

# AMENDMENT TO DECLARATION OF PARTNERSHIP

REGISTRATION NUMBER: PT11251204

We, the persons named as partners in the declaration, **HEREBY DECLARE:**

1. That the name of the partnership is Krang Energy Heavy Oil Partnership.
2. That the current partners are:

NAME **1120403 Alberta Ltd.**  
SIGNATORY Per: *R Fotheringham*  
Name: Robert Fotheringham  
Title: Vice President, Finance and Chief  
Financial Officer  
ADDRESS 400, Calgary Place, 330 - 5th Avenue SW  
Calgary, AB T2P 0L4

NAME **Olaf Energy Limited Partnership**  
SIGNATORY Per: *R Fotheringham*  
Name: Robert Fotheringham  
Title: Vice President, Finance and Chief  
Financial Officer  
ADDRESS 400, Calgary Place, 330 - 5th Avenue SW  
Calgary, AB T2P 0L4

3. Do the names above reflect:  
a change of partners?  Yes  No  
a change of address of partner?  Yes  No

DATE OF DECLARATION August 1, 2005

## AMENDING AGREEMENT

This Amending Agreement is dated effective as of August 1<sup>st</sup>, 2005

**BETWEEN:**

**OLAF ENERGY LIMITED PARTNERSHIP** in its capacity as managing partner of the Krang Energy Heavy Oil Partnership (the "Partnership"), by its general partner Viking Holdings Inc.

- and -

**1120403 Alberta Ltd.**, in its capacity as a partner of the Partnership

**WHEREAS** effective June 22, 2005 Viking Energy Royalty Trust ("VERT") indirectly acquired approximately 94% of the outstanding shares of Krang Energy Inc. (with the remainder of the shares of Krang Energy Inc. indirectly acquired by VERT pursuant to the compulsory acquisition provisions of the Act);

**AND WHEREAS**, upon reviewing VERT's structure following such acquisition, it was determined that opportunities exist to streamline VERT's structure thereby increasing operating and administrative efficiency;

**AND WHEREAS**, as part of the restructuring of VERT:

- (a) effective August 1, 2005 Krang Energy Inc. (the "Corporation") and 1179082 Alberta Ltd. amalgamated pursuant to section 184 of the *Business Corporations Act* (Alberta), and following such amalgamation, the Corporation became the managing partner of the Partnership, a general partnership formed under the laws of the Province of Alberta pursuant to a partnership agreement dated as of August 31, 2004 (the "Partnership Agreement");
- (b) the Corporation transferred to Viking Holdings Trust ("VHT") effective August 1, 2005 the Corporation's entire 99.35% interest in the Partnership (the "Partnership Interests") in consideration of the repayment of indebtedness owed by the Corporation to VHT; and
- (b) VHT transferred effective August 1, 2005 all of its interest in the Partnership Interests to Olaf Energy Limited Partnership ("Olaf") in consideration of the issuance to VHT by Olaf of limited partnership units of Olaf;

**AND WHEREAS** following the transfer of the Partnership Interests to Olaf, Olaf (i) is the managing partner (the "Managing Partner") of the Partnership and (ii) has assumed all of the obligations of the managing partner with respect to the Partnership;

**AND WHEREAS** Olaf has proposed to 1120403 Alberta Ltd. (Olaf and 1120403 Alberta Ltd. are collectively, the "Partners"), and the Partners have approved by Extraordinary Resolution, that the Partnership Agreement be amended to reflect Olaf as managing partner;

**AND WHEREAS** the Partners wish to amend the Partnership Agreement to reflect Olaf as managing partner;

**NOW THEREFORE**, in consideration of the premises and the respective covenants and agreements set forth herein and in the Partnership Agreement, the parties hereto agree as follows:

1. **Interpretation**

This Amending Agreement is supplemental to and shall form one agreement with the Partnership Agreement, and the Partnership Agreement and this Amending Agreement shall be read together and have effect so far as practicable as though all the provisions thereof and hereof were contained in one instrument. Capitalized terms in this Amending Agreement not otherwise defined have the same meaning as set forth in the Partnership Agreement.

2. **Amendment**

The Partnership Agreement is hereby amended by deleting 1.1(o), being the definition of "Managing Partner", in its entirety and substituting the following therefor:

"**Managing Partner**" shall mean Olaf Energy Limited Partnership or any Partner who is designated as the Managing Partner of the Partnership in accordance with this Agreement."

3. **Confirmation**

The parties hereto hereby acknowledge and confirm that, except as specifically amended by the provisions of this Amending Agreement, all of the terms and conditions contained in the Partnership Agreement are and shall remain in full force and effect, unamended, in accordance with the provisions thereof.

4. **Execution in Counterpart**

This Amending Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute one and the same instrument.

**IN WITNESS WHEREOF** the parties hereto have caused this Amending Agreement to be duly executed as of the date first written above.

**OLAF ENERGY LIMITED PARTNERSHIP** in its capacity as managing partner of the Krang Energy Heavy Oil Partnership, by its general partner **VIKING HOLDINGS INC.**

By: *R Fotheringham*  
Robert Fotheringham  
Vice President, Finance  
and Chief Financial Officer

**1120403 Alberta Ltd.**, in its capacity as a partner of Krang Energy Heavy Oil Partnership

By: *R Fotheringham*  
Robert Fotheringham  
Vice President, Finance  
and Chief Financial Officer