



**MEMORANDUM OF UNDERSTANDING**  
for the **Mineable Oil Sands Area (MOSA)**

between

Alberta-Pacific Forest Industries Inc. (“Alberta-Pacific”) of Boyle, AB  
and  
Northland Forest Products Ltd. of Fort McMurry, AB

Alberta-Pacific and Northland Forest Products agree to work cooperatively towards effective planning and harvesting of coniferous and deciduous volumes within the MOSA in FMU A15 (Alberta-Pacific FMA Area). This partnership recognizes the efficiency of joint participation within the following aspects of our respective businesses. Alberta-Pacific will enter into a long-term agreement with Northland to implement a MOSA Harvest Plan (See attached map). The terms of this agreement will include, but not limited to the following:

1. Management of the MOSA in FMU A15 in a manner that ensures an equitable distribution of the conifer volume based on the approved FMA A15 AAC dispositions: 64.54% Northland, and 35.46% Al-Pac.
2. Management of the MOSA conifer will be based on the 2004 FMP TSA conifer profile – where each company shares the profile based on the approved AVI within the MOSA.
3. The companies will construct a cooperative Spatial Harvest Sequence (SHS) that utilizes only merchantable stands within planning units in the MOSA.
4. The spatial allocation of harvest blocks within the MOSA will be directed by a cooperative five-year plan prepared by Al-Pac and Northlands. By April of each year, the Companies will meet to update the five-year plan to direct the summer planning and layout. The harvest design and allocation of blocks will be confirmed by both Companies by September 1 of each year.
5. The companies will share the planning costs associated with item #3 and #4 on cooperative units which will be prorated based on the proportion of volume delivered to each company.
6. The program will be managed by an addendum to the 2004 Al-Pac FMA Area Forest Management Plan.

Alberta-Pacific Forest Products Inc.

Per: \_\_\_\_\_

Bob Nichol, Vice-President, Woodlands

Northland Forest Products Ltd.

Per: \_\_\_\_\_

Garry Ehrentraut, Woodlands Manager

Signed this \_\_\_\_\_ day of **September**, 2005.

