

ALBERTA SECURITIES COMMISSION
VARIATION OF CEASE TRADE ORDER

Austpro Energy Corporation

Background

1. The Alberta Securities Commission (the **Commission**) has received an application from Austpro Energy Corporation (the **Filer**) for an order varying a cease trade order (**Cease Trade Order**) issued by the Commission on December 19, 2003.

Representations

2. The Filer has represented to the Commission that:
 - (a) The Filer is a public natural resource company incorporated under the laws of British Columbia.
 - (b) The Filer is a reporting issuer in British Columbia (**BC**) and Alberta and is also subject to a cease trade order issued by the BC Securities Commission (**BCSC**) dated November 25, 2003 (the **BC Order**). The Filer has concurrently applied to the BCSC for a partial revocation of the BC Order.
 - (c) The Filer is authorized to issue an unlimited number of common shares (the Common Shares) without par or nominal value of which there are 6,756,111 Common Shares issued and outstanding.
 - (d) The Common Shares of the Filer are listed on the NEX Board of the TSX Venture Exchange (**NEX**). Trading in the Common Shares was suspended on NEX effective November 25, 2003 as a result of the BC Order.
 - (e) The Cease Trade Order was issued against the Filer for failure to file audited financial statements for the year ended June 30, 2003 and unaudited financial statements for its interim period ended September 30, 2003.
 - (f) The Filer has not filed audited financial statements for the years ended June 30, 2003, 2004 or 2005 (the **Excluded Statements**) or for the years ended June 30, 2006 or 2007 (the **Proposed Statements**).
 - (g) The Filer has not filed any interim financial statements for the fiscal years 2004, 2005, 2006 or 2007.
 - (h) As at June 30, 2007, the Filer had total assets of \$12,504.65 but combined liabilities of \$299,002.16. Given the Filer's current financial situation and outlook, it is unable to settle its debts or able to pay auditors to audit its missing annual financial statements.

- (i) The Filer proposes to conduct a private placement of 500,000 Common Shares at \$0.10 per Common Share (the **Private Placement**), for gross proceeds of \$50,000, to raise sufficient working capital to pay its debts and to engage auditors to prepare and audit the Proposed Statements.
- (j) In connection with the Private Placement, the Filer proposes to rely on the exemptions contained in National Instrument 45-106 Prospectus and Registration Exemptions, Sections 2.3 (Accredited Investor) and 2.5 (Family, Friends, and Business Associates).
- (k) Prior to completion of the Private Placement:
 - (i) investors who purchase the Filer’s securities in the Private Placement (**Investors**) will receive:
 - A. a copy of the Cease Trade Order and the BC Order;
 - B. a copy of this Order; and
 - C. written notice that all of the Filer’s securities will remain subject to the Cease Trade Order and the BC Order following completion of the Private Placement and that the Cease Trade Order and the BC Order may remain in effect indefinitely; and
 - (ii) the Filer will provide to the Commission written acknowledgement by each Investor of their understanding that their securities of the Filer may remain indefinitely subject to the Cease Trade Order and therefore not capable of being resold.
- (l) From the \$50,000 gross proceeds of the Private Placement, the Filer proposes to pay its present auditors, up to \$18,000, to pay its proposed new auditors \$12,000, to pay to its registrar and transfer agent \$3,000 and to pay legal fees of up to \$5,000, with the balance of the proceeds to pay the costs of convening a meeting of its shareholders and other miscellaneous expenses.

Decision

- 3. The Commission, considering that it would not be prejudicial to the public interest to do so, orders under section 214(1) of the *Securities Act* (Alberta) that the Cease Trade Order is varied to permit the Private Placement.

“Original signed by”

Glenda A. Campbell, QC
Alberta Securities Commission

“Original signed by”

Stephen R. Murison
Alberta Securities Commission