ORDER IN COUNCIL

Approved and ordered:

The Lieutenant Governor in Council authorizes the Minister of Energy, on behalf of the Crown in right of Alberta, to enter into an Assignment and Novation Agreement with 1333002 Alberta Ltd., as successor in interest to Dominion Exploration Canada, Ltd., Baytex Energy Ltd. and Canadian Natural Resources Limited, in the form attached.

For Information only

Recommended by: Minister of Energy

Authority: Mines and Minerals Act (section 9)
ASSIGNMENT AND NOVATION AGREEMENT

THIS AGREEMENT made as of June 26, 2007.

BETWEEN/AMONG:

1333002 ALBERTA LTD., having an office in the City of Calgary, in the Province of Alberta (hereinafter referred to as “Assignor” or “1333002”)  

- and -  

BAYTEX ENERGY LTD., a body corporate, having an office in the City of Calgary, in the Province of Alberta (hereinafter referred to as “Assignee”)  

- and -  

Those parties set forth and described in Schedule “A” attached hereto (hereinafter individually and collectively called the “Third Party”).  

OF THE FIRST PART  

OF THE SECOND PART  

OF THE THIRD PART  

WHEREAS Dominion Exploration Canada Ltd. changed its name to 1333002 Alberta Ltd. effective February 20, 2008;  

AND WHEREAS the Assignor and the Third Party are parties to or successors in interest to parties to the agreement set forth and described in Schedule “A” (such agreement or agreements including all amendments, if any, thereto, being hereinafter referred to as “the Agreement”, regardless of whether there be more than one of them, but if more than one, then such references shall be collective);  

AND WHEREAS the Assignor desires to assign, transfer and convey unto the Assignee its entire right, title and interest in the Agreement;  

AND WHEREAS the Third Party is willing to consent to the assignment, transfer and conveyance and to recognize and accept the Assignee as a party to the Agreement, in the place and stead of the Assignor to the extent of the interest assigned, transferred and conveyed;  

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

1. The Assignor hereby confirms that it assigns, transfers and conveys unto the Assignee effective as of June 26, 2007 (the “Effective Date”) One Hundred (100%) Percent of their
right, title and interest in and to the Agreement (the “Assigned Interest”) to hold the same unto the Assignee for its sole use and benefit absolutely, subject nevertheless to terms and conditions of the Agreement.

2. The Assignee hereby accepts the assignment, transfer and conveyance to it of the Assigned Interest and the Assignee hereby covenants and agrees with the Assignor, and the Third Party, that it shall and will be bound by and observe, perform and fulfill each and every covenant, agreement, term, condition and stipulation on the part of the Assignor in the Agreement, reserved and contained to the extent of the Assigned Interest as if the Assignee had been originally named as a party thereto in the place and stead of the Assignor to the extent of the Assigned Interest.

3. The Third Party, by its execution hereof, hereby consents to the assignments, transfers and conveyances described in Clause 1 above, and accepts the Assignee as a party to the Agreement as of the Effective Date and hereby covenants and agrees that the Assignee shall be entitled, from and after the Effective Date, to hold and enforce all the rights and privileges of the Assignor, insofar as they relate to the Assigned Interest, and the Agreement shall continue in full force and effect with the Assignee substituted as a party thereto in the place and stead of the Assignor to the extent of the Assigned Interest.

4. The Third Party hereby consents to the assignments, transfers and conveyances described in Clause 1 and waives all prior or pre-emptive rights of purchase or rights of first refusal, if any, in respect of the interest acquired by Assignee from Assignor in the lands subject to the Agreement.

5. The Third Party, to the extent of the Assigned Interest, wholly releases and discharges the Assignor from the observance and performance of its covenants and agreements in the Agreement to the same extent as if the Agreement had been wholly terminated in relation thereto by the mutual agreement of the Third Party and the Assignor as of the Effective Date. Nothing herein contained shall be construed as a release of the Assignor from any obligation or liability under the Agreement, which obligation or liability had accrued prior to the Effective Date, saving and excepting only any obligation to give notice to the Third Party of the dispositions of the interest referred to in Clause 4 above and the Third Party, by its execution hereof, expressly consents to such disposition.

6. The Assignor covenants and agrees with the Assignee that it shall and will from time to time and at all times hereafter, at the request and cost of the Assignee, execute such further assurances and do all such further acts as may be reasonably required for the purpose of vesting in the Assignee the Assigned Interest.

7. This Agreement may be executed in as many counterparts as are necessary and, when a counterpart has been executed by each party, all counterparts together shall constitute one agreement.
8. The address of the Assignee for all notices to be hereafter served on it under the Agreement, but subject to the provisions thereof as to notices, shall be:

   Baytex Energy Ltd.
   2800, 520 – 3rd Avenue S.W.
   Calgary, Alberta
   T2P 0R3
   Attention: Vice President, Land

9. This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

10. The Agreement, as amended by this agreement, shall continue in full force and effect and is hereby ratified and confirmed by each party.

   IN WITNESS WHEREOF, the parties hereto have been executed and delivered these presents.

1333002 ALBERTA LTD.,
   as successor in interest to,
   DOMINION EXPLORATION CANADA LTD.
   (Assignor)

BAYTEX ENERGY LTD.
   (Assignee)

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This is the Execution Page of an Assignment and Novation Agreement made as of June 26, 2007 between, by or among 1333002 Alberta Ltd., as successor in interest to Dominion Exploration Canada Ltd., as Assignor, and Baytex Energy Ltd., as Assignee, and Canadian Natural Resources Limited and Her Majesty the Queen in Right of the Province of Alberta as Third Parties.
This is Schedule “A” to an Assignment and Novation Agreement made as of June 26, 2007 between, by or among 1333002 Alberta Ltd., as successor in interest to Dominion Exploration Canada Ltd., as Assignor, and Baytex Energy Ltd., as Assignee, and Canadian Natural Resources Limited and Her Majesty the Queen in Right of the Province of Alberta as Third Parties.

THE AGREEMENT

Alberta Lindbergh Crown Agreement dated December 19, 1985 originally among Her Majesty the Queen in Right of the Province of Alberta as represented by the Minister of Energy and Natural Resources of Alberta, Dome Petroleum Limited, CNG Producing Company and Sulpetro Limited

THE THIRD PARTY

Canadian Natural Resources Limited
Her Majesty the Queen in Right of the Province of Alberta

THE LANDS/ASSIGNED INTEREST

100% of Assignor’s interest in the Agreement
This is a Counterpart Execution Page to an Assignment and Novation Agreement made as of June 26, 2007 between, by or among 1333002 Alberta Ltd., as successor in interest to Dominion Exploration Canada Ltd., as Assignor, and Baytex Energy Ltd., as Assignee, and Canadian Natural Resources Limited and Her Majesty the Queen in Right of the Province of Alberta as Third Parties.

CANADIAN NATURAL RESOURCES LIMITED

PER:

PER:
This is a Counterpart Execution Page to an Assignment and Novation Agreement made as of June 26, 2007 between, by or among 1333002 Alberta Ltd., as successor in interest to Dominion Exploration Canada Ltd., as Assignor, and Baytex Energy Ltd., as Assignee, and Canadian Natural Resources Limited and Her Majesty the Queen in Right of the Province of Alberta as Third Parties.

HER MAJESTY THE QUEEN
in right of the Province of Alberta as
represented by the Minister of Energy

PER:

PER: