

5208125-2  
April 18/07  
\$6,000,000.00

**Form 45-106F1**

***Report of Exempt Distribution***

This is the form required under section 6.1 of National Instrument 45-106 for a report of exempt distribution.

**Issuer information**

1. State the full name of the issuer of the security distributed and the address and telephone number of its head office. If the issuer of the security distributed is an investment fund, state the name of the fund as the issuer, and provide the full name of the manager of the investment fund and the address and telephone number of the head office of the manager. Include the former name of the issuer if its name has changed since last report.

Canada Energy Partners Inc.  
Suite 1500, 885 West Georgia Street  
Vancouver, British Columbia V6C 3E8  
Telephone: 604 696-9020

2. State whether the issuer is or is not a reporting issuer and, if reporting, each of the jurisdictions in which it is reporting.

The Issuer is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario.

3. Indicate the industry of the issuer by checking the appropriate box next to one of the industries listed below.

☐ Bio-tech  
☐ Financial Services  
    ☐ investment companies and funds  
    ☐ mortgage investment companies  
☐ Forestry  
☐ Hi-tech  
☐ Industrial

Mining  
    ☐ exploration/development  
    ☐ production  
☒ Oil and gas  
☐ Real estate  
☐ Utilities  
☐ Other (describe) \_\_\_\_\_

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**Details of distribution**

4. Complete Schedule I to this report. Schedule I is designed to assist in completing the remainder of this report.
5. State the distribution date. If the report is being filed for securities distributed on more than one distribution date, state all distribution dates.

April 18, 2007

6. For each security distributed:

- (a) describe the type of security,  
  
common shares

- (b) state the total number of securities distributed. If the security is convertible or exchangeable, describe the type of underlying security, the terms of exercise or conversion and any expiry date; and

6,000,000 common shares

- (c) state the exemption(s) relied on.

Section 2.3 of National Instrument 45-106.

7. Complete the following table for each Canadian and foreign jurisdiction where purchasers of the securities reside. Do not include in this table, securities issued as payment for commissions or finder's fees disclosed under item 8, below.

Each Jurisdiction Where Purchasers Reside	Number of Purchasers	Price Per Security (Canadian \$) <sup>(1)</sup>	Total Dollar Value Raised From Purchasers in the Jurisdiction (Canadian \$) <sup>(1)</sup>
British Columbia	3	\$1.00	\$350,000
Ontario	61	\$1.00	\$3,862,000
Quebec	1	\$1.00	\$1,100,000
Bermuda	1	\$1.00	\$50,000
England	1	\$1.00	\$638,000
<b>Total number of Purchasers</b>	<b>67</b>		
<b>Total dollar value of distribution in all jurisdictions (Canadian \$)</b>			<b>6,000,000<sup>00</sup></b>

#### Commissions and finder's fees

8. Complete the following table by providing information for each person who has received or will receive compensation in connection with the distribution(s). Compensation includes commissions, discounts or other fees or payments of a similar nature. Do not include payments for services incidental to the distribution, such as clerical, printing, legal or accounting services.

If the securities being issued as compensation are or include convertible securities, such as warrants or options, please add a footnote describing the terms of the convertible securities, including the term and exercise price. Do not include the exercise price of any convertible security in the total dollar value of the compensation unless the securities have been converted.

Full Name and Address of the Person Being Compensated	Compensation paid or to be paid (cash and/or securities)				
	Cash (Canadian \$)	Number and Type of Securities Issued	Price Per Security	Exemption Relied on and Date of Distribution	Total Dollar Value of Compensation (Canadian \$)
Jennings Capital Inc. 430, 520 – 5th Avenue S.W. Calgary, Alberta T2P 3R7	\$34,800	34,800 Finders' Warrants	\$1.00	s.2.3 of NI 45-106 April 18, 2007	\$34,800
Haywood Securities Inc. Suite 2000, 400 Burrard St. Vancouver, British Columbia V6C 3A6	\$18,000	18,000 Finders' Warrants	\$1.00	s.2.3 of NI 45-106 April 18, 2007	\$18,000
Blackmont Capital Inc. Suite 500, 550 Burrard St. Vancouver, British Columbia V6C 2B5	\$108,000	108,000 Finders' Warrants	\$1.00	s.2.3 of NI 45-106 April 18, 2007	\$108,000
Integral Wealth Securities Limited 20 Bay Street, Suite 1305 Toronto, Ontario M5J 2N8	\$62,100	62,100 Finders' Warrants	\$1.00	s.2.3 of NI 45-106 April 18, 2007	\$62,100
Octagon Capital Corp. 181 University Avenue, Suite 400 Toronto, Ontario M5H 1J8	\$1,200	1,200 Finders' Warrants	\$1.00	s.2.3 of NI 45-106 April 18, 2007	\$1,200
GMP Securities Ltd. 145 King Street West, Suite 300 Toronto, Ontario M5H 1J8	\$12,000	12,000 Finders' Warrants	\$1.00	s.2.3 of NI 45-106 April 18, 2007	\$12,000
Chesbro Capital Corp. 1772 Chesbro Court Mississauga, Ontario L5H 4H2	\$120,900	120,900 Finders' Warrants	\$1.00	s.2.3 of NI 45-106 April 18, 2007	\$120,900
<b>Total</b>	<b>\$357,000</b>	<b>357,000 Finders' Warrants</b>			

- (1) Each Finders' Warrant entitles the holder to acquire one common share in the capital of the Issuer at a purchase price of \$1.00 per common share until April 18, 2008.

If a distribution is made in Ontario, please include the attached "Authorization of Indirect Collection of Personal Information for Distributions in Ontario". The "Authorization of Indirect Collection of Personal Information for Distributions in Ontario" is only required to be filed with the Ontario Securities Commission.

## Certificate

On behalf of the issuer, I certify that the statements made in this report are true.

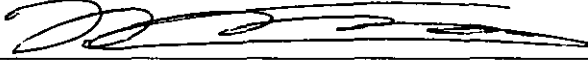
Date: April 26, 2007

Canada Energy Partners Inc.

Name of issuer (please print)

Eduard Epshtein, Chief Financial Officer (604) 895-7407

Print name, title and telephone number of person signing



Signature

9. State the name, title and telephone number of the person who may be contacted with respect to any questions regarding the contents of this report, if different than the person signing the certificate.

**IT IS AN OFFENCE TO MAKE A MISREPRESENTATION IN THIS REPORT.**

### **Notice - Collection and use of personal information**

The personal information required under this form is collected on behalf of and used by the securities regulatory authorities or, where applicable, the regulators under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation.

If you have any questions about the collection and use of this information, contact the securities regulatory authority or, where applicable, the regulator in the jurisdiction(s) where the form is filed, at the address(es) listed at the end of this report.

### **Authorization of Indirect Collection of Personal Information for Distributions in Ontario**

The attached Schedule I contains personal information of purchasers and details of the distribution(s). The issuer hereby confirms that each purchaser listed in Schedule I of this report

- (a) has been notified by the issuer
  - (i) of the delivery to the Ontario Securities Commission of the information pertaining to the person as set out in Schedule I,
  - (ii) that this information is being collected indirectly by the Ontario Securities Commission under the authority granted to it in securities legislation,
  - (iii) that this information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario, and
  - (iv) of the title, business address and business telephone number of the public official in Ontario, as set out in this report, who can answer questions about the Ontario Securities Commission's indirect collection of the information, and
- (b) has authorized the indirect collection of the information by the Ontario Securities Commission.