

FREEHOLD OWNERS ASSOCIATION

ANNUAL GENERAL MEETING

April 18, 2009

Else Pedersen, Chair





AGENDA

- **Annual Meeting** **10:00**
 - Introduction
 - Report to members
 - Election of directors
 - Appointment of auditor
- **Lunch** **11:30**
- **Information Seminar**
 - **Opportunities & Responsibilities** **12:30**
 - **Shut In Wells** **1:00**
- **Coffee Break** **1:45**
 - **The FHQA Lease & JFEC** **2:00**
 - **Services for freeholders** **2:40**
- **Open Question & Answer** **3:00**



WHO WE ARE

- **A federally incorporated not for profit association organized in 1999**
- **Approximately 4,200 freehold owners have joined – represent > 22,000 freeholders**
- **Each member has one vote in electing the directors and president**



WHAT WE DO

- Provide education & information to freeholders
- Research issues of concern to freeholders
- Act as a common voice for freeholders



2008 IN REVIEW

- **Education & information**

- Web site (ww.fhoa.ca) ~ 2,000 unique visitors & 100,000 hits per month
- Mineral rights information seminars:
 - Fort Saskatchewan
 - Red Deer
 - Trochu
- Detailed newsletters x 2
- Help line ~ 10 calls & e-mails per day
- Technical requests x 81

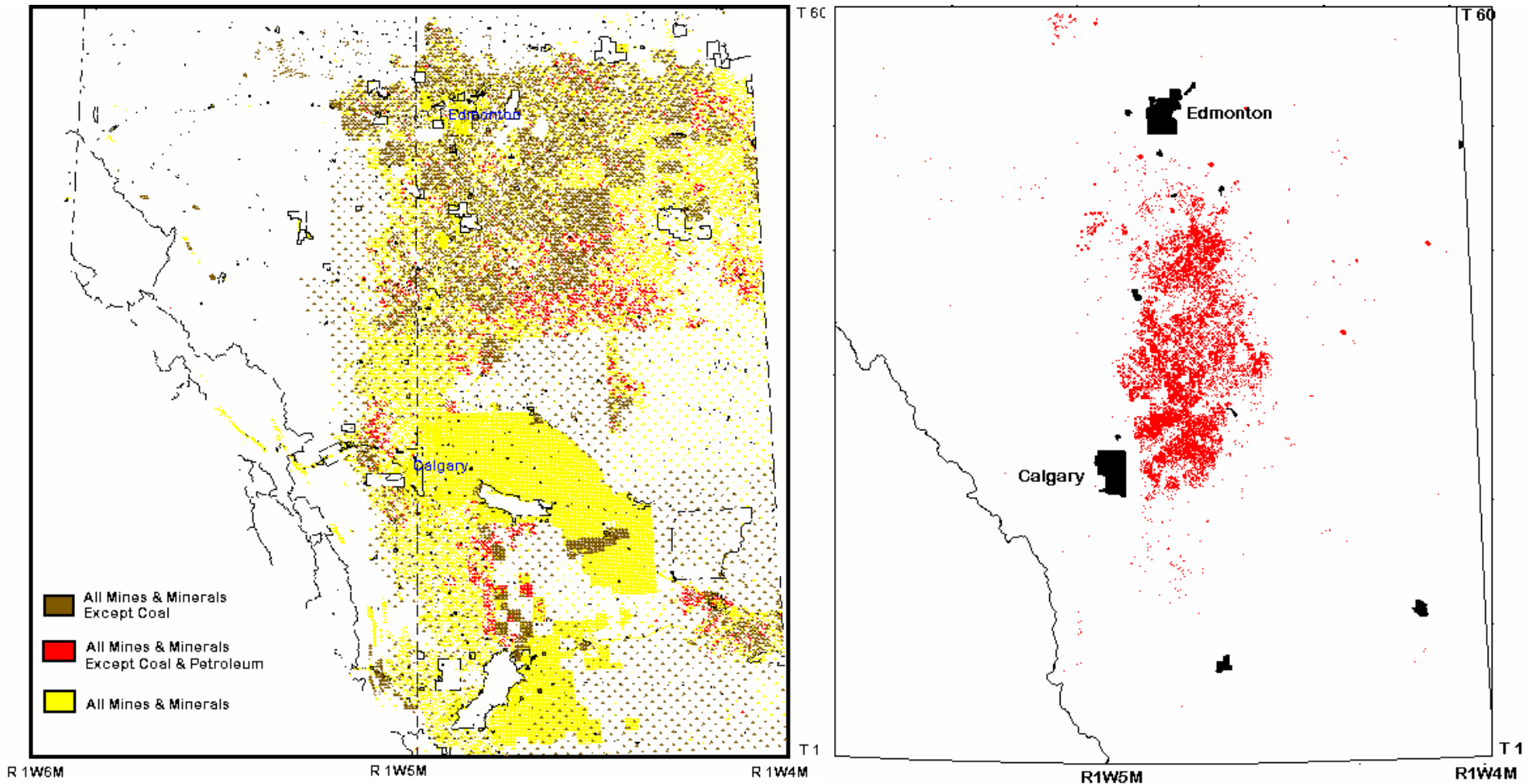


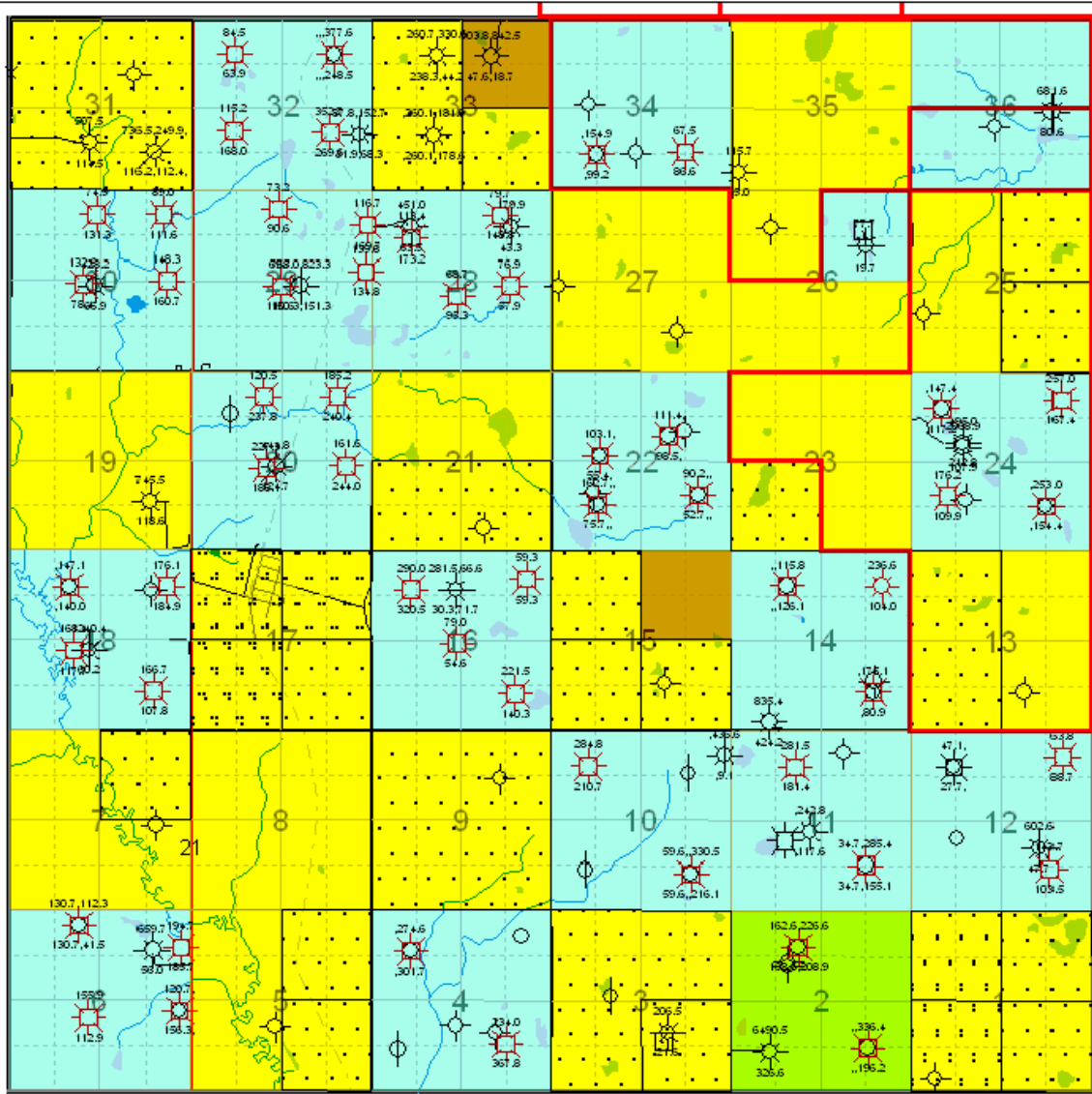
2008 IN REVIEW

- **Research & Common Voice**
 - Coal bed methane
 - Meaning of ‘capable of production’ re shut-in Wells
 - Informing elected officials of freehold problems



CBM OWNERSHIP DISPUTE





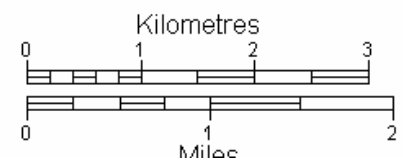
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	Crown All Rights
	Crown Partial Rights
	Crown Open
	Indian Lands
	Freehold Petroleum & Natural Gas
	Freehold Natural Gas

R23W4

WELL SYMBOLS

	CBM		D&A		FG		AZN		D&C
	CMM		PG		AGZ		SG		LCT
	TH		AG		SL				



Freehold Owners Association

CBM Wells

Last 6mo Prd DlyAvg Gas

Licensed to : Freehold Owners Association



2008 IN REVIEW

- **Research & Common Voice**
 - **Coal bed methane**
 - FHQA granted leave to intervene before Alberta Court of Appeal in coal owners' appeal of ERCB decision
 - Coal owners discontinued appeal in fall 2008
 - Significant FHQA funds expended
 - Five legal actions proceeding in Court of Queen's Bench
 - Neither freehold owners of natural gas nor FHQA represented



2008 IN REVIEW

- **Research & Common Voice**
 - **Freehold lease continuation**
 - The meaning of the phrases 'capable of production' or 'capable of producing' as used in freehold leases



2008 IN REVIEW

- **Research & Common Voice**
 - **Informing elected officials of freehold problems**
 - **MLA Webber**
 - **Calgary caucus**
 - **Rural caucus**
 - **MLA Dallas**
 - **Capital caucus**



HOW WE DO IT

- All directors & officers are volunteers
- Funded by:
 - \$50 membership fees
 - \$20 - \$30 seminar attendance fees
 - \$125 technical information fees
 - Member contributions
 - \$25 - \$100 FHQA Lease fees
 - Recovery fees
 - Evaluation fees

FREEHOLD PETROLEUM & NATURAL GAS OWNERS ASSOCIATION

Balance Sheet

December 31, 2008

	2008	2007
ASSETS		
CURRENT		
Cash	\$ 22,796	\$ 25,861
Accounts receivable	14,291	16,163
	<u>37,087</u>	<u>42,024</u>
PROPERTY, PLANT AND EQUIPMENT (Note 3)	3,860	3,212
	<u>\$ 40,947</u>	<u>\$ 45,236</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT		
Accounts payable	\$ 5,194	\$ 12,212
Deferred revenue	5,915	29,657
	<u>11,109</u>	<u>41,869</u>
DEFERRED INCOME	21,160	14,718
	<u>32,269</u>	<u>56,587</u>
MEMBERS EQUITY	8,678	(11,351)
	<u>\$ 40,947</u>	<u>\$ 45,236</u>

FREEHOLD PETROLEUM & NATURAL GAS OWNERS ASSOCIATION

Statement of Operations and Changes in Members' Equity

Year Ended December 31, 2008

	2008	2007
REVENUE		
Technical fees	\$ 16,231	\$ 20,387
Seminar fees	2,521	12,227
Membership dues	54,574	55,888
Membership contributions	800	1,095
Interest and other	958	1,524
CBM donation	<u>22,076</u>	<u>-</u>
	<u>97,160</u>	<u>91,121</u>
EXPENSES		
Accounting and legal	2,113	1,500
Advertising and promotion	27	11,459
Amortization	1,655	1,377
Reporting to members - Video creation	11,905	-
Goods and services tax charged to expense annually	3,255	5,880
Interest and bank charges	298	379
Intervention expense	8,475	32,379
Meetings and conventions	7,534	-
Memberships	191	160
Office	12,423	24,848
Office assistance	20,014	18,761
Rent	6,000	5,800
Telephone and internet	2,351	2,912
Website development	<u>890</u>	<u>4,841</u>
	<u>77,131</u>	<u>110,296</u>
NET INCOME (LOSS)	20,029	(19,175)
MEMBERS' EQUITY (DEFICIENCY) - BEGINNING OF YEAR	<u>(11,351)</u>	<u>7,824</u>
MEMBERS' EQUITY (DEFICIENCY) - END OF YEAR	\$ 8,678	\$ (11,351)



GOING FORWARD

- **Address the financial viability of FHQA**
 - Continue to press for a share of freehold mineral tax
 - Up date the web-site and make most of it 'members only'
 - Advertise more aggressively the services currently provided by associated companies that pay fees to FHQA
 - Just Freehold Energy Corp
 - Freehold Owner Recovery Services Ltd.
 - Freehold Owners Evaluation Services Ltd.
 - Develop additional services
 - Leasing advisory service
 - Estate planning services