

X025125

\$ 186,000

March 1, 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.

**Enablence Technologies Inc.**  
400 March Road  
Ottawa, ON K2K 3H4

(613) 795-7123

**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.

**Reporting issuer in British Columbia, Alberta and Ontario.**

**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 type="checkbox"/> Oil and Gas             |
| <input type="checkbox"/> Forestry                       | <input type="checkbox"/> Real Estate             |
| <input checked="" type="checkbox"/> Hi-tech             | <input type="checkbox"/> Utilities               |
| <input type="checkbox"/> Industrial                     | <input type="checkbox"/> Other (describe)        |

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Commission

**Details of distribution**

**Item 4:** Complete Schedule 1 to this report. Schedule 1 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.

**March 1, 2007**

**Item 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

**25,000,000 common shares**

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

**Section 2.3 (Accredited Investor)**

**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</sup>	Total dollar value raised from purchasers in the jurisdiction (Canadian \$)
British Columbia	1	\$0.60	\$186,000.00
Manitoba	1	\$0.60	\$152,220.00
Ontario	28	\$0.60	\$12,057,780.00
Québec	2	\$0.60	\$714,000.00
New York, NY, USA	1	\$0.60	\$1,182,000.00
Cayman Islands	1	\$0.60	\$708,000.00
Total number of Purchasers	34		
Total dollar value of distribution in all jurisdictions (Canadian \$)			\$15,000,000

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

#### 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)				Total dollar value of compensation (Canadian \$)
	Cash (Canadian\$)	Securities Number and type of securities issued	Price per security	Exemption relied on and date of distribution	
Paradigm Capital Inc. 95 Wellington Street West, Suite 2101, Toronto, ON M5J 2N7	\$840,000	1,400,000 Compensation Options <sup>(1)</sup>	n/a	Section 2.3 (Accredited Investor)	\$840,000
Wellington West Capital Markets Inc. Suite 1100 255 – 5 <sup>th</sup> Avenue SW Calgary, AB T2P 3G6	\$105,000	175,000 Compensation Options <sup>(1)</sup>	n/a	Section 2.3 (Accredited Investor)	\$105,000
Raymond James Ltd. Suite 5300 – 40 King Street West P.O. Box 415 Toronto, ON M5H 3Y2	\$105,000	175,000 Compensation Options <sup>(1)</sup>	n/a	Section 2.3 (Accredited Investor)	\$105,000

<sup>(1)</sup> The agents were entitled to compensation options exercisable for common shares of the Company equal to 7% of the common shares sold as part of the private placement at an exercise price of \$0.60 for a period of 24 months.

**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 1, 2007

Enablence Technologies Inc.

\_\_\_\_\_  
Name of issuer (please print)

Daniel Hilton, Vice-President, Finance & Administration  
(613) 270-7888

\_\_\_\_\_  
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.

same as above

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