

Form 42

REPORT OF TAKE-OVER BID, ISSUER BID OR APPLICATION UNDER CLAUSE 104(2)(C) OF THE ACT (SUBSECTION 203.1(1) OF THE REGULATION)

Securities Act (Ontario)

1. Name and address of the offeree issuer: Prism Petroleum Inc., Suite 650, 101 6th Avenue S.W., Calgary, Alberta, T2P 3P4
2. Name and address of the offeror: Proprietary Industries Inc., Suite 500, 603 7th Avenue S.W., Calgary, Alberta, T2P 2T5
3. What is the designation of the class(es) of securities that are subject to the bid? (Include the CUSIP number.) common shares; CUSIP number – 74266N103
4. What is the date of the bid? July 12, 2000
5. What is the maximum number of securities sought by the offeror for each class of securities subject to the bid? 5,000,000 common shares
6. What is the value, expressed in Canadian dollars, of the consideration offered per security for each class of securities subject to the bid? \$1.25 per share
7. What is the number of securities of each class subject to the bid, excluding the offeror's securities, that are held by security holders whose last address as shown on the books of the offeree issuer is in Ontario? 5,895,116 common shares
8. What is the fee payable in respect of the bid, as calculated under subsection 32(1) of Schedule 1? \$800.00
9. The information given in this report is true and complete.

Date: July 12, 2000

Signed: Proprietary Industries Inc.
(Name of the Offeror)

By: "Andrew A. Mackenzie"
(Signature)

Andrew A. Mackenzie
(Name of person signing the Form)

Vice President
(Office or capacity)