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 INDEPENDENT

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THIS PROSPECTUS CONSTITUTES A PUBLIC OFFERING OF THESE SECURITIES ONLY IN THOSE JURISDICTIONS WHERE THEY MAY BE LAWFULLY OFFERED FOR SALE.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

NEW ISSUE

PROSPECTUS

PIPER PETROLEUMS LTD.

500,000 COMMON SHARES
 (without par value)

Incorporated under the laws of the
 Province of British Columbia

This is Exhibit "A" referred to in the
 affidavit of William O. Rand
 sworn before me at Vancouver, B.C.

This 22nd day of March 1977

Frank C. K...

THIS OFFERING IS SUBJECT TO A MINIMUM OF 400,000 SHARES HEREUNDER BEING SOLD WITHIN 120 DAYS FROM THE DATE OF ACCEPTANCE OF THIS PROSPECTUS BY THE REGULATORY BODIES HAVING JURISDICTION OVER THIS PROSPECTUS. SEE PARAGRAPH 1, PAGE 3, "PLAN OF DISTRIBUTION" FOR FURTHER DETAILS.

	Price to Public	Agent's Commission	Proceeds to Company if all shares offered hereunder are sold
Per Share....	\$0.50	\$0.125	\$0.375
Total.....	\$250,000	\$62,500	\$187,500

THERE IS NO MARKET FOR THE COMMON SHARES OF THE COMPANY.

OIL AND GAS EXPLORATION IS A SPECULATIVE BUSINESS. THE MARKET-ABILITY OF OIL AND GAS ACQUIRED OR DISCOVERED BY THE COMPANY WILL BE AFFECTED BY VARIOUS FACTORS BEYOND THE CONTROL OF THE COMPANY. THE COMPANY'S MINERAL PROPERTY WHICH IS LOCATED IN BRITISH COLUMBIA IS WITHOUT A KNOWN BODY OF COMMERCIAL ORE AND THE PROPOSED PROGRAM IS AN EXPLORATORY SEARCH FOR ORE. A PURCHASE OF THE SHARES OFFERED HEREUNDER MUST BE CONSIDERED AS SPECULATION.

THE BOUNDARIES OF THE MINERAL CLAIMS REFERRED TO IN THIS PROSPECTUS HAVE NOT BEEN SURVEYED AND, THEREFORE, IN ACCORDANCE WITH THE MINING LAWS OF THE APPLICABLE JURISDICTION, THEIR PRECISE LOCATION AND AREA MAY BE IN DOUBT.

REFERENCE SHOULD BE MADE TO THE PARAGRAPH "PRINCIPAL HOLDERS OF SECURITIES" HEREIN FOR A COMPARISON OF THE NUMBER OF SHARES HELD BY THE PROMOTERS AND DIRECTORS OF THE COMPANY AND RECEIVED FOR CASH, SERVICES AND PROPERTY, WITH THE NUMBER OF SHARES OFFERED BY THIS PROSPECTUS.

We, as agent for Piper Petroleums Ltd., conditionally offer these shares if, as and when, subscriptions are accepted by Piper Petroleums Ltd., in accordance with the conditions referred to under "Plan of Distribution" on Page 3 and subject to approval of all legal matters on behalf of Piper Petroleums Ltd. by Rand, McLaughlin & Gorham, Barristers & Solicitors, Vancouver, British Columbia.

CANARIM INVESTMENT CORPORATION LTD. February 25, 1977

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 PROPERTY FILE

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1. PLAN OF DISTRIBUTION

By an agreement dated February 11, 1977, Canarim Investment Corporation Ltd., having offices at 424 Burrard St., Vancouver, British Columbia, and 225 One Lakeview Square, 155 Carlton St., Winnipeg, Manitoba (the "Agent"), has agreed to act as agent of the Company and to use its best efforts to sell to the public in the Provinces of British Columbia and Manitoba, 500,000 shares of the Company on a best efforts basis at a price of \$0.50 per share. The Company has agreed to pay the Agent a commission of \$0.125 per share purchased. The directors of the Company will not participate in the sale of shares offered hereunder. The Company reserves the right to accept applications for the shares offered under this Prospectus in whole or in part and to reject any application and withdraw its offer at any time without notice.

If a minimum of 400,000 shares being offered hereunder is not sold within 120 days of the date of acceptance of this Prospectus by the regulatory bodies having jurisdiction over this Prospectus, all funds will be returned to the purchasers. All funds received will be held in trust by The Canada Trust Company, 901 West Pender St., Vancouver, B. C., until the full amount of \$200,000, including commissions of \$50,000, is received and the consent to the release of the funds has been received from the said regulatory bodies, at which time \$198,000 of the monies received, less commissions, will be turned over to the Company, and the remaining \$2,000 will be held in trust by The Canada Trust Company to cover listing fees for the Vancouver Curb Exchange.

Subject as aforesaid and to the Company receiving a minimum subscription of 400,000 shares, the Company intends to allot and issue the said shares from time to time as applications are received whether or not the total issue of 500,000 shares is or becomes fully subscribed.

2. USE OF PROCEEDS

If all shares offered hereby are sold, the net proceeds to be received by the Company will be \$187,500. The principal purposes for which the estimated net proceeds are to be spent and, in order of priority, are as follows:

(a) Provision for the Vancouver Curb Exchange Listing Fee	\$ 2,000
(b) Cost of this Issue (this includes Legal, Audit and printing costs)	8,000
(c) General and Administrative Expenses (6 months x \$2,000)	12,000
(d) Provision for accounts payable and shareholders' advance	10,234
(e) Bank Loans	87,000
(f) To pay for the completion of the test well on the East Double Bayou property	40,000

(g) Stage 1 of the exploration program on the Prime Mineral Claims	\$ 16,990
(h) Working Capital	<u>11,276</u>
	<u>\$187,500</u>

The bank loan funds were used for the drilling of the test well in Chambers County, Texas (\$46,000 - see Item 3(2)) and for a prepayment advance for the drilling of the test well in Iberville Parish, Louisiana (\$34,425 - see Item 3(3)). The balance of funds were used for working capital and accrued interest. The Company has revenue of approximately \$2,000 per month which will be applied to defraying costs of the general and administrative expenses of the Company for the following six months (estimated at \$4,000 per month).

If only the minimum number of shares are sold, the Company will receive \$150,000, after payment of commissions. In such case, the Company's working capital will be reduced and the Company will arrange bank financing to complete Stage 1 of the exploration program on the Prime mineral claims and to pay for a portion of the East Double Bayou test well.

Funds required for the drilling of the development well (see Item 3(2)) on the East Double Bayou property, estimated at \$45,000, will be borrowed by the Company by a bank loan. If funds are required to complete this well, estimated at \$35,000, they will be obtained by a production loan to be repaid out of revenue from the well. If funds are required to complete the Bayou Bleu well (see Item 3(3)), these will also be obtained by a production loan to be repaid out of revenue from the well.

The Prime mineral claims, referred to in sub-paragraph (g) above, will only be abandoned on the advice of a qualified engineer and, if abandoned, the shareholders of the Company will be notified and, if the Company is still in primary distribution, an amendment to this Prospectus will be filed with the Superintendent of Brokers.

No part of the proceeds shall be used to invest, underwrite, or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the jurisdictions in which the securities offered by this Prospectus may lawfully be sold. Should the Company intend to use the proceeds to acquire other than trustee-type securities after the distribution of the securities offered by this Prospectus, approval by the shareholders of the Company must first be obtained and notice of the intention filed with the regulatory securities bodies having jurisdiction over the sale of the securities offered by this Prospectus.

3. DESCRIPTION OF BUSINESS AND PROPERTY OF ISSUER

The Company's, and its subsidiary, Centennial Petroleum, Inc., principal business is the acquisition of natural gas and petroleum lands and the exploration for and development of commercial quantities of natural gas and oil and, in addition, the exploration and development of mineral properties. The Company's general policy

with respect to gas and oil exploration is to join others in the exploration of prospects and, wherever possible, to provide for exploration through farmouts to and from other companies and through participation with a partner or partners so as to share the cost of any particular exploration program, subject to further financing, revenues and borrowing power of the Company.

Since the formation of the Company, its gas and oil exploration and development activities have been conducted primarily in Saskatchewan and Alberta. The Company, through its subsidiary, has recently agreed to participate in oil plays in the States of Texas and Louisiana.

GAS AND OIL PROPERTIES

On June 12, 1975, the Company acquired a 21.25% working interest in the Hays Oil Pool in Alberta under which two wells were drilled. The first well was drilled in June of 1975 at Legal Subdivision 8, Section 17, Township 13, Range 14, West of the Fourth Meridian, which was not successful. A second well, drilled in June of 1975 at Legal Subdivision 14, Section 9, Township 13, Range 14, West of the Fourth Meridian, was successful. The Company's interest in the Hays Oil Pool was sold in 1976.

On July 15, 1975, the Company acquired a 75% working interest in the Battle River Prospect in Alberta. An unsuccessful well was drilled at Legal Subdivision 11, Section 11, of Township 44, Range 20, West of the Fourth Meridian. The Battle River Prospect has been abandoned.

A third property located in Saskatchewan, and known as the Gainsborough Oil Pool, is dealt with in Item 12 hereof.

(1) Hoffer Oil Pool - Province of Saskatchewan

a) The first well drilled and proven is located at Legal Subdivision 10, Section 29, Township 1, Range 15, West of the Second Meridian. Woodco Resources Ltd. holds 100% of the working interest in the drilling spacing unit of the North East ¼ of Section 29. The Company acquired a 14.2857% working interest in the well. This is subject to the Saskatchewan Crown sliding scale royalty on old oil. During the payout, the working interest is also subject to a sliding scale royalty to Consolidated Oil & Gas, Inc. and Canadian Homestead Oils Limited equal to 1/100 of the monthly production expressed as a percentage with a maximum of 15% and a minimum of 5%. This gross overriding royalty is convertible to a 50% working interest after payout of all drilling and completion costs, at which time the Company's interest would be reduced to a 7.1429% working interest. The earnings are also subject to a gross overriding royalty of 1% to Mr. G. E. Thomas, who was employed by Consolidated Oil & Gas, Inc. as a consulting engineer. This 1% royalty is being paid to Mr. Thomas in lieu of fees. As a result of drilling this well, Woodco Resources Ltd. earned an undivided 50% interest in the following farmout lands: North West ¼ and South ½ of Section 29 and the South Half of Section 4, Township 2, Range 15, West of the Second Meridian. An evaluation report on the Hoffer Oil Pool is duplicated starting on Page 43 herein.

b) The second well is located at Legal Subdivision 12, Section 28, Township 1, Range 15, West of the Second Meridian. Drilling commenced on June 16, 1974 and the well is presently in production. Pursuant to the aforementioned agreement, Woodco

Resources Ltd. earned, by drilling this second well, a 50% working interest in the drilling spacing unit of the North West $\frac{1}{4}$ of Section 28, Township 1, Range 15, West of the Second Meridian. The remaining 50% interest is held by Consolidated Oil & Gas, Inc. and Canadian Homestead Oils Limited. The Company acquired a 7.1429% working interest in the well. The well is subject to the Saskatchewan Crown scale sliding royalty on new oil until 1981, at which time it reverts to the rate for old oil. The working interest is also subject to a gross overriding sliding scale royalty to Pan Canadian Petroleum Ltd. equal to 1/150 of the monthly production expressed as a percentage with a maximum of 15% and a minimum of 5%. In addition, there is a 1% gross overriding royalty payable to Mr. G. E. Thomas, under the terms as described in the previous well. As a result of drilling the second well, Woodco also earned an undivided 50% interest in the following optioned lands: North $\frac{1}{2}$ of Sections 20 and 21, North East $\frac{1}{4}$ and South Half of Section 28, all of Sections 32 and 33 in Township 1, Range 15, West of the Second Meridian. Pursuant to the Company's agreement with Woodco Resources Ltd., the Company has earned a 7.1429% interest in these optioned lands.

c) The third well is located at Legal Subdivision 10, Section 28, Township 1, Range 15, West of the Second Meridian. Drilling commenced on November 11, 1974 and this well is also in production. Pursuant to the aforementioned agreement, Woodco Resources Ltd. held a 66-2/3% working interest in the drilling spacing unit of North East $\frac{1}{4}$ of Section 28 and Consolidated Oil & Gas, Inc. held the remaining 33-1/3% interest. The Company acquired a 9.5238% interest in the well. The well is subject to the Saskatchewan Crown scale sliding royalty on new oil until 1981, at which time it reverts to the rate for old oil. The working interest is also subject to a gross overriding sliding scale royalty to Pan Canadian Petroleum Ltd. equal to 1/150 of the monthly production expressed as a percentage with a maximum of 15% and a minimum of 5%. The 66-2/3% interest of Woodco Resources Ltd. reverts to 50% after payout of 300% of all drilling and completion costs. The remaining working interest reverts 25% to Consolidated Oil & Gas, Inc. and 25% to Canadian Homestead Oils Limited. The earnings are also subject to a gross overriding royalty of 1% payable to Mr. G. E. Thomas, as previously described. No lands were earned as a result of drilling this well.

In addition to the three producing wells, there is a salt water disposal well located at Legal Subdivision 9, Section 28, Township 1, Range 15, West of the Second Meridian.

(2) East Double Bayou - Chambers County, Texas

Chapman Oil Company, 2406 Neils Esperson Building, Houston, Texas, has negotiated a farmout from Hedge Oil Company, 324 Milam Building, San Antonio, Texas, lease owners of 466.53 acres, being Block 5-C, 8-C and 9-C of the Huffman Subdivision, Anson Taylor Survey, A-241, Chambers City, Texas. The agreement provides that Chapman Oil Company would drill a 9,100 foot test well and would earn 100% of the rights 100 feet below the deepest depth drilled. Because of a 16.66% royalty to the landowners and a 2.49% overriding royalty, Chapman Oil Company would therefore receive a 80.85% net revenue lease.

Centennial Petroleum, Inc., a company incorporated on December 9, 1976 in the State of Delaware, U.S.A., and wholly owned by the Company, will, by an agreement with Chapman Oil

Company dated December 15, 1976, have a 37.5% working interest in the East Double Bayou play and will pay 37.5% of the cost of drilling and completing the test well and the proposed development well (i.e. Centennial has a 30.32% interest ($37.5\% \times 80.85\% = 30.32\%$)).

This 30.32% interest will give Centennial 30.32% of the revenue received from the development well until payout of the cost of both the test well and the development well. At that time, Hedge Oil Company and Chapman Oil Company will each back-in for 25% of Centennial's interest. Therefore, at payout, the net revenue interest of Centennial will be 17.05% ($.375 \times .75 \times .75 \times .8085 = .1705$).

On December 17, 1976, Centennial advanced Chapman Oil Company \$45,866.25, representing Centennial's share of the drilling costs of the test well. The test well was drilled and oil was discovered at the objective depth. Completion of the well was immediately undertaken but unusual hole conditions did not allow the production casing to reach the required depth for successful completion. Chapman Oil Company decided to abandon the well in favour of drilling a step-out well. As the test well encountered oil at the objective depth, the step-out well is properly referred to as a "development well". The site of this development well has been determined from geological information gained from drilling the test well. The production capacity of the development well will determine whether the test well will be re-entered, or, alternatively, whether another development well should be drilled.

Pursuant to the Chapman-Hedge farmout agreement, Chapman Oil Company have 90 days from February 18, 1977, the day work discontinued on the test well, to spud the development well in order to maintain the original rights pursuant to the farmout agreement with Hedge Oil Company. Centennial has notified Chapman Oil Company of its intention to participate in the drilling of the development well pursuant to the terms of the Centennial-Chapman agreement.

It is estimated that Centennial's share of the cost of the unsuccessful completion of the test well will be approximately \$40,000. Centennial's share of the cost of drilling and completing the development well is estimated at \$80,000 and these funds will be obtained by a bank loan or production loan to be repaid out of revenues.

(3) Bayou Bleu - Iberville Parish, Louisiana

Energex Corporation, 325 Houston Natural Gas Bldg., Houston Texas, has negotiated a farmout from J. M. Huber Corporation, 2023 - 2000 West Loop South, Houston, Texas. The property comprises 760.93 acres, being Section 36 T9S-R10E (168.80 acres); Tract 1-Lot 4, Section 77, Tract 2 Section 34, Tract 3, Section 35 (420.03 acres); and Lot or radiating Section 33, T9S-T10E (172.10 acres) of oil and gas leasehold estates in Iberville Parish, Louisiana.

The Huber farmout covers an undivided 86.6667% interest

pursuant to its agreement with Energex. Centennial Petroleum, Inc., the Company's subsidiary, has obtained an undivided 5.76922% interest in the farmout so that its working interest during payout totals 5%. Because of the landowners royalty and the J. M. Huber Corporation overriding royalty, Centennial's working interest of 5% is reduced to a 3.5% net revenue interest during payout of the first well. After payout of the first well, J. M. Huber Corporation and Energex Corporation have a back-in privilege that would reduce Centennial's working interest to 3% and its net revenue interest to 2.25%.

Centennial has advanced the sum of \$34,425.04 (U.S. funds) for its 5% portion of the cost of drilling the well. Drilling will commence at the beginning of March 1977 and will be completed approximately one month thereafter. If the well is successful, Centennial's share of the completion costs are estimated at \$41,000, which funds will be obtained by a production loan to be repaid out of revenues.

Neither the Company nor its subsidiary have any interest in any proven undeveloped reserves, probable reserves of crude oil, natural gas or natural gas liquids.

Crude Oil Production

Period Ending	Oil Sales as per Financial Statements	Hoffer		Harris Hays		Total Sales
		Bbls.	Sales	Bbls.	Sales	
July 31/75	\$ 42,234	6,489	\$42,234	-	-	\$ 42,234
July 31/76	\$ 59,516	5,392	\$47,373*	1,730	\$12,143	\$ 59,516
Dec. 31/76	\$ 25,158	2,467	\$25,158**	-	-	\$ 25,158

* This figure includes \$4,171 of gross revenue received from the salt water disposal well 9-28-1-15 W2.

**This figure includes \$2,872 of gross revenue received from the salt water disposal well 9-28-1-15 W2.

Number and Costs of Wells Drilled

Period Ending	No. of Wells Completed	Producing Wells	Dry Holes	Amount Expended
July 31/74	1	1	0	\$ 44,514
July 31/75	3	2	1	\$ 67,520*
July 31/76	2	1	1	\$ 91,988
Dec. 31/76	Prepayment made for one well	(not known)	(not known)	\$ 48,372

* This figure excludes the \$35,000 payment to Woodco Resources Ltd. on the Gainsborough property.

The net daily oil production of the Company is approximately 6.5 bbls. per day for a daily revenue of approximately \$62 per day. The report of Macdonald Engineering & Associates Ltd. included in this Prospectus contains further information regarding the oil production and the reserves of the Hoffer oil property.

None of the above oil and gas properties of the Company were acquired within three years immediately preceding the date of this Prospectus from any insider or promoter, or is intended to be acquired by the Company from any insider or promoter of the Company

(4) Prime Mineral Claims - Province of British Columbia

The Company is the owner of a 100% interest in the Prime Group of mineral claims located in the Similkameen Mining Division, Province of British Columbia:

<u>Name of Claim</u>	<u>Record No.</u>	<u>Expiry Date</u>
Prime	#47	May 20, 1977
Prime 1	#46	May 20, 1977
Prime 2	#85	July 20, 1977

The Prime Group is comprised of three claim blocks totalling 40 contiguous units and comprising 2,471 acres. The property can be reached from Princeton, British Columbia via the Merritt Highway north for eight miles, then by the Missezula Lake road for eighteen miles along Summers Creek. Dirt and gravel bulldozer roads extend up and reach most sections of the claims. No work has been done on the property by the Company and there is no equipment on the property. The property is without a known body of ore. Extensive exploration work has been done by previous owners of the property, but such work notwithstanding, the claims were abandoned by them.

By an agreement dated August 13, 1976, between the Company and Messrs. Lauch F. Farris, 1649 Laurier Ave., Vancouver, B. C., Gordon C. Gutrath, 3636 Lakedale, Burnaby, B. C., William E. Clancey, 2050 Westdean Cres., West Vancouver, B. C., (all directors of the Company), and John E. Labrecque, 19 Cherovan Dr., S.W., Calgary, Alberta, the Company acquired the Prime Group of mineral claims for and in consideration of the issuance of 300,000 escrow shares, as follows:

Lauch F. Farris	100,000
Gordon C. Gutrath	100,000
William E. Clancey	50,000
John E. Labrecque	50,000
	<u>300,000</u> escrow shares

Since three directors of the Company received shares pursuant to the said agreement, shareholder approval to the

issuance of 300,000 escrow shares was obtained on October 22, 1976. The consent of the Superintendent of Brokers to such issuance was received on November 18, 1976.

The Company proposes to carry out Stage 1 (\$16,990) of the program recommended by D. C. Malcolm, P. Eng., Consulting Geologist, in his engineering report dated August 5, 1976 and duplicated starting on Page 28 herein.

The Prime Group of mineral claims were acquired by the vendors, as noted above, for staking costs in the amount of \$2,162.

4. NAME AND INCORPORATION

The Company was incorporated under the laws of the Province of British Columbia as a specially limited company under the name of Piper Petroleum Ltd. (N.P.L.) on June 26, 1973. On November 12, 1976, the Company converted from a specially limited company to a limited company under the name of Piper Petroleum Ltd. On June 17, 1975, at the request of the Company, it became a reporting company. The Company was registered extra-provincially in the Province of Alberta on May 10, 1976.

The head office of the Company is located at 1024-355 Burrard Street, Vancouver, B. C., and its registered and records office is located at 200 - 890 West Pender Street, Vancouver, B.C.

5. SHARE CAPITAL STRUCTURE

The authorized capital of the Company consists of 5,000,000 shares without par value of which 1,294,000 shares are presently issued and outstanding.

All of the shares of the Company, including those offered by this Prospectus, are common shares and they are not subject to any future call or assessment. All have equal voting rights except for the escrow shares referred to in Paragraph 6 below. The shareholders of such shares while in escrow may not vote any of their shares, whether escrowed or free, in support of any arrangement or decrease of capital that would result in a repayment of capital being made on escrowed shares prior to the commencement of the winding-up of the Company. There are no special rights or restrictions of any nature attaching to any of the shares and they all rank pari passu, each with the other, as to all benefits which might accrue to the holders of the securities, except for the escrow shares which have restrictions as set out in Paragraph 6 below.

<u>Designation of Shares</u>	<u>No. of Shares Authorized</u>	<u>Amount outstanding as of date balance sheet contained herein</u>	<u>Amount outstanding as of January 31, 1977</u>	<u>Amount to be outstanding on completion of offering</u>
Common Shares	5,000,000	1,294,000	1,294,000	1,794,000

SHARES SOLD FOR CASH AS AT FEBRUARY 25, 1977

<u>Number of Shares</u>	<u>Date Sold</u>	<u>Price</u>	<u>Commission Paid</u>	<u>Cash Received</u>
240,500	Jan. 31/74	25¢	nil	\$ 60,125
<u>753,500*</u>	Jan. 8/76	15¢	nil	<u>113,025</u>
<u>994,000</u>				<u>\$173,150</u>

*Of the 753,500 shares originally sold at 15¢ per share, 560,000 shares were subsequently transferred to a new control group. Of these 560,000 shares, 239,999 shares were subsequently transferred to persons joining the new control group which consists mainly of the present directors of the Company.

SHARES ISSUED FOR PROPERTIES AS AT FEBRUARY 25, 1977

A total of 300,000 shares have been issued in the capital of the Company for properties. These shares are held within escrow and were issued pursuant to the Company's acquisition of the Prime mineral claims, Similkameen Mining Division, B.C.

6. ESCROW SHARES

<u>Designation of Class</u>	<u>Number of Shares Held In Escrow</u>	<u>Percentage of Issued Shares</u>
Common	300,000	23.18%

By an agreement dated August 13, 1976, the Company agreed to issue a total of 300,000 shares in its capital stock for and in consideration of the acquisition of the Prime mineral claims, as referred to in Paragraph 3(4) above, to the following persons:

<u>Name and Address of Vendor</u>	<u>No. of Shares</u>
Lauch F. Farris 1649 Laurier Avenue Vancouver, B.C.	100,000
Gordon C. Gutrath 3636 Lakedale Burnaby, B.C.	100,000
William E. Clancey 2050 Westdean Cres. West Vancouver, B.C.	50,000
John E. Labrecque 19 Cherovan Dr. S.W. Calgary, Alberta	50,000
	<u>300,000</u>

The 300,000 shares are held in escrow by The Canada Trust Company, 901 West Pender Street, Vancouver, B. C., subject to the direction or determination of the Superintendent of Brokers of British Columbia and the Manitoba Securities Commission. The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever, nor released, nor may the Company, its transfer agent or escrow holder make any transfer or record any trading of the shares without the consent of the Superintendent of Brokers and the Manitoba Securities Commission.

In the event the Company loses or abandons or fails to obtain title to all or part of the property for which it allotted all or part of the escrow shares, the Company will declare any such event to the Superintendent of Brokers and the Manitoba Securities Commission by way of directors' resolution and the holders of such shares, the trustee thereof and the Company, have agreed that such number of said shares as the Superintendent of Brokers and the Manitoba Securities Commission determines shall have become subject to cancellation and shall be surrendered to the Company by way of gift for cancellation. The complete text of the escrow agreements are available for inspection at the registered office of the Company.

The escrow agreement relating to the Manitoba Securities Commission further provides that no dividends shall be paid on such shares while in escrow and that on winding up, the shares, while in escrow, will not participate in the distribution of assets.

7. POOLED SHARES

There are 994,000 shares held in pool by The Canada Trust Company, 901 West Pender Street, Vancouver, B. C., by agreement dated December 22, 1976. All of the 994,000 shares will be released from the provisions of this pooling agreement (i.e. all presently issued shares excluding the escrow shares) 30 days after completion of this offering.

By a second pooling agreement, headed "Voluntary Pooling Agreement", dated December 22, 1976, certain shareholders of the Company holding 753,500 shares have agreed to pool their shares for a further period on the following terms and conditions:

- (a) upon completion of this Prospectus, the Company intends to make application to list its shares on the Vancouver Curb Exchange. The consents of the Vancouver Curb Exchange and the Superintendent of Brokers is required to such application and the later of the dates when such consents are received shall be called the "Approval Date";
- (b) each of the shareholders shall receive a release of, and be entitled to request and receive from the Trustee, 1/3 of their shares so deposited with the Trustee 6 months following the Approval Date;

- (c) each of the shareholders shall receive a release of, and be entitled to request and receive from the Trustee, 1/3 of their shares so deposited with the Trustee 12 months following the Approval Date;
- (d) each of the shareholders shall receive a release of, and be entitled to request and receive from the Trustee, 1/3 of their shares so deposited with the Trustee, 18 months following the Approval Date;

Since the Company was a reporting company at the time of the issuance of the 753,500 shares at 15¢ per share, the Superintendent of Brokers of British Columbia requested and received an undertaking from the persons receiving the shares that they would apply to the Superintendent of Brokers prior to selling such shares for a determination as to whether the sale of such shares would be a trade in the course of primary distribution to the public. The new control group to whom a portion of such shares were transferred also executed undertakings to seek a ruling from the Superintendent of Brokers of British Columbia prior to selling such shares.

8. PRINCIPAL HOLDERS OF SECURITIES

(a) To the knowledge of the Company, the following persons hold 10% or more of the issued shares of the Company:

<u>Name & Address</u>	<u>Class of Shares</u>	<u>Type of Ownership</u>	<u>Number of Shares owned of Record & Beneficially</u>	<u>% of Issued Shares</u>
Alfred E. Turton c/o 225-One Lakeview 155 Carlton Street Winnipeg, Manitoba	Common	Of Record & Beneficial	193,666*	14.96%
William E. Clancey 2050 Westdean Cres. West Vancouver, B.C.	Common	Of Record & Beneficial Of Record	142,003 <u>30,000**</u> 172,003	13.29%
Lauch F. Farris 1649 Laurier Ave. Vancouver, B. C.	Common	Beneficial	166,666	12.87%

* Mr. Alfred E. Turton is a director and officer of Canarim Investment Corporation Ltd., who are the Agents for the shares offered for sale by this Prospectus, and he was a former director of the Company. Mr. Turton has no material interest, direct or indirect, in any past, present or proposed transactions, which have materially affected or will materially affect the Company other than disclosed herein.

** These shares are held in trust only.

(b) The promoters, directors, officers and controlling persons, as a group, own, directly or indirectly, 719,001 shares in the capital stock of the Company, representing 55.56% of the issued shares. On completion of the sale of shares offered by this Prospectus, the promoters, directors, officers and controlling persons will hold 40.07% of the issued shares of the capital stock of the Company. The shares being offered by this Prospectus, therefore, represent 27.87% of the total shares to be issued on completion of this offering.

9. DIRECTORS AND OFFICERS

<u>Name and Address</u>	<u>Office Held</u>	<u>Principal Occupation During Past Five Years</u>
LAUCH FRASER FARRIS 1649 Laurier Avenue Vancouver, B. C.	President & Director	February '67 to present, Vice President and Corporate Secretary of Ionarc Smelters Ltd.; June '71 to February '75, Corporate Secretary of Coseka Resources Ltd.; October '72 to December '74, Corporate Secretary of Metcon Resources Ltd.
GORDON CHARLES GUTRATH 3636 Lakedale Avenue Burnaby, B. C.	Vice President & Director	Geologist; September '70 to present, Owner & President of Atled Exploration Management Ltd.
WILLIAM EDWARD CLANCEY 2050 Westdean Crescent West Vancouver, B. C.	Director	1956 to present, President of William Clancey & Associates, Public Relations Consultants
KENNETH BERTRAM BLAKEY 2885 Ashley Road Victoria, B. C.	Director	Retired in May, 1972 as Deputy Minister of Mines and Petroleum Resources, British Columbia Provincial Government
DENIS WILLIAM TIMMIS 1310 West 33rd Avenue Vancouver, B. C.	Director	For the past three years to March '76, Chief Executive Officer and President of MacMillan, Bloedel Ltd. and in various other capacities with MacMillan, Bloedel Ltd. since '64
ABRAM DOUGLAS MCKEE 17 Clarendon Avenue Toronto, Ontario	Director	President, A.D. McKee Construction Management, Inc.; 1972 to 1974, President, Direzione Lavori of Canada Ltd.; 1965 to 1971, President, McNamara Corporation Ltd.

CLIFFORD EDWARD SAWYER 2178 West 51st Avenue Vancouver, B. C.	Director	March '73 to present, self-employed business consultant; September '69 to March '73, Executive and Vice President of Brascan Ltd.
MAGNUS GRAHAM GRIEVE 309 - 1999 Nelson Street Vancouver, B. C.	Secretary	May '48 to present, in various management capacities with Capilano Timber Co. and its subsidiaries

10. PROMOTERS

Pursuant to the definition contained in the Securities Act of the Provinces of British Columbia and Manitoba, the promoters of the Company may be considered to be Mr. Lauch F. Farris, 1649 Laurier Avenue, Vancouver, B. C., and Mr. Gordon C. Gutrath, 3636 Lakedale, Burnaby, B. C. See Paragraph 3 of Page 9 for the number of shares acquired by the promoters for property. Mr. Farris acquired a further 66,666 shares at 15¢ per share and Mr. Gutrath acquired a further 10,000 shares at 15¢ per share, all of which shares so purchased are held pursuant to two pooling agreements as referred to in Paragraph 7 of Page 12.

11. REMUNERATION OF DIRECTORS AND OFFICERS

There has been no remuneration paid to any of the directors or senior officers of the Company during the Company's last completed financial year ended July 31, 1976. The aggregate direct remuneration paid by the Company and its subsidiary since that date to December 31, 1976 amounts to \$7,500.

12. LEGAL PROCEEDINGS

On March 20, 1975 the Company entered into an agreement with Woodco Resources Ltd., 3507 Utah Drive N.W., Calgary, Alberta, with respect to oil exploration to be carried on in the Gainsborough Oil Pool, specifically: Section 22, Township 2, Range 31, West of the Prime Meridian.

Under the agreement, the Company acquired a 75% working interest in petroleum and natural gas rights and all equipment secured by Woodco Resources Ltd. in Section 22. The 100% interest of Woodco Resources Ltd. is subject to a 12.5% prime lessor oil royalty and a 3.125% royalty payable to Mr. Arch W. Deuel and Mr. Donald D. Bills, for geological studies and land acquisition services provided by them prior to the time that the initial discovery well was drilled in the Gainsborough Oil Pool. In addition, there is a 4.25% royalty payable to Geodata Exploration Services Ltd. for geological studies that defined the location of a potential new oil well on the aforesaid Section 22. The 100% working interest of Woodco Resources Ltd. in Section 22 was expressly subject to satisfactory title documents to be furnished by Plaza Oil and Gas Ltd., from whom

Woodco Resources Ltd. acquired its interest. As of August 5, 1975, Plaza Oil and Gas Ltd. advised Woodco Resources Ltd. that it had been informed by its solicitor in Saskatchewan that the final caveat on the said lands had been released as of July 14, 1975.

Pursuant to the aforementioned agreement, a well was to be drilled on the prospect on or before July 20, 1975. By reason of the time taken to remove the caveat, the well was not drilled on July 20, 1975. According to Mr. Rheinhold Kapchinsky, a previous director of the Company, the question as to the drilling of the well was left in abeyance. According to Mr. Lockwood, the President of Woodco Resources Ltd., the well was to be drilled by December 31, 1975 and in his opinion the Company has forfeited the \$35,000.

The Company has caused a caveat to be filed against the mineral interest of Woodco Resources Ltd. on Section 22 to secure the return of the \$35,000 paid to Woodco Resources Ltd. to acquire the said 75% interest. The solicitor for Woodco Resources Ltd. has instructed the Company to discharge the caveat or he will take proceedings to have the caveat lapse. If such proceedings are taken, the Company will apply to continue the caveat since it is of the opinion that the agreement with Woodco Resources Ltd. is still operative.

13. MATERIAL CONTRACTS

There are no material contracts except as disclosed in this Prospectus, all of which may be inspected at the Registered Office of the Company during normal business hours while primary distribution of the shares offered hereunder is in progress and for the period of thirty days thereafter.

14. INTEREST OF MANAGEMENT IN MATERIAL TRANSACTIONS

The Directors and Officers of the Company have no interest in any other material transactions to which the Company has participated or intends to participate at this time, save and except as disclosed in this Prospectus and, in particular, matters disclosed under "Description of Business and Property of Issuer".

15. OTHER MATERIAL FACTS

There are no other material facts relating to the securities offered by this Prospectus which are not disclosed above.

16. AUDITORS, TRANSFER AGENT AND REGISTRARS

The auditor of the Company is Coopers & Lybrand, 28th Floor, 1055 West Georgia Street, Vancouver, B. C. They were appointed auditor of the Company on October 22, 1976.

The transfer agent and registrar for the common shares of the Company is The Canada Trust Company, 901 West Pender Street, Vancouver, B. C., and branch registers are maintained in Calgary, Alberta, and Winnipeg, Manitoba.

17. STATUTORY RIGHTS OF RESCISSION AND WITHDRAWAL

Sections 61 and 62 of the Securities Act of the Province of British Columbia provide, in effect, that where a security is offered to the public in the course of primary distribution:

(a) a purchaser has the right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the Superintendent of Brokers, was not delivered to him or his agent prior to delivery of the written confirmation of the sale of the securities to either of them. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice;

(b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Sections 63 and 64 of the Securities Act of the Province of Manitoba provide, in effect, that where a security is offered in the course of distribution to the public:

(a) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention to be bound is received by the vendor or his agent not later than midnight on the second business day after the prospectus or amended prospectus offering such security is received or is deemed to be received by him or his agent, and

(b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after the expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Reference is made to the aforesaid Acts for the complete texts of the provisions under which the foregoing rights are conferred and the foregoing summary is subject to the express provisions thereof.

C O N T E N T S

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CHARTERED ACCOUNTANTS

WINSPEAR HIGGINS STEVENSON & CO.

1900 Royal Trust Tower, Edmonton Centre
Edmonton, Alberta T5J 0W7 · Telephone 426-6880 · Area 403

1.

AUDITORS' REPORT

To the Directors of
Piper Petroleums Ltd.
(Formerly Piper Petroleums Ltd. (N.P.L.))

We have examined the balance sheet of Piper Petroleums Ltd. as at July 31, 1976 and the statements of income, retained earnings and changes in financial position for the three years then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion:

(a) the accompanying balance sheet presents fairly the financial position of the company as at July 31, 1976;

(b) the accompanying statements of income, retained earnings and changes in financial position present fairly the results of operations and the changes in financial position of the company for the three years ended July 31, 1976;

all in accordance with generally accepted accounting principles applied on a consistent basis.

Winspear Higgins Stevenson & Co.
Chartered Accountants

EDMONTON, Alberta
September 14, 1976

INTERNATIONAL FIRM
HURDMAN AND CRANSTOUN, THORNTON BAKER

PIPER PETROLEUMS LTD.

BALANCE SHEET

ASSETS

	July 31 1976	December 31 1976 Consolidated (Unaudited)
Current		
Cash	\$ 6,345	\$ 63
Accounts receivable	3,951	4,074
Provincial tax credit receivable	677	677
Prepaid expense	162	41
	<u>11,135</u>	<u>4,855</u>
Drilling deposits	3,274	3,274
Furniture - at cost (less accumulated depreciation \$136)	543	-
Exploration and development costs (Note 2)	165,479	207,786
Mineral claims (Note 1(d))	-	45,000
Incorporation costs	1,477	1,477
	<u>\$ 181,908</u>	<u>\$ 262,392</u>

LIABILITIES

Current		
Bank loan (Note 8)	\$ -	\$ 50,000
Accounts payable	4,835	4,816
Shareholders' loans	-	5,418
	<u>4,835</u>	<u>60,234</u>
Deferred income taxes payable (Note 3)	3,820	-
	<u>8,655</u>	<u>60,234</u>

SHAREHOLDERS' EQUITY

Share capital (Note 4)	173,150	218,150
Retained earnings (deficit)	103	(15,992)
ON BEHALF OF THE BOARD	<u>173,253</u>	<u>202,158</u>
<i>Kenneth Barris</i> Director	<u>\$ 181,908</u>	<u>\$ 262,392</u>
<i>J. G. ...</i> Director		

The accompanying notes form part of this statement.

PIPER PETROLEUMS LTD.

STATEMENT OF INCOME

	<u>Year Ended July 31</u>			<u>Five Months Ended December 31</u>	
	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1975 *</u>	<u>1976 Consolidated</u>
				(Unaudited)	(Unaudited)
Income					
Oil sales	\$ 14,073	\$ 42,234	\$ 59,516	\$ 31,372	\$ 25,158
Expenses					
Production costs and royalties	10,710	27,554	31,716	15,857	16,650
Administration	2,728	6,002	16,561	18,876	22,472
Amortization of exploration and development costs	1,350	10,478	11,389	6,106	6,065
	<u>14,788</u>	<u>44,034</u>	<u>59,666</u>	<u>40,839</u>	<u>45,187</u>
Net operating income (loss)	(715)	(1,800)	(150)	(9,467)	(20,029)
Other income					
Interest	2,149	1,106	2,656	1,981	114
Net income (loss) before income taxes	1,434	(694)	2,506	(7,486)	(19,915)
Income taxes (recovered)					
- current	-	-	(677)	(722)	-
- deferred (Note 3)	655	1,870	1,295	(22)	(3,820)
Net income (loss)	<u>\$ 779</u>	<u>\$ (2,564)</u>	<u>\$ 1,888</u>	<u>\$ (6,742)</u>	<u>\$ (16,095)</u>
Earnings per share					
Net income (loss) (Note 6)	<u>\$0.006</u>	<u>(\$0.011)</u>	<u>(\$0.002)</u>	<u>(\$0.007)</u>	<u>(\$0.012)</u>

* Restated to reflect the change in basis of amortization of exploration and development costs.

The accompanying notes form part of this statement.

4.

PIPER PETROLEUMS LTD.
STATEMENT OF RETAINED EARNINGS

	Year Ended July 31			Five Months Ended December 31	
	1974	1975	1976	1975 *	1976 <u>Consolidated</u> (Unaudited)
Retained earnings (deficit), beginning of period	\$ -	\$ 779	\$ (1,785)	\$ (1,785)	\$ 103
Net income (loss)	<u>779</u>	<u>(2,564)</u>	<u>1,888</u>	<u>(6,742)</u>	<u>(16,095)</u>
Retained earnings (deficit), end of period	<u>\$ 779</u>	<u>\$ (1,785)</u>	<u>\$ 103</u>	<u>\$ (8,527)</u>	<u>\$ (15,992)</u>

* Restated to reflect the changes in the basis of amortization of exploration and development costs

The accompanying notes form part of this statement.

5.

PIPER PETROLEUMS LTD.

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year Ended July 31		Five Months Ended December 31	
	1974	1975	1975 *	1976 <u>Consolidated</u> (Unaudited)
Financial resources were provided by				
Operations				
Net income (loss)	\$ 779	\$ (2,564)	\$ 1,888	\$ (6,742)
Add: Expenses not requiring an outlay of funds				
- amortization and depreciation	1,350	10,478	11,525	6,106
- deferred income taxes (recovered)	655	1,870	1,295	(22)
- loss on abandonment of furniture	-	-	-	543
Proceeds from disposal of oil well	2,784	9,784	14,708	(658)
Proceeds from sale of shares (Note 4)	-	-	50,326	-
Shareholders' loans	60,125	-	113,025	113,025
	<u>62,909</u>	<u>121,309</u>	<u>178,059</u>	<u>112,367</u>
				<u>31,693</u>
Financial resources were used for				
Drilling deposits	667	107	2,500	-
Furniture additions	-	-	679	-
Exploration and development costs	44,514	102,520	91,988	48,372
Repayment of shareholders' loans	-	-	111,525	-
Incorporation costs	1,477	-	-	-
Acquisition of mineral claims	-	-	-	45,000
	<u>46,658</u>	<u>102,627</u>	<u>206,692</u>	<u>93,372</u>
Increase (decrease) in working capital	16,251	18,682	(28,633)	(61,679)
Working capital, beginning of period	-	16,251	34,933	6,300
Working capital (deficiency), end of period	<u>\$ 16,251</u>	<u>\$ 34,933</u>	<u>\$ 6,300</u>	<u>\$ (58,765)</u>
				<u>\$ (55,379)</u>

* Restated to reflect the changes in the basis of amortization of exploration and development costs

The accompanying notes form part of this statement.

6.

PIPER PETROLEUMS LTD.

NOTES TO FINANCIAL STATEMENTS

(Information for the five months ended December 31, 1975 and December 31, 1976 is unaudited. Information at December 31, 1976 is on a consolidated basis.)

1. Accounting policies

(a) Full cost method of accounting

The company follows the full cost method of accounting for oil and gas operations whereby all costs relative to the exploration for and development of such reserves are capitalized. Such costs include carrying charges on undeveloped property, costs of drilling both productive and non-productive wells and overhead related to exploration activities. These costs are reduced by the proceeds from the sale of oil and gas properties and also by government drilling and seismic grants.

The costs are being amortized on the composite-unit-of-production method based on estimated reserves.

(b) Income tax allocation

Provision is made in the company's accounts to reflect the income tax effect applicable to transactions recorded in the company's financial statements in a recording period different from the period in which they are reported for income tax purposes.

The deferred income taxes shown in the balance sheet represent the cumulative effect of net charges made against earnings to defer these income tax effects to appropriate future periods in the company's financial statements. This accounting policy allocates the income tax effect of transactions to the period in which such transactions are recorded for financial reporting purposes.

(c) Change in accounting policy

In 1976 the company has changed its basis of amortization of exploration and development costs. For the years ended July 31, 1974 and 1975 the costs of producing areas only were being amortized, whereas the current policy is to amortize the cost of both producing and non-developed areas.

The July 31, 1974 and 1975 financial statements have been restated to reflect the retroactive application of this policy as detailed in Note 5.

6. cont'd

PIPER PETROLEUMS LTD.

NOTES TO FINANCIAL STATEMENTS

(Information for the five months ended December 31, 1975 and December 31, 1976 is unaudited. Information at December 31, 1976 is on a consolidated basis.)

1. cont'd

(d) Valuation of mineral claims

The amount shown for mineral claims represents cost to date and does not necessarily reflect present or future values.

(e) Consolidation

The financial statements for the five month period ended December 31, 1976 are on a consolidated basis and include the accounts of a wholly-owned subsidiary company, Centennial Petroleum Inc., incorporated on December 9, 1976 in the United States of America.

2. Exploration and development costs

	July 31 1976	December 31 1975 *	December 31 1976 <u>Consolidated</u> (Unaudited)
Costs			
Hoffer Oil Pool	\$ 70,130	\$ 69,429	\$ 70,130
Gainsborough Oil Pool	35,000	35,000	35,000
Battle River Prospect	96,794	95,579	99,300
Hays Oil Pool	37,098	39,066	37,098
East Double Bayou-Texas	-	-	45,866
	<u>239,022</u>	<u>239,074</u>	<u>287,394</u>
Deduct: Proceeds from disposal of interest in Hays Oil Pool	50,326	-	50,326
Accumulated amortization	<u>23,217</u>	<u>17,934</u>	<u>29,282</u>
	<u>73,543</u>	<u>17,934</u>	<u>79,608</u>
	<u>\$ 165,479</u>	<u>\$ 221,140</u>	<u>\$ 207,786</u>

The Battle River Prospect was drilled and is considered non-producing and all the company's interest in this area has now been abandoned.

* Restated to reflect the change in the basis of amortization of exploration and development costs.

6. cont'd

6. cont'd

PIPER PETROLEUMS LTD.

NOTES TO FINANCIAL STATEMENTS

(Information for the five months ended December 31, 1975 and December 31, 1976 is unaudited. Information at December 31, 1976 is on a consolidated basis.)

3. Deferred income taxes

Exploration and development costs claimed for income tax purposes exceed the amount recorded in the company's accounts. As a result, no income taxes were actually payable for the 1974, 1975 and 1976 fiscal years. As explained in Note 1(b), provision has been made in the accounts for the taxes deferred as a result of such deductions exceeding expenses charged in the financial statements.

Since May 6, 1974 statutory depletion is allowed at 25% of "resource profits" subject to a limit of \$1 of allowance for each \$3 of "Eligible Expenditure". The remaining earned depletion allowance limit available for future years, based on eligible expenditures, is as follows:

At July 31, 1976	\$ 79,674
At December 31, 1976	\$ 80,509

4. Share capital

Authorized

5,000,000 common shares without par value

Issued and outstanding

	<u>No. of shares</u>	<u>Par Value</u>	<u>Discount</u>	<u>Net</u>
July 31, 1975	240,500	120,250	60,125	60,125
Issued, August 1, 1975	<u>753,500</u>	<u>376,750</u>	<u>263,725</u>	<u>113,025</u>
July 31, 1976	994,000	<u>497,000</u>	<u>323,850</u>	173,150
Issued as consideration for the mineral claims acquired	<u>300,000</u>			<u>45,000</u>
December 31, 1976	<u>1,294,000</u>			<u>\$ 218,150</u>

On October 22, 1976 the authorized capital of the company and the issued capital of the company as at that time were changed into 5,000,000 and 994,000 common shares without par value respectively.

PIPER PETROLEUMS LTD.

NOTES TO FINANCIAL STATEMENTS

(Information for the five months ended December 31, 1975 and December 31, 1976 is unaudited. Information at December 31, 1976 is on a consolidated basis.)

5. Retained earnings (deficit) as restated

Balance July 31, 1975 as originally reported	\$ 3,031
Deduct: Adjustment resulting from changes in accounting policy with respect to amortization of exploration and development costs as explained in Note 1	<u>5,651</u>
	(2,620)
Add: Reduction in deferred income taxes	<u>835</u>
Restated balance at July 31, 1975	<u>\$ (1,785)</u>

6. Earnings (loss) per share

The earnings per share for each period are calculated on the weighted average of the shares outstanding.

7. Subsequent events

Subsequent to December 31, 1976, the company intends to file a prospectus for the issuance of 500,000 common shares at a price of 50¢ each before commission and an application will be made to the Vancouver Stock Exchange for listing of the shares on the Curb Exchange.

8. Bank loan

The company has a demand loan in the amount of \$50,000 which is secured by an assignment of book debts and the personal guarantees of certain shareholders of the company. On February 2, 1977 an additional amount of \$35,000 was borrowed, bringing the aggregate demand bank loan to \$85,000. In addition, on January 25, 1977, the company drew down \$2,000 against its operating line of credit in the amount of \$10,000.

9. Remuneration of directors and senior officers

A director, in his capacity as an officer, has been paid \$7,500 for the five month period ended December 31, 1976.

REPORT ON THE
 PRIME GROUP OF CLAIMS
 MISSEZULA LAKE AREA, B.C.
 SIMILKAMEEN MINING DIVISION

Latitude 49° 45' North
 Longitude 128° 28' West

on behalf of

PIPER PETROLEUMS LTD

by

D.C. Malcolm, P.Eng.
 Consulting Geologist

August 5, 1976
 Vancouver, B. C.

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ILLUSTRATIONS

- LOCATION MAP
- GENERALIZED GEOCHEMICAL AND GEOPHYSICAL
 MAP (compiled from previous reports)

FORWARD

An examination was made on July 17, 1976 for the Directors of Piper Petroleum Ltd's Prime Group near Missetzula Lake at the head of Summers Creek.

The deposits were first examined by the writer in 1958 when three trenches on the North Zone reported to have been excavated in 1937 were examined. These showed extensive malachite staining in an altered andesite with some fracture fillings of pyrite and chalcopyrite.

In 1968 a visit to the property was made, and the trenching, geochemical, magnetometer surveys and diamond drilling were reviewed.

In 1969 additional trenching and diamond drilling south and west of the North Zone was examined.

At present, the workings are caved, buildings are vandalized and the core is scattered.

PIPER PETROLEUMS LTD

PRIME GROUP

SIMILKAMEEN MINING DIVISION

BRITISH COLUMBIA

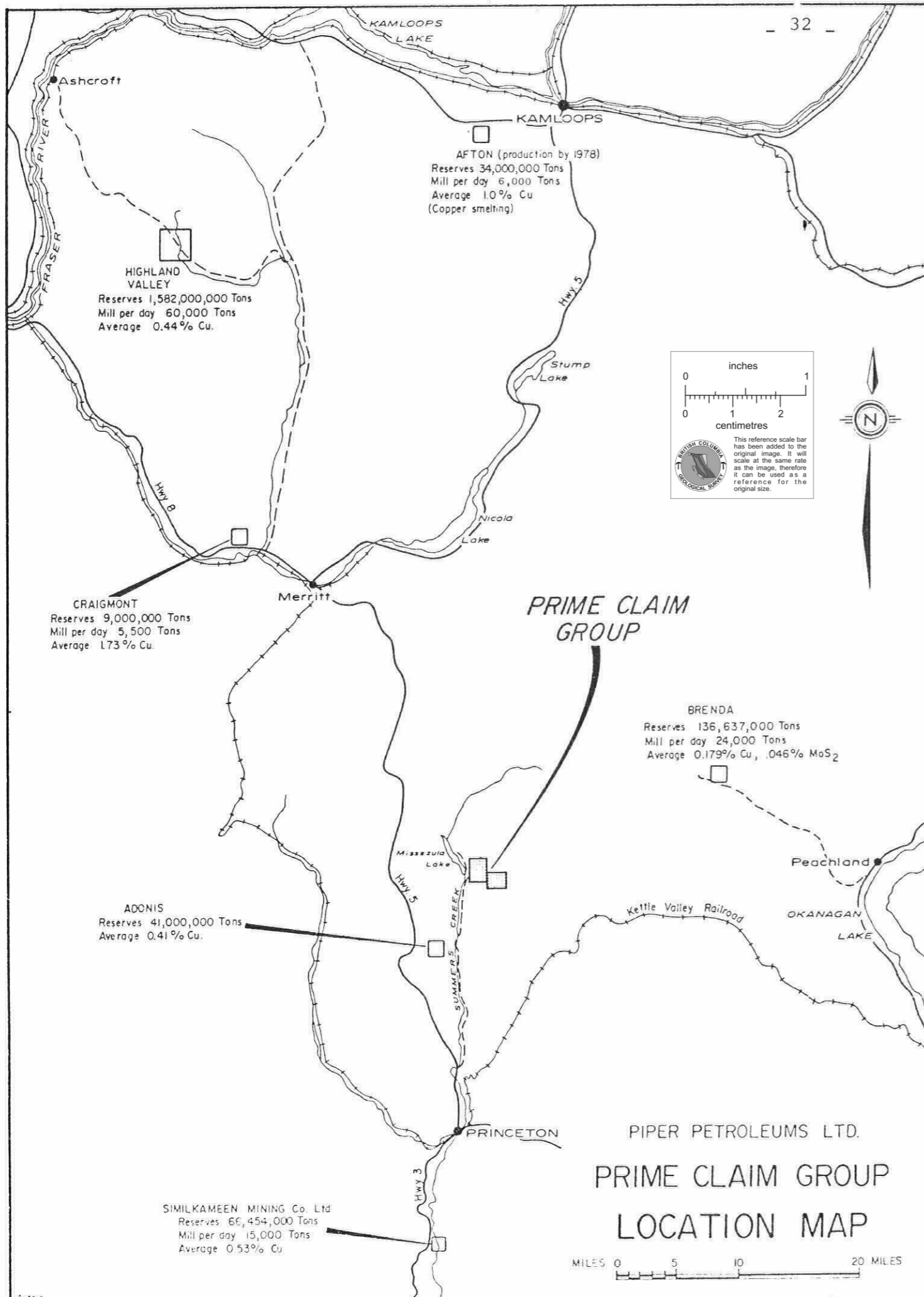
SUMMARY

The Prime Group is well located in the Princeton-Merritt copper belt in the favourable Triassic Nicola Group rocks. The claim area has been extensively explored by uncoordinated modern methods and many copper anomalous areas have been indicated. Large areas of copper mineralization have been found and partly outlined in trenches and by haphazard drilling.

I would advise an intelligent study of the work done on the claims be followed by a systematic percussion drilling programme to test anomalies and the known deposits.

CLAIMS

The property is composed of three claim blocks totalling 40 contiguous units.



<u>Claim Name</u>	<u>Expiry Date</u>	<u>Record No.</u>
Prime	May 20, 1977	47
Prime 1	May 20, 1977	46
Prime 2	July 20, 1977	85

LOCATION

Latitude: 49° 45' North
 Longitude: 128° 28' West
 Elevation: 3,200 to 4,400 Feet

The property is reached from Princeton, B.C. via the Merritt Highway north for eight miles, then by the Missezula Lake road for eighteen miles along Summers Creek. The southwest corner of Prime Group 1 is on this road. Numerous dirt and gravel bulldozer roads extend up Dillard Creek from Missezula Lake. They reach most sections of the claims.

TOPOGRAPHY

The claims cover the eastern valley slope of Summers Creek, the shallow valley of Dillard Creek and unnamed creeks and rolling hills between these westerly flowing streams.

The ground is covered by jack pine and some fir.

GENERAL GEOLOGY

The Princeton area is underlain by Triassic Nicola Group sediments, andesitic volcanic flows, tuffs and agglomerates.

These are in a downfaulted block with major north to northwest striking faults and bordered by Jurassic Coast Range intrusives.

This block is extensively faulted internally and contains granodiorite, diorite and basic dikes.

Pyrite-chalcopyrite mineralization is widespread as fracture fillings and there are several large, profitable, producing mines along this copper belt.

CLAIM GEOLOGY

The Prime claims are underlain by limestone, tuff, agglomerates and andesitic flow rocks of the Triassic Nicola Group.

The rocks are west of the Pennask or Okanagan granodiorite batholith in an embayment in these intrusives. Diorite intrusions or granitized volcanics are found with the sediments or volcanics. (Outcropping in the overburden and tillite covered claims are scarce). There are few outcrops as the majority of the claim group is covered by overburden.

All the rocks are extensively faulted and altered with the major north striking Summers Creek fault to the west and a large number of northwest and northeast striking shear zones and faults throughout the claim area.

Copper-pyrite mineralization is widespread as fracture fillings and disseminations in volcanics and sediments or as primary sulphides and chalcocite in limy tuffs.

Some lead-zinc-copper replacements occur in limestone and in limy andesite breccias with calcite fracture fillings and hematite.

These extensive copper zones are beneath gravel, tillite, and overburden which cover large portions of the area of interest. The majority of the overburden cover is shallow, from 1 to 20 feet but in a few areas it is up to 100 feet deep.

DEPOSITS

The North or King George deposit, has been trenched and explored by both percussion and diamond drill holes over an area 1,500 feet long and several hundred feet wide. The work was not co-ordinated but was rather a series of wildcat holes with variable results. The original North Zone showed about 1% copper.

The South Zone was found by a wildcat drill hole about 1/2 mile southeast of the original showing. No systematic work

has been done on the general overburden covered area but extensive drilling based on generalized geological theory and uncoordinated geophysical and geochemical surveys was carried out over an area 1,500 feet by 500 feet and indicates widespread, low grade copper mineralization.

A deposit was found by geochemical work on the lower Dillard Creek and it has been trenched and drilled.

Lead-zinc-copper-hematite replacements were found south west of the North Zone in bulldozer trenches.

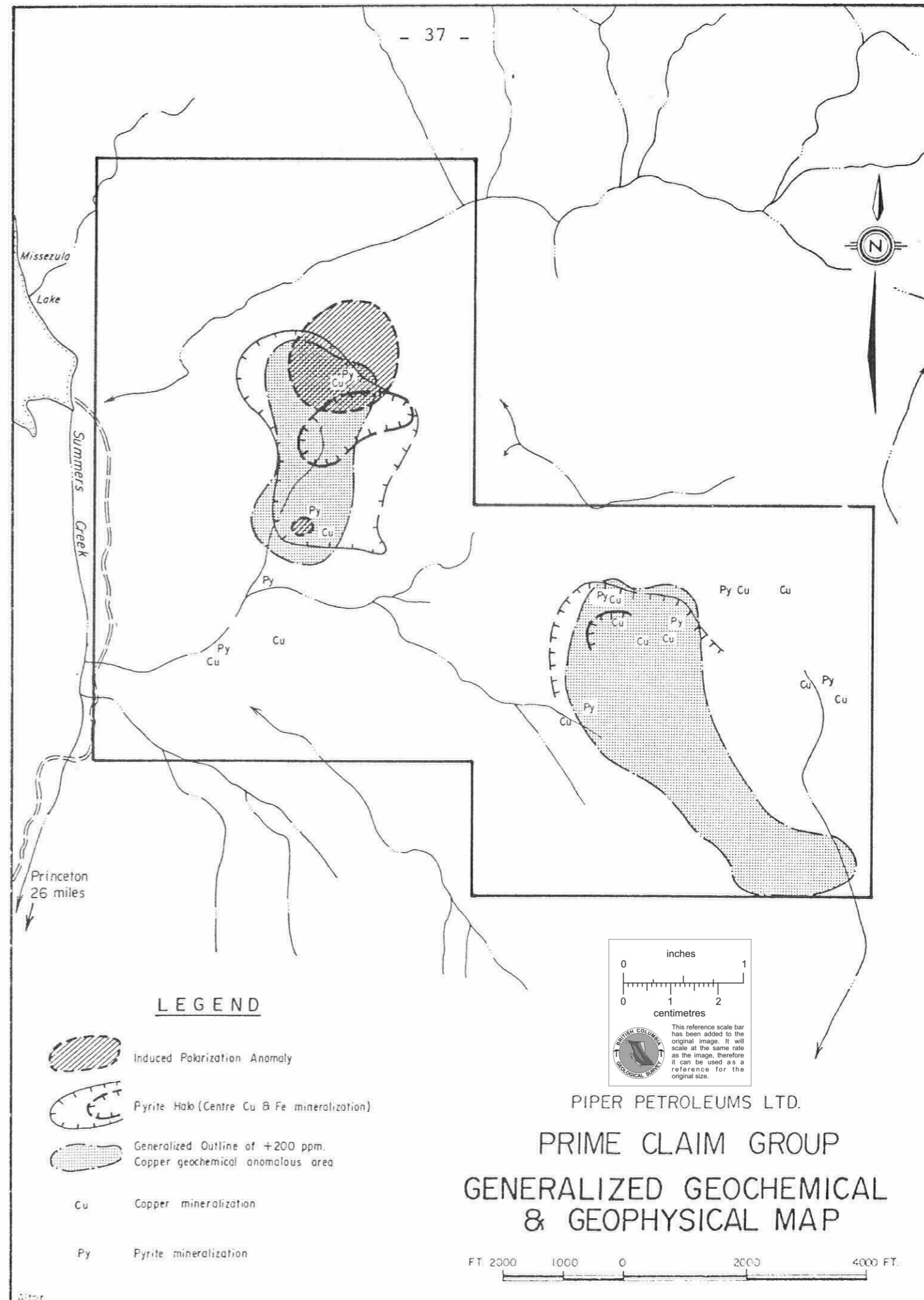
HISTORY

The deposit, called the King George, was discovered in 1937 and trenched. It was relocated in 1957 and worked periodically until 1972. It has been idle until it was acquired by Piper Petroleums Ltd in 1976.

WORK DONE

Several grids of cut lines or bulldozer lines in a number of directions criss-cross the area. Geochemical surveys have been made at various times.

Airborne and ground magnetometer surveys have been made. Parts of the property have been tested by induced polarization surveys.



A photogeologic and fracture density study has been made and 33 diamond drill holes totalling 12,283 feet have been drilled. Percussion drilling has been done, but the results are not at present available.

CONCLUSIONS

The Prime Group is a well located property in the Princeton-Merritt copper belt in favourable rocks. Good copper mineralization is extensive in areas in a general overburden covered claim group.

Extensive uncoordinated exploration work, including many bulldozer trenching, has been done. The trenches are now partly caved.

RECOMMENDATIONS

I would recommend that a two-stage programme be undertaken as follows:

1. The trenches should be cleaned out and mapped in detail. Roads and lines should be surveyed and the drill and percussion holes should be located and plotted on accurate maps.

Intelligent geological studies and plans should be made.

2. A programme of systematic percussion drilling would then be recommended to determine the extent and grade of the large mineralized areas.

ESTIMATED COSTS

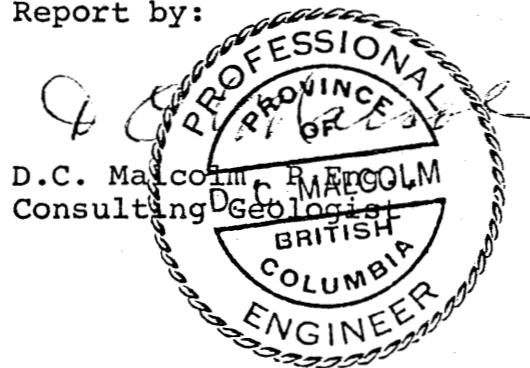
STAGE I

1.	Overall supervision, geological mapping and sampling - Geologist and assistant 20 days at \$160/day		\$ 3,200.00
2.	Stadia survey of roads, trenches, grid lines and drill holes. Surveyor and assistant 8 days at \$120/day	960.00	
	Map preparation	<u>400.00</u>	1,360.00
3.	Petrographic study - thin sections and report		400.00
4.	Geochemical survey - orientation survey and check sampling		300.00
5.	Magnetometer survey - check survey to confirm original data		500.00
6.	Analysis		
	Assaying 50 samples at \$11/sample		550.00
	Geochemical analysis 100 samples at \$7/sample for Cu and Mo		185.00
7.	Food and accommodation - approximately 130 man days at \$10/day		1,300.00
8.	Transportation 4 x 4 truck \$20/day and 20¢/mile		700.00
9.	Core Rack Construction Labour, rebar, lumber and misc supplies		1,500.00
10.	Bulldozer, trenching, cleaning out roads D-7 for 100 hours at \$40/hour		4,000.00
11.	Data preparation, interpretation consulting and reports		1,500.00
			<hr/>
			15,495.00
	Contingencies 10%		1,495.00
			<hr/>
	TOTAL STAGE I		\$16,990.00

STAGE II

Percussion Drilling 2000 feet at \$5/foot	\$10,000.00
Transportation 4 x 4 \$20/day and 20¢ mile for 800 miles at 14 days	440.00
Food and accommodation 4 men at \$10/day x 14 days	560.00
Assaying and sampling 200 samples at 10 foot sections Cu and Mo \$11/sample	2,200.00
Sample preparation 0.50 sample 200 samples	100.00
Sampler 20 days at \$60/day	1,200.00
Geology, Supervision data Compilation Reports compilation	2,000.00
	<hr/> \$16,500.00
Contingencies	1,650.00
	<hr/> <hr/> \$18,150.00

Report by:



REFERENCES

1. Geology and Mineral Deposits of the Princeton Map Area-
H.M.A. RICE Memoir 243-Geological Survey of Canada.
2. Report on the Primer Group by DONALD W. TULLY, January, 1970.
3. Pageant Mines Limited's Assessment Reports, Maps and Studies
of the Primer Group 1969 and 1970.

CERTIFICATE

This is to certify that:

1. I, DOUGLAS COLE MALCOLM, am a resident of Vancouver, British Columbia, and live at 2290 West 23rd Avenue.
2. I am a graduate of the University of British Columbia, with the degree of Bachelor of Applied Science in Geological Engineering, (1935).
3. I am a member of the Association of Professional Engineers of British Columbia and Ontario, and have practised my profession continuously since graduation.
4. I have not directly, nor indirectly, received or expect to receive any interest, direct or indirect, in the property of Piper Petroleums Ltd (NPL) or of any affiliate; or beneficially own, directly or indirectly, any securities of the company or of any affiliate.
5. This report is based on personal examination made on July 17, 1976. The legal posts of the principal groups near the head of Summers Creek were examined.

D.C. Malcolm
 D.C. MALCOLM
 PROFESSIONAL ENGINEER
 OF
 D. C. MALCOLM
 BRITISH COLUMBIA
 ENGINEER

August 5, 1976
Vancouver, B.C.

Macdonald Engineering & Associates Ltd.

2nd Flr., 1115 - 11th AVENUE S.W.
CALGARY, ALBERTA, CANADA T2R 0G5
Telephone (403) 245-6851

REPORT FOR
PIPER PETROLEUMS LTD.
OIL RESERVES AND
ECONOMIC EVALUATION
HOFFER-RATCLIFFE UPPER BEDS POOL
Twp. 1, Rge. 15, W.2M
SASKATCHEWAN

Macdonald Engineering & Associates Ltd.

2nd Flr., 1115 - 11th AVENUE S.W.
 CALGARY, ALBERTA, CANADA T2R 0G5
 Telephone (403) 245-6851

February 14, 1977

Piper Petroleums Ltd.
 Suite 1024 Marine Building
 355 Burrard Street
 Vancouver, B.C.
 V6C 2G8

Dear Sirs:

Re: Evaluation of Piper Interests
Hoffer-Ratcliffe Upper Beds Pool

At the request of Mr. Lauch F. Farris of Piper Petroleums Ltd., we have evaluated, as of January 1, 1977, the Piper interests in three (3) wells in the Hoffer-Ratcliffe Upper Beds Pool, located on parts of Sections 28 and 29, Twp. 1, Rge. 15, W.2M, Saskatchewan. This report is an up-date of the one dated July 17, 1975, prepared by James D. Murdoch of this office. Macdonald Engineering hereby grants Piper Petroleums permission to use this report in a prospectus as required by the British Columbia Securities Commission.

Table No. 1 which accompanied the report of July 17, 1975, has not been revised. The basic data for computing the original oil-in-place has not changed. However, the estimates of recoverable oil have proven to be too optimistic in the light of recent performance. The working interest and royalty data shown in Table 1 remain unchanged.

The working interest and royalties applicable to Piper Petroleums interest which we have used are set out below. These figures are those submitted to Macdonald Engineering by Woodco Resources for use in the original report.

Well Located 10-29-1-15 W.2M

Reserves applicable to NE/4 Sec. 29 - 160 acres

Piper Working Interest: (*) 14.2857% until payout of well costs,
 reverting then to
 7.1429%

Indicated Royalties: Saskatchewan Crown-rate for old oil
 (*)+ slid.scale of 1/100 (5-15%) until payout
 of well, then reverting to zero
 + Gross Overriding Royalty of 1%

Piper Revenue Interest: Approx. 6.5% avg.until payout (3.2 yrs.)
 [Work.Int. x (1-Roy.Int.)] Approx. 5.0% avg.after payout

Piper Petroleums Ltd.

Re: Evaluation of Piper Interest
Hoffer-Ratcliffe Upper Beds Pool

(*) Amount remaining to pay-out on well cost was estimated to be \$93,000. as of January 1, 1977. Initially this account was \$151,000. It had been reduced to an estimated \$120,000. at report date July 17, 1975. Complete pay-out is estimated for 3.2 years from January 1, 1977.

Well Located 10-28-1-15 W.2M

Reserves applicable to NE/4 Sec. 28 - 160 acres

Piper Working Interest: 9.5238%

Indicated Royalties: Saskatchewan Crown-rate for new oil
 next 4 years, remainder at rate for
 old oil
 + Slid.scale of 1/150 (5-15%)
 + 1% Gross overriding royalty

Piper Revenue Interest: Approx. 6.1% avg. for next 2 years
 [(Work.Int. (1-Roy.Int))] 7.3% avg. for remaining 3 years

Well Located 12-28-1-15 W.2M

Reserves applicable to NW/4 Sec. 28 - 160 acres

Piper Working Interest: 7.1429%

Indicated Royalties: Saskatchewan Crown royalty - rate
 for new oil next 4 years, remainder
 at rate for old oil
 + Slid.scale 1/150 (5-15%)
 + 1% Gross overriding royalty

Piper Revenue Interest: Approx. 3.5-4.2% (during next 4 years
 [(Work.Int. (1-Royalty Int))] under new oil status)
 Approx. 3.1-5.4% remainder life, under
 'old oil' status

This firm has used the following oil prices in this report:

1977-1980 Begin at \$9.64/bbl., escalating at \$1.20/bbl/year

1980-1985 Escalate further at 5%/year

1985-1990 Escalate further at 4%/year

Tables 2, 3 and 4 which accompany this report set out our estimates for production and cash flow for each of the three wells. No Table 1 was used. This was to avoid confusion with Table 1 of report of July 17, 1975. Table 5 is a summation of the three wells. The 10-29 and 10-28 wells decline from their present rate of about 34 BOPD to 6 BOPD in 5 to 6 years. This end rate is very close to the economic limit (that is, the operating expenses are almost equal to the net income). The best well is the 12-28 which is presently producing at about 100 BOPD. However, it also has a high decline rate and our estimation is that it will reach the economic limit in eleven years.

Piper Petroleum Ltd.
Re: Evaluation of Piper Interest
Hoffer-Ratcliffe Upper Beds Pool

Page -3-
February 14, 1977

Production performance of the past 18 months since the previous report has revealed that only the 12-28 well is producing as originally forecast. Production rate on the 10-29 well at the beginning of 1977 is only 1/4 that of the forecast, while the rate for the 10-28 well is 3/5 the forecast rate for this same date. Macdonald Engineering can find no explanation for this very high decline.

The evaluation of the Piper interest in these three wells as of January 1, 1977, may be summarized as follows:

	10-28	12-28	10-29	Total
Gross Oil Produced to 1/1/77 - Mbbls.	39.4	98.2	46.5	184.1
Estimated Remaining Gross Recov. Oil Mbbls.	26.4	131.3	34.3	192.0
Recoverable Oil Net to Piper Mbbls. After All Royalties	1.7	4.8	2.1	8.6
Operating Net Profit - M\$				
Undiscounted	14.2	52.2	17.8	84.2
Discounted @ 10%	11.4	36.1	13.6	61.1
12%	11.0	33.7	13.0	57.7
15%	10.3	30.7	12.1	53.1
20%	9.4	26.5	10.7	46.6

To assist in the understanding of tables 2 through 5, we list below an explanation of calculations used for the various columns.

Upper Section

The first four columns are self-explanatory; assumes production for 365 days of year.
Column 5 is the net oil to Piper after all royalties and is equal the working interest multiplied by 1 - sum of royalties.

Lower Section

Column two represents gross yearly production times price per barrel (from upper section) times the Piper working interest.
Column five deducts Piper's share of the royalties from Column two or four (equal).
Column eight covers Piper's share of the operating expenses.

The remaining columns are self-explanatory. The cumulative net profit is discounted on monthly basis at 12%. The discounted value is shown annually for the 12% figures. Total discounted values for other rates (5-30%) are shown in the summary at the bottom of the page.

Piper Petroleum Ltd.
Re: Evaluation of Piper Interest
Hoffer-Ratcliffe Upper Beds Pool

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February 14, 1977

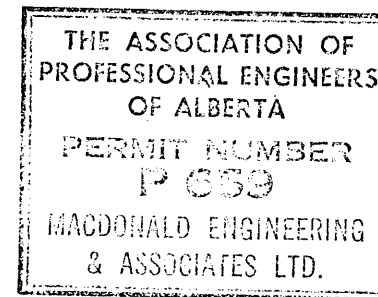
The writer will be pleased to answer any questions pertaining to this work.

Yours very truly,

MACDONALD ENGINEERING & ASSOCIATES LTD.

Wm. H. Hommel
for Wm. H. Hommel, P. Eng.

WMM/s
Encls.



PIPER PETROLEUMS LTD
 HOPPER RAFTCLIF BEDS 10-28-1-15 W2 SASK
 WORK INT = 9.5235% THROUGHOUT
 CRN ROY NEW OIL + 1/150 (5-15) SL SC + 1% GORR
 AS OF JAN. 1, 1977
 DISCOUNT @ 12%

TABLE NO. 2

***** BEFORE INCOME TAX *****

OIL AND GAS LEASE
 ECONOMIC EVALUATION

OIL WELL *				GAS WELL *												
YEAR	WELL	GROSS DAILY OIL STB	GROSS YEARLY OIL STB	NET YEARLY OIL STB	OIL PRICE \$/B	GROSS SOLN GAS MCF	SOLN GAS PRICE C/MF	GROSS RAW GAS/D MCF	GROSS YEARLY RES. MCF	NET YEARLY RES. MCF	RES. PRICE C/MF	GROSS COND. STB	COND. PRICE \$/B	GROSS PROPAN STB	GROSS BUTANE STB	GROSS SUL. LT
1977	1	29	10752	622	9.540	0	0.									
1978	1	19	7096	435	10.340	0	0.									
1979	1	13	4684	313	12.040	0	0.									
1980	1	8	3091	229	13.240	0	0.									
1981	1	0	728	52	13.902	0	0.									
TOT.	1	17	26351	1652	11.932	0	0.									

YEAR	NET OIL REV. BEFORE ROYLT	NET RES. REV. BEFORE ROYLT	NET SUB. REV. BEFORE ROYLT	TOTAL NET REV. BEFORE ROYLT	TOTAL NET REV. AFTER ROYLT	OTHER NET INCOME	NET OP. EXP.	NET PROP. + TAXES	TOTAL LOCAL TAXES	NET OP. INCOME	*** NET CAPITAL INTANG TANG	*** NET INVESTMENTS TOTAL	NET PROFIT	CUM. NET PROFIT	DISC. CUM. NET PROFIT
1977	9871	0	0	9871	599	0	895	0	0	5103	0	0	5103	5103	4529
1978	7326	0	0	7326	4710	0	922	0	0	3768	0	0	3788	8891	7512
1979	5370	0	0	5370	3770	0	950	0	0	2820	0	0	2820	11711	9483
1980	3893	0	0	3893	3038	0	978	0	0	2060	0	0	2060	13771	10761
1981	964	0	0	964	728	0	314	0	0	414	0	0	414	14185	10989
TOT.	27430	0	0	27430	18244	0	4059	0	0	14185	0	0	14185	14185	10989

***** SUMMARY *****

INTERESTS *
 INTL WORKING INT (PCT) = 9.52380
 INTL CAPITAL INT (PCT) = 9.52330
 INTL ROYALTY INT (PCT) = 39.23542
 AVG. ROYALTY INT (PCT) = 33.48735

RESERVES + PROJECT LIFE *

LIFE (YRS) = 4.31
 RESERVES

	OIL (MSTB)	SOLN GAS (MMCF)	RESIDUE (MMCF)	COND. (MSTB)	PROPANE (MSTB)	BUTANE (MSTB)	SULPHUR (MLT)
GROSS	26.4	0.	0.	0.	0.	0.	0.
NET	1.7	0.	0.	0.	0.	0.	0.

NET PRESENT VALUE *

*** BEFORE INCOME TAX ***

DISC. RATE	OP. INC (M\$)	INV. (M\$)	PROFIT (M\$)
0.	14.2	0.	14.2
5.00	12.7	0.	12.7
10.00	11.4	0.	11.4
15.00	10.3	0.	10.3
20.00	9.4	0.	9.4
30.00	7.8	0.	7.8
12.00	11.0	0.	11.0

PIPER PETROLEUMS LTD
 HOPPER RAFTCLIF BEDS 12-28-1-15 W2 SASK
 WORK INT = 0.071429 THROUGHOUT
 CRN ROY NEW OIL + 1/150 (5-15) SL SC + 1% GORR
 AS OF JAN 1, 1977
 DISCOUNT @ 12%

TABLE NO. 3

***** BEFORE INCOME TAX *****

OIL AND GAS LEASE
 ECONOMIC EVALUATION

OIL WELL *				GAS WELL *												
YEAR	WELL	GROSS DAILY OIL STB	GROSS YEARLY OIL STB	NET YEARLY OIL STB	OIL PRICE \$/B	GROSS SOLN GAS MCF	SOLN GAS PRICE C/MF	GROSS RAW GAS/D MCF	GROSS YEARLY RES. MCF	NET YEARLY RES. MCF	RES. PRICE C/MF	GROSS COND. STB	COND. PRICE \$/B	GROSS PROPAN STB	GROSS BUTANE STB	GROSS SUL. LT
1977	1	68	32120	1108	9.540	0	0.									
1978	1	08	24732	837	10.340	0	0.									
1979	1	52	19044	734	12.040	0	0.									
1980	1	40	14664	600	13.240	0	0.									
1981	1	31	11291	349	13.902	0	0.									
1982	1	24	8694	290	14.597	0	0.									
1983	1	18	6694	237	15.327	0	0.									
1984	1	14	5155	200	16.093	0	0.									
1985	1	11	3699	179	16.398	0	0.									
1986	1	8	3056	153	17.574	0	0.									
1987	1	7	1853	99	18.277	0	0.									
TOT.	1	33	131272	4836	14.403	0	0.									

YEAR	NET OIL REV. BEFORE ROYLT	NET RES. REV. BEFORE ROYLT	NET SUB. REV. BEFORE ROYLT	TOTAL NET REV. BEFORE ROYLT	TOTAL NET REV. AFTER ROYLT	OTHER NET INCOME	NET OP. EXP.	NET PROP. + TAXES	TOTAL LOCAL TAXES	NET OP. INCOME	*** NET CAPITAL INTANG TANG	*** NET INVESTMENTS TOTAL	NET PROFIT	CUM. NET PROFIT	DISC. CUM. NET PROFIT
1977	22117	0	0	22117	10582	0	671	0	0	10011	0	0	10011	10011	8884
1978	19150	0	0	19150	9614	0	692	0	0	8923	0	0	8923	18934	15911
1979	16378	0	0	16378	8843	0	712	0	0	8131	0	0	8131	27064	21594
1980	13868	0	0	13868	7940	0	734	0	0	7207	0	0	7207	34271	28064
1981	11212	0	0	11212	4847	0	756	0	0	4091	0	0	4091	38362	28316
1982	9065	0	0	9065	4230	0	778	0	0	3452	0	0	3452	41814	30002
1983	7329	0	0	7329	3531	0	802	0	0	2830	0	0	2830	44643	31229
1984	5926	0	0	5926	3222	0	826	0	0	2397	0	0	2397	47040	32151
1985	4791	0	0	4791	3031	0	851	0	0	2180	0	0	2180	49220	32895
1986	3836	0	0	3836	2690	0	876	0	0	1813	0	0	1813	51034	33445
1987	2419	0	0	2419	1810	0	690	0	0	1120	0	0	1120	52154	33746
TOT.	116090	0	0	116090	60541	0	6387	0	0	52154	0	0	52154	52154	33746

***** SUMMARY *****

INTERESTS *
 INTL WORKING INT (PCT) = 7.14290
 INTL CAPITAL INT (PCT) = 7.14290
 INTL ROYALTY INT (PCT) = 51.70012
 AVG. ROYALTY INT (PCT) = 47.84991

RESERVES + PROJECT LIFE *

LIFE (YRS) = 10.76
 RESERVES

	OIL (MSTB)	SOLN GAS (MMCF)	RESIDUE (MMCF)	COND. (MSTB)	PROPANE (MSTB)	BUTANE (MSTB)	SULPHUR (MLT)
GROSS	131.3	0.	0.	0.	0.	0.	0.
NET	4.8	0.	0.	0.	0.	0.	0.

NET PRESENT VALUE *

*** BEFORE INCOME TAX ***

DISC. RATE	OP. INC (M\$)	INV. (M\$)	PROFIT (M\$)
0.	52.2	0.	52.2
5.00	43.0	0.	43.0
10.00	36.1	0.	36.1
15.00	30.7	0.	30.7
20.00	26.5	0.	26.5
30.00	20.3	0.	20.3
12.00	33.7	0.	33.7

PIPER PETROLEUMS LTD
 HOPPER RATCLIFF BEDS 10-29-1-15 W2 SASK
 WORK INT.=14.29 \$ TO PAYOUT WELL, THEN 7.14 \$
 CRN ROY OLD OIL + 1/100 (9-15) TO PAYOUT WELL + 1% GORR THROUGHOUT
 AS OF JAN. 1, 1977 DISCOUNT @ 12%

TABLE NO. 4

***** BEFORE INCOME TAX *****

OIL WELL *				GAS WELL *												
YEAR	WELL	GROSS DAILY OIL STB	GROSS YEARLY OIL STB	NET YEARLY OIL STB	OIL PRICE \$/B	GROSS SOLN GAS MCF	SOLN GAS PRICE C/MF	GROSS RAW GAS/D MCF	GROSS YEARLY RES. MCF	NET YEARLY RES. MCF	RES. PRICE C/MF	GROSS COND. STB	COND. PRICE \$/B	GROSS PROPAN STB	GROSS BUTANE STB	GROSS SUL. LT
1977	1	29	10467	619	9.640	0	0.									
1978	1	22	7650	518	10.840	0	0.									
1979	1	16	5888	431	12.040	0	0.									
1980	1	12	4416	238	13.240	0	0.									
1981	1	9	3312	173	13.902	0	0.									
1982	1	7	2323	131	14.597	0	0.									
TOT.	1	16	34257	2111	12.377	0	0.									

YEAR	NET OIL REV. BEFORE ROYLT	NET RES. REV. BEFORE ROYLT	NET SUB. REV. BEFORE ROYLT	TOTAL NET REV. AFTER ROYLT	TOTAL NET REV. AFTER ROYLT	OTHER NET INCOME	NET OP. EXP.	NET PROP. TAXES	NET LOCAL TAXES	NET OP. INCOME	*** NET *** CAPITAL INVESTMENTS INTANG TANG TOTAL	NET PROFIT	CUM. NET PROFIT	DISC. NET PROFIT	
1977	14415	0	0	14415	5906	0	1343	0	0	4623	0	0	4623	4623	4103
1978	12157	0	0	12157	5619	0	1383	0	0	4236	0	0	4236	8860	7439
1979	10127	0	0	10127	5192	0	1425	0	0	3767	0	0	3767	12627	10072
1980	4970	0	0	4970	3147	0	873	0	0	2274	0	0	2274	14901	11463
1981	3289	0	0	3289	2407	0	756	0	0	1651	0	0	1651	16552	12392
1982	2422	0	0	2422	1918	0	721	0	0	1198	0	0	1198	17750	12977
TOT.	47380	0	0	47380	24250	0	6500	0	0	17750	0	0	17750	17750	12977

***** SUMMARY *****

INTERESTS *

INTL WORKING INT (PCT) = 14.28570
 INTL CAPITAL INT (PCT) = 14.28570
 INTL ROYALTY INT (PCT) = 58.61051
 AVG. ROYALTY INT (PCT) = 48.61831

RESERVES + PROJECT LIFE *

LIFE (YRS) = 5.93

RESERVES	OIL (MSTB)	SOLN GAS (MMCF)	RESIDUE (MMCF)	COND. (MSTB)	PROPANE (MSTB)	BUTANE (MSTB)	SULPHUR (MLT)
GROSS	34.3	0.	0.	0.	0.	0.	0.
NET	2.1	0.	0.	0.	0.	0.	0.

INTEREST REVERSIONS

REVERTED INTEREST	FIRST PERCENT	REV. PT (YEARS)	SECOND PERCENT	REV. PT (YEARS)	THIRD PERCENT
WORKING	14.28570	3.19	7.14290	0.	0.
CAPITAL	14.28570	3.19	7.14290	0.	0.
SLD SCA GROSS ORR	100.00000	3.19	0.	0.	0.

NET PRESENT VALUE *

*** BEFORE INCOME TAX ***

DISC. RATE	OP. INC (M\$)	INV. (M\$)	PROFIT (M\$)
0.	17.7	0.	17.7
5.00	15.5	0.	15.5
10.00	13.6	0.	13.6
15.00	12.1	0.	12.1
20.00	10.7	0.	10.7
30.00	8.6	0.	8.6
12.00	13.0	0.	13.0

PIPER PETROLEUMS LTD
 HOPPER RATCLIFF BEDS
 TOTAL 3 WELLS SECS 28 & 29 - 1- 15 W2 SASK

TABLE NO. 5

***** BEFORE INCOME TAX *****

OIL WELL *				GAS WELL *												
YEAR	WELL	GROSS DAILY OIL STB	GROSS YEARLY OIL STB	NET YEARLY OIL STB	OIL PRICE \$/B	GROSS SOLN GAS MCF	SOLN GAS PRICE C/MF	GROSS RAW GAS/D MCF	GROSS YEARLY RES. MCF	NET YEARLY RES. MCF	RES. PRICE C/MF	GROSS COND. STB	COND. PRICE \$/B	GROSS PROPAN STB	GROSS BUTANE STB	GROSS SUL. LT
1977	3	146	53339	2349	9.640	0	0.									
1978	3	109	39679	1840	10.840	0	0.									
1979	3	81	29615	1479	12.040	0	0.									
1980	3	61	22171	1067	13.240	0	0.									
1981	3	42	15331	574	13.902	0	0.									
1982	2	30	11017	421	14.597	0	0.									
1983	1	18	6694	237	15.327	0	0.									
1984	1	14	5155	200	16.093	0	0.									
1985	1	11	3909	179	16.398	0	0.									
1986	1	8	3056	153	17.574	0	0.									
1987	1	7	1853	99	18.277	0	0.									
TOT.	1	49	191880	8599	14.403	0	0.									

YEAR	NET OIL REV. BEFORE ROYLT	NET RES. REV. BEFORE ROYLT	NET SUB. REV. BEFORE ROYLT	TOTAL NET REV. AFTER ROYLT	TOTAL NET REV. AFTER ROYLT	OTHER NET INCOME	NET OP. EXP.	NET PROP. TAXES	NET LOCAL TAXES	NET OP. INCOME	*** NET *** CAPITAL INVESTMENTS INTANG TANG TOTAL	NET PROFIT	CUM. NET PROFIT	DISC. NET PROFIT	
1977	46403	0	0	46403	22647	0	2910	0	0	19737	0	0	19737	19737	17515
1978	38633	0	0	38633	41944	0	2997	0	0	16947	0	0	16947	36684	30863
1979	31875	0	0	31875	17804	0	3087	0	0	14718	0	0	14718	51402	41149
1980	22735	0	0	22735	14126	0	2585	0	0	11541	0	0	11541	62943	48303
1981	15465	0	0	15465	7982	0	1825	0	0	6155	0	0	6155	69099	51096
1982	11487	0	0	11487	6148	0	1499	0	0	4649	0	0	4649	73748	53963
1983	7329	0	0	7329	3631	0	802	0	0	2830	0	0	2830	76578	55194
1984	5926	0	0	5926	3222	0	826	0	0	2397	0	0	2397	78975	56116
1985	4791	0	0	4791	3031	0	851	0	0	2180	0	0	2180	81155	56861
1986	3836	0	0	3836	2690	0	876	0	0	1813	0	0	1813	82969	57410
1987	2419	0	0	2419	1810	0	690	0	0	1120	0	0	1120	84089	57711
TOT.	190900	0	0	190900	103035	0	18946	0	0	84089	0	0	84089	84089	57711

***** SUMMARY *****

INTERESTS *

INTL WORKING INT (PCT) = 10.31747
 INTL CAPITAL INT (PCT) = 10.31747
 INTL ROYALTY INT (PCT) = 51.19519
 AVG. ROYALTY INT (PCT) = 46.02663

RESERVES + PROJECT LIFE *

LIFE (YRS) = 10.76

RESERVES	OIL (MSTB)	SOLN GAS (MMCF)	RESIDUE (MMCF)	COND. (MSTB)	PROPANE (MSTB)	BUTANE (MSTB)	SULPHUR (MLT)
GROSS	191.9	0.	0.	0.	0.	0.	0.
NET	8.6	0.	0.	0.	0.	0.	0.

NET PRESENT VALUE *

*** BEFORE INCOME TAX ***

DISC. RATE	OP. INC (M\$)	INV. (M\$)	PROFIT (M\$)
0.	84.1	0.	84.1
5.00	71.2	0.	71.2
10.00	61.1	0.	61.1
15.00	53.1	0.	53.1
20.00	46.6	0.	46.6
30.00	36.7	0.	36.7
12.00	57.7	0.	57.7

CERTIFICATE OF THE COMPANY

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part VII of the British Columbia Securities Act and the regulations thereunder, and by Part VII of the Manitoba Securities Act and the regulations thereunder.

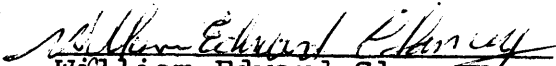
Dated February 25, 1977



Lauch Fraser Farris,
President, Director and
Promoter



Gordon Charles Gutrath,
Vice President, Director
and Promoter



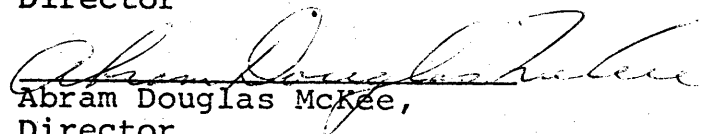
William Edward Clancey,
Director



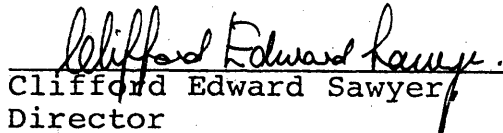
Kenneth Bertram Blakey,
Director



Denis William Timmis,
Director



Abram Douglas McKee,
Director

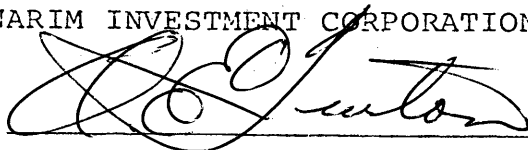


Clifford Edward Sawyer,
Director

CERTIFICATE OF THE AGENT

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 VII of the British Columbia Securities Act and the regulations thereunder and by Part VII of the Manitoba Securities Act and the regulations thereunder.

CANARIM INVESTMENT CORPORATION LTD.

By: 

Dated February 25, 1977