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February 18, 2011

Layne Christensen
17800 E. 22nd Avenue.
Aurora, CO 80011

Attention: Brian Dellett, Account Manager

By e-mail to: BWDellett@laynechristensen.com

Re: Spring/Summer 2011 Core Drilling Program - Request for Quotation

Dear Mr. Dellett:

Earth Energy Resources Inc. (EER) is planning a spring/summer oil sand core drilling program on its PR Spring leases located on the East Tavaputs Plateau, approximately 70 miles south of Vernal Utah. Your company has been contacted and pre-qualified to carry out this work by our consultant geologist, Mr. Gerald (Jerry) Park, from Salt Lake City. If your company is interested in performing this work, please submit to the undersigned (via e-mailed pdf copies of your standard bid form) by the requested date and time, a comprehensive list of requested rates and prices on a footage contract basis for the work described below. EER will contact the company(s) with the most attractive proposal and and arrange a pre-award meeting where terms and conditions will be finalized, any outstanding questions answered and mobilization details tentatively arranged.

At this point in time, drill rig mobilization is planned for early May 2011 or shortly thereafter if roads and terrain have not dried sufficiently following the spring thaw. Drill pads and access trails will be prepared by a local oilfield construction contractor.

Scope of Work: (refer to attached 2001 Coring Program Map)

- Program: 145 HQ, air-drilled core holes in the Green River Formation (Douglas Creek Member)
 - 57 hole 400 ft. spaced program (over ~160 acre initial mine plan area)
 - 88 hole 40 acre spaced program (over ~4,000 acres)
- Depth: 220 - 300 ft.
- Core: 2.5 in. dia. recovered in standard 10 ft. core barrel

Geology:

- The Douglas Creek Member of the Green River Formation is comprised of sedimentary rocks including sandstone, siltstone, shale, mudstone, and limestone. The sandstone is cemented with bitumen and calcite; the rock is generally not hard, but tough, drills well, and is competent.
- Ground water if present is perched, or possibly connate; there are no aquifers present within the depth range we are working.
- Due to the oxidized nature of the bitumen, associated gas is not expected to be encountered.

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Logistics:

- Location from Vernal, Utah: travel westerly on Highway 40, 13 mi. to junction State Highway 88; go south 18 mi. to Ouray; continue south on County road 2810 55 mi. to PR Spring/Earth Energy Resources Project area. The project area is also accessible from Interstate 70, 3.5 mi. west of the Utah-Colorado state line, or northeast of Harley Dome through Hay and San Arroyo canyons. This route is the shortest, however the climb for heavy equipment is rigorous and not feasible in wet or snowy weather. (Refer to attached Location Map)
- Closest hospital and helicopter service is Grand Junction, CO; Vernal, UT is a close second.
- Operations are centered around a room and board camp provided by EER. Accommodation for rig crews will be based on double occupancy rooms with shared washroom facilities.
- Work schedule: two rigs operating 24/7 with crew rotation on 10/4 work/rest cycle (other scheduling can be considered).
- Working distances from camp range from 1/8 mi. to 3.5 mi.
- Rig water provided in 400 bbl tanks at site by Owner. Air compressors available for rent in Vernal.
- Owner will provide site for Contractor's fuel dump, supplies and equipment.
- Drill sites, and access roads, level, rough-cut, preferably left with some roots and rock for ease of reclamation, provided by Owner.
- Utilities in the area are limited to a buried gas gathering pipeline and a number of producing gas wells. No drilling will take place close to the pipeline route or existing producing gas well sites.

Drilling Operations:

- Owner requires 90+% core recovery from initial core point to T.D. of hole at contact with formation underlying deepest oil sand bed. Owner's geologist will establish initial core point depth for all holes. Overburden depth ranges from zero(outcrop) to approximately 60 ft.
- Owner requires driller to record presence, depth and interval of any artesian or obvious water bearing formations.
- Gas is not expected to be encountered therefore a BoP or gas diverter/bloody line is not required as part of the rig equipment however a functioning gas detector must be in place at an appropriate location near the drill stem.
- Air, mist, and foam are preferred drilling fluids. Owner would like to minimize use of water for drilling as the haul distance from nearest surface source is prohibitive. However, high core recovery is paramount, and good fluid flow (air, mist or foam) is necessary. These alternative coring fluids have not been tested at this site. Recent air coring in somewhat similar rocks at another location significantly improved coring rates. Rock conditions should direct the fluid used and Contractor shall be prepared to drill with any of the above combinations, up to and including conventional water-based drilling mud if necessary.
- EER personnel will run an electric log with drill on hole and then driller will plug hole after logging is completed. This routine may be modified for practical reasons.
- Cuttings to be returned to hole, or buried and/or if water is present. Slurry to be captured in small, parallel backhoe pits provided (and closed) by Owner.

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Drilling Equipment & Material Costs:

- Contractor shall supply two fully equipped purpose-built coring rigs, crewed as specified (incl. crew truck), all drill pipe, casing, bits, collars, core barrel assemblies, and all other required tooling, all as part of the quoted "per foot drilled" cost.
- Contractor shall provide and quote hourly or day rates for single axle water trucks to support each drilling rig as required.
- Contractor shall supply and quote prices for consumable items including but limited to: mud, foam, LCM's, bentonite pellets, cardboard core boxes, etc.
- Quoted prices shall also include hourly rates for rig moves (when not drilling), stand-by rates for weather or Owner-caused delays, crew travel time, and lump sums for mobilization to and de-mobilization from the work site.

Safety and Insurance:

- Contractor shall state his Lost Time Accident and Recordable Injury frequency rates in his proposal for the current year and previous 3 years.
- Contractor shall include copy of his Safety Policy Statement with proposal submission. Copy of full safety program to be provided by successful bidder at time of contract award.
- Contractor to have all insurance coverages in place that are required by Owner. Contractor shall list insurance coverages currently in force or coverage that is proposed to be in force during period work is performed.

Due date/time for receipt of proposals is: Noon, March 7, 2011.

Should you require further clarification or have any questions concerning this work, please do not hesitate to contact the undersigned in Calgary at O: 403-233-9366 X2, C: 403-473-8995 or by e-mail at: tim.wall@earthenergyresources.com . You may also contact Mr. Jerry Park in Salt Lake City at O: 801-733-7079, C: 801-699-8332 or by e-mail at: parkgeol@sisna.com. Thank you for your proposal.

Yours very truly,
Earth Energy Resources Inc.

T.J.(Tim) Wall
Vice President, Engineering

/attach.

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