

THIS MEMORANDUM OF UNDERSTANDING

made as of this 3rd. day of May, 2004.

BETWEEN:

NORTHERN LIGHTS COLLEGE,
having offices at Dawson Creek, British Columbia, Canada ("NLC")

**THE BOARD OF GOVERNORS OF THE
SOUTHERN ALBERTA INSTITUTE OF TECHNOLOGY,**
having offices at Calgary, Alberta, Canada ("SAIT")

WHEREAS each of the parties is a post-secondary technical learning institute offering and delivering technical training and education in a variety of fields;

AND WHEREAS the parties are desirous of exploring opportunities to share information, experiences and expertise in technical training and education and have agreed to enter into this Memorandum of Understanding ("MOU"), upon and subject to the terms set forth below;

NOW THEREFORE, the parties agree as follows:

Except as set forth in Sections 4 to 7 inclusive below, this MOU is intended to be an expression of the parties' objectives and mutual interests and is not of a legally binding nature. Nothing herein shall preclude either party undertaking initiatives and discussions with any third party or parties concerning the sharing of information, experiences and expertise in technical training and education.

2. The parties intend to meet from time to time to review issues and areas of intended cooperation and to consider entering into and executing agreements in writing of a legally binding nature ("Definitive Agreements") in respect of, but not limited to, the following subject matters:

- (a) curriculum agreement for the Gas Process and Production Operations program (the "GPO" and "PFO"); and
- (b) collaboration, where appropriate, in additional areas of petroleum educational programming or training.

3. In reviewing the subject matters set forth in Section 2, the parties shall take into consideration the following principles:

- (a) compatibility of delivery models within each organization;
- (b) GPO and PFO prerequisites and academic standards;
- (c) NLC and SAIT policies and other government regulations, as required and
- (d) each party shall bear its own costs and any expenses related to this MOU, unless otherwise duly authorized in writing.

4. In the course of discussing or considering entering into legally binding agreements concerning the matters set forth herein, each party (the "disclosing party") may provide to the other party (the "recipient party") materials, documents, data and analyses of a confidential or proprietary nature concerning the disclosing party, its assets, operations or business. Any such confidential or proprietary information of a disclosing party (the "Confidential Information") shall be identified as such by the disclosing party. The recipient party shall not disclose any Confidential Information to any third party, except as required by law and except to its employees, consultants and advisors ("Representatives") on a "need to know" basis, subject to such Representatives being made aware of the confidential nature of the Confidential Information. The parties acknowledge that any wrongful use or disclosure of the Confidential Information or any part thereof by the recipient party may diminish substantially the value of it to the disclosing party and that legal remedies may be inadequate. In such circumstances, the disclosing party shall be entitled to equitable relief, including injunctive relief, to protect the Confidential Information, as well as monetary and other damages. In the event this MOU shall terminate without the execution by the parties of any Definitive Agreements, the recipient party promptly shall return to the disclosing party the Confidential Information and all copies thereof.

5. This MOU shall, to the extent it is legally binding, take effect for a period of five (5) years, commencing on the date set forth above, provided either party may terminate this MOU:

- (a) upon sixty (60) days written notice to the other party; or
- (b) upon ten (10) days written notice to the other party in the event the other party is in breach of any legally binding provision hereof.

6. Neither party shall assign its rights in this MOU.

7. Any notices under this MOU shall be in writing and shall be sent by courier or facsimile, as follows:

(a) if to NLC: Northern Lights College
Office of the President
11401 8th St.
Dawson Creek, B.C.
V1G 4G2

Attention: Jim Kassen
Fax: 250-782-5233
e-mail: jkassen@nlc.bc.ca

(b) if to SAIT: Southern Alberta Institute of Technology
Energy Department
1301 - 16th Avenue N.W.
Calgary, Alberta, Canada T2M 0L4


Attention: Manager Business Operations
Fax: 403-284-8262
e-mail: doug.maclaren@sait.ca

8. This MOU, to the extent it is legally binding, and the Definitive Agreements shall be governed by the laws of Alberta and the federal laws of Canada applicable thereto.

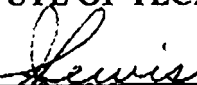

IN WITNESS WHEREOF the parties have executed this MOU as of the date first above written.

Accepted on behalf of:

NORTHERN LIGHTS COLLEGE

by: 
Jim Kassen
President

**THE BOARD OF GOVERNORS OF
THE SOUTHERN ALBERTA
INSTITUTE OF TECHNOLOGY**

by:  
Irene Lewis
President and CEO