

March 21, 2005

To Whom It May Concern:

Re: Letter of Reference - Lionhead Engineering and Consulting Ltd.

This is to advise that Shiningbank Energy Ltd. employed Lionhead Engineering and Consulting Ltd. and their Suspended Well Information Management system (**SWIM**) to assist in managing our inactive well population. During the past two summers Lionhead inspected all of our inactive wells and performed down hole engineering reviews to classify our inactive wells in accordance with EUB Directive 13 and its predecessor ID 90-4. The down hole reviews also included developing program steps and cost estimates for bringing the medium and high risk wells into regulatory compliance. All the information has been loaded into the SWIM system by Lionhead. Periodic information updates were also made by Lionhead. It is my understanding that this system is now being upgraded into a web based system. I am looking forward to seeing the new product as Lionhead has indicated it will greatly improve access for users.

The SWIM system has a number of excellent summary reports that have proven to be useful in managing regulatory requirements. For instance, I was able to use the "Field Inspection Summary" information to develop a self disclosure plan. This was presented to the EUB to gain additional time for correcting non-compliant surface well conditions. Also the summary report of all the medium and high risk wells containing costs to bring them into compliance, allowed me to identify budget requirements for the next 2 years. The list of wells and costs have been forwarded to area engineers who are now prioritizing the work to be done.

I have found Lionhead staff to be very knowledgeable with the EUB regulations and accurate in handling our suspended well work. They have always responded quickly to any questions related to the SWIM system and regulatory issues. Based on their performance in handling our suspended well work, I would highly recommend Lionhead.

Sincerely,



S. Ken Chalmers
Operations Field Coordinator
Shiningbank Energy Ltd.