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\$ 280,350.00  
Aug. 23, 2007

**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.

**Americas Petrogas Inc.**  
**159 Sierra Nevada Close S.W.**  
**Calgary, AB T3H 3H7**

**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 Corporation is a not a reporting issuer in any Canadian jurisdiction.**

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

- |   |  |
|---|--|
| <input type="checkbox"/> Bio-tech                       | <input type="checkbox"/> Mining                  |
| <input type="checkbox"/> Financial Services             | <input type="checkbox"/> exploration/development |
| <input type="checkbox"/> investment companies and funds | <input type="checkbox"/> production              |
| <input type="checkbox"/> mortgage investment companies  | <input checked="" type="checkbox"/> Oil and gas  |
| <input type="checkbox"/> Forestry                       | <input type="checkbox"/> Real estate             |
| <input type="checkbox"/> Hi-tech                        | <input type="checkbox"/> Utilities               |
| <input type="checkbox"/> Industrial                     | <input type="checkbox"/> Other (describe)        |

**Details of Distribution**

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

**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.

**August 23, 2007**

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

- (a) Describe the type of security,

**Common Shares**

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Commission

**Purchase Warrants** - Each whole warrant shall entitle the holder thereof to purchase one additional Class "A" common share at any time prior to the two year anniversary date of the issuance of the warrant at an exercise price equal to 75% of the public issue price or future liquidity event price of the corporation.

- (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

**21,278,000 common shares;**

**10,639,000 purchase warrants.** Each purchase warrant shall be exercisable into one common share at an exercise price equal to 75% of the IPO Price, RTO Price or the Liquidity Event Transaction Price (as such terms are defined in the warrant certificate), expiring February 23, 2009.

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

**National Instrument 45-106 Prospectus and Registrations Exemptions ("NI 45-106"), Section 2.3, Section 2.5 and Section 2.10.**

**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 (Cdn\$) (See Note 1)	Total dollar value raised from purchasers in the jurisdiction (Cdn \$) (See Note 1)
Alberta	3	\$0.55	\$31,500
British Columbia	10	\$0.55	\$280,350
Switzerland	2	\$0.55	\$3,150,000
Cayman Islands	2	\$0.55	\$525,000
Ontario	3	\$0.55	\$1,125,600
United States	9	\$0.55	\$3,906,000
Australia	2	\$0.55	\$2,100,000
The Netherlands	1	\$0.55	\$52,500
<b>Total number of Purchasers</b>			
<b>Total dollar value of distribution in all jurisdictions (Canadian \$)</b>			\$11,170,950

**Note 1:** An exchange rate of US \$1.00 per Cdn \$1.05 was used for the purposes of determining the dollar value raised from purchasers.

### 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 \$) (See Note 1)	Securities			Total dollar value of compensation (Canadian \$)
		Number and type of securities issued	Price per security	Exemption relied on and date of distribution	

**Note 1:** An exchange rate of US \$1.00 per Cdn \$1.05 was used for the purposes of determining the dollar value raised from purchasers.

**Note 2:** Each Broker Warrant is exercisable into one (1) common share and one-half (1/2) purchase warrant expiring July 30, 2009. Each whole warrant shall entitle the holder thereof to purchase one additional Class "A" common share at any time prior to the 24 month anniversary date of the issuance of the warrant at an exercise price equal to 75% of the public issue price or future liquidity event price of the corporation.

**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: August 23, 2007

**Americas Petrogas Inc.**

Name of issuer (please print)

**Barclay Hambrook, President - (403) 685-1888**

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.

**Edward Tapuska  
Borden Ladner Gervais LLP  
(403) 232-9785**

**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.