

*A copy of this preliminary prospectus has been filed with the securities regulatory authorities in the provinces of Alberta, British Columbia, Ontario and Saskatchewan but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.*

*This prospectus constitutes a public offering of securities only in those jurisdictions where such securities may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws. Accordingly, except as permitted by the Agency Agreement (as defined below) and pursuant to an exemption from the registration requirements of the 1933 Act and state securities laws, these securities may not be offered or sold in the United States and this prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See "Plan of Distribution".*

## PRELIMINARY PROSPECTUS

Initial Public Offering

September 29, 2005



### TRITON ENERGY CORP.

**Minimum: • Common Shares (\$10,000,000)**

**Maximum: • Common Shares (\$12,500,000)**

Triton Energy Corp. ("**Triton**" or the "**Corporation**") hereby offers for sale (the "**Offering**") a minimum of • and a maximum of • common shares of the Corporation ("**Common Shares**") at a price of \$• per Common Share. It is understood that a maximum of 20% of the gross proceeds of the Offering may be issued as "flow-through" shares under the *Income Tax Act* (Canada) ("**Flow-Through Shares**") and, in such case, shall be offered for sale at a price of \$• per Flow-Through Share. Unless specified otherwise, the Common Shares and the Flow-Through Shares are collectively referred to herein as the "**Shares**".

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**Price: \$• per Common Share and \$• per Flow-Through Share**

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This prospectus qualifies the distribution of up to • Shares of Triton at a price of \$• per Common Share and \$• per Flow-Through Share, as applicable. See "Plan of Distribution".

Triton will incur Qualifying Expenditures in the amount of \$• per Flow-Through Share which will be renounced by the Corporation to subscribers effective in 2005. See "*Summary of the Prospectus – Qualifying Expenditures*" and "*Canadian Federal Income Tax Considerations*".

	Price to the Public <sup>(1)</sup>	Agents' Commission <sup>(2)</sup>	Net Proceeds to the Corporation <sup>(3)</sup>
Per Common Share	\$•	\$•	\$•
Per Flow-Through Share	\$•	\$•	\$•
Minimum Offering	\$10,000,000	\$650,000	\$9,350,000
Maximum Offering	\$12,500,000	\$812,500	\$11,687,500

Notes:

(1) The price and terms of these securities were determined through negotiation between the Corporation and the Agents.

- (2) The Agents will receive a fee of 6.5% of the gross amount raised pursuant to the Offering.
- (3) Before deducting expenses of the Offering, estimated to be \$250,000, which together with the Agents' fees, shall be paid from general working capital.
- (4) The Corporation has granted to the Agents an option (the "**Over-Allotment Option**"), exercisable up to 30 days following Closing, to purchase that number of Common Shares as is equal to 15% of the Common Shares issued pursuant to the Offering on the same terms as set forth above solely to cover over-allotments, if any and for market-stabilization purposes. If the Over-Allotment Option is exercised in full, the gross proceeds, Agents' Commission and net proceeds to the Corporation will be \$14,375,000, \$934,375 and \$13,440,625, respectively, prior to deducting expenses estimated to be \$250,000. This prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Common Shares issuable on the exercise of the Over-Allotment Option. See "*Plan of Distribution*".

Acumen Capital Finance Partners Limited, Canaccord Capital Corporation, GMP Securities Ltd. and Raymond James Ltd. (the "**Agents**"), conditionally offer the Shares, on a "commercially-reasonable efforts" basis, subject to prior sale, if, as and when issued by the Corporation and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under "*Plan of Distribution*", subject to approval of all legal matters on the Corporation's behalf by Burnet, Duckworth & Palmer LLP, of Calgary, Alberta and on the Agents' behalf by Bennett Jones LLP, of Calgary, Alberta.

The Corporation has applied to list the Shares distributed under this prospectus on the TSX Venture Exchange. Listing will be subject to the Corporation fulfilling all the listing requirements of the TSX Venture Exchange.

**These securities are considered to be highly speculative due to the nature of the Corporation's business and its formative stage of development. There is no market through which these securities may be sold and subscribers may not be able to resell securities purchased under this prospectus. An investment in securities of the Corporation should only be made by persons who can afford a significant or total loss of their investment. The Corporation was incorporated to pursue oil and gas exploration, development and production in Western Canada, the success of which cannot be assured. The Corporation has no current production and no history of earnings. Subscribers must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of Triton. See "*Risk Factors*".**

Subscriptions for Shares will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice.

Provided the Minimum Offering has been subscribed for, it is expected that the Closing will take place on or about November 30, 2005, subject to postponement, as the Agents and the Corporation may agree, to not later than December 22, 2005.

Should Closing occur in respect of the Minimum Offering, one or more additional Closings, if necessary, may occur until the earlier of the Maximum Offering being subscribed and December 22, 2005.

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## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this prospectus constitute forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this prospectus should not be unduly relied upon. These forward-looking statements speak only as of the date of this prospectus.

In particular, this prospectus may contain forward-looking statements pertaining to the following:

- oil and natural gas production levels;
- capital expenditure programs;
- the quantity of oil and natural gas reserves;
- projections of market prices and costs;
- supply and demand for oil and natural gas;
- expectations regarding the ability to raise capital and to continually add to reserves through acquisitions, exploration and development; and
- treatment under governmental regulatory regimes.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this prospectus:

- volatility in market prices for oil and natural gas;
- potential liabilities inherent in oil and natural gas operations;
- uncertainties associated with estimating oil and natural gas reserves;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of acquisitions;
- geological, technical, drilling and processing problems;
- fluctuations in foreign exchange, interest rates and stock markets; and
- the other factors discussed under "*Risk Factors*".

These factors should not be considered exhaustive. The Corporation undertakes no obligation to publicly update or revise any forward-looking statements.

## NON-GAAP MEASURES

Funds flow from operations and operating netbacks are not recognized measures under GAAP. Management believes that funds flow from operations and operating netbacks are useful supplemental measures as they demonstrate Triton's ability to generate the cash necessary to repay debt or fund future growth through capital investment. Readers are cautioned, however, that these

measures should not be construed as an alternative to net income determined in accordance with GAAP as an indication of Triton's performance. Triton's method of calculating these measures may differ from other companies and accordingly they may not be comparable to measures used by other companies. For these purposes, Triton defines funds flow from operations as cash provided by operations before changes in non-cash operating working capital and defines operating netbacks as revenue less royalties and operating expenses.

## GLOSSARY

*In this prospectus, unless the context otherwise requires, the following words and phrases shall have the meanings set forth below:*

"**ABCA**" means the *Business Corporations Act* (Alberta) as amended from time to time;

"**AEPEA**" means the *Alberta Environmental Protection and Enhancement Act*;

"**Agency Agreement**" means the agency agreement dated •, 2005 with respect to the Offering among the Corporation and the Agents as more particularly described under the heading "*Plan of Distribution*";

"**Agents**" means Acumen Capital Finance Partners Limited, Canaccord Capital Corporation, GMP Securities Ltd. and Raymond James Ltd.;

"**Agents' Commission**" means the fee of 6.5% of the gross amount raised under the Offering and payable to the Agents pursuant to the Agency Agreement;

"**AJM**" means AJM Petroleum Consultants Ltd.;

"**AJM Report**" means independent engineering report dated April 25, 2005, evaluating and auditing certain oil and gas minerals rights of the Corporation as at April 18, 2005;

"**ARTC**" means Alberta Royalty Tax Credit;

"**Canadian Development Expense(s)**" or "**CDE**" means Canadian development expense described in paragraph (a) or (b) of the definition of "Canadian development expense" in subsection 66.2(5) of the Tax Act or would be described in paragraph (f) of such definition if the words "any of paragraphs (a) to (e)" in that paragraph were read as "paragraph (a) or (b)", excluding amounts which are prescribed to constitute "Canadian exploration and development overhead expense" under the Tax Act and the amount of any assistance described in paragraphs 66(12.62)(a) and 66(12.601)(c) of the Tax Act;

"**Canadian Exploration Expense(s)**" or "**CCE**" means Canadian exploration expense described in paragraph (a) or (d) of the definition of "Canadian exploration expense" in subsection 66.1(6) of the Tax Act or would be described in paragraph (h) of such definition if the words "paragraphs (a) to (d) and (f) to (g.1)" were read as "paragraphs (a) and (d)", excluding amounts which are prescribed to constitute "Canadian exploration and development overhead expense" under the Tax Act, the amount of any assistance described in paragraph 66(12.6)(a) of the Tax Act and the cost of any seismic data which constitutes a "specified expense" within the meaning of paragraph 66(12.6)(b.1) of the Tax Act;

"**CRA**" means Canada Revenue Agency;

"**Closing**" means the closing of the issue and sale of Shares pursuant to this Offering;

"**Common Share**" or "**Common Shares**" means, respectively, one or more common shares in the capital of Triton;

"**Corporation**" or "**Triton**" means Triton Energy Corp., a corporation incorporated under the ABCA;

"**Flow-Through Funds**" means an amount equal to the gross proceeds realized from the sale of Flow-Through Shares pursuant to the Offering and received by the Corporation from subscribers;

"**Flow-Through Shares**" means Common Shares, which qualify as "flow-through shares" for the purposes of the Tax Act;

"**Maximum Offering**" means the offering of Shares hereunder resulting in gross proceeds of \$12,500,000;

"**Minimum Offering**" means the offering of Shares hereunder resulting in gross proceeds of \$10,000,000;

"**NAFTA**" means the North American Free Trade Agreement;

"**NEB**" means the National Energy Board;

"**Offering**" means the public offering of the Shares described herein or in any amendment hereto;

"**Operating Procedure**" means the Canadian Association of Petroleum Landmen 1990 Operating Procedure and the 1988 PASC Accounting Procedure;

"**Over-Allotment Option**" means the option granted by the Corporation to the Agents, exercisable for a period of 30 days following Closing, to purchase that number of Common Shares as is equal to 15% of the number of Common Shares sold pursuant to the Offering on the same terms and conditions as the Offering to cover over-allotments, if any, and for market-stabilization purposes;

"**Qualifying CDE**" means an amount of CDE incurred by the Corporation which is eligible for renunciation as CEE under subsection 66(12.601) of the Tax Act;

"**Qualifying Expenditures**" means expenses that are Qualifying CDE or CEE at the date they are incurred;

"**Shares**" means, collectively, the Common Shares and Flow-Through Shares sold pursuant to the Offering;

"**Subscription Agreement**" means the agreement to be executed by the Agents, or any sub-agent of the Agents, as agents for and on behalf of the subscribers of Flow-Through Shares or by the subscriber and accepted by the Corporation at or prior to Closing setting out, among other things, the contractual relationship between the Corporation and such subscribers relating to the Flow-Through Shares, which agreement shall be in a form satisfactory to both the Corporation and the Agents;

"**Tax Act**" means the *Income Tax Act* (Canada) R.S.C. 1985, c.1 (5<sup>th</sup> Supp.), as amended including the regulations thereunder;

"**Taylor Hill**" means Taylor Hill Resources Ltd., a corporation incorporated under the ABCA;

"**TSX**" means the Toronto Stock Exchange; and

"**TSXV**" means the TSX Venture Exchange.

## SUMMARY OF THE PROSPECTUS

*The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus. Reference is made to the Glossary for the definitions of certain terms with initial capital letters used in this prospectus and in this summary.*

**The Offering** This Offering consists of Common Shares resulting in minimum gross proceeds of \$10,000,000 and maximum gross proceeds of \$12,500,000. A maximum of 20% of the gross proceeds of the Offering may be issued as Flow-Through Shares. In addition, the Corporation has granted to the Agents the Over-Allotment Option. See "*Details of the Offering*" and "*Plan of Distribution*".

**Price** \$● per Common Share and \$● per Flow-Through Share.

**Closing** Provided the Minimum Offering has been subscribed for, the Closing will take place on or about November 30, 2005, subject to postponement, as the Agents and the Corporation may agree, to not later than December 22, 2005. One or more additional Closings may occur until the earlier of the Maximum Offering being subscribed and December 22, 2005. See "*Plan of Distribution*".

**The Corporation** Triton was incorporated to pursue opportunities in oil and gas exploration, development and production in Canada. The Corporation owns 100% working interest in 47,840 acres (gross and net) of undeveloped Crown lands in Alberta and has identified approximately 30 oil and natural gas prospects on such lands. The Corporation intends to generate and develop its own prospects, acquire oil and gas properties and participate with joint venturers and other industry partners in oil and gas exploration and development in the Western Canadian Sedimentary Basin. See "*General Development of the Business*" and "*Description of the Business*".

### Management of the Corporation

Name	Position Held
Michael S. Zuber	President, Chief Executive Officer and a Director
R. Keith Innes	Vice President, Engineering and Operations
Robert J. Mephram	Vice President, Exploration
J.G. (Greg) Johnson	Vice President, Land
Dean J. Schultz	Vice President, Finance and Chief Financial Officer
C. Steven Cohen	Corporate Secretary
Daryl H. Connolly	Director and Chairman
Reginald J. LaBonte	Director
W.C. (Mike) Seth	Director
Scott M.B. Hunt	Director

*See "Directors and Officers of the Corporation".*

### Description of Share Capital

Holders of Shares are entitled to one vote per share at any meeting of shareholders of the Corporation. There are no fixed dividends payable on the Shares.

**Use of Proceeds**

The gross proceeds to the Corporation from the sale of the Shares offered hereby will be \$10,000,000 if the Minimum Offering is sold and \$12,500,000 if the Maximum Offering is sold (\$14,375,000 in the event the Over-Allotment Option is exercised in full). The Corporation intends to expend its allocated available funds (net proceeds of the Offering) as follows:

Use of Proceeds	Minimum Offering	Maximum Offering <sup>(2)</sup>
Exploration and Development Drilling	\$7,257,000	\$7,257,000
Seismic	\$675,000	\$1,745,000
Future Land Acquisitions	\$449,000	\$1,216,000
Working Capital	\$719,000	\$1,219,500
	<b>\$9,100,000</b>	<b>\$11,437,500</b>

Notes:

- (1) The Agents will receive a fee of 6.5% of the gross amount raised pursuant to the Offering. The Agents are also entitled to be reimbursed for all of their reasonable out-of-pocket expenses associated with the Offering. The out-of-pocket expenses, together with the estimated expenses of the Offering of \$250,000, will be paid from the Corporation's existing working capital and the balance will be paid with the proceeds of this Offering.
- (2) Proceeds realized upon exercise of the Over-Allotment Option, if any, shall be allocated to working capital.

See "*Use of Proceeds*".

**Qualifying Expenditures**

The Corporation will cause the Flow-Through Funds to be expended on Qualifying Expenditures which will be renounced by the Corporation to the subscribers as CEE effective in 2005 pursuant to the Tax Act. **Subscribers should consult their own professional advisors to assess the income tax, legal and other aspects of an investment in Flow-Through Shares.** See "*Canadian Federal Income Tax Considerations*".

**Eligibility for Investment**

In the opinion of Burnet, Duckworth & Palmer LLP, counsel to Triton and Bennett Jones LLP, counsel to the Agents, provided the Shares are listed on a prescribed stock exchange as defined in the Tax Act at the relevant time, the Shares when issued will be qualified investments, within the meaning of the Tax Act, for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans. See "*Eligibility for Investment*".

**Risk Factors**

**These securities are considered to be highly speculative due to the nature of the Corporation's business and its formative stage of development.** Triton was incorporated to explore for oil and gas through internally generated prospects and potentially participate with other industry partners through joint ventures, the success of which cannot be assured. Triton also intends to pursue strategic acquisitions of oil and gas properties. The Corporation has limited business history, has no current production and no earnings record. There are additional risks associated with the investment relating to Triton's prospects for success, availability of subsequent financing, no market for the securities, competition in the industry, potential liability for damages arising during operations, governmental regulation, availability of oil and gas markets, fluctuating commodity prices and changes in income tax laws. In assessing the risks of an investment in the Shares, potential investors should realize that they are relying on the experience, judgment, discretion, integrity and good faith of the management of Triton. An investment in Shares is suitable for only those investors who are willing to risk a loss of their entire investment and who can afford to lose their entire investment. Subscribers should consult their own professional advisors to assess the income tax, legal and other aspects of an investment in Shares. See "*Risk Factors*".

**Summary Financial Information**

The following table, which should read in conjunction with the financial statements set forth herein, sets forth selected financial information of the Corporation for the periods set forth below:

	As at and for the Six Months Ended June 30, 2005 <sup>(3)</sup>	As at December 31, 2004 and From Commencement of Operations to December 31, 2004 <sup>(1)(2)</sup>
Net Income (Loss)	\$ (220,983)	\$ (132,884)
Basic and Diluted Loss per share	(0.04)	(0.07)
Total Assets	4,691,653	1,456,499
Working Capital	618,463	1,389,772
Shareholders' Equity	3,806,825	1,350,736

## Notes:

- (1) Triton was incorporated on February 4, 2004 and commenced operations July 1, 2004.
- (2) The information presented is contained in the audited financial statements of the Corporation from the commencement of operations to December 31, 2004 set forth herein and should be read in conjunction with such financial statements. See "*Financial Statements of Triton Energy Corp.*"
- (3) The information presented is contained in the unaudited consolidated interim financial statements as at and for the six months ended June 30, 2005 and notes thereto and should be read in conjunction with such financial statements. See "*Financial Statements of Triton Energy Corp.*"

## CONVENTIONS

Certain terms used herein are defined in the "Glossary". Unless otherwise indicated, references herein to "\$" or "dollars" are to Canadian dollars. All financial information with respect to the Corporation has been presented in Canadian dollars in accordance with generally accepted accounting principles in Canada.

## ABBREVIATIONS

### Crude Oil and Natural Gas Liquids

bbls	barrels
bbls/d	barrels per day
mbbls	thousand barrels
boe	barrels of oil equivalent of natural gas (on the basis of 1 boe for 6 mcf of natural gas)
boe/d	barrels of oil equivalent per day
mboe	thousand boe
NGLs	natural gas liquids
mmbtu	million British thermal units
mstb	thousand stock tank barrels
stb	standard stock tank barrel

### Natural Gas

bcf	billion cubic feet
mcf	thousand cubic feet
mmcf	million cubic feet
mcf/d	thousand cubic feet per day
mmcf/d	million cubic feet per day
GJ	gigajoule

Disclosure provided herein in respect of boe may be misleading, particularly if used in isolation. The boe conversion ratio of 6 mcf:1 bbl used throughout this document is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

## CONVERSION

<u>To Convert From</u>	<u>To</u>	<u>Multiply By</u>
mcf	cubic metres	28.174
Thousand cubic metres	mcf	35.494
bbls	Cubic metres ("m <sup>3</sup> ")	0.159
Cubic metres	bbls	6.290
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471

## THE CORPORATION

The Corporation was incorporated under the ABCA on February 4, 2004. The Corporation filed Articles of Amendment on September 28, 2004 to remove the private company provisions and share transfer restrictions. On April 28, 2005, the Corporation acquired 100% of the issued and outstanding shares of Taylor Hill pursuant to a share purchase and sale agreement. In conjunction with the acquisition, the name of Taylor Hill was changed to 971021 Alberta Ltd., which remains the Corporation's sole subsidiary. The registered office of the Corporation is located at 1400, 350 – 7th Avenue S.W., Calgary, Alberta, T2P 3N9 and its head office is located at Suite 600, 734 – 7<sup>th</sup> Avenue SW, Calgary, Alberta T2P 3P8.

### GENERAL DEVELOPMENT OF THE BUSINESS

The Corporation was formed to operate in Canada as an oil and gas exploration, development and production company, commencing business operations on July 1, 2004. The Corporation has, since that time, completed initial financings, implemented an operational structure and business plan, formalized its management team, completed certain corporate and asset acquisitions and raised further funding (see "*Capitalization of the Corporation*").

Triton completed its initial capitalization in the fourth quarter of 2004, at which time the Corporation's efforts were directed towards acquiring an asset base that would act as a foundation from which to grow the Corporation.

On April 28, 2005 the Corporation acquired a 100% working interest in an aggregate of 46,560 gross and net acres of undeveloped Crown lands in Alberta for total consideration of \$2,767,606 including purchase price adjustments and reserving a 5% gross overriding royalty on the lands. The acquisition of the lands consisted of a 100% working interest in 18,640 gross and net acres of undeveloped Crown lands for a combination of \$674,743 in cash and 476,803 Common Shares at \$0.75 per share (amounting to \$357,602) for total consideration of \$1,032,345 and the reservation of a 5% gross overriding royalty on the lands. The remaining 100% working interest in 27,920 gross and net acres were purchased by way of acquiring 100% of the issued and outstanding shares of Taylor Hill for a combination of \$592,863 in cash and 1,523,197 Common Shares at \$0.75 per share being \$1,142,398 for total consideration of \$1,735,261 and the reservation of a 5% gross overriding royalty on the lands. Based on the AJM Report, the lands acquired by the Corporation on April 28, 2005 are valued at \$8,855,356 effective April 18, 2005. See "*Undeveloped Lands*". The gross overriding royalty provided on these acquisitions shall apply to any lands acquired by the Corporation on or prior to December 31, 2006 within a specified prospect boundary area (generally within one mile of the properties described herein). See "*Pro Forma Financial Statements*" and "*Financial Statements of Taylor Hill Resources Ltd.*".

In addition, in the first seven months of 2005, Triton added an additional 100% working interest in 1,280 gross and net acres to the land base through Crown land sales. Extensive geological analysis of Triton's total land base of 47,840 acres (gross and net) has led to the identification of approximately 30 oil and natural gas prospects, resulting in the development of a comprehensive exploration and development plan to fully exploit the Corporation's land position.

The Corporation presently has seven full time employees, five of which are officers, a junior geologist and an office manager. See "*Directors and Officers of the Corporation*".

### DESCRIPTION OF THE BUSINESS

#### General

The Corporation plans to develop interests in oil and gas exploration and development prospects in Alberta through internal generation of prospects within the Corporation's land base and in other strategically located areas within Alberta. In addition, management, staff and consultants of the Corporation have technical experience that will allow the Corporation to pursue exploration and acquisition opportunities in the Western Canadian Sedimentary Basin. See "*Directors and Officers of the Corporation*" for more detail pertaining to management's experience. Emphasis will be placed on exploration targets near established infrastructure that have the potential to be placed on production soon after drilling success. Triton's focus area(s) will characteristically have moderate drilling and operating costs and offer access to processing and transportation systems.

## Exploration and Development Strategy

The short-term business plan of the Corporation is to build Triton into a junior oil and gas company through a combination of exploration, property development and acquisitions. To accomplish this, Triton intends to pursue an integrated growth strategy including development and exploration drilling focused in Alberta, acquisitions, farm-in opportunities, farm-out opportunities, further land acquisitions and trades and the creation of joint ventures.

Initially, the Corporation intends to focus its exploration activities in the following areas of Alberta: Southern Alberta, East Central Alberta and Swan Hills, Alberta. See "*Focus Regions*". Management of the Corporation has extensive experience in oil and gas exploration and development in Alberta. However, the Corporation will be largely opportunity driven and the Corporation may employ a significant portion of the net proceeds of this Offering in other areas as opportunities arise.

Triton currently owns 100% working interest in 47,840 (gross and net) acres of undeveloped Crown lands in Alberta on which approximately 30 oil and natural gas prospects have been identified. Management has developed a comprehensive and detailed exploration program and capital expenditures budget to exploit the Corporation's land holdings. Triton plans to use the proceeds of the Offering to further its development and acquisition strategies. In selecting exploration and development prospects, management of Triton has and will choose those prospects that offer an appropriate combination of risk and economic reward, recognizing that all drilling involves substantial risk and that a high degree of competition exists for prospects. No assurance can be given that drilling will prove successful in establishing commercially recoverable reserves. Triton will acquire petroleum and natural gas rights through Crown land sales, leasing of freehold interests and farming-in on other industry owners of petroleum properties. The Corporation will endeavour to establish core areas of operation by following successful drilling with strategic acquisitions of land, facilities and producing properties where warranted.

As part of Triton's exploration strategy, management has targeted oil and gas companies with land holdings in Triton's prospect areas for potential farm-in, farm-out and/or joint venture opportunities to augment the Corporation's growth.

In order to focus its exploration and development drilling programs, the Corporation will consider some or all of the following criteria prior to allocating capital to new projects:

- required capital and degree of risk relative to expected production rates and potential reserves volumes;
- exploration efforts will be focused towards long-life, low-decline reserves;
- availability and application of seismic to reduce risk, including the ability to maintain capital efficiency by shooting or acquiring seismic prior to land acquisitions and/or drilling; and
- availability and accessibility of infrastructure, including the ability to expand the infrastructure such that new wells drilled (exploration or development) have a reasonable expectation of being placed on production in a reasonable period of time from the date of completion.

Additionally, acquisitions will be targeted in the 150-500 boe/d range. This will assist in establishing cash flow and further supplement the growth strategy of the Corporation. Future acquisitions will be financed through a combination of additional equity and/or debt. The Corporation will seek out, analyze and complete corporate mergers and asset acquisitions where value creation opportunities have been identified that have the potential to increase shareholder value and returns, taking into account the Corporation's financial position, taxability and access to debt and equity financing. The Corporation will look to acquire and develop oil and gas assets that have as many of the following characteristics as possible:

- exhibit the potential for delivering superior rates of return on capital employed;
- accretive to cash flow per share;
- potential for value enhancement through further exploitation, including improved production practices, additional development drilling, infill drilling or re-completion and improved processing and marketing arrangements;
- availability of operatorship; and

- high working interests.

The Corporation plans to pursue a balanced portfolio of crude oil and natural gas prospects. However, the Corporation will be largely opportunity driven and will focus its expenditures in areas that provide the greatest economic return to the Corporation, recognizing that all drilling involves substantial risk and that a high degree of competition exists for prospects. No assurance can be given that drilling will prove successful in establishing commercially recoverable reserves. See "*Risk Factors*".

To achieve sustainable and profitable growth, the Corporation believes in controlling the timing, costs and future development of its projects whenever possible. Accordingly, the Corporation will seek to become the operator of its projects to the greatest extent possible.

The board of directors of the Corporation may, in its discretion, approve asset or corporate acquisitions or investments that do not conform to these guidelines based upon the board's consideration of the qualitative aspects of the subject properties including risk profile, technical upside, reserve life and asset quality.

### **Developments to Date**

Management has created a comprehensive capital expenditures budget based on geological prospect development. The budget identifies and risks ten potential Phase 1 drill targets and fourteen potential farm-out prospects as the focal point for the Corporation's Phase 1 exploration and exploitation plan.

The potential Phase 1 drill targets have been identified through extensive geological analysis. Final determination of the risk and ranking of possible drill targets are being made as further information is or has been made available, such as seismic data, well logs and other such information.

The potential Phase 1 farm-out prospects are higher risk, higher cost and higher reward prospects. Triton is and will be identifying, contacting and negotiating potential farm-out arrangements with oil and gas companies who are or will be exploring and exploiting such prospects.

### **TRENDS**

The prices for crude oil and natural gas have been volatile over the last few years. Management anticipates this volatility to continue. Dramatic downward swings in the world prices for crude oil and natural gas could affect the economic viability of the Corporation's prospects.

Another trend is the volatility in the external capital markets that the industry is currently experiencing which impacts publicly traded entities, such as the Corporation, in the event that they seek to raise additional equity. In management's view, this can be partly attributed to uncertainty regarding the future growth prospects for world economies and to uncertainty regarding the future supply and demand for oil and gas.

An additional trend relates to the size of entities in which investors are willing to invest. Those with larger market capitalization provide for greater liquidity and, as a result, appear to be more attractive; however, smaller entities may present potentially larger returns, as they have not yet appreciated in value in relation to current commodity prices.

### **FOCUS REGIONS**

The Corporation did not own any significant properties as at its most recently completed financial year, December 31, 2004. Below is a summary of the regional prospect areas held as at August 31, 2005. The prospects within each area are listed below, together with the targeted formation in parentheses. Each of these prospect areas provides low, medium and high risk/reward exploration opportunities.

#### ***Northern Alberta Prospect Areas***

This area consists of approximately 12,320 (gross and net) acres with 5 prospects currently identified at Lafond Creek (Bluesky/Gething), Seal (Mississippian), Kidney South (Keg River), Otter (Granite Wash) and Red Earth (Granite Wash).

### ***Swan Hills Prospect Areas***

This area consists of approximately 12,000 (gross and net) acres with 7 prospects currently identified at Giroux Lake/Sturgeon Lake (various targets), Judy Creek North (Mannville), Windfall (Montney/Gething), Virginia Hills (Mannville/Wabamun), High Prairie (Gilwood), Fahler (Debolt/Gething) and Niton (Rock Creek).

### ***East Central Alberta Prospect Areas***

This area consists of approximately 9,920 (gross and net) acres with 12 prospects currently identified at Cessford (Glauconite/Nisku), Ribstone (Nisku/Lloydminster), Chauvin (McLaren/Sparky/Lloydminster), Wildmere (Lloydminster), Sullivan Lake (Belly River/Viking), Kirkpatrick Lake (Dina), Provost (Rex), Provost 2 (Sparky/Dina), Lloydminster (Sparky), Drumheller (Nisku), Inland (Belly River) and Hamilton Lake SW (Belly River/Mannville).

### ***Strachan Prospect Areas***

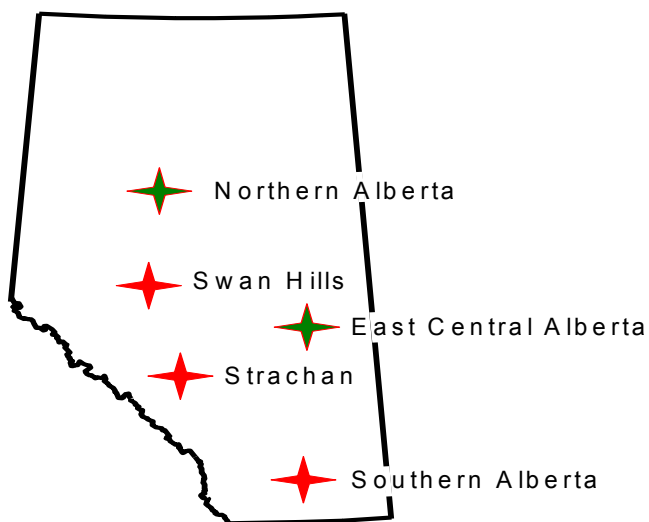
This area consists of approximately 8,160 (gross and net) acres with 8 prospects currently identified at Strachan (Glauconite/Ostracod), Strachan West (Ostracod), Ricinus (Leduc/Mississippian), Ram River (Jurassic/Glauconite/Belly River), Deanne (Glauconite), Clearwater (Nisku) Lanaway (Elkton) and Wildcat Hills (Cardium).

### ***Southern Alberta Prospect Areas***

This area consists of approximately 5,440 (gross and net) acres with 5 prospects currently identified at Pakowki (Sunburst), Bow Island (Bow Island/Sunburst), Conrad (Sawtooth/Bow Island), Granlea (Medicine Hat) and Langford (Notikewin/Cadomin).

### ***Prospect Areas***

The map below sets out the Corporation's principal prospect areas:



### **Undeveloped lands**

On April 28, 2005 Triton acquired 100% working interest in 46,560 (gross and net) acres of undeveloped Crown lands in Alberta as more specifically described under "*General Development of the Business*". The Corporation engaged AJM to prepare the AJM Report effective April 18, 2005, independently evaluating and auditing certain oil and gas mineral rights ("**Triton Lands**"). The report estimates the present value of the properties owned by Triton as of the effective date. The land value calculations were estimated in accordance with National Instrument 51-101 and the Canadian Oil & Gas Valuation Handbook. AJM performed a full independent evaluation of 13 major properties (the "Major Properties"), and an audit on the remaining 21 minor properties (the "Minor Properties").

The evaluated Major Properties constitute approximately 81% of the undeveloped land value of the Triton Lands and the audited Minor Properties constitute approximately 19% of the undeveloped land values of the Triton Lands. The following is a summary of the procedures used by AJM in preparing the AJM Report:

***Evaluated Lands (Major Properties)***

The following is a summary of the procedures used by AJM in evaluating the Major Properties:

1. Recent sales, being the period from February, 2003 to April 6, 2005, of similar lands in the same general area were retrieved from public land sale records for comparison with the Corporation's lands.
2. Geological analysis for each land parcel was performed, identifying whether or not specific plays were present on a land parcel. A qualitative ranking of the geological analysis was assigned to each parcel being high, medium-high, medium, low-medium and low.
3. A statistical analysis of Crown land sale data was performed constructing a normal distribution of dollar per hectare ("\$/ha") amounts for each land parcel included in the analysis and AJM assigned a \$/ha value to each qualitatively ranked parcel. The \$/ha value assigned varied based on the qualitative ranking of each parcel in each area.
4. Based on the geological and statistical analysis, values were assigned to each of the Corporations evaluated land parcels.

***Audited Lands (Minor Properties)***

AJM conducted an extensive review and critical assessment of Triton's systems, controls, and approvals for estimating land values, followed by tests and re-evaluations designed to ensure those systems, controls, and approvals were appropriately applied. Triton's Minor Properties account for approximately 19% of the total undeveloped land value.

*Schedule of Land Value*

The following table summarizes the values assigned to the Major Properties and Minor Properties comprising the Triton Lands in the AJM Report. Actual land values may be greater than or less than the estimates provided herein.

Prospect Area	Quantity/Type	Gross Acres <sup>(2)(3)</sup> (Gross)	Net Acres <sup>(4)</sup> (Net)	Total Land Value
Northern Alberta	2 Major Properties	11,840	11,840	\$993,386
Swan Hills	4 Major Properties	9,440	9,440	\$2,821,242
East Central Alberta	3 Major Properties	4,800	4,800	\$493,237
Strachan	4 Major Properties	6,880	6,880	\$2,871,743
Total Major Properties		32,960	32,960	\$7,179,609
Total Minor Properties		13,920 <sup>(1)</sup>	13,920 <sup>(1)</sup>	\$1,675,747
Total Triton Lands		46,880 <sup>(1)</sup>	46,880 <sup>(1)</sup>	\$8,855,356 <sup>(2)</sup>

Notes:

- (1) On April 28, 2005, the Corporation acquired 46,560 gross and net acres of undeveloped Crown lands. The total Minor Properties acquired was 13,600 gross and net acres and the total Minor Properties audited was 13,920 gross and net acres. The 320 gross and net acre difference is not considered material as it represents less than 1.13% of the value of the AJM Report.
- (2) A 5% gross overriding royalty is payable to certain arm's length third parties as partial consideration for the acquisition of the properties.
- (3) "Gross" means the total area of properties in which Triton has an interest.
- (4) "Net" means the total area in which Triton has an interest multiplied by the working interest owned by Triton.

The table above does not include 1,280 gross and net acres of undeveloped Crown lands purchased by Triton during the period beginning January 1, 2005 and ending August 31, 2005, for total consideration of \$362,938 (cash). Currently, Triton holds 100% working interest in 47,840 gross and net acres of undeveloped Crown lands within the province of Alberta which are unproved properties.

## Oil and Gas Properties

Currently, the Corporation does not have any producing properties or reserves. The Corporation is in the process of exploring and exploiting its current land base and other identified opportunities.

## Capital Expenditures

The following tables summarize capital expenditures (net of incentives and net of certain proceeds and including capitalized general and administrative expenses) related to the Corporation's activities for the six months ended December 31, 2004 and the six month interim period ended June 30, 2005:

	June 30, 2005	December 31, 2004
Property acquisition costs		
Proved properties	Nil	Nil
Undeveloped properties	\$3,762,473	Nil
Geosciences and exploration activities	\$219,792	Nil
Development costs	Nil	Nil
Office Equipment	11,175	\$50,242
Total	<u>\$3,993,440</u>	<u>\$50,242</u>

## USE OF PROCEEDS

The net proceeds to the Corporation from the sale of the Shares offered after deducting the Agents' Commission together with the estimated expenses of the Offering of \$250,000 are estimated to be \$9,100,000 if the Minimum Offering is sold and \$11,437,500 if the Maximum Offering is sold (\$13,190,625 if the Over-Allotment Option is exercised in full).

Use of Proceeds	Minimum Offering	Maximum Offering <sup>(2)</sup>
Exploration and Development Drilling	\$7,257,000	\$7,257,000
Seismic	\$675,000	\$1,745,000
Future Land Acquisitions	\$449,000	\$1,216,000
Working Capital	\$719,000	\$1,219,500
	<u>\$9,100,000</u>	<u>\$11,437,500</u>

### Notes:

- (1) The Agents will receive a fee of 6.5% of the gross amount raised pursuant to the Offering. The Agents are also entitled to be reimbursed for all of their reasonable out-of-pocket expenses associated with the Offering. The out-of-pocket expenses, together with the estimated expenses of the Offering of \$250,000, will be paid from the Corporation's existing working capital and the balance will be paid with the proceeds of this Offering.
- (2) Proceeds realized upon exercise of the Over-Allotment Option, if any, shall be allocated to working capital.

As at August 31, 2005, the Corporation had working capital of \$123,109. The Agents' Commission, together with the estimated expenses (including the Agents' out of pocket expenses) of the Offering of \$250,000, will be paid from the Corporation's working capital, and the balance will be paid from the proceeds of this Offering.

Due to the nature of the oil and gas industry, budgets are regularly reviewed in light of the success of the expenditures and other opportunities that may become available to the Corporation. In addition, the ability of the Corporation to carry out operations will depend upon the decisions of other working interest owners in its properties. Accordingly, while the Corporation intends to spend the funds available to it as stated in this prospectus, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. A discussion of the factors that management will consider in assessing the Corporation's participation in acquisition or development opportunities is described under "*Description of the Business – General*".

The Corporation will incur Qualifying Expenditures in the amount of the issue price of each Flow-Through Share, which Qualifying Expenditures will be renounced by the Corporation to subscribers effective in 2005.

**SELECTED FINANCIAL INFORMATION  
AND MANAGEMENT'S DISCUSSION AND ANALYSIS**

**General**

The Corporation commenced operations on July 1, 2004 and, accordingly, information for the period ended December 31, 2004 is in respect of the period from July 1, 2004 to December 31, 2004. As at December 31, 2004 and June 30, 2005, the Corporation did not have any revenues and incurred general and administrative expenses of \$105,259 and \$302,609 respectively. The Corporation also incurred \$72,664 in property investigation costs for the period ended December 31, 2004 (\$nil for the six month period June 30, 2005) and amortization expense of \$8,101 at December 31, 2004 and \$7,631 at June 30, 2005. As at June 30, 2005, the Corporation had cash on hand of \$580,644. See "*Description of the Business – Developments to Date*".

**Selected Financial Information**

	Pro Forma <sup>(1)</sup> Six Months Ended June 30, 2005 (unaudited)	As at and for the Six Months Ended June 30, 2005 (unaudited)	Pro Forma <sup>(1)</sup> for the period ended December 31, 2004 (unaudited)	As at December 31, 2004 and from Commencement of Operations to December 31, 2004 <sup>(2)(3)</sup> (audited)
Net Income (Loss)	\$(249,741)	\$(220,983)	\$(225,751)	\$(132,884)
Basic and diluted loss per share	\$(0.03)	\$(0.04)	\$(0.06)	\$(0.07)
Total assets	-	\$4,691,653	-	\$1,456,499
Working capital	-	\$618,463	-	\$1,389,772
Shareholders' equity	-	\$3,806,825	-	\$1,350,736

Notes:

- (1) The unaudited pro forma selected financial information for the six months ended June 30, 2005 and the period ended December 31, 2004 give effect to the acquisition of Taylor Hill and non-producing resource properties based on the assumptions provided in the notes to the unaudited pro forma consolidated statements of operations. See "*Pro Forma Financial Statements*". No pro forma balance sheet has been provided since the June 30, 2005 interim consolidated balance sheet includes both Triton and Taylor Hill and non-producing resource properties.
- (2) Triton was incorporated on February 4, 2004 and commenced operations July 1, 2004.
- (3) The information presented is contained in the audited financial statements of the Corporation from the commencement of operations to December 31, 2004 set forth herein and should be read in conjunction with such financial statements and notes thereto.

**Liquidity and Capital Resources**

The Corporation is in the formative stages of operations and has not identified proven oil and gas reserves or generated cash flow from operating activities. See "*Focus Regions*". The Corporation anticipates that it will require additional funds to meet the exploration and development plans and will source such funds through external debt or equity financing (such as this Offering) or joint venture opportunities. The Corporation's sources of financing to date have arisen from private placement equity financings consisting of approximately 6,920,001 Common Shares for net proceeds of \$2,762,187. See "*Capitalization*" and "*Prior Sales*". Triton's management expects that the Corporation will complete the Offering during the fourth quarter of 2005 and raise a minimum of \$10,000,000 and a maximum of \$12,500,000, subject to the Over-Allotment Option. It is anticipated that the proceeds of the Offering will be adequate to meet the Corporation's exploration and development plan and working capital requirements through fiscal 2005 and 2006.

As at June 30, 2005, the Corporation had working capital of \$618,463 including cash on hand of \$580,644 and a non-cash working capital of \$37,819.

During the six month period ending June 30, 2005 and the period ending December 31, 2004, the Corporation had cash capital expenditures of \$1,622,494 and \$50,242 as follows:

	Six Months Ended June 30, 2005	For the period ended December 31, 2004
Land acquisition and retention <sup>(1)</sup>	\$1,391,527	Nil
Geosciences & exploration activities <sup>(2)</sup>	219,792	Nil
Office equipment	11,175	50,242
Total expenditures	<u>\$1,622,494</u>	<u>\$50,242</u>

Notes:

- (1) On April 28, 2005, the Corporation acquired 100% working interest in 46,560 gross and net acres of undeveloped Crown lands through the acquisition of Taylor Hill and an asset acquisition for consideration consisting of \$1,267,606 (cash), the issuance of 2,000,000 Common Shares at a price of \$0.75 per share and reserving a 5% gross overriding royalty on the lands. See "*Financial Statements of Triton Energy Corp.*"
- (2) Includes capitalized general and administrative costs of \$208,177 (\$Nil – 2004).

In July 2005, the Corporation obtained a \$250,000 revolving credit facility with a Canadian financial institution. Currently, the Corporation has not drawn down the facility.

The Corporation will conduct its operations in Canada in a manner consistent with environmental regulations as stipulated in provincial and federal legislation. The Corporation is committed to meeting its responsibilities to protect the environment wherever it operates and anticipates making expenditures of both a capital and expense nature as a result of the increasingly stringent laws relating to the protection of the environment. However, the Corporation does not anticipate that it will be subject to any increases in such expenditures which, as a percentage of cash flow, will be greater than those expected, on average, by other industry operators. The Corporation will maintain insurance coverage where available and financially desirable in light of risk versus cost factors. Unforeseen significant changes in such areas as markets, prices, royalties, interest rates and government regulations would have an impact on the Corporation's future operating results and/or financial condition. See "*Risk Factors*".

The oil and gas industry has been subject to considerable price volatility, over which companies have little control and a material decline in the price of oil and/or natural gas could result in a significant decrease in the Corporation's future anticipated revenues. See "*Risk Factors*". The oil and gas industry has inherent business risks and there is no assurance that products can continue to be produced at economical rates or that produced reserves will be replaced. Fluctuations in currency and exchange rates and changes in production volumes are daily risks in the oil and gas industry.

Although the Corporation has no set policy, management of the Corporation may use financial instruments to reduce corporate risk in certain situations. When considered appropriate by the board of directors of the Corporation, the Corporation may hedge a portion of its production to help guarantee a return or to satisfy creditors when concluding a business transaction. Currently, the Corporation has no hedges or other financial instruments in place.

### Assets and Property

As at December 31, 2004, the Corporation had total assets of \$1,456,499, including equipment of \$42,141. This compares to total assets of \$4,691,653, including property and equipment of \$4,027,591, as at June 30, 2005.

### Tax

The Corporation was not required to pay income taxes during the period ended December 31, 2004 and the six months ended June 30, 2005.

### Dividend Policy

The Corporation has not declared or paid any dividends since its incorporation. Any decision to pay dividends on its shares will be made by the board of directors of the Corporation on the basis of the Corporation's earnings, financial requirements and other conditions existing at such future time.

## PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Agents have agreed to act as the agents for the Corporation to offer Common Shares at a price of \$● per Common Share, including a maximum of 20% of the gross proceeds of the Offering which may be issued as Flow-Through Shares, resulting in minimum gross proceeds of \$10,000,000 and maximum gross proceeds of \$12,500,000 for sale to the public on a commercially-reasonable efforts basis in the provinces of British Columbia, Alberta, Saskatchewan and Ontario. There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus.

The Corporation has applied to list the Common Shares distributed under this prospectus on the TSXV. Listing will be subject to the Corporation fulfilling all the listing requirements of the TSXV.

The minimum amount of funds to be raised under the Offering is \$10,000,000 and the maximum amount of funds that could be raised under the Offering is \$12,500,000 (subject to the exercise of the Over-Allotment Option as described below). The Common Shares and Flow-Through Shares, as applicable, are being offered to the public at a price of \$● and \$● per share, respectively. The Agents' Commission is \$● per Common Share and \$● per Flow-through Share, being an aggregate of \$650,000 if the Minimum Offering is sold and \$812,500 if the Maximum Offering is sold. The price of the Common Shares and the Flow-Through Shares, respectively, was determined through negotiations between the Corporation and the Agents. The obligations of the Agents under the Agency Agreement may be terminated at any time in their sole discretion on the basis of their assessment of the state of the financial markets and on the occurrence of certain stated events. The Agents have reserved the right to offer selling group participation in the Offering to other registered investment dealers. Any fees payable to members of such selling group will be paid by the Agents out of their fee.

The Corporation has granted to the Agents the Over-Allotment Option, which is exercisable at any time up to 30 days after Closing and which gives the Agents the right to purchase that number of Common Shares as is equal to 15% of the number of Common Shares issued pursuant to the Offering on the same terms and conditions of the Offering to cover over-allotments, if any, and for market-stabilization purposes. The Agents will be paid a fee of \$● per Common Share for each Common Share purchased pursuant to the exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised in full, the gross proceeds, Agents' Commission and net proceeds to the Corporation will be \$14,375,000, \$934,375 and \$13,440,625, respectively, not including estimated expenses of the Offering of \$250,000.

Provided the Minimum Offering has been subscribed for, it is expected that the Closing will take place on or about November 30, 2005, subject to postponement, as the Agents and Corporation may agree, to not later than December 22, 2005.

Pursuant to policy statements of the Ontario Securities Commission, the Agents may not, throughout the period of distribution under this prospectus, bid for or purchase Shares. The foregoing restriction is subject to certain exceptions including: (i) a bid or purchase permitted under the by-laws and rules of the TSXV relating to market stabilization and passive market making activities; and (ii) a bid or purchase made for or on behalf of a customer where the order was not solicited during the period of distribution, provided that the bid or purchase was not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of the Shares. In connection with the Offering, the Agents may over-allot or effect transactions which stabilize or maintain in the market price of the Shares at a level other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

Should Closing occur in respect of the Minimum Offering, one or more additional Closings, if necessary, may occur until the earlier of the Maximum Offering being subscribed and December 22, 2005. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

The Common Shares and the Flow-Through Shares offered hereby have not been and will not be registered under the 1933 Act, or any state's securities laws, and accordingly may not be offered or sold within the United States except in transaction exempt from the registration requirements of the 1933 Act and applicable state securities laws. The Agency Agreement permits the Agents to offer Common Shares in the United States pursuant to exemptions from the registration requirements of the 1933 Act and state securities laws. Moreover, the Agency Agreement provides that the Agents will offer and sell the Common Shares outside of the United States only in accordance with Regulation S under the 1933 Act.

In addition, until 40 days after the commencement of the Offering, an offer or sale of the Common Shares offered under this prospectus within the United States by any dealer (whether or not participating in the Offering) may violate the registration

requirements of the 1933 Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the 1933 Act.

### **DETAILS OF THE FLOW-THROUGH SHARES**

The Flow-Through Shares will be issued as "flow-through shares" under the Tax Act. The Corporation will incur on or before December 31, 2006, and renounce to each subscriber of Flow-Through Shares effective on or before December 31, 2005, Qualifying Expenditures as CEE in an amount equal to the Flow-Through Funds. See "*Canadian Federal Income Tax Considerations*."

Subscriptions for Flow-Through Shares will be made pursuant to one or more subscription and renunciation agreements (collectively, the "**Subscription Agreement**") to be made between the Corporation and one or more of the Agents or one or more sub-agents of an Agents, as agent for, on behalf of and in the name of all subscribers of Flow-Through Shares. **Subscribers who place an order to purchase Flow-Through Shares with an Agents, or any sub-agent of an Agents, will be deemed to have authorized any of such Agents, or such sub-Agents, to execute and deliver, on their behalf, the Subscription Agreement and to have made the applicable representations, warranties and agreements thereunder.**

The Subscription Agreement contains the following representations, warranties and acknowledgements made by the subscriber to the Corporation and the Agents, namely, that:

- (a) the subscription by the subscriber is subject to the acceptance of the Corporation and is effective only upon such acceptance;
- (b) each subscriber has received and reviewed a copy of this prospectus;
- (c) each subscriber waives any right he or she may have to any federal or provincial credits, grants or similar or like payments or benefits, other than as set out in this prospectus arising or resulting from the incurring of Qualifying Expenditures and acknowledges that such credits, grants and similar or like payments shall belong to, be vested in and accrue solely to the benefit of the Corporation;
- (d) the obligation of the Corporation to renounce Qualifying Expenditures shall be limited to the extent specifically stated in this prospectus;
- (e) the subscriber and any beneficial purchaser for whom they are acting is not a non-resident of Canada for the purposes of the Tax Act;
- (f) the subscriber, and any beneficial purchaser for whom it is acting deals, and until January 1, 2007 will continue to deal, at arm's length with the Corporation for the purposes of the Tax Act;
- (g) the subscriber, if an individual, is of the full age of majority and otherwise is legally competent to enter into the Subscription Agreement; and
- (h) the liability of the Corporation to renounce Qualifying Expenditures as CEE as shall be limited to the extent specifically stated in this prospectus and the Subscription Agreement.

All monies received by the Agents (or such other investment dealer as is authorized by the Agents) prior to the Closing will be held in trust pending the Closing.

Pursuant to the Subscription Agreement, the Corporation will covenant and agree (i) to incur on or before December 31, 2006 and renounce as CEE to the subscriber effective on or before December 31, 2005, Qualifying Expenditures as CEE in an amount equal to the aggregate purchase price paid by such subscriber for the Flow-Through Shares, and (ii) that if the Corporation does not renounce as CEE to such subscriber, effective on or before December 31, 2005, Qualifying Expenditures as CEE equal to such amount, or if there is a reduction in such amount renounced pursuant to the provisions of the Tax Act, the Corporation shall indemnify the subscriber for an amount equal to the amount of any tax payable or that may become payable (not including interest or penalties) under the Tax Act (and under any corresponding provincial legislation) by the subscriber as a consequence of such failure or reduction. The Subscription Agreement will contain additional representations, warranties, covenants and agreements by the Corporation in favour of the

subscriber of Flow-Through Shares which are consistent with and supplement the Corporation's obligations as described in this prospectus.

Notwithstanding the foregoing, the Corporation may enter into one or more subscription and renunciation agreements for Flow-Through Shares on such other terms as may be agreed to by the Corporation and the applicable subscriber.

### **DIRECTORS AND OFFICERS OF THE CORPORATION**

The name, municipality of residence, age and position held with the Corporation of each of the directors and officers of the Corporation are as follows:

Name and Municipality of Residence	Age	Position Held
Michael S. Zuber <sup>(2)(3)</sup> Calgary, Alberta	51	President, Chief Executive Officer and a Director (since February, 2004)
R. Keith Innes Calgary, Alberta	51	Vice President, Engineering and Operations
Robert J. Mephram Calgary, Alberta	50	Vice President, Exploration
J.G. (Greg) Johnson Calgary, Alberta	54	Vice President, Land
Dean J. Schultz Calgary, Alberta	37	Vice President, Finance and Chief Financial Officer
C. Steven Cohen Calgary, Alberta	49	Corporate Secretary
Daryl H. Connolly <sup>(1)(2)(3)</sup> Calgary, Alberta	58	Director (since February, 2004) and Chairman
Reginald J. LaBonte <sup>(1)</sup> Vancouver, British Columbia	51	Director (since May, 2004)
W. C. (Mike) Seth <sup>(1)(3)</sup> Calgary, Alberta	64	Director (since June 2005)
Scott M.B. Hunt <sup>(2)</sup> Calgary, Alberta	39	Director (since October 2004)

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Compensation and Corporate Governance Committee.
- (3) Member of the Reserves Committee
- (4) The Corporation does not have an Executive Committee.

As at the date hereof, the directors and officers of the Corporation, and associates and affiliates, as a group own or control, directly or indirectly, 3,731,444 Common Shares or 41.83% of the issued and outstanding Common Shares prior to giving effect to the Offering. In the case of the Minimum Offering and the Maximum Offering occurring, the directors and officers of the Corporation and their associates and affiliates, as a group, shall own or control directly or indirectly 3,731,444 (●%) and 3,731,444 (●%) of the issued and outstanding Common Shares, respectively.

The term of office of all directors will expire at the next annual meeting of the shareholders of the Corporation.

Messrs. Zuber, Innes, Mephram, Johnson and Schultz devote their full time and attention to the business and affairs of the Corporation. The other directors and officers of the Corporation will devote time and attention to the affairs of the Corporation as required.

Profiles of the Corporation's directors and senior officers and the particulars of their respective principal occupations during the last five years are set forth below.

***Michael S. Zuber – President, Chief Executive Officer and a Director***

Mr. Zuber has over 23 years experience in the formation, financing and management of publicly traded junior resource companies and he has been President, Chief Executive Officer and a Director of the Corporation since founding it in February 2004. From April 2002 to February 2004, he was co-founder, Director and President of Aquest Explorations Ltd., a publicly traded (TSXV) junior oil and gas company that he helped build from 0 to 2,300 boe/d in less than two years. Mr. Zuber is the President and owner of Emerging Equities Ltd., a private management services company since 1988. In addition, Mr. Zuber was President of Norcan Resources Ltd. from August 1994 to April 2000. Mr. Zuber's experience in the petroleum industry began in 1981 when he became Chief Financial Officer of American Fluorite Corporation, a publicly traded junior oil and gas company. For the past 22 years he has been involved with junior resource companies with exploration and development projects in Canada, the United States and Internationally.

***R. Keith Innes, P.Eng. – Vice President, Engineering and Operations***

Mr. Innes has over 29 years experience in the oil and gas industry in Canada. He holds a B.Sc. degree in Mechanical Engineering from the University of Alberta (1976) and is a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta as well as a member of the Society of Professional Engineers. Mr. Innes began his career as a Petroleum Engineer at Amoco Canada Petroleum Co. Ltd. and then spent seven years as Manager of Engineering and Production Operations for Soquip Alberta Inc. (formerly Sundance Oil Canada Ltd.). He went on to hold managerial positions at Poco Petroleum Ltd. (1987-1990), Joss Energy Ltd. (1990-1991), Paragon Petroleum Corporation (1991-1998), Genesis Exploration Ltd. (March 2000 – June 2001), a consultant (July 2001 – October 2001) and Vista Midstream Solutions Ltd. (November 2001 – July 2003). At both Genesis and Paragon he was responsible for co-ordination and review of all technical functions related to drilling, field operational activities, completions and day-to-day production. From August 2003 until joining Triton in March 2005, Mr. Innes was a consultant to a variety of clients where he provided services in all aspects of operations and engineering including drilling, completions, production, facilities, exploitation, reserves, property evaluations, marketing and safety. He has extensive experience and proven success with junior, intermediate and senior petroleum companies.

***Robert J. Mephram, P.Geol. – Vice President, Exploration***

Mr. Mephram has over 25 years' experience in the oil and gas industry in Western Canada. From September 1997 to August 2005, he was Senior Exploration Geologist at Thunder Energy Inc. where he helped build production from approximately 1,000 boe/d to approximately 8,000 boe/d by growing core properties at Fenn Big Valley and Manola from approximately 400 boe/d to approximately 4,000 boe/d. Mr. Mephram has extensive experience with shallow Edmonton and Belly River sand plays as well as medium depth Lower Cretaceous sand plays in Central and West Central Alberta. Mr. Mephram obtained an Honors B.Sc. degree in Geology from McMaster University in 1978 and began his career as a staff geologist with Esso Resources Canada. He joined Kerr McGee Canada Ltd. in 1985 where he rose to the position of Senior Staff Geologist and was responsible for discoveries in the Pouce Coupe area of northwest Alberta that added over 50 Bcf of natural gas reserves with deliverability of 30 mmcf/d, becoming their largest producing property. From 1992 to 1997 Mr. Mephram was employed at Tarragon Oil and Gas Ltd. as Senior Exploration Geologist.

***J.G. (Greg) Johnson, M.B.A., P.Land. – Vice President, Land***

Mr. Johnson has over 27 years' experience in the oil and gas industry in Canada and Internationally. He holds a B.A. (Honours Economics) degree from Carleton University (1974) and an MBA (Finance & Economics) degree from the University of Ottawa (1978). He is a certified Professional Landman and has been a member of the Canadian Association of Petroleum Landmen (CAPL) for over 25 years. Mr. Johnson began his career at PanArctic Oils Ltd. as the Business Administrator of the Arctic Islands Exploration Group, a consortium of major oil companies involving such companies as Imperial Oil, Gulf Canada, PetroCanada, Sun Oil, Phillips and Global Marine. He went on to hold positions as Landman and Senior Landman with Voyager Petroleum Ltd., Andex Oil Company Ltd., Anschutz Resources Ltd. and Anschutz Exploration Ltd. where he became Division Manager. Following the sale of Anschutz Exploration Ltd. in 1993 he became Vice President, Land and a director of both Supra Oil and Gas Corporation and Supra Corp., and Land Manager at Benson Petroleum Ltd. Prior to joining Triton, he spent four years as a land and management consultant.

***Dean J. Schultz, B.Sc., C.A. – Vice President, Finance and Chief Financial Officer***

Mr. Schultz has over 10 years' management and business experience. He is a Chartered Accountant and holds a B.Sc. degree in Mathematical Sciences from the University of Alberta (1993). From January 2001 to December 2004, Mr. Schultz was at Collins Barrow Calgary LLP where he provided audit, assurance, accounting and compliance services for public and private corporations. In

addition, he was involved in providing value added services including financial performance review and recommendations, proforma cash flow analysis/preparation, business plan review, accounting policy recommendations and general business advice. Prior to joining Collins Barrow, Mr. Schultz was a professional swimming coach who built high performance organizations and athletes from 1989 thru 2000. He is a member of the Canadian Institute of Chartered Accounts, the Canadian Swim Coaches Association and the University of Alberta Swim Team Alumni Society.

***C. Steven Cohen, B.Sc., LL.B. – Corporate Secretary***

Mr. Cohen has over 20 years' experience in corporate and securities law. He is currently a Partner in the law firm of Burnet, Duckworth & Palmer LLP in Calgary, Alberta. He graduated from the University of Alberta with a B.Sc. degree in Engineering (with Distinction) in 1977 and a received a Bachelor of Laws degree from the University of Toronto in 1981. Mr. Cohen was called to the Bar in Alberta in 1982 and in Ontario in 1988. Mr. Cohen acts as Corporate Secretary for several public oil and gas companies headquartered in Calgary, Alberta.

***Daryl H. Connolly, P.Eng. – Chairman and Director***

Mr. Connolly has over 34 years' experience in the oil and gas industry in Canada, the United States, Australia and the North Sea. He is a registered Professional Engineer as well as a member of the Canadian Institute of Mining and Metallurgy and the Society of Petroleum Engineers. From February 2004 until August 2005 he was a Director, President and Chief Executive Officer of Aquest Energy Ltd. (TSX), from April 2002 to February 2004 he was Chairman and Chief Executive Officer of Aquest Explorations Ltd. (TSXV), and was Chairman of Rock Creek Resources Inc. (TSXV) from January 2002 until July 2005. Prior to that Mr. Connolly was President and Chief Executive Officer of Tikal Resources Corp from 1999 to December 2001 and Director, President and Chief Executive Officer of HCO Energy Ltd. (TSX) from 1987 to 1997.

***Reginald J. LaBonte, C.A. – Director***

Mr. Labonte has over 25 years' experience as a Chartered Accountant providing assurance and related advisory services to publicly traded companies in Canada and the United States. Mr. LaBonte is currently a Partner with Dale Matheson Carr-Hilton LaBonte, Chartered Accountants, headquartered in Vancouver, British Columbia. Prior to that, Mr. LaBonte was a Partner with LaBonte & Co., from 1983 to December 2003. He has been a board and audit committee member for a number of public companies in his career. Mr. LaBonte is a member of the Institute of Chartered Accountants of British Columbia and acts as the chair of Triton's Audit Committee.

***W.C. (Mike) Seth, P.Eng. – Director***

Mr. Seth has over 35 years' experience in all aspects of oil and gas reserve evaluations and is recognized as a leader in the field. Currently, Mr. Seth is the Chairman of McDaniel & Associates Consultants Ltd. From 1989 until July 2005, he was the President and Managing Director of McDaniel & Associates Consultants Ltd., a Calgary, Alberta based petroleum engineering firm. He speaks regularly to the oil and gas industry and financial groups on related topics and has also appeared as an expert witness before various regulatory authorities and Court of Queen's Bench of Alberta. Mr. Seth is a current member of the Petroleum Society of C.I.M. and the Association of Professional Engineers, Geologists & Geophysicists of Alberta (APEGGA). He is a former APEGGA Member of Council and a former World Petroleum Congress Registration Chair. Mr. Seth is a member of Triton's Audit Committee and Chairman of Triton's Reserves Committee.

***Scott M.B. Hunt – Director***

Mr. Hunt has over 15 years' experience in corporate finance and business development, and has held senior management positions in both private and publicly traded companies. He is currently President and Chief Executive Officer of Koda Capital Corp. since 1990, a Calgary-based private venture capital company and for the past three years he has served as Chairman of the Board for the Calgary Stampede Foundation. Mr. Hunt also served as the President and Director of BGS Development Corp. from 1999 to 2005. Mr. Hunt provides expertise and advice on the company's corporate policies and procedures and is a member of Triton's Compensation and Corporate Governance Committee.

## EXECUTIVE COMPENSATION

The Corporation had one executive officer at the end of its most recent financial year, Mr. Michael S. Zuber, President and Chief Executive Officer of the Corporation (the "**Named Executive Officer**").

### Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation			
		Salary <sup>(4)</sup>	Bonus <sup>(4)</sup>	Other Annual Compensation <sup>(1)</sup>	Awards		Payouts	
					Securities Under Options/SARS Granted <sup>(3)</sup>	Shares or Units subject to Re-sale Restrictions	LTIP Payouts	All Other Compensation <sup>(1)</sup>
(\$)	(\$)	(\$)	(#)	(\$)	(\$)	(\$)		
Michael S. Zuber President and Chief Executive Officer	2004	45,000	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Perquisites and other personal benefits do not exceed the lesser of \$50,000 and 10% of the total of the annual salary and bonus of any of the named executive officers for any of the years indicated.
- (2) Effective January 2005, the Board appointed Mr. Dean J. Schultz to the position of Vice President, Finance and Chief Financial Officer of the Corporation. Mr. Schultz currently receives a salary of \$75,000 per annum in this capacity. On August 31, 2005, the Corporation granted to Mr. Schultz options to acquire an aggregate of 150,000 Common Shares at an exercise price of \$0.75.
- (3) On August 31, 2005, the Corporation granted to Mr. Zuber options to acquire an aggregate of 600,000 Common Shares at an exercise price of \$0.75.
- (4) For fiscal year 2005, Mr. Zuber will be paid \$120,000 in salary, being \$45,000 for the six months beginning January 1, 2005 and ending June 30, 2005 and \$75,000 for the six months beginning July 1, 2005 and ending December 31, 2005. Effective July 1, 2005, the Board of Directors approved payment to Mr. Zuber of a bonus in the amount of \$75,000.

### Termination of Employment or Change of Control

There is no plan or arrangement in respect of compensation received or that may be received by any officer or employee of the Corporation with a view to compensating those officers or employees in the event of termination of their employment or a change of responsibilities following a change in control.

### Other Compensation

Other than as herein set forth, the Corporation has not paid any additional compensation to its Named Executive Officer during the financial period ended December 31, 2004.

### Compensation of Directors

During the fiscal period ending of December 31, 2004 and the six-month interim period ending June 30, 2005 the Corporation made no cash compensation to directors, other than out-of-pocket expenses. Directors are eligible to receive stock options as and when and on such terms as determined by the Board of Directors of the Corporation.

## OPTIONS TO PURCHASE SECURITIES

The Corporation has a stock option plan (the "**Plan**") pursuant to which options to purchase Common Shares may be granted by the board of directors to directors, officers and employees of, and consultants to, the Corporation or any of its subsidiaries. All options granted will be in compliance with the requirements of the TSXV. Options granted under the Plan will have an exercise price which is not less than the price allowed by regulatory authorities, will be non-transferable and will be exercisable for a period not to exceed five

years. Upon the completion of the Offering, the aggregate number of Common Shares subject to options granted under the Plan, from time to time, cannot exceed 10% of the aggregate number of Common Shares outstanding from time to time and no one optionee is permitted to hold options entitling such optionee to purchase more than 5% of the aggregate number of issued and outstanding Common Shares.

Options granted under the Plan will terminate upon the earlier of the option's expiry date and the date which is 90 days from the termination of an optionee's employment with, or consulting to, the Corporation, or from the date such optionee ceased to be a director of the Corporation, unless the directors of the Corporation otherwise determine. If the optionee has died and was an employee, consultant, officer or director for at least one year following the grant of the options, the options shall terminate upon the earlier of the option's expiry date and six months following the death of the optionee.

Effective August 31, 2005, the Corporation granted options to purchase 1,900,000 Common Shares to directors, officers, employees and consultants of the Corporation at an exercise price of \$0.75 per Common Share as set forth in the following table. The options vest as to one-third immediately and as to one-third on the first and second anniversaries of the date of grant and expire five years from the date of grant.

Group (Number in Group)	Number of Shares Subject to Option <sup>(2)</sup>	Exercise Price
Executive Officers	1,400,000	\$0.75
Directors <sup>(1)</sup>	400,000	\$0.75
Employees and Consultants	100,000	\$0.75

Note:

- (1) Directors who are not executive officers.
- (2) All options shall be granted at the discretion of the Board of Directors of the Corporation and in compliance with the terms and conditions of the Plan and requirements of the TSXV.

#### **PROMOTER OF THE CORPORATION**

Michael S. Zuber may be considered to be a promoter of the Corporation in that he took the initiative in founding and organizing the Corporation. Mr. Zuber and his associates and affiliates currently hold 1,000,001 Common Shares that were issued at \$0.25 per share, representing approximately 11.2% of those outstanding (see "*Prior Sales*") and after completion of the Offering will hold 1,000,001 Common Shares representing •% of the outstanding Shares assuming the Maximum Offering (•% of the outstanding Shares assuming the Minimum Offering), without giving effect to the Over-Allotment Option. In addition, Mr. Zuber was granted options to purchase 600,000 Common Shares at an exercise price of \$0.75 per Common Share. See "*Options to Purchase Securities*".

#### **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

No director, executive officer or other senior officer of the Corporation, or any associate of any such director or officer is, or has been at any time since the incorporation of the Corporation, indebted to the Corporation nor is, or at any time since the beginning of the most recently completed financial period of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

## CAPITALIZATION OF THE CORPORATION

The following table sets forth the capitalization of the Corporation as at the dates indicated:

	Authorized	Outstanding as at June 30, 2005 (unaudited)	Outstanding as at June 30, 2005 after giving effect to the Offering <sup>(1)(2)(3)</sup>	
			Minimum Offering (unaudited)	Maximum Offering (unaudited)
Long term debt and bank debt <sup>(4)(5)</sup>	\$250,000	nil	nil	nil
Common Shares	unlimited	\$4,160,692 (8,920,001 shares)	\$● (● shares)	\$● (● shares)
Preferred Shares	unlimited	nil	nil	nil

Notes:

- (1) On August 31, 2005, the Corporation granted options to purchase 1,900,000 Common Shares at an exercise price of \$0.75 per share.
- (2) This reflects the Shares to be issued at Closing. Share amounts are after deducting estimated expenses of the Offering of \$250,000 and Agents' Commission of \$650,000 assuming the Minimum Offering and \$812,500 assuming the Maximum Offering. The costs were prorated on a dollar basis and allocated to each of the Shares. No charge was recorded for the tax write-offs related to the renouncement of Qualifying Expenditures, which at an assumed 40% tax rate would be up to \$800,000 for the Minimum Offering and up to \$1,000,000 for the Maximum Offering.
- (3) Without giving effect to the exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised, then a total of ● Shares (●) will be issued and outstanding.
- (4) As at August 31, 2005, the Corporation had cash and non-cash working capital of approximately \$123,109 and no long term or bank indebtedness.
- (5) On July 19, 2005 the Corporation obtained a revolving credit facility with a Canadian financial institution to a maximum of \$250,000 bearing interest at the bank's prime rate plus 1.5%, is due on demand and is secured by the assets of the Corporation and a floating charge on the land of the Corporation.

## DESCRIPTION OF SHARE CAPITAL

The following is a summary of the rights, privileges, restrictions and conditions attaching to the Common Shares and the preferred shares of the Corporation. No preferred shares are presently issued and outstanding.

### Common Shares

The Corporation has an unlimited number of Common Shares authorized. There are currently 8,920,001 Common Shares of the Corporation issued and outstanding. All Common Shares when issued pursuant to this Offering shall be issued as fully paid and non-assessable. The holders of Common Shares are entitled to dividends if, as and when declared by the board of directors to one vote per share at any meeting of the shareholders of the Corporation and, upon liquidation, to receive all assets of the Corporation as are distributable to the holders of shares.

### Preferred Shares

Triton is authorized to issue an unlimited number of preferred shares issuable in series, each series consisting of such number of shares and having such rights, privileges, restrictions and conditions as may be determined by the board of directors of Triton prior to the issuance thereof. With respect to the payment of dividends and the distribution of assets in the event of liquidation, dissolution or winding-up of Triton, whether voluntary or involuntary, the preferred shares are entitled to preference over the Common Shares and any other shares ranking junior to the preferred shares from time to time and may also be given such other preferences over the Common Shares and any other shares ranking junior to the preferred shares as may be determined at the time of creation of such series. At the date hereof, no series of preferred shares has been created.

## PRINCIPAL SHAREHOLDERS

The only person that beneficially owns, directly or indirectly, or exercises control or direction over 10% or more of the outstanding voting securities of the Corporation is the following:

Name and Municipality of Residence	Type of Ownership	Number and percentage of Shares prior to the giving effect to the Offering	Number and Percentage of Shares prior to giving effect to the Minimum Offering	Number and Percentage of Shares after giving effect to the Maximum Offering
Michael S. Zuber. Calgary, Alberta	Beneficial and of record	1,000,001/11.2% <sup>(1)</sup>	1,000,001/•% <sup>(1)</sup>	1,000,001/•% <sup>(1)(2)</sup>

Note:

- (1) Does not include options to acquire an aggregate of 600,000 Common Shares at an exercise price of \$0.75 per share.
- (2) Upon completion of the Maximum Offering and assuming the full exercise by the Agents of the Over-Allotment Option, Mr. Zuber shall beneficially own or exercise control or direction over • Common Shares, representing •% of the issued and outstanding Common Shares on a fully-diluted basis (assuming Mr. Zuber does not participate in the Offering).

## PRIOR SALES

During the previous 12 months, the Corporation issued 8,920,000 Common Shares for aggregate proceeds of \$4,360,300 and at present has outstanding an aggregate of 8,920,001 Common Shares. The specifics of the issuances are set forth below:

Date	Number of Common Shares	Price	Gross Proceeds
October 6, 2004	2,600,000	\$0.25 <sup>(1)</sup>	\$650,000
October 18, 2004	2,142,000	\$0.40 <sup>(1)</sup>	\$856,800
December 31, 2004	300,000	\$0.40 <sup>(1)</sup>	120,000
February 11, 2005	500,000	\$0.40 <sup>(1)</sup>	200,000
April 28, 2005	2,000,000	\$0.75 <sup>(2)</sup>	\$1,500,000
June 6, 2005	1,378,000	\$0.75 <sup>(1)</sup>	\$1,033,500

Notes:

- (1) These Common Shares were issued to various subscribers for cash on a private placement basis.
- (2) These Common Shares were issued in connection with the purchase of a 100% working interest in 46,560 gross and net acres of undeveloped Crown lands for an aggregate of \$2,767,606 including purchase price adjustments and reserving a 5% gross overriding royalty on the lands. The acquisition was paid by way of \$1,267,606 in cash and the issuance of 2,000,000 Common Shares at a price of \$0.75 per share.

## ESCROWED SECURITIES

Pursuant to an agreement (the "**Escrow Agreement**") dated •, 2005 among the Corporation, Valiant Trust Company and certain of the current shareholders of the Corporation (including all of the directors and officers who hold Common Shares), the following securities of the Corporation are held in escrow:

Designation of Class Held in Escrow	Number of Securities	Percentage of Class		
		Prior to the Offering	After Giving Effect to the Minimum Offering <sup>(1)</sup>	After Giving Effect to the Maximum Offering <sup>(1)</sup>
Common Shares	•	•%	•%	•%

Note:

- (1) Without giving effect to the exercise of the Over-Allotment Option.

Ten percent (10%) of such Common Shares will be released from escrow upon receipt of notice from the TSXV confirming the listing of the Common Shares on the TSXV. The remaining ninety percent (90%) of such Common Shares will be released from escrow in fifteen percent (15%) tranches during consecutive six month intervals over a 36 month period following receipt of such notice. The

above escrow release schedule is subject to acceleration in accordance with National Policy 46-201 – Escrow for Initial Public Offerings and the policies of the TSXV in the event that the Corporation subsequently meets certain listing requirements.

### **DIVIDENDS**

The Corporation has not declared or paid any dividends since its incorporation. Any decision to pay dividends on its shares will be made by the board of directors on the basis of the Corporation's earnings, financial requirements and other conditions existing at such future time.

### **INTEREST OF INFORMED PERSONS AND OTHERS IN MATERIAL TRANSACTIONS**

Except as disclosed elsewhere herein, none of the directors, officers, principal shareholders of the Corporation, or informed persons (as defined in National Instrument 51-102), and no associate or affiliate of any of them, has or has had any material interest in any transaction which materially affects the Corporation.

There are potential conflicts of interest to which the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. In particular, certain of the directors and officers of the Corporation are involved in managerial and/or director positions with other oil and gas companies whose operations may, from time to time, be in direct competition with those of the Corporation or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Corporation. See "*Directors and Officers of the Corporation*". Conflicts, if any, will be subject to the procedures and remedies available under the ABCA. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA.

### **MATERIAL CONTRACTS**

The only material contracts entered into by the Corporation or on its behalf since incorporation, other than contracts in the ordinary course of business, are as follows:

1. the Agency Agreement among the Corporation and the Agents, described under the heading "*Plan of Distribution*"; and
2. the Escrow Agreement among the Corporation, Valiant Trust Company and certain shareholders of the Corporation, described under the heading "*Escrowed Securities*".

Copies of these agreements, when executed, may be inspected at the head office of the Corporation at 600, 734 – 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 3P8; at the offices of Burnet, Duckworth & Palmer LLP at 1400, 350 - 7<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 3N9; and at the offices of the Alberta Securities Commission, during normal business hours during the course of distribution of the Common Shares.

### **CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

In the opinion of Burnet, Duckworth & Palmer LLP, counsel to the Corporation and Bennett Jones LLP counsel to the Agents (collectively referred to as "**Counsel**"), the following is a fair and adequate summary of the principal Canadian federal income tax considerations relevant to an investment in Flow-Through Shares to subscribers who are individuals or corporations resident in Canada, deal at arm's length with the Corporation and who hold the Flow-Through Shares acquired hereunder as capital property, all within the meaning of the Tax Act. The Flow-Through Shares will each generally constitute capital property to a holder thereof unless the holder holds such securities in the course of carrying on the business of trading or dealing in securities or otherwise as part of a business of buying and selling securities or has acquired such securities in a transaction or transactions considered to be an adventure in the nature of trade.

This summary is not applicable to subscribers who are principal business corporations within the meaning of the Tax Act, whose business includes trading or dealing in rights, licences or privileges to explore for, drill or take minerals, oil, natural gas or other related hydrocarbons, who, at any time, have an "at-risk adjustment" as defined in the Tax Act, or who are subject to the "mark-to-market" provisions of the Tax Act or are partnerships or trusts or "financial institutions" for purposes of the Tax Act.

This summary is based on the Tax Act and the regulations enacted thereunder (the "**Regulations**") taking into account all published proposals for the amendments thereof to the date hereof (the "**Proposed Amendments**") and upon Counsel's understanding of the current administrative practices of the CRA. This summary does not otherwise take into account or anticipate any change in law or administrative practice, nor does it take into account provincial or territorial tax laws of Canada or tax laws of any foreign country. No assurances can be given that the Proposed Amendments to the Tax Act and the Regulations will be enacted as proposed, if at all, or that legislative, judicial or administrative changes will not modify or change the statements expressed herein.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular subscriber. Accordingly, potential subscribers should consult their own tax advisors for advice with respect to the income tax consequences of investing in Flow-Through Shares having regard to their own particular circumstances.**

This summary assumes that the Corporation will make all filings in respect of the issue of the Flow-Through Shares and the renunciation of Qualifying Expenditures in the manner and within the time required by the Tax Act and the Regulations and that all renunciations will be validly made. In addition, while the Corporation will furnish each subscriber with information with respect to renounced Qualifying Expenditures for purposes of filing income tax returns, the preparation and filing of returns will remain the responsibility of each subscriber. This summary is based upon the assurance of the Corporation that it will be a "principal business corporation" at all material times and that the Flow-Through Shares, when issued, will not be prescribed shares, all within the meaning of the Tax Act. The purpose of the prescribed share rules is to prevent renunciation of resource expenses where an investor's risk of loss in respect of the share may be limited in any manner. If any of the above assumptions are incorrect, the Corporation may be unable to renounce some or all of the Qualifying Expenditures which it has agreed to renounce hereunder.

The federal income tax consequences to a particular subscriber of his or her investment hereunder will vary according to a number of factors including the particular province in which the subscriber resides, carries on business or has a permanent establishment, the legal characterization of the subscriber as an individual, corporation, trust or partnership, the amount that would be the subscriber's taxable income but for his or her investment in the Flow-Through Shares, the length of a subscriber's fiscal period and the manner in which the proceeds for the Flow-Through Shares are expended.

### **Qualifying Expenditures**

The Corporation will be entitled to renounce Qualifying Expenditures incurred by it to Flow-Through Share subscribers as permitted by and in accordance with Tax Act. Such Qualifying Expenditures as are properly renounced to a subscriber will be deemed to have been incurred by that subscriber on the effective date of the renunciation. The computation of the amount that the Corporation will be entitled to renounce to subscribers of Flow-Through Shares is complex. Generally speaking, however, the Corporation will be entitled to renounce the amount of Qualifying Expenditures incurred by it after closing, excluding certain assistance received in respect of the expenditures, most overhead expenditures and the cost of certain seismic data. The Corporation will not be entitled to renounce CEE or Qualifying CDE where the amounts renounced, if the renunciation was effective, would exceed the Corporation's cumulative CEE ("CCEE") or cumulative CDE (CCDE") as the case may be. Qualifying Expenditures that may be renounced are also restricted to the amount of Qualifying Expenditures the Corporation would have otherwise been entitled to deduct in computing its income.

Special rules in the Tax Act provide that corporations that are not considered "large corporations" for the purposes of the Tax Act may renounce up to \$1,000,000 of Qualifying CDE incurred in each calendar year to subscribers and have the Qualifying CDE deemed to constitute CEE to the subscriber. The Corporation intends to incur Qualifying CDE so that the renounced Qualifying CDE will be considered to be CEE to the subscriber in accordance with the above rules. CEE and Qualifying CDE that is considered to have been incurred by a subscriber will be added to such subscriber's CCEE account.

The Tax Act contains a one year "look-back" rule which, if certain conditions are satisfied, entitles the Corporation to have CEE or Qualifying CDE incurred by it before the end of a particular calendar year renounced to subscribers effective on the last day of the immediate preceding calendar year. In other words, the subscribers are deemed to have incurred the CEE and Qualifying CDE on the last day of a calendar year even though the Corporation did not incur the expenditures until the next year. For this rule to apply in respect of a share, the subscriber must have entered into the Flow-Through Share subscription agreement and paid the consideration in money for the share before the last day of the calendar year in which the Qualifying Expenditures are effectively renounced and must deal at arm's length with the Corporation through the following calendar year. In the event that the Corporation does not fully expend the amounts renounced under the one year "look-back" rule by the end of the calendar year following the year of renunciation, the Corporation will be required to reduce the amount of expenditures renounced to the subscribers and the subscribers' income tax returns for the years in which the expenditures were claimed will be reassessed accordingly.

A subscriber may deduct in computing such subscriber's income from all sources for a taxation year an amount not exceeding 100% of the balance of such subscriber's CCEE account, at the end of that taxation year. Deductions claimed by a subscriber reduce the CCEE account in the year deductions are claimed. The right to deduct CCEE accrues to the initial purchaser of Flow-Through Shares and is not transferable. To the extent that a subscriber does not deduct the balance of such subscriber's CCEE account at the end of the taxation year, the balance may be carried forward and deducted in subsequent taxation years in accordance with the provisions of the Tax Act.

Certain restrictions apply in respect of the deduction of CCEE following an acquisition of control and on certain reorganizations of a corporate subscriber. Corporate subscribers should consult their own independent tax advisors for advice with respect to the potential application of these rules to them having regard to their own particular circumstances.

Qualifying Expenditures that may be renounced are also restricted to the amount of Qualifying Expenditures the Corporation would have otherwise been entitled to deduct in computing its income. However, the CRA's published administrative position is that this restriction would not apply merely because the Corporation has insufficient income to otherwise claim the CEE deduction.

Where Qualifying Expenditures have been renounced but it is subsequently determined that such Qualifying Expenditures were not properly renounced or the Corporation has failed to incur the Qualifying Expenditures before December 31, 2006, there may be an adjustment in the amounts previously renounced to a subscriber and the subscriber may be reassessed. However, no penalty will be assessed against such subscriber and interest in respect of additional tax payable under the Tax Act by a subscriber will generally not be levied in respect of such reassessment until after April, 2007.

### **Disposition of Shares**

A disposition or deemed disposition of a Flow-Through Share (other than to the Corporation) will result in the realization of a capital gain or capital loss in the taxation year of the disposition equal to the amount by which the proceeds of disposition exceed or are less than, respectively, the adjusted cost base of such share and reasonable expenses incurred by the subscriber for the purposes of making such disposition. One-half of any capital gain (a taxable capital gain) must be included in computing the income of a taxpayer for the year in which the disposition takes place, while one-half of any capital loss (an allowable capital loss) will generally be required to be deducted against taxable capital gains realized by the subscriber in the same taxation year. Allowable capital losses not deducted in the year in which they arise may be deducted by a taxpayer from taxable capital gains realized in the year, any of the three preceding years, or any subsequent year, subject to the detailed provisions of the Tax Act in that regard.

The Flow-Through Shares will be deemed to have been acquired by the subscriber for an initial cost of nil, and the adjusted cost base to a holder of a Flow-Through Share will be the average cost of all Common Shares (including Flow-Through Shares), held by such subscriber as capital property. Any tax consequences arising from a subsequent disposition of Common Shares will be measured by reference to the adjusted cost base for Common Shares.

A subscriber that is a "Canadian controlled private corporation" (as defined in the Tax Act) will be liable to pay an additional 6 2/3% refundable tax on its "aggregate investment income" for the year which is defined to include an amount in respect of taxable capital gains. A subscriber who disposes of Flow-Through Shares will retain the entitlement to the renunciation of Qualifying Expenditures from the Corporation as described above as well as the ability to deduct any CCEE not previously deducted, and a subsequent purchaser of such shares will not be entitled to such renunciations.

### **Minimum Tax**

Pursuant to the minimum tax rules, the tax otherwise payable under Part I of the Tax Act by an individual (other than certain trusts) will not be less than a minimum amount computed by reference to the individual's adjusted taxable income for the year. For the purposes of the Tax Act, the minimum amount generally means the amount by which 16% of adjusted taxable income in excess of \$40,000, for the year exceeds the total of certain tax credits. In calculating taxable income for the purpose of determining minimum tax (called "**adjusted taxable income**"), certain deductions and credits otherwise available, including the deduction of Qualifying Expenditures from income other than resource income, are disallowed and certain amounts are included on a basis different from the regular tax system, such as 4/5ths of capital gains. The Tax Act also disallows the deduction of certain carrying charges for purposes of computing adjusted taxable income that relate to an investment in flow-through shares to the extent that the deduction for such carrying charges exceeds the individual's resource income after deductions for resource expenses, including Qualifying Expenditures. Whether and to what extent the tax liability of a particular subscriber will be increased by the minimum tax will depend upon the

amount of such subscriber's income, the sources from which it is derived and the nature and amounts of any deductions that the subscriber claims. Any additional tax payable for a year as a result of the application of the minimum tax provisions is recoverable in the seven subsequent years to the extent that tax otherwise determined for those years exceeds the minimum tax. Subscribers should consult their own independent tax advisors with respect to any potential minimum tax consequences to them.

### **Cumulative Net Investment Loss**

One-half of the amount of the CEE (including Qualifying CDE) renounced to a subscriber will be added to the subscriber's cumulative net investment loss ("CNIL") account, as defined in the Tax Act. A subscriber's CNIL account may impact a subscriber's ability to access the \$500,000 lifetime capital gains exemption available on the disposition of certain qualified small business corporation shares and farm property.

### **ELIGIBILITY FOR INVESTMENT**

Provided that the Common Shares are listed on a prescribed stock exchange at the relevant time, then the Flow-Through Shares when issued will be qualified investments, within the meaning of the Tax Act, for trusts governed by registered retirement savings plans ("RRSPs"), registered education savings plans, registered retirement income funds and deferred profit sharing plans.

It would be unusual for a subscriber to subscribe for any Flow-Through Shares through an RRSP as the ability to claim the benefits of any Qualifying Expenditures could not be accessed inside the subscriber's RRSP. An individual subscriber could contribute all or a portion of his or her Common Shares which constitute qualified investments for RRSPs (collectively referred to as the "Qualifying Securities") to his or her RRSP or to a spousal RRSP and thereby become entitled to a deduction in computing income equal to the fair market value of the Qualifying Securities at the time they are so contributed within the limits set out in the Tax Act for deductions for contributions to RRSPs. A subscriber that contributes the Qualifying Securities to an RRSP will be deemed to have disposed of such Qualifying Securities for proceeds of disposition equal to the fair market value thereof at that time. Subscribers that contribute all or a portion of these securities to an RRSP should consult their own tax advisors as to the tax consequences of such a contribution having regard to their own particular circumstances.

### **RISK FACTORS**

**The securities offered hereby should be considered highly speculative due to the nature of the Corporation's business and the present stage of its development. A prospective investor should consider carefully the risk factors set out below. In addition, prospective investors should carefully review and consider all other information contained in the prospectus before making an investment decision. An investment in securities of the Corporation should only be made by persons who can afford a significant or total loss of their investment. There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus.**

An investment in the Common Shares is speculative due to the nature of the Corporation's involvement in the exploration for, and the acquisition, development and production of, oil and natural gas reserves.

#### **Exploration, Development and Production Risks**

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of the Corporation depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves the Corporation may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in the Corporation's reserves will depend not only on its ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that the Corporation will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Corporation may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by the Corporation.

Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a

profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions.

While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or in personal injury. In accordance with industry practice, the Corporation is not fully insured against all of these risks, nor are all such risks insurable. Although the Corporation maintains liability insurance in an amount that it considers consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event the Corporation could incur significant costs that could have a material adverse effect upon its financial condition. Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks could have a material adverse effect on future results of operations, liquidity and financial condition.

### **Competition**

Oil and gas exploration is intensely competitive in all its phases and involves a high degree of risk. The Corporation competes with numerous other participants in the search for, and the acquisition of, oil and natural gas properties and in the marketing of oil and natural gas. The Corporation's competitors include oil and natural gas companies that have substantially greater financial resources, staff and facilities than those of the Corporation. The Corporation's ability to increase reserves in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil and natural gas include price and methods and reliability of delivery. Competition may also be presented by alternate fuel sources.

### **Regulatory**

Oil and natural gas operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations all imposed by various levels of government all subject to amendment from time-to-time. See "*Industry Conditions*." The Corporation's operations may require licenses from various governmental authorities. There can be no assurance that the Corporation will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development at its projects and the obtaining of such licences and permits may delay operations of the Corporation.

### **Kyoto Protocol**

Canada is a signatory to the United Nations Framework Convention on Climate Change and has ratified the Kyoto Protocol established thereunder to set legally binding targets to reduce nationwide emissions of carbon dioxide, methane, nitrous oxide and other so-called "greenhouse gases." The Corporation's exploration and production facilities and other operations and activities emit a small amount of greenhouse gases which may subject the Corporation to legislation regulating emissions of greenhouse gases. The Government of Canada has put forward a Climate Change Plan for Canada which suggests further legislation will set greenhouse gases emission reduction requirements for various industrial activities, including oil and gas exploration and production. Future federal legislation, together with provincial emission reduction requirements, such as those in the *Climate Change and Emissions Management Act* (Alberta) (yet to be proclaimed), may require the reduction of emissions or emissions intensity produced by the Corporation's operations and facilities. The direct or indirect costs of these regulations may adversely affect the business of the Corporation.

### **Environmental**

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things,

restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Corporation to incur costs to remedy such discharge. Although the Corporation believes that it is in material compliance with current applicable environmental regulations, no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Corporation's financial condition, results of operations or prospects. See "*Industry Conditions*".

### **Prices, Markets and Marketing**

The marketability and price of oil and natural gas that may be acquired or discovered by the Corporation will be affected by numerous factors beyond its control. The Corporation's ability to market its natural gas may depend upon its ability to acquire space on pipelines that deliver natural gas to commercial markets. The Corporation may also be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing facilities, and related to operational problems with such pipelines and facilities as well as extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

The Corporation's revenues, profitability and future growth and the carrying value of its oil and gas properties, provided such properties yield production, are substantially dependent on prevailing prices of oil and gas. The Corporation's ability to borrow and to obtain additional capital on attractive terms is also substantially dependent upon oil and gas prices. Prices for oil and gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of additional factors beyond the control of the Corporation. These factors include economic conditions, in the United States and Canada, the actions of the Organization of Petroleum Exporting Countries, governmental regulation, political stability in the Middle East and elsewhere, the foreign supply of oil and gas, the price of foreign imports and the availability of alternative fuel sources. Any substantial and extended decline in the price of oil and gas would have an adverse effect on the Corporation's carrying value of its proved reserves, borrowing capacity, revenues, profitability and cash flows from operations.

The exchange rate between the Canadian and U.S. dollar also affects the profitability of the Corporation and the Canadian dollar has strengthened recently against the U.S. dollar.

Volatile oil and gas prices make it difficult to estimate the value of producing properties for acquisition and often cause disruption in the market for oil and gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects.

In addition, bank borrowings available to the Corporation are in part determined by the Corporation's borrowing base. A sustained material decline in prices from historical average prices could reduce the Corporation's borrowing base, therefore reducing the bank credit available to the Corporation which could require that a portion, or all, of the Corporation's bank debt be repaid.

### **Absence of Prior Public Market**

Prior to this Offering, there has been no public market for the Common Shares. The issue price of the Common Shares was determined by negotiation between the Agents and the Corporation and may bear no relationship to the price of which the Common Shares will trade in the public market subsequent to this Offering.

### **Triton's Operations**

The Corporation was only recently incorporated and has not commenced substantial commercial operations other than the acquisition of the lands discussed in this prospectus. It has no history of earnings and shall not generate earnings until production is derived from its properties.

### **Substantial Capital Requirements**

The Corporation anticipates making substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. If the Corporation's revenues or reserves decline, it may have limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Corporation. The inability of the Corporation to access sufficient capital for its operations could have a material adverse effect on the Corporation's financial condition, results of operations or prospects.

### **Additional Funding Requirements**

The Corporation's cash flow from its reserves, once developed, may not be sufficient to fund its ongoing activities at all times. From time to time, the Corporation may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Corporation to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If the Corporation's revenues from its reserves, once developed, decrease as a result of lower oil and natural gas prices or otherwise, it will affect the Corporation's ability to expend the necessary capital to replace its reserves or to maintain its production. If the Corporation's cash flow from operations is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to the Corporation.

### **Issuance of Debt**

From time to time the Corporation may enter into transactions to acquire assets or the shares of other entities. These transactions may be financed partially or wholly with debt, which may increase the Corporation's debt levels above industry standards. Depending on future exploration and development plans, the Corporation may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms. Neither the Corporation's articles nor its by-laws limit the amount of indebtedness that the Corporation may incur. The level of the Corporation's indebtedness from time to time, could impair the Corporation's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

### **Hedging**

From time to time the Corporation may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline; however, if commodity prices increase beyond the levels set in such agreements, the Corporation will not benefit from such increases and the Corporation may nevertheless be obligated to pay royalties on such higher prices, even though not received by it, after giving effect to such agreements. Similarly, from time to time the Corporation may enter into agreements to fix the exchange rate of Canadian to United States dollars in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to the United States dollar; however, if the Canadian dollar declines in value compared to the United States dollar, the Corporation will not benefit from the fluctuating exchange rate.

### **Availability of Drilling Equipment and Access**

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Corporation and may delay exploration and development activities. To the extent the Corporation is not the operator of its oil and gas properties, the Corporation will be dependent on such operators for the timing of activities related to such properties and will be largely unable to direct or control the activities of the operators.

### **Title to Assets**

Title to oil and natural gas interests is often not capable of conclusive determination without incurring substantial expense. It is the practice of the Corporation in acquiring significant oil and gas leases or interest in oil and gas leases to fully examine the title to the interest under the lease. In the case of minor acquisitions the Corporation may rely upon the judgment of oil and gas lease brokers or landmen who perform the field work in examining records in the appropriate governmental office before attempting to place under

lease a specific interest. The Corporation believes that this practice is widely followed in the oil and gas industry. Nevertheless, there may be title defects that affect lands comprising a portion of the Corporation's properties. To the extent title defects do exist, it is possible that the Corporation may lose all or a portion of its right, title, estate and interest in and to the properties to which the title relates.

### **Reserve Estimates**

The Corporation currently does not have any reserves.

There are numerous uncertainties inherent in estimating quantities of oil, natural gas and natural gas liquids reserves and cash flows to be derived therefrom, including many factors beyond the Corporation's control. Reserve and associated cash flow information once compiled will represent estimates only. In general, estimates of economically recoverable oil and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary from actual results. For those reasons, any estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues expected therefrom prepared by different engineers, or by the same engineers at different times, may vary. The Corporation's actual production, if any, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material.

### **Insurance**

The Corporation's involvement in the exploration for and development of oil and natural gas properties may result in the Corporation becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Although prior to drilling the Corporation will obtain insurance in accordance with industry standards to address certain of these risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not in all circumstances be insurable or, in certain circumstances, the Corporation may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Corporation. The occurrence of a significant event that the Corporation is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Corporation's financial position, results of operations or prospects.

### **Management of Growth**

The Corporation may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Corporation to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expend, train and manage its employee base. The inability of the Corporation to deal with this growth could have a material adverse impact on its business, operations and prospects.

### **Expiration of Licences and Leases**

The Corporation's properties are held in the form of licences and leases and working interests in licences and leases. If the Corporation or the holder of the licence or lease fails to meet the specific requirement of a licence or lease, the licence or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each licence or lease will be met. The termination or expiration of the Corporation's licences or leases or the working interests relating to a licence or lease may have a material adverse effect on the Corporation's results of operations and business.

### **Dividends**

The Corporation has not paid any dividends on its outstanding shares. Payment of dividends in the future will be dependent on, among other things, the cash flow, results of operations and financial condition of the Corporation, the need for funds to finance ongoing operations and other business considerations as the board of directors of the Corporation considers relevant.

### **Aboriginal Claims**

Aboriginal peoples have claimed aboriginal title and rights to portions of western Canada. The Corporation is not aware that any claims have been made in respect of its property and assets; however, if a claim arose and was successful this could have an adverse effect on the Corporation and its operations.

### **Seasonality**

The level of activity in the Canadian oil and gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Also, certain oil and gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. Seasonal factors and unexpected weather patterns may lead to declines in exploration and production activity and corresponding declines in the demand for the goods and services of the Corporation.

### **Third Party Credit Risk**

The Corporation is or may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to the Corporation, such failures could have a material adverse effect on the Corporation and its cash flow from operations.

### **Tax Treatment of Flow-Through Shares**

The tax treatment applicable with respect to oil and gas activities and flow through shares constitutes a major factor when considering an investment in flow through shares. There is no guarantee that the taxation laws and regulations and the current administrative practices of both the federal and provincial tax authorities will not be amended or construed in such a way that the tax considerations for a subscriber of Flow-Through Shares will not be altered, and moreover there is no guarantee that there will not be any differences of opinion between the federal and provincial tax authorities with respect to the tax treatment of the Flow-Through Shares, the status of the Flow-Through Shares as not constituting prescribed shares and the activities contemplated by the Corporation's exploration and development programs. See "*Canadian Federal Income Tax Considerations*".

The Flow-Through Shares are designed for investors whose income is subject to high marginal tax rates. No guarantee can be given that Canadian tax laws will not be amended, that the amendments announced with respect to such laws will be adopted or that the current administrative practices of the tax authorities will not be modified. In addition, there is no guarantee that the projected tax deductions will be accepted by the CRA. Consequently, the tax considerations for subscribers holding or selling Flow-Through Shares may be fundamentally altered. See "*Canadian Federal Income Tax Considerations*".

There is a risk that an amount equal to the total proceeds from the subscriptions of the Flow-Through Shares offered hereunder will not be expended on or prior to December 31, 2006 as Qualifying Expenditures, resulting in the disallowance of deductions under the one year "look-back" rules described under "*Canadian Federal Income Tax Considerations*". If the Corporation does not expend an amount equal to the proceeds from the subscriptions of the Flow-Through Shares so as to incur Qualifying Expenditures prior to December 31, 2006, the Corporation shall restate the amount of expenses that it has renounced in favour of the investors and the investors will be reassessed and will be required to reverse the tax benefits arising from all or part of the renounced expenses.

### **Transferability of Flow-Through Share Tax Deductions**

The Tax Act provides that, under certain circumstances as described in "*Canadian Federal Income Tax Considerations*", a principal-business corporation such as the Corporation may renounce certain tax deductible drilling and geophysical expenditures to subscribers of its flow-through shares. Only the subscribers, as opposed to persons to whom flow-through shares are subsequently transferred, are entitled to claim tax deductions with respect to the resource expenditures renounced under the terms and conditions of the flow-through shares.

## **Conflicts of Interest**

The directors or officers of the Corporation may also be directors or officers of other oil and gas companies or otherwise involved in natural resource exploration and development and situations may arise where they are in a conflict of interest with the Corporation. Conflicts of interest, if any, which arise will be subject to and governed by procedures prescribed by the ABCA which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has some material interest in any person who is a party to, a material contract or proposed material contract with the Corporation disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA.

## **Reliance on Key Personnel**

The Corporation's success depends in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse affect on the Corporation. The Corporation does not have key person insurance in effect for member of management. The competition for qualified personnel in the oil and natural gas industry is intense and there can be no assurance that the Corporation will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Corporation.

## **INDUSTRY CONDITIONS**

### **Introduction**

The oil and gas industry is subject to extensive controls and regulations governing its operations (including land tenure, exploration, development, production, refining, transportation and marketing) imposed by legislation enacted by various levels of government and with respect to pricing and taxation of oil and natural gas by agreements among the governments of Canada and Alberta, all of which should be carefully considered by investors in the oil and gas industry. All current legislation is a matter of public record and Triton is unable to predict what additional legislation or amendments may be enacted. Outlined below are some of the principal aspects of legislation, regulations and agreements governing the oil and gas industry.

### **Pricing and Marketing - Oil**

In Canada, producers of oil negotiate sales contracts directly with oil purchasers, with the result that the market determines the price of oil. The price depends in part on oil quality, prices of competing fuels, distance to market, the value of refined products and the supply/demand balance. Oil exports may be made pursuant to export contracts with terms not exceeding one year in the case of crude oil other than heavy crude, and not exceeding two years in the case of heavy crude, provided that an order approving any such export has been obtained from the National Energy Board ("**NEB**"). Any oil export to be made pursuant to a contract of longer duration (to a maximum of 25 years) requires an exporter to obtain an export license from the NEB and the issue of such a license requires the approval of the Governor in Council.

### **Pricing and Marketing - Natural Gas**

In Canada, the price of natural gas sold is determined by negotiation between natural gas producers, marketers and purchasers. Natural gas exported from Canada is subject to regulation by the NEB and the Government of Canada. Exporters are free to negotiate prices and other terms with purchasers, provided that the export contracts must continue to meet certain criteria prescribed by the NEB and the Government of Canada. Natural gas exports for a term of 2 years or less or for a term of between 2 and 20 years (in quantities of not more than 30,000 m<sup>3</sup>/d) may be made pursuant to an NEB order, or, in the case of exports for a longer duration (to a maximum of 25 years) or a larger quantity, pursuant to an NEB export license and Governor in Council approval.

The governments of Alberta also regulates the volume of natural gas that may be removed for consumption elsewhere based on such factors as reserve availability, transportation arrangements and market considerations.

### **Pipeline Capacity**

Although pipeline expansions are ongoing, the availability of sufficient pipeline capacity continues to affect the oil and natural gas industry and limit the ability to produce and to market natural gas production. In addition, the prorating of capacity on the inter-provincial pipeline systems also continues to affect the ability to export oil and natural gas.

## **The North American Free Trade Agreement**

On January 1, 1994, the North American Free Trade Agreement ("NAFTA") among the governments of Canada, the U.S. and Mexico became effective. NAFTA carries forward most of the material energy terms contained in the Canada-U.S. Free Trade Agreement. In the context of energy resources, Canada continues to remain free to determine whether exports of energy resources to the U.S. or Mexico will be allowed, provided that any export restrictions are justified under certain provisions of the General Agreement on Tariffs and Trade, and further provided that any export restrictions do not: (i) reduce the proportion of energy resources exported relative to domestic use (based upon the proportion prevailing in the most recent 36 month period or in such other representative period as the parties may agree), (ii) impose an export price higher than the domestic price subject to an exception with respect to certain measures which only restrict the volume of exports, and (iii) disrupt normal channels of supply. All three countries are prohibited from imposing minimum or maximum export or import price requirements, provided, in the case of export-price requirements, prohibition in any circumstances in which any other form of quantitative restriction is prohibited, and in the case of import-price requirements, such requirements do not apply with respect to enforcement of countervailing and anti-dumping orders and undertakings.

NAFTA contemplates the reduction of Mexican restrictive trade practices in the energy sector and prohibits discriminatory border restrictions and export taxes. The agreement also contemplates clearer disciplines on regulators to ensure fair implementation of any regulatory changes and to minimize disruption of contractual arrangements, which is important for Canadian natural gas exports.

## **Royalties and Incentives**

In addition to federal regulation, each province has legislation and regulations which govern land tenure, royalties, production rates, environmental protection and other matters. The royalty regime is a significant factor in the profitability of crude oil, sulphur, natural gas and natural gas liquids production. Royalties payable on production from lands other than Crown lands are determined by negotiations between the mineral owner and the lessee, although production from such lands is also subject to certain provincial taxes and royalties. These royalties are not eligible for incentive programs sponsored by various governments as discussed below. Crown royalties are determined by governmental regulation and are generally calculated as a percentage of the value of the gross production, and the rate of royalties payable generally depends in part on prescribed reference prices, well productivity, geographical location, field discovery date, method of recovery and the type or quality of the petroleum product produced.

From time to time the governments of Canada and western Canadian provinces have established incentive programs which have included royalty rate reductions, royalty holidays and tax credits for the purpose of encouraging oil and natural gas exploration or enhanced recovery projects. The trend in recent years has been for provincial governments to allow such incentive programs to expire without renewal, and consequently few such incentive programs are currently operative.

Oil royalty rates vary from province to province. In Alberta, oil royalty rates vary between 10% and 35% for oil and 10% and 30% for new oil. New oil is applicable to oil pools discovered after March 31, 1974 and prior to October 1, 1992. The Alberta government introduced the Third Tier Royalty with a base rate of 10% and a rate cap of 25% for oil pools discovered after September 30, 1992.

In Alberta, effective January 1, 1994, the calculation and payment of natural gas royalties became subject to a simplified process. The royalty reserved to the Crown, subject to various incentives, is between 15% and 30%, in the case of new gas, and between 15% and 35%, in the case of old gas, depending upon a prescribed or corporate average reference price. Natural gas produced from qualifying exploratory natural gas wells spudded or deepened after July 31, 1985 and before June 1, 1988 continues to be eligible for a royalty exemption for a period of 12 months, or such later time that the value of the exempted royalty quantity equals a prescribed maximum amount. Natural gas produced from qualifying intervals in eligible natural gas wells spudded or deepened to a depth below 2,500 meters is also subject to a royalty exemption, the amount of which depends on the depth of the well.

In Alberta, a producer of oil or natural gas from Crown lands is entitled to a credit against the royalties payable to the Crown by virtue of the ARTC program. The ARTC program is based on a price-sensitive formula, and the ARTC rate currently varies between 75% for prices for oil at or below \$100 per cubic meter and 25% for prices above \$210 per cubic meter. In general, the ARTC rate is currently applied to a maximum of \$2,000,000 of Alberta Crown royalties payable for each producer or associated group of producers. Crown royalties on production from producing properties acquired from corporations claiming maximum entitlement to ARTC will generally not be eligible for ARTC. The rate is established quarterly based on the average "par price", as determined by the applicable government department for the previous quarterly period.

Oil and natural gas royalty holidays and reductions for specific wells reduce the amount of Crown royalties paid to the provincial governments. The ARTC program provides a rebate on Crown royalties paid in respect of eligible producing properties.

The current structure for federal taxation of resource income contains the following initiatives applicable to the oil and gas industry which are being phased in over a five year period commencing in 2003:

- (i) a reduction of the federal statutory corporate income tax rate on income earned from resource activities from 28% to 21%; and
- (ii) a deduction for federal income tax purposes of actual provincial and other Crown royalties and mining taxes paid and the elimination of the 25% resource allowance. Also, the percentage of the ARTC that will be required to be included in federal taxable income will be increased (also on a phased-in basis) to 100% in 2012 and beyond.

### **Land Tenure**

Crude oil and natural gas located in the western Canadian provinces is owned predominantly by the respective provincial governments. Provincial governments grant rights to explore for and produce oil and natural gas pursuant to leases, licenses and permits for varying terms from two years and on conditions set forth in provincial legislation including requirements to perform specific work or make payments. Oil and natural gas located in such provinces can also be privately owned and rights to explore for and produce such oil and natural gas are granted by lease on such terms and conditions as may be negotiated.

### **Environmental Regulation**

The oil and natural gas industry is subject to environmental regulation pursuant to local, provincial and federal legislation. Environmental legislation provides for restrictions and prohibitions on releases or emissions and regulation on the storage and transportation of various substances produced or utilized in association with certain oil and gas industry operations and can affect the location and operation of wells and facilities and the extent to which exploration and development is permitted. In addition, legislation requires that well and facilities sites be abandoned and reclaimed to the satisfaction of provincial authorities. As well, applicable environmental laws may impose remediation obligations with respect to property designated as a contaminated site upon certain responsible persons, which include persons responsible for the substance causing the contamination, persons who caused the release of the substance and any past or present owner, tenant or other person in possession of the site. Compliance with such legislation can require significant expenditures and a breach of such legislation may result in the suspension or revocation of necessary licenses and authorizations, civil liability for pollution damage, the imposition of fines and penalties or the issuance of clean-up orders.

In December 2002, the Government of Canada ratified the Kyoto Protocol ("Protocol"). The Protocol calls for Canada to reduce, during the period between 2008 and 2012, its greenhouse gas emissions to a level that is 6% below the 1990 level of such emissions in Canada. The Protocol has become legally binding as 55 countries have ratified it, covering at least 55% of the emissions addressed by the Protocol. When the Government of Canada implements the Protocol, it is expected to affect the operation of all industries in Canada, including the oil and natural gas industry. As details of implementation of this Protocol have yet to be announced, the affect on our operations cannot be determined at this time.

### **EXPERTS**

Certain legal matters in connection with this Offering are being reviewed, on behalf of Triton, by Burnet, Duckworth & Palmer LLP, Calgary, Alberta, and on behalf of the Agents, by Bennett Jones LLP, Calgary, Alberta.

### **AUDITORS, REGISTRAR AND TRANSFER AGENT**

The auditors of the Corporation are Collins Barrow Calgary LLP, Chartered Accountants, 1400, 777 – 8<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 3R5.

Valiant Trust Company, at its principal offices in Calgary, Alberta, will be the registrar and transfer agent for the Common Shares.

### INTEREST OF EXPERTS

None of Burnet, Duckworth & Palmer LLP, Bennett Jones LLP or AJM, nor any partner or associate thereof, received or will receive a direct or indirect interest in the property of the Corporation or of any associate or affiliate of the Corporation. In addition, except for C. Steven Cohen, Corporate Secretary of the Corporation and a partner of Burnet, Duckworth & Palmer LLP, who beneficially owns 100,000 Common Shares and John C. Batzel, a partner of Bennett Jones LLP, who beneficially owns 20,000 Common Shares, no other partner or associate of any of the aforementioned entities owns any securities of the Corporation or is currently expected to be elected, appointed or employed as a director, officer or employee of the Corporation or of any associates or affiliates of the Corporation.

### STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

**AUDITORS' CONSENT**

We have read the prospectus of Triton Energy Corp. (the "**Corporation**") dated •, 2005 relating to the issue and sale of common shares of the Corporation. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the shareholders of the Corporation on the balance sheet of the Corporation as at December 31, 2004 and the statements of loss and deficit and cash flows for the period from the commencement of operations on July 1, 2004 to December 31, 2004. Our report is dated March 17, 2005 (except for Note 9 which is as of •, 2005).

Calgary, Alberta  
•, 2005

"•"  
Chartered Accountants

**AUDITOR'S CONSENT**

I have read the preliminary prospectus of Triton Energy Corp. (the "**Corporation**") dated September 29, 2005 relating to the issue and sale of common shares of the Corporation. I have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

I consent to the use in the above-mentioned preliminary prospectus of my report to the shareholders of the Taylor Hill Resources Ltd. (the "**Company**") on the balance sheet of the Company as at December 31, 2004, 2003 and 2002 and statements of operation and retained earnings and cash flows for the periods ended December 31, 2004, 2003 and 2002. My report is dated March 24, 2005 (except for Notes 8 & 9, which are as of September •, 2005).

Calgary, Alberta  
September 29, 2005

Chartered Accountant

**FINANCIAL STATEMENTS****AUDITORS' REPORT****To the Shareholders of Triton Energy Corp.**

We have audited the balance sheet of Triton Energy Corp. as at December 31, 2004 and the statements of loss and deficit and cash flows for the period from commencement of operations, July 1, 2004 to December 31, 2004. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2004 and the results of its operations and cash flows for the period from commencement of operations on July 1, 2004 to December 31, 2004 in accordance with Canadian generally accepted accounting principles.

March 17, 2005  
(except for Note 9 which is as of ●, 2005)  
Calgary, Alberta

“●”  
Chartered Accountants

**PRO FORMA FINANCIAL STATEMENTS**

## Compilation Report

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To the Board of Directors  
Triton Energy Corp.

We have read the accompanying unaudited pro forma consolidated statements of operations of Triton Energy Corp. (the "Company") for the period ended December 31, 2004 and for the six months ended June 30, 2005 (collectively, "Pro Forma Statements") and have performed the following procedures:

1. Compared the figures in the columns captioned "Triton Energy Corp." to the audited statement of loss and deficit of the Company for the period from commencement of operations, July 1, 2004 to December 31, 2004 and the unaudited consolidated statement of loss and deficit for the six months ended June 30, 2005, and found them to be in agreement.
2. Compared the figures in the columns captioned "Taylor Hill Resources Ltd." ("Taylor") to the audited statement of operations and retained earnings of Taylor for the year ended December 31, 2004 and the unaudited statement of operations and deficit for the three months ended March 31, 2005, and found them to be in agreement.
3. Made enquiries of certain officials of the Company who have responsibility for financial and accounting matters about:
  - (a) the basis for the determination of the pro forma adjustments; and
  - (b) whether the Pro Forma Statements comply in all material respects with the applicable regulatory requirements of the Securities Acts of the various provinces of Canada.

The officials:

- (a) described to us the basis for determination of the pro forma adjustments, and
  - (b) stated that the Pro Forma Statements comply as to form in all material respects with the applicable regulatory requirements of the Securities Acts of the various provinces of Canada.
4. Read the notes to the Pro Forma Statements, and found them to be consistent with the basis described to us for determination of the pro forma adjustments.
  5. Recalculated the application of the pro forma adjustments to the aggregate of the amounts in the columns captioned "Triton Energy Corp." and "Taylor Hill Resources Ltd." for the period ended December 31, 2004 and for the six month period ended June 30, 2005, as appropriate, and found the amounts in the column captioned "Pro Forma Consolidated" to be arithmetically correct.

A pro forma financial statement is based on management assumptions and adjustments which are inherently subjective. The foregoing procedures are substantially less than either an audit or a review, the objective of which is the expression of assurance with respect to management's assumptions, the pro forma adjustments, and the application of the adjustments to the historical financial information. Accordingly, we express no such assurance. The foregoing procedures would not necessarily reveal matters of significance to the pro forma financial statements, and we therefore make no representation about the sufficiency of the procedures for the purposes of a reader of such statements.

●  
CHARTERED ACCOUNTANTS

Calgary, Alberta

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**TRITON ENERGY CORP.**

Pro Forma Consolidated Statement of Operations  
 For the six months ended June 30, 2005  
 (Unaudited)

	Triton Energy Corp. Six month period ended June 30, 2005	Taylor Hill Resources Ltd. Three month period ended March 31, 2005	Pro Forma Adjustments	Notes	Pro Forma Consolidated
<b>Revenues</b>					
Interest income	\$ 7,643	\$ 587	\$ 3	2(a)(i)	\$ 8,233
<b>Expenses</b>					
General and administrative	302,609	42,063	1,850	2(a)(i)	346,522
Amortization	7,631	-	-		7,631
	310,240	42,063	1,850		354,153
Loss from operations	(302,597)	(41,476)	(1,847)		(345,920)
Loss on disposition of assets	-	(597)	597	2(a)(ii)	-
Loss before income taxes	(302,597)	(42,073)	(1,250)		(345,920)
<b>Income taxes</b>					
Current	-	-	-		-
Future	(81,614)	-	(14,565)	2(a)(iii)	(96,179)
	(81,614)	-	(14,565)		(96,179)
<b>Net loss</b>	<b>\$ (220,983)</b>	<b>\$ (42,073)</b>	<b>\$ 13,315</b>		<b>\$ (249,741)</b>
<b>Net Loss per share:</b>					
Basic and diluted				3	\$ (0.03)

See accompanying notes to pro forma consolidated statements. F

**TRITON ENERGY CORP.**

Pro Forma Consolidated Statement of Operations  
 For the period ended December 31, 2004  
 (Unaudited)

	Triton Energy Corp.	Taylor Hill Resources Ltd.	Pro Forma Adjustments	Notes	Pro Forma Consolidated
<b>Revenues</b>					
Royalty income	\$ -	\$ 44,300	\$ (44,300)	2(b)(i)	\$ -
Interest income	4,243	5,188	-		9,431
	4,243	49,488	(44,300)		9,431
<b>Expenses</b>					
General and administrative	105,259	118,061	-		223,320
Property investigation costs	72,664	-	-		72,664
Amortization	8,101	217	(217)	2(b)(ii)	8,101
	186,024	118,278	(217)		304,085
Loss before income taxes	(181,781)	(68,790)	(44,083)		(294,654)
<b>Income taxes</b>					
Current	-	(11,438)	(8,568)	2(b)(iii)	(20,006)
Future	(48,897)	(683)	683	2(b)(iii)	(48,897)
	(48,897)	(12,121)	(7,885)		(68,903)
Net Loss	\$ (132,884)	\$ (56,669)	\$ (36,198)		\$ (225,751)
<b>Net Loss per share:</b>					
Basic and diluted				3	\$ (0.06)

See accompanying notes to pro forma consolidated statements.

# TRITON ENERGY CORP.

## Notes to Pro Forma Consolidated Statements

Six months ended June 30, 2005 and the period ended December 31, 2004

(Unaudited)

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### 1. Basis of Presentation

On April 28, 2005, Triton Energy Corp. ("Triton" or "the Company") acquired all of the outstanding common shares of 971021 Alberta Ltd. (formerly Taylor Hill Resources Ltd. ["Taylor"]) for consideration consisting of cash and shares totaling \$1,735,261. In addition, the Company acquired non-producing resource properties for total consideration consisting of cash and shares totaling \$1,032,345. The accompanying unaudited pro forma statements of operations of Triton for the six month period ended June 30, 2005 and for the period ended December 31, 2004 (the "pro forma statements"), have been prepared to reflect the acquisition of Taylor and the non-producing resource properties as if the acquisitions had occurred on July 1, 2004, the date Triton commenced operations.

In the opinion of Triton's management, the pro forma statements include all material adjustments necessary for a fair presentation in accordance with Canadian generally accepted accounting principles. The pro forma statements may not be indicative of the results that actually would have occurred if the events reflected therein had taken place on the dates indicated or of the results which may be obtained in the future. No adjustments have been made in preparing these pro forma statements to reflect the expected operating synergies and administrative cost savings that could result from the operations of the combined assets.

Accounting policies used in the preparation of the pro forma statements are in accordance with those disclosed in Triton's audited financial statements as at and for the period ended December 31, 2004 and the unaudited interim consolidated financial statements as at and for the six months ended June 30, 2005.

The pro forma statements have been prepared from information derived from and should be read in conjunction with Triton's unaudited interim consolidated financial statements as at and for the six months ended June 30, 2005 and audited financial statements as at and for the period ended December 31, 2004 and Taylor's unaudited financial statements as at and for the three months ended March 31, 2005 and audited financial statements as at and for the year ended December 31, 2004.

### 2. Pro Forma Statement of Operations Assumptions

The pro forma statements for the six months ended June 30, 2005 have been prepared from the June 30, 2005 unaudited interim consolidated financial statements of Triton and the March 31, 2005 unaudited interim financial statements of Taylor, and the April 27, 2005, 27 day unaudited schedule of revenues and expenses of Taylor.

The pro forma statements for the period ended December 31, 2004 have been prepared from the December 31, 2004 audited financial statements of Triton and the December 31, 2004 audited financial statements of Taylor.

The pro forma consolidated statement of operations for the six months ended June 30, 2005 and the period ended December 31, 2004 give effect to the transactions described in note 1 as if they had occurred on July 1, 2004 and the following:

#### a) Statement of Operations for the Six Months Ended June 30, 2005

The unaudited pro forma consolidated statement of operations for the six month period ended June 30, 2005 has been adjusted to incorporate the following:

- (i) The unaudited operating results of Taylor for the period from April 1, 2005 to April 27, 2005.
- (ii) The loss on disposition of assets has been adjusted to reflect the disposition, prior to the acquisition, of all tangible assets and Royalty agreements held by Taylor.
- (iii) The provision for income taxes has been adjusted to reflect the impact of the above adjustments and differences in expected tax rates of the entities.

#### b) Statement of Operations for the Period Ended December 31, 2004

The unaudited pro forma consolidated statement of operations for the period ended December 31, 2004 has been adjusted to incorporate the following:

- (i) Royalty income has been adjusted to reflect the disposition, prior to the acquisition, of all Royalty Agreements held by Taylor.
- (ii) Amortization has been adjusted to reflect the disposition of all tangible assets held by Taylor, prior to the acquisition.
- (iii) The provision for income taxes has been adjusted to reflect the impact of the above adjustments and differences in expected tax rates of the entities.

**TRITON ENERGY CORP.**

Notes to Pro Forma Consolidated Statements

Six months ended June 30, 2005 and the period ended December 31, 2004

(Unaudited)

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**3. Pro Forma Net Loss per Share**

The unaudited pro forma net losses per share have been calculated based on Triton's historical weighted average number of shares adjusted as if the shares issued to acquire Taylor and the non-producing resource properties occurred on July 1, 2004, the day Triton commenced operations. Basic and diluted weighted average shares outstanding are 7,540,178 for the six months ended June 30, 2005 and 3,934,511 the period ended December 31, 2004.

**FINANCIAL STATEMENTS OF TRITON ENERGY CORP.**

**Triton Energy Corp.**  
**Consolidated Balance Sheets**

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	<b>June 30, 2005</b> (unaudited)	<b>December 31, 2004</b> (audited)
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 580,644	\$ 1,373,068
Accounts receivable	36,595	8,954
Prepaid expenses	<u>46,463</u>	<u>32,336</u>
	663,702	1,414,358
Property and equipment [note 4]	<u>4,027,951</u>	<u>42,141</u>
	<u>\$ 4,691,653</u>	<u>\$ 1,456,499</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 45,239	\$ 24,586
Future income taxes [note 3]	<u>839,589</u>	<u>81,177</u>
	<u>884,828</u>	<u>105,763</u>
<b>Shareholders' Equity</b>		
Share capital [note 5(a)]	4,160,692	1,483,620
Deficit	<u>(353,867)</u>	<u>(132,884)</u>
	<u>3,806,825</u>	<u>1,350,736</u>
	<u>\$ 4,691,653</u>	<u>\$ 1,456,499</u>

See accompanying notes to the consolidated financial statements.

Approved by the Board,

(signed) "Michael S. Zuber" , Director

(signed) "Daryl H. Connolly" , Director

**Triton Energy Corp.****Interim Consolidated Statements of Loss and Deficit***(unaudited)*


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	<b>Three Months Ended June 30, 2005</b>	<b>Six Months Ended June 30, 2005</b>
Revenue		
Interest	<u>\$ 2,010</u>	<u>\$ 7,643</u>
Expenses		
General and administrative	214,023	302,609
Amortization	<u>4,195</u>	<u>7,631</u>
	<u>218,218</u>	<u>310,240</u>
Loss before income taxes	(216,208)	(302,597)
Income taxes		
Future income tax recovery	<u>(60,714)</u>	<u>(81,614)</u>
Net loss	<u>\$ (155,494)</u>	<u>\$ (220,983)</u>
Deficit, beginning of period	<u>\$ (198,373)</u>	<u>\$ (132,884)</u>
Deficit, end of period	<u>\$ (353,867)</u>	<u>\$ (353,867)</u>
Loss per share - basic and diluted [note 5(b)]	<u>\$ (0.02)</u>	<u>\$ (0.04)</u>
Basic and diluted weighted average shares outstanding	<u>7,190,880</u>	<u>6,257,736</u>

*See accompanying notes to the consolidated financial statements.*

**Triton Energy Corp.**  
**Interim Consolidated Statements of Cash Flows**  
*(unaudited)*

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	<b>Three Months Ended June 30, 2005</b>	<b>Six Months Ended June 30, 2005</b>
Operating activities		
Net loss	\$ (155,494)	\$ (220,983)
Items not affecting cash		
Amortization	4,195	7,631
Future income tax recovery	<u>(60,714)</u>	<u>(81,614)</u>
	(212,013)	(294,966)
Changes in non-cash working capital	<u>(31,193)</u>	<u>(39,505)</u>
	<u>(243,206)</u>	<u>(334,471)</u>
Financing activities		
Proceeds on issuance of share capital, net of share issuance costs	948,493	1,148,493
Changes in non-cash working capital	<u>13,548</u>	<u>13,548</u>
	<u>962,041</u>	<u>1,162,041</u>
Investing activities		
Acquisition of non-producing resource properties, net of acquisition costs and cash acquired	(1,225,551)	(1,225,551)
Property and equipment expenditures	(183,130)	(396,943)
Changes in non-cash working capital	<u>(12,212)</u>	<u>2,500</u>
	<u>(1,420,893)</u>	<u>(1,619,994)</u>
Change in cash and cash equivalents	\$ (702,058)	\$ (792,424)
Cash and cash equivalents, beginning of period	<u>\$ 1,282,702</u>	<u>\$ 1,373,068</u>
Cash and cash equivalents, end of period	<u>\$ 580,644</u>	<u>\$ 580,644</u>

*See accompanying notes to the consolidated financial statements.*

## Triton Energy Corp.

### Notes to Interim Consolidated Financial Statements

June 30, 2005

(unaudited)

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#### 1. Basis of Presentation

Triton Energy Corp. (the "Corporation") was incorporated under the Business Corporations Act (Alberta) on February 4, 2004 and commenced operations on July 1, 2004. The Corporation's activities are the acquisition, exploration and development of petroleum and natural gas properties.

The interim consolidated financial statements of the Corporation have been prepared in accordance with Canadian generally accepted accounting principles and are consistent with the presentation and disclosure in the audited financial statements and notes thereto for the period ended December 31, 2004. The interim consolidated financial statements contain disclosures which are incremental to the Corporation's annual financial statements. Certain disclosures, which are normally required to be included in the notes to the consolidated financial statements have been condensed or omitted. The interim consolidated financial statements should be read in conjunction with the Corporation's audited financial statements and notes thereto for the period ended December 31, 2004.

The Corporation had no activity from incorporation until commencement of operations and therefore comparative figures for the period ended June 30, 2004 have not been presented.

#### 2. Significant accounting policies

##### Principles of consolidation

The consolidated financial statements include the accounts of the Corporation and, since April 28, 2005 [note 3], its wholly-owned subsidiary 971021 Alberta Ltd. (formerly Taylor Hill Resources Ltd.).

#### 3. Acquisitions

On April 28, 2005 the Corporation acquired all of the outstanding common shares of 971021 Alberta Ltd. (formerly Taylor Hill Resources Ltd.) for consideration consisting of cash and shares totaling \$1,735,261. In addition, the Corporation acquired non-producing resource properties for total consideration consisting of cash and shares totaling \$1,032,345. The acquisition has been accounted for as an acquisition of assets as follows:

Purchase price allocation:	
Working capital	\$ 56,038
Property	3,580,173
Future income tax liability	<u>(868,605)</u>
	<u>\$ 2,767,606</u>
Consideration:	
Cash	\$ 1,256,038
Common shares	
2,000,000 at \$0.75 per share	\$ 1,500,000
Transaction costs	<u>11,568</u>
	<u>\$ 2,767,606</u>

**Triton Energy Corp.****Notes to Interim Consolidated Financial Statements****June 30, 2005***(unaudited)*

## 4. Property and equipment

	June 30, 2005			December 31, 2004		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Petroleum and natural gas properties	\$ 3,982,265	\$ -	\$ 3,982,265	\$ -	\$ -	\$ -
Office equipment	<u>61,417</u>	<u>15,731</u>	<u>45,686</u>	<u>50,242</u>	<u>8,101</u>	<u>42,141</u>
	<u>\$ 4,043,682</u>	<u>\$ 15,731</u>	<u>\$ 4,027,951</u>	<u>\$ 50,242</u>	<u>\$ 8,101</u>	<u>\$ 42,141</u>

At June 30, 2005, all capitalized costs associated with petroleum and natural gas properties relate to the acquisition and evaluation of unproved properties and have been excluded from the depletion calculation. The Corporation has determined that there is no impairment of its unproved properties at June 30, 2005.

The Corporation capitalized general and administrative costs of \$97,919 for the three month period ended June 30, 2005 and \$208,177 for the six month period ended June 30, 2005.

## 5. Share capital

## (a) Issued and outstanding

	Stated Number	Value
<b>Common shares</b>		
Opening balance, January 1, 2005	5,042,001	\$ 1,483,620
Issued for cash	1,878,000	1,233,500
Issued on acquisitions [note 3]	2,000,000	1,500,000
Share issuance costs	-	(85,007)
Income tax effect of share issuance costs	<u>-</u>	<u>28,579</u>
Closing balance, June 30, 2005	<u>8,920,001</u>	<u>\$ 4,160,692</u>

(b) In accordance with the acquisition agreements the Corporation has committed to issue further shares if the Corporation participates in a financing for greater than \$2,000,000 at a share price of less than \$0.75 per share before April 28, 2006. Currently, there is no dilutive effect to earnings per share.

## 6. Commitments

On May 31, 2005 the Corporation entered into a five year office rental agreement commencing on December 1, 2005. The office rental, operating costs and property taxes over the next five years are as follows:

2006	\$ 117,288
2007	122,510

## Triton Energy Corp.

### Notes to Interim Consolidated Financial Statements

June 30, 2005

(unaudited)

2008	122,930
2009	127,552
2010	116,923

#### 7. Related Party Transactions

During the six months ended June 30, 2005, the Corporation paid:

- (a) \$21,899 to a law firm of which an officer is a partner, whereby \$11,568 was capitalized as acquisition costs and \$10,321 is included in share issuance costs.
- (b) \$39,795 to a director as a finder's fee in connection with a private placement.

These transactions have been recorded at the exchange amount.

#### 8. Subsequent Events

- (a) On July 19, 2005 the Corporation obtained a revolving credit facility with a Canadian financial institution to a maximum of \$250,000, bearing interest at the bank's prime rate plus 1.5%, is due on demand and is secured by the assets of the Corporation.
- (b) On August 31, 2005, the Corporation approved a Stock Option Plan in compliance with the requirements of the TSX Venture Exchange. In addition, the Corporation granted 1,900,000 options to directors, officers and employees to purchase common shares at \$0.75 per share. The options expire five years from the date of grant and vest one-third upon grant and one-third on each of the first and second anniversaries of grant.
- (c) The Corporation and Acumen Capital Finance Partners Ltd., GMP Securities Ltd., Canaccord Capital Corporation and Raymond James Ltd. (the "Agents") have entered into an agency agreement dated • pursuant to which the Agents have agreed to offer on a "best efforts" agency basis, and the Corporation has agreed to issue and sell, a minimum of • and a maximum of • common shares of the Corporation at a price of • per share and it is understood that a maximum of 20% of the shares could be issued as flow through shares (the "Offering"). The estimated net proceeds to the Corporation of the Offering will be a minimum of \$9,100,000 and a maximum of \$11,437,500 after deducting the Agents' fee of 6.5% and the estimated expenses of the Offering of \$250,000. The Corporation has granted the Agents an Over Allotment Option of 15% that would result in gross proceeds of \$14,375,000 if the maximum offering occurs and the Over Allotment Option is exercised in full.

**Triton Energy Corp.**  
**Balance Sheet**  
**December 31, 2004**

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**Assets**

## Current assets

Cash and cash equivalents	\$ 1,373,068
Accounts receivable	8,954
Prepaid expenses	<u>32,336</u>

1,414,358

## Equipment (note 3)

42,141\$ 1,456,499**Liabilities**

## Current liabilities

Accounts payable	\$ 24,586
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## Future income taxes (note 4)

81,177105,763**Shareholders' Equity**

Share capital (note 5)	1,483,620
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Deficit	<u>(132,884)</u>
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1,350,736\$ 1,456,499

Approved by the Board,

(signed) "Michael S. Zuber" \_\_\_\_\_, Director

(signed) "Daryl H. Connolly" \_\_\_\_\_, Director

**Triton Energy Corp.****Statement of Loss and Deficit****For the Period from Commencement of Operations, July 1, 2004 to  
December 31, 2004**

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Revenue	
Interest	<u>\$ 4,243</u>
Expenses	
General and administrative	105,259
Property investigation costs	72,664
Amortization	<u>8,101</u>
	<u>186,024</u>
Loss before income taxes	(181,781)
Income taxes	
Future income tax recovery (note 4[b])	<u>(48,897)</u>
Net loss, being deficit, end of period	<u>\$ (132,884)</u>
Loss per share (basic) (note 5[d])	<u>\$ (0.07)</u>

**Triton Energy Corp.****Statements of Cash Flows****For the Period from Commencement of Operations, July 1, 2004 to  
December 31, 2004**

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Operating activities	
Net loss	\$ (132,884)
Add items not affecting cash	
Amortization	8,101
Future income tax recovery	<u>(48,897)</u>
	(173,680)
Changes in non-cash working capital	<u>(16,704)</u>
	<u>(190,384)</u>
Financing activities	
Proceeds on issuance of share capital, net of issue costs	<u>1,613,694</u>
Investing activities	
Acquisition of equipment	<u>(50,242)</u>
Cash inflow, being cash and cash equivalents, end of period	<u>\$ 1,373,068</u>

**Triton Energy Corp.**  
**Notes to Financial Statements**  
**December 31, 2004**

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1. Nature of operations

Triton Energy Corp. (the "Corporation") was incorporated under the Business Corporations Act (Alberta) on February 4, 2004 and commenced operations on July 1, 2004. The Corporation's activities are the acquisition, exploration and development of petroleum and natural gas properties. Currently, the Corporation is evaluating potential acquisition and exploration opportunities.

2. Significant accounting policies

(a) Cash and cash equivalents

Cash and cash equivalents are comprised of cash and all highly liquid investments with a maturity date of three months or less at inception.

(b) Petroleum and natural gas operations

Capitalized costs

The Corporation follows the full cost method of accounting for its petroleum and natural gas operations, whereby all costs associated with the acquisition of, exploration for and the development of, petroleum and natural gas reserves, including asset retirement costs are capitalized and accumulated in one cost centre. Proceeds from the disposition of petroleum and natural gas properties are accounted for as a reduction of capitalized costs, with no gain or loss recognized unless such disposition would alter the depletion and depreciation rate by 20% or more.

Depletion and depreciation

Depletion and depreciation of petroleum and natural gas properties is calculated using the unit-of-production method based upon production volumes, before royalties, in relation to total proved petroleum and natural gas reserves as estimated by independent engineers. In determining costs subject to depletion, the Company includes estimated future costs to be incurred in developing proved reserves and excludes estimated salvage values. The cost of undeveloped properties are excluded from costs subject to depletion until it is determined that proved reserves are attributable to the property or impairment has occurred. For depletion and depreciation purposes, natural gas volumes are converted to equivalent oil volumes based upon a relative energy content of six thousand cubic feet of natural gas to one barrel of oil.

Asset retirement obligation

The Corporation follows the Canadian Institute of Chartered Accountants Handbook Section 3110 - Asset Retirement Obligations. This section requires the Corporation to record the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that results from the acquisition, construction, development, and/or normal use of the assets. The associated asset retirement costs are capitalized as part of the carrying

**Triton Energy Corp.**  
**Notes to Financial Statements**  
**December 31, 2004**

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amount of the long-lived asset and depleted and depreciated using the unit-of-production method over estimated gross proved reserves. Subsequent to the initial measurement of the asset retirement obligations, the obligations are adjusted at the end of each period to reflect the passage of time (accretion) and changes in the estimated future cash flows underlying the obligation.

Ceiling test

Under the full cost method of accounting, a "ceiling test" is performed to recognize and measure impairment, if any, of the carrying amount of petroleum and natural gas properties. Impairment is recognized if the carrying amount of petroleum and natural gas properties, less the cost amount of undeveloped properties not subject to depletion, exceeds the estimated undiscounted future cash flows from the Company's proved reserves. The future cash flows are based on a forecast of prices and costs, as provided by an independent third party. If recognized, the magnitude of the impairment is then measured by comparing the adjusted carrying amount to the estimated discounted future cash flows from the Company's proved and probable reserves. The future cash flows are discounted at the Company's risk-free interest rate, using forecasted prices and costs.

(c) Amortization

Other property and equipment are amortized using the declining balance method at annual rates of 20% to 100%.

(d) Income taxes

Income taxes are accounted for using the liability method of income tax allocation. Under the liability method, income tax assets and liabilities are recorded to recognize future income tax inflows and outflows arising from the settlement or recovery of assets and liabilities at their carrying values. Income tax assets are also recognized for the benefits from tax losses and deductions that cannot be identified with particular assets or liabilities, provided those benefits are more likely than not to be realized. Future income tax assets and liabilities are determined based on the tax laws and rates that are anticipated to apply in the period of realization.

(e) Flow-through shares

The Corporation, from time to time, issues flow-through shares to finance a portion of its petroleum and natural gas expenditure program. Pursuant to the terms of the flow-through share agreements, the tax deductions associated with the expenditures are renounced to the subscribers. Accordingly, share capital is reduced and a future tax liability is recorded equal to the estimated amount of future income taxes payable by the Corporation as a result of the renunciations, when the expenditures are renounced.

**Triton Energy Corp.**  
**Notes to Financial Statements**  
**December 31, 2004**

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(f) Per share amounts

Basic per share amounts are computed by dividing the net loss by the weighted average number of common shares outstanding during the period. Diluted per share amounts are calculated giving effect to the potential dilution that would occur if stock options were exercised. The treasury stock method is used to determine the dilutive effect of stock options. The treasury stock method assumes that proceeds received from the exercise of options for which the exercise price is less than market price are used to repurchase common shares at the prevailing market rate. No options have been granted as at December 31, 2004.

(g) Revenue recognition

Revenue from the sale of oil and natural gas are recognized based on volumes delivered to customers at contractual delivery points and rates. The costs associated with the delivery, including operating and maintenance costs, transportation and production-based royalty expenses are recognized in the same period in which the related revenue is earned and recorded.

3. Property and equipment

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Other - office equipment	<u>\$ 50,242</u>	<u>\$ 8,101</u>	<u>\$ 42,141</u>

4. Income taxes

(a) The individual components of the future income tax liability at December 31, 2004 include the following:

Obligation to incur exploration and development expenses	\$ 134,480
Non-capital losses carry forward	(49,198)
Benefit of undeducted share issuance costs	(3,525)
Other	<u>(580)</u>
Future income tax liability	<u>\$ 81,177</u>

**Triton Energy Corp.**  
**Notes to Financial Statements**  
**December 31, 2004**

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- (b) Income tax expense differs from that which would be expected from applying the effective Canadian federal and provincial income tax rates of 38.62% to loss before income taxes as follows:

Expected income taxes recovery	\$ (70,204)
Increase (decrease) resulting from:	
Change in effective tax rate applied	7,139
Effect of resource loss	13,309
Other	<u>859</u>
Future income tax recovery	<u>\$ (48,897)</u>

Corporate tax returns are subject to audit and reassessment by Canada Revenue Agency. The results of any reassessments will be accounted for in the year in which they are determined.

- (c) As at December 31, 2004, the Corporation has a non-capital loss carry forward of \$146,093 available to reduce future taxable income that expires in 2011.

5. Share capital

- (a) Authorized

Unlimited common voting shares  
 Unlimited preferred shares, issuable in series, rights and privileges to be set by the Board of Directors on issuance

- (b) Issued and outstanding

	Number	Stated Value
<b>Common shares</b>		
Shares issued for cash, net of issue costs of \$13,107	5,042,001	\$ 1,613,694
Tax effect of flow-through share issue	-	(134,480)
Tax effect of share issue costs	<u>-</u>	<u>4,406</u>
Closing balance, December 31, 2004	<u>5,042,001</u>	<u>\$ 1,483,620</u>

- (c) Flow-through shares

The Corporation issued 1,600,000 flow-through common shares in October 2004 at a price of \$0.25 per share for total gross proceeds of \$400,000. At December 31, 2004, the Corporation has \$400,000 in qualifying expenditures left to incur in 2005. The tax effects of these renouncements of \$134,480 have been recorded as a reduction in share capital.

**Triton Energy Corp.**  
**Notes to Financial Statements**  
**December 31, 2004**

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(d) Basic loss per share has been calculated based on the basic weighted-average number of common shares of 1,945,083 outstanding during the period. To date, the Corporation has not issued any potentially dilutive instruments.

6. Commitment

The Corporation has a rental commitment on its office premises expiring November 30, 2005 of \$79,860 and a software license agreement of \$5,700 for 2005 and \$600 for 2006.

7. Related party transactions

An officer of the Corporation is a partner in a law firm that provides legal services to the Corporation. During 2004, the Corporation paid a total of \$15,042 to this firm of which \$2,455 is included in general and administrative expenses and \$12,587 is included in share issuance costs.

8. Financial instruments

Fair values

The fair values of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities are approximated by their carrying value due to the short-term maturity of these instruments.

9. Subsequent events

(a) Acquisitions

On April 28, 2005, the Corporation acquired all of the outstanding common shares of 971021 Alberta Ltd. (formerly Taylor Hill Resources Ltd.) for consideration consisting of cash and shares totaling \$1,735,261. In addition, the Corporation acquired non-producing resource properties for total consideration consisting of cash and shares totaling \$1,032,345. The acquisition will be accounted for as an acquisition of assets as follows:

Purchase price allocation:	
Working capital	\$ 56,038
Property	3,580,173
Future income tax liability	<u>(868,605)</u>
	<u>\$ 2,767,606</u>

Consideration:	
Cash	\$ 1,256,038
Common shares	
2,000,000 at \$0.75 per share	1,500,000
Transaction costs	<u>11,568</u>
	<u>\$ 2,767,606</u>

**Triton Energy Corp.**  
**Notes to Financial Statements**  
**December 31, 2004**

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(b) Bank facility

On July 19, 2005, the Corporation obtained a revolving credit facility with a Canadian financial institution to a maximum of \$250,000, bearing interest at the bank's prime rate plus 1.5%, is due on demand and is secured by the assets of the Corporation.

(c) Stock options

On August 31, 2005, the Corporation approved a Stock Option Plan in compliance with the requirements of the TSX Venture Exchange. In addition, the Corporation granted 1,900,000 options to directors, officers and employees to purchase common shares at \$0.75 per share. The options expire five years from the date of grant and vest one-third upon grant and one-third on each of the first and second anniversaries of grant.

(d) Initial Public Offering

The Corporation and Acumen Capital Finance Partners Ltd., GMP Securities Ltd., Canaccord Capital Corporation and Raymond James Ltd. (the "Agents") have entered into an agency agreement dated • pursuant to which the Agents have agreed to offer on a "best efforts" agency basis, and the Corporation has agreed to issue and sell, a minimum of • and a maximum of • common shares of the Corporation at a price of • per share and it is understood that a maximum of 20% of the shares could be issued as flow through shares (the "Offering"). The estimated net proceeds to the Corporation of the Offering will be a minimum of \$9,100,000 and a maximum of \$11,437,500 after deducting the Agents' fee of 6.5% and the estimated expenses of the Offering of \$250,000. The Corporation has granted the Agents an Over Allotment Option of 15% that would result in gross proceeds of \$14,375,000 if the maximum offering occurs and the Over Allotment Option is exercised in full.

**FINANCIAL STATEMENTS OF TAYLOR HILL RESOURCES LTD.**

**TAYLOR HILL RESOURCES LTD.**

**Interim Financial Statements**

**March 31, 2005**

(Unaudited)

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## **REVIEW ENGAGEMENT REPORT**

To the Shareholders of Taylor Hill Resources Ltd.

I have reviewed the balance sheet of Taylor Hill Resources Ltd. as at March 31, 2005 and the statements of operations and deficit and cash flows for the three month periods ended March 31, 2005 and March 31, 2004. My review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the Company.

A review does not constitute an audit and consequently I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta  
September ●, 2005

*“To be signed”*  
Chartered Accountant

**TAYLOR HILL RESOURCES LTD.****Balance Sheet****ASSETS**

	March 31, <u>2005</u> (Unaudited)	December 31, <u>2004</u>
Current		
Cash	\$ 126,273	\$ 80,429
Term deposits	115,000	150,000
Accounts receivable	5,682	29,913
Income taxes receivable	22,102	30,024
Prepaid expenses	<u>16,184</u>	<u>22,398</u>
	285,241	312,764
 Petroleum and natural gas assets, net (Note 2)	 <u>1</u>	 <u>65,961</u>
	\$ <u>285,242</u>	\$ <u>378,725</u>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

Current		
Accounts payable and accrued liabilities	\$ 49,435	\$ 20,530
Due to shareholders	200,000	350,000
 Future income taxes	 <u>-</u>	 <u>2,427</u>
	<u>249,435</u>	<u>372,957</u>
 Shareholders' equity		
Share capital	976	976
Contributed surplus (Note 2)	72,112	-
Retained earnings (deficit)	<u>(37,281)</u>	<u>4,792</u>
	<u>35,807</u>	<u>5,768</u>
	\$ <u>285,242</u>	\$ <u>378,725</u>

Approved on behalf of the Board:

(signed) "Michael S. Zuber", Director

See Accompanying Notes

**TAYLOR HILL RESOURCES LTD.****Statement of Operations and Deficit****For the Three Month Period Ended March 31**

(Unaudited)

	<u>2005</u>	<u>2004</u>
Interest	\$ <u>587</u>	\$ <u>253</u>
Expenses		
Professional fees	14,216	-
Lease rental	11,967	7,017
Salaries and wages	11,285	11,100
Computer software lease	4,050	3,268
Office	545	312
Amortization	<u>-</u>	<u>54</u>
	<u>42,063</u>	<u>21,751</u>
Loss from operations	(41,476)	(21,498)
Loss on disposition of assets	<u>(597)</u>	<u>-</u>
Loss before income taxes	(42,073)	(21,498)
Income taxes (recovered)		
Current	-	(4,500)
Future	<u>-</u>	<u>578</u>
	<u>-</u>	<u>(3,922)</u>
Net loss	(42,073)	(17,576)
Retained earnings, beginning of period	<u>4,792</u>	<u>61,461</u>
Retained earnings (deficit), end of period	\$ <u>(37,281)</u>	\$ <u>43,885</u>

See Accompanying Notes

**TAYLOR HILL RESOURCES LTD.****Statement of Cash Flows****For the Three Month Period Ended March 31**

(Unaudited)

	<u>2005</u>	<u>2004</u>
Cash flow from (used in) operating activities		
Net loss	\$ (42,073)	\$ (17,576)
Items not affecting cash:		
Amortization	-	54
Income taxes	(7,922)	-
Future income taxes	-	578
Loss on disposition of assets	<u>597</u>	<u>-</u>
Cash flow used in operating activities before changes in non-cash working capital	<u>(49,398)</u>	<u>(16,944)</u>
Changes in non-cash working capital:		
Accounts receivable	24,231	(20)
Accounts payable	28,905	-
Income taxes payable	7,922	(4,500)
Prepaid expenses	<u>6,214</u>	<u>3,268</u>
	<u>67,272</u>	<u>(1,252)</u>
	<u>17,874</u>	<u>(18,196)</u>
Cash flow used in financing activities		
Repayment of shareholders' loan	<u>(150,000)</u>	<u>(52,694)</u>
Cash flow from investing activities		
Term deposits	35,000	(40,000)
Proceeds from sale of petroleum and natural gas assets	150,000	168,000
Purchase of petroleum and natural gas assets	<u>(7,030)</u>	<u>(21,982)</u>
	<u>177,970</u>	<u>106,018</u>
Increase in cash	45,844	35,128
Cash, beginning of period	<u>80,429</u>	<u>36,862</u>
Cash, end of period	\$ <u>126,273</u>	\$ <u>71,990</u>

See Accompanying Notes

**TAYLOR HILL RESOURCES LTD.****Statement of Operations and Deficit****For the Three Month Period Ended March 31**

(Unaudited)

	<u>2005</u>	<u>2004</u>
Interest	\$ <u>587</u>	\$ <u>253</u>
Expenses		
Professional fees	14,216	-
Lease rental	11,967	7,017
Salaries and wages	11,285	11,100
Computer software lease	4,050	3,268
Office	545	312
Amortization	<u>-</u>	<u>54</u>
	<u>42,063</u>	<u>21,751</u>
Loss from operations	(41,476)	(21,498)
Loss on disposition of assets	<u>(597)</u>	<u>-</u>
Loss before income taxes	(42,073)	(21,498)
Income taxes (recovered)		
Current	-	(4,500)
Future	<u>-</u>	<u>578</u>
	<u>-</u>	<u>(3,922)</u>
Net loss	(42,073)	(17,576)
Retained earnings, beginning of period	<u>4,792</u>	<u>61,461</u>
Retained earnings (deficit), end of period	\$ <u>(37,281)</u>	\$ <u>43,885</u>

See Accompanying Notes

**TAYLOR HILL RESOURCES LTD.**

**Financial Statements**

**December 31, 2004, 2003 and 2002**

**TAYLOR HILL RESOURCES LTD.**

**Index to Financial Statements**

**Year Ended December 31, 2004, 2003 and 2002**

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## AUDITORS' REPORT

To the Shareholders of Taylor Hill Resources Ltd.

I have audited the balance sheet of Taylor Hill Resources Ltd. as at December 31, 2004, 2003 and 2002 and the statements of operations and retained earnings and cash flows for the periods ended December 31, 2004, 2003 and 2002. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2004, 2003 and 2002 and the results of its operations and cash flows for the periods ended December 31, 2004, 2003 and 2002 in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta  
March 24, 2005  
(except as to notes 8 & 9, which are  
dated ●, 2005

*(To be signed)*  
Chartered Accountants

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**TAYLOR HILL RESOURCES LTD.****Balance Sheet****December 31**

	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>ASSETS</b>			
Current			
Cash	\$ 80,429	\$ 36,862	\$ 89,420
Term deposits	150,000	200,000	480,000
Accounts receivable	29,913	2,010	4,317
Income taxes receivable	30,024	18,586	-
Prepaid expenses	<u>22,398</u>	<u>23,031</u>	<u>17,799</u>
	312,764	280,489	591,536
Future income taxes ( <i>Note 3</i> )	-	-	75
Property and equipment ( <i>Note 4</i> )	<u>65,961</u>	<u>198,082</u>	<u>-</u>
	<u>\$ 378,725</u>	<u>\$ 478,571</u>	<u>\$ 591,611</u>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

Current			
Accounts payable and accrued liabilities	\$ 20,530	\$ 5,006	\$ 3,295
Income taxes payable ( <i>Note 3</i> )	-	-	30,024
Due to shareholders ( <i>Note 5</i> )	<u>350,000</u>	<u>408,018</u>	<u>419,250</u>
	370,530	413,024	452,569
Future income taxes ( <i>Note 3</i> )	<u>2,427</u>	<u>3,110</u>	<u>-</u>
	<u>372,957</u>	<u>416,134</u>	<u>452,569</u>
Shareholders' equity			
Share capital ( <i>Note 6</i> )	976	976	1,000
Retained earnings	<u>4,792</u>	<u>61,461</u>	<u>138,042</u>
	<u>5,768</u>	<u>62,437</u>	<u>139,042</u>
	<u>\$ 378,725</u>	<u>\$ 478,571</u>	<u>\$ 591,611</u>

**Approved on behalf of the Board**(signed) "Stephen Benediktson", Director

See Accompanying Notes

**TAYLOR HILL RESOURCES LTD.****Statement of Operations and Retained Earnings**

	For The Year Ended December 31, <u>2004</u>	For The Year Ended December 31, <u>2003</u>	From January 24 to December 31, <u>2002</u>
Revenue			
Royalties	44,300	-	-
Other	<u>5,188</u>	<u>9,244</u>	<u>6,120</u>
	<u>49,488</u>	<u>9,244</u>	<u>6,120</u>
Expenses			
Salaries and benefits	45,422	44,954	3,759
Petroleum and natural gas leases	36,434	24,565	8,828
Software lease	13,073	18,444	15,145
Professional fees	21,247	3,134	5,364
Office	1,885	3,259	3,138
Amortization	<u>217</u>	<u>126</u>	<u>-</u>
	<u>118,278</u>	<u>94,482</u>	<u>36,324</u>
Net loss from operations	<u>(68,790)</u>	<u>(85,238)</u>	<u>(30,114)</u>
Gain on sales of petroleum and natural gas assets	<u>-</u>	<u>-</u>	<u>198,105</u>
Net income (loss) before income taxes	<u>(68,790)</u>	<u>(85,238)</u>	<u>167,991</u>
Income taxes			
Current ( <i>Note 3</i> )	-	-	(30,024)
Recovery from loss carry back	11,438	18,586	-
Future	<u>683</u>	<u>(3,185)</u>	<u>75</u>
	<u>12,121</u>	<u>15,401</u>	<u>(29,949)</u>
Net income (loss)	<u>(56,669)</u>	<u>(69,837)</u>	<u>138,042</u>
Retained earnings, beginning of year	61,461	138,042	-
Repurchase of share capital ( <i>Note 6</i> )	<u>-</u>	<u>(6,744)</u>	<u>-</u>
Retained earnings, end of year	\$ <u>4,792</u>	\$ <u>61,461</u>	\$ <u>138,042</u>

See Accompanying Notes

**TAYLOR HILL RESOURCES LTD.****Statement of Cash Flows**

	For The Year Ended December 31, <u>2004</u>	For The Year Ended December 31, <u>2003</u>	From January 24 to December 31, <u>2002</u>
<b>Cash used in operating activities</b>			
Net income (loss)	\$ (56,669)	\$ (69,837)	\$ 138,042
Items not affecting cash:			
Amortization	217	126	-
Gain on sale	-	-	(198,105)
Future income taxes	<u>(683)</u>	<u>3,185</u>	<u>(75)</u>
Cash flow from operating activities before changes in non-cash working capital	(57,135)	(66,526)	(60,138)
Changes in non-cash working capital:			
Accounts receivable	(27,903)	2,307	(4,317)
Prepaid expenses	633	(5,232)	(17,799)
Accounts payable and accrued liabilities	15,524	1,711	3,295
Income taxes	<u>(11,438)</u>	<u>(48,610)</u>	<u>30,024</u>
	<u>(80,319)</u>	<u>(116,350)</u>	<u>(48,935)</u>
<b>Cash provided by (used in) investing activities</b>			
Additions of property and equipment	(126,096)	(198,208)	(236,895)
Term deposits	50,000	280,000	(480,000)
Proceeds from sales of property and equipment	<u>258,000</u>	<u>-</u>	<u>435,000</u>
	<u>181,904</u>	<u>81,792</u>	<u>(281,895)</u>
<b>Cash provided by (used in) financing activities</b>			
Proceeds from issuance (redemption) of share capital	-	(6,768)	1,000
Proceeds from (repayment of) shareholders' loan	<u>(58,018)</u>	<u>(11,232)</u>	<u>419,250</u>
	<u>(58,018)</u>	<u>(18,000)</u>	<u>420,250</u>
Increase (decrease) in cash	43,567	(52,558)	89,420
Cash, beginning of year	<u>36,862</u>	<u>89,420</u>	<u>-</u>
Cash, end of year	\$ <u>80,429</u>	\$ <u>36,862</u>	\$ <u>89,420</u>
<b>Supplementary information</b>			
Interest paid	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Income taxes paid	\$ <u>-</u>	\$ <u>30,024</u>	\$ <u>-</u>

See Accompanying Notes

**TAYLOR HILL RESOURCES LTD.****Notes to Financial Statements****For the Periods Ended December 31, 2004, 2003 and 2002****1. Incorporation and operations**

Taylor Hill Resources Ltd. (the "Company") was incorporated under the Business Corporations Act (Alberta) on January 24, 2002. The Company's primary activity is exploration, exploitation, development and production of petroleum and natural gas reserves in Canada.

**2. Summary of significant accounting policies**

The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in Canada. The more significant of these accounting policies are as follows:

**Petroleum and natural gas properties**

The Company has adopted Canadian Institute of Chartered Accountants (CICA) Accounting Guideline 16 "Full Cost Accounting", whereby all costs associated with the exploration for and development of petroleum and natural gas reserves are capitalized and charged against earnings as described below. Capitalized costs include lease acquisition costs, the costs of geological and geophysical activities, the costs of drilling both productive and non-productive wells, carrying charges of non-producing properties and overhead costs directly related to exploration and development activities.

Proceeds from the disposal of properties are applied as a reduction of the cost of the remaining assets, except when such a disposal would alter the rate of depletion by more than 20%, in which case a gain or loss on disposal is recorded.

Depletion of petroleum and gas properties and production equipment is provided using the unit of production method which is based upon gross proven reserve volumes. For this purpose, gas volumes are converted to equivalent oil volumes based upon the relative energy content where six thousand cubic feet of gas equates to one barrel of oil.

Costs of acquisition and evaluation of unproved properties are initially excluded from the depletion calculation. The Company periodically reviews costs associated with unproved properties to determine whether they are likely to be recovered. When such costs are not likely to be recovered, or when proved reserves are found to be attributable to the properties, the values of these properties are moved to the depletion pool.

**TAYLOR HILL RESOURCES LTD.****Notes to Financial Statements****For the Periods Ended December 31, 2004, 2003 and 2002****2. Summary of significant accounting policies (continued)**Petroleum and natural gas properties (continued)

The Company places a limit on the aggregate carrying value of property, plant and equipment. Impairment is recognized if the carrying amount of the property, plant and equipment exceeds the sum of the undiscounted cash flows expected to result from the Company's proved reserves. Cash flows are calculated based on third party quoted forward prices. Upon recognition of impairment, the Company would measure the amount of impairment by comparing the carrying amounts of the property, plant and equipment to an amount equal to the estimated net present value of future cash flows from proved plus risked probable reserves. The Company's risk-free interest rate is used to arrive at the net present value of the future cash flows. Any excess carrying value above the net present value of the Company's future cash flows would be recorded as a permanent impairment.

Joint venture accounting

Substantially all of Company's petroleum and natural gas exploration and production activities are conducted jointly with others and, accordingly, the accounts reflect only the Company's proportionate interest in such activities.

Measurement uncertainty

The amounts recorded for depletion and amortization of petroleum and natural gas properties and equipment are based on estimates. The ceiling test is based on estimates of proved reserves, production rates, oil and gas prices, future costs and other relevant assumptions. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Office equipment

Office equipment is recorded at cost less accumulated amortization. Amortization of office equipment is calculated at 20% - 30% annual rate under declining balance method.

Income taxes

Income taxes are calculated using the liability method of tax accounting. Temporary differences between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. Future income tax liabilities are calculated using tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. Temporary differences arising on acquisitions result in future income tax liabilities or assets.

**TAYLOR HILL RESOURCES LTD.****Notes to Financial Statements****For the Periods Ended December 31, 2004, 2003 and 2002****2. Summary of significant accounting policies (continued)**Revenue recognition

Revenues associated with sales of natural gas, natural gas liquids and crude oil owned by the Company are recognized when title passes from the Company to its customer.

Stock options

The consideration received from the option holder upon the exercise of a stock option is credited to share capital at the date of exercise with no compensation expense recognized at the time the stock option is issued or exercised.

**3. Income taxes**

The provision for income taxes in the statement of operations varies from the amount that would be computed by applying the expected income tax rate of 16.12% to net income before income tax provision. The principal reason for the difference between such "expected" provision for income taxes and the amount actually recorded is as follows:

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Computed "expected" income tax expense	\$ (11,090)	\$ (13,741)	\$ 27,080
Increase (decrease) in income taxes resulting from:			
Non-deductible charges	-	16	242
Other	<u>(1,031)</u>	<u>(1,676)</u>	<u>2,627</u>
	<u>\$ (12,121)</u>	<u>\$ (15,401)</u>	<u>\$ 29,949</u>

As of the year end, the Company has the following major tax pools:

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Non-capital losses	\$ 8,831	\$ -	\$ -
Canadian oil and gas property expense	<u>41,073</u>	<u>177,541</u>	<u>-</u>
	<u>\$ 49,904</u>	<u>\$ 177,541</u>	<u>\$ -</u>

Non-capital losses of \$64,553 from 2004 (2003 – \$104,901) were carried back to year 2002. The resulting tax refunds have been fully reflected in the financial statements.

**TAYLOR HILL RESOURCES LTD.****Notes to Financial Statements****For the Periods Ended December 31, 2004, 2003 and 2002****4. Property and equipment**

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2004 Net book value</u>	<u>2003 Net Book value</u>	<u>2002 Net Book value</u>
Office equipment	\$ 940	\$ 343	\$ 597	\$ 814	\$ -
Petroleum and natural gas properties	<u>65,364</u>	<u>-</u>	<u>65,364</u>	<u>197,268</u>	<u>-</u>
	\$ <u>66,304</u>	\$ <u>343</u>	\$ <u>65,961</u>	\$ <u>198,082</u>	\$ <u>-</u>

As all petroleum and natural gas properties are unproved and excluded from depletion and amortization, an assessment was performed by the management that no impairment has occurred.

**5. Due to shareholders**

The amount due to shareholders are non-interest bearing, have no set repayment terms and are unsecured.

**6. Share capital**

## a) Authorized:

Unlimited	Class "A" common voting shares
Unlimited	Class "B" common non-voting shares
Unlimited	Class "C" preferred voting shares

	<u>Number of Shares</u>	<u>Amount</u>
b) Issued:		
Class "A" common voting shares		
Issued for cash	<u>100,000</u>	\$ <u>1,000.00</u>
Balance as of December 31, 2002	100,000	1,000.00
Repurchased for cash	<u>(2,356)</u>	<u>(23.56)</u>
Balance as of December 31, 2003 and 2004	<u>97,644</u>	\$ <u>976.44</u>

## c) Share purchase

During 2003, the Company purchased for cancellation 2,356 Class A shares for \$6,767.67. The weighted average assigned value of \$0.01 per share was charged to share capital and the balance to retained earnings.

**TAYLOR HILL RESOURCES LTD.****Notes to Financial Statements****For the Periods Ended December 31, 2004, 2003 and 2002****6. Share capital (continued)****d) Share option plan**

The Company has an Stock Option plan ("Plan") that is administered by the Board of Directors of the Company. All directors and officers are eligible to participate in the Plan. The maximum option term is 5 years and options are non-assignable and non-transferrable.

Effective December 1, 2002, the Company issued and vested 10,000 share options to a director at an exercise price of \$3.00 per option expiring December 1, 2007. During the period ending 2002, 2003 and 2004, no additional share options were forfeited, granted or exercised.

**7. Financial instruments**

The Company's financial instruments consist of accounts receivable, accounts payable and accrued liabilities and due to shareholders. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant currency or credit risks arising from these financial instruments. The fair values of financial instruments that are included in the balance sheet approximate their carrying amount due to the short-term maturity of those instruments.

**8. Subsequent events**

On January 2, 2005, the Company sold petroleum and natural gas assets to a corporation under common control for \$150,000. The sale price represents the company's best estimate of the current value of the assets. The transaction will be measured in these financial statements at the carrying amount of \$72,393. The difference between the proceeds and the carrying amount, net of \$5,495 tax effect, will be credited to contributed surplus.

On April 28, 2005, all the shares of the Company were sold to Triton Energy Corp. for total consideration of \$1,723,693, which consists of \$581,295 cash and 1,523,197 shares of Triton Energy Corp. at \$0.75 per share. On June 8, 2005, the Company changed its name to 971021 Alberta Ltd.

**9. Public offering**

The parent Corporation of the Company entered into an agency agreement dated ● with various agents to raise equity by a public offering. The parent Corporation may receive a maximum estimated proceeds of \$14,375,000.

**CERTIFICATE OF THE CORPORATION**

DATED: September 29, 2005

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

(Signed) "Michael S. Zuber"  
Michael S. Zuber  
President and Chief Executive Officer

(Signed) "Dean J. Schultz"  
Dean J. Schultz  
Vice-President, Finance and  
Chief Financial Officer

On behalf of the Board of Directors

(Signed) "W.C. (Mike) Seth"  
W.C. (Mike) Seth  
Director

(Signed) "Daryl H. Connolly"  
Daryl H. Connolly  
Director

**CERTIFICATE OF THE PROMOTER**

DATED: September 29, 2005

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

(Signed) "Michael S. Zuber"  
Michael S. Zuber  
Promoter

**CERTIFICATE OF THE AGENTS**

DATED: September 29, 2005

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

**ACUMEN CAPITAL FINANCE PARTNERS  
LIMITED**

(Signed) "C. Michael Stuart"

C. Michael Stuart

**CANACCORD CAPITAL  
CORPORATION**

(Signed) "Stephen C. Hayden"

Stephen C. Hayden

**GMP SECURITIES LTD.**

(Signed) "Matthew Sobolewski"

Matthew Sobolewski

**RAYMOND JAMES LTD.**

(Signed) "Edward J. Bereznicki"

Edward J. Bereznicki