ASSURE ENERGY INC
Form S-4/A
December 08, 2003

As filed with the Securities and Exchange Commission on December 8, 2003

Registration No. 333-107233

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

PRE-EFFECTIVE AMENDMENT NO. 2
TO FORM S-4
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

ASSURE ENERGY, INC.
(Name of Small Business Issuer in its Charter)

Canada	1311	None
(State or jurisdiction of incorporation organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

521-3rd Avenue S.W., Suite 1250, Calgary, Alberta, Canada T2P 3T3

(403) 266-4975

(Address and telephone number of principal executive offices)

Copies of communications to:

Adam S. Gottbetter, Esq.
Gottbetter & Partners, LLP
488 Madison Avenue
New York, New York 10022

Approximate date of commencement of proposed sale to the public: Upon effectiveness of this Registration Statement and consummation of the conversion described herein.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. [_]

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective

registration statement for the same offering. [_]

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [_]

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum aggregate offering price per share	Proposed aggregate off price
Common Stock, $.001 par value	16,433,000	$ 3.025(1)	$49,709,825(1
Common Stock, $.001 par value	1,548,100	$ 4.345(2)	$ 6,726,495(2
Total	17,981,100		

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457 under the Securities Act of 1933, as amended, on the basis of the average of the bid and ask prices reported on July 17, 2003 on the over-the-Counter Bulletin Board for the common stock, par value $.001 per share, of Assure Energy, Inc., a Nevada corporation which will become common stock, $.001 par value, of Assure Energy, Inc., an Alberta Canada corporation, on a one-for-one basis pursuant to the continuance and conversion described in this Registration Statement. Payment of the registration fee for these shares was made at the time of the original filing of the Registration Statement on July 22, 2002.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457 under the Securities Act of 1933, as amended, on the basis of the average of the bid and ask prices reported on October 24, 2003 on the over-the-Counter Bulletin Board for the common stock, par value $.001 per share, of Assure Energy, Inc., a Nevada corporation which will become common stock, $.001 par value, of Assure Energy, Inc., a Canadian corporation, on a one-for-one basis pursuant to the continuance and conversion described in this Registration Statement. Payment of the registration fee for these shares was made at the time of the filing of Pre-Effective Amendment No. 1 to the Registration Statement on October 31, 2003.

(3) Previously paid.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE

SECURITIES ACT OF 1933, OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SECTION 8(a), MAY DETERMINE.

PROXY STATEMENT/PROSPECTUS

ASSURE ENERGY, INC.
521-3rd Avenue S.W., Suite 1250
Calgary, Alberta, Canada T2P 3T3

Dear Stockholder:

A special meeting of the stockholders of Assure Energy, Inc. will be held on January __, 2004, at ___ a.m., at the offices of Gottbetter & Partners, LLP., 488 Madison Avenue, 12th Floor, New York, New York 10022. At the special meeting, you will be asked to approve a proposal to change the place of incorporation of the company from Nevada to Alberta, Canada. The change in corporate domicile will be accomplished through the adoption of our proposed plan of conversion. If we complete the plan of conversion, Assure Energy, Inc. will be continued under the Alberta Business Corporations Act and cease to be incorporated in Nevada and as a result will be governed by the Alberta Business Corporations Act.

OUR BOARD OF DIRECTORS HAS UNANIMOUSLY APPROVED THE CONVERSION PROPOSAL AND RECOMMENDS THAT OUR STOCKHOLDERS VOTE "FOR" THE PROPOSALS DESCRIBED IN THE ATTACHED MATERIALS. BEFORE VOTING, YOU SHOULD CAREFULLY REVIEW ALL THE INFORMATION CONTAINED IN THE ATTACHED JOINT PROXY STATEMENT/PROSPECTUS AND IN PARTICULAR YOU SHOULD CONSIDER THE MATTERS DISCUSSED UNDER "RISK FACTORS" BEGINNING ON PAGE 13.

Whether or not you expect to attend the meeting, please complete, date, sign and promptly return the accompanying proxy card in the enclosed postage paid envelope or deliver your proxy instructions via the Internet or by telephone so that your shares may be represented at the meeting, regardless of the number of shares you own. If you fail to submit your proxy or to vote in person at the special meeting, it will have the same effect as a vote against the conversion proposal.

We strongly support the proposed conversion and enthusiastically recommend that you vote in favor of the proposals presented to you for approval.

Sincerely,

Harvey Lalach
President and

Chief Executive Officer

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE CONVERSION OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS JOINT PROXY STATEMENT/PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This joint proxy statement/prospectus is dated December 8, 2003 and is first being mailed to stockholders on or about December __, 2003.

ASSURE ENERGY, INC.
521-3rd Avenue S.W., Suite 1250
Calgary, Alberta, Canada T2P 3T3

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD JANUARY _____, 2004

To the Stockholders of Assure Energy Inc.:

You are cordially invited to attend a special meeting of stockholders of Assure Energy, Inc. to be held on January __, 2004 at _____ a.m. at the offices of Gottbetter & Partners, LLP., 488 Madison Avenue, 12th Floor, New York, New York 10022 to consider the following matters:

- A proposal to approve the plan of conversion to change our corporate domicile from Nevada to Alberta, Canada;
- A proposal to authorize us to adjourn the special meeting on one or more occasions, if necessary, to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the conversion proposal; and
- Such other business as may properly come before the special meeting or any adjournments or postponements thereof.

The accompanying proxy statement/prospectus forms a part of this notice and describes the terms and conditions of the plan of conversion.

We believe that the change in domicile to Alberta, Canada will more accurately reflect our present operations as an oil and gas company, which have always been in Canada. Since engaging in this line of business, we have never had any employees or operations in the U.S. We also believe the change in domicile will enable us to benefit from investor interest in Canada for Canadian oil and gas companies and other Canadian sources of financing more readily available to Canadian companies.

Our common stock is currently listed for trading on the NASD Over-the-Counter Bulletin Board ("OTCBB") under the symbol "ASUR". Upon the effectiveness of the conversion we will be considered a foreign private issuer under the Securities Act of 1933, as amended and our common stock is expected to be listed for trading on the OTCBB under the symbol "ASURF."

Our Board of Directors has declared the plan of conversion advisable and recommends that you vote in favor of the plan of conversion.

This notice and the accompanying proxy statement/prospectus are being mailed to holders of our common stock. However, only holders of record of our common stock at the close of business on December __, 2003 will be entitled to vote at the special meeting or any adjournments or postponements thereof. Eligible voters may include persons that executed shareholder consents dated September 18, 2003 approving the plan of conversion as these consents have been voided and have no force or effect.

To approve the conversion proposal, holders of a majority of our outstanding shares must vote to approve the plan of conversion. To approve the proposal to adjourn the special meeting, holders of a majority of our shares of common stock present and represented by proxy must vote to approve the adjournment proposal. Approval of the adjournment proposal is not a condition to the approval of the plan of conversion. Our board of directors recommends that stockholders vote FOR both proposals.

Whether or not you expect to attend the meeting, please complete, date, sign and properly return the accompanying proxy in the enclosed postage paid envelope so that your shares may be represented at the meeting. Alternatively, you may vote by telephone or via the Internet. If you fail to return a properly executed proxy card, to vote by telephone or Internet, or to vote in person at the special meeting, it will have the same effect as a vote against the proposal to adopt the conversion plan.

Eligible Assure Energy, Inc. stockholders who properly demand dissenters' rights prior to the meeting, who do not consent to the adoption of the plan of conversion and who otherwise comply with the provisions of Chapter 92A of the Nevada Revised Statutes will be entitled, if the conversion is completed, to receive the fair value of their shares of common stock. Refer to the section entitled "Dissenters' Rights" in the accompanying proxy statement/prospectus and the full text of Sections 92A.300 to 92A.500 of the Nevada Revised Statutes, which is attached as Appendix E to the accompanying proxy statement/prospectus, for a description of the procedures that Assure Energy, Inc. shareholders must follow in order to exercise their dissenters' rights.

By Order of the Board of Directors,

Harvey Lalach
President and Chief Executive Officer

Calgary, Alberta
December , 2003

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SUMMARY

THIS SUMMARY PROVIDES AN OVERVIEW OF THE INFORMATION CONTAINED IN THIS JOINT PROXY STATEMENT/PROSPECTUS AND DOES NOT CONTAIN ALL OF THE INFORMATION YOU SHOULD CONSIDER. THEREFORE, YOU SHOULD ALSO READ THE MORE DETAILED INFORMATION SET FORTH IN THIS DOCUMENT, INCLUDING THE FINANCIAL STATEMENTS OF THE COMPANY. THE SYMBOL "$" REFERS TO UNITED STATES DOLLARS.

In this proxy statement/prospectus, unless otherwise indicated or the context otherwise requires, we will refer to Assure Energy, Inc., a Nevada corporation herein referred to as Assure Nevada and Assure Energy, Inc, an Alberta Canada corporation herein referred to as Assure Canada as "we", "us", "our" or "the Company". The procedure by which we will change our domicile from Nevada to Alberta, Canada is referred to as a conversion or a continuance.

THE COMPANY

We are actively engaged in the exploration, development, acquisition and production of petroleum and natural gas properties primarily located in Western Canada. We own varying interests through farmout participations, asset

purchases, and acquisitions of crown land rights of both producing and prospective oil and gas properties. For a more detailed discussion of our operations see "Business of Assure Energy, Inc." beginning on page 39. Our principal executive office is located at 521-3rd Avenue S.W., Suite 1250, Calgary, Alberta, Canada T2P 3T3, telephone (403) 266-4975.

After effecting the continuance, we will be a Canadian corporation governed by the Alberta Business Corporations Act. We will continue to conduct the business in which we are currently engaged. Our operations and employees presently exist entirely within Canada, and therefore there will be no material effect on our operations. Our business and operations following the conversion will be identical in most respects to our current business, except that we will no longer be subject to the corporate laws of the State of Nevada but will be subject to the Alberta Business Corporations Act. The Alberta company hereinafter referred to as Assure Canada, will be liable for all the debts and obligations of the Nevada company, hereinafter referred to as Assure Nevada, and the officers and directors of the Alberta company will be the officers and directors of the Nevada company. The material differences between the laws will not materially affect our business but will affect your rights as a stockholder. The differences between the applicable laws of the two jurisdictions is discussed in greater detail under the heading "Comparative Rights of Stockholders" beginning on page 25.

FACTORS YOU SHOULD CONSIDER

The conversion, which will have the effect of transferring our domicile from Nevada to Alberta, Canada will not have any effect on your relative equity or voting interests in our business. You will continue to hold exactly the same number and type of shares which you currently hold. The continuance will, however, result in changes in your rights and obligations under applicable corporate laws. In addition, the continuance may have tax consequences for you.

REASONS FOR THE CONVERSION

We believe that the continuance to Alberta Canada will more accurately reflect our operations, all of which are based in Canada. Since entering our current line of business, we have not had any operations in the U.S. We also believe the continuance to Alberta, Canada may enable us to benefit from new financing opportunities that may be available to us as a Canadian corporation.

RISK FACTORS RELATED TO THE CONVERSION TRANSACTION

Factors such as possible adverse tax consequences and stock price volatility of our common stock following the continuance may affect your interest in owning Assure Canada common shares. In evaluating the merits of the proposed conversion, you should carefully consider the risk factors included in this prospectus beginning on page 13.

DISSENTERS RIGHTS

Under the Nevada Revised Statutes, certain Assure Nevada shareholders have the right to dissent from the plan of conversion and receive the fair value of their shares. See "Dissenters Rights."

MATERIAL TAX CONSEQUENCES FOR STOCKHOLDERS

The following is a brief summary of the material tax consequences the continuance will have for stockholders. Stockholders should consult their own tax advisers with respect to their particular circumstances. A more detailed summary of the factors affecting the tax consequences for stockholders is set out under "Material United States Federal Tax Consequences" and "Material Canadian Income Tax Consequences."

UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

On the date of the continuance, the Nevada company must recognize any gain but not any losses to the extent that the fair market value of any of its assets exceeds its taxable basis in such assets. The calculation of any potential gain will need to be made separately for each asset held. No loss will be allowed for any asset that has a taxable basis in excess of its fair market VALUE. We do not believe that any of our assets have a fair market value which is greater or significantly greater than their respective tax basis. Accordingly, we do not expect to recognize material taxable gains as a result of the continuance.

U.S. holders of our stock will not be required to recognize any gain or loss as a result of the continuance. A U.S. stockholder's adjusted basis in the shares of the Alberta company will be equal to such stockholder's adjusted basis in the shares of the Nevada company. A U.S. stockholder's holding period in the shares of the Alberta company will include the period of time during which such stockholder held his or her shares in the Nevada company. For a more complete discussion of the U.S. Income Tax Consequences, please see "Material United States Federal Income Tax Consequences" beginning on page 25.

CANADIAN INCOME TAX CONSEQUENCES

On our continuance to Alberta, Canada, the Alberta company will be deemed to dispose of and to immediately re-acquire its assets at their fair market value. If the fair market value of the assets exceed the taxable basis in the assets a tax will be due. Pre-continuance losses are available for use in Alberta.

A Canadian stockholder will not realize a disposition of their Nevada shares on the continuance to Alberta. To the extent a deemed dividend is paid by the Nevada company to a Canadian stockholder, the amount of the dividend will be included in their income. For a more complete discussion of the Canadian Income Tax Consequences, please see "Material Canadian Income Tax Considerations" beginning on page 28.

HOW THE CONVERSION WILL AFFECT YOUR RIGHTS AS A STOCKHOLDER

You will continue to hold the same shares you now hold following the continuance of the company to Alberta, Canada. Similarly, following the continuance we will continue to be exempt from the proxy rules and our officers, directors and principal shareholders will continue to be exempt from Section 16 of the Securities Exchange Act of 1934, as amended. However, the rights of stockholders under Nevada law differ in certain substantive ways from the rights of stockholders under the Alberta Business Corporations Act. Examples of some of the changes in stockholder rights which will result from continuance are:

- Under Nevada law, unless otherwise provided in the charter, stockholders may act without a meeting by written consent of the majority of the voting power of the outstanding common stock entitled to vote on the matter, and notice need not be given to stockholders. Under Alberta law, stockholders may only act by way of a resolution passed at a duly called meeting unless all stockholders otherwise entitled to vote consent in writing.

- Under Nevada law, a charter amendment requires approval by vote of the holders of a majority of the outstanding stock. Under Alberta law, an amendment to a corporation's charter requires approval by the holders of a two-thirds majority of the outstanding stock represented in person or by proxy.

- Dissenter's rights are available to stockholders under more circumstances under Alberta law than under Nevada law.

- Stockholders have a statutory oppression remedy under Alberta law that does not exist under Nevada law. It is similar to the common law action in Delaware for breach of fiduciary duty, but the Alberta remedy does not require stockholders to prove that the directors acted in bad faith.

- A director's liability may not be limited under Alberta law as it may under Nevada law.

- Under Nevada law, unless otherwise provided in the charter or by-laws, a majority of the voting power constitutes a quorum for the transaction of business at a shareholders' meeting. Under Alberta law, unless otherwise provided in the by-laws, a majority of the voting power constitutes a quorum for the transaction of business at a shareholders' meeting. However, Alberta companies may provide that a quorum is deemed present when as little as 5% of the issued and outstanding share capital is present. Our proposed by-laws contain a provision that provides a quorum is deemed present when 12.5% or more of the issued and outstanding share capital is present. The provision may be detrimental to the rights of shareholders owning a majority of our voting shares. As a result thereof, resolutions may be passed at shareholders' meetings not attended by such shareholders on matters that would have otherwise not been subject to a vote. Except for the election of directors and matters such as charter amendments, certain amalgamations, the continuance of an Alberta corporation into another jurisdiction, share consolidations, business combinations, and the sale, lease, or exchange of all or substantially all of the property of a corporation outside the ordinary course of business, where the Alberta Business Corporation Act requires approval by a special resolution, requiring approval by a two-thirds majority of the shares present in person or represented by proxy and entitled to vote on the resolution, a simple majority of the shares present in person or represented by proxy and entitled to vote on a resolution is required to approve a resolution properly brought before the shareholders.

For a more detailed discussion of the differences in the rights of stockholders under Nevada and Alberta law see "Comparative Rights of Stockholders" beginning

on page 31.

PRICE VOLATILITY

We cannot predict what effect the continuance will have on the market price prevailing from time to time or the liquidity of our shares.

ACCOUNTING TREATMENT OF THE CONVERSION

For U.S. accounting purposes, conversion of our company from a Nevada corporation to an Alberta one represents a transaction between entities under common control. Assets and liabilities transferred between entities under common control are accounted for at historical cost, in accordance with the guidance for transactions between entities under common control in Statement of Financial Accounting Standards No. 141, Business Combinations. The historical comparative figures of Assure Canada will be those of Assure Nevada.

Upon the effective date of the conversion, we will be subject to the securities laws of the province of Alberta. We will qualify as a foreign private issuer in the United States. Before our continuance in Alberta, Canada, we prepared our consolidated financial statements in accordance with generally accepted accounting principles ("GAAP") in the United States. As a Canadian domestic issuer, we will be required to prepare our annual and interim consolidated financial statements in accordance with Canadian generally accepted accounting principles. For purpose of our annual disclosure obligations in the United States, we will annually file in the United States consolidated financial statements prepared in accordance with Canadian GAAP together with a reconciliation to US GAAP.

THE SPECIAL MEETING

The special meeting will take place at the offices of Gottbetter & Partners, LLP., 488 Madison Avenue, 12th Floor, New York, New York 10022 on January ___, 2004 at _____ a.m., local time. At the special meeting, the holders of our common stock will be asked to approve the conversion proposal and the proposal to adjourn the special meeting, if necessary.

The close of business on December ___, 2003 is the record date for determining if you are entitled to vote at the special meeting. On that date, there were approximately _____ shares of our common stock outstanding and entitled to vote. Each share of our common stock is entitled to one vote at the special meeting.

REQUIRED VOTE

The affirmative vote of the holders of a majority of the outstanding shares of our common stock entitled to vote at the special meeting is required to approve the plan of conversion. The affirmative vote of the holders of a majority of the shares of our common stock present or represented by proxy at the special meeting is required to approve the adjournment proposal.

OUR RECOMMENDATION TO STOCKHOLDERS

Taking into consideration all of the factors and reasons for the conversion set forth above and elsewhere in this proxy statement/prospectus, our board of directors has approved the plan of conversion and recommends that our

stockholders vote FOR approval of the plan of conversion and FOR approval of the adjournment proposal.

SUMMARY FINANCIAL INFORMATION

THE FOLLOWING SUMMARY FINANCIAL INFORMATION FOR THE YEARS ENDED DECEMBER 31, 2002 AND DECEMBER 31, 2001 INCLUDES BALANCE SHEET AND STATEMENT OF OPERATIONS DATA FROM THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASSURE NEVADA. THE SUMMARY FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2003 INCLUDES BALANCE SHEET AND STATEMENT OF OPERATIONS DATA FROM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ASSURE NEVADA. THE INFORMATION CONTAINED IN THIS TABLE SHOULD BE READ IN CONJUNCTION WITH OUR "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS" AND THE CONSOLIDATED FINANCIAL STATEMENTS AND ACCOMPANYING NOTES INCLUDED HEREIN.

The financial statements of Assure Nevada have been prepared in accordance with accounting principles generally accepted in the United States. The application of Canadian generally accepted accounting principles, which will be applicable to our financial statements following the conversion, would not result in any material differences from the Assure Nevada financial statements.

Income Statement Data:

	Year Ended December 31, 2002	Year Ended December 31, 2001	Nine Months End September 30, 20
Revenues	$ 1,136,896	$ 0	$ 3,840,475
Net Income (Loss)	$ (792,162)	$ (59,383)	$ (2,083,758)
Net Income (Loss) Per Share	$ (0.03)	$ (0.002)	$ (0.13)
Weighted Average Number of Shares Outstanding	27,924,740	31,070,762	16,210,220

Balance Sheet Data:

	December 31, 2002	December 31, 2001	September 30,
Current Assets	$ 2,424,724	$ 17,289	$ 3,714,72
Total Assets	$ 7,161,203	$ 20,289	$28,285,51
Current Liabilities	$ 1,028,100	$ 6,144	$ 9,706,08
Total Liabilities	$ 1,733,040	$ 6,144	$18,237,08
Minority Interest	-	-	$ 2,588,41
Stockholders' Equity	$ 5,428,163	$ 14,145	$ 7,460,01

RISK FACTORS

An investment in our common shares involves certain risks. In evaluating us and our business, investors should carefully consider the following risk factors in addition to the other information included or incorporated by reference in this prospectus.

RISKS RELATING TO THE CONTINUANCE

We May Owe Taxes As A Result Of The Continuance If Our Conclusions Relating To The Value Of Our Assets Are Incorrect

For U.S. tax purposes, on the date of continuance, we will be treated as though we sold all of our property and received the fair market value for those properties. We will be taxed on any income or gain realized on that "sale." If the fair market value of any of our assets is greater than our tax basis in such assets, we will have taxable gain on the deemed "sale".

We have reviewed our assets, liabilities and paid-up capital and believe that we will not owe material U.S. federal income taxes as a result of the continuance. We believe that the fair market value of most of our assets is not in excess of our tax basis in such assets. We further believe that the fair market value for those assets with a fair market value that is in excess of the tax basis for such assets is not materially excessive. Accordingly, we believe that little or no U.S. taxes will be owed as a result of the proposed continuance. It is possible that the facts on which we based our assumptions and conclusions could change before the continuance is completed. We have not applied to the federal tax authorities for a ruling on this matter and do not intend to do so. We have also made certain assumptions regarding the tax treatment of this transaction in order to reach our conclusions and it may be possible for some of these assumptions to be interpreted in a different manner which would be less favorable to us. You should understand that it is possible that the federal tax authorities will not accept our valuations or positions and claim that we owe more taxes then we expect as a result of this transaction.

The Stock Price Of Our Common Shares May Be Volatile. In Addition, Demand In The United States For Our Shares May Be Decreased By The Change In Domicile.

The market price of our common shares may be subject to significant fluctuations in response to variations in results of operations and other factors. Developments affecting the oil and gas industry including oil and gas price fluctuations could also have a significant impact on the market price for our shares. In addition, the stock market has experienced a high level of price and volume volatility. Market prices for the stock of many similar companies have experienced wide fluctuations which have not necessarily been related to the operating performance of such companies. These broad market fluctuations, which are beyond our control, could have a material adverse effect on the market price of our shares.

We cannot predict what effect, if any, the conversion will have on the market price prevailing from time to time or the liquidity of our common shares. The change in domicile may decrease the demand for our shares in the United States.

The decrease may not be offset by expected increased demand for our shares in Canada.

RISKS RELATING TO THE COMPANY

We Have A Limited Operating History With Respect To Our Current Business. This Makes An Evaluation Of Our Business Difficult.

We were formed in Delaware in August 1999 to engage in a toy business. No operations in this area were ever commenced. Commencing with our April 23, 2002 acquisition of Assure Oil & Gas Corp., followed by Assure Oil & Gas Corp.'s May 30, 2002 acquisition of Westerra 2000 Inc., we became an oil and gas company. Through Assure Canada, we are committed to continue and expand these operations. Through our wholly owned subsidiary, Assure Holdings Inc., we also own approximately 48.5% of the outstanding common shares of Quarry Oil & Gas Ltd., a junior oil and gas exploration and development company based in Calgary, Alberta. Both Assure Oil & Gas Corp. and Westerra 2000 Inc. have limited operating histories. Accordingly, we have limited performance history on which you can evaluate our future performance. We are at an early stage of development and it is possible that we may not achieve the revenues that we anticipate. If that occurs, we will receive less than our anticipated income from our operations and our profitability will suffer. Before investing, you should carefully evaluate the risks, uncertainties, expenses and difficulties frequently encountered by early stage companies.

Our Future Success Is Dependent On The Performance And Continued Service Of Our Chief Executive Officer, And Our Ability To Attract And Retain Skilled Personnel.

Our performance and future operating results are dependent on the continued service and performance of Harvey Lalach, our president and chief executive and financial officer. To the extent that the services of Mr. Lalach become unavailable, our business or prospects may be adversely affected. Should we be required to do so, we do not know whether we would be able to employ an equally qualified person or persons to replace Mr. Lalach. We do not currently maintain "key man" insurance for any of our executive officers or other key employees and do not intend to obtain this type of insurance following the completion of this offering. If we are successful in further developing our business, we will require additional managerial, administrative and support personnel. Competition for highly-qualified personnel is intense, and we cannot assure that we can retain our key employees or that we will be able to attract or retain qualified personnel in the future. The loss of the services of any of our management or other key employees and our inability to attract and retain other necessary personnel could have a material adverse effect on our financial condition, operating results, and cash flows. See "Directors, Executive Officers, Promoters and Control Persons".

Our Competitors Have Greater Financial and Human Resources Than We Do. This May Give Them A Competitive Advantage

The oil and gas industry is highly competitive. We encounter competition from numerous companies in all or our activities, particularly in acquiring rights to explore for crude oil and natural gas. Most of our competitors are larger and have substantially greater financial and human resources than we do.

The oil and gas business involves large-scale capital expenditures and risk-taking. In the search for new oil and gas reserves, long lead times are often required from successful exploration to subsequent production. Operations

in the oil and gas industry depend on a depleting natural resource. The number of areas where it can be expected that oil and gas will be discovered in commercial quantities is constantly diminishing and exploration risks are high. Areas where oil or gas may be found are often in remote locations where exploration and development activities are capital intensive and operating costs are high.

Our future success will depend, to a significant extent, on our ability to make good decisions regarding our capital expenditures, especially when taking into consideration our limited resources. We can give no assurance that we will be able to overcome the competitive disadvantages we face as a small company with limited capital.

We Do Not Intend To Pay Dividends On Our Common Stock For The Foreseeable Future.

We have not paid any cash dividends, nor do we contemplate or anticipate paying any dividends upon our common stock in the foreseeable future.

We May Need Additional Financing Which May Not Be Available And, If Available, Might Only Be Available On Unfavorable Terms. Our Failure To Obtain Financing, If Needed, Would Hinder Our Operations And Our Ability To Achieve Profitability.

We have principally funded our operations to date through sales of our equity and debt securities. We expect to continue to raise funds in the future through sales of our debt or equity securities and through loans until such time, if ever, as we are able to operate profitably. There can be no assurance given that we will be able to obtain funds in such manner or on terms that are beneficial to us. Our inability to obtain needed funding can be expected to have a material adverse effect on our operations and our ability to achieve profitability.

We Have A History Of Losses And An Accumulated Deficit And Expect To Continue to Incur Losses Until We Establish Profitable Business Operations. This Could Drive The Price Of Our Stock Down

We have experienced operating losses since our inception. As at September 30, 2003 we had accumulated deficit in the amount of $2,944,910. We expect to incur additional operating losses until we are able to establish profitable business operations. If we fail to establish profitable business operations and continue to incur losses, the price of our common stock can be expected to fall.

The Continuance Into Alberta, Canada May Materially Affect Shareholders' Rights.

Alberta law is materially different from Nevada law, under which Assure Nevada is currently incorporated. We cannot assure you that the differences between Alberta law and Nevada law will not materially affect the interests of our shareholders. See "Comparative Rights of Shareholders."

Sales Of Shares Eligible For Future Sale Could Depress The Market Price For Our Common Stock.

We presently have issued and outstanding:

- 19,416,100 shares of our common stock

- options to purchase 120,000 shares of our common stock at an exercise price of $2.75 per share

- options to purchase 305,000 shares of our common stock at an exercise price of $3.00 per share

- warrants to purchase 10,270,400 shares of our common stock at exercise prices ranging from $.333 to $4.00 per share

- 17,500 shares of convertible Series A Preferred Stock

- 5,250 shares of convertible Series B Preferred Stock.

None of our outstanding shares of Series A or Series B Preferred Stock are presently convertible. 75,000 of our outstanding options are presently exercisable. All but 5,035,000 of our outstanding warrants are presently exercisable. Market sales of large amounts of our common stock, or the potential for those sales even if they do not actually occur, may have the effect of depressing the market price of our common stock. In addition, if our future financing needs require us to issue additional shares of common stock or securities convertible into common stock, the supply of common stock available for resale could be increased which could stimulate trading activity and cause the market price of our common stock to drop, even if our business is doing well.

There Is A Limited Public Market For Our Common Stock. Unless Such Market Is Expanded You May Have Difficulty Selling Shares Of Our Common Stock.

To date there has been only a limited and sporadic public market for our common stock. There can be no assurance that an active and more reliable public market will develop in the future or, if developed, that such market will be sustained. Purchasers of shares of our common stock may, therefore, have difficulty in reselling such shares. As a result, investors may find it impossible to liquidate their investment in us should they desire to do so. Our common stock is currently traded in the over-the-counter market and quoted on the OTC Bulletin Board. As at the date hereof, we are not eligible for inclusion in NASDAQ or for listing on any national stock exchange. At the present time, we are unable to state when, if ever, we will meet the Nasdaq application standards. Even if we meet the minimum requirements to apply for inclusion in The Nasdaq SmallCap Market, there can be no assurance that approval will be received or, if received, that we will meet the requirements for continued listing on the Nasdaq SmallCap Market. Further, Nasdaq reserves the right to withdraw or terminate a listing on the Nasdaq SmallCap Market at any time and for any reason in its discretion. If we are unable to obtain or to maintain a listing on the Nasdaq SmallCap Market, quotations, if any, for "bid" and "asked" prices of the common stock would be available only on the OTC Bulletin Board where our common stock is currently quoted or in the "pink sheets". This can result in an investor's finding it more difficult to dispose of or to obtain accurate quotations of prices for our common stock than would be the case if our common stock were quoted on the Nasdaq Small Cap Market. Irrespective of whether or not our common stock is included in the Nasdaq SmallCap system, there can be no assurance that the public market for our common stock will become more active or liquid in the future.

CONTINUANCE AND CONVERSION PROPOSAL

BACKGROUND OF THE CONTINUANCE AND CONVERSION PROPOSAL

The Board of Directors of Assure Nevada has determined that it is advisable to change the company's domicile from Nevada to Alberta, Canada. Management of Assure Nevada has determined that a conversion will be the most effective means of achieving the desired change of domicile. The Nevada Revised Statutes allow a corporation that is duly incorporated, organized, existing and in good standing under Nevada law to convert into a foreign entity pursuant to a plan of conversion approved by the stockholders of the Nevada corporation.

Under the continuance and conversion, Articles of Conversion will be filed with the Secretary of State of Nevada and Articles of Continuance, along with other documents required by the Alberta Business Corporation Act, will be filed with the Registrar of Corporations in the Province of Alberta. Upon the filings, we will be continued as an Alberta company and will be governed by the laws of Alberta, Canada. The assets and liabilities of the Alberta company immediately after the consummation of the conversion will be identical to the assets and liabilities of the Nevada company immediately prior to the conversion. The current officers and directors of the Nevada company will be the officers and directors of the Alberta company. The change of domicile will not result in any material change to the business of Assure Nevada and will not have any effect on the relative equity or voting interests of our stockholders. Each previously outstanding share, option and warrant of Assure Nevada will become one share, option and warrant of the Alberta company. The change in domicile will, however, result in changes in the rights and obligations of current Assure Nevada stockholders under applicable corporate laws. For an explanation of these differences see "Comparative Rights of Stockholders". In addition, the conversion may have adverse tax consequences for stockholders. For a more detailed explanation of the circumstances to be considered in determining the tax consequences, see "Material United States Federal Tax Consequences" and "Material Canadian Tax Consequences."

Pursuant to Sections 92A.120 of the Nevada Revised Statutes, the Board of Directors of Assure Nevada has adopted resolutions approving the plan of conversion. The effect of this conversion will be to change the domicile of Assure Nevada from Nevada to Alberta, Canada. Assure Nevada shall file with the Secretary of State of Nevada Articles of Conversion and shall file a Notice of Registered Office, a Notice of Directors and Articles of Continuance with the Registrar under the Alberta Business Corporations Act. Upon the filing of the Plan of Conversion in accordance with Section 92A.205 of the Nevada Revised Statutes and payment to the Secretary of State of Nevada of all prescribed fees, the conversion shall become effective in accordance with Section 92A.240 of the Nevada Revised Statutes. Upon receipt of the Articles of Continuance and payment of all applicable fees, the Registrar shall issue a Certificate of Continuance, and the continuance shall be effective on the date shown in the certificate.

REASONS FOR THE CHANGE OF DOMICILE

We believe that the continuance to Alberta, Canada will more accurately reflect our present operations as an oil and gas company, which have always been in Canada. Further, all of our employees are located in Canada. We also believe the continuance to Alberta may enable us to benefit from new financing opportunities which may become available to us. Furthermore, a majority of our issued and outstanding common stock is owned of record by non-U.S. residents. Accordingly, upon the continuance, we will be considered a "foreign private issuer" under the Securities Act of 1933, as amended.

EFFECTIVE TIME OF THE CONVERSION

The continuance and conversion will become effective upon:

- The approval of the Plan of Conversion by the stockholders of Assure Nevada;

- The delivery of duly executed articles of conversion to the Secretary of State of the State of Nevada in accordance with Section 92A.205 of the Nevada Revised Statutes; and

- The issuance of a Certificate of Continuance by the Director of Business Corporations under the Alberta Business Corporations Act.

We anticipate that the Articles of Conversion and Articles of Continuance will be filed promptly after the Special Meeting of Assure Nevada stockholders. Therefore, the only condition required for us to effect the Plan of Conversion and became continued into Alberta is that our stockholders must duly approve the Plan of Conversion.

CONDITIONS TO THE CONSUMMATION OF THE CONVERSION

The Board of Directors of Assure Nevada has adopted and approved the plan of conversion. The only other material actions required to consummate the conversion are the approval of the stockholders of Assure Nevada in accordance with Section 92A.120 of the Nevada Revised Statutes, the filing of the Articles of Conversion with the Secretary of State of Nevada and the filing of Articles of Continuance, along with other documents required by the Alberta Business Corporations Act, with the Alberta Registrar of Corporations.

EXCHANGE OF SHARE CERTIFICATES

No exchange of certificates that, prior to the effective time of the continuance, represented shares of Assure Nevada common stock is required with respect to the continuance and the transactions contemplated by the conversion plan. Promptly after the effective time of the conversion, we shall mail to each record holder of certificates that immediately prior to the effective time of the conversion represented shares of Assure Nevada common stock, a letter of transmittal and instructions for use in surrendering those certificates. Upon the surrender of each certificate formerly representing Assure Nevada stock, together with a properly completed letter of transmittal, we shall issue in exchange a share certificate of Assure Canada and the stock certificate

representing shares in the Assure Nevada shall be cancelled.

STOCK OPTIONS AND WARRANTS

As of the effective time of the conversion, all warrants and options to purchase shares of Assure Nevada common stock granted or issued prior to the effective time of the conversion will become warrants and options to purchase shares in Assure Canada as continued under the Alberta Business Corporations Act.

RECOMMENDATION OF THE BOARD OF DIRECTORS

THE BOARD OF DIRECTORS HAS UNANIMOUSLY APPROVED THE PLAN OF CONVERSION DESCRIBED IN THIS PROXY STATEMENT/PROSPECTUS

In reaching its decision, the board reviewed the fairness to Assure Nevada and its stockholders of the proposed continuance and considered, without assigning relative weights to, the following factors:

- The fact that all of the company's operations, assets and employees and current principal executive offices are currently located in Canada.

- The belief of the board of directors that the continuance may provide new financing opportunities for the company.

- The belief that there will be minimal or no tax consequences to Assure Nevada from the proposed continuance.

- The fact that stockholders have an opportunity to vote on the proposed continuance.

Without relying on any single factor listed above more than any other factor, the board of directors, based upon their consideration of all such factors taken as a whole, concluded that the proposals are fair to Assure Nevada and its stockholders.

ACCORDINGLY, THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE PLAN OF CONVERSION PROPOSAL DESCRIBED IN THIS PROXY STATEMENT/PROSPECTUS

In addition to the conversion proposal, our board of directors is also soliciting proxies to authorize us to adjourn the special meeting on one or more occasions, if necessary, to solicit additional proxies if there are not sufficient votes at the time of the special meeting to approve the plan of conversion. This will increase the likelihood of ultimate passage of the plan of conversion proposal.

OUR BOARD OF DIRECTORS' HAS UNANIMOUSLY APPROVED THE ADJOURNMENT PROPOSAL AND RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE ADJOURNMENT PROPOSAL DESCRIBED IN THIS PROXY STATEMENT/PROSPECTUS.

VOTING AND PROXY INFORMATION

SPECIAL MEETING

A special meeting of the Assure Nevada stockholders will be held at _____ a.m. on January __, 2004, at the offices of Gottbetter & Partners, LLP., 488 Madison Avenue, 12th Floor, New York, New York 10022 (or at any adjournments or postponements thereof) to consider and vote on the following matters:

- a proposal to effect a plan of conversion, which will have the effect of transferring the jurisdiction of incorporation of Assure Nevada from the State of Nevada to Alberta, Canada;

- a proposal to authorize the adjournment of the special meeting, on one or more occasions, if necessary, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the plan of conversion proposal; and

- any other matters that may properly come before such meeting.

The presence, in person or by proxy, of stockholders holding a majority of the outstanding shares of Assure Nevada common stock will constitute a quorum. The vote of any stockholder who is represented at the special meeting by proxy will be cast as specified in the proxy. If no vote is specified in a duly executed and delivered proxy such vote will be cast for the proposal. Any stockholder of record who is present at the special meeting in person will be entitled to vote at the meeting regardless of whether the stockholder has previously granted a proxy for the special meeting.

THE BOARD OF DIRECTORS OF ASSURE NEVADA HAS APPROVED THE PLAN OF CONVERSION AND ADJOURNMENT PROPOSALS AND RECOMMENDS THAT STOCKHOLDERS VOTE IN FAVOR OF THEIR APPROVAL.

PROXY SOLICITATION

The total cost of soliciting proxies will be borne by us. Proxies may be solicited by officers and regular employees of Assure Nevada without extra remuneration, by personal interviews, telephone and by electronic means. We anticipate that banks, brokerage houses and other custodians, nominees and fiduciaries will forward soliciting material to stockholders and those persons will be reimbursed, upon request, for the related out-of-pocket expenses they incur.

RECORD DATE

Only those stockholders of record at the close of business on December ___, 2003, as shown in Assure Nevada's records, will be entitled to vote or to grant proxies to vote at the special meeting.

VOTE REQUIRED FOR APPROVAL

Approval of the conversion proposal requires the affirmative vote of the stockholders of Assure Nevada holding a majority of the outstanding shares of Assure Nevada common stock. Abstentions and broker "non-votes" will have the same effect as votes against the conversion proposal. Approval of the adjournment proposal requires the affirmative vote of the stockholders of Assure Nevada holding a majority of the outstanding shares of Assure Nevada common stock present or represented by proxy at the special meeting. Failure to vote will have no effect on the adjournment proposal. As of December ___, 2003, there were _____ shares of common stock outstanding held by approximately ___ holders of record.

PROXY INSTRUCTIONS

Each Assure Nevada stockholder as of December ___, 2003, will receive a proxy card. A stockholder may grant a proxy to vote for or against, or to abstain from voting on, the proposals by marking his or her proxy card appropriately and executing it in the space provided. Alternatively, stockholders may vote via telephone or the Internet.

Holders of our common stock whose names appear on the stock records of Assure Nevada should return their proxy card to our transfer agent, Continental Stock Transfer & Trust Company, in the envelope provided with the proxy card. Stockholders who hold their common stock in the name of a bank, broker or other nominee should follow the instructions provided by their bank, broker or nominee on voting their shares.

TO BE EFFECTIVE, A PROXY CARD MUST BE RECEIVED PRIOR TO THE SPECIAL MEETING. ANY PROPERLY EXECUTED PROXY WILL BE VOTED IN ACCORDANCE WITH THE SPECIFICATION INDICATED ON THE PROXY CARD. A PROPERLY EXECUTED AND RETURNED PROXY CARD IN

WHICH NO SPECIFICATION IS MADE WILL BE VOTED FOR THE PROPOSALS.

If any other matters are properly presented at the special meeting for consideration, the persons named in the proxy card and acting under its authority will have discretion to vote on such matters in accordance with their best judgment.

PROXY REVOCATION

Holders of Assure Nevada common stock whose names appear on the stock records of Assure Nevada may revoke their proxy at any time prior to its exercise by:

- Giving written notice of such revocation to the corporate secretary;
- Appearing and voting in person at the special meeting; or
- Properly completing and executing a later-dated proxy and delivering it to the corporate secretary at or before the special meeting.

Presence without voting at the special meeting will not automatically revoke a proxy, and any revocation during the meeting will not affect votes previously taken. Assure Nevada stockholders who hold their Assure Nevada common stock in the name of a bank, broker or other nominee should follow the instructions provided by their bank, broker or nominee in revoking their previously voted shares.

PROXY VALIDITY

All questions as to the validity, form, eligibility (including time of receipt), and acceptance of proxy cards will be determined by the Assure Nevada board of directors. Any such determination will be final and binding. The Assure Nevada board of directors will have the right to waive any irregularities or conditions as to the manner of voting. Assure Nevada may accept proxies by any reasonable form of communication so long as Assure Nevada can be reasonably assured that the communication is authorized by the Assure Nevada stockholder.

TERMINATION OF PRIOR CONSENT

Certain shareholders of record of Assure Nevada as of the close of business on September 18, 2003 have previously executed consents approving the plan of conversion to re-domicile Alberta. These consents have been voided and will have no bearing on the vote to be taken on the proposals to be presented at the special shareholder meeting. All Assure Nevada shareholders eligible to vote at the special shareholder meeting that have previously executed a consent will be asked to vote on the proposals at the shareholder meeting, including the plan of conversion proposal. These shareholders are not obligated to vote in favor of any of the proposals and can vote against or abstain from voting on any of the proposals.

DISSENTERS' RIGHTS

Under Section 92A.120 of the Nevada Revised Statutes, the approval of the board of directors of a company and the affirmative vote of the holders of at least a majority of its outstanding shares on the record date for a stockholder vote are required to approve and adopt a plan of conversion. Our board of directors has approved and adopted our plan of conversion by unanimous written consent. If the conversion is completed, eligible holders of Assure Nevada common stock that follow the procedures summarized below will be entitled to dissenters' rights under Sections 92A.300 to 92A.500 of the Nevada Revised Statutes. To be an eligible shareholder, a person must have been an Assure Nevada shareholder of record as of the close of trading on September 11, 2003, the date the terms of the plan of conversion were first announced in a press release. Eligible shareholders include persons that executed written consents on September 18, 2003 approving the plan of conversion to re-domicile in Alberta as these consents have been voided and have no further effect.

THE FOLLOWING DISCUSSION IS NOT A COMPLETE STATEMENT OF THE LAW PERTAINING TO DISSENTERS' RIGHTS UNDER THE NEVADA REVISED STATUTES AND IS QUALIFIED IN ITS ENTIRETY BY THE FULL TEXT OF SECTIONS 92A.300 TO 92A.500 OF THE NEVADA REVISED STATUTES ATTACHED HERETO AS APPENDIX E. YOU SHOULD READ APPENDIX E IN ITS ENTIRETY. A PERSON HAVING A BENEFICIAL INTEEST IN SHARES OF OUR COMMON STOCK HELD OF RECORD IN THE NAME OF ANOTHER PERSON, SUCH AS A BROKER OR NOMINEE, MUST ACT PROMPTLY TO CAUSE THE RECORD HOLDER TO FOLLOW THE STEPS SUMMARIZED BELOW PROPERLY AND IN A TIMELY MANNER TO PERFECT THEIR DISSENTERS' RIGHTS. FAILURE TO PROPERLY DEMAND AND PERFECT DISSENTERS' RIGHTS IN ACCORDANCE WITH SECTIONS 92A.300 TO 92A.500 OF THE NEVADA REVISED STATUTES WILL RESULT IN THE LOSS OF DISSENTERS' RIGHTS.

Eligible Assure Nevada shareholders who wish to assert dissenters' rights:

- Must deliver to Assure Nevada, before the vote is taken on the conversion proposal at the special shareholders' meeting, a written notice of the shareholder's intent to demand payment for his or her shares if the conversion is effectuated; and

- Must not vote his or her shares in favor of the conversion.

If the conversion is authorized by the shareholders, Assure Nevada will send a written dissenters' notice to all eligible shareholders who provided timely notice of their intent to demand payment for their shares and who did not vote their shares in favor of the conversion, within 10 days after effectuation of the conversion. The notice will:

- state where the demand for payment must be sent and where and when certificates for Assure Nevada shares are to be deposited;
- supply a form for demanding payment;
- set a date by which we must receive the demand for payment, which may not be less than 30 or more than 60 days after the date the notice is delivered; and

- be accompanied by a copy of Sections 92A.300 through 92A.500 of the NRS;

An eligible shareholder to whom a dissenter's notice is sent must, by the date set forth in the dissenter's notice:

- demand payment;
- certify whether the stockholder acquired beneficial ownership of the shares on or before September 11, 2003, the date of the first announcement to the news media or to the shareholders of the terms of the conversion; and
- deposit his or her certificates in accordance with the terms of the dissenter's notice.

Eligible shareholders who do not demand payment or deposit their certificates where required, each by the date set forth in the dissenter's notice, will not be entitled to demand payment for their shares under Nevada law governing dissenters' rights.

Within 30 days after receipt of a valid demand for payment, we will pay each dissenter who complied with the procedures described by the Nevada dissenters' rights statute the amount we estimate to be the fair value of the shares, plus accrued interest. The payment will be accompanied by:

- our balance sheet as of the end of a fiscal year ending not more than 16 months before the date of payment, a statement of income for that fiscal year, a statement of changes in shareholders' equity for that fiscal year and the latest available interim financial statements, if any;

- a statement of our estimate of the fair value of the shares;
- an explanation of how the interest was calculated;
- a statement of dissenters' rights to demand payment under Section 92A.480 of the NRS; and
- a copy of Sections 92A.300 through 92A.500 of the NRS.

An eligible dissenter may notify us in writing of the dissenter's own estimate of the fair value of the shares and interest due, and demand payment based upon his or her estimate, less our fair value payment or offer for payment, or reject the offer for payment made by us and demand payment of the fair value of the dissenter's shares and interest due if the dissenter believes that the amount paid or offered is less than the fair value of the dissenter's shares or that the interest due is incorrectly calculated. A dissenter waives his right to demand such payment unless the dissenter notifies us of his demand in writing within 30 days after we made or offered payment for the dissenter's shares.

If a demand for payment remains unsettled, we will commence a proceeding within 60 days after receiving the demand for payment and petition the court to determine the fair value of the shares of Assure Nevada common stock and accrued interest. If we do not commence the proceeding within the 60-day period, we will be required to pay each dissenter whose demand remains unsettled the amount demanded.

Each dissenter who is made a party to the proceeding is entitled to a judgment:

- for the amount, if any, by which the court finds the fair value of the dissenter's shares, plus interest, exceeds the amount paid by us; or
- for the fair value, plus accrued interest, of the dissenter's after-acquired shares for which we elected to withhold payment pursuant to Nevada law.

Under Nevada law, the fair value of shares of Assure Nevada common stock means the value of the shares immediately before the consummation of the conversion, excluding any increase or decrease in value in anticipation of the conversion unless excluding such increase or decrease is inequitable. The value determined by the court for the Assure Nevada common stock could be more than, less than, or the same as the conversion consideration, but the form of consideration payable as a result of the dissent proceeding would be cash.

The court will determine all of the costs of the proceeding, including the reasonable compensation and expenses of any appraisers appointed by the court. The court will assess the costs against us, except that the court may assess costs against all or some of the dissenters, in the amounts the court finds equitable, to the extent that the court finds the dissenters acted arbitrarily, vexatiously or not in good faith in demanding payment. The court may also assess the fees and expenses of the counsel and experts for the respective parties, in amounts the court finds equitable:

- against us in favor of all dissenters if the court finds we did not substantially comply with the Nevada dissenters' rights statute; or
- against either us or a dissenter in favor of any other party, if the court finds that the party against whom the fees and expenses are assessed acted arbitrarily, vexatiously or not in good faith with

respect to the dissenters' rights provided under the Nevada dissenters' rights statute.

If the court finds that the services of counsel for any dissenter were of substantial benefit to other dissenters similarly situated, and that the fees for those services should not be assessed against us, the court may award to those counsel reasonable fees to be paid out of the amounts awarded to the dissenters who were benefited.

If a proceeding is commenced because we did not pay each dissenter who complied with the procedures described by the Nevada dissenters' rights statute the amount we estimated to be the fair value of the shares, plus accrued interest, within 30 days after receipt of a valid demand for payment, the court may assess costs against us, except that the court may assess costs against all or some of the dissenters who are parties to the proceeding, in amounts the court finds equitable, to the extent the court finds that such parties did not act in good faith in instituting the proceeding. The assessment of costs and fees, if any, may also be affected by Nevada law governing offers of judgment.

The foregoing summary of the rights of eligible dissenting stockholders does not purport to be a complete statement of such rights and the procedures to be followed by stockholders desiring to exercise any available dissenters' rights. The preservation and exercise of dissenters' rights require strict adherence to the applicable provisions of Nevada law.

MATERIAL UNITED STATES FEDERAL TAX CONSEQUENCES

GENERAL

The following sections summarize material provisions of United States federal income tax laws that may affect our stockholders and us. Although this summary discusses the material United States federal income tax considerations arising from and relating to the continuance, it does not purport to discuss all of the United States consequences that may be relevant to our stockholders, nor will it apply to the same extent or in the same way to all stockholders. The summary does not describe the effect of the U.S. federal estate tax laws or the effects of any state or local tax law, rule or regulation, nor is any information provided as to the effect of any other United States or foreign tax law, other than the income tax laws of the United States to the extent specifically set forth herein.

The tax discussion set forth below is based upon the facts set out in this prospectus and upon additional information possessed by our management and upon representations of our management. The tax discussion is included for general information purposes only. It is not intended to be, nor should it be construed to be, legal or tax advice to any particular stockholder. The following does not address all aspects of taxation that may be relevant to you in light of your individual circumstances and tax situation. YOU ARE STRONGLY ADVISED AND ARE EXPECTED TO CONSULT WITH YOUR OWN LEGAL AND TAX ADVISORS REGARDING THE UNITED STATES INCOME TAX CONSEQUENCES OF THE CONTINUANCE IN LIGHT OF YOUR PARTICULAR CIRCUMSTANCES.

UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

This portion of the summary applies to U.S. holders who own our common shares as capital assets. U.S. holders include individual citizens or residents of the United States, corporations (or entities treated as corporations for U.S. federal income tax purposes), and partnerships organized under the laws of the

United States or any State thereof or the District of Columbia. Trusts are U.S. holders if they are subject to the primary supervision of a U.S. court and the control of one or more U.S. persons with respect to substantial trust decisions. An estate is a U.S. holder if the income of the estate is subject to U.S. federal income taxation regardless of the source of the income. U.S. holders who own interests indirectly through one or more non-U.S. entities or carry on business outside the United States through a permanent establishment or fixed place of business, or U.S. holders who hold an interest other than as a common shareholder, should consult with their tax advisors regarding their particular tax consequences.

This summary also describes certain U.S. federal income tax consequences to Canadian holders following the continuance, who are specifically those persons resident in Canada who own our common shares as capital assets. The discussion is limited to the U.S. federal income tax consequences to Canadian holders of their ownership and disposition of the common shares of the company as a result of the continuance and assumes the Canadian holders have no other U.S. assets or activities.

This discussion is based on the Internal Revenue Code of 1986, as amended, adopted and proposed regulations thereunder, Internal Revenue Service ("IRS") rulings and pronouncements, reports of congressional committees, judicial decisions, and current administrative practice, all of which are subject to change, perhaps with retroactive effect. Any such change could alter the tax consequences discussed below. No ruling from the IRS will be requested concerning the U.S. federal income tax consequences of the continuance. The tax consequences set forth in the following discussion are not binding on the IRS or the courts and no assurance can be given that contrary positions will not be successfully asserted by the IRS or adopted by a court. As indicated above, this discussion does not address all aspects of U.S. federal income taxation that may be relevant to particular U.S. holders in light of their personal circumstances or to U.S. holders subject to special treatment under the U.S. Internal Revenue Code, including, without limitation, banks, financial institutions, insurance companies, tax-exempt organizations, broker-dealers, S corporations, individual retirement and other deferred accounts, application of the alternative minimum tax rules, holders who received our stock as compensation, persons who hold notes or stock as part of a hedge, conversion, or constructive sale transaction, straddle, or other risk-reduction transaction, persons that have a "functional currency" other than the U.S. dollar, and persons subject to taxation as expatriates. Furthermore, this discussion does not address the tax consequences applicable to holders that are treated as partnerships or other pass-through entities for U.S. federal income tax purposes.

This summary does not address the U.S. federal income tax consequences to a U.S. holder of the ownership, exercise, or disposition of any warrants or options.

U.S. TAX CONSEQUENCES TO THE COMPANY

While the continuance of the Company from Nevada to Alberta, Canada is actually a migration of the corporation from Nevada to Alberta, Canada, for tax purposes, the continuance is treated as the transfer of our assets to the Alberta company in exchange for stock of the Alberta company. This is to be followed by a distribution of the stock in the Alberta company to our stockholders, and then the exchange by Assure Nevada's stockholders of their Assure Nevada stock for Assure Canada stock. As a Nevada company, we must recognize gain (but not loss) on the assets held by us at the time of the conversion to the extent that the fair market value of any of our assets exceeds their respective basis in the assets. The calculation of any potential gain will need to be made separately

for each asset held by Assure Nevada. No loss will be allowed for any asset that has a taxable basis in excess of its fair market value. We do not believe the current fair market value of the assets held by Assure Nevada exceeds or materially exceeds their respective basis. Accordingly, we are not expecting Assure Nevada to recognize material taxable gains as a result of the continuance.

U.S. TAX CONSEQUENCES TO U.S. AND CANADIAN SHAREHOLDERS

The continuance should be treated by shareholders as the exchange by them, of their stock for stock of the Alberta company. The shareholders will not be required to recognize any U.S. gain or loss on this transaction. A shareholder's adjusted basis in the shares of Assure Canada received in the exchange will be equal to such shareholder's adjusted basis in the shares of Assure Nevada surrendered in the exchange. A shareholder's holding period in the shares of Assure Canada received in the exchange should include the period of time during which such shareholder held his or her shares in Assure Nevada.

Shareholders exercising dissenters' rights will recognize capital gain or loss with respect to their receipt of payment in cash of the fair value of their Assure Nevada shares in the amount by which the fair value payment exceeds or is less than the basis in their Assure Nevada shares.

CONTROLLED FOREIGN CORPORATION CONSIDERATIONS

There is currently no single U.S. shareholder of Assure Nevada that owns (directly or indirectly) at least 10% of the Assure Nevada shares. Further, the total combined ownership of all U.S. shareholders is less than 50%. Therefore, the Controlled Foreign Corporation ("CFC") rules under Internal Revenue Code ("IRC") Sections 951 - 959 will not apply to Assure Canada and its U.S. shareholders immediately after the continuance. Any United States person who owns (directly or indirectly) 10% or more of the total combined voting power of all classes of stock entitled to vote of a foreign corporation, such as Assure Canada, will be considered a "United States shareholder" under the CFC rules. If, in the future, "United States shareholders" (as defined above) own more than 50% of the total combined voting power of all classes of Assure Canada stock entitled to vote or own more than 50% of the value of Assure Canada stock, Assure Canada will be considered to be a CFC for U.S. tax purposes. In such situation, the "United States shareholders" would likely be subject to the effects of the CFC rules, and should consult with their tax advisors regarding their particular tax consequences.

FOREIGN PERSONAL HOLDING COMPANY CONSIDERATIONS

There is not currently a group of five or fewer U.S. shareholders of Assure Nevada that owns (directly or indirectly) more than 50% of the Assure Nevada shares. Therefore, the Foreign Personal Holding Company ("FPHC") rules under IRC Sections 551 - 558 will not apply to Assure Canada immediately after the continuance. If, in the future, any group of five or fewer U.S. shareholders owns (directly or indirectly) more than 50% of Assure Canada's stock, the U.S. shareholders may be subject to the FPHC rules, depending on the type of income earned by the company. Should that situation occur, the U.S. shareholders should consult with their tax advisors regarding their particular tax consequences.

PASSIVE FOREIGN INVESTMENT COMPANY CONSIDERATIONS

After the continuance, Assure Canada and every U.S. shareholder of Assure Canada will need to annually evaluate whether Assure Canada is a Passive Foreign Investment Company ("PFIC") under IRC Sections 1291 - 1298. If, at any time after the continuance, Assure Canada were considered a PFIC, the company and all U.S. shareholders of Assure Canada would need to consider various potential reporting requirements, tax elections, and tax liabilities imposed under the PFIC rules. In such situation, the company and all U.S. shareholders should consult with their tax advisors regarding their particular tax consequences.

If Assure Canada generates revenues in any tax year that are at least 75% passive income (dividends, interest, royalties, rents, annuities, foreign currency gains, and gains from the sale of assets generating passive income), Assure Canada will be considered a PFIC for that year and for all future years. In addition, if 50% or more of the gross average value of Assure Canada's assets in any tax year consist of assets that would produce passive income (including cash and cash equivalents held as working capital), Assure Canada will be considered a PFIC for that year and for all future years.

POST-CONTINUANCE U.S. TAXATION OF INCOME, GAINS AND LOSSES

After the continuance, Assure Canada will not have any U.S. activities or operations. As long as Assure Canada does not develop a permanent establishment in the U.S., the operations of Assure Canada will not be subject to U.S. income tax. If Assure Canada receives dividends, interest, rent, or royalties from any U.S. entity, those amounts will be subject to withholding tax (which will be withheld and remitted to the US Treasury by the U.S. entity paying the dividends or interest) under the convention between the United States of America and Canada with respect to taxes on income and capital. Depending on the particular situation, such amounts may be available to offset taxes imposed by the country of residence of a particular stockholder.

POST-CONTINUANCE SALE OF ASSURE CANADA SHARES

A U.S. shareholder who sells his or her shares of Assure Canada will generally recognize capital gain (or loss) equal to the amount by which the cash received pursuant to sale of the shares exceeds (or is exceeded by) such holder's adjusted basis in the shares surrendered. If the U.S. shareholder's holding period for the Assure Canada shares (which includes the holding period for the Assure Nevada shares) is less than one year, the U.S. shareholder will recognize ordinary income (or loss) on the sale of his or her shares.

POST-CONTINUANCE DIVIDENDS ON ASSURE CANADA SHARES

Any dividends received by U.S. shareholders of Assure Canada will be recognized as ordinary income by the shareholders for U.S. tax purposes. Any Canadian tax withheld by Canada Customs & Revenue Agency on such dividends will be available as a foreign tax credit to the U.S. shareholders. In general, any Canadian income tax withheld from dividends paid to U.S. shareholders can be used by the shareholder to offset the U.S. income tax assessed on the dividends. The amount of the Canadian taxes that can be used as a foreign tax credit will depend on the particular tax situation of each U.S. shareholder. Each U.S. shareholder should consult with a tax advisor regarding the calculation of any available foreign tax credit available in his or her particular tax consequences.

MATERIAL CANADIAN TAX CONSEQUENCES

GENERAL

The following sections summarize material provisions of Canadian federal income tax laws that may affect our stockholders and us. Although this summary discusses the material Canadian federal income tax considerations arising from and relating to the continuance, it does not purport to discuss all of the Canadian tax consequences that may be relevant to our stockholders, nor will it apply to the same extent or in the same way to all stockholders. The summary does not describe the effects of any provincial or local tax law, rule or regulation, nor is any information provided as to the effect of any other Canadian federal or foreign tax law, other than the income tax laws of Canada to the extent specifically set forth herein.

The tax discussion set forth below is based upon the facts set out in this prospectus and upon additional information possessed by our management and upon representations of our management. The tax discussion is included for general information purposes only. It is not intended to be, nor should it be construed to be, legal or tax advice to any particular stockholder. The following does not address all aspects of taxation that may be relevant to you in light of your individual circumstances and tax situation. YOU ARE STRONGLY ADVISED AND ARE EXPECTED TO CONSULT WITH YOUR OWN LEGAL AND TAX ADVISORS REGARDING THE CANADIAN INCOME TAX CONSEQUENCES OF THE CONTINUANCE IN LIGHT OF YOUR PARTICULAR CIRCUMSTANCES.

CANADIAN INCOME TAX CONSIDERATIONS

The following general summary is our understanding of the Canadian federal income tax consequences of the proposed continuance of Assure Nevada to Alberta, Canada as it applies to Assure Canada and to those individual Canadian resident stockholders to whom shares of the Nevada company constitute "capital property" for the purposes of the Income Tax Act (Canada) (the "Act"). This summary also describes the principal Canadian federal income tax consequences of the proposed continuance of Assure Nevada to Alberta, Canada to non-resident individual stockholders who do not carry on business in Canada. Stockholders should consult their own Canadian tax advisors on the Canadian tax consequences of the proposed continuance.

This summary is based upon our understanding of the current provisions of the Act, the regulations thereunder in force on the date hereof (the "Regulations"), any proposed amendments (the "Proposed Amendments") to the Act or Regulations previously announced by the Federal Minister of Finance and our understanding of the current administrative and assessing policies of the Canada Customs and Revenue Agency. This description is not exhaustive of all possible Canadian federal income tax consequences and does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action other than the Proposed Amendments, nor does it take into account provincial or foreign tax considerations, which may differ significantly from those discussed herein.

CONSEQUENCES OF CONTINUANCE TO ALBERTA, CANADA

CANADIAN CORPORATION

As a result of being granted articles of continuance to Alberta, Canada, Assure Canada will be deemed to have been incorporated in Alberta, Canada from that point onwards, and not to have been incorporated elsewhere.

NOT FOREIGN PROPERTY

As of the date of continuance, Assure Canada shares will not be considered

foreign property for investment by a registered pension plan, registered retirement savings plan or deferred profit sharing plan. It is not likely that the Assure Canada shares will ever be considered foreign property.

DEEMED DISPOSITION

As a result of the continuance to Alberta, Canada, Assure Canada will be deemed to have disposed of, and immediately reacquired, all of its assets at their then fair market value. Gains arising on the deemed disposition of taxable Canadian property (if any) are taxable in Canada (subject to exclusion by the Canada-United States income tax treaty). Since all of our property is located in Canada, all of our property is taxable Canadian property.

Pre-continuance accrued gains on a subsequent disposition by Assure Canada are not subject to further Canadian tax. Pre-continuance accrued losses are available for future use in Canada. The effect of this provision is that Assure Canada's assets are re-stated for Canadian income tax purposes at their fair market value as at the time of continuance to Canada.

NEW FISCAL PERIOD

We will be deemed to have a year-end immediately prior to our continuance to Alberta, Canada. For Canadian income tax purposes, Assure Canada will be able to choose a new fiscal year end falling within the 12 months following the effective date of the continuance.

CONSEQUENCES OF CONTINUANCE TO CANADIAN STOCKHOLDERS

NO DEEMED DISPOSITION

A stockholder will not realize a disposition of their Assure Nevada shares on the continuance to Canada. For Canadian income tax purposes, the income tax cost of their Assure Canada shares will be equal to the income tax cost of their Nevada shares. On a subsequent sale of Assure Canada shares, a capital gain or loss will result equal to the proceeds of disposition less the income tax cost of their Assure Canada shares and any related selling costs.

DEEMED DIVIDEND

The deemed disposition of Assure Nevada's assets will result in a decrease in the income tax cost of certain of its assets. To the extent there is an adjustment in the income tax cost of Assure Canada's assets, a corresponding adjustment to the paid up capital of Assure Canada's shares will be made to insure their paid up capital does not exceed the difference between the adjusted income tax cost of its assets (as adjusted by the deemed disposition) and its outstanding liabilities. Since a decrease in Assure Canada's paid up capital is required, such decrease is allocated pro-rata amongst Assure Canada's shares.

If an increase in the income tax cost of Assure Canada's asset values is realized, Assure Canada may elect to increase the paid up capital of its shares prior to continuing to Canada. In the event Assure Canada makes such an election, it will be deemed to have paid a dividend to its stockholders. Canadian stockholders that are deemed to have received such a dividend must include that dividend in income. In such a situation, the amount of the dividend will be added to the stockholders' income tax cost of their Assure Canada shares. Since the tax consequences would be detrimental to individual

stockholders if we were to increase the income tax cost, we will not be making such an election.

INTEREST EXPENSE

Assure Nevada's continuance to Canada will not affect the deductibility of interest incurred on money borrowed to purchase shares of Assure Nevada. Generally, interest that is currently deductible will continue to be deductible by a stockholder after our continuance to Canada, as long as the stockholder continues to own Assure Canada shares.

CONSEQUENCES OF CONTINUANCE TO NON-RESIDENT STOCKHOLDERS

On the continuance of Assure Nevada to Alberta, the income tax cost of a non-resident's Assure Canada shares will be equal to their fair market value at the time of continuance to Alberta. A subsequent disposition of Assure Canada shares by a non-resident stockholder will not be subject to tax in Canada provided his shares are not taxable Canadian property.

To the extent Assure Canada pays a dividend to a non-resident stockholder, such dividend is subject to a 25% withholding tax (to be reduced by an income tax treaty between Canada and the non-resident stockholder's country of residence). Under the treaty, most shareholders of Assure Canada would be subject to a 15% withholding tax. Any shareholders that are corporation and that own 10% or more of Assure Canada would be subject to a 5% withholding tax.

COMPARATIVE RIGHTS OF STOCKHOLDERS

After the conversion, the stockholders of the former Nevada corporation will become the holders of shares of a Canadian company organized under the Alberta Business Corporations Act. Differences between the Nevada Revised Statutes and the Alberta Business Corporations Act, will result in various changes in the rights of stockholders of Assure. It is impractical to describe all such differences, but the following is a description of the material differences. This description is qualified in its entirety by reference to the Nevada Revised Statutes and the Alberta Business Corporations Act.

ELECTION AND REMOVAL OF DIRECTORS

NEVADA. Any director, or the entire Board, may be removed with or without cause, but only by the vote of not less than two thirds of the voting power of the company at a meeting called for that purpose. The directors may fill vacancies on the board.

ALBERTA, CANADA. Any director, or the entire Board, may be removed with or without cause, but only by a majority vote at a meeting of shareholders called for that purpose. The directors may fill vacancies on the Board subject to the provisions of the articles of the corporation and the Alberta Business Corporations Act.

INSPECTION OF STOCKHOLDERS LIST

NEVADA. Under Nevada law, any stockholder of record of a corporation who has held his shares for more than six months and stockholders holding at least 5% of all of its outstanding shares, is entitled to inspect, during normal business hours, the company's stock ledger and make extracts therefrom. Nevada Law also provides that a Nevada company may condition such inspection right upon delivery

of a written affidavit stating that inspection is not desired for any purpose not related to the stockholder's interest in the company.

ALBERTA, CANADA. Under Alberta law, where a corporation has previously distributed its shares to the public, any person may, on payment of a reasonable fee, require a corporation to furnish a list setting out the names and addresses of the stockholders of a corporation and the number of shares held by each stockholder. In order to obtain such a list, a statutory declaration must also be provided confirming that the list will only be used in connection with an effort to influence voting of the stockholders, an offer to acquire securities of the corporation or any other matter relating to the affairs of the corporation.

TRANSACTIONS WITH OFFICERS AND DIRECTORS

NEVADA. Under Nevada law, contracts or transactions in which a director or officer is financially interested are not automatically void or voidable if:

o the fact of the common directorship, office or financial interest is known to the board of directors or committee, and the board or committee authorizes, approves or ratifies the contract or transactions in good faith by a vote sufficient for the purpose, without counting the vote or votes of the common or interested director or directors;

o the contract or transaction, in good faith, is ratified or approved by the holders of a majority of the voting power;

o the fact of common directorship, office or financial interest known to the director or officer at the time of the transactions is brought before the board of directors for actions; or

o the contract or transaction is fair to the corporation at the time it is authorized or approved.

Common or interested directors may be counted to determine presence of a quorum and if the votes of the common or interested directors are not counted at the meeting, then a majority of directors may authorize, approve or ratify a contract or transaction.

ALBERTA, CANADA. Under Alberta law, a material contract or transaction between a corporation and one or more of its directors or officers, or between a corporation and another entity in which a director or officer of the corporation is a director or officer, or in which the director or officer has a material interest in, is not invalid nor is the director or officer accountable to the corporation for any profit realized, if the director or officer has disclosed the nature and extent of his interest and the contract or transaction was approved by the directors or the shareholders and it was reasonable and fair to the corporation at the time it was approved. Interested directors may be counted for the purpose of determining a quorum at a meeting of directors called to authorize the contract.

LIMITATION ON LIABILITY OF DIRECTORS; INDEMNIFICATION OF OFFICERS AND DIRECTORS

NEVADA. Nevada law provides for discretionary indemnification made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances. The determination must be made either:

o by the stockholders;

o by the board of directors by majority vote of a quorum consisting of directors who were not parties to the actions, suit or proceeding;

o if a majority vote of a quorum consisting of directors who were not parties to the actions, suit or proceeding so orders, by independent legal counsel in a written opinion; or

o if a quorum consisting of directors who were not parties to the actions, suit or proceeding cannot be obtained, by independent legal counsel in a written opinion.

The articles of incorporation, the bylaws or an agreement made by the corporation may provide that the expenses of officers and directors incurred in defending a civil or criminal action, suit or proceeding must be paid by the corporation as they are incurred and in advance of the final disposition of the actions, suit or proceeding, upon receipt of an undertaking by or on behalf of the director or officer to repay the amount if it is ultimately determined by a court of competent jurisdiction that he is not entitled to be indemnified by the corporation. The provisions do not affect any right to advancement of expenses to which corporate personnel other than directors or officers may be entitled under any contract or otherwise by law. The indemnification and advancement of expenses authorized in or ordered by a court pursuant to Nevada law does not exclude any other rights to which a person seeking indemnification or advancement of expenses may be entitled under the articles of incorporation or any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, for either an action in his official capacity or an action in another capacity while holding office, except that indemnification, unless ordered by a court or for the advancement of expenses, may not be made to or on behalf of any director or officer if his acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and was material to the cause of action. In addition, indemnification continues for a person who has ceased to be a director, officer, employee or agent and inures to the benefit of the heirs, executors and administrators of such a person.

ALBERTA, CANADA. Alberta law provides that a corporation may indemnify a director or officer or former director or officer of the corporation against costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment reasonably incurred by the individual, in respect of a proceeding to which such person was a party by reason of being or having been a director or officer, if the person:

o acted honestly and in good faith with a view to the best interests of the corporation; and

o in the case of a criminal or administrative proceeding enforced by a monetary penalty, he had reasonable grounds for believing his conduct was lawful.

Where the indemnity is in respect of an action by or on behalf of the corporation for a judgment in its favor to which the director or officer is made party, such indemnity is only available if the director or officer fulfills those conditions.

VOTING RIGHTS WITH RESPECT TO EXTRAORDINARY CORPORATE TRANSACTIONS

NEVADA. Approval of mergers and consolidations, amendments to the articles of incorporation, and sales, leases or exchanges of all or substantially all of the property or assets of a corporation, whether or not in the ordinary course of business, requires the affirmative vote or consent of the holders of a majority of the outstanding shares entitled to vote, except that, unless required by the articles of incorporation, no vote of stockholders of the corporation surviving a merger is necessary if:

o the merger does not amend the articles of incorporation of the corporation,

o each outstanding share immediately prior to the merger is to be an identical share after the merger, and

o either no common stock of the corporation and no securities or obligations convertible into common stock are to be issued in the merger, or the common stock to be issued in the merger, plus that initially issuable on conversion of other securities issued in the merger does not exceed 20% of the common stock of the corporation outstanding immediately before the merger.

ALBERTA, CANADA. Approvals of charter amendments, amalgamations (except amalgamations between a corporation and wholly owned subsidiaries), continuances into other jurisdictions, share consolidations, business combinations, and sales, leases or exchanges of substantially all the property of a corporation, other than in the ordinary course of business of the corporation requires approval by the stockholders by a two-thirds majority vote at a duly called meeting.

STOCKHOLDERS' CONSENT WITHOUT A MEETING

NEVADA. Unless otherwise provided in the articles of incorporation or the bylaws, any actions required or permitted to be taken at a meeting of the stockholders may be taken without a meeting if, before or after taking the actions, a written consent is signed by the stockholders holding at least a majority of the voting power, except that if a different proportion of voting power is required for such an actions at a meeting, then that proportion of written consent is required. In no instance where actions is authorized by written consent need a meeting of the stockholders be called or notice given.

ALBERTA, CANADA. Any action required or permitted to be taken at a meeting of the stockholders may be taken by a written resolution signed by all the stockholders entitled to vote on such resolution.

STOCKHOLDER VOTING REQUIREMENTS

NEVADA. Unless the articles of incorporation or bylaws provide for different proportions, a majority of the voting power, which includes the voting power that is present in person or by proxy, regardless of whether the proxy has authority to vote on all matters, constitutes a quorum for the transactions of business. In all matters other than the election of directors and certain corporate actions, including approval of amendments to the articles of incorporation for which Chapter 98 of the Nevada Revised Statutes imposes special voting requirements, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Under Nevada law, charter amendments require approval by persons holding a majority of a

corporation's outstanding voting shares without regard to the number of shares that may be present at a meeting in person or by proxy. Directors must be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. Where a separate vote by a class or series or classes or series is required, a majority of the voting power of the class or series that is present in person or by proxy, regardless of whether the proxy has authority to vote on all matters, constitutes a quorum for the transaction of business. An act by the stockholders of each class or series is approved if a majority of the voting power of a quorum of the class or series votes for the actions.

ALBERTA, CANADA. Unless the by-laws otherwise provide, a quorum of stockholders is present for a meeting if the holders of a majority of the shares entitled to vote at the meeting are present in person or represented by proxy. It is common practice for companies to provide for a quorum of stockholders to be deemed present when as little as 5% of the issued and outstanding share capital entitled to vote is present in person or represented by proxy. Our proposed bylaws provide that a quorum of shareholders is present at a meeting of shareholders if at least 2 persons are present in person or by proxy who hold or represent by proxy, in the aggregate, not less than 12.5% of the shares entitled to be voted at the meeting. This provision may be detrimental to the rights of shareholders owning a majority of our voting shares. As a result thereof, resolutions may be passed at shareholders' meetings not attended by such shareholders on matters that would have otherwise not been subject to a vote. Except where the Alberta Business Corporations Act requires approval by a special resolution, requiring approval by a two-thirds majority of the shares present in person or represented by proxy and entitled to vote on the resolution, a simple majority or the shares present in person or represented by proxy and entitled to vote on a resolution is required to approve any resolution properly brought before the stockholders. Where the articles of a corporation provide for cumulative voting, stockholders voting at an election of directors have the right to a number of votes equal to the votes attached to the shares held by such stockholder multiplied by the number of directors to be elected and stockholders may cast all such votes in favor of one candidate for director or may distribute the votes among the candidates in any manner. The holders of a class or series of shares are entitled to vote separately on proposals to amend the articles of a corporation where such amendment affects the rights of such class or series in a manner different than other shares of the corporation. A vote to approve any such amendment is passed if approved by a two-thirds majority of the voting power of the class or series represented in person or by proxy at a meeting called to approve such amendment.

DIVIDENDS

NEVADA. A corporation is prohibited from making a distribution to its stockholders if, after giving effect to the distribution, the corporation would not be able to pay its debts as they become due in the usual course of business or the corporation's total assets would be less than its total liabilities (plus any amounts necessary to satisfy any preferential rights).

ALBERTA, CANADA. A corporation is prohibited from declaring or paying a dividend if there are reasonable grounds for believing that the corporation, is or would after the payment be, unable to pay its liabilities as they become due or the realizable value of the corporation's assets would be less than the total of its liabilities and stated capital of all classes.

ANTI-TAKEOVER PROVISIONS

NEVADA. Nevada's "Acquisition of Controlling Interest Statute" applies to Nevada corporations that have at least 200 shareholders, with at least 100 shareholders of record being Nevada residents that do business directly or indirectly in Nevada. Where applicable, the statute prohibits an acquiror from voting shares of a target company's stock after exceeding certain threshold ownership percentages, until the acquiror provides certain information to the company and a majority of the disinterested shareholders vote to restore the voting rights of the acquiror's shares at a meeting called at the request and expense of the acquiror. If the voting rights of such shares are restored, shareholders voting against such restoration may demand payment for the "fair value" of their shares (which is generally equal to the highest price paid in the transaction subjecting the stockholder to the statute). The Nevada statute also restricts a "business combination" with "interested shareholders", unless certain conditions are met, with respect to corporations which have at least 200 shareholders of record. A "combination" includes:

o any merger with an "interested stockholder," or any other corporation which is or after the merger would be, an affiliate or associate of the interested stockholder;

o any sale, lease, exchange, mortgage, pledge, transfer or other disposition of assets, to an "interested stockholder," having an aggregate market value equal to 5% or more of the aggregate market value of the corporation's assets; an aggregate market value equal to 5% or more of the aggregate market value of all outstanding shares of the corporation; or representing 10% or more of the earning power or net income of the corporation;

o any issuance or transfer of shares of the corporation or its subsidiaries, to the "interested stockholder," having an aggregate market value equal to 5% or more of the aggregate market value of all the outstanding shares of the corporation;

o the adoption of any plan or proposal for the liquidation or dissolution of the corporation proposed by the "interested stockholder";

o certain transactions which would result in increasing the proportionate percentage of shares of the corporation owned by the "interested stockholder"; or

o the receipt of benefits, except proportionately as a stockholder, of any loans, advances or other financial benefits by an "interested stockholder."

An "interested stockholder" is a person who, together with affiliates and associates, beneficially owns (or within the prior three years, did beneficially own) 10% or more of the corporation's voting stock. A corporation to which this statute applies may not engage in a "combination" within three years after the interested stockholder acquired its shares, unless the combination or the interested stockholder's acquisition of shares was approved by the board of directors before the interested stockholder acquired the shares. If this approval was not obtained, then after the three year period expires, the combination may be consummated if all applicable statutory requirements are met and either:

o the board of directors of the corporation approves, prior to such person becoming an "interested stockholder", the combination or the purchase of shares

by the "interested stockholder"; or the combination is approved by the affirmative vote of holders of a majority of voting power not beneficially owned by the "interested stockholder" at a meeting called no earlier than three years after the date the "interested stockholder" became such; or

o the aggregate amount of cash and the market value of consideration other than cash to be received by holders of common shares and holders of any other class or series of shares meets certain minimum requirements set forth in the statutes, and prior to the consummation of the "combination", except in limited circumstances, the "interested stockholder" will not have become the beneficial owner of additional voting shares of the corporation.

ALBERTA, CANADA. There is no provision under Alberta law similar to the Nevada Acquisition of Controlling Interest Statute.

APPRAISAL RIGHTS; DISSENTERS' RIGHTS

NEVADA. Nevada law limits dissenters rights in a merger, when the shares of the corporation are listed on a national securities exchange included in the National Market System established by the National Association of Securities Dealers, Inc. or are held by at least 2,000 shareholders of record, unless the shareholders are required to accept in exchange for their shares anything other than cash or

o shares in the surviving corporation if the surviving corporation is publicly listed on a national securities exchange or held by more than 2,000 shareholders;

o shares in another entity that is publicly listed on a national securities exchange or held by more than 2,000 shareholders; or

o any combination of cash or shares in an entity described above.

Also, the Nevada law does not provide for dissenters' rights in the case of a sale of assets.

ALBERTA, CANADA. Under the Alberta Business Corporations Act stockholders have rights of dissent where the corporation amends its articles to change any provisions restricting or constraining the issue or transfer of ownership of shares of a class, or to add, change or remove restrictions on the business or businesses the corporation may carry out. Stockholders also have dissent rights where a corporation proposes to amalgamate, other than with a wholly owned subsidiary corporation, continue to another jurisdiction, or sell, lease or exchange all or substantially all of its property.

STATUTORY OPPRESSION REMEDY

NEVADA. There is no provision under Nevada law similar to the Alberta Oppression Remedy Statute described below.

ALBERTA, CANADA. Under the Alberta Business Corporations Act, shareholders, creditors, or officers and directors of a corporation may apply to a court for relief for acts or omissions by a corporation, or its officers, directors, or other affiliates that are oppressive or unfairly prejudicial to or that unfairly disregard the interests of such persons. The court may issue an order:

o restraining the conduct complained of;

- appointing a receiver;
- to regulate a corporation's affairs by amending its articles or bylaws;
- declaring that any amendment made to the articles or bylaws pursuant to the above operates notwithstanding any unanimous shareholder agreement made before or after the date of the order, until the court otherwise orders;
- directing an issue or exchange of securities;
- appointing directors in place of or in addition to all or any of the directors then in office;
- directing a corporation subject to repurchase restrictions related to the solvency of the corporation, or any other person to purchase securities of a security holder;

- directing a corporation or any other person to pay to a security holder any part of the money paid by the security holder for securities;
- directing a corporation subject to dividend payment restrictions related to the solvency of the corporation, to pay a dividend to its shareholders or a class of its shareholders;
- varying or setting aside a transaction or contract to which a corporation is a party and compensating the corporation or any other party to the transaction or contract;
- requiring a corporation, within a time specified by the court, to produce to the court or an interested person financial statements in the form required to be produced at an annual shareholders' meeting or an accounting in any other form the court may determine;
- compensating an aggrieved person;
- directing rectification of the registers or other records of a corporation;
- for the liquidation and dissolution of the corporation
- directing an investigation to be made of the corporation or any of its affiliated corporations;
- requiring the trial of any issue;
- granting leave to the applicant to:

- bring an action in the name and on behalf of the corporation or any of its subsidiaries, or

- intervene in an action to which the corporation or any of its subsidiaries is a party, for the purpose of prosecuting, defending or discontinuing an action on behalf of the corporation or any of its subsidiaries.

ACCOUNTING TREATMENT

The continuance of our company from Nevada to Alberta, Canada represents, for U.S. accounting purposes, a transaction between entities under common control. Assets and liabilities transferred between entities under common control are accounted for at historical cost, in accordance with the guidance for transactions between entities under common control in Statement of Financial Accounting Standards No. 141, Business Combinations. The historical comparative figures of Assure Canada will be those of Assure Nevada.

Upon the effective date of the conversion, we will be subject to the securities laws of Alberta, Canada as those laws apply to Canadian domestic issuers. We will qualify as a foreign private issuer in the United States. Before our continuance in Alberta, we prepared our consolidated financial statements in accordance with generally accepted accounting principles ("GAAP") in the United States. As a Canadian domestic issuer, we will be required to prepare our annual and interim consolidated financial statements in accordance with Canadian generally accepted accounting principles. For purpose of our annual disclosure obligations in the United States, we will annually file in the United States consolidated financial statements prepared in accordance with Canadian GAAP together with a reconciliation to US GAAP.

BUSINESS OF ASSURE ENERGY, INC.

GENERAL

We were incorporated on August 11, 1999 in the State of Delaware under the name Inventoy.com, Inc. with the objective to license toy designs to toy manufacturers and to act as a toy inventor's agent in licensing toy designs developed by others. We expected to market such toy designs by both direct meetings with toy manufactures' representatives and through a web site that could give manufacturers the opportunity to review pictures and descriptions of new inventions at a single source to decide whether a face-to-face meeting would be useful. Given the effect of an overcrowded .com business environment, no operations in this area were ever commenced. Accordingly we looked at other ventures of merit for corporate participation as a means of enhancing shareholder value. This strategy resulted in our April 23, 2002 Acquisition Agreement with Assure Oil & Gas Corp., an Ontario, Canada corporation, and the shareholders of Assure Oil & Gas Corp.

The Acquisition Agreement principally involved our acquisition of all of Assure Oil & Gas Corp.'s issued and outstanding capital stock, making Assure Oil & Gas Corp. a wholly owned subsidiary of ours, in exchange for 2,400,000 units, each unit consisting of one share of our common stock, one Class A Warrant and one Class B Warrant. Each Class A Warrant, as amended, entitled the holder thereof to acquire one share of our common stock at a price of $.50 per share at any time or from time to time during the four year period commencing on October 1, 2003 and expiring on September 30, 2007. Each Class B Warrant, as amended,

entitled the holder thereof to acquire one share of our common stock at a price of $1.00 per share at any time or from time to time during the four year period commencing on July 1, 2004 and expiring on June 30, 2008. As the result of the September 17, 2002 3:2 forward stock split the 2,400,000 units became 3,600,000 units, consisting of 3,600,000 shares, 3,600,000 Class A Warrants and 3,600,000 Class B Warrants. Similarly, the exercise price for each Class A Warrant became $.333 and the exercise price for each Class B Warrant became $.667 per share. In connection with the Acquisition Agreement, Ed Kaplan, one of our directors at that time, resigned and was replaced by James Golla, a designee of Assure Oil & Gas Corp. Further, on May 1, 2002 we amended our Certificate of Incorporation to change our name from Inventoy.com, Inc. to Assure Energy, Inc.

Assure Oil & Gas Corp. is actively engaged in the exploration, development, acquisition and production of petroleum and natural gas properties primarily located in Western Canada. In October 2000 Assure Oil & Gas Corp. commenced its oil and gas operations as part of an initiative to create cash flow by participating in a Farmout Agreement to drill a prospective Elkton zone natural gas well. To date, Assure Oil & Gas Corp. has acquired varying interests, through farmout participations, asset purchases and acquisitions of crown land rights in approximately 3200 gross acres (3040 net acres) of both producing and prospective petroleum and natural gas properties in the Western Sedimentary Basin of Western Canada. Assure Oil & Gas Corp. has seven producing oil wells with working interests therein ranging from 16.88%-95%. Assure Oil & Gas Corp.'s share of the average daily production for the past three months from these oil wells is approximately 28 barrels of oil per day. Six of these oil wells also produce gas that contributes to Assure Oil & Gas Corp. the equivalent of approximately 31 barrels of oil equivalent per day. Assure Oil & Gas Corp. has three other gas wells that contribute to Assure Oil & Gas Corp. approximately 71 barrels of oil equivalent per day. Working interests in these gas wells vary from 10.83% to 95%. Assure Oil & Gas Corp. currently has one abandoned and three shut in gas wells. Assure Oil & Gas Corp. is currently drilling one deep test well to the Wabamum formation in the Doe East area of Alberta.

Assure Oil & Gas Corp. plans to continue to explore, develop or acquire petroleum and natural gas properties to increase cash flow, and to build petroleum and natural gas reserves. Assure Oil & Gas Corp. anticipates an exploration program that could include infill drilling of current proved and producing properties, seismic interpretation of prospective properties and exploratory drilling. Acquisitions could include lands, licenses and leases, producing well bores or corporate acquisitions. Assure Oil & Gas Corp. also may from time to time acquire, or enter into strategic alliances with complementary business to achieve these objectives.

On March 14, 2002 we signed an asset purchase agreement with Inventoy.com International, Inc., through which we assigned all of our rights, titles and exclusive interests in and to all patents, trademarks, trade names, technical processes, know-how and other intellectual property that was associated with our business at that time (toy designs), including the twenty seven (27) toy designs we acquired from Kaplan Design Group upon our formation, in exchange for all of the outstanding shares of Inventoy.com International, Inc. (100 shares, par value $.001).

On May 30, 2002 Assure Oil & Gas Corp. entered into a Share Purchase Agreement with the three shareholders of Westerra 2000 Inc., an Alberta, Canada corporation engaged in the exploration, development and production of oil and gas properties primarily located in Alberta and Saskatchewan, Canada. Pursuant

to the Share Purchase Agreement, Assure Oil & Gas Corp. acquired all of the capital stock of Westerra 2000 Inc. The purchase price was CDN$3,450,000 (approximately US$2,100,000) consisting of:

o CDN$2,677,703.55 paid, on behalf of Westerra 2000 Inc., to Alta Gas Services Inc. pursuant to a June 1, 2001 Loan Agreement between Westerra 2000 Inc. and Alta Gas Services Inc.;

o CDN$422,296.45 paid to the three shareholders of Westerra 2000 Inc. on a pro rata basis in proportion to their share ownership in Westerra 2000 Inc.; and

o CDN$350,000 (approximately US $221,000) payable to the three shareholders of Westerra 2000 Inc. on a pro rata basis in proportion to their share ownership in Westerra 2000 Inc. following the resolution of title deficiencies on certain properties.

The parties deemed the effective date of the Acquisition Agreement to be April 1, 2002. As a consequence thereof, Assure Oil & Gas Corp. paid an additional CDN$34,164.98 to Alta Gas Services Inc., which represented additional interest due under the loan agreement. As a further consequence, net revenues and prepaid expenses of Westerra 2000 Inc., attributable to the period ending after April 1, 2002 but received by Westerra 2000 Inc. prior to May 30, 2002, were credited to Assure Oil & Gas Corp. The title deficiencies referred to above were resolved in January 2003 but we have not released the CDN $350,000 to the three shareholders of Westerra 2000 Inc. based on our contention that certain Westerra 2000 Inc. wells that had been reported to us to be proven/producing wells have not, in fact, been on production. Consequently, the three shareholders commenced an action against us in Calgary, Alberta on February 19, 2003 seeking release of the CDN $350,000 together with interest. See "Legal Proceedings."

The Share Purchase Agreement also provided that within 60 days of Assure Oil & Gas Corp.'s recoupment of the CDN$3,450,000 Purchase Price in the form of net revenue from the acquired Westerra 2000 Inc. natural gas production, Assure Oil & Gas Corp. had to give notice thereof to the three shareholders of Westerra 2000 Inc., who within 30 days of receipt of such notice, could elect to acquire an aggregate 25% working interest in such natural gas production for no additional consideration.

Westerra 2000 Inc. owns certain natural gas and oil interests in approximately five sections of land (3,200 acres gross - 1,920 acres net) in the Lloydminster area along the provincial border of Alberta and Saskatchewan (the "Westerra interests"). Westerra 2000 Inc. has six producing oil wells with working interests therein ranging from 50% to 100%. Westerra 2000 Inc.'s share of the average daily production for the past three months from these oil wells is approximately 130 barrels of oil per day. Westerra 2000 Inc. also has eight producing gas wells, each with a working interest of 60%. Westerra 2000 Inc.'s share of the average daily production for the past three months from these gas wells is approximately 153 barrels of oil equivalent per day, based upon the standard gas conversion ratio where six million cubic feet of gas equals one barrel of oil. Westerra 2000 Inc. has one suspended and one abandoned oil well. No new oil or gas wells are currently being drilled by Westerra 2000 Inc.

On August 27, 2002 we entered into a Stock Exchange Agreement with Inventoy.com International, Inc., Kaplan Design Group, Douglas Kaplan, Ed Kaplan and Ron Beit-Halachmy. At the time of the Stock Exchange Agreement, Kaplan Design Group, Douglas Kaplan, Ed Kaplan and Ron Beit-Halachmy (collectively the "Shareholders") owned an aggregate of 14,440,000 shares of our common stock (the "Shares"). Pursuant to the Stock Exchange Agreement, the Shareholders exchanged

the Shares for all of the issued and outstanding shares of Inventoy.com International, Inc., our inactive wholly-owned subsidiary. Inventoy.com International, Inc. owned patents, trademarks, tradenames, technical processes, know-how and other intellectual property intended to be utilized in a business involving the licensing of toy designs developed by others. The Shareholders included certain founders of ours that contributed the Inventoy assets to us upon our formation. The Shares had been received by the Shareholders in consideration of their contribution of the Inventoy assets. The decision to sell Inventoy.com International, Inc. to the Shareholders was based upon the determination that Inventoy International, Inc. did not fit into our current operations which primarily consist of the exploration, development, and acquisition of petroleum and gas properties located in Western Canada. Pursuant to the Stock Exchange Agreement, the Shares were cancelled and returned to the status of authorized but unissued shares.

On July 28, 2003 we completed the acquisition of 6,267,500 common shares of Quarry Oil & Gas Ltd. ("Quarry"), pursuant to a March 6, 2003 Share Purchase Agreement (the "Share Purchase Agreement") among us, Quarry, and certain Quarry shareholders including Al J. Kroontje, Trevor G. Penford, Karen Brawley-Hogg, Donald J. Brown and Troon Investments, Ltd. (collectively the "Sellers"). We subsequently received an additional 482,500 Quarry shares from the Sellers resulting in our aggregate purchase of 6,750,000 Quarry shares (the "Acquisition Shares") pursuant to the Share Purchase Agreement. These 6,750,000 shares together with the 169,900 Quarry shares already owned by us represent approximately 48.5% of the outstanding common shares of Quarry. The Acquisition Shares were purchased by us at a price of CDN $1.3278 (approximately US$.95) per share or CDN $8,962,650 (approximately US $6,434,107) on an aggregate basis. In furtherance of the Share Purchase Agreement, on July 28, 2003 Harvey Lalach was appointed the president and chief executive officer of Quarry.

The Share Purchase Agreement provided for the transfer of certain Quarry assets (the "Excluded Assets") by Quarry, prior to closing, to a Quarry subsidiary, 51% of which was sold to the Sellers on the closing date of the Share Purchase Agreement, at a purchase price of CDN$867,662 (approximately US$622,877). The purchase price represented 51% of the adjusted net book value of the Excluded Assets as at the date of the Share Purchase Agreement. The Share Purchase Agreement also provided for the payment by Quarry to Al Kroontje or his designees, the sum of CDN$592,500 (approximately US$425,344) representing (i) salary compensation to Mr. Kroontje for the six years ended December 31, 2000 when Mr. Kroontje did not receive any compensation for serving as an officer and director of Quarry; (ii) severance pay; and (iii) a retirement allowance. Payment in full was made to Mr. Kroontje at closing. In furtherance of our obligations under the Share Purchase Agreement, in September 2003, we presented to Quarry and the Sellers, an experienced, previously successful management team for Quarry. The members of the management team are Harvey Lalach, Colin McNeil, Tim Chorney, Cam Bogle and Colin Emerson. Through Assure Oil & Gas Corp., effective September 15, 2003, we entered into a Management Services Agreement with Quarry whereby we are supplying Quarry with the services of certain of our employees that have management or operational expertise including, but not limited to, the services of Messrs. Chorney, Bogle and Emerson. In consideration thereof, Quarry is paying us a monthly fee equal to a percentage of the costs incurred by us in providing such services.

Effective September 29, 2003, Messrs. Chorney, Bogle and Emerson have been employed by Assure Oil & Gas Corp. in the capacities of Operations Manager, Land

Manager, and Exploration Manager, respectively, pursuant to two year employment contracts dated as of August 29, 2003. Messrs. Chorney and Bogle receive an annual base salary of CDN$100,000. Mr. Emerson receives an annual base salary of CDN$90,000 in the first year of his employment agreement and an annual base salary of CDN$100,000 in the second year. Each of Messrs. Chorney, Bogle and Emerson also received 75,000 stock options, each exercisable upon vesting to purchase one share of our common stock at a price of $3.00 per share during the five year period commencing on the date of vesting, and the right to participate in our production bonus pool. The production bonus pool is a cash pool to be funded by us based on the sustained barrel of oil per day or its natural gas equivalent production of all oil and gas properties in which we or our subsidiaries have a working interest. Initial funding of the pool will commence if we reach 2,000 barrels of oil or its natural gas equivalent production per day for a period of 120 consecutive days. Additional funding is required upon our reaching additional production milestones. Maximum funding in the aggregate amount of CDN$1,075,000 is required if we reach sustained production for 120 consecutive days of 5,000 barrels of oil or its natural gas equivalent per day. Allocations from the production bonus pool are subject to the discretion of our board of directors which shall also determine the other employees of the Company and its subsidiaries eligible for participation in the pool.

Quarry is a junior oil and gas exploration and development company based in Calgary, Alberta, Canada whose common shares are listed on the TSX Venture Exchange under the symbol "QUC". Quarry's average daily production is currently approximately 1100 barrels of oil equivalent per day. Quarry has a stable oil production base in Alberta, Canada. It has recently added significant gas reserves from its discoveries in northeast British Columbia, Canada where it has access to a large base of undeveloped lands. Quarry has also developed a portfolio of natural gas prospects to facilitate future growth.

Effective December 1, 2003 we entered into an agreement, through Assure Oil & Gas Corp., with Quarry whereby we are obligated to pay Quarry a CDN$450,000 prospect fee and drill two wells at our sole expense, on or before January 31, 2004, on certain farmout lands of Quarry located in northeast British Columbia. We will earn a 100% working interest on the two wells before payout and a 50% working interest thereafter. Additionally, we will earn 50% of Quarry's pre-farmout interest in the balance of the farmout land. The agreement is subject to the approval of the TSX Venture Exchange, upon which Quarry's stock trades.

On April 7, 2003 we entered into a Consulting Agreement with TGR Group, LLC, ("TGR") a Nevada limited liability company, pursuant to which TGR provides public relations services on our behalf. Pursuant to the Agreement, as amended, we paid a $25,000 fee to TGR and issued 100,000 5 year warrants to TGR, each exercisable for the purchase of 1 share of our restricted common at a price of $3 per share. Piggyback registration rights apply with respect to the shares underlying the warrants. These piggyback registration rights do not apply to registration statements relating solely to employee benefit plans, business combinations or changes in domicile.

On March 25, 2003 we entered into a one year Consulting Agreement with Investormedia Group pursuant to which Investormedia Group provides us with strategic planning and media services, including assistance with creating market awareness of our company. In consideration of these services, we pay Investormedia Group a monthly retainer of $2,500 plus a fee equal to 15% of the

of the gross cost of services engaged or facilitated by Investormedia Group. In certain mutually agreed upon instances, the fee can be reduced to 5%. On June 21, 2003 we authorized Investormedia Group to include a report on us in a newsletter with an estimated circulation of 300,000 persons. In consideration thereof, we paid Investormedia Group an aggregate of $326,585 consisting of typesetting, printing and mailing costs and a 5% agency fee.

STOCK SPLITS

Following the close of business on March 6, 2002 we effected a 4:1 forward stock split in favor of our shareholders of record as of the close of business on February 25, 2002. Pursuant to the stock split our 5,221,000 shares of common stock issued and outstanding on the record date were increased to 20,884,000 shares of common stock.

Following the close of business on September 17, 2002 we effected a 3:2 forward stock split in favor of our shareholders of record as of the close of business on September 10, 2002. Pursuant to the stock split our 10,244,000 shares of common stock issued and outstanding on the record date were increased to 15,366,000 shares.

NEVADA REINCORPORATION

On September 11, 2003 we reincorporated from Delaware to Nevada for the sole purpose of taking advantage of the Nevada continuance statute. The reincorporation was effected through a Plan and Agreement of Merger between Assure Energy, Inc., a Delaware corporation, hereinafter referred to as Assure Delaware, and Assure Nevada. The Merger was approved by the holders of a majority of the outstanding shares of Assure Delaware. Pursuant to Delaware Law, dissenting Assure Delaware shareholders were given appraisal rights. No dissenting shareholders to whom appraisal rights applied made written demand for appraisal within the required period for doing so.

FINANCING TRANSACTIONS

During the period October 2000 through April 2001 we engaged in a private offering of up to 1,500,000 shares of our common stock at a price of $.10 per share. The offering was completed in April 2001 with the sale of 1,111,000 shares of our common stock to 42 people resulting in gross proceeds of $111,100. The offering was made in reliance on Rule 506 of Regulation D under the Securities Act of 1933, as amended. The information set forth above does not take into account the effects of our March 6, 2002 and September 17, 2002 stock splits.

On April 23, 2002 we completed a $1,250,000 debt financing with an accredited investor. The debt was evidenced by our demand promissory note dated April 23, 2002 and bore interest at the rate of 1% above the prime rate charged by Citicorp. The note was subsequently cancelled and the principal amount thereof was utilized to purchase $1,250,000 of our Series A Preferred Stock. The note was issued pursuant to the exemption from registration contained in Section 4(2) of the Securities Act of 1933, as amended.

On May 8, 2002 we completed a $1,750,000 equity financing with three accredited persons pursuant to the exemption from the registration provisions of the Securities Act of 1933, as amended, provided by Rule 506 of Regulation D. In connection therewith, we issued an aggregate of 1,400,00 units at a purchase price of $1.25 per unit. Each unit consists of one share of our common stock and one common stock purchase warrant. Each warrant as amended, entitles the holder

to purchase one share of our common stock at a price of $1.50 per share for a period of four years commencing July 1, 2003. As the result of the September 17, 2002 3:2 forward stock split the 1,400,000 unit shares became 2,100,000 shares and the 1,400,000 warrants became 2,100,000 warrants, each with an exercise price of $1.00 per share. Both the shares underlying the units and the shares underlying the unit warrants have piggyback registration rights.

As of June 1, 2002 we entered into a Preferred Stock Purchase Agreement with three accredited persons pursuant to which we sold them 17,500 shares of our Convertible Series A Preferred Stock at a price of $100 per share (the "Stated Value") or an aggregate of $1,750,000. The Series A Preferred Stock was issued pursuant to Section 4(2) of the Securities Act of 1933, as amended. One of the purchasers was the purchaser of our $1,250,000 note described above, which pursuant to a Note Termination and Conversion Agreement with us dated as of June 1, 2002 terminated the April 23, 2002 note referred to above and applied the $1,250,000 principal amount thereof to the purchase of 12,500 shares of our Series A Preferred Stock. The Series A Preferred Stock is convertible by the holder after 2 years, or if called for redemption by us, into units. The initial conversion price for the conversion of the Series A Preferred Stock is $1.50 of Stated Value. Each unit consists of one share of our common stock and one common stock purchase warrant. Each warrant entitles the holder there of to purchase one share of our common stock at a price of $1.75 per share at any time during the four year period commencing one year after the date of issuance. Piggyback registration rights apply to the shares underlying the units and unit warrants issuable upon conversion of the Series A Preferred Stock. As the result of the September 17, 2002 3:2 forward stock split, the initial conversion price of the Series A Preferred Stock became $1.00 of Stated Value and the exercise price for each share underlying the unit warrants issuable upon conversion of the Series A Preferred Stock became approximately $1.166 per share. The holders of the Series A Preferred Stock are entitled to receive out of funds legally available for the payment of dividends, dividends in cash or stock at the rate of 5% per annum on the Stated Value of each share of Series A Preferred Stock. Dividends on the Series A Preferred Stock are cumulative from the issuance date.

As of August 27, 2002 we entered into a Preferred Stock Purchase Agreement with an accredited person pursuant to which we sold such person 5,250 shares of our Convertible Series B Preferred Stock at a price of $100 per share (the "Stated Value") or an aggregate of $525,000. The Series B Preferred Stock was issued pursuant to Section 4(2) of the Securities Act of 1933, as amended. The Series B Preferred Stock is convertible by the holder after 2 years, or if called for redemption by us, into units. The initial conversion price for the conversion of the Series B Preferred Stock is $1.75 of Stated Value. Each unit consists of one share of our common stock and one common stock purchase warrant. Each warrant entitles the holder thereof to purchase one share of our common stock at a price of $2.00 per share at any time during the four year period commencing one year after the date of issuance. Piggyback registration rights apply to the shares underlying the units and the unit warrants issuable upon conversion of the Preferred Stock. As the result of the September 17, 2002 3:2 forward stock split, the initial conversion price of the Series B Preferred Stock became approximately $1.166 of Stated Value and the exercise price for each share underlying the unit warrants issuable upon conversion of the Series B Preferred Stock became approximately $1.333 per share. The holders of the Series B Preferred Stock are entitled to receive out of funds legally available for the payment of dividends, dividends in cash or stock at the rate of 5% per annum on the Stated Value of each share of Series B Preferred Stock. Dividends on the Series B Preferred Stock are cumulative from the issuance date.

On December 28, 2002 Assure Oil & Gas Corp. completed a CDN $1,000,000 debt

financing with an accredited investor. The debt is evidenced by a six year promissory note which bears interest at the rate of 3 1/2% above the prime rate charged by Royal Bank of Canada in Toronto. No interest or principal is due on the note during the first year of the note. On the first anniversary of the note, all interest then due on the note is payable in full. Thereafter, for the balance of the term of the note, interest and principal is payable quarterly. The debt is subordinated to all present and future bank debt of ours, including our subsidiaries.

On February 26, 2003 we completed a $2,400,750 equity financing in which we sold 1,067,000 units to 2 accredited investors at a price of $2.25 per unit. Each unit consists of 1 share of our common stock and 1/2 warrant. Each full warrant entitles the holder to purchase one share of our common stock at a price of $2.50 per share for a period of five years, commencing February 26, 2003.

On March 15, 2003 we completed a $4,500,000 debt financing with an accredited investor. The debt is evidenced by a six year promissory note which bears interest at the rate of 3 1/2 % above prime rate charged by Citibank in New York. No interest or principal is due on the note during the first year of the note. On the first anniversary of the note, all interest then due on the note is payable in full. Thereafter, for the balances of the term of the note, interest and principal is payable quarterly. The debt is subordinated to all present and future bank debt of ours, including our subsidiaries. In consideration of the financing, we also issued 450,000 warrants to the investor dated March 15, 2003. Each warrant entitles the holder to purchase 1 share of our common stock at a price of $3.10 per share during the 5 year period commencing July 1, 2003. Effective December 5, 2003, the holder of the note agreed to convert $1,260,000 of the principal amount of the note into 350,000 units offered in our private offering which was completed on December 5, 2003. In connection therewith, the $4,500,000 note was cancelled and replaced with a $3,240,000 note dated December 5, 2003. The interest due on the $4,500,000 note for the period March 15, 2003 through and including December 4, 2003 is due and payable on March 15, 2004.

In October 2003, persons holding an aggregate of 1,538,100 Class A Warrants exercised such warrants at an exercise price of $.333 per share resulting in proceeds of approximately $512,187.

In October 2003, a person holding 10,000 warrants exercisable at $3.00 per share exercised such warrants resulting in proceeds of $30,000.

During the period November 21, 2003 through December 5, 2003 we engaged in a private offering of up to 1,500,000 units at a price of $3.60 per unit. The offering was completed on December 5, 2003 with the sale of 1,435,000 units to 6 persons resulting in gross proceeds of $5,166,000. These proceeds included $1,260,000 received from the holder of a March 15, 2003 promissory note upon the partial conversion thereof. Each unit consists of 1 share of our common stock and one Class C redeemable common stock purchase warrant. Each Class C Warrant entitles the holder to purchase one share of our common stock at an exercise price of $4.00 per share during the six month period commencing on the earlier of the registration of the shares underlying the Class C Warrants or 1 year from the date of issuance of the Class C Warrants. The C Warrants are redeemable by us upon 10 days prior written notice if, during the exercise period, the closing bid price of our common stock is equal to or greater than $4.50 per share for 10 consecutive trading days. Upon exercise of all or part of the C Warrants, the holder will be entitled to receive such number of Class D common stock purchase

warrants that is equal to the number of C Warrants exercised. Each D Warrant will entitle the holder to purchase one share of our common stock at a price of $4.25 per share for a period of 2 years from issuance. The offering of the units, including the underlying securities was made in reliance on Regulation S under the Securities Act of 1933, as amended.

SUPPLIES AND SUPPLIERS

Any raw materials required by us in the operation of our business are available at competitive rates from many suppliers. We are not dependent on any one supplier for raw materials.

RESEARCH AND DEVELOPMENT

We have not engaged in any research and development activities since our inception.

CUSTOMERS

No single customer accounts for a significant portion of our revenues.

COMPETITION

The oil and gas industry is highly competitive. We encounter competition from numerous companies in all or our activities, particularly in acquiring rights to explore for crude oil and natural gas. Most of our competitors are larger and have substantially greater financial and human resources than we do.

The oil and gas business involves large-scale capital expenditures and risk-taking. In the search for new oil and gas reserves, long lead times are often required from successful exploration to subsequent production. Operations in the oil and gas industry depend on a depleting natural resource. The number of areas where it can be expected that oil and gas will be discovered in commercial quantities is constantly diminishing and exploration risks are high. Areas where oil or gas may be found are often in remote locations where exploration and development activities are capital intensive and operating costs are high.

Our future success will depend, to a significant extents, on our ability to make good decisions regarding our capital expenditures, especially when taking into consideration our limited resources. We can give no assurance that we will be able to overcome the competitive disadvantages we face as a small company with limited capital.

GOVERNMENT REGULATION

As an oil and gas company with operations in Alberta, Canada and Saskatchewan, Canada we are subject to the rules and regulations of the Alberta Energy and Utilities Board (the "EUB") and the Saskatchewan Industry and Resources ("SIR"). The function of both the EUB and SIR is to insure that the discovery, development and delivery of oil and gas and other natural resources takes place in a manner that is fair, responsible and in the public interest. The EUB and SIR establish guidelines which we follow with respect to our oil and gas operations. Our operating costs are materially affected by these requirements.

EMPLOYEES

At the present time, our only employees are our two executive officers, our operations manager, land manager, exploration manager and an administrative support person. We utilize independent contractors for our other service requirements.

PATENTS, TRADEMARKS AND LICENSES

We do not have any patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts.

PROPERTY

Since October 1, 2003, we are also utilizing approximately 1,500 square feet of office space provided to us by Quarry Oil & Gas Ltd. at 521 3rd Avenue SW, Suite 1250, Calgary, Alberta T2P 3T3 which serves as our executive offices. We are currently negotiating an arrangement with Quarry Oil & Gas Ltd. respecting the use of this space. Quarry Oil & Gas Ltd.'s current lease at this location covers approximately 5,000 square feet of space, runs through April 7, 2007 and involves base rent payments of CDN$4,000 (approximately US$3,000) per month together with Quarry's share of taxes and other operating expenses related to the premises. Under such an arrangement with Quarry Oil & Gas Ltd., we expect to be charged for the amount of space utilized by us on a pro rata basis. In conjunction with this arrangement, we intend to sublease the space at 140-4th Avenue SW, Calgary, Alberta T2P 3T3, which formerly served as our principal executive offices, to a third party for the remainder of the lease term. Through Assure Oil & Gas Corp. we sublease approximately 1,836 square feet of space at that location under an arrangement which runs through December 30, 2005. Under the sublease we pay CDN$4,674.81 (approximately US$3,115) per month. We believe the Quarry Oil & Gas Ltd. space is sufficient to handle our present and immediate future needs. In the event our arrangement with Quarry Oil & Gas Ltd. is terminated for any reason or not renewed upon the expiration of the present term, space sufficient to handle our then present and expected future needs is expected to be available from several alternative sources at comparable rates.

LEGAL PROCEEDINGS

On February 19, 2003 Gary Freitag, Garth R. Keyte and Evan Stephens filed a Statement of Claim against Assure Oil & Gas Corp. in the Court of Queen's Bench of Alberta, Canada Judicial District of Calgary seeking judgment in the sum of CDN$350,0000 (approximately US $221,000) together with interest thereon at the rate of 6% per annum from January 15, 2003. The action relates to CDN$350,000 that was placed in trust as part of the May 30,2002 Share Purchase Agreement between Assure Oil & Gas Corp. and the three shareholders of Westerra 2000 Inc. Plaintiffs claim the money should have been released to them on or about January 15, 2003, the date of resolution of certain title deficiencies that existed at the time the Share Purchase Agreement was executed. We filed a Statement of Defense and Counterclaim based upon our assertion that certain of the Westerra 2000 Inc. wells that had been purchased in consideration of a report that indicated they were proven or producing wells were and are in fact non-producing and that the shareholders had represented that the wells could be brought to production at any time. We further asserted that since the wells are not on production the holdback has been forfeited and is not payable. On May 27, 2003, Messrs. Freitag, Keyte, and Stephens filed a Reply and Statement of Defense to Counterclaim alleging that the payment of the CDN $350,000 to them was unconditional and that no representations or warranties had been made that any of Westerra 2000 Inc. wells were proven or producing. While we disagree with these statements made in the Reply and Statement of Defense to Counterclaim, and

we continue to believe our position has merit we can offer no assurance as to the outcome of this matter.

On July 3, 2003, Assure Oil and Gas Corp. and Westerra 2000 Inc., hereinafter referred to as the plaintiffs, filed a Statement of Claim in the Court of Queen's Bench of Alberta, Judicial District of Calgary (Action No.: 0301-10499) naming Lloyd Venture 1 Inc., 970313 Alberta Ltd. and Roswell Petroleum Corporation as defendants. The action relates to a May 2002 Farmout and Option Agreement in which Assure Oil & Gas Corp. and Nevarro Energy Ltd. were given the ability to earn an interest in certain oil and gas interests of the defendants. Effective November 8, 2002, Nevarro Energy Ltd. assigned its interests under the Farmout and Option Agreement to Westerra 2000 Inc. The plaintiffs claim that all of the requirements to earn an interest in the properties was satisfied and that they became entitled to drill certain option wells, subject to the terms of the Farmout and Option Agreement. Consequently, several option wells were drilled and the plaintiffs earned interests in some of the farmout lands. Subsequently, plaintiffs provided notices to defendants to drill additional option wells. Defendants advised plaintiffs that the notices were invalid, that they were not to occupy any further farmout lands or commence any further drilling on the farmout lands, and that the Farmout and Option Agreement was terminated. The action seeks an order declaring that the plaintiffs have properly exercised their rights to drill the option wells in accordance with the Farmout and Option Agreement, an order for specific performance, and a declaration that the plaintiffs are entitled to exercise the remainder of their rights under the Farmout and Option Agreement to elect to drill further option wells and to earn a working interest in the specifically identified farmout lands. On August 25, 2003 the defendants filed a Statement of Defense and a Counterclaim. In the Statement of Defense defendants allege that:

- Westerra has no interest in the Farmout Agreement or, alternatively, it failed to provide proper notice of such interest to defendants;
- Plaintiffs have no right to drill any additional option wells or to earn further interests in the farmout lands;
- Plaintiffs had no right to drill multiple option wells and failed to exercise their right to drill option wells in accordance with the provisions of the Farmout and Option Agreement; and
- Certain election notices were improperly issued by plaintiffs, were not valid, and resulted in plaintiff's not having any interest in certain farmout lands;

The Counterclaim seeks, among other things:

- Orders for accounting of all production from certain wells drilled pursuant to the Farmout and Option Agreement;

- An order directing the abandonment of certain wells drilled pursuant to the Farmout and Option Agreement; and
- Monetary charges for trespass and general damages.

We are presently preparing a Statement of Defense to the Counterclaim. While we believe our claims have merit and the defendants Statement of Defense and Counterclaim does not, we can offer no assurance as to the outcome of this matter.

No other legal proceedings are pending to which we or any of our property is subject, nor to our knowledge are any such proceedings threatened.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the financial statements and the notes to those statements included elsewhere in this prospectus. On July 28, 2003 we completed the initial phase of our acquisition of 6,750,000 shares of Quarry Oil & Gas Ltd. ("Quarry") common stock through our acquisition of 6,267,500 Quarry shares. We acquired the balance of the acquisition shares in August 2003. The 6,750,000 Quarry shares together with the 169,900 Quarry shares already owned by us represent approximately 48.5% of Quarry's outstanding common shares. The Quarry acquisition had a significant impact on our Results of Operations and Liquidity and Capital Resources, as discussed below, and in our unaudited September 30, 2003 financial statements and notes thereto.

RESULTS OF OPERATIONS

For the three-month periods ended September 30, 2003 and September 30, 2002, we had total revenue of $1,882,104 and $397,893, respectively. Quarry's revenue for the three and nine month period ended September 30, 2003 was $1,247,927 or 66.3% of total revenue for the three months ended September 30, 2003 and 32.5% of total revenue for the nine months ended September 30, 2003. For the nine-month periods ended September 30, 2003 and September 30, 2002, we had total revenue of $3,840,475 and $702,491 respectively. The increase in total revenue for the nine month period ended September 30, 2003 as compared to the nine month period ended September 30, 2002 was due primarily to the acquisition of Quarry and, to a lesser extent, increased drilling activity within our subsidiaries during 2003, an increase in the price of oil and natural gas during 2003, and the relative strength of the Canadian dollar against the United States dollar since December 2002. Another factor giving rise to the increase in total revenue is the fact that our subsidiaries, Assure Oil & Gas Corp. and Westerra 2000 Ltd. were acquired effective April 1, 2002. Accordingly, only six months of operations were included in the nine month period ended September 30, 2002.

Our total expenses for the three-month periods ended September 30, 2003 and September 30, 2002 was $2,380,820 and $266,131, respectively. Quarry's expenses for the three and nine month period ended September 30, 2003 was $1,047,695 or 44.0% of total expenses for the three months ended September 30, 2003 and 21.8% of total expense for the nine months ended September 30, 2003. Our total expenses were $4,798,412 for the nine-month period ended September 30, 2003 and $607,293 for the nine-month period ended September 30, 2002. The increase in total expenses for the three and nine month periods ended September 30, 2003 as compared to the three and nine month periods ended September 30, 2002 were due to increased costs associated with our expanded operations including increases in general and administrative expenses, operating expenses, interest expenses and depletion and site restoration.

For the three-months ended September 30, 2003 and September 30, 2002, we had a net loss of $1,169,053 or $.07 per share and net income of $96,493, or less than $.01 per share, respectively. Quarry had net income for the three and nine month periods ended September 30, 2003 of $53,326. For the nine-months ended September 30, 2003, we had a net loss of $2,083,758 or $.13 per share as compared to a net loss of $11,872 or less than $.01 per share, for the nine-months ended September 30, 2002. The Company attributes the losses for the three and nine month periods ended September 30, 2003, to increased costs associated with our expanded operations including increases in general and administrative expenses, operating expenses, interest expenses and depletion and site restoration. During the three month period ended September 30, 2003, the Company incurred non-recurring costs associated with the acquisition of Quarry of approximately $340,000.

LIQUIDITY AND CAPITAL RESOURCES

We have incurred losses since the inception of our business as an oil and gas exploration company in April 2002. Prior to this date we were a developmental stage company. Since that time, we have been dependent on acquisitions and funding from private lenders and investors to conduct operations. As of September 30, 2003 we had an accumulated deficit of $2,944,910. As of September 30, 2003, we had total current assets of $3,714,721 and total current liabilities of $9,706,084 or negative working capital of $5,991,363. The Quarry acquisition increased our current assets by approximately $1,100,000 and our current liabilities by approximately $8,100,000. This negatively impacted our working capital by approximately $7,000,000. During the nine month period ended September 30, 2003 we obtained financing of $4,500,000 and issued equity whereby we obtained an additional $2,400,500. These sums were used to provide financing for our operations.

MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

MARKET INFORMATION

Our common stock is quoted on the OTC Bulletin Board of the National Association of Securities Dealers, Inc. (the "NASD") under the symbol "ASUR." Following the continuance our stock is expected to be quoted under the symbol "ASURF". From November 6, 2001 until May 1, 2002, the date we changed our name from Inventoy.com, Inc. to Assure Energy, Inc., our stock was quoted under the symbol "INVY." The following table sets forth, for the periods and fiscal quarters indicated, the high and low closing bid prices per share of our common stock, as derived from quotations provided by Pink Sheets, LLC. Such quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission, and may not represent actual transactions. Prices after March 6, 2002 reflect the 4:1 forward stock split which took effect after the close of business on March 6, 2002. Prices after September 17, 2002 reflect the aforementioned 4:1 forward stock split and the 3:2 forward stock split which took effect after the close of business on September 17, 2002.

PERIOD INDICATED OR QUARTER ENDED	HIGH BID	LOW BID
November 6, 2001 - December 31, 2001	$ .05	$ .01
January 2, 2002 - March 6, 2002	$ .06	$ .05
March 7, 2002 - March 31, 2002	$ .25	$ .01
June 30, 2002	$2.45	$ .02
July 1, 2002 - September 17, 2002	$4.00	$2.45
September 18, 2002 - September 30, 2002	$3.05	$3.05
December 31, 2002	$3.06	$3.05
March 31, 2003	$3.06	$3.06
June 30, 2003	$3.10	$2.75
September 30, 2003	$3.91	$2.90

HOLDERS

As of December 1, 2003, there were 61 record holders of our common stock.

DIVIDENDS

We have never declared any cash dividends with respect to our common stock. Future payment of dividends is within the discretion of our board of directors and will depend on our earnings, capital requirements, financial condition and other relevant factors. Although there are no material restrictions limiting, or that are likely to limit, our ability to pay dividends on our common stock, we presently intend to retain future earnings, if any, for use in our business and have no present intention to pay cash dividends on our common stock.

RECENT SALES OF UNREGISTERED SECURITIES

The information set forth below discusses the amount of securities sold on the dates provided and does not take into account the effects of our February 2002 4:1 forward stock split or our September 2002 3:2 forward stock split, except to the extent the date of issuance was after the date of one or both of the splits.

Effective December 5, 2003 we issued an aggregate of 1,435,000 shares of our common stock and 1,435,000 redeemable Class C warrants to 6 persons in connection with our sale of 1,435,000 units at $3.60 per unit or $5,166,000 on an aggregate basis. These issuances were made in reliance on the exemption from registration provided by Regulation S under the Securities Act of 1933, as amended.

In October 2003, we issued an aggregate of 1,548,100 shares of our common stock to 13 persons in connection with their exercise of common stock purchase warrants. These issuances were made in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended.

Effective August 28, 2003 we issued 50,000 non-statutory stock options to one person each exercisable, upon vesting, to purchase one share of our common stock at a price of $3.00 per share during the five year period commencing on the date of vesting. The issuance was made in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended.

Effective August 29, 2003 we issued an aggregate of 225,000 non statutory stock options to three persons each exercisable, upon vesting, to purchase one share of our common stock at a price of $3.00 per share during the five year period commencing on the date of vesting. These issuances were made in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended.

Effective September 4, 2003 we issued 30,000 non-statutory stock options to Lisa Komoroczy, each exercisable, upon vesting to purchase one share of our common stock at a price of $3.00 per share during the three year period ending September 3, 2006. The issuance was made in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended.

In April 2003 we issued 100,000 warrants to 1 person for consulting services, each exercisable upon issuance to purchase one share of our common stock at a price of $3.00 per share during a five year exercise period. The issuance was made in reliance or the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended.

On March 15, 2003 we issued a six-year, $4,500,000 promissory note (the "Note") together with 450,000 5 year warrants (the "Warrants") to 1 person. Each Warrant entitles the holder to purchase one share of our common stock at a price of $3.10 per share. The issuance of the Note and Warrants was made in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended.

On February 26, 2003 we completed a $2,400,750 equity financing in which we sold 1,067,000 units to 2 persons at a purchase price of $2.25 per unit. Each unit consists of 1 share of our common stock and one-half warrant. Each full warrant entitles the holder to purchase one share of our common stock at a price of $2.50 per share for a period of five years commencing February 26, 2003. The issuance was made in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended.

On December 28, 2002, Assure Oil & Gas Corp. issued a six year CDN $1,000,000 promissory note (the "Note") to 1 person. The issuance of the Note was made in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended.

Effective October 1, 2002 we issued 100,000 and 20,000 non statutory stock options, respectively to Harvey Lalach and James Golla, each exercisable, upon vesting, to purchase one share of our common stock at a price of $2.75 per share during the three year period ending September 30, 2005. These issuances were made in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended.

Effective October 1, 2002 we issued 200,000 non-statutory stock options to 1 person for consulting services, each exercisable upon issuance to purchase one share of our common stock at a price of $2.75 per share during the two year period ending September 30, 2004. The issuance was made in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended. Effective April 28, 2003 these options were terminated.

On August 27, 2002 we sold 5,250 shares of our Series B Preferred Stock at a price of $100 per share or $525,000 on an aggregate basis to 1 person. The sale was made in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended.

As of June 1, 2002 we sold 17,500 shares of our Series A Preferred Stock at a price of $100 per share or $1,750,000 on an aggregate basis to 3 persons. The sales were made in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended.

On May 8, 2002 we completed a $1,750,000 equity financing in which we sold 1,400,000 units to 3 persons at a purchase price of $1.25 per unit. Each unit consisted of 1 share of our common stock and 1 common stock purchase warrant, each exercisable for the purchase of an additional share of our common stock. The sale was made in reliance on the exemption from registration provided by Rule 506 of Regulation D under the Securities Act of 1933, as amended.

In connection with our April 23, 2002 Acquisition Agreement with Assure Oil & Gas Corp. and the shareholders of Assure Oil & Gas Corp. we issued an aggregate of 2,400,000 units to the shareholders of Assure Oil & Gas Corp. Each unit consisted of 1 share of our common stock, 1 Class A Warrant and 1 Class B Warrant. Each Class A Warrant and Class B Warrant is exercisable for the purchase of 1 additional share of our common stock. The sale of the units was made in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended.

During the period October 2000 through April 2001 we engaged in a private offering of up to 1,500,000 shares of our common stock at a price of $.10 per share. The offering was completed in April 2001 with the sale of 1,111,000 shares of our common stock to 42 people resulting in gross proceeds of $111,100. The offering was made in reliance on Rule 506 of Regulation D under the Securities Act of 1933. as amended.

In July 2001, we issued 10,000 shares of our common stock to Ron Beit-Halachmy at a price of $.001 per share in consideration of his serving as one of our directors. The sale of the stock was made in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended.

In October 2000 and December 2000, respectively, we issued 250,000 shares of our common stock to Kaplan Gottbetter & Levenson, LLP, in exchange for legal services rendered, and 250,000 shares of our common stock to Dunlap Industries Ltd., in exchange for financial consulting services rendered. For purposes of the foregoing transactions, the shares were valued at $.10 per share. The sales of the stock were made in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended.

In July 2000 we issued 300,000 shares of our common stock to each of Ed Kaplan and Douglas Kaplan at a price of $.001 per share or $300 on an aggregate basis. The sales were made in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended.

In July 2000 we issued 3,000,000 shares of our common stock to Kaplan Design Group in exchange for 27 toy designs. These shares were valued at $.001 per share or $3,000 on an aggregate basis. The sale was made in reliance on the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended.

MANAGEMENT

DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

EXECUTIVE OFFICERS, DIRECTORS AND KEY EMPLOYEES

Directors serve until the next annual meeting of the stockholders; until their successors are elected or appointed and qualified, or until their prior resignation or removal. Officers serve for such terms as determined by our board of directors. Each officer holds office until such officer's successor is elected or appointed and qualified or until such officer's earlier resignation or removal. No family relationships exist between any of our present directors and officers.

The following table sets forth certain information, as of December 5, 2003, with respect to our directors and executive officers.

Name	Positions Held	Age	Date of Elec or Appointme
Harvey Lalach	President, Chief Executive and Financial Officer, Director	37	September 12
James Golla	Secretary, Treasurer, Director	70	April 23, 20
Lisa Komoroczy	Director	38	September 4,

The following is a brief account of the business experience of each of our directors and executive officers during the past five years or more.

Harvey Lalach has served as a director for us since September 12, 2002, as a vice president from September 19, 2002 through December 6, 2002, as our president and chief executive officer since December 6, 2002 and as our chief financial officer since December 13, 2002. He has served as the president and chief executive of Quarry Oil & Gas Ltd. since July 28, 2003. He also serves as president, chief executive and financial officer and as a director for each of Assure Oil & Gas Corp, Westerra 2000 Inc and Assure Holdings Inc. From July 22, 2003 to the present he has served as a director for Keantha Holdings Inc., a private company that is 49% owned by Quarry Oil & Gas Ltd. Mr. Lalach was employed in the investment industry from 1987 to 1997 where he served as a securities trader, a floor trader and ultimately a branch manager for Green Line Investor Services, Inc. Mr. Lalach was the manager of administration and corporate relations for Goldtex Resources Ltd., a public mining company listed on TSX Venture Exchange Inc., from July 1997 to November 1998. He was the founder, president and director of GlobalNetCare, Inc. an Internet company whose shares are publicly traded on the OTC Bulletin Board, from November 1998 to March 2001. From September 2001 to July 2002, Mr. Lalach was the vice-president and director of Aubryn International Corp., a company that was mining for spring water in Southern California whose shares are publicly on the OTC Bulletin Board.

James Golla has served as a director of ours since April 23, 2002. He served as our interim president and chief executive officer from August 1, 2002 until September 12, 2002. He has served as our secretary and treasurer since August 1, 2002. Mr. Golla was a sports and business journalist with the Globe and Mail, Canada's national newspaper, from 1954 until his retirement in November 1996.

Mr. Golla is also currently a director of Altair Nanotechnologies Inc. and has been since May 1994, a company that is developing nanomaterial products and is listed on the NASDAQ small-cap market. Mr. Golla is a director of several other public companies including Apogee Minerals Ltd. (since February 1998), a public oil and gas exploration company listed on the TSX Venture Exchange, Inc., European Gold, a public gold exploration company listed on the TSX Venture Exchange, Inc., Radiant Energy Corp., a high tech company manufacturing products for the airline industry listed on the TSX Venture Exchange, Inc., and Barton Bay Resources, a public oil and gas company listed on the TSX Venture Exchange, Inc.

Lisa Komoroczy has served as a director of ours since September 4, 2003. She has served in various financial consulting, accounting and administrative capacities during the past ten years. For the past three years she has worked as an independent consultant. Within this period, she has provided consulting services to Path 1 Network Technologies Inc., a US public company, and to several private companies. From December 1998 until July 2000 she served as Director of Finance and Administration for The Box Lot Company. Other jobs have involved her serving as vice president-finance for a merchant banking firm and as an accountant for KPMG Peat Marwick. She received a B.A. Degree from California State University of Fullerton after majoring in finance and accounting.

BOARD OF DIRECTORS

Our directors presently receive no cash remuneration for acting as such. Directors may however be reimbursed their expenses, if any, for attendance at meetings of the Board of Directors. We may also grant stock options to our directors. In September 2003 we issued 30,000 stock options to Lisa Komoroczy. Our Board of Directors may designate from among its members an executive committee and one or more other committees. No such committees have been appointed to date.

COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT

Our common stock is not registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Accordingly, our officers, directors and principal shareholders are not subject to the beneficial ownership reporting requirements of Section 16(a) of the Exchange Act.

EXECUTIVE COMPENSATION

The following table sets forth information concerning the total compensation paid or accrued by us during the three fiscal years ended December 31, 2002 to (i) all individuals that served as our chief executive officer or acted in a similar capacity for us at any time during the fiscal year ended December 31, 2002 and (ii) all individuals that served as executive officers of ours at any time during the fiscal year ended December 31, 2002 that received annual compensation during the fiscal year ended December 31, 2002 in excess of $100,000.

SUMMARY COMPENSATION TABLE

		Annual Compensation			Long-Term Compensation		
Name and Principal Position	Fiscal Year Ended December 31	Salary	Bonus	Other Compensation	Options/ SARs	Restricted Stock Awards	P
Ed Kaplan	2002	0	0	0	0	0	
President and CEO	2001	0	0	0	0	0	
	2000	0	0	0	0	0	
Doug Kaplan	2002	0	0	0	0	0	
President and CEO	2001	0	0	0	0	0	
	2000	0	0	0	0	0	
James Golla	2002	0	0	0	20,000(1)	0	
President and CEO	2001	0	0	0	0	0	
	2000	0	0	0	0	0	
Suzanne West	2002	$31,150(2)	0	0	0(3)	0	
President and CEO	2001	0	0	0	0	0	
	2000	0	0	0	0	0	
Harvey Lalach	2002	$10,384	0	0	100,000(4)	0	
President and CEO	2001	0	0	0	0	0	
	2000	0	0	0	0	0	

(1) Consists of 20,000 stock options issued to Mr. Golla on October 1, 2002 with an exercise price of $2.75 per share. See "Certain Relationships and Related Transactions."

(2) Excludes $34,010 paid to Ms. West as consulting fees for services performed by Ms. West subsequent to her engagement as our president and chief executive officer.

(3) Ms. West's employment contract provided for the grant of 200,000 stock options to Ms. West. These options were never issued and upon the termination of Ms. West's employment effective December 6, 2002, all rights of Ms. West to receive these options were likewise terminated

(4) Consists of 100,000 stock options issued to Mr. Lalach on October 1, 2002 with an exercise price of $2.75 per share.

OPTION/SAR GRANTS IN LAST FISCAL YEAR
(INDIVIDUAL GRANTS)

Name	Number of Securities Underlying Options/SARs Granted (#)	Percent of Total Options/SARs Granted to Employees in Fiscal Year	Exercise or Base Price (per share)	Date of
Ed Kaplan	0	Not Applicable ("N/A")	N/A	N/A

Doug Kaplan	0	N/A	N/A	N/A
James Golla	20,000	16.66%	$2.75	October 1
Suzanne West	0 (1)	N/A(2)	N/A	N/A
Harvey Lalach	100,000	83.33%	$2.75	October 1

(1) Ms. West's employment contract provided for the grant of 200,000 stock options to Ms. West. These options were never issued and upon the termination of Ms. West's employment effective December 6, 2002, all rights of Ms. West to receive these options were likewise terminated.

(2) Does not take into account 200,000 stock options that were issuable to Suzanne West (the "West Options") pursuant to her September 17, 2002 Employment Agreement or 150,000 stock options that were issuable to Cameron Smigel (the "Smigel Options") pursuant to his September 16, 2002 Employment Agreement. Due to the December 6, 2002 termination of the West Employment Agreement and the December 13, 2002 termination of the Smigel Employment Agreement, the West Options and Smigel Options were never issued.

STOCK OPTION PLANS

We have not adopted any stock option plans since our inception.

STOCK APPRECIATION RIGHTS

We have not granted any stock appreciation rights to the named executive officers or any other persons since our inception.

AGGREGATED OPTION/SAR EXERCISES IN LAST FISCAL YEAR AND
FISCAL YEAR END OPTION/SAR VALUES

Name	Shares Acquired On Exercise (#)	Value Realized ($)	Number of Securities Underlying Unexercised Options/SARs at Fiscal Year End (#) Exercisable/Unexcercisable	V O a E
Ed Kaplan	N/A	N/A	N/A	N
Doug Kaplan	N/A	N/A	N/A	N
James Golla	N/A	N/A	20,000 10,000 Exercisable 10,000 Unexercisable	 $ $
Suzanne West	N/A	N/A	N/A	N
Harvey Lalach	N/A	N/A	100,000 50,000 Exercisable 50,000 Unexercisable	 $ $

LONG TERM INCENTIVE PLAN AWARDS

We made no long-term incentive plan awards to the named executive officers or any other persons since our inception during the fiscal year ended December 31,

2002.

EMPLOYMENT CONTRACTS, TERMINATION OF EMPLOYMENT,
AND CHANGE-IN-CONTROL ARRANGEMENTS

Effective September 12, 2002 we entered into a three-year employment agreement with Suzanne West whereby Ms. West agreed to serve as our president and chief executive officer. The agreement provided for an annual base salary of CDN $100,000, the grant of 200,000 5 year non-statutory stock options exercisable at $2.75 per share, and performance bonuses tied to our achievement of specified oil and gas production levels. Effective December 6, 2002 Ms. West voluntarily terminated the employment agreement to pursue other interests.

Effective September 30, 2002 we entered into a nine-month employment agreement with Harvey Lalach to serve as our Vice-President-Corporate Affairs. The agreement was automatically renewable for successive six-month terms unless either party delivered written notice of termination to the other at least 15 days prior to the end of the then existing term. Upon the December 6, 2002 resignation of Suzanne West, Mr. Lalach succeeded to the positions of president and chief executive officer and the agreement was deemed terminated except with respect to the options granted to Mr. Lalach thereunder. The agreement provided for a base salary of CDN $3,000 per month and the grant of 100,000 3-year non-statutory stock options with an exercise price of $2.75 per share. The options contain anti-dilution provisions. 50,000 of the options vested on March 31, 2003. The remaining 50,000 options vest on March 31, 2004. In recognition of his added duties, commencing December 6, 2002 we were paying Mr. Lalach a salary of CDN$7,500 per month (approximately US$5,000) under a verbal month to month arrangement. Effective September 2, 2003 we entered into a 2 year written employment agreement with Mr. Lalach. Thereunder, we are paying Mr. Lalach a base annual salary of CDN$90,000.

COMPENSATION OF DIRECTORS

We do not presently provide cash compensation to our directors for serving as directors. We have, in one instance however, provided a director with stock options in consideration for her serving as such. Two of our three present directors are also employees, however, and receive compensation from us in their employment capacities.

REPORT ON REPRICING OF OPTIONS/SARS

During the fiscal year ended December 31, 2002 we did not adjust or amend the exercise price of any stock options or SARs.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In July, 2000 we issued 300,000 shares of our common stock to our founder and president Ed Kaplan in exchange for a $300 subscription receivable, and issued 300,000 shares of our common stock to our secretary Douglas Kaplan in exchange for a $300 subscription receivable. These shares were valued at par value, $.01 per share.

In July, 2000 we issued 3,000,000 shares of our common stock to Kaplan Design Group in exchange for twenty-seven toy designs from Kaplan Design Group. These shares were valued at par value, $.001 per share for a total of $3,000. Ed Kaplan Associates paid $3,000 for the toy designs and then transferred them to Kaplan Design Group for no additional consideration.

In July, 2001 we issued 10,000 shares of common stock, at par value $.001, to our then newly appointed director Ron Beit-Halachmy.

On August 27, 2002 we entered into a Stock Exchange Agreement with Inventoy.com International Inc., Kaplan Design Group, Douglas Kaplan, Ed Kaplan and Ron Beit-Halachmy whereby we transferred ownership of our then inactive subsidiary, Inventoy.com International Inc., to Kaplan Design Group, and Messrs. Beit-Halachmy, Kaplan and Kaplan in exchange for an aggregate of 14,440,000 shares of our common stock. For a more detailed discussion of this transaction see "Business of Assure Energy, Inc.".

Effective October 1, 2002 we issued 100,000 and 20,000 stock options, respectively, to Harvey Lalach and James Golla. The options have a three year term that expires on September 30, 2005 and are exercisable for the purchase of shares of our common stock at an exercise price of $2.75 per share.

Effective September 12, 2002 we entered into a three year employment agreement with Suzanne West. The agreement was terminated effective December 6, 2002. See "Item 10. Executive Compensation - Employment Contracts, Termination of Employment, and Change in Control Arrangements."

Effective September 16, 2002 we entered into a two year employment agreement with Cameron Smigel pursuant to which he served as a vice president and as our chief financial officer until the termination of his employment with us effective December 13, 2002. The agreement provided for an annual base salary of CDN $86,000 and the issuance of 150,000 stock options exercisable for the purchase of one share of our common stock at a price of $2.75 per share. The options were never issued and upon Mr. Smigel's termination of his employment, our obligation to issue the options ceased.

Effective September 30, 2002 we entered into a nine month employment agreement with Harvey Lalach. Subsequent thereto Mr. Lalach was employed under a verbal month to month arrangement. Effective September 2, 2003 we entered into a two year employment agreement with Mr. Lalach. See "Item 10. Executive Compensation - Employment Contracts, Termination of Employment, and Change in Control Arrangements."

Effective September 4, 2003 we issued 30,000 non-statutory stock options to Lisa Komoroczy. The options have a term of three years that expires on September 3, 2006 and are exercisable for the purchase of shares of our common stock at an exercise price of $3.00 per share.

In October 2003 we issued 150,000 shares of our common stock to Shelly Green in connection with her exercise of a like number of Class A Warrants at an exercise price of $.333 per share.

In October 2003 we issued 21,600 shares of our common stock to Lisa Komoroczy in connection with her exercise of a like number of Class A Warrants at an exercise price of $.333 per share.

In October 2003, we issued 20,000 shares of our common stock to Harvey Lalach in connection with his exercise of a like number of Class A Warrants at an exercise price of $.333 per share.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information with respect to the beneficial ownership of our common stock known by us as of December 5, 2003 by (i) each person or entity known by us to be the beneficial owner of more than 5% of our common stock, (ii) each of our directors, (iii) each of our executive officers, and (iv) all of our directors and executive officers as a group. The percentages in the table have been calculated on the basis of treating as outstanding for a particular person, all shares of our common stock outstanding on such date and all shares of our common stock issuable to such holder in the event of exercise of outstanding options, warrants, rights or conversion privileges owned by such person at said date which are exercisable within 60 days of such date. Except as otherwise indicated, the persons listed below have sole voting and investment power with respect to all shares of our common stock owned by them, except to the extent such power may be shared with a spouse.

Name and Address of Beneficial Owner	Title of Class	Amount and Nature of Beneficial Ownershi
Hans Schopper P.O. Box CB 11742 Chelsea Place Nassau Bahamas	Common Stock, $.001 per share	1,200,000 shares, Direct (1)
Bamby Investments S.A. (2) Plaza 2000 Bldg. 50th Street, 16th Floor Panama 5 Republic of Panama	Common Stock, $.001 per share	1,500,000 shares, Direct (3)
Shelly Green P.O. Box 55 Jacksons Point, Ontario L0E 1L0	Common Stock, $.001 per share	1,044,000 shares, Direct (4)
Harvey Lalach 2575 Alberta Court Kelowna, British Columbia V1W 2X8	Common Stock, $.001 per share	90,000 shares, Direct (5)
James Golla 829 Terlin Blvd. Mississauga, Ontario L5H 1T1	Common Stock, $.001 per share	10,000 shares, Direct (6)
Lisa Komoroczy P.O. Box 1652 Rancho Santa Fe, CA 92067	Common Stock, $.001 per share	58,200 shares, Direct (7)
All officers and directors as a group (3 persons)	Common Stock, $.001 per share	158,200 shares, Direct (8)

(1) Includes 600,000 presently exercisable warrants.
(2) The beneficial owner of Bamby Investments, S.A. is Camille Escher.
(3) Includes 750,000 presently exercisable warrants.
(4) Includes 372,000 presently exercisable warrants.
(5) Includes 50,000 presently exercisable stock options.
(6) Includes 10,000 presently exercisable stock options.
(7) Includes 15,000 presently exercisable stock options.
(8) Includes 75,000 presently exercisable stock options.

CHANGES IN CONTROL

Not Applicable.

DESCRIPTION OF CAPITAL STOCK

Our authorized capital consists of 105,000,000 shares of which 100,000,000 shares are designated as common stock, par value $.001 per share, 4,977,250 shares are designated as blank check preferred stock, $.0001 per share, 17,500 shares are designated as Series A Preferred Stock and 5,250 shares are designated as Series B Preferred Stock. As of December 5, 2003, 19,416,100 shares of our common stock, 17,500 shares of our Series A Preferred Stock and 5,250 shares of our Series B Preferred Stock were issued and outstanding.

COMMON STOCK

Each holder of our common stock is entitled to one vote for each share owned of record on all matters voted upon by our shareholders. In the event of a dissolution of our company, the holders of our common stock are entitled to share equally and ratably in our assets, if any, remaining after the payment of all of our debts and liabilities.

Our common stock has no preemptive rights, no cumulative voting rights, and no redemption, sinking fund, or conversion privileges. Since the holders of our common stock do not have cumulative voting rights, holders of more that 50% of our outstanding shares can elect all of our directors, and holder of the remaining shares, by themselves, cannot elect any of our directors. Holders of our commons tock are entitled to receive dividends if, as, and when declared by our board of directors out of funds legally available for such purpose.

BLANK CHECK PREFERRED STOCK

Shares of our preferred stock may be issued from time to time one or more series or classes. Our Board of Directors is expressly authorized to provide by resolution or resolutions duly adopted prior to issuance, for the creation of each such series and class of preferred stock and to fix the designation and the powers, preferences, rights, qualifications, limitations, and restrictions relating to the shares of each such series. The authority of the Board of Directors with respect to each series of preferred stock shall include, but not be limited to, determining the following:

- the designation of such series, the number of shares to constitute such series and the stated value thereof if different from the par value thereof;

- whether the shares of such series shall have voting rights, in addition to any voting rights provided by law, and, if so, the term of such voting rights, which may be general or limited;

- the dividends, if any, payable on such series, whether any such dividends shall be cumulative, and, if so, from what dates, the conditions and dates upon which such dividends shall be payable, and the preference or relation which such dividends shall bear to the dividends payable on any shares of stock of any other class or any other series of Preferred Stock;

- whether the shares of such series shall be subject to redemption by us, and, if so, the times, prices and other conditions of such redemption;

- the amount or amounts payable upon shares of such series upon, and the rights of the holders of such series in, the voluntary or involuntary liquidation, dissolution or winding up, or upon any distribution of our assets;

- whether the shares of such series shall be subject to the operation of a retirement or sinking fund and, if so, the extent to and manner in which any such retirement or sinking fund shall be applied to the purchase or redemption of the shares of such series for retirement or other corporate purposes and the terms and provisions relating to the operation thereof;

- whether the shares of such series shall be convertible into, or exchangeable for, shares of stock of any other class or any other series of Preferred Stock or any other securities and, if so, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and conditions of conversion or exchange;

- the conditions or restrictions, if any, upon the creation of indebtedness by us or upon the issue of any additional stock, including additional shares of such series or of any other series of Preferred Stock or of any other class; and

- any other powers, preferences and relative, participating, options and other special rights, and any qualifications, limitations and restrictions, thereof.

The powers, preferences and relative, participating optional and other special rights of each series of Preferred Stock, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding. All shares of any one series of Preferred Stock shall be identical in all respects with all other shares of such series, except that shares of any one series issued at different times may differ as to the dates from which dividends thereof shall be cumulative.

STOCK OPTIONS AND WARRANTS

As of December 5, 2003 we have 2,061,900 A Warrants; 3,600,000 B Warrants; 1,435,000 C Warrants and 3,173,500 other warrants issued and outstanding. Each A Warrant is exercisable for the purchase of one share of our common stock at a

price of $.333 per share during the four year period that commenced on October 1, 2003. Each B Warrant is exercisable for the purchase of one share of our common stock at a price of $.667 per share during the four year period commencing on July 1, 2004. Each C Warrant is exercisable for the purchase of one share of our common stock at a price of $4.00 per share during the six month period commencing on the earlier of December 5, 2004 or the registration of the underlying shares. The C Warrants are redeemable by us upon 10 days prior written notice if during the exercise period the closing bid price of our common stock is equal to or greater than $4.50 per share for 10 consecutive trading days. 2,100,000 of the other warrants are exercisable for the purchase of one share of our common stock at a price of $1.00 per share during the four year period that commenced on July 1, 2003. 533,500 of the other warrants are exercisable for the purchase of one share of our common stock at a price of $2.50 per share during the five year period that commenced February 26, 2003. 90,000 of the other Warrants are exercisable for the purchase of one share of our common stock at a price of $3.00 per share during the five year period that commenced on April 7, 2003. 450,000 of the other Warrants are exercisable for the purchase of one share of common stock at a price of $3.10 per share during the five year period that commenced on July 1, 2003.

As of December 5, 2003 we have 425,000 stock options issued and outstanding. 120,000 of these stock options are exercisable, upon vesting, for the purchase of one share of our common stock at a price of $2.75 per share at any time through September 30, 2005. 305,000 of these options are exercisable for the purchase of one share of our common stock at a price of $3.00 per share, 50,000 of which are exercisable, upon vesting, at any time through August 27, 2006, 225,000 of which are exercisable, upon vesting, at any time through August 28, 2006 and 30,000 of which are exercisable at any time through September 3, 2006.

TRANSFER AGENT AND REGISTRAR

Continental Stock Transfer & Trust Company, 17 Battery Place, New York, New York 10004 is our transfer agent and the registrar for our common stock. Its phone number is (212) 509-4000.

SERIES A PREFERRED STOCK

This series consists of seventeen thousand five hundred (17,500) shares of convertible Series A Preferred Stock with a stated value of one hundred dollars per share. The holders of Series A Preferred Stock are entitled to receive dividends at the rate of five percent (5%) per annum on the stated value of each share of Series A Preferred Stock. Dividends on the Series A Preferred Stock are cumulative from the date of issuance. So long as any shares of the Series A Preferred Stock are outstanding, no dividends shall be declared or paid or set apart for payment or other distribution declared or made upon junior securities including our common stock. The outstanding shares of Series A Preferred Stock are convertible into Company units as is determined by dividing the stated value by the conversion price, as defined below, at the option of the Holder in whole or in part. Each unit consists of one share of common stock and one common stock purchase warrant which may be exercised for the purchase of one additional share of common stock at an exercise price of $1.166 per share at any time during the four year period commencing one year after the date of issuance of the units. The present conversion price for the conversion of a share of Series A Preferred Stock into units is $1.00 of stated value and is subject to anti-dilution provisions.

The shares of Series A Preferred Stock are redeemable at the sole option of the Company at any time prior to the Company's receipt of a notice of conversion to the extent funds are legally available therefor, at any time and from time to time, in whole or in part, at a redemption price equal to 105% of the stated value of each share of Series A Preferred Stock being redeemed plus accrued and unpaid dividends thereon.

The Series A Preferred Stock as to dividends, redemptions, and the distribution of assets upon liquidation, dissolution or winding up of the Company, ranks:

- o prior to the Company's common stock;
- o prior to any class or series of capital stock of the Company that, by its terms, ranks junior to the Series A Preferred Stock;
- o junior to any class or series of capital stock of the Company which by its terms ranks senior to the Series A Preferred Stock; and

- o pari passu with any other series of preferred stock of the Company which by its terms ranks on a parity with the Series A Preferred Stock.

SERIES B PREFERRED STOCK

This Series consists of five thousand two hundred fifty (5,250) shares of convertible Series B Preferred Stock, with a stated value of one hundred dollars per share. The Series B Preferred Stock is pari passu with the Series A Preferred Stock and is identical in all respects, except that the warrants issuable upon conversion have a current exercise price of $1.333 per share and that the current conversion price for the conversion of a share of Series B Preferred Stock into units is $1.166 of stated value.

EXPERTS

The financial statements referred to in this prospectus and elsewhere in the registration statement have been audited by Rogoff & Company, P.C., independent certified public accountants, as indicated in their reports with respect thereto, and are included in reliance upon the authority of said firm as experts in giving said reports.

LEGAL MATTERS

The validity of the issuance of common stock offered hereby will be passed upon for Assure Canada by Gottbetter & Partners, LLP, 488 Madison Avenue, 12th Floor, New York, New York 10022.

AVAILABLE INFORMATION

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended. In accordance with those requirements, we presently file, and after the conversion will continue to file reports and other information with the Securities and Exchange Commission. After the conversion however, we will be a foreign private issuer and will file reports related to this new status including but not limited to the filing of annual reports on Form 20-F.

After the conversion we will continue to be exempt from the proxy rules and our officers, directors and principal shareholders will continue to be exempt from the requirements of Section 16 of the Securities Exchange Act of 1934, as amended. Such reports and other information can be inspected and copied at the public reference facilities maintained by the SEC in Room 1024, 450 Fifth Street, NW, Washington, D.C. 20549. Copies of such material may also be obtained at prescribed rates by writing to the SEC's Public Reference Section, 450 Fifth Street, NW, Washington, D.C. 20549 upon payment of the fees prescribed by the SEC. Please call the SEC at 1-800-SEC-0330 for more information on the operation of its public reference rooms. The SEC also maintains a Web site that contains reports, proxy and information statements and other materials that are filed through the SEC's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system. This Web Site can be accessed at http://www.sec.gov. Our reports, registration statements, and other information that we file electronically with the SEC are available on this site.

You may request a copy of any of our filings, at no cost, by writing or telephoning us at the following address:

Secretary
Assure Energy, Inc.
521-3rd Avenue S.W., Suite 1250
Calgary, Alberta T2P 3T3
(403) 266-4975

This prospectus does not contain all the information set forth in that registration statement of which it is a part and the related exhibits. Statements herein concerning the contents of any contract or other document are not necessarily complete, and in each instance reference is made to such contract or other document filed with the SEC or included as an exhibit, or otherwise, each such contract or document being qualified by and subject to such reference in all respects. The registration statement and any subsequent amendments, including exhibits filed as a part of the registration statement, are available for inspection and copying as set forth above.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Information included or incorporated by reference in this prospectus may include "forward-looking statements". This information may involve known and unknown risks, uncertainties and other factors which could cause actual results, financial performance, operating performance or achievements expressed or implied by such forward-looking statements not to occur or be realized. Such forward-looking statements generally are based upon our best estimates of future results, performance or achievement and based upon current conditions and the most recent results of operations. Forward-looking statements may be identified by the use of forward-looking terminology such as "believes," "could," "possibly," "probably," "anticipates," "estimates," "projects," "expects," "may," "will," or "should" or the negative thereof or other variations thereon or comparable terminology.

This prospectus contains forward-looking statements, including statements regarding, among other things, our projected sales and profitability, our growth strategies, anticipated trends in our industry and our future plans. These statements may be found under "Business", as well as in this prospectus generally. Our actual results or events may differ materially from the results

discussed in forward-looking statements as a result of various factors, including, without limitation, the risks outlined under "Risk Factors" and elsewhere in this prospectus.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Moreover, we do not assume responsibility for the accuracy or completeness of the forward-looking statements after the date of this prospectus.

PART II

INFORMATION NOT REQUIRED IN THE PROSPECTUS

Item 20. Indemnification of Directors and Officers.

Nevada law permits a company to indemnify its directors and officers, except for any act of dishonesty. Assure has provided in its by-laws for the indemnification of officers and directors to the fullest extent possible under Nevada law against expenses (including attorney's fees), judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding, arising by reason of the fact that such person is or was an agent of ours. In addition, Assure has the power, to the maximum extent and in the manner permitted by Nevada Revised Statutes, to indemnify each of our employees and agents (other than directors and officers) against expenses (including attorneys' fees), judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that such person is or was an agent of Assure.

The Certificate of Incorporation of Assure Nevada limits or eliminates the personal liability of its officers and directors for damages resulting from breaches of their fiduciary duty for acts or omissions except for damages resulting from acts or omissions which involve intentional misconduct, fraud, a knowing violation of law, or the inappropriate payment of dividends in violation of Nevada Revised Statutes.

Item 21. Exhibits.

EXHIBITS

The following exhibits are included as part of this report:

Financial Statements

Financial Statement Schedules

All financial statement schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

Exhibits

Exhibit No.	SEC Report Reference Number	Description
2.1	2.1	Asset Purchase Agreement dated March 14, 2002 be Inventoy.com International, Inc.(1)
2.2	2.1	Acquisition Agreement dated April 23, 2002 by a Assure Oil & Gas Corp. ("Assure") and the sharehold
2.3	2.1	Share Purchase Agreement dated May 30, 2002 by and Gas Corp., and Gary Freitag, Garth R. Keyte and Eva
2.4	2.1	Stock Exchange Agreement dated August 27, 2002 by Inventoy.com International Inc., Kaplan Design Gr Ed Kaplan and Ron Beit-Halachmy.(4)
2.5	2.1	Share Purchase Agreement dated March 6, 2003 Energy, Inc., and Al J. Kroontje, Trevor Brawley-Hogg, Donald J. Brown, Troon Investments, & Gas, Ltd. (9)

2.6	2.2	Amending Agreement dated March 26, 2003 to March 6 Agreement. (9)
2.7	2.3	Amending Agreement No. 2 dated April 11, 2003 t Purchase Agreement. (9)
2.8	2.1	Agreement and Plan of Merger dated as of Septemb Assure Energy, Inc., a Delaware corporation and A Nevada corporation. (10)
2.9	2.2	Certificate of Merger as filed with the Delaware effective September 11, 2003. (10)
2.10	2.3	Articles of Merger as filed with the Nevada S September 11, 2003. (10)

Exhibit No.	SEC Report Reference Number	Description
3.1	3.1	Certificate of Incorporation of Registrant as filed
3.2	3.1	Certificate of Amendment to Certificate of Incorpo filed February 15, 2002.(6)
3.3	3.1	Certificate of Amendment to Certificate of Incorpo filed May 1, 2002.(2)
3.4	3.2	By-Laws of Assure Energy, Inc., a Delaware corporat
3.5	3.1	Articles of Incorporation of Assure Energy, Inc., as filed with the Nevada Secretary of State on Sept
3.6	3.2	By-Laws of Assure Energy, Inc., a Nevada corporatio
4.1	4.1	Registration Rights Agreement dated as of April 23 Registrant and the shareholders of Assure Oil & Gas
4.3	4.3	Certificate of Designation, Preferences and Preferred Stock of Registrant as filed on June 7, 2
4.4.	4.1	Certificate of Designation, Preferences and Preferred Stock of Registrant as filed on August 28
5.1		Opinion of Gottbetter & Partners, LLP regarding securities issued hereby(12)
10.1	10.1	Promissory Note dated April 23, 2002 (2)
10.2	10.1	Convertible Preferred Stock Purchase Agreement date
10.3	10.1	Employment Agreement dated as of September 12, 200 and Suzanne West.(7)

10.4	10.4	Convertible Preferred Stock Purchase Agreement 2002(8)
10.5	10.5	Employment Agreement dated as of September 17, 200 and Harvey Lalach(8)
10.6	10.6	Stock Option Agreement made as of September 17, 200 and Harvey Lalach(8)

Exhibit No.	SEC Report Reference Number	Description
10.7	10.7	Stock Option Agreement made as of October 1, 2002 and James Golla(8)
10.8	10.8	Stock Option Agreement made as of October 1, 2002 and Primoris Group Inc. (8)
10.9	10.9	Subordinated Promissory Note dated December 28, 200
10.10	10.10	Subordinated Promissory Note with Warrant dated Mar
10.11		Management and Operational Services Agreement date 2003 between Assure Oil & Gas Corp. and Quarry Oil
10.12		Employment Agreement dated as of August 29, 200 Assure Oil & Gas Corp. and Colin Emerson(12)
10.13		Employment Agreement dated as of August 29, 200 Assure Oil & Gas Corp. and Tim Chorney(12)
10.14		Employment Agreement dated as of August 29, 200 Assure Oil & Gas Corp. and Cameron Bogle(12)
10.15		Stock Option Agreement made as of September 4, 200 and Lisa Komoroczy(12)
21	21	List of subsidiaries of Registrant (11)
23.1		Consent of Independent Auditors(12)
23.2		Consent of Gottbetter & Partners, LLP. (included in
99.1		Proxy Card(12)

(1) Filed with the Securities and Exchange Commission on May 1, 2002 as an exhibit, numbered as indicated above, to the Registrant's Quarterly Report on Form 10-QSB for the quarterly period ended January 31, 2002, which exhibit is incorporated herein by reference.

(2) Filed with the Securities and Exchange Commission on May 8, 2002, as an exhibit, numbered as indicated above, to the Registrant's Current Report on Form 8-K dated April 23, 2002, which Exhibit is incorporated herein by reference.

(3) Filed with the Securities and Exchange Commission on June 14, 2002, as an exhibit, numbered as indicated above, to the Registrant's Current Report on Form 8K dated May 30, 2002, which exhibit is incorporated herein by reference.

(4) Filed with the Securities and Exchange Commission on September 11, 2002, as an exhibit, numbered as indicated above, to the Registrant's Current Report on Form 8K dated August 27, 2002, which exhibit is incorporated herein by reference.

(5) Filed with the Securities and Exchange Commission on May 25, 2001 as an exhibit, numbered as indicated above, to the Registrants' registration statement on Form SB-2, which exhibit is incorporated herein by reference.

(6) Filed with the Securities and Exchange Commission on April 8, 2002, as an exhibit, numbered as indicated above, to the Registrant's Transition Report on Form 10-QSB for the transition period from August 1, 2001 to December 31, 2001, which exhibit is incorporated herein by reference.

(7) Filed with the Securities and Exchange Commission on November 19, 2002, as an exhibit, numbered as indicated above, to the Registrant's Quarterly Report on Form 10-QSB for the quarterly period ended September 30, 2002, which exhibit is incorporated herein by reference.

(8) Filed with the Securities and Exchange Commission on April 15, 2003, as an exhibit, numbered as indicated above, to the Registrant's Annual Report on Form 10KSB for the year ended December 31, 2002, which exhibit is incorporated herein by reference.

(9) Filed with the Securities and Exchange Commission on August 11, 2003, as an exhibit, numbered as indicated above, to the Registrant's Current Report on Form 8K dated July 28, 2003, which exhibit is incorporated herein by reference.

(10) Filed with the Securities and Exchange Commission on September 25, 2003, as an exhibit, numbered as indicated above to the Registrant's Current Report on Form 8K dated September 11, 2003, which exhibit is incorporated herein by reference.

(11) Filed with the Securities and Exchange Commission on October 31, 2003, as an exhibit, numbered as indicated above, to Amendment No. 1 to Registrant's Registration Statement on Form S-4.

(12) Filed herewith.

Item 22. Undertakings.

The undersigned registrant hereby undertakes that it will:

(1) File, during any period in which it offers or sells securities, a post-effective amendment to this registration statement to:

(i) Include any prospectus required by Section 10(a) (3) of the Securities Act; and

(ii) Reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information set forth the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(2) For determining liability under the Securities Act, treat each post-effective amendment as a new registration statement of the securities offered, and the offering of the securities at that time to be the initial bona fide offering.

(3) File a post-effective amendment to remove from registration any of the securities that remain unsold at the end of the offering.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 business issuer pursuant to the foregoing provisions, or otherwise, the small business issuer has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as express in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any such action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Alberta, Canada, on December 8, 2003.

By: /s/ Harvey Lalach

Harvey Lalach
President, Chairman, Chief Executive Officer (principal executive officer and principal financial officer)

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

/s/ Harvey Lalach ----------		
Harvey Lalach	President, Chairman, Chief Executive Officer, (principal executive officer and principal financial officer)	Dated: December 8, 200
/s/ Lisa Komoroczy ----------		
Lisa Komoroczy	Director	Dated: December 8, 200
/s/ James Golla ----------		
James Golla	Director	Dated: December 8, 200

Independent Auditors' Report

To the Stockholders' and the Board of Directors
of Assure Energy, Inc.

We have audited the accompanying consolidated balance sheet of Assure Energy Inc. and Subsidiaries (the "Company") as of December 31, 2002, and the related consolidated statements of operations and comprehensive loss, stockholders' equity and cash flows for each of the two years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Assure Energy, Inc. and Subsidiaries at December 31, 2002, and the consolidated results of their operations and their cash flows for each of the two years then ended, in conformity with accounting principles generally accepted in the United States of America.

/s/ Rogoff & Company, PC

New York, New York

March 28, 2003

ASSURE ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2002

ASSETS

Current Assets:	
Cash	$ 1,216,754
Accounts receivable	1,199,077
Prepaid expenses	8,893
Total current assets	2,424,724
Restricted cash	54,893
Property and equipment, net	4,681,586
	$ 7,161,203

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:	
Accounts payable and accrued expenses	$ 1,028,100
Deferred income tax payable	28,156
Long term debt	633,871
Obligation for site restoration	42,913
	1,733,040
Commitments and Contingencies	
Stockholders' Equity:	
Preferred stock; 4,977,250 shares authorized	
Series A; stated value $100, 5% cumulative dividend; 17,500 shares authorized, issued and outstanding	1,750,000
Series B; stated value $100, 5% cumulative dividend, 5,250 shares authorized, issued and outstanding	525,000
Common stock; $.001 par value; 100,000,000 shares authorized; 15,366,000 shares issued and outstanding	15,366
Additional paid in capital	3,926,250
Accumulated other comprehensive income	72,699
Accumulated deficit	(861,152)
Total stockholders' equity	5,428,163

	$ 7,161,203

See Notes to Consolidated Financial Statements.

ASSURE ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31,

	2002	2001
Revenue:		
Oil and gas revenue	$ 1,136,896	$
Expenses:		
Production expenses	299,622	
Royalties	174,693	
Depreciation, depletion and site restoration	724,247	
Interest	24,178	
General and administrative	677,932	59,3
Total expenses	1,900,672	59,3
Loss from operations before provision for income taxes	(763,776)	(59,3
Provision for deferred income taxes	28,386	
Net loss	(792,162)	(59,3
Other comprehensive income, net of taxes:		
Foreign translation gain	72,699	
Comprehensive loss	$ (719,463)	$ (59,3
Basic loss per share	$ (.03)	$ (.0
Basic weighted average common shares outstanding	27,924,740	31,070,7

See Notes to Consolidated Financial Statements.

ASSURE ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

	PREFERRED STOCK		COMMON STOCK	
	SHARES	AMOUNT	SHARES	AMOUNT
Balance, December 31, 2000	--	$ --	24,750,000	$ 24,750
Issuance of common stock to director	--	--	60,000	60
Sale of common stock under private placement	--	--	6,516,000	6,516
Net loss	--	--	--	--
Balance, December 31, 2001	--	--	31,326,000	31,326
Issuance of common stock for acquisition	--	--	3,600,000	3,600
Sale of common stock under private placement	--	--	2,100,000	2,100
Sale of Series A Preferred Stock	5,000	500,000	--	--
Conversion of long term debt to Series A Preferred Stock	12,500	1,250,000	--	--
Sale of assets in exchange for common stock	--	--	(21,660,000)	(21,660)
Sale of Series B Convertible Preferred Stock	5,250	525,000	--	--
Other comprehensive income	--	--	--	--
Net loss	--	--	--	--
Balance, December 31, 2002	22,750	$ 2,275,000	15,366,000	$ 15,366

	ACCUMULATED DEFICIT	SUBSCRIPTION RECEIVABLE	OTHER COMPREHENSIVE INCOME	TOTAL STOCKHOLDE EQUITY
Balance, December 31, 2000	$ (9,607)	$ (600)	$ --	$ 66,37
Issuance of common stock to director	--	--	--	6
Sale of common stock				

under private placement	--	--	--	7,14
Net loss	(59,383)	--	--	(59,38
Balance, December 31, 2001	(68,990)	(600)	--	14,20
Issuance of common stock for acquisition	--	--	--	2,108,42
Sale of common stock under private placement	--	--	--	1,750,00
Sale of Series A Preferred Stock	--	--	--	500,00
Conversion of long term debt to Series A Preferred Stock	--	--	--	1,250,00
Sale of assets in exchange for common stock	--	600	--	-
Sale of Series B Convertible Preferred Stock	--	--	--	525,00
Other comprehensive income	--	--	72,699	72,69
Net loss	(792,162)	--	--	(792,16
Balance, December 31, 2002	$ (861,152)	$ --	$ 72,699	$ 5,428,16

See Notes to Consolidated Financial Statements.

ASSURE ENERGY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2002	2001
Cash flows from operating activities:		
Net loss	$ (792,162)	$ (59,383)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and depletion	641,928	--
Allowance for site restoration	53,000	--
Deferred income taxes	28,156	--
Sale of toy patents	3,000	--
Common stock issued for services	--	50,000
Changes in operating assets and liabilities:		
Accounts receivable	(930,089)	--
Prepaid expenses	(229)	--

Accounts payable and accrued expenses	965,350	(1,567)
Net cash used in operating activities	(31,046)	(10,950)
Cash flows from investing activities:		
Purchases of property and equipment	(1,394,521)	--
Restricted cash	(54,893)	--
Acquisition of business	(2,051,645)	--
Net cash used in investing activities	(3,501,059)	--
Cash flows from financing activities:		
Proceeds from sale of preferred stock	1,025,000	--
Proceeds from sale of common stock	1,750,000	7,149
Proceeds from long term debt	1,883,871	--
Net cash provided by financing activities	4,658,871	7,149
Effect of exchange rate changes on cash	72,699	--
Increase (decrease) in cash	1,199,465	(3,801)
Cash, beginning of year	17,289	21,090
Cash, end of year	$ 1,216,754	$ 17,289
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	$ 24,178	$ --
Supplemental disclosure of non-cash financing activities:		
Conversion of debt to Series A Preferred Stock	$ 1,250,000	$ --
Common stock issued for acquisition	$ 2,108,421	$ --
Common stock issued for deferred offering costs	$ --	$ 50,000

See Notes Consolidated Financial Statements.

ASSURE ENERGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2002

NOTE 1 - DESCRIPTION OF BUSINESS AND ACQUISITIONS

Assure Energy, Inc. formerly Inventoy.com (the "Company") was incorporated in the State of Delaware on August 11, 1999. From inception through March 31, 2002, the Company had been in the developmental stage. On March 14, 2002 the Company ceased business in the toy design business. On August 27, 2002 the Company sold its toy designs to certain former officers and shareholders of the Company in exchange for all of their common stock in the Company which was 21,660,000 shares. After the transaction the Company cancelled these shares and returned them to the status of authorized but unissued shares of common stock. On May 1, 2002 the Company changed its name to Assure Energy, Inc.

On February 22, 2002, the Board of Directors of the Company approved a change in the Company's fiscal year to December 31 from July 31.

The board of directors authorized a 4-for-1 common stock split with a record date of February 25, 2002 and another 3-for-2 common stock split with a record date of September 10, 2002. All share and per share information has been retroactively restated to reflect these stock splits.

Effective April 1, 2002 the Company acquired all of the issued and outstanding common stock of Assure Oil & Gas Corp., ("Oil & Gas") a Canadian corporation, engaged in the exploration, development and production of oil and gas properties in Alberta, Canada, for 3,600,000 units. Each unit consists of one share of the Company's common stock, one A warrant which entitles the holder to acquire another share of the Company's common stock at $.33 per share and one B warrant which entitles the holder to acquire an additional share of the Company's common stock at $.67 per share. The A warrants are exercisable from October 1, 2003 through September 30, 2007 while the B warrants are exercisable from July 1, 2004 through June 30, 2008. The purchase price was derived entirely from the fair value of the Company's common stock as the A and B warrants were determined to have deminimus value at the date of acquisition.

The acquisition of Oil & Gas was accounted for as a purchase. The purchase price of $2,108,421 has been allocated to the assets acquired and liabilities assumed based upon their fair values at the date of acquisition. The purchase price included excess of the fair value over book basis of $992,482 whis

10,590 10,866

	Three Months Ended		**Six Months Ended**	
Consolidated Statements of Income	**Jun 30 2007**	Jun 30 2006	**Jun 30 2007**	Jun 30 2006
Revenue	**$ 22,436**	$ 43,479	**$ 88,770**	$ 91,930
Expenses	**(31,607)**	(36,244)	**(89,896)**	(76,089)
Income before income taxes	**(9,171)**	7,235	**(1,126)**	15,841
Income tax recovery (expense) (note 6)	**1,419**	(2,532)	**(254)**	11,246
Net income	**$ (7,752)**	$ 4,703	**$ (1,380)**	$ 27,087

	Three Months Ended		Six Months Ended	
Consolidated Statements of Cash Flows	**Jun 30 2007**	Jun 30 2006	**Jun 30 2007**	Jun 30 2006
Cash inflows from operating activities	**$ 10,306**	$ 16,607	**$ 37,344**	$ 25,261
Cash outflows from financing activities	**(8,576)**	(9,317)	**(6,100)**	(9,317)
Cash outflows from investing activities	**(3,730)**	(322)	**(13,688)**	(399)

5. Long-term debt:

	Jun 30 2007	Dec 31 2006
Unsecured notes		
8.75% due August 15, 2012	**$ 197,926**	$ 200,000
6.00% due August 15, 2015	**148,323**	150,000
	346,249	350,000
Egypt limited recourse debt facilities	**35,574**	
Atlas limited recourse debt facilities	**125,233**	136,916
	507,056	486,916
Less current maturities	**(14,032)**	(14,032)
	$ 493,024	$ 472,884

During the second quarter of 2007, the Company achieved financial close to construct a methanol plant in Egypt (see note 13). The debt facilities are for an aggregate maximum of $530 million with interest payable semi-annually based on rates of LIBOR plus approximately 1.1% to 1.2% during construction and increasing to approximately 1.4% to 1.6% by the end of the loan term. Principal is paid in 24 semi-annual payments which will commence in September 2010. Under the terms of the Egypt limited recourse facilities, the Egypt entity can make cash or other distributions after fulfilling certain conditions.

The limited recourse debt facilities of Egypt and Atlas are described as limited recourse as they are secured only by the assets of the Egypt project and the Atlas joint venture, respectively.

6. Future income tax recovery related to change in tax legislation:

During 2005, the Government of Trinidad and Tobago introduced new tax legislation retroactive to January 1, 2004. As a result, during 2005 we recorded a $16.9 million charge to increase future income tax expense to reflect the retroactive impact for the period January 1, 2004 to December 31, 2004. In February 2006, the Government of Trinidad and Tobago passed an amendment to this legislation that changed the retroactive date to January 1, 2005. As a result of the amendment we recorded an adjustment to decrease future income taxes by a total of $25.8 million. The adjustment is made up of the reversal of the previous charge to 2005 earnings of $16.9 million and an additional adjustment of $8.9 million to recognize the benefit of tax deductions that were reinstated as a result of the change in the implementation date.

7. Net income per common share:

A reconciliation of the weighted average number of common shares outstanding is as follows:

	Three Months Ended		**Six Months Ended**	
	Jun 30 2007	Jun 30 2006	**Jun 30 2007**	Jun 30 2006
Denominator for basic net income per common share	**102,697,808**	109,658,750	**103,894,611**	111,016,514
Effect of dilutive stock options	**275,463**	354,934	**383,498**	435,156
Denominator for diluted net income per common share	**102,973,271**	110,013,684	**104,278,109**	111,451,670

8. Stock-based compensation:

a) Stock options:

(i) Incentive stock options:

Common shares reserved for outstanding incentive stock options at June 30, 2007:

	Options Denominated in CAD $		**Options Denominated in US $**	
	Number of Stock Options	**Weighted Average Exercise Price**	**Number of Stock Options**	**Weighted Average Exercise Price**
Outstanding at December 31, 2006	162,250	$ 8.40	2,404,925	$ 18.76
Granted			1,109,491	24.96
Exercised	(11,800)	12.13	(125,550)	16.05
Cancelled	(6,500)	13.65		
Outstanding at March 31, 2007	143,950	$ 7.86	3,388,866	$ 20.89
Granted				
Exercised			(93,175)	17.90
Cancelled			(13,300)	20.21

Outstanding at June 30, 2007	**143,950**	**$ 7.86**	**3,282,391**	**$ 20.97**

Information regarding the incentive stock options outstanding at June 30, 2007 is as follows:

	Options Outstanding at June 30, 2007			Options Exercisable at June 30, 3007		
Range of Exercise Prices	**Weighted Average Remaining Contractual Life (Years)**	**Number of Stock Options Outstanding**	**Weighted Average Exercise Price**	**Number of Stock Options Exercisable**		**Weighted Average Exercise Price**
Options denominated in CAD						
$3.29 to 11.60	**2.7**	**143,950**	**$ 7.86**	**143,950**	**$**	**7.86**
Options denominated in USD						
$6.45 to 9.23	**5.4**	**196,325**	**$ 8.37**	**196,325**	**$**	**8.37**
$11.56 to 25.10	**5.9**	**3,086,066**	**21.78**	**739,442**		**19.57**
	5.9	**3,282,391**	**$ 20.97**	**935,767**	**$**	**17.22**

8. Stock-based compensation (continued):

(ii) Performance stock options:

As at June 30, 2007, there were 50,000 shares reserved for performance stock options with an exercise price of CAD $4.47. All outstanding performance stock options have vested and are exercisable.

(iii) Compensation expense related to stock options:

For the three and six month periods ended June 30, 2007, compensation expense related to stock options included in cost of sales and operating expenses was $2.2 million (2006 - $2.4 million) and $4.9 million (2006 $3.1 million), respectively. The fair value of each stock option grant was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	2007	2006
Risk-free interest rate	**4.5%**	4.9%
Expected dividend yield	**2%**	2%
Expected life	**5 years**	5 years
Expected volatility	**31%**	40%
Expected forfeitures	**5%**	5%
Weighted average fair value of options granted (US$ per share)	**$ 7.06**	$ 8.82

b) Deferred, restricted and performance share units:

Deferred, restricted and performance share units outstanding at June 30, 2007 are as follows:

	Number of Deferred Share Units	**Number of Restricted Share Units**	**Number of Performance Share Units**
Outstanding at December 31, 2006	318,746	518,757	406,082
Granted	28,561	6,000	325,779
Granted in-lieu of dividends	1,923	2,771	3,880
Redeemed			
Cancelled		(4,392)	(3,238)
Outstanding at March 31, 2007	349,230	523,136	732,503
Granted	2,409		
Granted in-lieu of dividends	1,535	2,814	3,923
Redeemed	(75,649)	(4,731)	
Cancelled			(13,600)
Outstanding at June 30, 2007	**277,525**	**521,219**	**722,826**

Compensation expense for deferred, restricted and performance share units is initially measured at fair value based on the market value of the Company s common shares and is recognized over the related service period. Changes in fair value are recognized in earnings for the proportion of the service that has been rendered at each reporting date. The fair value of deferred, restricted and performance share units at June 30,

2007 was $37.5 million compared with the recorded liability of $25.6 million. The difference between the fair value and the recorded liability of $11.9 million will be recognized over the weighted average remaining service period of approximately 1.6 years.

For the three and six months ended June 30, 2007, compensation expense related to deferred, restricted and performance share units included in cost of sales and operating expenses was $4.4 million (2006 $5.0 million) and $5.2 million (2006 $10.3 million). For the three and six month period ended June 30, 2007, the compensation expense included $2.1 million (2006 $2.4 million) and $0.3 million (2006 $4.9 million) related to the effect of the change in the Company s share price. As at June 30, 2007, the Company s share price was US$25.14 per share.

9. Retirement plans:

Total net pension expense for the Company s defined contribution and defined benefit pension plans during the three and six month periods ended June 30, 2007 was $1.6 million (2006 $1.8 million) and $3.5 million (2006 $3.0 million), respectively.

10. Changes in non-cash working capital:

The change in cash flows related to changes in non-cash working capital for the three and six month periods ended June 30, 2007 and 2006 were as follows:

	Three Months Ended		Six Months Ended	
	Jun 30 2007	Jun 30 2006	**Jun 30 2007**	Jun 30 2006
Decrease (increase) in non-cash working capital:				
Receivables	**$ 65,037**	$ 21,199	**$ 108,315**	$ 8,528
Inventories	**95,892**	1,956	**65,237**	(23,399)
Prepaid expenses	**(8,644)**	(6,787)	**(5,712)**	(5,594)
Accounts payable and accrued liabilities	**(97,363)**	39,261	**(102,584)**	(19,560)
	54,922	55,629	**65,256**	(40,025)
Adjustments for items not having a cash effect	**(1,792)**	(8,086)	**743**	(7,226)
Changes in non-cash working capital having a cash effect	**$ 53,130**	$ 47,543	**$ 65,999**	$ (47,251)
These changes relate to the following activities:				
Operating	**$ 56,601**	$ 14,003	**$ 68,710**	$ (79,295)
Investing	**(3,471)**	33,540	**(2,711)**	32,044
Changes in non-cash working capital	**$ 53,130**	$ 47,543	**$ 65,999**	$ (47,251)

11. Derivative financial instruments:

a) Forward exchange contracts:

As at June 30, 2007, the Company had forward exchange contracts to sell 26 million Euro in exchange for US dollars at an average exchange rate of 1.3388 maturing in 2007. The carrying value of the forward exchange sales contracts was negative $0.4 million which approximates the fair value of these contracts. The effective portion of changes in these forward exchange sales contracts is recognized in other comprehensive income.

b) Interest rate swap contract:

The Company has an interest rate swap contract recorded in other long-term liabilities with a carrying value of negative $0.7 million which approximates fair value.

12. Argentina export duty costs:

Effective July 25, 2006, the government of Argentina increased the duty on exports of natural gas from Argentina to Chile, which have been in place since May 2004, from approximately $0.30 per mmbtu to $2.25 per mmbtu. Exports of natural gas from the province of Tierra del Fuego were exempt from this duty until late October 2006 when the government of Argentina extended this duty to include this province at the same rates applicable to the other provinces. As a result, the increased duty on exports of natural gas applies to all of the natural gas feedstock that the Company sources from Argentina. Assuming the Company receives all of its Argentinean natural gas entitlements, the total annual cost of the export duty to its natural gas suppliers from Argentina has increased to approximately $200 million. While the Company s natural gas contracts provide that natural gas suppliers are to pay any duties levied by the government of Argentina, the Company has been contributing towards the cost of these duties and is in continuing discussions with its Argentinean natural gas suppliers regarding the impact of the increased export duty.

12. Argentina export duty costs (continued):

The Company has interim agreements in place with all of its Argentinean natural gas suppliers. In principle, the Company has agreed to share the cost of duties based in part on prevailing methanol prices while providing a minimum price to its natural gas suppliers. At methanol prices below $250 per tonne, the Company pays substantially all of the export duty. The Company has also gained considerable flexibility to take the natural gas depending on prevailing methanol market conditions, and to the extent that these arrangements are not economic then the Company will not purchase the natural gas. The Company cannot provide assurance that it will be able to reach continuing arrangements with its natural gas suppliers, that the amount of the export duties will not be revised by the government of Argentina, or that the impact of this export duty will not have an adverse effect on its results of operations and financial condition. During the second quarter of 2007, the Company received approximately 55% of its Argentinean natural gas entitlements and the Company accrued $17 million to record the estimated cost of sharing export duties for this natural gas which was used in production. The amount of export duties charged to earnings in a period is primarily dependent on the sales volumes of Chile production in that period. During the second quarter of 2007, the Company s sales volumes of Chile production were significantly higher than our production volumes as a result of lower production rates in Chile. The amount charged to earnings related to the cost of sharing export duties during the second quarter of 2007 was $29 million.

13. Egypt methanol project:

During the second quarter of 2007, the Company reached financial close for its project to construct a 1.3 million tonne per year methanol facility at Damietta on the Mediterranean Sea in Egypt. The Company owns 60% of Egyptian Methanex Methanol Company S.A.E. (EMethanex), which is the company that is developing the project. EMethanex has secured limited recourse debt of $530 million. The Company expects commercial operations from the methanol facility to begin in early 2010 and the Company will purchase and sell 100% of the methanol from the facility. The total estimated future costs to complete the project over the next three years, excluding financing costs and working capital, are expected to be approximately $800 million. Our 60% share of future equity contributions, excluding financing costs and working capital, over the next three years is estimated to be approximately $215 million and we expect to fund these expenditures from cash generated from operations and cash on hand.

Our investment in EMethanex will be accounted for using consolidation accounting. This will result in 100% of the assets and liabilities of the Egypt entity being included in our balance sheet. Our partners interest will be presented as non-controlling interest on our balance sheet.

14. United States Generally Accepted Accounting Principles:

The Company follows generally accepted accounting principles in Canada (Canadian GAAP) which are different in some respects from those applicable in the United States and from practices prescribed by the United States Securities and Exchange Commission (U.S. GAAP).

The significant differences between Canadian GAAP and U.S. GAAP with respect to the Company s consolidated statements of income for the three and six month periods ended June 30, 2007 and 2006 are as follows:

	Three Months Ended		**Six Months Ended**	
	Jun 30 2007	Jun 30 2006	**Jun 30 2007**	Jun 30 2006
Net income in accordance with Canadian GAAP	**$ 35,654**	$ 82,097	**$ 180,360**	$ 197,274

Add (deduct) adjustments for:				
Depreciation and amortization [a]	**(478)**	(478)	**(956)**	(956)
Stock-based compensation [b]	**(14)**	17	**151**	(128)
Uncertainty in income taxes [c]	**(1,020)**		**(2,809)**	
Income tax effect of above adjustments [d]	**167**	167	**335**	335
Net income in accordance with U.S. GAAP	**$ 34,309**	$ 81,803	**$ 177,081**	$ 196,525
Per share information in accordance with U.S. GAAP:				
Basic net income per share	**$ 0.33**	$ 0.75	**$ 1.70**	$ 1.77
Diluted net income per share	**$ 0.33**	$ 0.74	**$ 1.70**	$ 1.76

14. United States Generally Accepted Accounting Principles (continued):

The significant differences between Canadian GAAP and U.S. GAAP with respect to the Company s consolidated statements of comprehensive income for the three and six month periods ended June 30, 2007 and 2006 are as follows:

	Three Months Ended			
	June 30, 2007			June 30, 2006
	Canadian GAAP	Adjustments	U.S. GAAP	U.S. GAAP [1]
Net income	**$35,654**	**$(1,345)**	**$34,309**	$81,803
Change in fair value of forward exchange contracts, net of tax	**227**		**227**	
Change related to pension, net of tax [e]		**224**	**224**	
Comprehensive income	**$35,881**	**$(1,121)**	**$34,760**	$81,803

	Six Months Ended			
	June 30, 2007			June 30, 2006
	Canadian GAAP	Adjustments	U.S. GAAP	U.S. GAAP [1]
Net income	**$180,360**	**$(3,279)**	**$177,081**	$196,525
Change in fair value of forward exchange contracts, net of tax	**(153)**		**(153)**	
Change related to pension, net of tax [e]		**449**	**449**	
Comprehensive income	**$180,207**	**$(2,830)**	**$177,377**	$196,525

[1] *A Consolidated Statement of Comprehensive Income was introduced under Canadian GAAP upon the adoption of Section 1530 on January 1, 2007. Accordingly, there is no reconciliation of*

Canadian GAAP to U.S. GAAP for the prior periods.

(a) Business combination:

Effective January 1, 1993, the Company combined its business with a methanol business located in New Zealand and Chile. Under Canadian GAAP, the business combination was accounted for using the pooling-of-interest method. Under U.S. GAAP, the business combination would have been accounted for as a purchase with the Company identified as the acquirer.

(b) Stock-based compensation:

The Company has 31,350 stock options that are accounted for as variable plan options under U.S. GAAP because the exercise price of the stock options is denominated in a currency other than the Company s functional currency or the currency in which the optionee is normally compensated. For Canadian GAAP purposes, no compensation expense has been recorded as these options were granted in 2001 which is prior to the effective implementation date for fair value accounting under Canadian GAAP.

(c) Accounting for uncertainty in income taxes:

On January 1, 2007, the Company adopted Financial Accounting Standards Board (FASB) Interpretation No. 48, *Accounting for Uncertainty in Income Taxes an interpretation of FASB Statement No. 109 (FIN 48)*. FIN 48 clarifies the accounting for income taxes recognized in a Company s financial statements in accordance with FASB Statement No. 109, *Accounting for Income Taxes (SFAS 109)*. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This interpretation also provides guidance on derecognition, classification, interest and penalties, and transition. In accordance with the interpretation, the Company has recorded the cumulative effect adjustment as a $4.8 million increase to opening retained earnings, with no restatement of prior periods.

(d) Income tax accounting:

The income tax differences include the income tax effect of the adjustments related to accounting differences between Canadian and U.S. GAAP.

14. United States Generally Accepted Accounting Principles (continued):

(e) Defined benefit pension plans:

U.S. GAAP requires the Company to measure the funded status of a defined benefit pension plan at its balance sheet reporting date and recognize the unrecorded overfunded or underfunded status as an asset or liability with the change in that unrecorded funded status recorded to accumulated comprehensive income. Under U.S. GAAP, all deferred pension amounts from Canadian GAAP are reclassified to accumulated other comprehensive income. For the three and six month periods ending June 30, 2007, the amortization of these deferred pension amounts was reclassified from comprehensive income to earnings.

(f) Interest in Atlas joint venture:

U.S. GAAP requires interests in joint ventures to be accounted for using the equity method. Canadian GAAP requires proportionate consolidation of interests in joint ventures. The Company has not made an adjustment in this reconciliation for this difference in accounting principles because the impact of applying the equity method of accounting does not result in any change to net income or shareholders equity. This departure from U.S. GAAP is acceptable for foreign private issuers under the practices prescribed by the United States Securities and Exchange Commission.

Methanex Corporation
Quarterly History *(unaudited)*

	YTD 2007	Q2	Q1	**2006**	Q4	Q3	Q2	Q1	**2005**	Q4	Q3	Q2	Q1
METHANOL SALES VOLUMES *(thousands of tonnes)*													
Company produced	**2,500**	1,360	1,140	**5,310**	1,160	1,478	1,351	1,321	**5,341**	1,504	1,130	1,332	1,375
Purchased methanol	**644**	269	375	**1,101**	288	222	294	297	**1,174**	285	325	269	295
Commission sales [1]	**228**	89	139	**584**	134	176	133	141	**537**	158	75	158	146
	3,372	1,718	1,654	**6,995**	1,582	1,876	1,778	1,759	**7,052**	1,947	1,530	1,759	1,816
METHANOL PRODUCTION *(thousands of tonnes)*													
Chile	**1,320**	569	751	**3,186**	766	666	872	882	**3,029**	916	684	702	727
Titan, Trinidad	**450**	225	225	**864**	229	206	214	215	**715**	195	184	135	201
Atlas, Trinidad (63.1%)	**414**	234	180	**1,057**	267	264	273	253	**895**	251	157	252	235
New Zealand	**238**	120	118	**404**	111	71	118	104	**343**		120	103	120
Kitimat									**376**	34	102	120	120
	2,422	1,148	1,274	**5,511**	1,373	1,207	1,477	1,454	**5,358**	1,396	1,247	1,312	1,403
AVERAGE REALIZED METHANOL PRICE [2]													
($/tonne)	**362**	286	444	**328**	460	305	279	283	**254**	256	240	256	262
($/gallon)	**1.09**	0.86	1.34	**0.99**	1.38	0.92	0.84	0.85	**0.76**	0.77	0.72	0.77	0.79

PER SHARE INFORMATION ($ per share)													
Basic net income (loss)	**$ 1.74**	0.35	1.38	**4.43**	1.62	1.05	0.75	1.02	**1.41**	0.42	(0.19)	0.53	0.63
Diluted net income (loss)	**$ 1.73**	0.35	1.37	**4.41**	1.61	1.05	0.75	1.02	**1.40**	0.42	(0.19)	0.53	0.63

[1] *Commission sales represent volumes marketed on a commission basis. Commission income is included in revenue when earned.*

[2] *Average realized price is calculated as revenue, net of commissions earned, divided by the total sales volumes of produced and purchased methanol.*