

# IGNIS PETROLEUM GROUP, INC.

## FORM 10KSB

(Annual Report (Small Business Issuers))

Filed 10/13/2005 For Period Ending 6/30/2005

Address	100 CRESCENT COURT, 7TH FLOOR DALLAS, Texas 75201
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Fiscal Year	06/30

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
**FORM 10-KSB**

(Mark One)

☒ ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended June 30, 2005

OR

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 000-50929

**Ignis Petroleum Group, Inc.**

(Name of small business issuer in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

16-1728419

(IRS Employer Identification No.)

100 Crescent Court 7<sup>th</sup> Floor Dallas, TX

(Address of principal executive offices)

75201

(Zip Code)

214-459-8188

(Issuer's telephone number)

Securities registered under Section 12(b) of the Exchange Act:

None

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, \$0.001 par value

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐ .

Check if disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB ☐ .

State issuer's revenues for its most recent fiscal year: \$0.

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of a specified date within the past 60 days: 2,003,952 as of June 1, 2005

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: As of September 15, 2005 the registrant had issued and outstanding 44,700,000 shares of common stock.

DOCUMENTS INCORPORATED BY REFERENCE

None

Transitional Small Business Disclosure Format (check one): Yes ☐ No ☒

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## FORWARD-LOOKING STATEMENTS

We are including the following cautionary statement in this Form 10-KSB for any forward-looking statements made by, or on behalf of, Ignis Petroleum Group, Inc. Forward-looking statements include statements concerning plans, objectives, goals, strategies, expectations, future events or performance and underlying assumptions and other statements which are other than statements of historical facts. Such statements contained herein are forward-looking statements and, accordingly, involve risks and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. Our expectations, beliefs and projections are expressed in good faith, and we believe that they have a reasonable basis, including without limitations, management's examination of historical operating trends, data contained in our records and other data available from third parties, but we cannot assure you that management's expectations, beliefs or projections will result or be achieved or accomplished.

## PART I

### Item 1. DESCRIPTION OF BUSINESS

#### BRIEF OVERVIEW

Ignis Petroleum Group, Inc. is a Dallas-based development stage oil and gas company engaged in the exploration, acquisition and development of crude oil and natural gas properties in the United States. We intend to build an energy portfolio that combines low risk, high potential projects with higher yield, higher risk projects. We focus on prospects that result from new lease opportunities, new technology and new information.

#### OUR HISTORY

We were incorporated in Nevada as Sheer Ventures, Inc. on April 30, 2004.

Prior to May 2005, we were a development stage company engaged in the acquisition and exploration of mineral properties with a view toward exploiting any mineral deposits we discovered that demonstrated economic feasibility. We acquired a 100% undivided interest in two mineral claims comprising one square kilometer located 16 kilometers from Zeballos, British Columbia, Canada.

By May 2005, it had become apparent to us that we would be unable to continue with our original business plan without a joint venture partner or business merger. We were unable to generate enough revenue to meet our day-to-day operating expenses, and we did not foresee our original business plan resulting in a viable operation in the long term. Our working capital was limited and we could not raise further financing under the market conditions that prevailed at the time.

On May 11, 2005, we entered into a stock exchange agreement wherein we agreed to issue 1,600,000 shares of our common stock in exchange for all 1,600,000 issued and outstanding shares of common stock of Ignis Petroleum Corporation. As a result of this stock exchange, Ignis Petroleum Corporation became a wholly owned subsidiary of Sheer Ventures, Inc. The stock exchange was accounted for as a reverse acquisition in which Sheer Ventures, Inc. was acquired by Ignis Petroleum Corporation in accordance with Statement of Financial Accounting Standards No. 141 ("SFAS 141"), "Business Combinations". Also on May 11, 2005, and in connection with the stock exchange, D.B. Management Ltd., a corporation owned and controlled by Doug Berry, who was then our President, Chief Executive Officer, Secretary, Treasurer and sole director, agreed to sell an aggregate of 1,940,000 shares of our common stock to six individuals, including Philipp Buschmann, the President, Secretary, Treasurer and sole director of Ignis Petroleum Corporation, for \$0.10 per share for a total purchase price of \$194,000. The stock exchange and the stock purchase were both consummated on May 16, 2005.

On July 11, 2005, we changed our name to Ignis Petroleum Group, Inc. Collectively, Ignis Petroleum Group, Inc. (f/k/a Sheer Ventures, Inc.) and Ignis Petroleum Corporation, are referred to in this annual report as "We", "Us", "Our" or the "Company".

## BUSINESS DEVELOPMENT

On June 26, 2004, we entered into an agreement with David Heyman of Langley, British Columbia, wherein he agreed to stake for us a 100% undivided interest in a total of two mineral claims located approximately 16 kilometers from Zeballos, British Columbia for the sum of \$6,500. Based on initial results of our exploration program, however, we have decided to suspend further exploration on this property.

On April 22, 2005, we entered into two agreements with Newton Properties, Inc. relating to the lands, leases and proposed operations covering the North Wright Field Prospect, located in Acadia Parish, Louisiana and the Barnett Crossroads Prospect, located in Escambia County, Alabama. Newton had previously acquired or owned the right to acquire an undivided seventy-five percent working interest in such prospects and to conduct operations for the drilling of one or more wells thereon. Our seventy-five percent (75%) working interest in the prospects is equal to a fifty-two and five tenths percent (52.5%) net revenue interest in the prospects. We agreed to carry 100% of the costs to drill and test each well drilled on the prospects. The aggregate purchase price for the acquisition of Newton's interests was \$1,500,000, evidenced by two convertible promissory notes. Newton later converted such notes into 3,100,000 shares of our common stock. Under the agreements with Newton, we were initially required to commence drilling operations on the prospects on or before September 30, 2005. Such date was later extended to March 31, 2006 by agreement of the parties. If we do not begin drilling operations on the prospects by March 31, 2006, our interests in the prospects will be returned to Argyle Energy, Inc., the operator of the prospects.

Although the North Wright Field Prospect and the Barnett Crossroads Prospect are currently unproved, a prospective resource assessment prepared by Netherland, Sewell & Associates, Inc. has concluded that North Wright Field Prospect and the Barnett Crossroads Prospect may hold significant amounts of commercially-recoverable quantities of oil and gas. The undiscovered prospective resources included in the report indicate exploration opportunities and development potential in the event a commercial discovery is made and should not be construed as reserves. The assessment included a detailed review of geological and geophysical data and tested the economic viability for development of discovered hydrocarbons.

The Barnett Crossroads Prospect is an anticlinal trap with four-way structural closure at the Smackover Formation level. The prospect is surrounded by several fields that have produced from the target interval. These fields include the Gravel Hill Church, Canaan Church, Narrow Gap Creek, and Dean Creek Fields, among others. The prospect area is covered with an 18-square-mile 3-D seismic survey. Estimated gross resources are up to 534 thousand barrels of oil equivalent (Mboe) with estimated mean gross resources of 355 Mboe. A well, drilled to a depth of 14,500 feet, is needed to test the prospect.

The North Wright Prospect is a fault-bounded structural trap at the Margulina Texana (Marg Tex) level. The prospect is a deeper target in the same fault block and has the same structural configuration as a discovery at the shallower Camerina level. The Marg Tex is a lower Oligocene, Middle Frio slope sandstone. The Prospect is defined by a 50-square-mile proprietary 3-D seismic survey. Estimated gross resources are up to 118 billion cubic feet of gas equivalent (Bcfge) in three sands with estimated mean resources of 79 Bcfge. A well, drilled to a depth of 16,500, is needed to test the prospect.

On June 14, 2005, we entered into a participation agreement with Kerr-McGee to test and develop the Acom A-6 Prospect, located in Chambers County, Texas. We acquired a 25% working interest in the prospect in exchange for carrying 35% of the cost to drill and test the well. The prospect is a 12,604-foot maximum depth well into the Nodosaria and Tex Miss (Frio) formations. Drilling of this prospect commenced in August 2005 with initial production anticipated in the late fall of 2005. The Acom A-6 Prospect is currently unproved.

## OUR OPERATIONS

We operate out of 100 Crescent Court 7<sup>th</sup> Floor Dallas, Texas 75201. We currently have two full-time employees.

## ITEM 2. DESCRIPTION OF PROPERTY

We do not own any real property. We own oil, gas and mineral interest in Canada and the United States. We own a 25% working interest in an oil lease located in Chambers County, Texas. This interest is currently unproved. We own a 52.5% net revenue interest in the lands, leases and proposed operations covering the North Wright Field Prospect, located in Acadia Parish, Louisiana and the Barnett Crossroads Prospect Area, located in Escambia County, Alabama. These interests are currently unproved. We also own two mineral claims located approximately 16 kilometers from Zeballos, British Columbia, which we are no longer pursuing. All such properties are more fully described in Item 1 above

### ITEM 3. LEGAL PROCEEDINGS

None.

### ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On June 3, 2005, holders of 52.9% of our common stock executed a written consent approving a proposal to amend our Articles of Incorporation to change our name to Ignis Petroleum Group, Inc. An information statement was mailed or otherwise furnished to our stockholders notifying them of such approval on or about June 21, 2005. The name change became effective July 11, 2005.

## PART II

### ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

#### MARKET INFORMATION

Prior to April 18, 2005, there was no trading market for our common stock. Our common stock was approved for trading on the National Association of Securities Dealers' Over-The-Counter Bulletin Board on April 18, 2005 under the symbol "SHRV". Our symbol was changed to "IGPG" effective July 14, 2005 to reflect our name to Ignis Petroleum Group, Inc. The following table sets forth the quarterly high and low bid information for our common stock as reported by the National Association of Securities Dealers' Over-The-Counter Bulletin Board for the periods indicated below. The over-the-counter quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions. The reported bid prices reflect the 5 for 1 stock dividend that occurred on June 15, 2005.

		HIGH	LOW
Year 2005	April 18 - June 30	\$12.00	\$0.98

#### HOLDERS

As of September 15, 2005 there were approximately 79 holders of record of our common stock.

#### DIVIDENDS

We have not paid cash dividends on our stock and we do not anticipate paying any cash dividends thereon in the foreseeable future.

#### RECENT SALES OF UNREGISTERED SECURITIES

Effective June 15, 2005, we paid a stock dividend of five (5) additional shares of common stock for each one (1) share of our common stock outstanding.

On May 16, 2005, we issued an aggregate of 1,600,000 shares of our common stock to the shareholders of Ignis Petroleum Corporation in exchange for 1,600,000 shares of Ignis Petroleum Corporation. The shares were issued without registration under the Securities Act in reliance on the exemption provided by Regulation S as an offer and sale that occurred outside the United States and/or Rule 506 and/or Section 4(2) of the Securities Act as a transaction by an issuer not involving a public offering. No underwriters were used.

On June 15, 2005, we issued 400,000 shares of our common stock to Petrofinanz GmbH, a Marshall Islands limited liability company, at a price of \$0.50 per share for a total of \$200,000. The shares were issued without registration under the Securities Act in reliance on the exemption provided by Regulation S as an offer and sale that occurred outside the United States and/or Rule 506 and/or Section 4(2) of the Securities Act as a transaction by an issuer not involving a public offering. No underwriters were used.

## EQUITY COMPENSATION PLANS

As of June 30, 2005, we did not have any equity compensation plans, but we do refer you to Michael P. Piazza's employment agreement, as amended, as described in Item 10 below.

## ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

The following Management's Discussion and Analysis or Plan of Operation is qualified by reference to and should be read in conjunction with, our Financial Statements and the Notes thereto as set forth beginning on page F-1.

## FORWARD-LOOKING STATEMENTS

We are including the following cautionary statement in this Form 10-KSB for any forward-looking statements made by, or on behalf of, Ignis Petroleum Group, Inc. Forward-looking statements include statements concerning plans, objectives, goals, strategies, expectations, future events or performance and underlying assumptions and other statements which are other than statements of historical facts. Such statements contained herein are forward-looking statements and, accordingly, involve risks and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. Our expectations, beliefs and projections are expressed in good faith, and we believe that they have a reasonable basis, including without limitations, management's examination of historical operating trends, data contained in our records and other data available from third parties, but we cannot assure you that management's expectations, beliefs or projections will result or be achieved or accomplished.

## INTRODUCTION

For the period December 9, 2004 (Inception) to June 30, 2005, the Company's auditors in their report on the Financial Statements, have noted that there is substantial doubt about the Company's ability to continue as a going concern. Our existence is dependent upon management funding operations, and raising sufficient capital. At this point in time it is impossible to state an amount of additional funding which we believe would remove the going concern opinion.

We do not have any business operations. We have neither a history of earnings nor have we ever paid any cash dividends. We are unlikely to realize earnings or pay cash dividends in the immediate or foreseeable future.

### Results Of Operations For period December 9, 2004 (Inception) to June 30, 2005

We did not earn any revenues during the period December 9, 2004 (Inception) to June 30, 2005. We are a development stage company and we cannot assure you that we will discover oil, gas or economic mineralization on our leasehold properties.

We incurred operating expenses in the amount of \$253,555 for the period December 9, 2004 (Inception) to June 30, 2005. These operating expenses were mainly comprised of payroll expenditures of \$100,000, professional fees of \$54,122, other office and related expenses of \$67,637, travel expenses of \$18,139, rent expense of \$7,055 and advertising of \$6,602.

We incurred interest expense of \$22,685 on our convertible promissory notes payable.

## PLAN OF OPERATION

We are a development stage company. To date, we have not earned any revenues. Although we had a working capital deficit of (\$2,525,178) as of June 30, 2005, we have improved our liquidity position somewhat by a private placement of an aggregate of \$1,500,000 worth of our common stock and related units since June 30, 2005. In addition, subsequent to June 30, 2005, two convertible promissory notes issued by Ignis Petroleum Corporation, in an aggregate principal amount of \$1,500,000 which were outstanding on June 30, 2005 have been converted into 3,100,000 shares of our common stock.

For the next twelve months we plan to issue and sell debt or equity securities to cover our operating expenses until our oil and gas properties are able to generate sufficient revenues to fund our operations. We cannot assure you that our oil and gas properties will ever generate revenues or that we will be able to raise additional funds in the future.

## LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2005, we had cash of \$145,064. At June 30, 2005, the Company had a working capital deficit of (\$2,515,178). The working capital deficit at June 30, 2005 is attributable to a \$1,500,000 convertible promissory note which proceeds were used to purchase an interest in two oil and gas leases and an account payable of \$1,124,529 to Kerr McGee for the 25% interest in the Texas oil lease. This payable was liquidated in July 2005 with the proceeds of a private placement.

Net cash provided by (used in) operating activities was \$899,053 for the period December 9, 2004 (Inception) to June 30, 2005. The primary source of cash from operations was from a \$1,124,529 payable to Kerr McGee for drilling a well in which we own a 25% working interest in a Texas oil lease.

Net cash used in investing activities was \$2,624,529 for the period December 9, 2004 (Inception) to June 30, 2005. In April 2005 we purchased interests in three oil and gas leases for \$2,624,529.

Net cash provided by financing activities was \$1,870,590 for the period December 9, 2004 (Inception) to June 30, 2005. In April 2005, we issued \$1,500,000 of convertible notes payable. These notes were used to purchase interests in two oil and gas leases for \$1,500,000.

Our present intentions are to sell debt or equity securities to cover our operating expenses. There is no guarantee we can raise additional funds in the future.

## CRITICAL ACCOUNTING POLICIES

Our accounting policies are fully described in Note 2 of the Notes to the Financial Statements. As discussed in Note 2, the preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions about future events that affect the amounts reported in the financial statements and accompanying notes. Future events and their effects cannot be determined with absolute certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results inevitably will differ from those estimates, and such difference may be material to our financial statements. We believe that the following discussion addresses our Critical Accounting Policies.

Property, Plant and Equipment - Depreciation, depletion and amortization, based on cost less estimated salvage value of the asset, are primarily determined under either the unit-of-production method or the straight-line method, which is based on estimated asset service life taking obsolescence into consideration. Maintenance and repairs, including planned major maintenance, are expensed as incurred. Major renewals and improvements are capitalized and the assets replaced are retired.

We used the "successful efforts" method to account for our exploration and production activities. Under this method, costs are accumulated on a field-by-field basis with certain exploratory expenditures and exploratory dry holes being expensed as incurred. Costs of productive wells and development dry holes are capitalized and amortized on the unit-of-production method for each field.



Acquisition costs of proved properties are amortized using a unit-of-production method, computed on the basis of total proved oil and gas reserves. Significant unproved properties are assessed for impairment individually and valuation allowances against the capitalized costs are recorded based on the estimated economic chance of success and the length of time that the Company expects to hold the properties. The valuation allowances are reviewed at least annually. Other exploratory expenditures are expensed as incurred.

Production costs are expensed as incurred.

Proved oil and gas properties held and used by us are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Environmental Costs - Liabilities for environmental costs are recorded when it is probable that obligations have been incurred and the amounts can be reasonably estimated. These liabilities are not reduced by possible recoveries from third parties, and projected cash expenditures are not discounted.

Accounting for Contingencies - We accrue for contingencies in accordance with Statement of Accounting Standards ("SFAS") No. 5, "Accounting for Contingencies," when it is probable that a liability or loss has been incurred and the amount can be reasonably estimated. Contingencies by their nature relate to uncertainties that require our exercise of judgment both in assessing whether or not a liability or loss has been incurred and estimating the amount of probable loss.

We account for income taxes in accordance with SFAS No.109. Since we are in the development stage, our deferred tax assets are not expected to be utilized in the future. We have provided a full valuation allowance against the assets.

#### ITEM 7. FINANCIAL STATEMENTS

The financial statements required in this Form 10-KSB are set forth beginning on page F-1

#### ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Effective July 11, 2005, our independent auditors, Manning Elliott, Chartered Accountants (Vancouver, BC Canada), resigned as a result of our relocation of our operations and management from Canada to the United States. Our Board of Directors voted unanimously to accept the resignation of Manning Elliott, and to approve the engagement of De Meo, Young and McGrath as our new independent auditors. There were no disagreements with our former accountants on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure. Our former accountants did not advise us of a lack of internal controls, an unwillingness to rely on our management's representations or financial statements prepared by our management, or a desire to expand the scope of their audit or to conduct a further investigation.

#### ITEM 8A. CONTROLS AND PROCEDURES

We have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of June 30, 2005. Such evaluation was conducted under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer. Based upon such evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that, as of June 30, 2005, our disclosure controls and procedures were effective. There have been no significant changes in our internal controls over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

#### ITEM 8B.

#### OTHER INFORMATION

On May 23, 2005, we amended our bylaws to provide that if there is a vacancy on our board of directors, our remaining directors may fill the vacant seat, including any seat that has never been occupied. Previously, our board had the power to appoint additional directors, but not more than half of the number of directors fixed at the most recent meeting of our shareholders at which directors were elected. A copy of our bylaws, including the amendment described in this paragraph, is attached as an exhibit to this annual report.

On June 15, 2005, we issued 400,000 shares of our common stock to Petrofinanz GmbH, a Marshall Islands limited liability company, at a price of \$0.50 per share for a total of \$200,000. The shares were issued without registration under the Securities Act in reliance on the exemption provided by Regulation S as an offer and sale that occurred outside the United States and/or Rule 506 and/or Section 4(2) of the Securities Act as a transaction by an issuer not involving a public offering. No underwriters were used.

### PART III

#### ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

##### DIRECTORS AND EXECUTIVE OFFICERS

The following table provides information concerning our directors, executive officers, and key employees as of June 30, 2005. All directors hold office until the next annual meeting of our stockholders, or until their death, resignation or removal. Any vacancies in the existing board may be filled by the remaining directors.

NAME	AGE	POSITION
Michael P. Piazza	48	President, Chief Executive Officer, Treasurer and Director
Philipp Buschmann	29	Chief Operating Officer, Secretary and Director
Timothy Hart	46	Chief Financial Officer
Geoffrey Evett	66	Director

Michael P. Piazza - (age 48) Mr. Piazza joined our board of directors effective June 5, 2005. Since May 25, 2005, Mr. Piazza has been our President, Chief Executive Officer and Treasurer. From May 25, 2005 until October 5, 2005, Mr. Piazza was also our Chief Financial Officer. From March 2005 to April 2005, Mr. Piazza was unemployed. From August 2003 to February 2005 Mr. Piazza was Senior Vice President and Chief Financial Officer of Ranger Enterprises, Inc., a petroleum corporation located in Rockford, Illinois. From May 2001 to July 2003, Mr. Piazza was a principal with Elan Capital, LLC, a management and financial consulting firm located in Houston, Texas. From February 1996 to April 2001, Mr. Piazza was a senior manager with McKinsey & Company, Inc., a management consulting firm located in Houston, Texas. Mr. Piazza received a Bachelor of Science degree in engineering from the Massachusetts Institute of Technology; a Master of Science degree in engineering from the University of California at Berkeley; and a Master of Business Administration degree from the Stern School at New York University.

Philipp Buschmann - (age 29) Mr. Buschmann joined our board of directors effective June 5, 2005. Since May 25, 2005, Mr. Buschmann has been our Chief Operating Officer and Secretary. Since December 2004, Mr. Buschmann has been Chief Executive Officer of Ignis Petroleum Corporation, an oil and gas corporation located in Dallas, Texas, which became a subsidiary of Ignis Petroleum Group, Inc. on May 16, 2005. From November 2004 to April 2005, Mr. Buschmann was engaged in start-up activities for Ignis Petroleum Corporation. From September 2003 to November 2004, Mr. Buschmann was a management consultant with Booz Allen Hamilton located in London, United Kingdom. From July 2003 to September 2003, Mr. Buschmann was unemployed. From September 2001 to July 2003 was a student at a London Business School and received a Master of Business Administration degree therefrom. From May 2002 to August 2002, Mr. Buschmann was a management consultant with Booz Allen Hamilton located in London, United Kingdom. From February 2001 to September 2001, Mr. Buschmann was unemployed. From August 1998 to February 2001 he was project manager for Razorfish, a corporation engaged in the business of IT consulting, located in Boston, Massachusetts.

Geoffrey Evett - (age 66) Mr. Evett joined our board of directors on August 30, 2005. Mr. Evett is a former banker with 33 years of experience. During the past five years, Mr. Evett has acted as a finance consultant to a major property development in the Czech Republic. He has also been involved with the development of a mixed commercial development in Prague. Mr. Evett serves as Chairman of Themis MN Fund Limited, a hedge fund listed on the Dublin Stock Exchange and serves as a partner in Capital Management Solution, a fund management company. He is also an agent for Banque SCS Alliance, a Swiss bank based in Geneva.

Timothy Hart - (age 46) Mr. Hart became our Chief Financial Officer on October 5, 2005. Since 1996, Mr. Hart has been in private practice with the accounting firm Ullman & Hart CPAs located in Fort Lauderdale, Florida. In his capacity with this firm he has performed accounting and consulting services for clients in a number of different industries, often fulfilling the internal accounting function. In addition, from January 2004 to May of 2005 Mr. Hart served as Chief Financial Officer of Taylor Madison Corp., a public company specializing in licensing agreements for various fragrance related products. From 2000 to 2003 Mr. Hart served as a director of American Group, Inc., a public company specializing in custom soil mixes in Homestead, Florida in addition to fulfilling the internal accounting function. Mr. Hart, through Ullman & Hart CPAs, has provided consulting services to Ignis Petroleum Group, Inc. from February 2005 to the present. Fees totaling \$11,315 have been charged and paid for the services provided.

The following persons provide consulting services to us as members of our advisory board:

- Joseph Gittelman (age 68) is the Exploration Advisor on our advisory board. Mr. Gittelman is an industry professional with over 35 years of international experience in oil and gas exploration, development and operations. Mr. Gittelman enjoyed a 27-year career with Shell Oil Company, serving in a variety of senior technical, operational and management capacities. His leadership positions within the Shell organization included: General Manager of Geophysics, General Manager of Exploration and General Manager of Exploration and Production Research. Mr. Gittelman also served as General Manager of Shell Western Exploration & Production from 1988 to 1994, where he was responsible for managing Shell's domestic lower 48 onshore and Alaska exploration programs. Since 1995, Mr. Gittelman has served as President of U.S.-based Danlier, Inc., a specialized consulting firm which provides services to exploration companies and institutional investors, including screening of exploration projects for technical quality, risk and hydrocarbon potential. Mr. Gittelman holds a B.S. degree in Engineering from the University of Pennsylvania, an M.S. degree in Engineering from New York University and a Ph.D. in Engineering from the University of Michigan.
- Frederick Stein (age 62) is the Operations Advisor on our advisory board. Mr. Stein is an accomplished petroleum engineer and operations manager with over 35 years experience in senior level management within Shell Oil Company and Pennzoil/Devon Energy. He developed and ran oil and gas fields both onshore and offshore in both domestic and international arenas. Over a 25 year career with Shell, his responsibilities ranged from production, reservoir, drilling and petrophysical engineering to direct management of drilling and field operations. During a 10 year tenure with Pennzoil/Devon Energy, Mr. Stein had both technical and operations management responsibilities over a variety of international projects in over a dozen countries with the largest being the Chirag/Azeri field in Azerbaijan. Mr. Stein's diverse areas of expertise include drilling and production operations management, oil and gas transportation design and negotiations. In addition, his experience encompasses reserves evaluation, reservoir performance management, well planning, facility design, and safety. Mr. Stein graduated with honors with an engineering degree from the University of Wisconsin.
- Alexander A. Kulpecz (age 51) was the initial member of our advisory board. Mr. Kulpecz is highly respected in the energy sector and has over 30 years experience gained at the highest levels within some of the world's major companies. Mr. Kulpecz began his career during the drilling boom of the 1970's with Shell Oil in their Onshore Production Division where he selected and drilled wells in the Texas, Louisiana, Mississippi, and Alabama Gulf Coast areas finding significant quantities of oil and gas. Mr. Kulpecz held the position of Executive VP and Director of Shell International Gas, Power and Coal, and he led the reorganization of the Company's global E&P business. As a member of the Shell International Gas & Power Executive Committee, he was responsible for almost half of Shell's global gas and power business, actively negotiating multi-billion dollar projects (LNG, corporate acquisition, pipelines) at the Presidential, PM and Energy Ministerial levels. From 1998 to early 2000, Mr. Kulpecz held the position of President of Azurix International and Executive Director of Azurix Corporation. He is currently President of the Omega Group, a consultancy group of senior executives providing advisory and managerial support to private equity, banking and energy clients in the oil and gas industries.

## SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Compliance with Section 16(a) of the Securities Exchange Act of 1934 Act, as amended, requires our officers and directors, and persons who own more than ten percent of our common stock to file reports of ownership and changes in ownership with the Securities and Exchange Commission, or SEC. Officers, directors and greater than ten percent stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Based solely on a review of the copies of such forms furnished to us during, and with respect to, the fiscal year ending June 30, 2005, we believe that during such fiscal year all Section 16(a) filing requirements applicable to our officers, directors and

greater than ten percent beneficial owners were in compliance with Section 16(a), except that Mr. Buschmann, Mr. Piazza and Mr. Berry, who was an officer and director of the Company during our last fiscal year, each filed their Form 3 late, and Mr. Berry was late to file one Form 4 with regard to one transaction.

CODE OF ETHICS

We have not yet adopted a code of ethics that applies to our principal executive officers, principal financial officer, principal accounting officer or controller, or persons performing similar functions, since we have been focusing our efforts on obtaining financing for the company. We expect to adopt a code by December 31, 2005.

ITEM 10. EXECUTIVE COMPENSATION

The following table sets forth the compensation paid to the Company's officers and directors during fiscal 2005. This information includes the dollar value of base salaries, bonus awards and number of stock options granted, and certain other compensation, if any.

## Summary Compensation Table

### Long Term Compensation

Name and Principal Position	Year	Salary (\$)	Restricted Stock Award(s) (\$)	All Other Compensation (\$)
Michael P. Piazza, President, Chief Executive Officer and Treasurer (1)	2005	\$20,000(1)	\$221,333(1)	\$10,000 (1)
Douglas Berry, former President, Chief Executive Officer, Secretary and Treasurer (2)	2004	0	0	0
	2005	0	0	0
Philipp Buschmann, Chief Operating Officer and Secretary	2005	\$70,000(3)	0	0

(1) Ignis Petroleum Corporation entered into a written employment agreement on April 21, 2005, with Mr. Piazza which provided for an annual base salary of \$120,000 per year and the issuance of up to 1,000,000 shares of common stock of Ignis Petroleum Corporation per year for four (4) years, for an aggregate of up to 4,000,000 shares. The shares issuable to Mr. Piazza under the agreement are subject to vesting based upon the following schedule:

- 150,000 shares after three (3) months of service;
- 350,000 shares after six (6) months of service if Piazza meets established performance criteria. If the performance criteria is not met the grant of shares can be delayed by action of our board of directors until they are met or the 12 months of service, whichever comes first;
- 500,000 shares after twelve (12) months of service; and
- 500,000 shares every six (6) months thereafter until the forty-eighth (48th) month of service.

Mr. Piazza's employment agreement also provided for a one time non-accountable moving allowance of \$10,000. On September 22, 2005, Mr. Piazza's employment agreement was amended to provide that he will receive up to 4,000,000 shares of common stock of Ignis Petroleum Group, Inc. rather than shares of common stock of Ignis Petroleum Corporation. The vesting schedule and all other terms of Mr. Piazza's employment agreement remain unchanged. The amount shown as the value of Mr. Piazza's restricted stock award in the table above is based upon the fair market value of 4,000,000 shares of Ignis Petroleum Group, Inc. stock on April 21, 2005. Such 4,000,000 shares would be worth \$5,400,000 if valued as of June 30, 2005. If we declare any dividends on our common stock, Mr. Piazza would only be entitled to receive dividends on the vested portion of the restricted common stock described above.

(2) Mr. Berry resigned from each of his officer positions effective May 11, 2005.

(3) Although we have no written agreement with Mr. Buschmann, we paid him an annual salary of \$120,000 in his capacity of Chief Operating Officer.

Our directors are not compensated for their services, with the exception of 240,000 shares of our common stock that we granted to Mr. Berry on August 15, 2005, as compensation for his services as a director from May 22, 2005 through September 22, 2005.

#### ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

##### EQUITY COMPENSATION PLANS

As of June 30, 2005, we did not have any equity compensation plans, but we do refer you to Michael P. Piazza's employment agreement, as amended, as described in Item 10 above. Such employment agreement was not approved by our stockholders.

##### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table provides certain information as of September 15, 2005 concerning the beneficial ownership of our common stock held by each of our directors, our Chief Executive Officer and our other most highly compensated executive officer; each person known by us to be the beneficial owner of at least 5% of our outstanding common stock; and all of our executive officers and directors as a group.

NAME OF BENEFICIAL OWNER	NUMBER OF COMMON SHARES	PERCENTAGE OF OWNERSHIP (1)
<b>Directors:</b>		
Philipp Buschmann	4,584,000	10.3%
Michael P. Piazza (2)	500,000	1.1%
Geoffrey Lowndes Evett (3)	0	0%
<b>Executive Officers not named above:</b>		
Douglas Berry (4)	600,000	1.3%
<b>Directors and executive officers as a group (4 persons)</b>	<b>5,684,000</b>	<b>12.7%</b>
<b>5% holders not named above:</b>		
Petrofinanz GmbH (5)	6,400,000	13.4%
Newton Properties, Inc. (6)	3,100,000	6.5%

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(1) This table is based on 44,700,000 shares of Common Stock outstanding as of September 15, 2005. If a person listed on this table has the right to obtain additional shares of Common Stock within sixty (60) days from September 15, 2005, the additional shares are deemed to be outstanding for the purpose of computing the percentage of class owned by such person, but are not deemed to be outstanding for the purpose of computing the percentage of any other person.

(2) Includes 350,000 shares which may become issuable to Mr. Piazza under his employment agreement on November 9, 2005 if Mr. Piazza meets the established performance criteria.

(3) Mr. Evett joined our board of directors on August 30, 2005.

(4) Includes 600,000 shares beneficially owned indirectly by Mr. Berry through his control of D.B. Management Ltd. Mr. Berry resigned from the board effective September 22, 2005. Mr. Berry's address is 14188 Marine Dr. White Rock BC, Canada V4B1A8.

- (5) Includes 3,000,000 shares issuable upon exercise of a warrant. Petrofinanz's address is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960.
- (6) Includes 3,100,000 issuable to Newton Properties, Inc. upon conversion of two convertible promissory notes. Such notes were converted into 3,100,000 shares of our common stock on September 22, 2005. Newton Properties, Inc.'s address is Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, Marshall Islands MH96960

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Except as described below, none of the following parties has, since our date of incorporation, had any material interest, direct or indirect, in any transaction with us or in any presently proposed transaction in an amount over \$60,000:

- \* Any of our directors or executive officers;
- \* Any person proposed as a nominee for election as a director;
- \* Any person who beneficially owns, directly or indirectly, shares carrying more than 5% of the voting rights attached to our outstanding shares of common stock; or
- \* Any member of the immediate family of any of the foregoing persons.

During the year ended June 30, 2005, our chief financial officer, Mr. Timothy Hart, through Ullman & Hart CPAs, provided consulting services to us. Fees totaling \$11,315 have been charged and paid for the services provided. It is anticipated that Mr. Hart will continue to provide consulting services to us through Ullman & Hart CPAs at a rate of \$150 per hour.

ITEM 13. EXHIBITS

(a) EXHIBITS

The following are exhibits to this report:

<u>Number</u>	<u>Description</u>
*3.1	Articles of Incorporation.
*3.2	Bylaws
**10.1	Stock exchange agreement, dated May 11, 2005, by and among Sheer Ventures, Inc. and shareholders of Ignis Petroleum Corporation (filed as Exhibit 10.1 to our form 8-K/A filed June 20, 2005 and incorporated by reference herein
**10.2	Letter Agreement, dated March 31, 2005, by and among Argyle Energy, Inc., Newton Properties, Inc. and Blue Ridge Energy, Inc. regarding Barnett Crossroads Prospect Area, Escambia County, Alabama
**10.3	Letter Agreement, dated March 31, 2005, by and among Argyle Energy, Inc., Newton Properties, Inc. and Blue Ridge Energy, Inc. regarding North Wright Prospect Area, Acadia Parish, Louisiana
**10.4	Letter Agreement, dated April 22, 2005, by and between Newton Properties, Inc. and Ignis Petroleum Corporation regarding Barnett Crossroads Prospect Area, Escambia County, Alabama
**10.5	Letter Agreement, dated April 22, 2005, by and between Newton Properties, Inc. and Ignis Petroleum Corporation regarding North Wright Prospect Area, Acadia Parish, Louisiana
**10.6	Letter Agreement, dated September 29, 2005, by and among Argyle Energy, Inc., Ignis Petroleum Corporation and Bayou City Exploration, Inc. (f/k/a Blue Ridge Energy, Inc.) regarding Barnett Crossroads Prospect Area, Escambia County, Alabama
**10.7	Letter Agreement, dated September 1, 2005, by and among Argyle Energy, Inc., Ignis Petroleum Corporation and Bayou City Exploration, Inc. (f/k/a Blue Ridge Energy, Inc.) regarding North Wright Prospect Area, Acadia Parish, Louisiana
**10.8	Letter Agreement, dated September 22, 2005, by and among Ignis Petroleum Group, Inc., Newton Properties, Inc. and Ignis Petroleum Corporation regarding \$375,000 convertible note
**10.9	Letter Agreement, dated September 22, 2005, by and among Ignis Petroleum Group, Inc., Newton Properties, Inc. and Ignis Petroleum Corporation regarding \$1,125,000 convertible note
**10.10	Letter Agreement, dated September 30, 2005, by and among Ignis Petroleum Group, Inc., Newton Properties, Inc. and Ignis Petroleum Corporation regarding Barnett Crossroads Prospect, Escambia County, Alabama
**10.11	Letter Agreement, dated September 30, 2005, by and among Ignis Petroleum Group, Inc., Newton Properties, Inc. and Ignis Petroleum Corporation regarding North Wright Prospect, Acadia Parish, Louisiana
**10.12+	Letter Agreement, dated April 21, 2005, by and between Ignis Petroleum Corporation and Michael P. Piazza
**10.13+	Letter Agreement, dated September 22, 2005, by and among Ignis Petroleum Group, Inc., Ignis Petroleum Corporation and Michael P. Piazza
**10.14+	Letter Agreement, dated August 8, 2005, by and between Ignis Petroleum Group, Inc. and Alexander A. Kulpecz
**10.15+	Letter Agreement, dated August 17, 2005, by and between Ignis Petroleum Group, Inc. and Frederick C. Stein



**10.16+	Letter Agreement, dated August 17, 2005, by and between Ignis Petroleum Group, Inc. and Joseph Gittelman
**10.17	Participation agreement, dated June 14, 2005, by and between Ignis Petroleum Corporation and Kerr-McGee Oil & Gas Onshore LP. d/b/a KMOG Onshore LP .
*10.18	Stock Purchase Agreement, dated June 15, 2005, by and among Sheer Ventures, Inc. and Petrofinanz GmbH.
***16	Letter on change in certifying accountant, from the former auditor .
*21	Subsidiaries of the small business issuer.
*31.1	Rule 13a-14(a) Certification of Chief Executive Officer
*31.2	Rule 13a-14(a) Certification of Chief Financial Officer
*32.1	Section 1350 Certification of Chief Executive Officer
*32.2	Section 1350 Certification of Chief Financial Officer

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\* Filed herewith

\*\* (filed as an Exhibit to our Form 8-K filed October 11, 2005 and incorporated herein by reference)

\*\*\* (filed as an Exhibit to our Form 8-K filed July 14, 2005 and incorporated herein by reference)

+ Identifies management contracts and compensatory plans or arrangements.

(b) We filed the following reports on Form 8-K during the year ended June 30, 2005:

On May 19, 2005 we announced that on March 16, 2005, we consummated a stock exchange with shareholders of Ignis Petroleum Corporation and that on the same day D.B. Management Ltd., a company owned and controlled by Doug Berry, who was then our sole officer and sole director, sold 1,940,000 shares of our common stock. In the same report we announced a change in control of Ignis Petroleum Group, Inc. on March 16, 2005.

On June 20, 2005, we amended the Form 8-K described above to include copies of the stock exchange agreement and the stock purchase agreements referenced in the report as exhibits.

#### ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

##### AUDIT FEES

For the year ended June 30, 2005, our principal accountant billed \$9,000 for the audit of our annual financial statements. For the year ended June 30, 2005, our former principal accountant billed \$1,800 for the review of financial statements included in our Form 10-QSB filings.

##### AUDIT-RELATED FEES

There were no fees billed for services related to the performance of the audit or review of our financial statements outside of those fees disclosed above under "Audit Fees" for the year ended June 30, 2005, and the period ended June 30, 2004.

##### TAX FEES

For the fiscal year ended June 30, 2005, our principal accountant did not render any services for tax compliance, tax advice, and tax planning work.

##### ALL OTHER FEES

There were no other fees billed by our principal accountants other than those disclosed above for the year ended June 30, 2005.

##### PRE-APPROVAL POLICIES AND PROCEDURES

Prior to engaging our accountants to perform a particular service, our board of directors obtains an estimate for the service to be performed. All of the services described above were approved by the board of directors in accordance with its procedures.

## SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

October 11, 2005

Ignis Petroleum Group, Inc.

By: /s/ Michael Piazza

\_\_\_\_\_  
Michael Piazza,  
President, Chief Executive Officer and Treasurer

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Name</u>	<u>Position</u>	<u>Date</u>
/s/ Michael P. Piazza _____ Michael P. Piazza	President, Chief Executive Officer, Treasurer and Director (Principal Executive Officer)	October 11, 2005
/s/ Philipp Buschmann _____ Philipp Buschmann	Chief Operating Officer, Secretary and Director	October 11, 2005
_____ Geoffrey Lowndes Evett	Director	
/s/ Timothy Hart _____ Timothy Hart	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	October 11, 2005

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of  
Ignis Petroleum Group, Inc.

We have audited the accompanying consolidated balance sheet of Ignis Petroleum Group, Inc. and subsidiaries (the “Company”) as of June 30, 2005, and the related consolidated statements of operations, changes in shareholders’ equity and cash flows for the period December 9, 2004 (Inception) to June 30, 2005 . These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company’s internal control over financial reporting. Our audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of June 30, 2005 and the results of their operations and their cash flows for the period December 9, 2004 (Inception) to June 30, 2005, in conformity with US generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company’s dependence on outside financing, lack of sufficient working capital, and recurring losses from operations raise substantial doubt about the Company’s ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

/s/De Meo, Young McGrath

Fort Lauderdale, Florida  
October 11, 2005

Ignis Petroleum Group, Inc. and Subsidiary  
A Development Stage Company  
Consolidated Balance Sheet  
June 30, 2005

ASSETS

Current assets:

Cash and cash equivalents	\$ 145,064
Prepaid expenses and other current assets	20,066
Total current assets	<u>165,130</u>

Property and equipment:

Oil and gas properties, successful efforts method, unproved	<u>2,624,529</u>
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Other assets	<u>3,360</u>
	<u>3,360</u>

Total assets	<u>\$ 2,793,019</u>
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LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts payable and accrued expenses	\$ 1,169,718
Convertible notes	1,500,000
Due to related party	<u>20,590</u>
Total current liabilities	<u>2,690,308</u>

Commitments and contingencies	-
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Stockholders' equity:

Common shares, \$0.001 par value, 75,000,000 shares authorized 41,200,000 issued and outstanding	41,200
Additional paid-in capital	353,500
Accumulated deficit in the development stage	<u>(291,989)</u>
Total stockholders' equity	<u>102,711</u>

Total liabilities and stockholders' equity	<u>\$ 2,793,019</u>
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The accompanying notes are an integral part of these consolidated financial statements

Ignis Petroleum Group, Inc. and Subsidiary  
A Development Stage Company  
Consolidated Statement of Operations

For the Period  
December 9,  
2004  
(Inception)  
to June 30,  
2005

Total revenues	\$ -
Operating expenses:	
General and administrative expenses	253,555
Total operating expenses	253,555
Other income (expense)	
Interest expense	(22,685)
Net loss	\$ (276,240)
Basic and diluted loss per common share	\$ (0.01)
Weighted average number of common shares outstanding and proforma	40,829,557

The accompanying notes are an integral part of these consolidated financial statements

Ignis Petroleum Group, Inc. and Subsidiary  
A Development Stage Company  
Consolidated Statement of Stockholders' Equity  
For the Period December 9, 2004 (Inception) to June 30, 2005

	Common Stock		Additional	Deficit	
	Shares	Par value	Paid-in Capital	Accumulated During the Development Stage	Total
Balance December 9, 2004 (reverse merger)(1)	31,200,000	\$ 31,200	\$ -	\$ (15,749)	\$ 15,451
Issuance of common stock	10,000,000	10,000	340,000	-	350,000
Donated services for rent	-	-	13,500	-	13,500
Net loss	-	-	-	(276,240)	(276,240)
Balance June 30, 2005	<u>41,200,000</u>	<u>\$ 41,200</u>	<u>\$ 353,500</u>	<u>\$ (291,989)</u>	<u>\$ 102,711</u>

(1) Shares and per share amounts have been adjusted to reflect five for one stock dividend

The accompanying notes are an integral part of these consolidated financial statements

Ignis Petroleum Group, Inc. and Subsidiary  
A Development Stage Company  
Consolidated Statement of Cash Flows

For the Period  
December 9,  
2004 (Inception)  
to June 30, 2005

Net loss	\$ (276,240)
Adjustments to net loss not affecting cash:	
Donated capital	13,500
Reverse merger adjustments	15,451
Changes in assets and liabilities	
Prepaid expenses and other current assets	(20,066)
Other assets	(3,360)
Accounts payable and accrued expenses	<u>1,169,718</u>
Cash provided by (used in) operating activities	<u>899,003</u>
Investing activities	
Purchase of oil and gas properties	<u>(2,624,529)</u>
Cash used for investing activities	<u>(2,624,529)</u>
Financing activities	
Issuance of common stock	350,000
Advance from related party	20,590
Issuance of convertible notes	<u>1,500,000</u>
	<u>1,870,590</u>
Net increase in cash	145,064
Cash at beginning of period	<u>-</u>
Cash at end of period	<u><u>\$ 145,064</u></u>
Supplemental disclosure of cash flow information:	
Cash paid during the period for:	
Interest	<u>\$ -</u>
Income taxes	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these consolidated financial statements



Ignis Petroleum Group, Inc. and Subsidiary  
A Development Stage Company  
Notes to the Financial Statements  
June 30, 2005

Note 1  
Nature of Operations

Ignis Petroleum Group, Inc., formerly Sheer Ventures, Inc., was incorporated in the State of Nevada on April 30, 2004. Ignis Petroleum Corporation was incorporated in the State of Nevada on December 9, 2004. Ignis Petroleum Group, Inc. and Ignis Petroleum Corporation entered into a transaction accounted for as a reverse merger on May 16, 2005 as more fully described in Note 3 below. We are a development stage company as defined by Statement of Financial Accounting Standard ("SFAS") No. 7. We acquired a 75% working interest which is equal to a fifty-two and five tenths percent (52.5%) net revenue interest in two oil, gas and mineral leases in Louisiana and Alabama, respectively as well entering into a participation agreement with an industry partner for a 25% working interest in a prospect located in Chambers County, Texas.

These financial statements have been prepared on a going concern basis. We have incurred losses since inception resulting in an accumulated deficit of \$291,989 since inception and further losses are anticipated in the development of its business raising substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is dependent upon our ability to generate profitable operations in the future and/or to obtain the necessary financing to meet our obligations and repay our liabilities arising from normal business operations when they come due. (See Note 11).

Note 2  
Summary of Significant Accounting Policies

Stock Dividend

Effective June 1, 2005 our then Sole Director voted to declare a five for one stock dividend to holders of record of our common stock at the close business on June 15, 2005. The capital accounts and all per share information have been adjusted retroactively to reflect the stock dividend

Basis of Presentation

Our financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America and are expressed in US dollars. Our fiscal year end is June 30.

Ignis Petroleum Group, Inc. and Subsidiary  
A Development Stage Company  
Notes to the Financial Statements  
June 30, 2005

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Ignis Petroleum Corporation. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with US generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results could differ from those estimates.

Income Taxes

We have adopted SFAS No. 109 as of our inception. Pursuant to SFAS No. 109 we are required to compute tax asset benefits for net operating losses carried forward. Potential benefits of income tax losses are not recognized in the accounts until realization is more likely than not. The potential benefit of net operating losses has not been recognized in these financial statements because we cannot be assured it is more likely than not we will utilize the net operating losses carried forward in future years.

Cash and Cash Equivalents

We consider all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject us to credit risk consist principally of cash. Cash was deposited with a high quality credit institution.

Ignis Petroleum Group, Inc. and Subsidiary  
A Development Stage Company  
Notes to the Financial Statements  
June 30, 2005

Property, and Equipment. - Oil and Gas Properties

We use the “successful efforts” method to account for our oil and gas activities. Under this method, costs are accumulated on a field-by-field basis with certain exploratory expenditures and exploratory dry holes being expensed as incurred. Costs of productive wells and development dry holes are capitalized and amortized on the unit-of-production method for each field. Other exploration costs, including geological and geophysical costs are charged to expense when incurred.

Acquisition costs of proved properties are amortized using a unit-of-production method, computed on the basis of total proved oil and gas reserves. Significant unproved properties are assessed for impairment individually and valuation allowances against the capitalized costs are recorded based on the estimated economic chance of success and the length of time that we expect to hold the properties. The valuation allowances are reviewed at least annually.

Production costs are expensed as incurred.

Proved oil and gas properties held and used by us are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

The following table describes the changes in capitalized exploratory drilling costs that are pending the determination of proven reserves:

	2005	
	# Wells	Cost
Additions pending determination of proven reserves	3	\$ 2,624,529
Reclassifications to wells, equipment and facilities based on proven reserves	-	-
Charged to expense	-	-
Balance at June 30, 2005	3	\$ 2,624,529

The operating agreements covering the leases associated with these wells will remain in effect so long as any of the underlying leases remain in force by production, extension, renewal or otherwise.

Ignis Petroleum Group, Inc. and Subsidiary  
A Development Stage Company  
Notes to the Financial Statements  
June 30, 2005

Environmental Costs.

Liabilities for environmental costs are recorded when it is probable that obligations have been incurred and the amounts can be reasonably estimated. These liabilities are not reduced by possible recoveries from third parties, and projected cash expenditures are not discounted. There is no contingent liability.

Comprehensive Loss

SFAS No. 130, "Reporting Comprehensive Income," establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. As of June 30, 2005, we have no items that represent a comprehensive loss and, therefore, has not included a schedule of comprehensive loss in the financial statements.

Basic and Diluted Net Loss per Share

We compute net income (loss) per share in accordance with SFAS No. 128, "Earnings per Share". SFAS No. 128 requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible notes using the if-converted method. In computing Diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti dilutive.

Stock-based Compensation

In December 2002, the Financial Accounting Standards Board issued Financial Accounting Standard No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure" ("SFAS No. 148"), an amendment of Financial Accounting Standard No. 123 "Accounting for Stock-Based Compensation" ("SFAS No. 123"). The purpose of SFAS No. 148 is to: (1) provide alternative methods of transition for an entity that voluntarily changes to the fair value based method of accounting for stock-based employee compensation, (2) amend the disclosure provisions to require prominent disclosure about the effects on reported net income of an entity's accounting policy decisions with respect to stock-based employee compensation, and (3) to require disclosure of those effects in interim financial information.

Ignis Petroleum Group, Inc. and Subsidiary  
A Development Stage Company  
Notes to the Financial Statements  
June 30, 2005

We have elected to account for stock-based employee compensation arrangements in accordance with the provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees", ("APB No. 25") and comply with the disclosure provisions of SFAS No. 123 as amended by SFAS No. 148 as described above. Under APB No. 25, compensation expense for employees is recognized based on the difference, if any, on the date of grant between the estimated fair value of the our stock and the amount an employee must pay to acquire the stock.

Compensation expense is recognized immediately for past services and pro-rata for future services over the option-vesting period. As of June 30, 2005, we have not granted any stock options.

We account for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with SFAS No. 123 and the conclusions reached by the Emerging Issues Task Force in Issue No. 96-18. Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earliest of a performance commitment or completion of performance by the provider of goods or services as defined by EITF 96-18.

We have also adopted the provisions of the Financial Accounting Standards Board Interpretation No.44, Accounting for Certain Transactions Involving Stock Compensation - An Interpretation of APB Opinion No. 25 ("FIN 44"), which provides guidance as to certain applications of APB 25. FIN 44 is generally effective July 1, 2000 with the exception of certain events occurring after December 15, 1998.

Ignis Petroleum Group, Inc. and Subsidiary  
A Development Stage Company  
Notes to the Financial Statements  
June 30, 2005

Note 3  
Acquisition

On May 16, 2005, pursuant to a Stock Exchange Agreement dated May 11, 2005, Ignis Petroleum Group, Inc., formerly Sheer Ventures, Inc. (a development stage company), ("Sheer") agreed to exchange 9,600,000 newly issued, restricted shares of its common stock in exchange for 1,600,000 shares of common stock of Ignis Petroleum Corporation (a development stage company) ("Ignis"). The 1,600,000 shares of Ignis constituted all of the issued and outstanding shares of Ignis. As a result of this transaction Ignis became a wholly owned subsidiary of Sheer. The completed stock exchange was accounted for as a reverse acquisition in accordance with Statement of Financial Accounting Standards No. 141 ("SFAS 141"), "Business Combinations" in which Sheer was acquired by Ignis (a reverse acquisition in which Ignis is considered the acquirer for accounting purposes) . Also, on May 16, 2005, pursuant to a Stock Purchase Agreement dated May 11, 2005, D.B. Management Ltd., a corporation (the "Seller") owned and controlled by Doug Berry, then the president of Sheer entered into a contract with Caroline Emma Thomson, Daniel Stephen Gaunt, Christopher Ian Harvey, Benjamin Vernon Weller, Julian David Mark Lane, and Philipp Buschmann (collectively referred to herein as the "Purchasers") wherein the Purchasers acquired 1,940,000 shares of Sheer's common stock from the Seller. At the time of closing the purchasers paid \$.10 per share for a total purchase price of \$194,000.

Note 4  
Property and equipment

Property and equipment consisted of the following at June 30, 2005:

Oil and gas properties- unproved	<u>\$ 2,624,529</u>
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These interests are currently unproven and are not subject to depreciation, depletion or amortization.

Note 5  
Income Taxes

Potential benefits of income tax losses are not recognized in the accounts until realization is more likely than not. We have incurred net operating losses of approximately \$300,000. Pursuant to SFAS No. 109 we are required to compute tax asset benefits for net operating losses carried forward. Potential benefit of net operating losses have not been recognized in these financial statements because we cannot be assured it is more likely than not we will utilize the net operating losses carried forward in future years.

Ignis Petroleum Group, Inc. and Subsidiary  
A Development Stage Company  
Notes to the Financial Statements  
June 30, 2005

The components of the net deferred tax asset at June 30, 2005, and the statutory tax rate, the effective tax rate and the elected amount of the valuation allowance are indicated below:

Net Operating Loss	\$	300,000
Statutory Tax Rate		34%
Deferred tax asset	\$	100,000
Valuation allowance	\$	(100,000)
Net Deferred Tax Asset	\$	<u>-</u>

Note 6  
Convertible Promissory Notes

One April 22, 2005 we acquired a working interest in two oil, gas and mineral leases in Louisiana and Alabama, respectively, for \$1,500,000. We financed the transaction with one year 8% convertible promissory notes. These notes were convertible into our common stock at a price of \$.50 per share. The notes could have been converted into the our common stock in whole or part anytime after August 15, 2005. All principal and accrued interest on such notes were converted into 3,100,000 shares of our common stock on September 22, 2005. In the event we did not commence actual drilling operations on or before September 30, 2005 we were to deliver assignments of the acquired interest back to the seller with no further force or effect on either party. This agreement was extended until March 31, 2006 in exchange for 400,000 shares of our common stock.

Note 7  
Leases

In January 2005 we entered into a one year operating lease for our office space. The lease requires monthly payments of \$1,680 plus the cost of office services provided by the landlord. The additional services average \$500 per month. A total of \$7,055 was charged to rent expense for the year ended June 30, 2005.

Note 8  
Stockholders' Equity

Effective June 15, 2005 our Board of Directors unanimously voted to declare a five for one stock dividend to holders of record at the close of business on June 15, 2005. The capital accounts and all per share information have been adjusted retroactively to reflect the stock dividend

Ignis Petroleum Group, Inc. and Subsidiary  
A Development Stage Company  
Notes to the Financial Statements  
June 30, 2005

On May 16, 2005, pursuant to a Stock Exchange Agreement dated May 11, 2005, Ignis Petroleum Group, Inc., formerly Sheer Ventures, Inc. (a development stage company), ("Sheer") agreed to exchange 9,600,000 newly issued, restricted shares of its common stock in exchange for 1,600,000 shares of common stock of Ignis Petroleum Corporation (a development stage company) ("Ignis"). The 1,600,000 shares of Ignis constituted all of the issued and outstanding shares of Ignis. As a result of this transaction Ignis became a wholly owned subsidiary of Sheer. The completed stock exchange was accounted for as a reverse acquisition in accordance with Statement of Financial Accounting Standards No. 141 ("SFAS 141"), "Business Combinations" in which Sheer was acquired by Ignis (a reverse acquisition in which Ignis is considered the acquirer for accounting purposes). Also, on May 16, 2005, pursuant to a Stock Purchase Agreement dated May 11, 2005, D.B. Management Ltd., a corporation (the "Seller") owned and controlled by Doug Berry, then the president of Sheer entered into a contract with Caroline Emma Thomson, Daniel Stephen Gaunt, Christopher Ian Harvey, Benjamin Vernon Weller, Julian David Mark Lane, and Philipp Buschmann (collectively referred to herein as the "Purchasers") wherein the Purchasers acquired 1,940,000 shares of Sheer's common stock from the Seller. At the time of closing the purchasers paid \$.10 per share for a total purchase price of \$194,000.

One April 22, 2005 we acquired a working interest in two oil, gas and mineral leases in Louisiana and Alabama, respectively, for \$1,500,000. we financed the transaction with one year 8% convertible promissory notes. These notes were convertible into our common stock at a price of \$.50 per share. The notes could have been converted into our common stock in whole or part anytime after August 15, 2005. All principal and accrued interest on such notes were converted into \$3,100,000 shares of our common stock on September 22, 2005. In the event we did not commence actual drilling operations on or before September 30, 2005 we were to deliver assignments of the acquired interest back to the seller with no further force or effect on either party. This agreement was extended until March 31, 2006 in exchange for 400,000 shares of our common stock.

On June 15, 2005 we issued 400,000 shares of our common stock to Petrofinanz GMBH, a private investment group in the Marshall Islands ("Petrofinanz"), for \$0.50 per share.



Ignis Petroleum Group, Inc. and Subsidiary  
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June 30, 2005

Note 9

Related Party Transactions

At June 30, 2005, our chief operating officer, Mr. Philipp Buschmann, was due \$5,000 in the form of unpaid expense account reimbursement. This amount is unsecured, non-interest bearing and was paid in July 2005.

At June 30, 2005, our chief executive officer, Mr. Michael Piazza, was due \$14,590 in the form of unpaid salary and expense account reimbursement. This amount is unsecured, non-interest bearing and was paid in July 2005.

Note 10

Participation Agreement

On June 14, 2005 we entered into a participation agreement with an industry partner to participate in the drilling of a test well in Chambers County, Texas. In exchange for providing 35% of the costs and expenses incurred in drilling the test well, 25% of the costs of completing the test well, 35% of the costs for drilling and title examination and 25% of subsequent title cost we will be entitled to an undivided 25% interest in the industry partners leasehold interest. The initial cash call for the drilling was \$1,124,529 which was financed by a July 26, 2005 private placement (See Note 11).

Note 11

Subsequent Events

As a result of hurricane Rita, the oil and gas interest in Chambers County, Texas is now located in a designated federal disaster area. While the property did not sustain any damage from the hurricane, the lease will be subject to special permitting requirements until the designation is lifted. We do not expect to incur any material expense from this event. The Louisiana property was unaffected by hurricane Katrina.

On July 26, 2005, the we sold 3,000,000 units consisting of one share of our common stock and one warrant to purchase our common stock at \$1.50 to Petrofinanz GMBH, a private investment group in the Marshall Islands ("Petrofinanz"), for \$0.50 per unit and a total cash consideration of \$1,500,000 in a private sale of securities exempt from registration under Regulation S of the Securities Act of 1933, as amended (the "Securities Act"). A total of \$1,200,000 of the purchase price was received and was directly used to fund the participation agreement (see Note 10), with the remaining \$300,000 to be used for working capital. Each unit consisted of one share of common stock and one warrant to purchase common stock at \$1.50 per share until July 2006.

Ignis Petroleum Group, Inc. and Subsidiary  
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On September 1, 2005, we entered into a letter agreement with Argyle Energy, Inc. and Bayou City Exploration, Inc. (f/k/a Blue Ridge Energy, Inc.) wherein it was agreed that the deadline for Ignis Petroleum Corporation to spud the initial well on the North Wright Prospect Area would be extended from September 30, 2005 until March 31, 2006. On September 29, 2005, Ignis Petroleum Corporation entered into a letter agreement with Argyle and Bayou City Exploration wherein it was agreed that the deadline for Ignis Petroleum Corporation to spud the initial well on the Barnett Crossroads Prospect Area would be extended from September 30, 2005 until March 31, 2006. We agreed to pay \$10,000 per month per well through March 31, 2006 for the extension.

On September 22, 2005, we entered into two letter agreements, each with Newton Properties, Inc., pursuant to which we agreed to issue an aggregate of 3,100,000 shares of our common stock, par value \$0.001 per share, to Newton in exchange for Newton's conversion of the two convertible promissory notes and the accrued interest thereon issued by Ignis Petroleum Corporation described above. The principal amounts and accrued but unpaid interest on the notes were converted into our common stock at a rate of \$0.50 per share. The conversion price of the convertible notes was not adjusted based upon our June 2005 stock dividend.

On September 30, 2005, we entered into two letter agreements with Newton Properties, Inc. pursuant to which it was agreed that the deadlines set forth in the April 22, 2005 letter agreements between Ignis Petroleum Corporation and Newton for Ignis Petroleum Corporation to spud the initial wells on the North Wright Prospect Area and Barnett Crossroads Prospect Area would be extended from September 30, 2005 until March 31, 2006. In exchange for such extension, we agreed to issue an aggregate of 400,000 shares of our common stock to Newton, at an agreed value of \$1.00 per share.

F-15

Exhibit 3.1



**DEAN HELLER**  
**Secretary of State**  
**204 North Carson Street, Suite 1**  
**Carson City, Nevada 89701-4299**  
**(775) 684 5708**  
**Website: [secretaryofstate.biz](http://secretaryofstate.biz)**

**Certificate of Amendment**  
(PURSUANT TO NRS 78.385 and 78.390)

***Important: Read attached instructions before completing form.***

ABOVE SPACE IS FOR OFFICE USE ONLY

**Certificate of Amendment to Articles of Incorporation**  
**For Nevada Profit Corporations**

**(Pursuant to NRS 78.385 and 78.390 - After Issuance of Stock)**

1. Name of corporation:

SHEER VENTURES, INC.

2. The articles have been amended as follows (provide article numbers, if available):

Paragraph 1: The name of the Corporation shall be "Ignis Petroleum Group, Inc."

3. The vote by which the stockholders holding shares in the corporation entitling them to exercise at least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisions of the \* articles of incorporation have voted in favor of the amendment is: 52.94%

4. Effective date of filing (optional): 7/11/05  
(must not be later than 90 days after the certificate is filed)

5. Officer Signature (required): /s/ Michael P. Piazza

\*If any proposed amendment would alter or change any preference or any relative or other right given to any class or series of outstanding shares, then the amendment must be approved by the vote, in addition to the affirmative vote otherwise required, of the holders of shares representing a majority of the voting power of each class or series affected by the amendment regardless of limitations or restrictions on the voting power thereof.

**IMPORTANT:** Failure to include any of the above information and submit the proper fees may cause this filing to be rejected.

*This form must be accompanied by appropriate fees. See attached fee schedule.*

Nevada Secretary of State AM 78.385 Amend 2003  
Revised on: 11/03/03

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# ARTICLES OF INCORPORATION

## OF

### SHEER VENTURES INC.

FIRST. The name of the corporation is **SHEER VENTURES INC.**

SECOND. The registered office of the corporation in the State of Nevada is located at 4145 Hackamore Drive, Reno, Nevada, 89509. The corporation may maintain an office, or offices, in such other places within or without the State of Nevada as may be from time to time designated by the Board of Directors or the By-Laws of the corporation. The corporation may conduct all corporation business of every kind and nature outside the State of Nevada as well as within the State of Nevada.

THIRD. The objects for which this corporation is formed are to engage in any lawful activity,

FOURTH. The total number of common stock authorized that may be issued by the Corporation is seventy five million (75,000,000) shares of common stock with a par value of one tenth of one cent (\$0.001) per share and no other class of stock shall be authorized. The corporation may from time issued said shares for such consideration as the Board of Directors may fix.

FIFTH. The governing board of the corporation shall be known as directors, and the number of directors may from time to time be increased or decreased in such manner as shall be provided by the By-Laws of this corporation, providing that the number of directors shall not be reduced to fewer than one (1). The first Board of Directors shall be one (1) in number and the name and post office address of these Directors are:

Name: Doug Berry

Address: 14188 Marine Drive  
White Rock, British Columbia  
Canada V4B 1A8

SIXTH. The capital stock of the corporation, after the amount of the subscription price or par value, has been paid in, shall not be subject to assessment to pay the debts of the corporation.

SEVENTH. The name and post office address of the Incorporator signing the Articles of Incorporation is as follows:

Name: Leah Finke  
Address: 4145 Hackamore Drive  
Reno, Nevada, 89509

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EIGHTH. The Resident Agent for this corporation shall be Leah Finke. The address of the Resident Agent and the registered or statutory address of this corporation in the State of Nevada shall be: 4145 Hackamore Drive, Reno, Nevada, 89509.

NINTH. The corporation is to have perpetual existence.

TENTH. The Board of Directors shall adopt the initial By-laws of the corporation. The Board of Directors shall also have the power to alter, amend or repeal the By-laws, or to adopt new By-laws, except as otherwise may be specifically provided in the By-laws.

ELEVEN. No Director or Officer of the corporation shall be personally liable to the corporation or any of its stockholders for damages for breach of fiduciary duty as a Director or Officer involving any act or omission of any such Director or Officer; provided, however, that the foregoing provision shall not eliminate or limit the liability of a Director or Officer (i) for acts or omissions which involve intentional misconduct, fraud or a knowing violation of the law, or (ii) the payment of dividends in violation of Section 78.300 of the Nevada Revised Statutes. Any repeal or modification of this Article by the Stockholders of the corporation shall be prospective only, and shall not adversely affect any limitations on the personal liability of a Director or Officer of the corporation for acts or omissions prior to such repeal or modification.

TWELVETH. The corporation reserves the right to amend, alter, change or repeal any provision contained in the Articles of Incorporation, in the manner now or hereafter prescribed by statute, or by the Articles of Incorporation, and all rights conferred upon stockholders herein are granted subject to this reservation.

I, the undersigned, being the Incorporator hereinbefore named for the purpose of forming a corporation pursuant to General Corporation Law of the State of Nevada, do make and file these Articles of Incorporation, hereby declaring and certifying that the facts herein stated are true, and accordingly have hereunto set my hand this April 30, 2004.

/s/ Leah Finke

Leah Finke

Incorporator

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Exhibit 3.2

**SHEER VENTURES, INC.**

**AMENDMENT TO BYLAWS**

May 23, 2005.

Article II, Section 1(d) of the Bylaws of Sheer Ventures, Inc. is hereby repealed and deleted in its entirety and the following is hereby substituted therefor:

In case of any vacancy in the Board of Directors, other than a casual vacancy, the remaining Directors, whether constituting a quorum or not, may elect a successor to hold office for the unexpired portion of the terms of the Directors whose place shall be vacant, and until his/her successor shall have been duly elected and qualified. Further, the remaining Directors may fill any empty seats on the Board of Directors even if the empty seats have never been occupied.

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## **BYLAWS**

**of**

**SHEER VENTURES INC.**

(the "Corporation")

### **ARTICLE I: MEETINGS OF SHAREHOLDERS**

#### **Section 1 - Annual Meetings**

The annual meeting of the shareholders of the Corporation shall be held at the time fixed, from time to time, by the Board of Directors.

#### **Section 2 - Special Meetings**

Special meetings of the shareholders may be called by the Board of Directors or such person or persons authorized by the Board of Directors.

#### **Section 3 - Place of Meetings**

Meetings of shareholders shall be held at the registered office of the Corporation, or at such other places, within or without the State of Nevada as the Board of Directors may from time to time fix.

#### **Section 4 - Notice of Meetings**

A notice convening an annual or special meeting which specifies the place, day, and hour of the meeting, and the general nature of the business of the meeting, must be faxed, personally delivered or mailed postage prepaid to each shareholder of the Corporation entitled to vote at the meeting at the address of the shareholder as it appears on the stock transfer ledger of the Corporation, at least ten (10) days prior to the meeting. Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, a shareholder will not invalidate the proceedings at that meeting.

#### **Section 5 - Action Without a Meeting**

Unless otherwise provided by law, any action required to be taken at a meeting of the shareholders, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting, without prior notice and without a vote if written consents are signed by shareholders representing a majority of the shares entitled to vote at such a meeting, except however, if a different proportion of voting power is required by law, the Articles of Incorporation or these Bylaws, than that proportion of written consents is required. Such written consents must be filed with the minutes of the proceedings of the shareholders of the Corporation.

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#### Section 6 - Quorum

- a) No business, other than the election of the chairman or the adjournment of the meeting, will be transacted at an annual or special meeting unless a quorum of shareholders, entitled to attend and vote, is present at the commencement of the meeting, but the quorum need not be present throughout the meeting.
- b) Except as otherwise provided in these Bylaws, a quorum is two persons present and being, or representing by proxy, shareholders of the Corporation.
- c) If within half an hour from the time appointed for an annual or special meeting a quorum is not present, the meeting shall stand adjourned to a day, time and place as determined by the chairman of the meeting.

#### Section 7 - Voting

Subject to a special voting rights or restrictions attached to a class of shares, each shareholder shall be entitled to one vote for each share of stock in his or her own name on the books of the corporation, whether represented in person or by proxy.

#### Section 8 - Motions

No motion proposed at an annual or special meeting need be seconded.

#### Section 9 - Equality of Votes

In the case of an equality of votes, the chairman of the meeting at which the vote takes place is not entitled to have a casting vote in addition to the vote or votes to which he may be entitled as a shareholder or proxyholder.

#### Section 10 - Dispute as to Entitlement to Vote

In a dispute as to the admission or rejection of a vote at an annual or special meeting, the decision of the chairman made in good faith is conclusive.

#### Section 11 - Proxy

- a) Each shareholder entitled to vote at an annual or special meeting may do so either in person or by proxy. A form of proxy must be in writing under the hand of the appointor or of his or her attorney duly authorized in writing, or, if the appointor is a corporation, either under the seal of the corporation or under the hand of a duly authorized officer or attorney. A proxyholder need not be a shareholder of the Corporation.
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- b) A form of proxy and the power of attorney or other authority, if any, under which it is signed or a facsimiled copy thereof must be deposited at the registered office of the Corporation or at such other place as is specified for that purpose in the notice convening the meeting. In addition to any other method of depositing proxies provided for in these Bylaws, the Directors may from time to time by resolution make regulations relating to the depositing of proxies at a place or places and fixing the time or times for depositing the proxies not exceeding 48 hours (excluding Saturdays, Sundays and holidays) preceding the meeting or adjourned meeting specified in the notice calling a meeting of shareholders.

## **ARTICLE II: BOARD OF DIRECTORS**

### **Section 1 - Number, Term, Election and Qualifications**

- a) The first Board of Directors of the Corporation, and all subsequent Boards of the Corporation, shall consist of not less than one (1) and not more than nine (9) directors. The number of Directors may be fixed and changed from time to time by ordinary resolution of the shareholders of the Corporation.
- b) The first Board of Directors shall hold office until the first annual meeting of shareholders and until their successors have been duly elected and qualified or until there is a decrease in the number of directors. Thereinafter, Directors will be elected at the annual meeting of shareholders and shall hold office until the annual meeting of the shareholders next succeeding his or her election, or until his or her prior death, resignation or removal. Any Director may resign at any time upon written notice of such resignation to the Corporation.
- c) A casual vacancy occurring in the Board may be filled by the remaining Directors.
- d) Between successive annual meetings, the Directors have the power to appoint one or more additional Directors but not more than 1/2 of the number of Directors fixed at the last shareholder meeting at which Directors were elected. A Director so appointed holds office only until the next following annual meeting of the Corporation, but is eligible for election at that meeting. So long as he or she is an additional Director, the number of Directors will be increased accordingly.
- e) A Director is not required to hold a share in the capital of the Corporation as qualification for his or her office.

### **Section 2 - Duties, Powers and Remuneration**

- a) The Board of Directors shall be responsible for the control and management of the business and affairs, property and interests of the Corporation, and may exercise all powers of the Corporation, except for those powers conferred upon or reserved for the shareholders or any other persons as required under Nevada state law, the Corporation's Articles of Incorporation or by these Bylaws.
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- b) The remuneration of the Directors may from time to time be determined by the Directors or, if the Directors decide, by the shareholders.

### Section 3 - Meetings of Directors

- a) The President of the Corporation shall preside as chairman at every meeting of the Directors, or if the President is not present or is willing to act as chairman, the Directors present shall choose one of their number to be chairman of the meeting.
  - b) The Directors may meet together for the dispatch of business, and adjourn and otherwise regulate their meetings as they think fit. Questions arising at a meeting must be decided by a majority of votes. In case of an equality of votes the chairman does not have a second or casting vote. Meetings of the Board held at regular intervals may be held at the place and time upon the notice (if any) as the Board may by resolution from time to time determine.
  - c) A Director may participate in a meeting of the Board or of a committee of the Directors using conference telephones or other communications facilities by which all Directors participating in the meeting can hear each other and provided that all such Directors agree to such participation. A Director participating in a meeting in accordance with this Bylaw is deemed to be present at the meeting and to have so agreed. Such Director will be counted in the quorum and entitled to speak and vote at the meeting.
  - d) A Director may, and the Secretary on request of a Director shall, call a meeting of the Board. Reasonable notice of the meeting specifying the place, day and hour of the meeting must be given by mail, postage prepaid, addressed to each of the Directors and alternate Directors at his or her address as it appears on the books of the Corporation or by leaving it at his or her usual business or residential address or by telephone, facsimile or other method of transmitting legibly recorded messages. It is not necessary to give notice of a meeting of Directors to a Director immediately following a shareholder meeting at which the Director has been elected, or is the meeting of Directors at which the Director is appointed.
  - e) A Director of the Corporation may file with the Secretary a document executed by him waiving notice of a past, present or future meeting or meetings of the Directors being, or required to have been, sent to him and may at any time withdraw the waiver with respect to meetings held thereafter. After filing such waiver with respect to future meetings and until the waiver is withdrawn no notice of a meeting of Directors need be given to the Director. All meetings of the Directors so held will be deemed not to be improperly called or constituted by reason of notice not having been given to the Director.
  - f) The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and if not so fixed is a majority of the Directors or, if the number of Directors is fixed at one, is one Director.
-

- g) The continuing Directors may act notwithstanding a vacancy in their body but, if and so long as their number is reduced below the number fixed pursuant to these Bylaws as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number of Directors to that number, or of summoning a shareholder meeting of the Corporation, but for no other purpose.
- h) All acts done by a meeting of the Directors, a committee of Directors, or a person acting as a Director, will, notwithstanding that it be afterwards discovered that there was some defect in the qualification, election or appointment of the Directors, shareholders of the committee or person acting as a Director, or that any of them were disqualified, be as valid as if the person had been duly elected or appointed and was qualified to be a Director.
- i) A resolution consented to in writing, whether by facsimile or other method of transmitting legibly recorded messages, by all of the Directors is as valid as if it had been passed at a meeting of the Directors duly called and held. A resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution must be filed with the minutes of the proceedings of the directors and is effective on the date stated on it or on the latest date stated on a counterpart.
- j) All Directors of the Corporation shall have equal voting power.

#### Section 4 - Removal

One or more or all the Directors of the Corporation may be removed with or without cause at any time by a vote of two-thirds of the shareholders entitled to vote thereon, at a special meeting of the shareholders called for that purpose.

#### Section 5 - Committees

- a) The Directors may from time to time by resolution designate from among its members one or more committees, and alternate members thereof, as they deem desirable, each consisting of one or more members, with such powers and authority (to the extent permitted by law and these Bylaws) as may be provided in such resolution. Each such committee shall serve at the pleasure of the Board of Directors and unless otherwise stated by law, the Certificate of Incorporation of the Corporation or these Bylaws, shall be governed by the rules and regulations stated herein regarding the Board of Directors.
  - b) Each Committee shall keep regular minutes of its transactions, shall cause them to be recorded in the books kept for that purpose, and shall report them to the Board at such times as the Board may from time to time require. The Board has the power at any time to revoke or override the authority given to or acts done by any Committee.
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## **ARTICLE III: OFFICERS**

### **Section 1 - Number, Qualification, Election and Term of Office**

- a) The Corporation's officers shall have such titles and duties as shall be stated in these Bylaws or in a resolution of the Board of Directors which is not inconsistent with these Bylaws. The officers of the Corporation shall consist of a president, secretary, treasurer, and also may have one or more vice presidents, assistant secretaries and assistant treasurers and such other officers as the Board of Directors may from time to time deem advisable. Any officer may hold two or more offices in the Corporation, and may or may not also act as a Director.
- b) The officers of the Corporation shall be elected by the Board of Directors at the regular annual meeting of the Board following the annual meeting of shareholders.
- c) Each officer shall hold office until the annual meeting of the Board of Directors next succeeding his or her election, and until his or her successor shall have been duly elected and qualified, subject to earlier termination by his or her death, resignation or removal.

### **Section 2 - Resignation**

Any officer may resign at any time by giving written notice of such resignation to the Corporation.

### **Section 3 - Removal**

Any officer appointed by the Board of Directors may be removed by a majority vote of the Board, either with or without cause, and a successor appointed by the Board at any time, and any officer or assistant officer, if appointed by another officer, may likewise be removed by such officer.

### **Section 4 - Remuneration**

The remuneration of the Officers of the Corporation may from time to time be determined by the Directors or, if the Directors decide, by the shareholders.

### **Section 5 - Conflict of Interest**

Each officer of the Corporation who holds another office or possesses property whereby, whether directly or indirectly, duties or interests might be created in conflict with his or her duties or interests as an officer of the Corporation shall, in writing, disclose to the President the fact and the nature, character and extent of the conflict and abstain from voting with respect to any resolution in which the officer has a personal interest.

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## ARTICLE V: SHARES OF STOCK

### Section 1 - Certificate of Stock

- a) The shares of the Corporation shall be represented by certificates or shall be uncertificated shares.
  - b) Certificated shares of the Corporation shall be signed, either manually or by facsimile, by officers or agents designated by the Corporation for such purposes, and shall certify the number of shares owned by the shareholder in the Corporation. Whenever any certificate is countersigned or otherwise authenticated by a transfer agent or transfer clerk, and by a registrar, then a facsimile of the signatures of the officers or agents, the transfer agent or transfer clerk or the registrar of the Corporation may be printed or lithographed upon the certificate in lieu of the actual signatures. If the Corporation uses facsimile signatures of its officers and agents on its stock certificates, it cannot act as registrar of its own stock, but its transfer agent and registrar may be identical if the institution acting in those dual capacities countersigns or otherwise authenticates any stock certificates in both capacities. If any officer who has signed or whose facsimile signature has been placed upon such certificate, shall have ceased to be such officer before such certificate is issued, it may be issued by the Corporation with the same effect as if he were such officer at the date of its issue.
  - c) If the Corporation issued uncertificated shares as provided for in these Bylaws, within a reasonable time after the issuance or transfer of such uncertificated shares, and at least annually thereafter, the Corporation shall send the shareholder a written statement certifying the number of shares owned by such shareholder in the Corporation.
  - d) Except as otherwise provided by law, the rights and obligations of the holders of uncertificated shares and the rights and obligations of the holders of certificates representing shares of the same class and series shall be identical.
  - e) If a share certificate:
    - (i) is worn out or defaced, the Directors shall, upon production to them of the certificate and upon such other terms, if any, as they may think fit, order the certificate to be cancelled and issue a new certificate;
    - (ii) is lost, stolen or destroyed, then upon proof being given to the satisfaction of the Directors and upon and indemnity, if any being given, as the Directors think adequate, the Directors shall issue a new certificate; or
    - (iii) represents more than one share and the registered owner surrenders it to the Corporation with a written request that the Corporation issue in his or her name two or more certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the certificate so surrendered, the Corporation shall cancel the certificate so surrendered and issue new certificates in accordance with such request.
-

## Section 2 - Transfers of Shares

- a) Transfers or registration of transfers of shares of the Corporation shall be made on the stock transfer books of the Corporation by the registered holder thereof, or by his or her attorney duly authorized by a written power of attorney; and in the case of shares represented by certificates, only after the surrender to the Corporation of the certificates representing such shares with such shares properly endorsed, with such evidence of the authenticity of such endorsement, transfer, authorization and other matters as the Corporation may reasonably require, and the payment of all stock transfer taxes due thereon.
- b) The Corporation shall be entitled to treat the holder of record of any share or shares as the absolute owner thereof for all purposes and, accordingly, shall not be bound to recognize any legal, equitable or other claim to, or interest in, such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise expressly provided by law.

## Section 3 - Record Date

- a) The Directors may fix in advance a date, which must not be more than 60 days permitted by the preceding the date of a meeting of shareholders or a class of shareholders, or of the payment of a dividend or of the proposed taking of any other proper action requiring the determination of shareholders as the record date for the determination of the shareholders entitled to notice of, or to attend and vote at, a meeting and an adjournment of the meeting, or entitled to receive payment of a dividend or for any other proper purpose and, in such case, notwithstanding anything in these Bylaws, only shareholders of records on the date so fixed will be deemed to be the shareholders for the purposes of this Bylaw.
- b) Where no record date is so fixed for the determination of shareholders as provided in the preceding Bylaw, the date on which the notice is mailed or on which the resolution declaring the dividend is adopted, as the case may be, is the record date for such determination.

## Section 4 - Fractional Shares

Notwithstanding anything else in these Bylaws, the Corporation, if the Directors so resolve, will not be required to issue fractional shares in connection with an amalgamation, consolidation, exchange or conversion. At the discretion of the Directors, fractional interests in shares may be rounded to the nearest whole number, with fractions of 1/2 being rounded to the next highest whole number, or may be purchased for cancellation by the Corporation for such consideration as the Directors determine. The Directors may determine the manner in which fractional interests in shares are to be transferred and delivered to the Corporation in exchange for consideration and a determination so made is binding upon all shareholders of the Corporation. In case shareholders having fractional interests in shares fail to deliver them to the Corporation in accordance with a determination made by the Directors, the Corporation may deposit with the Corporation's Registrar and Transfer Agent a sum sufficient to pay the consideration payable by the Corporation for the fractional interests in shares, such deposit to be set aside in trust for such shareholders. Such setting aside is deemed to be payment to such shareholders for the fractional interests in shares not so delivered which will thereupon not be considered as outstanding and such shareholders will not be considered to be shareholders of the Corporation with respect thereto and will have no right except to receive payment of the money so set aside and deposited upon delivery of the certificates for the shares held prior to the amalgamation, consolidation, exchange or conversion which result in fractional interests in shares.

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## **ARTICLE VI: DIVIDENDS**

- a) Dividends may be declared and paid out of any funds available therefor, as often, in such amounts, and at such time or times as the Board of Directors may determine and shares may be issued pro rata and without consideration to the Corporation's shareholders or to the shareholders of one or more classes or series.
- b) Shares of one class or series may not be issued as a share dividend to shareholders of another class or series unless such issuance is in accordance with the Articles of Incorporation and:
  - (i) a majority of the current shareholders of the class or series to be issued approve the issue; or
  - (ii) there are no outstanding shares of the class or series of shares that are authorized to be issued as a dividend.

## **ARTICLE VII: BORROWING POWERS**

- a) The Directors may from time to time on behalf of the Corporation:
    - (i) borrow money in such manner and amount, on such security, from such sources and upon such terms and conditions as they think fit,
    - (ii) issue bonds, debentures and other debt obligations either outright or as security for liability or obligation of the Corporation or another person, and
    - (iii) mortgage, charge, whether by way of specific or floating charge, and give other security on the undertaking, or on the whole or a part of the property and assets of the Corporation (both present and future).
  - b) A bond, debenture or other debt obligation of the Corporation may be issued at a discount, premium or otherwise, and with a special privilege as to redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at shareholder meetings of the Corporation, appointment of Directors or otherwise, and may by its terms be assignable free from equities between the Corporation and the person to whom it was issued or a subsequent holder thereof, all as the Directors may determine.
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## **ARTICLE VIII: FISCAL YEAR**

The fiscal year end of the Corporation shall be fixed, and shall be subject to change, by the Board of Directors from time to time, subject to applicable law.

## **ARTICLE IX: CORPORATE SEAL**

The corporate seal, if any, shall be in such form as shall be prescribed and altered, from time to time, by the Board of Directors. The use of a seal or stamp by the Corporation on corporate documents is not necessary and the lack thereof shall not in any way affect the legality of a corporate document.

## **ARTICLE X: AMENDMENTS**

### Section 1 - By Shareholders

All Bylaws of the Corporation shall be subject to alteration or repeal, and new Bylaws may be made by a majority vote of the shareholders at any annual meeting or special meeting called for that purpose.

### Section 2 - By Directors

The Board of Directors shall have the power to make, adopt, alter, amend and repeal, from time to time, Bylaws of the Corporation.

## **ARTICLE XI: DISCLOSURE OF INTEREST OF DIRECTORS**

- a) A Director who is, in any way, directly or indirectly interested in an existing or proposed contract or transaction with the Corporation or who holds an office or possesses property whereby, directly or indirectly, a duty or interest might be created to conflict with his or her duty or interest as a Director, shall declare the nature and extent of his or her interest in such contract or transaction or of the conflict with his or her duty and interest as a Director, as the case may be.
  - b) A Director shall not vote in respect of a contract or transaction with the Corporation in which he is interested and if he does so his or her vote will not be counted, but he will be counted in the quorum present at the meeting at which the vote is taken. The foregoing prohibitions do not apply to:
    - (i) a contract or transaction relating to a loan to the Corporation, which a Director or a specified corporation or a specified firm in which he has an interest has guaranteed or joined in guaranteeing the repayment of the loan or part of the loan;
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- (ii) a contract or transaction made or to be made with or for the benefit of a holding corporation or a subsidiary corporation of which a Director is a director or officer;
  - (iii) a contract by a Director to subscribe for or underwrite shares or debentures to be issued by the Corporation or a subsidiary of the Corporation, or a contract, arrangement or transaction in which a Director is directly or indirectly interested if all the other Directors are also directly or indirectly interested in the contract, arrangement or transaction;
  - (iv) determining the remuneration of the Directors;
  - (v) purchasing and maintaining insurance to cover Directors against liability incurred by them as Directors; or
  - (vi) the indemnification of a Director by the Corporation.
- c) A Director may hold an office or place of profit with the Corporation (other than the office of Auditor of the Corporation) in conjunction with his or her office of Director for the period and on the terms (as to remuneration or otherwise) as the Directors may determine. No Director or intended Director will be disqualified by his or her office from contracting with the Corporation either with regard to the tenure of any such other office or place of profit, or as vendor, purchaser or otherwise, and, no contract or transaction entered into by or on behalf of the Corporation in which a Director is interested is liable to be voided by reason thereof.
- d) A Director or his or her firm may act in a professional capacity for the Corporation (except as Auditor of the Corporation), and he or his or her firm is entitled to remuneration for professional services as if he were not a Director.
- e) A Director may be or become a director or other officer or employee of, or otherwise interested in, a corporation or firm in which the Corporation may be interested as a shareholder or otherwise, and the Director is not accountable to the Corporation for remuneration or other benefits received by him as director, officer or employee of, or from his or her interest in, the other corporation or firm, unless the shareholders otherwise direct.

## **ARTICLE XII: ANNUAL LIST OF OFFICERS, DIRECTORS AND REGISTERED AGENT**

The Corporation shall, within sixty days after the filing of its Articles of Incorporation with the Secretary of State, and annually thereafter on or before the last day of the month in which the anniversary date of incorporation occurs each year, file with the Secretary of State a list of its president, secretary and treasurer and all of its Directors, along with the post office box or street address, either residence or business, and a designation of its resident agent in the state of Nevada. Such list shall be certified by an officer of the Corporation.

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### ARTICLE XIII: INDEMNITY OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

- a) The Directors shall cause the Corporation to indemnify a Director or former Director of the Corporation and the Directors may cause the Corporation to indemnify a director or former director of a corporation of which the Corporation is or was a shareholder and the heirs and personal representatives of any such person against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, actually and reasonably incurred by him or them including an amount paid to settle an action or satisfy a judgment in a criminal or administrative action or proceeding to which he is or they are made a party by reason of his or her being or having been a Director of the Corporation or a director of such corporation, including an action brought by the Corporation or corporation. Each Director of the Corporation on being elected or appointed is deemed to have contracted with the Corporation on the terms of the foregoing indemnity.
- b) The Directors may cause the Corporation to indemnify an officer, employee or agent of the Corporation or of a corporation of which the Corporation is or was a shareholder (notwithstanding that he is also a Director), and his or her heirs and personal representatives against all costs, charges and expenses incurred by him or them and resulting from his or her acting as an officer, employee or agent of the Corporation or corporation. In addition the Corporation shall indemnify the Secretary or an Assistant Secretary of the Corporation (if he is not a full time employee of the Corporation and notwithstanding that he is also a Director), and his or her respective heirs and legal representatives against all costs, charges and expenses incurred by him or them and arising out of the functions assigned to the Secretary by the Corporation Act or these Articles and each such Secretary and Assistant Secretary, on being appointed is deemed to have contracted with the Corporation on the terms of the foregoing indemnity.
- c) The Directors may cause the Corporation to purchase and maintain insurance for the benefit of a person who is or was serving as a Director, officer, employee or agent of the Corporation or as a director, officer, employee or agent of a corporation of which the Corporation is or was a shareholder and his or her heirs or personal representatives against a liability incurred by him as a Director, officer, employee or agent.

**CERTIFIED TO BE THE BYLAWS OF:**

**SHEER VENTURES INC.**

**per:**

/s/ Doug Berry

**Doug Berry, Secretary**

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Exhibit 10.18

### STOCK PURCHASE AGREEMENT

**THIS STOCK PURCHASE AGREEMENT** (this “ Agreement ” ) is made effective as of the 15th day of June, 2005, by and among Sheer Ventures, Inc., a Nevada corporation (the “Company” or “Seller”) and Petrofinanz GMBH, a limited liability company organized pursuant to the laws of the Marshall Islands (“Purchaser”).

WHEREAS, the Purchaser desires to purchase 400,000 shares of the Company’s common stock at a price of \$0.50 per share (the “Shares”); and

WHEREAS, the Company desires to sell the Shares to Purchaser and the Purchaser desires to purchase the Shares from the Company on the terms and conditions set forth herein.

**NOW, THEREFORE** , in consideration of the mutual agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Seller and Purchaser do hereby agree as follows:

**ARTICLE I**  
**Purchase and Sale of the Shares**

Section 1.01. Purchase and Sale . On the Closing Date and upon the terms and subject to the conditions set forth herein, the Seller shall deliver the Shares to the Purchaser free and clear of all liens, in accordance with Section 1.04 below, and Purchaser shall purchase the Shares from the Seller in accordance with Section 1.02 below.

Section 1.02. Purchase Price . The purchase price (the “ Purchase Price ”) for the Shares is US \$200,000 (\$0.50 per share), which shall be paid to Seller by cashier’s check, certified funds or wire transfer within four (4) days of Closing.

Section 1.03. Time and Place of Closing . Subject to the satisfaction or waiver of the conditions herein, the closing (the “ Closing ” ) of the transactions contemplated by this Agreement shall take place on or before June 15<sup>th</sup> , 2005 or at such time, date or place as Seller and Purchaser may agree.

Section 1.04. Delivery of the Shares; Payment of Purchase Price . Upon Closing, the Company shall deliver to Purchaser a certificate representing the Shares, duly endorsed to Purchaser or accompanied by stock powers duly endorsed to Purchaser. Upon payment of the Purchase Price, the Shares shall be deemed to be paid in full, with all taxes attributable to the transfer and sale of the Shares paid by the Seller.

**ARTICLE II**  
**Representations and Warranties of the Company**

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Subject to all of the terms, conditions and provisions of this Agreement, the Company hereby represents and warrants to Purchaser, as of the date hereof and as of the Closing, as follows:

Section 2.01. Organization and Qualification . The Company (i) is an entity duly organized, validly existing and in good standing under the laws of the Nevada, (ii) has all requisite power and authority to carry on its business, and (iii) is duly qualified to transact business and is in good standing in all jurisdictions where its ownership, lease or operation of property or the conduct of its business requires such qualification, except where the failure to do so would not have a material adverse effect to the Seller or the Company, respectively.

At Closing, the authorized capital stock of the Company consists of 75,000,000 shares of common stock, no par value, of which 40,800,000 shares are validly issued and outstanding. There are no shares of preferred stock authorized or issued and there is no other class of capital stock authorized or issued by the Company. All of the issued and outstanding shares of common stock of the Company are fully paid and non-assessable. None of the shares issued are in violation of any preemptive rights. The Company has no obligation to repurchase, reacquire, or redeem any of its outstanding capital stock. There are no outstanding securities convertible into or evidencing the right to purchase or subscribe for any shares of capital stock of the Company, there are no outstanding or authorized options, warrants, calls, subscriptions, rights, commitments or any other agreements of any character obligating the Company to issue any shares of its capital stock or any securities convertible into or evidencing the right to purchase or subscribe for any shares of such stock, and there are no agreements or understandings with respect to the voting, sale, transfer or registration of any shares of capital stock of the Company.

Section 2.02 Authorization . All corporate action on the part of Company necessary for the authorization, execution, delivery and performance of this Agreement by the Company has been taken or will be taken prior to the Closing. The Company has the requisite corporate power and authority to execute, deliver and perform this Agreement. This Agreement, when duly executed and delivered in accordance with its terms, will constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors' rights and to general equitable principles.

Section 2.03 No Breaches or Defaults . The execution, delivery, and performance of this Agreement by the Company does not: (i) conflict with, violate, or constitute a breach of or a default under, (ii) result in the creation or imposition of any lien, claim, or encumbrance of any kind upon the Shares, or (iii) require any authorization, consent, approval, exemption, or other action by or filing with any third party or Governmental Authority under any provision of: (a) any applicable Legal Requirement, or (b) any credit or loan agreement, promissory note, or any other agreement or instrument to which the Company is a party or by which the Shares may be bound or affected. For purposes of this Agreement, "Governmental Authority" means any foreign governmental authority, the United States of America, any state of the United States, and any political subdivision of any of the foregoing, and any agency, department, commission, board, bureau, court, or similar entity, having jurisdiction over the parties hereto or their respective assets or properties. For purposes of this Agreement, "Legal Requirement" means any law, statute, injunction, decree, order or judgment (or interpretation of any of the foregoing) of, and the terms of any license or permit issued by, any Governmental Authority.

Section 2.04      Consents. No permit, consent, approval or authorization of, or designation, declaration or filing with, any Governmental Authority or any other person or entity is required on the part of the Company in connection with the execution and delivery by the Seller or the Company of this Agreement or the consummation and performance of the transactions contemplated hereby.

Section 2.05      Pending Claims. There is no claim, suit, arbitration, investigation, action or other proceeding, whether judicial, administrative or otherwise, now pending or, to the best of the Company's knowledge, threatened before any court, arbitration, administrative or regulatory body or any governmental agency which may result in any judgment, order, award, decree, liability or other determination which will or could reasonably be expected to have any effect upon the Company, or the transfer by the Company to Purchaser of the Shares under this Agreement, nor is there any basis known to the Company for any such action. No litigation is pending, or, to the Company's knowledge, threatened against the Company, or its assets or properties, which seeks to restrain or enjoin the execution and delivery of this Agreement or any of the documents referred to herein or the consummation of any of the transactions contemplated thereby or hereby. The Company is not subject to any judicial injunction or mandate or any quasi-judicial or administrative order or restriction directed to or against them or which would affect the Company or the Shares to be transferred under this Agreement.

Section 2.06      Taxes. The Company has timely and accurately filed all federal, state, foreign and local tax returns and reports required to be filed prior to such dates and have timely paid all taxes shown on such returns as owed for the periods of such returns, including all sales taxes and withholding or other payroll related taxes shown on such returns. The Company has made adequate provision for the payment of all taxes accruable for all periods ending on or before the Closing Date to any taxing authority and are not delinquent in the payment of any tax or governmental charge of any nature. No assessments or notices of deficiency or other communications have been received by the Company with respect to any tax return which has not been paid, discharged or fully reserved against and no amendments or applications for refund have been filed or are planned with respect to any such return. There are no agreements between the Company and any taxing authority, including, without limitation, the Internal Revenue Service, waiving or extending any statute of limitations with respect to any tax return.

Section 2.07.      Labor Matters. The Company is not a party or otherwise subject to any collective bargaining agreement with any labor union or association. There are no discussions, negotiations, demands or proposals that are pending or have been conducted or made with or by any labor union or association, and there are not pending or threatened against the Company any labor disputes, strikes or work stoppages. To the best of the Company's knowledge, the Company is in compliance with all federal and state laws respecting employment and employment practices, terms and conditions of employment and wages and hours, and, to its knowledge, is not engaged in any unfair labor practices.

Section 2.08.      Compliance with Laws. The Company is, and at all times prior to the date hereof has been, to the best of its knowledge, in compliance with all statutes, orders, rules, ordinances and regulations applicable to it or to the ownership of their assets or the operation of its businesses, except for failures to be in compliance that would not have a material adverse effect on the business, properties, condition (financial or otherwise) or prospects of the Company. The Company has no basis to expect, nor have they received any order or notice of any such violation or claim of violation of any such statute, order, rule, ordinance or regulation by the Company.

Section 2.09. Material Agreements; Action. There are no material contracts, agreements, commitments, understandings or proposed transactions, whether written or oral, to which the Company is a party or by which they are bound that involve or relate to: (i) any of the respective officers, directors, stockholders or partners of the Company or any affiliates thereof, other than in the ordinary course of business; (ii) the sale of any of the assets of the Company other than in the ordinary course of business; (iii) covenants of the Company not to compete in any line of business or with any person in any geographical area or covenants of any other person not to compete with the Company in any line of business or in any geographical area; (iv) the acquisition by the Company of any operating business or the capital stock of any other Person; (v) the borrowing of money; or (vi) the expenditure of more than \$5,000 in the aggregate or the performance by the Company extending for a period more than one year from the date hereof, other than in the ordinary course of business.

Section 2.10. No Default. The Company is not in default under any term or condition of any instrument evidencing, creating or securing any indebtedness of the Company, and there has been no default in any material obligation to be performed by the Company under any other contract, lease, agreement, commitment or undertaking to which it is a party or by which it or its assets or properties are bound, nor has the Company waived any material right under any such contract, lease, agreement, commitment or undertaking.

Section 2.11. Disclosure. No representation or warranty of the Company contained in this Agreement (including the exhibits hereto) contains any untrue statement or omits to state a material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were made, not misleading.

### **ARTICLE III**

#### **Representations and Warranties of Purchaser**

Subject to all of the terms, conditions and provisions of this Agreement, the Purchaser hereby represents and warrants to the Seller, as of the date hereof and as of the Closing, as follows:

Section 3.01. Authorization. All corporate action on the part of Purchaser necessary for the authorization, execution, delivery and performance of this Agreement by Purchaser has been taken or will be taken prior to the Closing. Purchaser has the requisite corporate power and authority to execute, deliver and perform this Agreement. This Agreement, when duly executed and delivered in accordance with its terms, will constitute a valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, and other similar laws of general application relating to or affecting creditors' rights and to general equitable principles.

Section 3.02. Purchase for Investment. Purchaser is purchasing the Shares for its own account, for investment purposes only and not with view to any public resale or other distribution thereof. Purchaser acknowledges that it is an Accredited Investor as that term is defined in Rule 501(a) of Regulation D of the Securities Act of 1933, as amended. Purchaser and its representatives have received, or have had access to, and have had sufficient opportunity to review, all books, records, financial information and other information which Purchaser considers necessary or advisable to enable it to make a decision concerning its purchase of the Shares, and that it possesses such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of his investment hereunder.

Additionally, the Purchaser understands that any sale by the Purchaser of any of the Shares purchased under this Agreement will, under current law, require either: (a) the registration of the Shares under the Act and applicable state securities acts; (b) compliance with Rule 144 of the Act; or (c) the availability of an exemption from the registration requirements of the Act. The Purchaser understands that the Company has not undertaken and does not presently intend to file a Registration Statement to register the Shares purchased hereunder. The Purchaser hereby agrees to execute, deliver, furnish or otherwise provide to the Company an opinion of counsel reasonably acceptable to the Company prior to any subsequent transfer of the Shares, that such transfer will not violate the registration requirements of the federal or state securities acts. The Purchaser further agrees to execute, deliver, furnish or otherwise provide to the Company any documents or instruments as may be reasonably necessary or desirable in order to evidence and record the Shares acquired hereby.

To assist in implementing the above provisions, the Purchaser hereby consents to the placement of the legend, or a substantially similar legend, set forth below, on all certificates representing ownership of the Shares acquired hereby until the Shares have been sold, transferred, or otherwise disposed of, pursuant to the requirements hereof. The legend shall read substantially as follows:

"THESE SECURITIES HAVE BEEN ISSUED PURSUANT TO EXEMPTION FROM REGISTRATION CONTAINED IN REGULATION S OF THE SECURITIES ACT OF 1933 AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE FOREIGN SECURITIES ACTS. THESE SECURITIES MAY ONLY BE RESOLD IN COMPLIANCE WITH REGULATION S OF THE SECURITIES ACT OF 1933."

Section 3.03 Purchasers Information.

Purchaser hereby confirms and represents that:

- a. Purchaser understands that the Shares have not been approved or disapproved by the United States Securities and Exchange Commission or any foreign securities agencies and no registration statement has been filed with any regulatory agency.

- b. Purchaser is not an underwriter and would be acquiring the Shares solely for investment for his or her own account and not with a view to, or for, resale in connection with any distribution with in the meaning of the federal securities act, the state securities acts or any other applicable state securities acts;
- c. The undersigned Purchaser is not a person in the United States of America and at the time the buy order was originated, the Purchaser was outside the United States of America. The undersigned Purchaser is not a citizen of the United States (a U.S. Person) as that term is defined in Reg. S of the Securities Act of 1933 and was not formed by a U. S. person principally for the purpose of investing in securities not registered under the Securities Act of 1933.
- d. The undersigned Purchaser understands the speculative nature and risks of investments associated with the Company, and confirms that the Shares would be suitable and consistent with his or her investment program and that his or her financial position enable him or her to bear the risks of this investment;
- e. To the extent that any federal, and/or state securities laws shall require, the Purchaser hereby agrees that any securities acquired pursuant to this Agreement shall be without preference as to assets;
- f. The certificate for Shares will contain a legend that transfer is prohibited except in accordance with the provisions of Regulation S;
- g. The Purchaser has had the opportunity to ask questions of the Company and has received all information from the Company to the extent that the Company possessed such information, necessary to evaluate the merits and risks of any investment in the Company;
- h. The Purchaser has satisfied the suitability standards and securities laws imposed by government of his residence;
- i. The Purchaser has adequate means of providing for its current needs and contingencies and has no need to sell the Shares in the foreseeable future (that is at the time of the investment, Purchaser can afford to hold the investment for an indefinite period of time);
- j. The Purchaser has sufficient knowledge and experience in financial matters to evaluate the merits and risks of this investment and further, the Purchaser is capable of reading and interpreting financial statements. Further, Purchaser is an “accredited investor” as that term is defined in applicable court cases and the rules, regulations and decisions of the United States Securities and Exchange Commission.
- k. The offer and sale of the Shares referred to herein is being made outside the United States within the meaning of and in full compliance with Regulation S.

- l. The Purchaser is not a U. S. person within the meaning of Regulation S and is not acquiring the Shares for the account or benefit of any U. S. person; and,
- m. The Purchaser agrees to resell the Shares only in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act of 1933, as amended, or pursuant to an available exemption from registration .

Section 3.04. No Conflict . The execution and delivery by Purchaser of this Agreement and the consummation of the transactions contemplated hereby and thereby do not and shall not, by the lapse of time, the giving of notice or otherwise: (a) constitute a violation of any law; or (b) constitute a breach of any provision contained in, or a default under, any governmental approval, any writ, injunction, order, judgment or decree of any governmental authority or any contract to which Purchaser is a party or by which Purchaser is bound or affected.

Section 3.05. Consents and Approvals . No governmental approvals and no notifications, filings or registrations to or with any governmental authority or any other person is or will be necessary for the valid execution and delivery by Purchaser of this Agreement and the closing documents to which it is a party, or the consummation of the transactions contemplated hereby or thereby, or the enforceability hereof or thereof, other than those which have been obtained or made and are in full force and effect.

#### **ARTICLE IV** **Conditions**

Section 4.01. Conditions to Obligations of each of the Parties . The respective obligations of each party to consummate the transactions contemplated hereby shall be subject to the fulfillment at or prior to the Closing of the following conditions: (a) no preliminary or permanent injunction or other order, decree or ruling which prevents the consummation of the transactions contemplated by this Agreement shall have been issued and remain in effect; (b) no claim shall have been asserted, threatened or commenced and no law shall have been enacted, promulgated or issued which would reasonably be expected to (i) prohibit the purchase of, payment for or retention of the Shares by Purchaser or the consummation of the transactions contemplated by this Agreement or (ii) make the consummation of any such transactions illegal; and (c) all approvals legally required for the consummation of the transactions contemplated by this Agreement shall have been obtained and be in full force and effect at the Closing.

Section 4.02. Conditions to Obligations of Seller . The obligations of Seller to consummate the transactions contemplated hereby shall be subject to the fulfillment at or prior to the Closing Date of the following additional conditions, except as Seller may waive in writing: (a) Purchaser shall have complied with and performed in all material respects all of the terms, covenants, agreements and conditions contained in this Agreement which are required to be complied with and performed on or prior to Closing; and (b) the representations and warranties of Purchaser in this Agreement shall have been true and correct on the date hereof or thereof, as applicable, and such representations and warranties shall be true and correct on and at the Closing (except those, if any, expressly stated to be true and correct at an earlier date), with the same force and effect as though such representations and warranties had been made on and at the Closing.



Section 4.03. Conditions to Obligations of Purchaser . The obligations of Purchaser to consummate the transactions contemplated hereby shall be subject to the fulfillment at or prior to Closing of the following additional conditions, except as Purchaser may waive in writing: (a) the Company shall have complied with and performed in all material respects all of the terms, covenants, agreements and conditions contained in this Agreement which are required to be complied with and performed on or prior to Closing; and (b) the representations and warranties of the Company in this Agreement shall have been true and correct on the date hereof or thereof, as applicable, and such representations and warranties shall be true and correct on and at the Closing (except those, if any, expressly stated to be true and correct at an earlier date), with the same force and effect as though such representations and warranties had been made on and at the Closing.

## **ARTICLE V**

### **Indemnification**

Section 5.01. Indemnification of Seller . Subject to the terms and conditions of this Article VI, Purchaser agrees to indemnify, defend and hold harmless Seller, from and against any and all claims, liabilities and losses which may be imposed on, incurred by or asserted against, arising out of or resulting from, directly or indirectly:

- (a) the inaccuracy of any representation or breach of any warranty of Purchaser contained in or made pursuant to this Agreement which was not disclosed to Seller in writing prior to the Closing; *provided* that no such notification shall be deemed to waive or abrogate any right of Seller with respect to conditions to Closing in Section 4.02;
- (b) the breach of any covenant or agreement of Purchaser contained in this Agreement; or
- (c) any claim to fees or costs for alleged services by a broker, agent, finder or other person claiming to act in a similar capacity at the request of Purchaser in connection with this Agreement;

*provided, however* , that Purchaser shall not be liable for any portion of any claims, liabilities or losses resulting from a material breach by Seller, of any of its obligations under this Agreement or from Seller's gross negligence, fraud or willful misconduct.

Section 5.02. Indemnification of Purchaser . Subject to the terms and conditions of this Article V, from and after the Closing, the Company agrees to indemnify, defend and hold harmless the Purchaser, its respective affiliates, its respective present and former directors, officers, shareholders, employees and agents and its respective heirs, executors, administrators, successors and assigns (the "Purchaser Indemnified Persons"), from and against any and all claims, liabilities and losses which may be imposed on, incurred by or asserted against any Purchaser Indemnified Person, arising out of or resulting from, directly or indirectly:

(a) the inaccuracy of any representation or breach of any warranty of the Company contained in or made pursuant to this Agreement which was not disclosed to Purchaser in writing prior to the Closing; *provided* that no such notification shall be deemed to waive or abrogate any right of Purchaser with respect to conditions to Closing in Section 4.03;

(b) the breach of any covenant or agreement of the Company contained in this Agreement;

(c) the conduct of the business of the Company prior to the Closing; or

(d) any claim to fees or costs for alleged services rendered by a broker, agent, finder or other person claiming to act in a similar capacity at the request of the Company in connection with this Agreement;

*provided, however*, that the Company shall not be liable for any portion of any claims, liabilities or losses resulting from a material breach by Purchaser of its obligations under this Agreement or from a Purchaser Indemnified Person's gross negligence, fraud or willful misconduct.

## **ARTICLE VI**

### **Miscellaneous**

Section 6.01. Notices. Any and all notices, requests or other communications hereunder shall be given in writing and delivered by: (a) regular, overnight or registered or certified mail (return receipt requested), with first class postage prepaid; (b) hand delivery; (c) facsimile transmission; or (d) overnight courier service, to the parties at the following addresses or facsimile numbers:

(i) if to Seller/the Company, to:

Sheer Ventures Inc.  
Attn: President  
100 Crescent Court, 7<sup>th</sup> Floor  
Dallas, Texas 75201

With copies to:

Robert D. Axelrod  
Axelrod, Smith & Kirshbaum, P.C.  
5300 Memorial Drive, Suite 700  
Houston, Texas 77007  
Telephone Number: 713-861-1996  
Facsimile Number: 713-552-0202

(iii) if to Purchaser, to:

Petrofinanz GMBH  
Trust Company Complex  
Ajeltake Road  
Ajeltake Island  
Majuro, Marshall Islands MH 96960

or at such other address or number as shall be designated by either of the parties in a notice to the other party given in accordance with this Section 6.01. Except as otherwise provided in this Agreement, all such communications shall be deemed to have been duly given: (A) in the case of a notice sent by regular or registered or certified mail, three business days after it is duly deposited in the mails; (B) in the case of a notice delivered by hand, when personally delivered; (C) in the case of a notice sent by facsimile, upon transmission subject to telephone confirmation of receipt; and (D) in the case of a notice sent by overnight mail or overnight courier service, the next business day after such notice is mailed or delivered to such courier, in each case given or addressed as aforesaid.

Section 6.02. Benefit and Burden. This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their successors and permitted assigns.

Section 6.03. No Third Party Rights. Nothing in this Agreement shall be deemed to create any right in any creditor or other person not a party hereto (other than the Purchaser Indemnified Persons) and this Agreement shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party (other than the Purchaser Indemnified Persons).

Section 6.04. Amendments and Waiver. No amendment, modification, restatement or supplement of this Agreement shall be valid unless the same is in writing and signed by the parties hereto. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the party against whom that waiver is sought to be enforced.

Section 6.05. Assignments. Purchaser may assign any of their rights, interests and obligations under this Agreement and must notify Seller in writing of any such assignment.

Section 6.06. Counterparts. This Agreement may be executed in counterparts and by the different parties in separate counterparts, each of which when so executed shall be deemed an original and all of which taken together shall constitute one and the same agreement.

Section 6.07. Captions and Headings. The captions and headings contained in this Agreement are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof if any question of intent should arise.

Section 6.08. Construction. The parties acknowledge that each of them has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review this Agreement with its legal counsel and that this Agreement shall be construed as if jointly drafted by the parties hereto.

Section 6.09. Severability. Should any clause, sentence, paragraph, subsection, Section or Article of this Agreement be judicially declared to be invalid, unenforceable or void, such decision will not have the effect of invalidating or voiding the remainder of this Agreement, and the parties agree that the part or parts of this Agreement so held to be invalid, unenforceable or void will be deemed to have been stricken herefrom by the parties, and the remainder will have the same force and effectiveness as if such stricken part or parts had never been included herein.

Section 6.10. Applicable Law . This Agreement and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Nevada, without giving effect to the conflict of law principles thereof.

Section 6.11. Submission to Jurisdiction . Each of the parties hereby: (a) irrevocably submits to the non-exclusive personal jurisdiction of any Nevada court, over any claim arising out of or relating to this Agreement and irrevocably agrees that all such claims may be heard and determined in such Nevada court; and (b) irrevocably waives, to the fullest extent permitted by applicable law, any objection it may now or hereafter have to the laying of venue in any proceeding brought in a Nevada court.

Section 6.12. Expenses; Prevailing Party Costs . The Company and Purchaser shall each pay their own expenses incident to this Agreement and the transactions contemplated hereby and thereby, including all legal and accounting fees and disbursements. Notwithstanding anything contained herein or therein to the contrary, if any party commences an action against another party to enforce any of the terms, covenants, conditions or provisions of this Agreement, or because of a breach by a party of its obligations under this Agreement, the prevailing party in any such action shall be entitled to recover its losses, including reasonable attorneys’ fees, incurred in connection with the prosecution or defense of such action, from the losing party.

Section 6.13. Entire Agreement . This Agreement sets forth all of the promises, agreements, conditions, understandings, warranties and representations among the parties with respect to the transactions contemplated hereby and thereby, and supersedes all prior agreements, arrangements and understandings between the parties, whether written, oral or otherwise.

Section 6.14. Faxed Signatures . For purposes of this Agreement, a faxed signature shall constitute an original signature.

**IN WITNESS WHEREOF** , the parties have duly executed this Agreement as of the day and year first above written.

SELLER:

SHEER VENTURES, INC.

/s/ Philipp Buschmann

By:

Its: Director

PURCHASER:

PETROFINANZ GMBH

/s/ T. Crabtree

By:

Its: Director

Exhibit 21.1

SUBSIDIARIES OF IGNIS PETROLEUM GROUP, INC.

Ignis Petroleum Corporation, a Nevada corporation

Exhibit 31.1

## RULE 13a-14(a) CERTIFICATION

I, Michael Piazza, certify that:

1. I have reviewed this annual report on Form 10-KSB of Ignis Petroleum Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) [ *language intentionally omitted SEC Rel. 33-8238 and 33-8618* ] for the small business issuer and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) [ *Left blank intentionally SEC Rel. No. 33-8238 and 33-8618* ];
  - c) evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: October 11, 2005

/s/ Michael Piazza

Michael Piazza

Chief Executive Officer

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### Exhibit 31.2

## RULE 13a-14(a) CERTIFICATION

I, Timothy Hart, certify that:

1. I have reviewed this annual report on Form 10-KSB of Ignis Petroleum Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) [ *language intentionally omitted SEC Rel. 33-8238 and 33-8618* ] for the small business issuer and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) [ *Left blank intentionally SEC Rel. No. 33-8238 and 33-8618* ];;
  - c) evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: October 11, 2005

/s/ Timothy Hart

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Timothy Hart  
Chief Financial Officer

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**Exhibit 32.1**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Ignis Petroleum Group, Inc. (the "Company") on Form 10-KSB for the period ending June 30, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Piazza, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the

Company.

/s/ Michael Piazza

Michael Piazza  
Chief Executive Officer

Date: October 11, 2005

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**Exhibit 32.2**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Ignis Petroleum Group, Inc. (the "Company") on Form 10-KSB for the period ending June 30, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Timothy Hart, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Timothy Hart

Timothy Hart  
Chief Financial Officer

Date: October 11, 2005

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**End of Filing**

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