

**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**

**Item 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.

Name of issuer: **AMG Oil Ltd.(the "Issuer")**  
Head Office Address: **Suite 1407, 1050 Burrard Street**  
**Vancouver, British Columbia V6Z 2S3**  
Telephone Number: **(604) 682-6496**

**Item 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 British Columbia .**

**Item 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**

**Item 4:** Complete Schedule I to this report. Schedule I is designed to assist in completing the remainder of this report.

**See attached Schedule I**

**Item 5:** State the distribution date. If the report is being filed for securities distributed on more than one distribution date, state all distribution dates.

**February 28, 2006**

**Item 6:** For each security distributed:

- (a) describe the type of security,

**Units**

- (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

**(a) Private placement of 6,000,000 units (the "Units") at the price of US\$0.25 per Unit. Each Unit consists of one common share of the Issuer and a share purchase warrant ("Warrant") and a Registration Rights Certificate. Each Warrant is exercisable to purchase one Share on or before February 28, 2008 at an exercise price of US\$0.50 per Share provided that if after the later of: (i) the day the Registration Statement for the Issuer has been declared effective by the United States Securities and Exchange Commission (the "SEC"); and (ii) four months and one day from the Closing Date (as hereinafter defined), the closing price of the Common Shares on any exchange that the Common Shares are listed or bulletin board on which the Common Shares trade equals or exceeds U.S.\$1.00 or more for 20 consecutive trading days (the "Acceleration Event"), then the Expiry Time shall be automatically reduced to 30 days from the date of initial issuance of a news release by the Corporation announcing the acceleration of the Expiry Time (or if such 30th day is not a Business Day, then on the first Business Day after such 30th day). No further notice to the Holder shall be required. The Registration Rights Certificate entitles the holder to an upwards adjustment of the number of Units purchased by 10% if the Issuer has not cleared a registration statement with the SEC in respect of these securities within 180 days from closing (August 29, 2006); and**

- (b) 360,000 Agent's Compensation Option each Agent's Compensation Option is exercisable to acquire one unit comprising a common share and a warrant exercisable on the terms set out in (a) above.**

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

**Exemptions relied on: section 2.3(2)**

**Item 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)(2)</sup>	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	27	\$0.284 (US\$0.25)	\$716,058
Ontario	9	\$0.284 (US\$0.25)	478,792
UK	2	\$0.284 (US\$0.25)	213,113
Switzerland	2	\$0.284 (US\$0.25)	268,522
New Zealand	1	\$0.284 (US\$0.25)	28,415
<b>Total number of Purchasers</b>	<b>41</b>		
<b>Total dollar value of distribution in all jurisdictions (Canadian \$)</b>			<b>\$1,704,901</b>

**Note 1:** If securities are issued at different prices list the highest and lowest price the securities were sold for.

**Note 2:** Based on an exchange rate on February 28, 2006 of US\$1.00=Cdn\$1.1366.

#### Commissions and finder's fees

**Item 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 \$)	Securities			Total dollar value of compensation (Canadian \$)
		Number and type of securities issued	Price per security	Exemption relied on and date of distribution	
Jones Gable & Company Ltd. 110 Yonge Street, Suite 600 Toronto, Ontario M5C 1T6	\$99,540	360,000 Compensation Options	no deemed issue price, exercisable at US\$0.25 / Cdn\$0.284	section 2.3(2) February 28, 2006	cash \$99,540 plus Compensation Options

**Item 9:** 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: March 3, 2006

AMG Oil Ltd.  
Name of issuer (please print)

Garth Johnson, CFO  
Tel: (604) 682-6496  
Print name, title and telephone number of person signing

Signature

**Item 10:** 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