

Re: Delf v. Merit Energy Ltd.  
Shareholder Class Action  
Our File No.: 99512

Your name appears in Schedule "C" of the enclosed August 7, 2002 court Order as having purchased Merit Energy Ltd.'s flow-through shares. Further to the settlement of the class action lawsuit for purchasers of the flow-through shares, enclosed are:

- 1) The Honorable Justice S.J. LoVecchio's August 7, 2002 court order;
- 2) Instructions to Current and Former Holders of Merit Energy Ltd. Flow-Through Shares for Completion of Claim; and
- 3) Proof of Claim – Current and Former Holders of Merit Energy Ltd. Flow-Through Shares.

Please read the "Instructions to Current and Former Holders of Merit Energy Ltd. Flow-Through Shares for Proof of Claim" carefully and then fill out the Proof of Claim. To be eligible to participate in the settlement you must mail your completed Proof of Claim, and supporting documents, to the Claims Administrator, KPMG, on or before ^.

**Please do not return your Proof of Claim and Release to Klein Lyons.** Remember to attach broker's confirmations or other documentation of your transactions in Merit Energy Ltd.'s shares.

Yours very truly,

David A. Klein\*

Encl.  
DAK:rd

cc. William E. McNally