

**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 DARIAN RESOURCES LTD.**

**AND IN THE MATTER OF BOWVIEW PETROLEUM INC.**

**AFFIDAVIT**

I, **ALAN W. TAMBOSSO**, of the City of Calgary, in the Province of Alberta, ,  
Professional Engineer, Professional Geologist, **MAKE OATH AND SAY THAT:**

1. I am the President of Sayer Energy Advisors ("Sayer"), and as such I have personal knowledge of the matters deposed to herein except where stated to be based upon information and belief, in which case I verily believe the same to be true.
2. As appears from the Affidavit of Mr. Grant Aulden Bartlett sworn February 11, 2010 in this action, Sayer provided a private opinion relating to the value of the shares of Darian Resources Ltd. ("Darian" or the "Company") dated February 2, 2010 to the special committee of the Board of Directors of Darian (the "Valuation"). The Valuation is Exhibit "G" to Mr. Bartlett's aforesaid Affidavit.
3. In this Affidavit I will outline the history of Sayer's involvement in the Valuation, and the methodologies used by Sayer in preparing the Valuation. I will also provide comments on the January 12, 2010 Review of Darian Resources Ltd. prepared by Ross Smith Sousa (the "RSS Report") for SFG Investments Ltd..

**Qualifications of Sayer**

4. Sayer is a specialized corporate advisory firm that provides capital market and advisory services for oil and natural gas companies, oilfield service companies, governments and financial institutions across Canada and for foreign entities. These services include

corporate advisory services in the areas of mergers, acquisitions and divestitures, independent research, valuations and fairness opinions for clients. Sayer and its principals have prepared numerous fairness opinions and valuations and have participated in a significant number of transactions involving private and publicly traded oil and natural gas companies, including the recent mandates listed in **Exhibit "A"** hereto. Sayer is authorized by the Association of Professional Engineers, Geologists, and Geophysicists of Alberta ("APEGGA"), the governing body of engineers, geologists and geophysicists in Alberta, to engage in the practise of Engineering or Geology in the Province of Alberta. As such Sayer is qualified to prepare and provide independent engineering and geological analysis.

5. The Valuation was prepared and reviewed by individuals experienced in merger and acquisition transactions in the oil and natural gas industry and in the preparation of valuation opinions. The individuals responsible for the preparation of the Valuation were Mr. Alan Tambosso, B.A.Sc., P.Eng., P.Geol., Mr. Ryan Ferguson Young, B. Comm. and Mr. Tom Pavic, B.Comm, CFA, who together have a total of 22 years of experience in the financial services industry, and a total of more than 44 years of experience in the oil and natural gas industry. Mr. Pavic and Mr. Ferguson Young were primarily responsible for financial modeling of Darian, while I was primarily responsible for analyzing the technical merits of the Company's assets and prospects, and I was responsible for overseeing the preparation of the final report. All three individuals attended various meetings with the Company and all three individuals provided input and comments on and analyzed the various components of value found within the Company. As President of Sayer, final responsibility for the Valuation rests with me and I am able to swear positively to the contents of the Valuation and the opinions expressed therein. Copies of the resumes of myself, Mr. Pavic and Mr. Ferguson Young are attached hereto marked respectively as **Exhibit "B"**, **"C"** and **"D"**.
6. By virtue of my qualifications and experience set out in this Affidavit, I believe I am qualified to express an expert opinion about the value of the shares of Darian. The value of the shares of Darian reflected in the Valuation was determined in the manner set out herein and in the Valuation. In determining such value, Sayer applied its experience and

expertise as a valuator of oil and gas assets and as a valuator of the shares of oil and gas corporations.

### **History of Sayer's Involvement**

7. I was contacted by Mr. Blair Richardson, a director of Darian, by telephone on January 12, 2010, when Mr. Richardson requested that Sayer provide a proposal to conduct a valuation of the shares of Darian as the company was contemplating an equity offering and the Board of Directors required an independent valuation of the shares. Mr. Richardson further asked if Sayer could complete the Valuation within two weeks of receiving all of the information from Darian. Mr. Richardson asked if we could simply prepare an opinion on the value of the Company's shares based upon the value of the assets in the Company (the "Shares"), and stated that the Special Committee, being well aware of the various discounts that should be applied to shares of private companies, would apply such discounts as deemed appropriate in order to price the equity offering.
8. Sayer submitted a written proposal dated January 13, 2010 to the Special Committee of the Board of Directors of the Company (the "Special Committee"), which was subsequently executed by the Chairman of the Special Committee, Mr. Gerry Protti, on January 15, 2010. A copy of the proposal as well as the correspondence relating to same is attached to this Affidavit marked as **Exhibit "E"**.
9. After reviewing the information received from Darian, Sayer met with the management of the Company (Mr. Grant Bartlett, Mr. Lyle Furber, Mr. Harold Oppelt and Mr. Rob Oswald) on January 26, 2010 from 9:00-11:00 am and further on January 27, 2010 from 9:30-11:00 am to review the properties and the various prospects of Darian.
10. Subsequent to the meetings, we finalized the Valuation, which was delivered to the Special Committee by email on February 2, 2010. The Valuation was subsequently delivered by email to the management of Darian.

## Scope of Review

11. In formulating the Valuation, we reviewed and relied upon, among other things, the following information:
- a. Financial statements of Darian for the years ended December 31, 2007 and 2008 and for the quarter ended September 30, 2009;
  - b. the management information circular of Darian dated November 25, 2009;
  - c. Corporate revenue statements and other financial information prepared by management of Darian;
  - d. The reports of AJM Petroleum Consultants (“AJM”) independent engineering consultants of Calgary, Alberta regarding the petroleum and natural gas reserves of Darian with effective dates of June 30, 2009 and October 31, 2009 and a mechanically adjusted report effective December 31, 2009 (individually, the “AJM Report”, collectively the “AJM Reports”);
  - e. The reports of Seaton-Jordan Associates Ltd. (“Seaton-Jordan”), independent mineral management consultants of Calgary, Alberta, regarding an evaluation of Darian’s non-reserve oil and natural gas properties as of July 1, 2008, September 30, 2008 and April 1, 2009 (individually, the “Seaton-Jordan Report”, collectively, the “Seaton-Jordan Reports”);
  - f. The EnCana lease issuance, seismic and drilling commitment agreement dated September 30, 2008 and as amended September 30, 2009;
  - g. Financial statements of Scollard Energy Inc. (“Scollard”) for the year ended December 31, 2008 and the quarter ended September 30, 2009;
  - h. Discussions and email correspondence with management and directors of the Company; and

- i. A technical overview of the Company presented by Harold Oppelt and Rob Oswald outlining Darian's upside potential.
12. In addition to the above information we relied on the following:
  - a. Certain publicly available information pertaining to oil and natural gas prices and other economic factors regarding the industry in which Darian operates;
  - b. Published commentary and information of a general nature relevant to the industry in which Darian operates; and
  - c. Such other financial, market, corporate and industry information, investigations and analysis, research and testing of assumptions as we considered necessary or appropriate in the circumstances in order to complete the Valuation.
13. To the best of our knowledge, we were not denied access to any information that may have been material to the preparation of the Valuation. We assumed the completeness, accuracy and fair presentation of all the information, data, advice, opinions, or representations obtained by us and provided to us by Darian. Sayer assumed that the information provided to us by Darian and its management was prepared using the assumptions identified therein and that such assumptions were reasonable at the time of preparation and continue to be reasonable in the circumstances. Except as expressly described herein, or in the Valuation, we did not attempt to verify independently the accuracy or completeness of any such information, data, advice, opinions or representations. Darian represented to us that no changes have occurred in the facts set out or referred to in any such information subsequent to the date thereof which would have a material effect on the Valuation and that there were no facts not disclosed to Sayer which would reasonably be expected to materially affect the Valuation.

### **Valuation Methodology**

14. Value for the purposes of the Valuation means fair market value or the highest price, expressed in terms of money or money's worth, obtainable in an open and unrestricted

market between knowledgeable, informed and prudent parties acting at arm's length, neither party being under any compulsion to transact.

15. In assessing the value of the Shares, Sayer utilized such various methods of analysis of both a quantitative and qualitative nature we considered appropriate in the circumstances, based on our experience as advisors in the oil and natural gas industry. From this analysis, Sayer developed a range of values for the Shares. The main considerations and assumptions used in our analysis are described briefly below.

### **Valuation Approach**

16. We approached the determination of the fair market value of the Shares by considering the following methods of valuation: net asset value, unit value method and capitalized cash flow method as well as potential value based on both quantitative and qualitative assumptions we believe to be appropriate in the circumstances. We confirmed the results using these techniques with a review of our values relative to values inherent in recent corporate and asset transactions.

### **Net Asset Value**

17. The net asset value technique consists of estimating the value which would be accorded to Darian's assets by a potential buyer which had access to the same information as Sayer. Oil and natural gas reserves were valued by using discounted cash flow analysis prepared by both AJM and Darian. The internal reserve additions provided by Darian were deemed by us to be warranted because of the increased capital spending since the June 30, 2009 AJM Report, which we concluded added additional value to Darian. We understand that the AJM Report is in the process of being updated to an effective date of December 31, 2009, and that this report will formally include all such manually updated items.
18. Sayer reviewed the proved developed producing reserves of Darian and relied on the estimates of reserves, production, operating expenses and capital expenditures prepared by AJM and Darian. Due to Darian's current financial situation and the lack of sufficient capital to develop additional reserves Sayer applied only the proved developed

producing values attributable to Darian when valuing the oil and natural gas reserves of Darian.

19. Other assets and liabilities, excluding the oil and natural gas assets, were valued at book values or estimated current market values.

#### *Reserve Values*

20. The reserve value estimates were based on reserve estimates prepared by AJM effective December 31, 2009, which was a mechanical update of the June 30, 2009 AJM Report. AJM evaluated the volumes and cash flow from the proved developed producing reserves of Darian. Sayer audited and found no reason to disagree with the National Instrument 51-101 compliant evaluation made by AJM, a recognized independent expert in the evaluation of oil and natural gas properties. In addition to the evaluation made by AJM, Sayer also reviewed and considered Darian's internal valuations of proved producing reserve additions provided by Darian which related to operations concluded subsequent to the June 30, 2009 AJM Report.

#### *Discount Rates*

21. Sayer calculated net asset values for Darian using before-tax discount rates ranging from 10% to 15%. We used discount rates of 10% to 15% for the cashflows of Darian based upon, among other things, our consideration of Darian's financial and operational results and the nature of its asset base. Some of the factors considered by Sayer included: the proportion of proved developed producing to probable reserves held by Darian, the amount of tax pools held by Darian, the operating costs of Darian's assets and the netbacks received by Darian. We believe that this range is indicative of discount rates inherent in current merger and acquisition transactions in the oil and natural gas industry, and the discount rates inherent in the trading prices of similar sized public oil and natural gas companies and in recent financings completed by certain oil and natural gas companies. Sayer utilized the proved developed producing reserves in the net asset value calculation based on Darian not having sufficient capital to develop the proven non-producing, proven undeveloped and the probable reserves identified in the AJM Reports.

*Undeveloped Land*

22. Sayer reviewed the undeveloped land held by Darian and we have taken into consideration the Seaton-Jordan Reports for the EnCana Corporation farm in lands ("EnCana Farm-In Lands"). Seaton-Jordan is an industry expert in National Instrument 51-101 compliant valuations of non-reserve properties, and, as a result, we did not attempt to question its valuation techniques. While we found no reason to question the valuation made by Seaton-Jordan, we reviewed and agreed with Darian's internal adjusted value of the non-EnCana Farm-In Lands and, as a result, we discounted the value placed on the EnCana Farm-In Lands in the Seaton-Jordan Reports by 50% to take into consideration a decrease in current land values as well as the shorter term remaining on the EnCana Farm-In Lands. We understand that the Seaton-Jordan Report is in the process of being updated to an effective date of December 31, 2009 and that this report will be available by the middle of March.

*Prospect Value*

23. Sayer reviewed fourteen prospects identified by Darian's management. Sayer analyzed the prospects in more detail and applied various risk factors to the individual prospects in valuing them. It was deemed to be appropriate to take these prospects into account as they collectively represent additional upside value in the Company not accounted for in the AJM Reports and the Seaton-Jordan Report.

*Seismic*

24. Sayer did not assign a value to the seismic. The prospect value we assigned assumes that the seismic has been used to validate the plays that Darian has identified and which were subsequently assigned value. If the seismic was being marketed, then the seismic would have been given a value representative of the present value of the income being generated by the expected data sales.



*Investment in Scollard Energy Inc.*

25. Sayer valued Darian's investment in Scollard based on a multiple of operating cash flow, production and on the price of the shares that Scollard issued in a recent financing.

*Debt*

26. We valued Darian's debt as per information provided by Darian. The calculation of debt included working capital deficiency, bank debt, mezzanine debt and the outstanding convertible debentures.

*Site Restoration Costs*

27. Darian's site restoration cost was based on the value stated in the unaudited September 30, 2009 financial statements.

*Hedging*

28. Darian's natural gas hedges were valued based on the difference between AJM's price forecast as at December 31, 2009 and the prices the hedges were entered into.

*Capital Expenditure Reimbursement*

29. Sayer added back the capital that was incurred by Darian to increase the value of additional reserves which were in the AJM Report dated June 30, 2009.

**Unit Value Method**

30. Sayer also considered the \$/BOE and \$/BOE/D method of valuation in which the reserves and production of natural gas are converted to a barrel of oil equivalent ("BOE") by equating 6 Mcf of natural gas to one barrel of crude oil. A BOE conversion of 6:1 is commonly used in the oil and natural gas industry and is the factor utilized by AJM. The range of values we used to value Darian on a \$/BOE basis was in the range of \$8.00 to \$12.00 for proved plus probable reserves and on a \$/BOE/D basis was in the range of \$25,000 to \$45,000. These values are consistent with the prices being paid currently in

the merger and acquisition market of the Canadian oil and natural gas industry for companies and assets similar to Darian.

### **Cash Flow Multiple Approach**

31. The cash flow multiple technique consists of estimating the value of an organization's business by means of developing a forecast of cash flow, as would normally be done by an arm's length buyer in negotiations to acquire such a business, and applying a range of multiples to this estimate, resulting in a range of fair market values for the business itself. In determining cash flow multiple values one must consider, amongst other things, (i) the confidence attached to the cash flow forecasts, (ii) the cyclical nature of the industry, (iii) requirements for and the availability of capital required to attain the projected cash flows, (iv) cash flow multiples normally ascribed by actual purchasers of similar businesses, (v) the current and forecasted health of the particular industry itself, (vi) the ability of the company to compete with others in the industry, (vii) the financial viability of the specific company, (viii) the income tax position of the specific company, and (ix) the ability of the entity to produce oil and natural gas reserves economically and to replace reserves produced.
32. In the preparation of the Valuation, and in prior research on the cash flow capitalization approach for other industry transactions of a similar nature, Sayer has developed a substantial knowledge of cash flow analyses used in industry transactions. A review of the general prospects for the industry, the financial situation of the particular company or business under analysis, and the historical prices at which similar transactions have been consummated results in the application of both quantitative and qualitative judgements with regards to the appropriate cash flow capitalization to be utilized in the determination of the range of fair market values for a specific company or partnership.
33. Based on our review of a wide range of other oil and natural gas corporate and asset transactions, Sayer has determined that such transactions are generally completed with total purchase prices in the range of three to five times future cash flow from the properties so acquired. Purchasers will normally accept a longer payout for long-life properties with gradual declines in production and net operating income. Accordingly,

we estimated values using the net cash flow to be derived by Darian using multiples of three to five.

### **Conclusions About Value**

34. As detailed in the Valuation, Sayer has determined that a reasonable range of fair market values for Darian's shares as at January 1, 2010 is between \$1.15 and \$1.55 per share. As soon as the updated AJM and Seaton-Jordan reports become available, Sayer will file a supplemental affidavit updating, if necessary, the aforesaid values.

### **Review and Comments of the RSS Report and Goetsch Affidavit**

35. Sayer reviewed the RSS Report. Overall, the Valuation and the RSS Report are generally in agreement on many of the components of value, but in some instances, as outlined below, there are significant differences.
36. In the RSS Report it states that RSS completed a review of all producing and proposed wells whether from the AJM Report or Darian's two year Capital Budget Plan and did a detailed well-by-well decline analysis with geological interpretations. Upon review of each well in the AJM Report RSS only included those wells with positive economic results and only included the economic oil wells in Darian's Capital Budget Plan wells with positive economic results. RSS determined the reserves based on exponential decline and hyperbolic decline in select cases. In regards to the upside projects, RSS states that they were geologically screened, ranked and risked and type well economics were run and projects were subsequently ranked for upside cases, shrinkage, energy content and product ratios were determined and inputted by area.
37. We understand that RSS completed its valuation in a similar time period as Sayer, roughly two weeks. Given that the preparation of a complete reserve report such as the AJM Report would be expected to take several weeks, we highly doubt that RSS could have completed the engineering and geological analysis with the detailed degree of analysis that it purports to have completed in the short time frame.

38. We have similar time related issues with the RSS Report's handling of the undeveloped land evaluation as we do with the RSS handling of the AJM Report. As previously mentioned, we understand that RSS completed its valuation in a similar time period as Sayer, roughly two weeks. Given that the preparation of a complete land evaluation such as the Seaton-Jordan Report would be expected to take several weeks, we highly doubt that RSS could have completed the thorough undeveloped land analysis that it purports to have completed in the short time frame.
39. As previously mentioned, for purposes of our valuation, we did not question the undeveloped land value as previously prepared for the company by Seaton-Jordan. Seaton-Jordan is a professional valuator of undeveloped land, and its report is compliant with National Instrument 51-101. We reviewed the Company's internally prepared calculations relating to a discount to the Seaton-Jordan value to account for reduction in term since the preparation of the Seaton-Jordan report and for current market conditions, and we agreed with that discounted value.
40. While Sayer is authorized by APEGGA to engage in the practice of Engineering or Geology in the Province of Alberta, and we do, as part of our business, provide independent valuations of non-reserve lands, we felt that redoing the work of the other professional valuator of non-reserve land (Seaton-Jordan) was beyond the scope of our mandate.

**Conclusion**

- 41. In the circumstances Sayer stands by the Valuation and disagrees with the methods and conclusions reached in the RSS Report which differ from the Valuation.


SWORN BEFORE ME at the City of )  
 Calgary, in the Province of Alberta, this 1 )  
 day of March, 2010. )  
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R. Lastockin  
 A Commissioner for Oaths in and for the  
 Province of Alberta

Alan W. Tambosso  
 ALAN W. TAMBOSSO

RHONDA MARIE LASTOCKIN  
 A Commissioner for Oaths in and for  
 the Province of Alberta  
 My Commission Expires on June 22, 2011

**THIS IS EXHIBIT "A"**  
**referred to in the Affidavit of**  
**ALAN W. TAMBOSSO**  
**Sworn before me this 1**  
**day of MARCH, A.D. 2010.**

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

RHONDA MARIE LASTOCKIN  
A Commissioner for Oaths in and for  
the Province of Alberta  
My Commission Expires on June 22, 2011


## EXHIBIT "A"

- Recently acted as financial advisor and provided a fairness opinion to the Board of Directors of Exceed Energy Inc. in its arrangement with WestFire Energy Ltd. Combined production of the companies was approximately 2,200 boe/d.
- Recently acted as financial advisor and provided a fairness opinion to the Board of Directors of Colonia Energy Corp. in its recapitalization transaction with the former management team of Renegade Oil & Gas Ltd. Colonia had production of approximately 150 boe/d.
- Recently provided an informal valuation on the current market value of a property acquisition to the management of Coast Resources Ltd.
- Recently acted as financial advisor and provided a fairness opinion to the Board of Directors of Brink Energy Ltd. in its arrangement with Molopo Australia Limited. Brink had production of approximately 90 boe/d.
- Recently provided a private valuation opinion on the value of the shares of privately held Solstice Exploration Inc.
- Acted as financial advisor and provided a fairness opinion to the Board of Directors of Reece Energy Exploration Corp. in its arrangement with Penn West Energy Trust. Reece had production of approximately 2,100 boe/d.
- Conduct a non-reserve property valuation of unproved properties in Western Canada for Connacher Oil & Gas Limited on an annual basis.
- Acted as financial advisor and provided a fairness opinion to the Board of Directors of Newcastle Energy Corp. in its amalgamation with Sonoma Resources Ltd. Combined production of the companies was approximately 330 boe/d.
- Acted as financial advisor and provided a fairness opinion to the Board of Directors of Kootenay Energy Inc. in its sale to Golden Oil Corporation. Kootenay's production was approximately 375 boe/d.
- Acted as financial advisor and provided a fairness opinion to the Board of Directors of Flagship Energy Inc. in its arrangement with Insignia Energy Inc. Combined production of the companies was approximately 1,000 boe/d.
- Acted as financial advisor and provided a fairness opinion to the Board of Directors of Dragonheart Resources Ltd. in its amalgamation with Eagle Rock Exploration Ltd. Combined production of the companies was approximately 650 boe/d.

- Provided an informal valuation opinion on the value of the shares for Triple P Resources Ltd.
- Acted as financial advisor and provided a fairness opinion to the Board of Directors of Expedition Energy Inc. in its arrangement with Salvo Energy Corporation. Expedition's production was approximately 300 boe/d.
- Acted as financial advisor and provided a fairness opinion to the Board of Directors of Long View Resources Corporation in its amalgamation with Reece Energy Exploration Corp. Combined production of the companies was approximately 750 boe/d.
- Acted as financial advisor and provided a fairness opinion to the Board of Directors of Strike Petroleum Ltd. in its arrangement with FairWest Energy Corporation. Combined production of the companies was approximately 1,075 boe/d.
- Provided an informal valuation on the estimated market value of undeveloped land in Northern Ireland to allow the transfer of the asset to a wholly owned subsidiary for Connaught Energy Ltd.
- Provided an informal valuation on the current market value of a property acquisition to the management of Breaker Energy Ltd.
- Provided a private valuation opinion to Thunder Energy Trust on the value of the "goodwill" it currently is carrying on its balance sheet.
- Provided a fairness opinion to the Board of Directors of San Telmo Energy Ltd. in its amalgamation with Rolling Thunder Exploration Ltd.
- Provided a fairness opinion to the Board of Directors of Dragonheart Energy Inc. in its sale to Deep Resources Ltd.
- Provided a private valuation opinion to the CEO of Morichal Energy Corp. as part of a share buy-out. Sayer now provides this valuation to Morichal on an annual basis.
- Provided a public valuation opinion to the Boards of Directors of Long View Resources Corporation, Wedona Energy Inc. and Wedona Energy II Inc. in the amalgamation of these three entities.



**THIS IS EXHIBIT "B"**  
**referred to in the Affidavit of**  
**ALAN W. TAMBOSSO**  
**Sworn before me this 1**  
**day of MARCH, A.D. 2010.**

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

RHONDA MARIE LASTOCKIN  
A Commissioner for Oaths in and for  
the Province of Alberta  
My Commission Expires on June 22, 2011

## Alan W. Tambosso, P.Eng. P.Geol.

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**2003-03-01 to present:**

**Sayer Energy Advisors**, Calgary, Alberta

President

Responsible for providing corporate finance, research, and mergers and acquisitions services. Assist in advising corporations relating to oil and gas corporate and property sales; provide valuation and fairness opinions for assets, shares and other corporate transactions.

**2001-10-01 to 2003-02-28:**

**City of Medicine Hat Gas Utility**, Medicine Hat and Calgary, Alberta

Reporting to Larry W. Osaka, P.Eng., Manager Production

Oil & Gas Property Acquisitions and Divestitures Consultant

Responsible for evaluation of oil and gas corporations and properties, recommendations to purchase oil and gas corporations and properties, sourcing of purchasers for disposition of oil and gas properties and negotiations and concluding of purchase and sale transactions; responsible for conducting over \$28 million worth of property sales.

**2000-09-15 to 2001-06-30:**

**Westlinks Resources Ltd.**, Calgary, Alberta

Reported to Peter R. Sekera, President and CEO

Contract VP Exploration, corporate advisor

Responsible for geological and engineering-related duties as required to manage an exploration and development drilling program for oil and gas; responsible for evaluation of value of oil and gas corporations and properties, recommendations to purchase oil and gas corporations and properties; successfully solely coordinated the geological and engineering related technical transition to a new management team during a reverse-takeover transaction involving Big Horn Resources.

**1999-02-01 to 2000-06-01**

**Maxwell Oil & Gas Ltd.**, Calgary, Alberta

Reported to Board of Directors

President, Director

Responsible for managing a publicly traded oil and gas company; supervised and managed all staff, including management, engineering and geological staff; prepared the corporation for sale and successfully managed the sale of the corporation to Tethys Energy.

**1994-11-01 to 1999-02-01**

**Richillont Resources Ltd.**, Calgary, Alberta

Reported to Board of Directors

President, Director

Responsible for all duties related to solely-managing an operating private oil and gas company; responsible for all geological, engineering, accounting and administrative duties; sourced candidates for a merger, eventually concluding a merger of the corporation with Maxwell Oil & Gas, a publicly traded oil company.

**1991-05-01 to 1994-11-01**

**Serenpet Inc.**, Calgary, Alberta

Reported to Keith Conrad, President and CEO

Vice President, Exploration

Responsible for all duties related to co-managing a publicly traded oil company that grew from 100 boepd to 10,000 boepd and moved to a dual TSE and AMEX listing; integral in the sourcing of and evaluation of various property and corporate acquisitions, including the acquisition of privately held Quintana Exploration and publicly traded Lakewood Energy; directly supervised a staff of 16 geologists, geophysicists and land and support personnel.

**1987-10-01 to 1991-05-01**

**Paloma Petroleum Ltd.**, Calgary, Alberta

Reported to Jack Stobart, President and CEO

Geologist

Responsible for geological prospect generation and engineering related well completions and operations activities.

**1981-07-03 to 1987-10-01**

**Gulf Canada Resources Ltd.**, Calgary, Alberta

Reported to Brian Illing, Supervisor

Geologist

Responsible for geological prospect generation and engineering related well completions and operations activities.


Mr. Tambosso has close to thirty years of experience in the oil and gas business, with the past ten years focusing on oil and natural gas mergers & acquisition activity and providing valuations services. His career commenced immediately after he graduated from the University of Toronto with a degree in Geological Engineering (with honours distinction) in 1981. He worked for over ten years as an oil and gas prospect generator with Gulf Canada Resources and Paloma Petroleum Ltd., TSE-listed public companies, before moving into management with Serenpet Energy Inc., a junior oil company listed at that time on the Alberta Stock Exchange. During Mr. Tambosso's four years as Vice-President, Exploration with Serenpet, the company grew from 100 boepd to 10,000 boepd and moved to a dual TSE and AMEX listing.

Mr. Tambosso left Serenpet in 1994 to form and manage a private company, Richillont Resources Ltd., which became a successful junior oil company. Shortly after the amalgamation of Richillont with the ASE-listed Maxwell Oil & Gas Ltd. in February of 1999, Mr. Tambosso was appointed President and Director of Maxwell. Mr. Tambosso then managed Maxwell through to the June 2000 sale to Tethys Energy Inc. Since that time he has been providing management and operating services and acquisitions, divestitures and valuations advice to a limited number of oil and gas companies.

Mr. Tambosso is a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta (APEGGA), the Canadian Society of Petroleum Geologists (CSPG) and the Petroleum Acquisition & Divestiture Association (PADA Energy Society). He served at various times as a Director of the Calgary Youth Science Fair, as a member of the Calgary Society for Science and Technology, as a volunteer with the United Way of Calgary and as an industry advisor for the Petroleum Management Course at the Southern Alberta Institute of Technology (SAIT).

Mr. Tambosso provides insight into oil and natural gas mergers and acquisitions activity, valuations and other related matters through regular contributions to Nickle's Daily Oil Bulletin and by speaking at various industry functions.

**THIS IS EXHIBIT "C"**  
**referred to in the Affidavit of**  
**ALAN W. TAMBOSSO**  
**Sworn before me this 1**  
**day of MARCH, A.D. 2010.**

  
\_\_\_\_\_  
**A Commissioner for Oaths in and**  
**for the Province of Alberta**

RHONDA MARIE LASTOCKIN  
A Commissioner for Oaths in and for  
the Province of Alberta  
My Commission Expires on June 22, 2011

**TOM B. PAVIC, CFA**  
211 Whitehorn Crescent NE  
Calgary, Alberta, Canada T1Y 1X7  
Home (403) 285 8109, Cellular (403) 681 8109  
E-mail: tpavic@sayeradvisors.com

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## EXPERIENCE

SAYER ENERGY ADVISORS October 1999 - Present  
Calgary, Alberta

**Vice-President**

Actively involved in all corporate advisory and research activities of the firm including: merger and acquisition assignments such as corporate sales, corporate purchases and asset transactions; the provisions of private and public valuations and fairness opinions; expert witness assignments and the preparation of industry research reports. Actively research and source potential clients and opportunities for the firm through the analysis of public disclosure documents, financial statements and through industry contacts. Have been actively involved in approximately \$5 billion worth of oil and natural gas transactions since 1999.

ALBERTA ENERGY COMPANY LTD. March 1999 – September 1999  
Calgary, Alberta

(Oil & Gas Exploration and Production)

**Corporate Risk/Internal Audit Assistant**

Gathered financial and production information for senior personnel on the performance of different business units. Developed various forecasts on potential foreign currency exposure facing the company. Managed the distribution of Y2K compliance questionnaires to numerous third party business partners and service providers. Followed up on the implementation of Y2K compatible equipment at various oil batteries and gas storage facilities with on-site visits.

## EDUCATION

CFA INSTITUTE 2003  
Charlottesville, Virginia, United States of America

**Chartered Financial Analyst**


CANADIAN SECURITIES INSTITUTE 1998 - 1999  
Completed the following courses: Canadian Securities, Professional Conduct and Practices, Derivative Fundamental, Options Licensing and Futures Licensing.

THE UNIVERSITY OF CALGARY 1994 - 1998

**Bachelor of Commerce (Finance)**

Graduated with the Bachelor of Commerce degree in April of 1998.

**THIS IS EXHIBIT "D"**  
**referred to in the Affidavit of**  
**ALAN W. TAMBOSSO**  
**Sworn before me this 1**  
**day of MARCH, A.D. 2010.**

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

RHONDA MARIE LASTOCKIN  
A Commissioner for Oaths in and for  
the Province of Alberta  
My Commission Expires on June 22, 2011

# RYAN FERGUSON YOUNG

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## RELEVANT EDUCATION

- 2005                    **Sproule Associates Limited**, Continuing Education - University of Calgary
- Evaluation of Canadian Oil and Gas Properties course
- 2003-2006            **Canadian Securities Institute**
- Canadian Securities Course, Honours (May 2006)
  - Conduct and Practices Handbook Course, Honours (June 2006)
  - Technical Analysis Course, Honours (December 2004)
  - Energy Markets Risk Management Course (November 2003)
- 1998 – 2004            **Bachelor of Commerce - Finance**, Haskayne School of Business - University of Calgary

## EMPLOYMENT EXPERIENCE

- Sept. 2006-Present    **Associate**, Sayer Energy Advisors, Calgary, Alberta
- Have been involved in over 50 mandates with value exceeding \$500 million
  - Provide corporate advisory services to the Canadian oil and natural gas industry which include providing fairness opinions, company and asset valuations, mergers and acquisitions advice and assist with corporate and property divestitures
  - Calculate the value and metrics of all mergers & acquisitions transactions over \$5 million in the Canadian oil and natural gas industry, analyze the industry trends and write quarterly and annual reports for distribution
  - Assist with the development of the numerous industry publications provided by Sayer which tracks industry financings, publicly available oil and natural gas opportunities and transactions
  - Compile, organize and disseminate information that effectively outlines various opportunities
  - Work as a liaison between potential purchasers of assets and companies and our clients
  - Interact with senior executives and develop business contacts
  - Have written numerous articles published in the Daily Oil Bulletin and have been quoted in the Financial Post, The Oil and Gas Investor, The Edmonton Journal, among others
- April 2006-Sept. 2006    **Investment Representative Trainee**, Edward Jones Investments, Calgary, Alberta
- Prospected clients through daily face to face interaction to build a future ethical, profitable business
- Sept. 2004 – April 2006    **Real Time Analyst**, ATCO Power, Calgary, Alberta
- Assisted with the preparation of the corporate offer strategy while monitoring the Alberta Power market and competitors behaviors in an effort to maximize earnings
  - Traded spot electricity with various counterparties and ancillary services through the OTC markets
  - Used the SCADA system to control the operations of various ATCO plants
  - Monitored ancillary services and energy dispatches and Power Pool Trading System capacity statements to ensure proper execution of assets
  - Utilized models to perform cost/benefit analysis of strategic problem solving to optimize assets




July 2001 – Oct. 2005

**Customer Service Representative**, TD Canada Trust, Calgary, Alberta

- Combination holder with additional responsibilities of opening and closing the branch, performing mid and end of day cash balances

**THIS IS EXHIBIT "E"**  
**referred to in the Affidavit of**  
**ALAN W. TAMBOSSO**  
**Sworn before me this 1**  
**day of MARCH, A.D. 2010.**

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

RHONDA MARIE LASTOCKIN  
A Commissioner for Oaths in and for  
the Province of Alberta  
My Commission Expires on June 22, 2011

## **Alan Tambosso**

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**From:** Alan Tambosso [atambosso@sayeradvisors.com]  
**Sent:** Wednesday, January 13, 2010 1:48 PM  
**To:** Grant Bartlett (gabartlett@darianresources.com)  
**Cc:** 'richardson@bowrivercapital.com'; 'JackLee@rogers.blackberry.net'; 'gerard.protti@cenovus.com'; 'ldfurber@darianresources.com'; 'jrp@rogers.blackberry.net'; 'Tom Pavic'; 'Ryan Ferguson Young'; 'Crystal Holdershaw'  
**Subject:** Darian Resources Valuation  
**Attachments:** 100113 Darian Valuation Proposal.pdf; Darian-Data List.pdf

Grant, further to our discussion of yesterday, attached you will find a proposal from Sayer Energy Advisors to assist the Special Committee of the Board of Directors of Darian with the share valuation. Also attached is a data requirements list.

As mentioned in the proposal, assuming we receive the required information in a timely manner, we anticipate concluding our valuation by no later than January 27, 2010.

We appreciate being given the opportunity to present you with this proposal.

Regards,

Alan Tambosso

**Alan W. Tambosso, P.Eng. P.Geol.,  
President**

**SAYER ENERGY ADVISORS**  
1620, 540 - 5th Avenue SW  
Calgary, AB T2P 0M2

T: 403.266.6133 C: 403.650.3910  
F: 403.266.4467



January 13, 2010

**\*STRICTLY CONFIDENTIAL\***

**Darian Resources Ltd.**  
Suite 1700, 205 – 5<sup>th</sup> Avenue SW  
Calgary, AB T2P 2V7

sent by email

**Attention: Mr. Gerry Protti**  
**Chairman of the Special Committee of the Board of Directors**

**Mr. Jack Lee**  
**Director**

**Mr. Blair Richardson**  
**Director**

**cc: Mr. Grant Bartlett, Mr. Lyle Furber, Mr. Jack Perraton**

Gentlemen:

**RE: Engagement Agreement to Provide an  
Opinion on the Value of the Shares of Darian Resources Ltd.**

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Further to our recent discussions, we understand that Darian Resources Ltd. ("Darian", or the "Company") wishes to retain Sayer Energy Advisors ("Sayer", "we" or "us") to provide an opinion on the value of the shares of Darian for a proposed equity financing (the "Valuation Opinion"). The purpose of this letter is to outline the services to be provided by Sayer and the basis of its compensation.

Sayer will prepare a Valuation Opinion of the value of the Company's shares strictly for the private use of Darian. The Valuation Opinion will address the major aspects of value but will be limited in the extent of due diligence and analysis completed by us.

#### **A. SCOPE OF REVIEW AND ANALYSIS**

For the purpose of preparing the Valuation Opinion, we will undertake various review and analysis procedures, where necessary and appropriate, including the following, to the extent that the required information is available to us:

- We will review the reports of independent engineers regarding the petroleum and natural gas reserves of the Company;

- We will review summaries of, and any evaluations available, either internally prepared or prepared by third parties regarding the undeveloped land or non-oil and natural gas assets held by the Company;
- We will review and analyze corporate revenue statements and other relevant financial information for the Company;
- We will review and analyze internal management reports and corporate budget and planning documents of the Company;
- We will review any other available reports on the evaluation of the Company's assets;
- We will compare the assets of the Company with current comparable industry transactions using Sayer's proprietary research information.

## **B. INFORMATION REQUIREMENTS**

In order to complete the Valuation Opinion we require the following information:

- Darian's most recent engineering report;
- A well list showing Darian's interests;
- Most recent quarterly and annual financial statements of Darian;
- Darian's lease operating statements for the last 12 months;
- Mineral property report of Darian;
- Information relating to the undeveloped land held by Darian;
- Information on any other assets or liabilities held by Darian; and
- Any other information on Darian which will be useful for the Valuation Opinion.

## **C. METHODOLOGY AND TIMING**

We shall use in the Valuation Opinion such methodologies as are appropriate to determine the value of the oil and natural gas assets, including techniques such as net asset value, cash flow multiples, and the analysis of comparable transactions. Our Valuation Opinion will also include the consideration of other qualitative factors relating to the Company and the industry in which it operates. The Valuation Opinion shall be qualified as we feel is appropriate in the circumstances.

Assuming that all of the information required by us to complete the Valuation Opinion is provided by Darian in a timely manner, we estimate that the Valuation Opinion should be completed by no later than January 27, 2010.

## **D. FEES AND EXPENSES**

Our fee for completing a Valuation Opinion as outlined above is \$30,000 plus GST, of which \$15,000 shall be invoiced and payable immediately upon execution of this agreement. The balance of \$15,000 shall be invoiced and payable upon delivery of the Valuation Opinion.

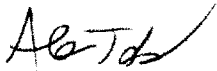
This agreement and the relationship between the parties hereto shall be construed and determined according to the laws of the Province of Alberta and each party hereto does attorn

to the jurisdiction of the courts of the Province of Alberta with respect to any matters arising out of this agreement.

If the foregoing accurately sets forth the terms of our agreement, please acknowledge your acceptance by signing a copy of this letter where indicated and return the same to us.

Yours truly,

**SAYER ENERGY ADVISORS**



Alan Tambosso, P.Eng., P.Geol.  
President

**AGREED TO AND ACCEPTED THIS \_\_\_ DAY OF JANUARY 2010.**

**DARIAN RESOURCES LTD.**

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Mr. Gerry Protti  
Chairman of the Special Committee of the Board of Directors

**DARIAN VALUATION OPINION  
PRELIMINARY DATA REQUIREMENTS**

	DARIAN
<b><u>Financing/Capital Structure</u></b>	
- Annual reports audited financial statements (last 2 years)	
- Quarterly reports (Q1/09, Q2/09, Q3/09)	
- Prospectuses (last 2 years if any)	
- Information circulars for shareholder meetings (last 2 years)	
- Rights offering documents (if any)	
- Shareholder communication (last 2 years)	
- Internal financials (latest month possible)	
- Details of capital structure	
- Details on debt instruments (credit facilities, prepaids, shareholder loans)	
- Current shareholder information:	
- list of major shareholders	
- related party holdings	
- options, warrants etc.	
- Latest income tax return (2008) and schedule of 2009 tax pools	
- Most recent audit management letter	
- Ceiling test calculations/write-downs	
- Contingent liabilities/lawsuits	
<b><u>Operating Information</u></b>	
- Management's operations reports for past 2 years	
- Lease operating statements for past 12 months	
- Production data for the past 2 years	
- List/description of facilities	
- Information on oil/ natural gas contracts	
- Information on processing agreements	
- Information on operating agreements	
<b><u>Budgets and Plans</u></b>	
- Business plans	
- Cash flow forecasts	
- G&A projections	
- Capital expenditure forecast and AFE information	
- Summary of current and planned activities	
<b><u>Valuation Data</u></b>	
- Independent Engineering reports (current)	
- Land ownership summary (interests)	

	DARIAN
- Land valuations	
- Geological/reservoir engineering interpretations (external/internal)	
- Offers for (or attempts to sell) assets or the Company	
- Asset sales details (2 years)	
- Summary of geological/engineering "upside"	
- Copies of any prior "Valuations" (other than Reserve Reports)	
- Information on non-oil and gas assets	
<b><u>Other</u></b>	
- Abandonment/reclamation cost analysis	
- Summary of environmental issues/environmental audits	
- Summary of environmental issues	
- Hedging positions	
- Minutes and presentations to Board of Directors (May ask to view)	



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**No: 1001-02216**

**2010**

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

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

**AND IN THE MATTER OF DARIAN  
RESOURCES LTD.;**

**AND IN THE MATTER OF BOWVIEW  
PETROLEUM INC.**

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**AFFIDAVIT OF ALAN W. TAMBOSSO  
SWORN MARCH 1, 2010**

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**BORDEN LADNER GERVAIS LLP**  
Barristers and Solicitors  
1000 Canterra Tower  
400 Third Avenue S.W.  
Calgary, Alberta T2P 4H2

**Attention: Josef G.A. Krüger, Q.C.**  
**Telephone: (403) 232-9563**  
**Fax: (403) 266-1395**  
**File No.: 438585-000001**