

S 135470-2  
Sept. 28/07  
\$66,800.00

**FORM 45-106F1**  
**REPORT OF EXEMPT DISTRIBUTION**

This is the form required under section 6.1 of Regulation 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.

Moconcor Oil & Gas Corp. (formerly DVD Investments Limited)  
155 Rexdale Blvd, Suite 502  
Toronto, ON  
M9W 5Z8

**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.

Moconcor Oil & Gas Corp. (the "Issuer") is not a reporting issuer.

**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) \_\_\_\_\_

B.C. Securities  
Commission  
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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.

**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.

September 28, 2007  
(but final approval of the distribution and commissions and finder's fees was not obtained until October 18, 2007)

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

- (a) describe the type of security;

The private placement financing consisted of: (i) non flow-through units ("Units") consisting of one common share ("Shares") in the capital of the Issuer and one-half of one warrant, (ii) flow-through units ("FT Units") consisting of one flow-through common share in the capital of the Issuer and one-half of one warrant, and (iii) 30 month convertible 10% subordinated secured debenture. Each whole warrant entitles the holder to purchase one additional common share in the capital of the Issuer at a price of \$0.83 per share for a period of 18 months from the distribution date.

- (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

The Issuer raised gross proceeds of \$4,057,801 through the issuance of 3,748,000 Units at a subscription price of \$0.50 per Unit, 306,335 FT Units at a subscription price of \$0.60 per FT Unit, and \$2,000,000 of a 30 month convertible 10% subordinated secured debenture.

The Debenture accrues interest at 10%, payable on conversion or maturity. During the first 24 month term of the Debenture, the Debenture may be converted into Units at \$0.50 per Unit and during the last six months of the term of the Debenture into Shares at \$0.55 per Share, at the option of the holder. The Debenture is redeemable at the option of the Issuer at any time and is redeemable at the option of the holder in the event the Issuer completes prior to maturity one or more private placements in any six month period resulting in aggregate gross proceeds to the Issuer of not less than \$5,000,000.

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

Section 2.3 and 2.24 of National Instrument 45-106 – *Prospectus and Registration Exemptions of the Canadian Securities Administrators*

**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 \$)
Ontario	2	N/A	\$2,000,000
Ontario	15	\$0.50 and \$0.60	\$291,001
British Columbia	3	\$0.50 and \$0.60	\$66,800
Paraguay	1	\$0.50	\$1,700,000
<b>Total number of Purchasers</b>	<b>21</b>		
<b>Total dollar value of distribution in all jurisdictions (Canadian \$)</b>			<b>\$4,057,801.00</b>

**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)				
	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	
Haywood Securities Inc. 400 Burrard Street, Suite 2000 Vancouver, BC V6C 3A6	\$8,064	Warrants to purchase up to 16,290 units	\$0.50	2.3 of 45-106 Sept. 28, 2007	\$8,064
Granite Associates Limited 1662 Valentine Garden Mississauga, ON L5J 1H5	\$6,650	Warrants to purchase up to 12,250 units	\$0.50	2.3 of 45-106 Sept. 28, 2007	\$6,650
First Canadian Capital Markets Ltd. 155 Rexdale Boulevard, Suite 309 Toronto, ON M9W 5Z8	\$305,910	Warrants to purchase up to 328,850 units	\$0.50	2.3 of 45-106 Sept. 28, 2007	\$305,910

**Note 1:** Warrants are exercisable into units at an exercise price of \$0.50 per unit until March 28, 2009. Each unit consists of one common share in the capital of the Issuer and one-half of one warrant. Each whole warrant shall entitle the holder thereof to purchase an additional common share in the capital of the Issuer at a purchase price of \$0.83 per share if purchased at any time until March 28, 2009.

**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: October 18, 2007

Mooncor Oil & Gas Corp.  
Name of issuer (please print)

Barry M. Polisuk, Director, (416) 869-1234  
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.**

## Schedule I

Complete the following table.

For reports filed under sub-section 6.1(1)(j) (TSX Venture Exchange offering) of Regulation 45-106 the following table only needs to list the total number of purchasers by jurisdiction instead of including the *name, residential address and telephone number of each purchaser*.

Do not include in this table, securities issued as payment of commissions or finder's fees disclosed under item 8 of this report.

**The information in this schedule will not be placed on the public file of any securities regulatory authority or, where applicable, regulator.** However, freedom of information legislation in certain jurisdictions may require the securities regulatory authority or, where applicable, regulator to make this information available if requested.

***See Attached***