THIS PRELIMINARY PROSPECTUS RELATING TO THESE SECURITIES, A COPY OF WHICH HAS BEEN FILED WITH THE ALBERTA AND BRITISH COLUMBIA SECURITIES COMMISSIONS, HAS NOT YET BECOME FINAL FOR THE PURPOSE OF A DISTRIBUTION TO THE PUBLIC. INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT AND THESE SECURITIES AND MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO RECEIPTS BEING OBTAINED FROM THE ALBERTA AND BRITISH COLUMBIA SECURITIES COMMISSIONS FOR THE FINAL PROSPECTUS.

Preliminary Prospectus Dated September 6, 2000

No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

INITIAL PUBLIC OFFERING **! , 2000**

Context Energy Inc.

(A Capital Pool Company)

$400,000
2,000,000 Common Shares
Price: $0.20 Per Common Share

The purpose of this issue is to provide Context Energy Inc. (the “Corporation”) with a minimum of funds with which to identify and evaluate corporations, properties, assets or businesses with a view to completing a qualifying transaction (a “Qualifying Transaction”) approved by the Canadian Venture Exchange Inc. (the “Exchange” or “CDNX”) and the majority of the minority security holders of the Corporation in accordance with Policy 2.4 of CDNX Corporation Finance Manual (the “Policy”). See “Use of Proceeds” and “Business of the Corporation”.

This issue is not underwritten and is subject to the receipt by the Corporation of a minimum subscription of 2,000,000 common shares (“Common Shares”) for total gross proceeds of $400,000 which must be raised within 90 days of the issuance of a receipt for filing of a final prospectus, or such other time as may be authorized by the Executive Directors of the Alberta and British Columbia securities commissions (respectively, the “Alberta Commission” and the “BC Commission”; together, the “Commissions”) (the “Directors”) and agreed to by Goepel McDermid Inc. (the “Agent”). The gross minimum offering proceeds are to be held in trust by a trust company pending the reaching of the minimum subscription and if the total subscription is not raised, subscription proceeds will be returned to subscribers without interest or deduction. See “Plan of Distribution”. The Agent has agreed to act as sponsor to the Corporation in accordance with the Policy.

	Common Shares	Price to Public	Agent’s Commission(1)	Net Proceeds to the Corporation(2)
Per Common Share	1	$0.20	$0.02	$0.18
Total Offering	2,000,000	$400,000	$40,000	$360,000

Notes:

(1) In addition, the Agent will be granted an option (the “Agent’s Option”) to acquire 200,000 Common Shares at a price of $0.20 per Common Share exercisable for a period ending eighteen months from the date of listing of the Common Shares on CDNX, which option is qualified under this Prospectus. The Agent will also be paid an agency fee in the amount of $8,000 (plus GST), and for its legal fees incurred pursuant to this Offering (as hereinafter defined) estimated to be $5,000.

(2) Before deducting the costs and expenses of this issue (including Agent’s expenses and Agent’s legal fees) estimated in the aggregate at $40,000. See “Use of Proceeds”.

INVESTMENT IN THE COMMON SHARES SHOULD BE REGARDED AS HIGHLY SPECULATIVE. This offering is suitable to those investors who are willing to rely solely on the management of the Corporation and who are prepared to risk a loss of their entire investment. Subscribers acquiring Common Shares under this Offering will

experience an immediate dilution of 25.0% or $0.05 per share, based on gross proceeds of this issue, after deduction of selling commissions and prior to deduction of related expenses of issue. See “Capitalization” and “Dilution”.

The Corporation has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future. The Corporation was only recently incorporated and does not own any ongoing business operations and has no assets other than cash and has only identified one potential asset or business for acquisition or participation. The Corporation has not entered into an Agreement in Principle (as defined herein). See “Risk Factors”, “Conflicts of Interest” and “Capitalization and Dilution”.

Other than the initial distribution of Common Shares pursuant to this prospectus, trading in all securities of the Corporation shall not be permitted during the period between the date of the receipts issued by each of the Commissions for the preliminary prospectus and the time the Common Shares are posted for trading on the Exchange except with the consent of the Commissions.

The Common Shares are highly speculative due to the proposed nature of the Corporation’s business and its present stage of development. There is no assurance that the Corporation will identify and successfully negotiate the acquisition of any potential corporations, properties, assets or businesses, or any interests therein. Moreover, additional funds may be required to successfully complete an acquisition, and the Corporation may not be able to obtain such financing. If the acquisition is financed by the issuance of shares from the Corporation’s treasury, control of the Corporation may change and shareholders may suffer additional dilution.

The directors and officers of the Corporation will only be devoting a portion of their time on the affairs to the Corporation. Potential conflicts of interest may result from the ordinary course of business of the Corporation and of the directors and officers of the Corporation. The directors and officers currently own 60% of the issued and outstanding common shares and will own 30% of the issued and outstanding common shares after the offering.

The Exchange may suspend from trading or delist the securities of a Capital Pool Corporation where the Corporation has failed to complete a Qualifying Transaction (as defined herein) within eighteen (18) months of the date of listing. Suspension from trading of the Common Shares may, and delisting of the Common Shares will, result in the Commission issuing an interim cease trade order against the Corporation. In addition, delisting of the Common Shares will result in the cancellation of all of the Common Shares of the Corporation issued prior to this offering owned by issuers.

THERE IS NO MARKET FOR THE COMMON SHARES OFFERED BY THIS PROSPECTUS AND PURCHASERS MAY NOT BE ABLE TO DISPOSE OF THEM. The price of this Offering has been determined arbitrarily by the directors of the Corporation. This Offering is subject to the Capital Pool Companies policy of the Exchange. Therefore, among other things, individual purchasers of the Common Shares offered hereby shall not be able to purchase more than 2% of the total Common Shares offered hereby (40,000 Common Shares).

The Corporation is qualifying pursuant to this Prospectus, the distribution of 2,000,000 Common Shares, the Agent’s Option and the issuance of options to purchase 400,000 Common Shares to be granted to officers and directors of the Corporation at the closing of this Offering.

The Common Shares are offered by the Agent (the “Offering”) on behalf of the Corporation on a “best efforts” basis, subject to prior sale, if, as and when issued, and delivered in accordance with the conditions referred to under “Plan of Distribution” and subject to the approval of McCarthy Tétrault, Calgary, Alberta, of legal matters on behalf of the Corporation, and the approval of Burstall Ward, Calgary, Alberta, of such legal matters on behalf of the Agent. Subscriptions will be received subject to rejection or allotment in whole or in part and the Corporation reserves the right to close the subscription books at any time without notice.

GOEPEL MCDERMID INC.
2300, 707 - 8th Avenue S.W.
Calgary, Alberta
T2P 1H5

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PROSPECTUS SUMMARY

The information in this summary is qualified in its entirety by the more detailed information appearing elsewhere in this Prospectus. Also qualified under this Prospectus are options to purchase 400,000 Common Shares at $0.20 per Common Share will also be granted to directors and officers of the Corporation. See “Directors’ and Management Stock Options”.

OFFERING:	A maximum and minimum of 2,000,000 Common Shares of Context Energy Inc. (the “Corporation”) at $0.20 per common share (“Common Share”) (the “Offering”). In addition, the Corporation will grant an option (the “Agent’s Option”) to the Agent to purchase 200,000 Common Shares at $0.20 per Common Share, which option is qualified under this Prospectus. See “Plan of Distribution”.
CORPORATION:	The principal business of the Corporation will be to identify and evaluate corporations, properties, assets or businesses with a view to their potential acquisition or the acquisition of an interest therein in order to complete a Qualifying Transaction (as defined herein) approved by the Canadian Venture Exchange (the “Exchange” or “CDNX”) and the majority of the minority holders of Common Shares in accordance with Policy 2.4 of the Exchange: Capital Pool Companies (“Policy 2.4”). As yet, the Corporation has not carried on any business and has identified only one potential investment that it wishes to evaluate with a view to acquisition. See “Business of the Corporation”.
USE OF PROCEEDS:	The net proceeds of this Offering will be used to provide the Corporation with a minimum of funds with which to identify potential acquisitions. The Corporation may not have sufficient funds to secure such acquisitions once identified and additional funds may be required. See “Use of Proceeds”, “Business of the Corporation - Method of Financing Acquisition or Participation Opportunities” and “Risk Factors”.

DIRECTORS AND MANAGEMENT:	Jeffrey W.C. Arsenych	Chairman and Chief Executive Officer and Director
	David W. Beckwermert	President, Chief Operating Officer, Chief Financial Officer and Director
	Frederick A. Youck	Director
	John B. Zaozirny	Director
	Andrew D. Grasby	Secretary
	R. Alton Smith	Assistant Secretary
	See “Directors and Officers” and “Management and Key Personnel”.	

DIVIDEND POLICY:	It is not contemplated that any dividends will be paid on the Common Shares in the immediate or foreseeable future. See “Dividend Policy”.
ESCROWED SHARES:	All Common Shares issued by the Corporation before the closing of this offering which are issued at a price that is less than the offering price under this prospectus (“Discount Seed Shares”) will be placed in escrow pursuant to an escrow agreement (the “Discount Seed Share Escrow Agreement”). The total number of Discount Seed Shares to be held in escrow subject to the Discount Seed Share Agreement are 2,000,000 Common Shares. See “Escrow Provisions”.

RISK FACTORS: Investment in the Common Shares must be regarded as highly speculative due to the proposed nature of the Corporation's business and its present stage of development. This offering is only suitable for those investors who are willing to rely solely on the management of the Corporation and who are prepared to risk a loss of their entire investment. See "Business of the Corporation", "Risk Factors" and "Conflicts of Interest".

An acquisition financed by the issuance of treasury shares could result in a change in the control of the Corporation and may cause the shareholders' interest in the Corporation to be further diluted.

THE CORPORATION

Context Energy Inc. (the "Corporation") was incorporated on July 21, 2000 under the *Business Corporations Act* (Alberta). The Articles of the Corporation were amended by Certificate of Amendment dated August 4, 2000 to delete its private company restrictions.

The principal office and registered office of the Corporation is located at Suite 1250, 717 - 7th Avenue S.W., Calgary, Alberta, T2P 0Z3.

BUSINESS OF THE CORPORATION

History and Operations of the Corporation

To date, the Corporation has not conducted material operations of any kind and does not own any assets, other than cash, and has not entered into an Agreement in Principle (as defined in the Policy).

The Corporation proposes to identify and evaluate opportunities for the acquisition of an interest in corporations, properties, assets or businesses and once identified and evaluated, to negotiate an acquisition thereof or participation therein in order to complete a Qualifying Transaction approved by the Exchange and the majority of the minority holders of Common Shares in accordance with Policy 2.4. Until the completion of a Qualifying Transaction, the Corporation shall not carry on any business other than the identification and evaluation of assets or businesses in connection with a potential Qualifying Transaction.

Process of Identification of Acquisition or Participation Opportunities

The Corporation proposes to identify acquisitions of interests in corporations, properties, assets or businesses through discussions with various contacts. Once a prospective acquisition target has been identified and evaluated, the Corporation will proceed to negotiate the terms upon which the Corporation may acquire an interest in the corporation, property, asset or business.

Method of Financing Acquisitions or Participation Opportunities

The Corporation proposes to use cash, bank financing, issuance of treasury shares, private or public financing, or some combination thereof to finance acquisitions. If treasury shares are issued such issuance could result in a change in control of the Corporation and may cause the shareholders' interest in the Corporation to be further diluted.

Criteria for Acquisitions

All potential acquisitions will initially be screened by management of the Corporation so as to evaluate the business plan of each corporation or business, which evaluation will include an analysis of the assets, the line of services or products offered, the extent of the competition in the marketplace, the market potential of the product lines or services, the market plan, existing and remaining management, production plans, financial plans and cash-flow projections and capital requirements. Similar criteria will be employed in the evaluation of other assets.

On completion of management's analysis, management will proceed to negotiate appropriate acquisition terms with those prospective corporations, businesses or the owners of other assets and thereafter will present the proposal to the board of directors for its consideration and approval.

The board of directors, in considering whether to approve the terms of the proposed acquisition, will be guided by the following criteria:

(a) the projected rate of return on the proposed investment having regard to the risk of loss;

(b) the prospects for growth, having regard to existing or potential market share;

(c) the skill of the management team, either as it exists or as it may be modified as a consequence of the acquisition; and

(d) basic financial considerations such as the ratio of debt to equity of the target business, the overall cost of the acquisition, and the prospects of obtaining the debt or equity financing necessary to effect the acquisition.

Any Qualifying Transaction that the Corporation enters into shall be submitted to its shareholders for their approval in accordance with Policy 2.4. Pursuant to Policy 2.4, the Qualifying Transaction must be approved by a majority vote of the Corporation's shareholders, other than promoters, officers, directors, other insiders, Control Persons (as defined herein) of the Corporation or of the Qualifying Transaction and associates or affiliates of any such person. For the purpose of Policy 2.4, the term Qualifying Transaction includes a transaction whereby:

(a) the Corporation issues or proposes to issue, in consideration for the acquisition of Significant Assets (as hereafter defined), Common Shares or securities convertible, exchangeable or exercisable into Common Shares which, if fully converted, exchanged or exercised would represent more than 25 percent of its Common Shares issued and outstanding immediately prior to the issuance;

(b) the Corporation enters into an arrangement, amalgamation, merger or reorganization with another company with Significant Assets, whereby the ratio of securities which are distributed to the shareholders of the Corporation and the other company results in the shareholders of the other company acquiring control of the resulting issuer; or

(c) the Corporation otherwise acquires Significant Assets (other than cash), but excludes a transaction which consists solely of the issuance for cash by the Corporation of Common Shares or securities convertible, exchangeable or exercisable into Common Shares, representing more than 25 percent of the Corporation's Common Shares issued and outstanding immediately prior to the issuance.

Significant Assets means one or more assets or businesses which, when acquired by the Corporation, together with any other concurrent transactions, results in the Corporation meeting the Minimum Listing Requirements under Policy 2.1 of the Exchange: Minimum Listing Requirements.

Notwithstanding the definition of a Qualifying Transaction, the Canadian Venture Exchange (the "Exchange") may not approve a Qualifying Transaction:

(a) if the Corporation fails to meet the minimum listing requirements prescribed by Policy 2.1 of the Exchange upon completion of the Qualifying Transaction;

(b) if, following completion of the Qualifying Transaction, the Corporation will be a finance company or a mutual fund as defined under the securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time in the Provinces of Alberta or British Columbia (the "Securities Laws"); or

(c) for any other reason at the sole discretion of the Exchange.

Prior to the completion of a Qualifying Transaction or the issuance of any securities of the Corporation pursuant to the Qualifying Transaction, the Corporation shall be required to comply with the by-laws and policies of the Exchange, the provisions of the *Securities Act* (Alberta) (the "Alberta Act"), the *Securities Act* (British Columbia) (the "BC Act") (together, the "Acts") and the rules and regulations respectively thereunder (the "Alberta Rules" or "BC Rules;" together, the "Rules") and submit for review to the Exchange an information circular which must comply with the Acts, the Rules and Policy 2.4 and contain a certificate to the effect that the information circular constitutes full, true and plain disclosure of all material facts relating to particular matters to be acted upon by security holders (the "Information Circular"). Upon approval by the Exchange of the information circular and its mailing, the Corporation must then submit the same to its security holders to approve the Qualifying Transaction, which must be approved by a majority of the votes cast by security holders who vote at the security holders' meeting, other than its promoters, officers, directors, other insiders and associates or affiliates of the same ("Related Parties") to the Corporation and Related Parties to the other parties to the Qualifying Transaction. These provisions will cease to apply after the Corporation has completed a Qualifying Transaction.

In the event that the Qualifying Transaction involves the acquisition of an asset or assets, the Corporation will submit with the information circular for review by the CDNX or its experts, as well as a current independent engineering report, geological report, business plan or valuation relating to the asset or assets in such circumstances where such a report, study or valuation would be required on the filing of a prospectus. The Corporation will also be required to retain a sponsor, who will be required to submit to the CDNX a Sponsor Report in accordance with the Policy.

The Corporation will be considered to have completed its Qualifying Transaction on the date of the shareholders meeting of the Corporation at which the Qualifying Transaction was approved, provided that all post-meeting documentation is subsequently filed with the CDNX and the CDNX has issued a bulletin confirming that the Qualifying Transaction has been completed and that the Corporation is no longer considered a capital pool company. The Policy shall cease to apply after the Corporation has completed its Qualifying Transaction and such a bulletin has been issued by the CDNX, with the exception of Section 14.10 of the Policy and the Escrow Agreement, which will both continue in full force and effect.

Potential Investment

To date, the Corporation has identified one company as a potential acquisition candidate, namely an Alberta oil and gas company, Ravenwood Resources Inc. ("Ravenwood"). The Corporation believes that the acquisition of Ravenwood would constitute a Qualifying Transaction. Ravenwood commenced active business operations in the Province of Alberta and is currently headquartered in Calgary, Alberta. Management of the Corporation presently expects that an acquisition of Ravenwood would be undertaken by way of a share exchange transaction or plan of arrangement, with the result that Common Shares would be issued from the treasury of the Corporation to complete the acquisition, although structuring of the transaction could be subject to many future considerations including advice of professional advisors.

At the current time, management of the Corporation believes that there is a reasonably high probability that negotiations with respect to the terms of the acquisition of Ravenwood will be successfully completed after closing of this Offering, following which the proposed Qualifying Transaction will be submitted to the shareholders of the Corporation for approval as described above under the heading "Criteria for Acquisitions". Management of the Corporation also anticipates that the asset value for Ravenwood subject to completion of the Corporation's due diligence review, would be in the range of $8 million to $14 million.

The acquisition of Ravenwood would, in part, be a non-arm's length transaction, as Messrs. Arsenych, Beckwermert and Grasby are directors and/or officers and shareholders of both the Corporation and Ravenwood. Conflicts, if any, arising from the non-arm's length nature of the potential acquisition will be subject to the procedures and remedies provided for in the *Business Corporations Act* (Alberta). See "Conflicts of Interest".

The Corporation is currently evaluating the business of Ravenwood, which is engaged in the business of exploring for and developing oil and natural gas properties in Alberta.

The Corporation's evaluation of Ravenwood is on-going and a final decision respecting the acquisition of Ravenwood is not expected to be made until after the closing of this Offering. The Corporation is in the process of performing due diligence on the potential acquisition. On completion of its due diligence and if considered appropriate based upon the results of such due diligence, management of the Corporation will proceed to negotiate the terms and conditions of the acquisition with Ravenwood and will present its proposal to an independent committee of the Board (the "Independent Committee") for its consideration and approval. There is no Agreement in Principle (as defined in Policy 2.4) because, even though management of the Corporation has identified a potential Qualifying Transaction that is not entirely at arm's length, the proposed acquisition is subject to certain material conditions on closing, the satisfaction of which are beyond the reasonable control of the Corporation, the Related Parties to the Corporation or the Related Parties to the Qualifying Transaction, including the approval of the Independent Committee. See "Criteria for Acquisitions" under this section. The Independent Committee is comprised of Frederick A. Youck and John B. Zaozirny and has been struck for the purpose of considering and, if thought fit, approving the acquisition of Ravenwood. The acquisition of Ravenwood, if undertaken, is expected to occur at a price based upon the fair market value of Ravenwood.

As part of its proposed long term strategy to acquire firms engaged in the oil and gas industry, the Corporation is continuing to identify additional prospective acquisitions.

USE OF PROCEEDS

The gross proceeds to be received by the Corporation from the sale of the Common Shares offered by this prospectus will be $400,000, from which will be deducted a commission of $40,000 payable to Goepel McDermid Inc. (the "Agent") and expenses and costs of this issue estimated to be $40,000. Pursuant to Policy 2.4, at least 70% of all proceeds from the sale of all Common Shares, including proceeds from sales of Common Shares prior to this Offering, shall be utilized by the Corporation in pursuit of its intended business purpose and objective and shall not be used for Agent's fees or commissions, officers' or directors' salaries or other forms of compensation, legal and audit expenses, listing fees and other costs of the issue of securities, or general and administrative expenses. Prior to the completion of the Qualifying Transaction, no proceeds shall be used to acquire or lease a vehicle.

The gross proceeds to be received the Corporation from the combination of prior sales of common shares and the sale of all of the common shares offered by this prospectus will be $600,000. The Policy required that, until the completion by the Corporation of a Qualifying Transaction and except as otherwise provided by the Policy, all proceeds from the sale of all securities, including proceeds from sales prior to the prospectus, shall be utilized by the Corporation to identify and evaluate assets or businesses for a prospective Qualifying Transaction such as:

(a) expenses incurred for the preparation of:

  (i) valuations or appraisals;

  (ii) business plans;

  (iii) feasibility studies and technical assessments;

  (iv) geological reports; and

  (v) financial statements, including audited financial statements;

  relating to the identification and evaluation of assets or businesses and the obtaining of shareholder approval for the Qualifying Transaction;

(b) fees for legal and accounting services relating to the identification and evaluation of assets or businesses and the obtaining of shareholder approval for the Corporation's proposed Qualifying Transaction; and

(c) subject to prior acceptance of the CDNX, for deposits in the maximum aggregate amount of $100,000 (with a maximum of $25,000 to be non-refundable) to preserve assets, provided that no deposit or similar payment may be made to a Related Party.

In addition, until completion by the Corporation of a Qualifying Transaction, no more than 30% of the gross proceeds from the sale of all securities issued by the Corporation shall be used for purposes other than those described above, including the following expenditures which the Policy specifies as not being expenditures to identify and evaluate assets or businesses:

(a) listing and filing fees (including SEDAR fees);

(b) underwriters or agents fees, costs and commissions;

(c) other costs for the issuance of securities, including legal and audit expenses relating to the preparation and filing of this prospectus; and

(d) administrative and general expenses of the Corporation, including office supplies, office rent and related utilities; printing costs (including the printing of this prospectus and share certificates), equipment leases (provided that no proceeds shall be used to acquire or lease a vehicle); and fees for legal advice and audit expenses, other than those described above with respect to the Qualifying Transaction.

Except as permitted by the Policy, until the completion by the Corporation of a Qualifying Transaction, the Corporation may not make any payment of any kind, directly or indirectly, to the target company or business or to Related Parties to the Corporation or Related Parties to the Qualifying Transaction, or to a person engaged in investor relations activities, by any means, including:

(a) remuneration, which includes but is not limited to salaries, consulting fees, management contract fees, directors fees, finders' fees, loans, vehicle acquisitions or leases, advances and bonuses (including bonuses relating to the Qualifying Transaction); and

(b) the deposits and similar payments described above.

Further, no such payments shall be made on or after the completion by the Corporation of a Qualifying Transaction if such payments relate to services rendered or obligations incurred prior to or in connection with the Qualifying Transaction.

Notwithstanding the above, the Corporation may reimburse Related Parties to the Corporation for reasonable expenses for office supplies, office rent and related utilities, equipment leases (excluding vehicle leases), and legal services (provided that neither the lawyer providing the legal services nor any member of the law firm providing the services is a promoter of the Corporation), and may also reimburse Related Parties to the Corporation for reasonable out-of-pocket expenses incurred in pursuing the business of the Corporation.

The restrictions in the Policy on expenditures and the use of proceeds continue to apply until completion of the Qualifying Transaction. As a result of the definition of the "Qualifying Transaction" in the Policy, such restrictions can continue to apply following shareholder approval of the proposed Qualifying Transaction and until the issuance of the Final Exchange Notice (as defined in the Policy). If the Qualifying Transaction does not close or if for any other reason the CDNX does not issue a Final Exchange Notice, any expenditures made other than as permitted by the Policy will be considered to be a breach of the Policy.

The Corporation may compensate a related party for reasonable expenses for office supplies, office rent and related utilities, reasonable expenses for equipment leases (excluding vehicle leases) and legal services provided that if the lawyer receiving the remuneration is a sole practitioner, or a member of an association of sole practitioners, the lawyer is not a promoter of the Corporation and if the legal services are provided by a firm of lawyers, no member of the law firm is a promoter of the Corporation.

It is expected that the proceeds from previous sales of the Corporation's securities ($200,000) together with the proceeds of this issue ($400,000) shall be applied as follows:

1.	Estimated costs of identifying and evaluating potential acquisitions(1)	$500,000
2.	Estimated administrative and general expenses	$20,000
3.	Costs of this issue including legal, audit and printing but excluding listing fees and agent's expenses	$20,000
4.	Fee for Exchange listing, other regulatory filings and government registrations in Alberta and British Columbia	$7,000
5.	Agent's expenses and commission (including legal fees)	$53,000
	TOTAL	$600,000

Notes:
(1) In the event that the Corporation completes an approved Qualifying Transaction prior to spending the entire $510,000 on identification and evaluation, the Corporation may use the remaining funds to finance or partially finance the acquisition of or participation in such corporations, properties, assets or businesses, or for other purposes.
(2) In the event that the Agent exercises the Agent's Option, there will be available to the Corporation a maximum of $40,000 which will be added to the working capital of the Corporation. See "Plan of Distribution".

Until the completion of the Qualifying Transaction, no payment will be made, either directly or indirectly by the Corporation to a director, officer, promoter or to associates or affiliates of such individuals by any means, and no payment shall be made by the Corporation on or after the completion of the Qualifying Transaction if the payment relates to services rendered or obligations incurred prior to or in connection with the Qualifying Transaction.

Until required for the Corporation's purposes, all proceeds will only be invested in securities of, or those guaranteed by, the Government of Canada, any province thereof or the Government of the United States of America, in certificates of deposit or interest bearing accounts of Canadian chartered banks, trust companies or the Alberta Treasury Branches.

The proceeds of this Offering, after deducting the costs of this issue, will only be sufficient to identify a limited number of opportunities. Additional funds may be required to finance any acquisition to which the Corporation may commit. See "Business of the Corporation", "Method of Financing Acquisition or Participation Opportunities" and "Speculative Nature of Securities".

PLAN OF DISTRIBUTION

Pursuant to an agency agreement (the "Agency Agreement") dated as of ! , 2000 among the Corporation, the Agent and Olympia Trust Company (the "Trustee"), the Corporation has appointed the Agent as its agent to offer for sale to the public a total of 2,000,000 Common Shares of the Corporation at $0.20 per Common Share. The Agent will receive a commission of $40,000, and receive an agency fee set in the amount of $8,000 (plus GST) and its legal fees incurred pursuant to this Offering estimated to be $5,000. The Corporation will grant to the Agent at the Closing a non-transferable option to acquire 200,000 Common Shares at $0.20 per share for an 18-month period from the date of listing on the Exchange. Pursuant to Policy 2.4, where the Agent receives an option or the right to subscribe for a certain number of shares as consideration for acting as Agent, 50% of the options exercised or 50% of the shares held pursuant to that right may be sold prior to the completion of the Qualifying Transaction. The remaining 50% may only be sold after completion of the Qualifying Transaction.

This prospectus qualifies the distribution of 2,000,000 Common Shares, the issuance of 400,000 options to purchase Common Shares to be granted to officers and directors of the Corporation, and an option to purchase 200,000 Common Shares to be granted to the Agent at the closing of this Offering.

The Agent has agreed to use its best efforts to secure subscriptions for all of the Common Shares offered hereunder on behalf of the Corporation and may make co-brokerage arrangements with other investment dealers at no additional cost to the Corporation. The obligations of the Agent under the Agency Agreement may be terminated at its discretion on the basis of its assessment of the state of financial markets or upon the occurrence of certain stated events.

Total Subscription

The total subscription is 2,000,000 Common Shares. The funds received from the sale of the Common Shares offered hereunder will be deposited with the Trustee and will not be released until a total of $400,000 has been deposited. The total subscription must be raised within 90 days of the date of the receipt of the final version of this Prospectus, or such other time as may be authorized by the Executive Directors of the Alberta and British Columbia securities commissions and agreed to by the Agent, failing which the Trustee will remit the funds collected to the original subscribers without interest or deduction.

DESCRIPTION OF SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of First Preferred Shares, issuable in series, without nominal or par value, of which as at the date hereof, 2,000,000 Common Shares were issued and outstanding as fully paid and non-assessable.

Common Shares

The holders of the Common Shares are entitled to dividends, if, as and when declared by the Board of Directors, to one vote per share at meetings of the shareholders of the Corporation and, upon liquidation, to receive such assets of the Corporation as are distributable to the holders of the Common Shares. All of the Common Shares to be outstanding on completion of this Offering will be fully paid and non-assessable.

First Preferred Shares

First Preferred Shares are issuable in one or more series with such rights, restrictions, conditions and privileges as the directors may specify by resolution at the time of designation of the series, including voting rights, the rate or amount of dividends or the method of calculating dividends, the dates of payment thereof, the terms and conditions of redemption, purchase and conversion, if any, and any sinking fund or other provisions. Upon liquidation, the holders of the First Preferred Shares are entitled to receive such assets of the Corporation as are distributable to the holders of First Preferred Shares in preference to the holders of Common Shares and any other shares of the Corporation ranking by their terms junior to the First Preferred Shares. The First Preferred Shares of any series may also be given such other preferences, not inconsistent with the Corporations's articles of incorporation, over Common Shares and any other shares of the Corporation ranking by their terms junior to the First Preferred Shares.

If any cumulative dividends or amount payable on the return of capital in respect of a series of First Preferred Shares are not paid in full, all series of First Preferred Shares shall participate rateably in respect of accumulated dividends and return of capital.

CAPITALIZATION

Capital	Amount Authorized	Outstanding as at August 31, 2000	Outstanding After Giving Effect to this Issue(2)(3)(4)
Common Shares	Unlimited	$200,000 (2,000,000 Shares)	$600,000 (4,000,000 Shares)
First Preferred Shares	Unlimited	Nil	Nil

Notes:
(1) The deficit of the Corporation as at August 31, 2000 was $nil.
(2) The Corporation has reserved an aggregate of 400,000 Common Shares pursuant to a directors' and employees' stock option plan. At Closing of the Offering, the Corporation will issue options to purchase an aggregate of 400,000 Common Shares at $0.20 per share to the directors of the Corporation. See "Directors' and Management Stock Options".
(3) The Corporation has reserved an aggregate of 200,000 Common Shares at $0.20 per share pursuant to the option to be granted to the Agent. See "Plan of Distribution."
(4) Before deducting Agent's commission and expenses of issue.

PRIOR SALES

Since the date of incorporation, 2,000,000 Common Shares have been issued as follows:

Date Issued	Number of Shares	Issue Price per Share	Aggregate Issue	Nature of Consideration
July 21, 2000	2,000,000	$0.10	$200,000	Cash

PRINCIPAL SHAREHOLDERS

The following table lists those persons who own of record or who are known to the Corporation to own beneficially, directly or indirectly, more than 10% of the issued and outstanding Common Shares of the Corporation as at the date hereof:

Name and Municipality	Type of Ownership	Number of Common Shares	Percentage of Shares Owned Before Offering	Percentage of Shares Owned After Offering
Ravenwood Resources Inc.	Direct	800,000	40%	20.0%
Jeffrey W.C. Arsenych	Direct	400,000	20%	10.0%
David W. Beckwermert	Direct	400,000	20%	10.0%
Frederick A. Youck	Direct	100,000	5%	2.5%
John B. Zaozirny	Direct	100,000	5%	2.5%
R. Alton Smith	Direct	100,000	5%	2.5%
Andrew D. Grasby	Direct	100,000	5%	2.5%

Note:
(1) Subject to an escrow agreement. See "Escrowed Securities".

The directors and officers, or associates or affiliates of the directors and officers, as a group beneficially own and control 1,200,000 Common Shares which represents 60% of the issued Common Shares of the Corporation before giving effect to this Offering and will represent 30% of the issued Common Shares of the Corporation after giving effect to this Offering. In addition, Ravenwood owns 800,000 Common Shares which represents 40% of the issued Common Shares of the Corporation before giving effect to this Offering and will represent 20% of the issued Common Shares of the Corporation after giving effect to this Offering. Messrs. Arsenych and Beckwermert are officers and directors of Ravenwood. Mr. Grasby, the Corporate Secretary, is also a director of Ravenwood.

ESCROWED SECURITIES

The following table sets out, as of the date of this Prospectus, the number of securities of the Corporation held in escrow:

Designation of Class	Number of Securities Held in Escrow	Percentage of Class	Percentage After This Offering
Common Shares	2,000,000	100%	50%

The following securities of the Corporation are required to be held in escrow pursuant to an escrow agreement and in compliance with Policy 2.4:

(a) if directly or indirectly, beneficially owned or controlled by the promoters, officers, directors, other insiders or a Control Person of the Corporation, including associates or affiliates of these persons, or any associate of any of the aforementioned individuals or any corporation of which any of the aforementioned individuals is a Promoter, officer, director or Control Person of the Corporation ("Related Parties");

(i) all Common Shares issued before the closing of the Offering;

(ii) all Common Shares issued pursuant to this Offering;

(iii) all securities acquired from treasury after this offering but before the completion of the Qualifying Transaction, other than shares acquired upon the exercise of stock options which are to be escrowed pursuant to paragraph 7.5 of the Policy;

(b) all Common Shares of the Corporation acquired by any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding Common Shares, except where there is evidence showing that the holder of those securities does not materially affect the control of the Corporation (a "Control Person"), of the Corporation in the secondary market before the completion of the Qualifying Transaction;

(c) securities issued, other than in conjunction with a Qualifying Transaction, which are acquired pursuant to a private placement or in any other manner by a Control Person of the Corporation (determined after giving effect to the issuance) or by Related Parties to the Corporation before the Completion of the Qualifying Transaction.

Upon the Corporation completing a Qualifying Transaction, the escrowed securities shall be released as to 10% immediately following the issuance of the Exchange Notice issued following closing of the Qualifying Transaction and the submission of all post-meeting documentation which evidences the Exchange's final acceptance of the Qualifying Transaction (the "Final Exchange Notice"), 15% six months following the initial release and 15% every six months thereafter.

Notwithstanding the schedule outlined above regarding the release of escrowed securities upon completion of the Qualifying Transaction, where the Corporation reasonably believes that upon closing of the Qualifying Transaction it will meet the minimum listing requirements of a Tier 1 issuer described in Policy 2.1 - Minimum Listing Requirements, the Corporation may make an application to CDNX in accordance with CDNX policies to be listed as a Tier 1 issuer and shall concurrently provide notice to the Escrow Agent of such application.

If CDNX issues a notice (the “CDNX Acceptance Notice”) confirming final acceptance for listing of the Corporation on Tier 1, the Corporation shall forthwith issue a news release disclosing that it has been accepted for graduation to Tier 1 and disclosing the number of securities to be released and the dates of release and shall promptly provide such news release, together with a copy of the CDNX Acceptance Notice to the escrow agent and the above schedule shall be deemed to be replaced with the following early release schedule:

(i) 25% following issuance of the CDNX Acceptance Notice;

(ii) 25% 6 months following issuance of the CDNX Acceptance Notice;

(iii) 25% 12 months following issuance of the CDNX Acceptance Notice;

(iv) 25% 18 months following issuance of the CDNX Acceptance Notice.

In the event the early release schedule becomes effective, the escrow agent, within 10 days of the issuance by CDNX of the CDNX Acceptance Notice, shall release from escrow any securities which, pursuant to the early release schedule, would have been releasable at a date prior to the issuance of the CDNX Acceptance Notice.

Where securities of the Corporation required to be placed in escrow are held by a holding company during the currency of the Discount Seed Share Escrow Agreement, the holding company will not carry out any transactions which would result in a change of control of the holding company without the consent of the Exchange. The securities of the company that results from the Corporation’s Qualifying Transaction held by Principals (as defined in CDNX Policy 5.4) will generally be escrowed in accordance with the terms of an escrow agreement in accordance with Policy 5.4. The terms of each Principal’s escrow agreement will depend on the application of Policy 5.4 to the Corporation’s Qualifying Transaction. Other securities issued in connection with a Qualifying Transaction may also be escrowed in accordance with Policy 5.4. Percentages are calculated based on the total number of shares escrowed pursuant to each of the escrow agreements. In the event a Qualifying Transaction does not take place, there will be no release from escrow.

All shares held in escrow will be deposited with the Trustee, pursuant to an escrow agreement which provides, in addition to the provisions set forth above, that all voting rights attached to escrowed securities shall be exercised by the registered holder of the shares. Upon the issuance by the Exchange of a notice delisting the Corporation, the Trustee will immediately cancel all of the Common Shares issued at less than the price of the Offering held in escrow pursuant to the Discount Seed Share Escrow Agreement. See “Material Contracts.”

DIRECTORS AND OFFICERS

The following are the names and municipalities of residence of the directors and officers of the Corporation, their positions and offices with the Corporation and their principal occupations during the last five years.

Name and Municipality of Residence	Office	Present Occupation and Positions Held During the Last Five Years
Jeffrey W.C. Arsenych Calgary, Alberta	Chairman, Chief Executive Officer and Director	Chairman and Chief Executive Officer of Ravenwood (a private oil and gas company) since July 1999; prior thereto, from August 1993 to June 1999, Chief Executive Officer of Neutrino Resources Inc. ("Neutrino") (a public Toronto Stock Exchange listed oil and gas company from October 1995 until July 1998 at which time it became a wholly-owned subsidiary of Southern Minerals Corporation).
David W. Beckwermert(1) Calgary, Alberta	President, Chief Financial Officer, Chief Operating Officer and a Director	President, Chief Operating Officer, Chief Financial Officer and Secretary of Ravenwood since July 1999; prior thereto, President of Neutrino from July, 1998 to June, 1999; prior thereto, Executive Vice-President of Neutrino from November 1997 to July 1998; prior thereto, a Vice-President of Neutrino from May 1994 to November 1997.
Frederick A. Youck(1) Calgary, Alberta	Director	President of Winstar Corporation since 1990; from April 1995 to April 2000, Vice-President, Administration, Corporate Secretary and a Director of Hurricane Hydrocarbons Ltd. (a publicly listed oil and gas company on The Toronto Stock Exchange and the National Quotation Bureau); prior thereto, Secretary-Treasurer and a Director Hurricane Hydrocarbons Ltd.
John B. Zaozirny, Q.C.(1) Calgary, Alberta	Director	Counsel to McCarthy Tétrault, Barristers and Solicitors since 1987 and Vice-Chairman and a director of Canaccord Capital Corporation (an investment banking firm) from January 1996 to present.
Andrew D. Grasby Calgary, Alberta	Secretary	Partner with McCarthy Tétrault since January 1999 and prior thereto an associate with McCarthy Tétrault.
R. Alton Smith Calgary, Alberta	Assistant Secretary	Manager, Engineering of Neutrino since May 1998; prior thereto, Senior Engineer with Neutrino from September 1997 to April 1998; prior thereto, Senior Reservoir Engineer with Paddock Lindstrom and Associates (an independent engineering evaluation firm) from May 1997 to August 1997; prior thereto, Manager, Engineering with Intensity Resources Ltd. (then, a public Toronto Stock Exchange listed oil and gas company until May 1997 when it was acquired by Renata Resources Inc.).

Note:
(1) Member of the Audit Committee.

It is expected that, initially, Messrs. Arsenych and Beckwermert will devote their time and expertise as required by the Corporation. See also "Management and Key Personnel".

MANAGEMENT AND KEY PERSONNEL

The following is a brief description of the key management of the Corporation.

Jeffrey W.C. Arsenych **-** *Chairman and Chief Executive Officer and Director*

Mr. Arsenych is a co-founder and Chief Executive Officer of Ravenwood. He graduated from the University of Regina with a B.A., Psychology, and from the University of Western Ontario with an M.B.A. Mr. Arsenych has over 18 years of business experience in negotiations, project management, corporate finance, strategic planning, and economic evaluations. He has worked for Saskoil (acquired by Canadian Occidental), Canterra Energy (merged with Husky Oil), Texaco Canada Resources, and Triton Canada Resources. During his tenure as a negotiator, he has concluded transactions in the area of corporate mergers and acquisitions, property purchases and divestitures, equity and debt financing, joint ventures, and business development. At Saskoil, Mr. Arsenych coordinated new ventures in co-generation, district heating and cooling, crude oil refining, natural gas marketing, oil and gas pipelines and storage, and environmental services. In 1993, Mr. Arsenych founded Neutrino and was its Chief Executive Officer until June 1999. Neutrino was a publicly-traded oil and gas company that produced 3,500 barrels oil equivalent per day and was sold in July 1998 to Southern Minerals of Houston, Texas for Cdn. $83 million of total consideration. During the period 1994 to 1997, Neutrino concluded four corporate mergers and four significant property acquisitions and listed its common shares on The Toronto Stock Exchange in October 1995. In conjunction with Neutrino, Mr. Arsenych co-founded Bridgetown Energy Corp. ("Bridgetown") in 1995 as a Junior Capital Pool on The Alberta Stock Exchange. After Bridgetown completed its major transaction under the rules applicable to Junior Capital Pool companies in 1996, Mr. Arsenych and Neutrino sold their equity in Bridgetown at the end of 1997. In addition, Mr. Arsenych taught a senior course in oil and gas economics and strategy for ten years at the University of Calgary, Faculty of Management. Mr. Arsenych also sits on the board of directors of Kattner/FVB District Energy Inc., a private engineering firm specializing in district heating and cooling and co-generation. He also sits on the board of the EnerGreen Foundation and the Millennium Quest Council (a fund-raising division of the Calgary Philharmonic Orchestra).

David W. Beckwermert - *President, Chief Operating Officer, Chief Financial Officer and Director*

Mr. Beckwermert is co-founder and President of Ravenwood. He graduated from Lakehead University with Bachelors Degrees in both Business Administration and Forestry. Mr. Beckwermert has over 15 years of entrepreneurial business experience, owning and operating various private enterprises. In 1983, he joined the regional office of the Bank of Nova Scotia in Saskatoon as a credit officer and in 1985 became a Program Review Analyst for the Treasury Board Division of the Department of Finance, Government of Saskatchewan. Mr. Beckwermert subsequently served as Manager, Capital Financing and Forecasting and as a Director in the Technical Services Division of Saskatchewan Property Management Corp., a government-owned company that managed office buildings and other commercial properties. In 1992 he became the Director of Policy and Legislation for the Saskatchewan Department of Environment and Resource Management. Mr. Beckwermert has chaired a national task force on environmental issues and was the Saskatchewan provincial representative/negotiator for NACE, a side agreement to the North American Free Trade Agreement dealing with the environment. At that time he also co-chaired a Western Canadian conference on co-generation and represented the Saskatchewan Department of Environment on a government committee reviewing co-generation projects. In 1993 Mr. Beckwermert became a founding shareholder of Neutrino and from May 1994 to June 1999 was an executive of Neutrino (President/COO from July 1998 to June 1999). Neutrino was a publicly-traded oil and gas company that produced 3,500 barrels oil equivalent per day and was sold in July 1998 to Southern Minerals of Houston, Texas for Cdn. $83 million of total consideration. During the period 1994 to 1997, Neutrino concluded four corporate mergers and four significant property acquisitions and listed its common shares on The Toronto Stock Exchange in October 1995. In conjunction with Neutrino, Mr. Beckwermert co-founded Bridgetown in 1995. After Bridgetown completed its major transaction under the rules applicable to Junior Capital Pool companies in 1996, Mr. Beckwermert and Neutrino sold their equity in Bridgetown at the end of 1997.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

No remuneration has been paid to any director or executive officer of the Corporation for the period ending July 31, 2000. The directors and officers or parties related to the directors or officers may not, prior to the completion of a Qualifying Transaction, receive any remuneration, fees or deposits. Officers of the Corporation may receive remuneration following the completion of a Qualifying Transaction depending upon the nature of the acquisition and the services to be performed by such executive officers in connection therewith.

At closing of the Offering the Corporation will grant stock options to its directors. See “Directors’ and Management Stock Options”.

DIRECTORS’ AND MANAGEMENT STOCK OPTIONS

Pursuant to a resolution of the Board of Directors of the Corporation dated as of August 31, 2000, the Corporation established a Stock Option Plan for its directors, officers, consultants and employees to which the Corporation may grant options to acquire up to 400,000 Common Shares of the Corporation. The Corporation will enter into stock option agreements with a term of five years to be dated as at the date of the closing of the Offering, with its directors as follows:

Name	Number of Shares Under Option	Exercise of Price per Share
Jeffrey W.C. Arsenych	125,000	$0.20
David W. Beckwermert	125,000	$0.20
Frederick A. Youck	50,000	$0.20
John B. Zaozirny	50,000	$0.20
Andrew D. Grasby	25,000	$0.20
R. Alton Smith	25,000	$0.20
Total:	400,000	

All Common Shares acquired on exercise of the directors’ options, when acquired, shall be subject to escrow unless such shares are acquired after a Qualifying Transaction has been completed. The options are non-transferable and will expire, if not exercised, 180 days following the date the optionee ceases to be a director or hold an office of the Corporation by reason of death or long term permanent disability that makes it impossible for the director to serve the Corporation, sixty days after ceasing to be a director or officer by virtue of resignation or retirement, or immediately if the optionee is terminated.

DIVIDEND POLICY

No dividends have been paid on any shares of the Corporation since the date of its incorporation, and it is not contemplated that any dividends will be paid in the immediate or foreseeable future.

DILUTION

Purchasers of the Common Shares under this Prospectus at $0.20 per Common Share will suffer an immediate dilution of 25% or $0.05 per Common Share on the basis of there being 4,000,000 Common Shares of the Corporation issued and outstanding following completion of this Offering. Dilution has been computed on the basis of total gross proceeds to be raised under this Prospectus and from sales of securities prior to filing this Prospectus but without deduction of the Agent’s commission or related expenses incurred by the Corporation.

PRELIMINARY EXPENSES

Excluding the costs of this issue (including listing, legal and audit expenses), it is estimated that during the 12-month period from the date of this Prospectus, general and administrative expenses of approximately $20,000 will be incurred. These expenses may change if the directors and officers consider a change to be in the best interests of the Corporation. See “Use of Proceeds”.

PROMOTERS

Messrs. Jeffrey W. C. Arsenych and David W. Beckwermert may be considered to be the promoters of the Corporation in that they took the initiative in organizing the business of the Corporation. The promoters own an aggregate of 800,000 Common Shares and will be granted options to acquire 125,000 Common Shares each at a price of $0.20 per Common Share. See “Principal Shareholders”, “Prior Sales” and “Directors’ and Management Stock Options”.

MATERIAL CONTRACTS

The Corporation has not entered into any contracts material to investors in the Common Shares within the two years prior to the date hereof, other than:

1. Agency Agreement dated as of ! , 2000 among the Corporation, the Agent and the Trustee. See “Plan of Distribution”.

2. Transfer Agency and Registrarship Agreement between the Corporation and the Trustee dated ! , 2000.

3. Discount Seed Share Escrow Agreement dated as of ! , 2000 among the Corporation, the Trustee and those shareholders that executed such escrow agreement. See “Escrowed Securities”.

Copies of these agreements will be available for inspection at the registered office of the Corporation, Suite 1250, 717 - 7th Avenue S.W., Calgary, Alberta, T2P 0Z3 and at the offices of the Alberta and British Columbia securities commissions during ordinary business hours while the securities offered by this Prospectus are in the course of distribution and for a period of 30 days thereafter.

CONFLICTS OF INTEREST

There are potential conflicts of interest to which the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation, with a view to potential acquisition of interests in businesses and corporations on their own behalf and on behalf of other corporations, and situations may arise where the directors and officers will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies under the *Business Corporations Act* (Alberta).

RISK FACTORS

There is no established market for the Common Shares of the Corporation. This Offering should be considered highly speculative due to the proposed nature of the Corporation’s business and the fact that the Corporation was only recently incorporated and has no business operations, has no assets other than cash, and has identified only one business for acquisition or participation. The Corporation has neither a history of earnings nor has it paid any dividends and it is unlikely to enjoy earnings or pay dividends in the immediate or foreseeable future. The Corporation has not entered into an Agreement in

Principle. Under Policy 2.4, an Agreement in Principle means any enforceable agreement or any other agreement or similar commitment in relation to a Qualifying Transaction which identifies the fundamental terms upon which the parties agree or intend to agree and in respect of which there are no material conditions to closing (other than receipt of shareholder approval and Exchange Acceptance), the satisfaction of which is dependent upon third parties and beyond the reasonable control of the Related Parties to the Corporation or the Related Parties to the Qualifying Transaction.

There is no assurance that the Corporation will be able to identify acquisition or participation opportunities which will be profitable. Moreover, should the Corporation identify any corporation, properties, assets or businesses and determine that an acquisition is warranted, the Corporation may not be able to finance the acquisition and additional funds may be required to meet such obligations. As a result of these factors, this Offering is only suitable to those investors who are prepared to risk a total loss of their investment and who are willing to rely solely on the management of the Corporation. See “Business of the Corporation”, “Method of Financing Acquisition or Participation Opportunities” and “Management and Key Personnel”.

The Exchange may suspend from trading or delist the securities of a Capital Pool Corporation where the Corporation has failed to complete a Qualifying Transaction within 18 months of the date of listing.

Suspension from trading of the Common Shares may, and delisting of the Common Shares will, result in the Commissions issuing interim cease trade orders against the Corporation. In addition, delisting of the Common Shares will result in the cancellation of all of the currently issued and outstanding Common Shares of the Corporation.

Notwithstanding that a transaction may meet the definition of a Qualifying Transaction, the Exchange may not approve a Qualifying Transaction:

(a) if the Corporation fails to meet the minimum listing requirements prescribed by Policy 2.1 of the Exchange upon completion of the Qualifying Transaction;

(b) if, following completion of the Qualifying Transaction, the Corporation will be a finance company or a mutual fund as defined under applicable securities laws; or

(c) for any other reason at the sole discretion of the exchange.

SHAREHOLDERS ACQUIRING COMMON SHARES UNDER THIS OFFERING WILL EXPERIENCE AN IMMEDIATE DILUTION OF 25% OR $0.05 PER COMMON SHARE BASED ON GROSS PROCEEDS OF THIS AND PRIOR ISSUES BY THE CORPORATION.

If the Corporation issues treasury shares to finance its acquisition or participation opportunities, control of the Corporation may change and subscribers may suffer additional dilution of their investment.

The directors and officers of the Corporation will not be devoting all of their time to the affairs of the Corporation, but will be devoting such time as required to effectively manage the Corporation. Some of the directors and officers of the Corporation are engaged and will continue to be engaged in the search for property or business prospects on their own behalf or on behalf of others. See “Conflicts of Interest”.

PURCHASER’S STATUTORY RIGHTS

Securities legislation in several of the provinces provides purchasers with the right to withdraw from an agreement to purchase securities within two business days after the receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by securities legislation of the purchaser's Province or Territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's Province or Territory for the particulars of these rights or consult with a legal advisor.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are KPMG LLP, Chartered Accountants, 1200, 205 - 5th Avenue S.W., Calgary, Alberta, T2P 2V7.

The transfer agent and registrar for the Common Shares of the Corporation is Olympia Trust Company, Suite 2600, 700 - 9th Avenue SW, Calgary, Alberta, T2P 3V4.

AUDITORS' REPORT

TO THE DIRECTORS OF CONTEXT ENERGY INC.

We have audited the balance sheet of Context Energy Inc. as at August 31, 2000. This financial statement is the responsibility of the Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the balance sheet is free of material misstatement. An audit of a balance sheet includes examining, on a test basis, evidence supporting the amounts and disclosures in the balance sheet. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall balance sheet presentation.

In our opinion, the balance sheet presents fairly, in all material respects, the financial position of the Corporation as at August 31, 2000 in accordance with Canadian generally accepted accounting principles.

!
Chartered Accountants

Calgary, Canada
August 31, 2000,
except as to notes 3 and 4 which are as at !, 2000

Context Energy Inc.

Balance Sheet

As at August 31, 2000

ASSETS	
Cash	$195,000
Deferred financing costs	$ 5,000
	$200,000
SHAREHOLDERS' EQUITY	
Share capital (note 3)	$200,000
Subsequent events (notes 3 and 4)	

See accompanying notes to financial statement.

Approved by the Board:

(signed) "Jeffrey W.C. Arsenych" Director
Jeffrey W.C. Arsenych

(signed) "David W. Beckwermert" Director
David W. Beckwermert

Context Energy Inc.

Notes to Balance Sheet

August 31, 2000

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1. Incorporation/nature of business:

The Corporation was incorporated as Context Energy Inc. (the "Corporation") under the *Business Corporations Act* (Alberta) on July 21, 2000 and is classified as a Capital Pool Company as defined in CDNX Policy 2.4.

The Corporation is involved in securing equity financing with which it intends to identify and evaluate opportunities for the acquisition of an interest in properties, corporations, assets or businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of shareholder and regulatory approval in order for the Corporation to complete a qualifying transaction approved by the Canadian Venture Exchange Inc. The Corporation has not commenced operations as at the balance sheet date.

2. Significant accounting policies:

(a) Deferred financing costs:

Deferred financing costs relate to expenditures incurred associated with the Corporation's share offering (see note 4) and will be charged against share capital upon the issuance of the shares or expensed if the share offering is not completed.

(b) Stock based compensation plan:

Consideration paid by directors, officer, consultants and employees on the exercise of stock options under the stock option plan will be recorded as share capital.

3. Share capital:

(a) Authorized:

(i) Unlimited number of voting common shares without par value; and
(ii) Unlimited number of first preferred shares without par value, issuable in series.

(b) Issued voting common shares:

	Number of Shares	Amount
Issued on incorporation	2,000,000	$200,000

Subscription agreements were signed on July 21, 2000 whereby the Corporation offered 2,000,000 common shares in exchange for $200,000. Pursuant to an escrow agreement dated ! , 2000, the common shares outstanding are held in escrow and may only be released as to one-third on each of the first three anniversaries of the completion of a Qualifying Transaction in accordance with provisions of a policy adopted by the Alberta Securities Commission.

The Corporation has established a stock option plan for its directors, officers, consultants and employees under which the Corporation may grant options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Corporation. On August 31, 2000, subject to regulatory approval, the Corporation agreed to grant options for an aggregate 400,000 common shares to the directors and officers of the Corporation contemporaneous with closing of its initial public offering, which options are exercisable at $0.20 per share. These options are non-transferable and will expire on the fifth anniversary of their date of issue, if unexercised.

4. Subsequent event:

Pursuant to an agency agreement dated ! , 2000, the Corporation has agreed to offer for sale a maximum of 2,000,000 common shares at $0.20 per share and subject to the receipt by the Corporation of subscriptions totaling $400,000. The costs of the issue are estimated to be approximately $80,000, including the Agent's commission of $0.02 per share. The agreement will grant the Agent an option to acquire an additional 200,000 common shares at $0.20 per share. The option expires 18 months from the date on which the common shares of the Corporation become listed on the Canadian Venture Exchange Inc.

CERTIFICATE OF THE CORPORATION

Dated: September 6, 2000

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 8 of the *Securities Act* (Alberta) and Part 9 of the *Securities Act* (British Columbia) and the regulations respectively thereunder.

"Jeffrey W.C. Arsenych" (Signed) Jeffrey W.C. Arsenych Chief Executive Officer	"David W. Beckwermert" (Signed) David W. Beckwermert President and Chief Financial Officer

ON BEHALF OF THE BOARD

"Frederick A. Youck" (Signed) Frederick A. Youck Director	"John B. Zaozirny" (Signed) John B. Zaozirny, Q.C. Director

CERTIFICATE OF THE PROMOTERS

Dated: September 6, 2000

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 8 of the *Securities Act* (Alberta) and Part 9 of the *Securities Act* (British Columbia) and the regulations respectively thereunder.

"Jeffrey W.C. Arsenych" (Signed) Jeffrey W.C. Arsenych	"David W. Beckwermert" (Signed) David W. Beckwermert

CERTIFICATE OF THE AGENT

Dated: September 6, 2000

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 8 of the *Securities Act* (Alberta) and Part 9 of the *Securities Act* (British Columbia) and the regulations respectively thereunder.

Goepel McDermid Inc.

"Ian S. Brown"
(Signed) Ian S. Brown

The following persons have an interest, either directly or indirectly, to the extent of not less than 5% in the capital of Goepel McDermid Inc.:

K.A. Shields, D.E. Roberts, R.E.T. Goepel, N. Dargan, K.N. Aune, G.M. Medland, I.S. Brown, J.B. van Koll, M. Hagerman, R.L. Sakkal and T.A. Raidl.