee in the conduct of its operations or activities under this Lease.

- (3) The provisions of the Acts referred to in subsection (2) are deemed to be incorporated in this Lease.
- (4) In the event of conflict between a provision of this Lease and a provision referred to in subsection (2), the latter provision prevails.
- (5) The Lessee shall not claim or purport to exercise any rights, prerogatives, privileges or immunities that would otherwise exempt the Lessee from compliance with any of the provisions of the *Mines and Minerals Act* or of any other Act of the Legislature of Alberta referred to in subsection (2)(b).
- (6) The Lessee does not have the right to win, work or recover any minerals found within the Location.
- (7) The Lessee shall keep Her Majesty indemnified against
  - (a) all actions, claims and demands brought or made against Her Majesty by reason of anything done or omitted to be done, whether negligently or otherwise, by the Lessee or any other person in the exercise or purported exercise of the rights granted and duties imposed under this Lease, and
  - (b) all losses, damages, costs, charges and expenses that Her Majesty sustains or incurs in connection with any action, claim or demand referred to in clause (a).
- (8) The use in this Lease of the word "Lessee", "Lease", or "rental," or of any other word or expression,
  - (a) does not create any implied covenant or implied liability on the part of Her Majesty, and
  - (b) does not create the relationship of landlord and tenant between Her Majesty and the Lessee for any purpose.
- (9) This Lease is also subject to the special provisions, if any, contained in the Appendix to this Lease.

EXECUTED on behalf of the Minister of Energy of the Province of Alberta at Edmonton, Alberta.

  
\_\_\_\_\_  
For Minister of Energy  
on behalf of Her Majesty

APPENDIX

TO

CARBON SEQUESTRATION LEASE NO. 5911050004

TERM COMMENCEMENT DATE:

MAY 27, 2011

AGGREGATE AREA:

49 152 HECTARES

DESCRIPTION OF LOCATION:

4-21-056: 25-36

4-21-057: 1-36

4-21-058: 1-36

4-21-059: 1-36

4-22-057: 1-36

4-22-058: 1-36

PORE SPACE BELOW THE TOP OF THE ELK POINT GRP  
AS DESIGNATED IN D00284

INTERVAL: 783.00 - 1370.00 METERS

KEY WELL: 02/06-13-063-08W4/00

LOG TYPE: COMPENSATED NEUTRON-LITHO DENSITY

SPECIAL PROVISIONS:

NIL



**CARBON SEQUESTRATION LEASE  
NO. 5911050005**

**Term Commencement Date:** May 27, 2011

**Lessee:**

SHELL CANADA LIMITED

100.0000000%

WHEREAS Her Majesty is the owner of the pore space in respect of which rights are granted under this Lease;

THEREFORE, subject to the terms and conditions of this Lease, Her Majesty grants to the Lessee, insofar as Her Majesty has the right to grant the same, the right to drill wells, conduct evaluation and testing and inject captured carbon dioxide into deep subsurface reservoirs within the Location for the term of fifteen (15) years computed from the Term Commencement Date and renewable under and in accordance with the *Mines and Minerals Act* and *Carbon Sequestration Tenure Regulation* (AR 68/2011), and subject to the terms and conditions prescribed by the Minister in relation to each renewal;

RESERVING AND PAYING to Her Majesty, in respect of each year during which this Lease remains in effect, a clear yearly rental computed at the rate prescribed by and payable in accordance with the *Mines and Minerals Act*;

- 1.(1) In this Lease, a reference to the *Mines and Minerals Act* or to any other Act of the Legislature of Alberta referred to in section 2(2)(b) of this Lease shall be construed as a reference to
  - (a) that Act, as amended from time to time,
  - (b) any replacement of all or part of that Act from time to time enacted by the Legislature, as amended from time to time, and
  - (c) any regulations, orders, directives or other subordinate legislation from time to time made under any enactment referred to in clause (a) or (b), as amended from time to time.
- (2) In this Lease,
  - (a) "Her Majesty" means Her Majesty in right of Alberta, as represented by the Minister of Energy of the Province of Alberta;
  - (b) "Location" means the subsurface area or areas underlying the surface area of the tract or tracts of land described under the heading "Description of Location" in the Appendix to this Lease;
  - (c) "Term Commencement Date" means the date shown on the first page of this Lease as the Term Commencement Date;
2. This Lease is granted upon the following conditions:
  - (1) The Lessee shall pay to Her Majesty the rental reserved under this Lease.
  - (2) The Lessee shall comply with the provisions of
    - (a) the *Mines and Minerals Act*, and
    - (b) the *Oil and Gas Conservation Act* or any other Acts of the Legislature of Alberta that prescribe, apply to or affect the rights and obligations of a Lessee to inject captured carbon dioxide into a deep subsurface reservoir for sequestration, or that relate to, apply to or affect the Lessee in the conduct of its operations or activities under this Lease.

- (3) The provisions of the Acts referred to in subsection (2) are deemed to be incorporated in this Lease.
- (4) In the event of conflict between a provision of this Lease and a provision referred to in subsection (2), the latter provision prevails.
- (5) The Lessee shall not claim or purport to exercise any rights, prerogatives, privileges or immunities that would otherwise exempt the Lessee from compliance with any of the provisions of the *Mines and Minerals Act* or of any other Act of the Legislature of Alberta referred to in subsection (2)(b).
- (6) The Lessee does not have the right to win, work or recover any minerals found within the Location.
- (7) The Lessee shall keep Her Majesty indemnified against
  - (a) all actions, claims and demands brought or made against Her Majesty by reason of anything done or omitted to be done, whether negligently or otherwise, by the Lessee or any other person in the exercise or purported exercise of the rights granted and duties imposed under this Lease, and
  - (b) all losses, damages, costs, charges and expenses that Her Majesty sustains or incurs in connection with any action, claim or demand referred to in clause (a).
- (8) The use in this Lease of the word "Lessee", "Lease", or "rental," or of any other word or expression,
  - (a) does not create any implied covenant or implied liability on the part of Her Majesty, and
  - (b) does not create the relationship of landlord and tenant between Her Majesty and the Lessee for any purpose.
- (9) This Lease is also subject to the special provisions, if any, contained in the Appendix to this Lease.

EXECUTED on behalf of the Minister of Energy of the Province of Alberta at Edmonton, Alberta.



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For Minister of Energy  
on behalf of Her Majesty

APPENDIX

TO

CARBON SEQUESTRATION LEASE NO. 5911050005

TERM COMMENCEMENT DATE:

MAY 27, 2011

AGGREGATE AREA:

55 296 HECTARES

DESCRIPTION OF LOCATION:

4-22-059: 1-36

4-22-060: 1-36

4-23-058: 1-36

4-23-059: 1-36

4-23-060: 1-36

4-24-060: 1-36

PORE SPACE BELOW THE TOP OF THE ELK POINT GRP  
AS DESIGNATED IN D00284

INTERVAL: 783.00 - 1370.00 METERS

KEY WELL: 02/06-13-063-08W4/00

LOG TYPE: COMPENSATED NEUTRON-LITHO DENSITY

SPECIAL PROVISIONS:

NIL

**CARBON SEQUESTRATION LEASE  
NO. 5911050006**

**Term Commencement Date:** May 27, 2011

**Lessee:**

SHELL CANADA LIMITED

100.0000000%

WHEREAS Her Majesty is the owner of the pore space in respect of which rights are granted under this Lease;

THEREFORE, subject to the terms and conditions of this Lease, Her Majesty grants to the Lessee, insofar as Her Majesty has the right to grant the same, the right to drill wells, conduct evaluation and testing and inject captured carbon dioxide into deep subsurface reservoirs within the Location for the term of fifteen (15) years computed from the Term Commencement Date and renewable under and in accordance with the *Mines and Minerals Act* and *Carbon Sequestration Tenure Regulation* (AR 68/2011), and subject to the terms and conditions prescribed by the Minister in relation to each renewal;

RESERVING AND PAYING to Her Majesty, in respect of each year during which this Lease remains in effect, a clear yearly rental computed at the rate prescribed by and payable in accordance with the *Mines and Minerals Act*;

1.(1) In this Lease, a reference to the *Mines and Minerals Act* or to any other Act of the Legislature of Alberta referred to in section 2(2)(b) of this Lease shall be construed as a reference to

- (a) that Act, as amended from time to time,
- (b) any replacement of all or part of that Act from time to time enacted by the Legislature, as amended from time to time, and
- (c) any regulations, orders, directives or other subordinate legislation from time to time made under any enactment referred to in clause (a) or (b), as amended from time to time.

(2) In this Lease,

- (a) "Her Majesty" means Her Majesty in right of Alberta, as represented by the Minister of Energy of the Province of Alberta;
- (b) "Location" means the subsurface area or areas underlying the surface area of the tract or tracts of land described under the heading "Description of Location" in the Appendix to this Lease;
- (c) "Term Commencement Date" means the date shown on the first page of this Lease as the Term Commencement Date;

2. This Lease is granted upon the following conditions:

(1) The Lessee shall pay to Her Majesty the rental reserved under this Lease.

(2) The Lessee shall comply with the provisions of

- (a) the *Mines and Minerals Act*, and
- (b) the *Oil and Gas Conservation Act* or any other Acts of the Legislature of Alberta that prescribe, apply to or affect the rights and obligations of a Lessee to inject captured carbon dioxide into a deep subsurface reservoir for sequestration, or that relate to, apply to or affect the Lessee in the conduct of its operations or activities under this Lease.

- (3) The provisions of the Acts referred to in subsection (2) are deemed to be incorporated in this Lease.
- (4) In the event of conflict between a provision of this Lease and a provision referred to in subsection (2), the latter provision prevails.
- (5) The Lessee shall not claim or purport to exercise any rights, prerogatives, privileges or immunities that would otherwise exempt the Lessee from compliance with any of the provisions of the *Mines and Minerals Act* or of any other Act of the Legislature of Alberta referred to in subsection (2)(b).
- (6) The Lessee does not have the right to win, work or recover any minerals found within the Location.
- (7) The Lessee shall keep Her Majesty indemnified against
  - (a) all actions, claims and demands brought or made against Her Majesty by reason of anything done or omitted to be done, whether negligently or otherwise, by the Lessee or any other person in the exercise or purported exercise of the rights granted and duties imposed under this Lease, and
  - (b) all losses, damages, costs, charges and expenses that Her Majesty sustains or incurs in connection with any action, claim or demand referred to in clause (a).
- (8) The use in this Lease of the word "Lessee", "Lease", or "rental," or of any other word or expression,
  - (a) does not create any implied covenant or implied liability on the part of Her Majesty, and
  - (b) does not create the relationship of landlord and tenant between Her Majesty and the Lessee for any purpose.
- (9) This Lease is also subject to the special provisions, if any, contained in the Appendix to this Lease.

EXECUTED on behalf of the Minister of Energy of the Province of Alberta at Edmonton, Alberta.

  
\_\_\_\_\_  
For Minister of Energy  
on behalf of Her Majesty

APPENDIX

TO

CARBON SEQUESTRATION LEASE NO. 5911050006

TERM COMMENCEMENT DATE:

MAY 27, 2011

AGGREGATE AREA:

55 296 HECTARES

DESCRIPTION OF LOCATION:

4-22-061: 1-36

4-22-062: 1-36

4-22-063: 1-36

4-23-061: 1-36

4-23-062: 1-36

4-24-061: 1-36

PORE SPACE BELOW THE TOP OF THE ELK POINT GRP  
AS DESIGNATED IN D00284

INTERVAL: 783.00 - 1370.00 METERS

KEY WELL: 02/06-13-063-08W4/00

LOG TYPE: COMPENSATED NEUTRON-LITHO DENSITY

SPECIAL PROVISIONS:

NIL