

Amending Agreement

Dated for reference the 5th day of December 2007

**HER MAJESTY THE QUEEN IN RIGHT OF
THE PROVINCE OF BRITISH COLUMBIA**
(As represented by the Minister of Aboriginal Relations and
Reconciliation)
hereinafter "British Columbia"

and

BLUEBERRY RIVER FIRST NATIONS
(As represented by the Chief of Blueberry River First Nations)
hereinafter "Blueberry River First Nations"

WHEREAS:

- A) The parties named above entered into an Economic Benefits Agreement, signed June 2, 2006, which agreement was subsequently amended by the parties on August 21, 2006 and again on February 15, 2007 (that agreement, as amended, is referred to below as the "Agreement");
- B) The parties wish to amend the Agreement as set out herein.

NOW THEREFORE, the parties hereby agree that, effective on the date that this amending agreement is executed by both parties, the Agreement is amended as follows:

1. In sections 4(c) and 4(h) and in Appendix 4 of the Agreement, the words "published by British Columbia" are deleted and replaced with the words "published by Statistics Canada".

2. Section 4(g) of the Agreement is deleted and replaced with the following:

"4(g) Economic Benefit Payments will be subject to adjustment by British Columbia from time to time on the following basis:

- (i) With the exception of Fiscal Year 2005/2006 as clarified below, with respect to the calculation of each Quarter 4 Economic Benefit Payment made by British Columbia, the value imputed to the variable identified in Appendix 3 as OGR_t will, on the basis of available updated information, be reviewed and re-calculated by British Columbia on four (4) separate occasions: one (1), two (2), four (4) and six (6) years following the end of that Quarter;
- (ii) If the review and re-calculation reveals an overpayment by British Columbia, British Columbia will adjust the next occurring Quarter 4 Economic Benefit Payment to offset the overpayment (and if there is no subsequent Quarter 4 Economic Benefit Payment, Blueberry River First Nations will repay or cause the Blueberry EBA Trust to repay the amount of the overpayment to British Columbia); and
- (iii) If the review and re-calculation reveals an underpayment by British Columbia, British Columbia will adjust the next occurring Quarter 4 Economic Benefit Payment to compensate for the underpayment (and if there is no subsequent Quarter 4 Economic Benefit Payment, British Columbia will pay to the Blueberry EBA Trust the amount of the underpayment).

For clarity, (i) the review and recalculation under 4(g)(i) for Fiscal Year 2005/2006 will occur on three separate occasions: two (2), four (4) and six (6) years following the end of Fiscal Year 2005/2006 Quarter 4 and (ii) the calculation of the variable identified in Appendix 3 as EB2_t is not subject to re-calculation."

3. Appendix 3 of the Agreement and the maps identified in that Appendix (Maps 1 and 2) are deleted and replaced with Appendix 3 and Appendix 5 (Map) attached hereto.

- 4. In section 13 (b) the address and facsimile number for British Columbia are deleted and replaced with the following:

"British Columbia:
 Fiscal Branch
 Ministry of Aboriginal Relations and Reconciliation
 Post Office Box 9100 STN Prov Govt
 Victoria, BC
 V8W 9B1
 Fax: 250-387-6073"

- 5. The following subsection 13 (c) is added after section 13 (b):

"(c) Either of the Parties or, in the case of the address for delivery for the Blueberry EBA Trust, the Blueberry River First Nations, may, upon written notice provided to the other Party at their address for delivery, amend their respective address for delivery."

- 6. Except as modified by this amending agreement, the Agreement remains in full force and effect.

11th L73

SIGNED this 8 day of Decemb 2007 in
 the presence of:

HER MAJESTY THE QUEEN IN
 RIGHT OF THE PROVINCE OF
 BRITISH COLUMBIA, by the
 Minister of Aboriginal Relations
 and Reconciliation or the
 Minister's authorized
 representative



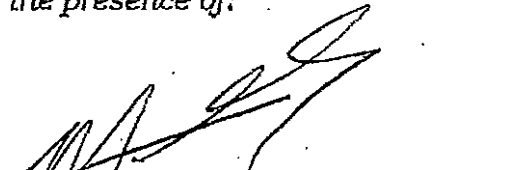
 Witness



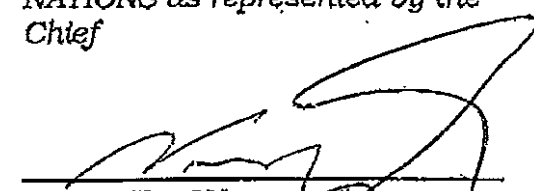
 Honourable Michael de Jong

SIGNED this 6 day of Dec, 2007 in
 the presence of:

BLUEBERRY RIVER FIRST
 NATIONS as represented by the
 Chief



 Witness



 Chief Norman Yachey

Appendix 3

CALCULATION OF QUARTERLY ECONOMIC BENEFIT PAYMENTS

Quarter 1 Economic Benefit Payment = $Q1EBP_t = \$285,715$

Quarter 2 Economic Benefit Payment = $Q2EBP_t = \$285,715$

Quarter 3 Economic Benefit Payment = $Q3EBP_t = \$285,715$

Quarter 4 Economic Benefit Payment = $Q4EBP_t = [1/7 \times (EB1_t + EB2_t)] - Q1EBP_t - Q2EBP_t - Q3EBP_t$

Where:

$t =$ Fiscal Year for which payment is being made

Specifically:

$t = 1 =$ April 1, 2005 to March 31, 2006

$t = 2 =$ April 1, 2006 to March 31, 2007

$t = 3 =$ April 1, 2007 to March 31, 2008

$t = 4 =$ April 1, 2008 to March 31, 2009

$t = 5 =$ April 1, 2009 to March 31, 2010

$t = 6 =$ April 1, 2010 to March 31, 2011

$t = 7 =$ April 1, 2011 to March 31, 2012

$t = 8 =$ April 1, 2012 to March 31, 2013

$t = 9 =$ April 1, 2013 to March 31, 2014

$t = 10 =$ April 1, 2014 to March 31, 2015

$t = 11 =$ April 1, 2015 to March 31, 2016

$t = 12 =$ April 1, 2016 to March 31, 2017

$t = 13 =$ April 1, 2017 to March 31, 2018

$t = 14 =$ April 1, 2018 to March 31, 2019

$t = 15 =$ April 1, 2019 to March 31, 2020

$EB1_t = 0.5\% \times (OGR_t)$

Where:

$OGR_t =$ collected provincial royalties, calculated in accordance with the Petroleum and Natural Gas Royalty and Freehold Production Tax Regulation as amended from time to time, collected from oil and gas activities within the area set out in Appendix 5 that is bounded by the "British Columbia/Alberta Border", the "British Columbia Northern Border" and the "E.B.A. Royalty Line". This variable will be measured by estimates from the *Oil Ledger Report* and the *Gas Ledger Report* as extracted from the Ministry of Small Business and Revenue's Petroleum Royalty Management System (PRMS).

$EB2_t = \$2,500,000$ when $t = 1$

And thereafter, for $t = 2$ through to 15 inclusive

$$EB2_t = EB2_{t-1} \times [1 + 0.70 \times (\Delta \text{Oil \& Gas Activity}_{t-1 \text{ to } t}) + 0.25 \times (\Delta \text{Forestry Activity}_{t-1 \text{ to } t}) + 0.05 \times (\Delta \text{Mining Activity}_{t-1 \text{ to } t})]$$

Where:

t-1 = previous Fiscal Year

$$\Delta \text{Oil \& Gas Activity}_{t-1 \text{ to } t} = [(1/3) \times (NW_t - NW_{t-1})/NW_{t-1} + (1/3) \times (SL_t - SL_{t-1})/SL_{t-1} + (1/3) \times (P_t - P_{t-1})/P_{t-1}]$$

Where:

NW = number of new wells drilled on Crown land within the area set out in Appendix 5 that is bounded by the "British Columbia/Alberta Border", the "British Columbia Northern Border" and the "E.B.A. Oil and Gas and Coal Activity Line" that were authorized by the Oil and Gas Commission as measured by estimates of *Wells Drilled Based On Rig Release Date* as extracted from the Oil and Gas Commission Database.

SL = number of kilometres of new seismic lines constructed on Crown land within the area set out in Appendix 5 that is bounded by the "British Columbia/Alberta Border", the "British Columbia Northern Border" and the "E.B.A. Oil and Gas and Coal Activity Line" that were authorized by the Oil and Gas Commission as measured by estimates of *New Cut Geophysical Lines with Final Plan Cut Length* as extracted from the Oil and Gas Commission Database.

P = number of kilometres of new pipelines constructed on Crown land within the area set out in Appendix 5 that is bounded by the "British Columbia/Alberta Border", the "British Columbia Northern Border" and the "E.B.A. Oil and Gas and Coal Activity Line" that were authorized by the Oil and Gas Commission as measured by estimates of *Approved Pipeline Length on a "Leave to Open" Status* as extracted from the Oil and Gas Commission Database. See Technical Note below for determining estimates on Crown land.

$$\Delta \text{Forestry Activity}_{t-1 \text{ to } t} = (F_t - F_{t-1})/F_{t-1}$$

Where:

F = the volume of logs in cubic metres harvested on Crown land in the Fort Nelson forest district + the volume of logs in cubic metres harvested on Crown land in the Peace forest district, as measured by estimates of "All" provincial timber (species, product and grade) harvested on Crown Land including waste/residue but excluding firwood reject extracted from the Ministry of Forests and Range's Harvest Billing System (HBS).

Where:

The Fort Nelson forest district and the Peace forest district are as described in the Forest Regions and Districts Regulation as amended from time to time.

$$\Delta \text{Mining Activity}_{t,1 \text{ to } t} = (C_t - C_{t-1}) / C_{t-1}$$

Where:

C = metric tonnes of coal extracted on Crown land within the area set out in Appendix 5 that is bounded by the "British Columbia/Alberta Border", the "British Columbia Northern Border", and the "EBA Oil and Gas and Coal Activity Line" as measured by estimates of *Marketed Coal Production* as produced by the Ministry of Energy, Mines and Petroleum Resources.

The Parties acknowledge and agree that the methods used to collect and record provincial royalty information and activity data, as set out in this Agreement, may change from time to time. In the event of changes to any of these methods, British Columbia will, as soon as practicable, provide the Blueberry River First Nations with a written statement describing the revised method for collecting and recording the data and the date the revised method comes into effect.

Technical Note:

The activity measure for pipelines (P) is available in the following sub-categories:

- Crown Land (CL),
- Private Land (PL), and
- Crown-Private Mix (CPM).

Therefore, in order to capture estimates of activity on all Crown land (ACL), estimates for this variable will be calculated on the following basis in each fiscal year:

$$ACL = CL + (\% \text{ CPM})$$

Where:

$$\% \text{ CPM} = (CL \div TL) \times \text{CPM} \quad \text{and}$$

$$TL = CL + PL + \text{CPM}$$

Where:

TL = the sum of crown and private lands

Appendix 5

