

**INVICTA OIL & GAS LTD.**  
**(Formerly eVenture Capital Corp.)**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**March 31, 2007 and 2006**

**(Unaudited-Prepared by Management)**

**INVICTA OIL & GAS LTD.**  
(Formerly eVenture Capital Corp.)

**CONSOLIDATED BALANCE SHEETS**

|  | March 31,<br>2007   | September 30,<br>2006 |
|--|---------------------|-----------------------|
| <b>ASSETS</b>                            |                     |                       |
| <b>Current</b>                           |                     |                       |
| Cash and cash equivalents                | \$ 1,383,401        | \$ 36,101             |
| Accounts receivable                      | 24,105              | 15,323                |
| Prepaid expenses                         | 16,243              | -                     |
| Assets held for sale (Note 3)            | -                   | 288,538               |
|  | 1,423,749           | 339,962               |
| <b>Oil and Gas Properties (Note 4)</b>   | <b>4,441,943</b>    |                       |
|  | <b>4,441,943</b>    |                       |
|  | <b>\$ 5,865,692</b> | <b>\$ 339,962</b>     |
| <b>LIABILITIES</b>                       |                     |                       |
| <b>Current</b>                           |                     |                       |
| Accounts payable and accrued liabilities | \$ 95,668           | \$ 48,402             |
| Liabilities held for sale (Note 3)       | -                   | 72,225                |
|  | <b>95,668</b>       | <b>120,627</b>        |
| <b>SHAREHOLDERS' EQUITY</b>              |                     |                       |
| Share Capital (Note 5)                   | 5,939,481           | 356,360               |
| Share Subscriptions Received             | -                   | 20,000                |
| Contributed Surplus                      | 711,742             | 147,742               |
| Deficit                                  | (881,199)           | (304,767)             |
|  | <b>5,770,024</b>    | <b>219,335</b>        |
|  | <b>\$ 5,865,692</b> | <b>\$ 339,962</b>     |

Approved by the Board of Directors:

"Paul Larkin"  
\_\_\_\_\_  
Paul Larkin, Director

"Steve Willey"  
\_\_\_\_\_  
Stephen Willey, Director

The accompanying notes are an integral part of these financial statements.

**INVICTA OIL & GAS LTD.**  
(Formerly eVenture Capital Corp.)

**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**

|  | THREE MONTHS ENDED<br>MARCH 31 |                    | SIX MONTHS ENDED<br>MARCH 31 |                    |
|--|--------------------------------|--------------------|------------------------------|--------------------|
|  | 2007                           | 2006               | 2007                         | 2006               |
| <b>Revenue</b>                                       | \$ -                           | \$ -               | \$ -                         | \$ -               |
| <b>Expenses</b>                                      |                                |                    |                              |                    |
| Administration                                       | 7,500                          | 7,500              | 15,000                       | 7,500              |
| Bank charges and interest                            | 130                            | 66                 | 523                          | 106                |
| Foreign Exchange (Gain) Loss                         | 374                            | -                  | 374                          | -                  |
| Insurance  | 9,202                          | -                  | 9,202                        | -                  |
| Management fees                                      | 12,000                         | 10,700             | 24,000                       | 26,400             |
| Office   | 1,765                          | 1,629              | 2,228                        | 1,970              |
| Professional fees                                    | 35,148                         | 20,029             | 83,391                       | 25,029             |
| Stock based compensation                             | 299,250                        | -                  | 399,000                      | -                  |
| Transfer agent and filing fees                       | 11,333                         | 8,142              | 14,131                       | 9,386              |
| Travel and business development                      | -                              | -                  | 1,577                        | 959                |
|  | <b>(376,701)</b>               | <b>(48,065)</b>    | <b>(549,425)</b>             | <b>(71,350)</b>    |
| <b>Interest Income</b>                               | <b>14,415</b>                  | <b>-</b>           | <b>24,755</b>                | <b>-</b>           |
| <b>Loss From Continuing Operations</b>               | <b>(362,286)</b>               | <b>(48,065)</b>    | <b>(524,670)</b>             | <b>(71,350)</b>    |
| <b>Discontinued Operations (Note 3)</b>              | <b>-</b>                       | <b>(5,293)</b>     | <b>3,810</b>                 | <b>1,099</b>       |
| <b>Gain on Disposal of Discontinued Operations</b>   | <b>-</b>                       | <b>-</b>           | <b>99,878</b>                | <b>-</b>           |
| <b>Net Income (loss) for the period</b>              | <b>(362,286)</b>               | <b>(53,358)</b>    | <b>(420,982)</b>             | <b>(70,251)</b>    |
| <b>Retained earnings at beginning of the period</b>  | <b>(518,913)</b>               | <b>(288,252)</b>   | <b>(460,217)</b>             | <b>(271,359)</b>   |
| <b>Retained earnings at end of the period</b>        | <b>\$ (881,199)</b>            | <b>\$(341,610)</b> | <b>\$ (881,199)</b>          | <b>\$(341,610)</b> |
| <b>Basic and diluted loss per share</b>              | <b>\$ (0.02)</b>               | <b>\$ (0.01)</b>   | <b>\$ (0.03)</b>             | <b>\$ (0.02)</b>   |
| <b>Weighted average number of shares outstanding</b> | <b>20,891,576</b>              | <b>3,560,833</b>   | <b>15,579,798</b>            | <b>3,560,833</b>   |

The accompanying notes are an integral part of these financial statements.

**INVICTA OIL & GAS LTD.**  
(Formerly eVenture Capital Corp.)

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

|   | THREE MONTHS<br>ENDED<br>MARCH 31 |             | SIX MONTHS<br>ENDED<br>MARCH 31 |             |
|---|-----------------------------------|-------------|---------------------------------|-------------|
|   | 2007                              | 2006        | 2007                            | 2006        |
| <b>Cash Flows From (Used By) Operating Activities</b>       |                                   |             |                                 |             |
| Loss from continuing operations                             | \$ (362,286)                      | \$ (48,065) | \$ (524,670)                    | \$ (71,350) |
| Change in non-cash monetary working capital items           |                                   |             |                                 |             |
| Accounts receivable   | (3,828)                           | (1,668)     | (8,782)                         | (2,369)     |
| Prepaid expenses  | (16,243)                          |             | (16,243)                        | -           |
| Accounts payable and accrued liabilities                    | (48,509)                          | 22,424      | 47,266                          | 25,727      |
| Stock based compensation                                    | 299,250                           | -           | 399,000                         | -           |
|   | <b>(131,617)</b>                  | (27,309)    | <b>(103,429)</b>                | (47,991)    |
| Discontinued operations                                     | -                                 | (44,073)    | -                               | (24,816)    |
|   | <b>(131,617)</b>                  | (71,382)    | <b>(103,429)</b>                | (72,807)    |
| <b>Cash Flows From (Used By) Investing Activities</b>       |                                   |             |                                 |             |
| Oil and Gas Properties                                      | (1,176,562)                       | -           | (3,641,943)                     | -           |
| Discontinued operations                                     | 100,000                           | -           | 100,000                         | -           |
|   | <b>(1,076,562)</b>                | -           | <b>(3,541,943)</b>              | -           |
| <b>Cash Flows From (Used By) Financing Activities</b>       |                                   |             |                                 |             |
| Proceeds from private placement, net of issue costs         | -                                 | -           | 5,012,671                       | -           |
| Subscription receipts                                       | -                                 | -           | (20,000)                        | -           |
| Discontinued operations                                     | -                                 | -           | -                               | -           |
|   | -                                 | -           | <b>4,992,671</b>                | -           |
| <b>Net (Decrease) Increase In Cash And Cash Equivalents</b> | <b>(1,208,179)</b>                | (71,382)    | <b>1,347,299</b>                | (72,807)    |
| <b>Cash And Cash Equivalents, Beginning Of Period</b>       | <b>2,591,579</b>                  | 323,540     | <b>36,101</b>                   | 324,965     |
| <b>Cash And Cash Equivalents, End Of Period</b>             | <b>\$ 1,383,400</b>               | \$ 252,158  | <b>\$ 1,383,400</b>             | \$ 252,158  |

The accompanying notes are an integral part of these financial statements.

**INVICTA OIL & GAS LTD.**  
**(Formerly eVenture Capital Corp.)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2007 AND 2006**

**1. NATURE OF OPERATIONS AND BASIS OF PRESENTATION**

Invicta Oil & Gas Inc. was incorporated on February 24, 2000 in the Province of British Columbia. The Company was incorporated for the purpose of obtaining a listing as a Capital Pool Company ("CPC") on the TSX Venture Exchange ("TSX"). On May 4, 2004, the Company acquired all, except for one share, of the issued and outstanding common shares of Pro Net Communications Inc. ("Pro Net"), a company in the business of development and delivery of internet application services.

During the period ended December 31, 2006 the Company disposed of its interest in Pro Net and acquired a 15% interest in certain oil & gas leases as described in Notes 3, 4 and 7. Accordingly, the assets and liabilities, and the results of operations of Pro Net have been segregated and presented separately as discontinued operations in the consolidated financial statements.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a) Basis of Presentation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary Pro Net Communications Inc. See also Note 3 – Discontinued Operations.

All intercompany transactions have been eliminated on consolidation.

b) Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities.

Unless otherwise noted, it is management's opinion that this Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

c) Cash and Equivalents

Cash and equivalents consist of cash and redeemable short term deposits with maturities of no more than one year when acquired.

d) Loss Per Share

The Company uses the treasury stock method to determine the dilutive effect of stock options and other dilutive instruments. The treasury stock method assumes that proceeds received from in-the-money stock options are used to repurchase common shares at the average market rate during the year. Basic loss per share figures have

**INVICTA OIL & GAS LTD.**  
**(Formerly eVenture Capital Corp.)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2007 AND 2006**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

d) Loss Per Share (Continued)

been calculated using the weighted monthly average number of shares outstanding during the respective years. Diluted loss per share figures are equal to those of basic loss per share for each period as the effects of stock options have been excluded since they are anti-dilutive.

e) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses recorded during the reporting periods. Actual results could differ from these estimates and these differences could have a significant impact on the financial statements.

f) Oil and Gas Interests

The Company follows the full cost method of accounting, whereby all costs associated with the exploration for and development of oil and gas reserves are capitalized in cost centres on a county-by-county basis. Such costs include land acquisitions, drilling, well equipment, geological and geophysical, and overhead expenses related to exploration and development activities. Gains or losses are not recognized upon disposition of oil and gas properties unless crediting the proceeds against accumulated costs would result in a material change in the rate of depletion and depreciation.

Costs capitalized in the cost centres, including facilities and well equipment, together with estimated future capital costs associated with proven reserves, are depleted and depreciated using the unit-of-production method which is based on gross production and estimated proven oil and gas reserves as determined by the Company. The cost of significant unevaluated properties is excluded from the depletion and depreciation base. For purposes of the depletion and depreciation calculations, oil and gas reserves are converted to a common unit of measure on the basis of their relative energy content.

A ceiling test is applied annually and any impairment loss to be recognized when the carrying amount of a cost centre is not recoverable and exceeds its fair value. The carrying value is not recoverable if the carrying amount exceeds the sum of the undiscounted cash flows expected from the cost centre's use and eventual disposition. Fair value is determined using the expected present value approach. This approach incorporates risk and uncertainties in the expected future cash flows which are discounted using a risk free rate.

**INVICTA OIL & GAS LTD.**  
**(Formerly eVenture Capital Corp.)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2007 AND 2006**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

h) Stock Based Compensation

The Company's stock-based compensation is described in Note 4(c). The Company follows the recommendations of CICA Handbook Section 3870 – "Stock Based Compensation and Other Stock Based Payments" to account for stock based transactions with officers, directors, and outside consultants. Accordingly, the fair value of stock options is charged to operations, with an offsetting credit to contributed surplus. The fair value of stock options, which vest immediately, is recorded at the date of grant; the fair value of stock options, which vest in the future, is recognized on a straight-line basis over the vesting period. Any consideration received on exercise of stock options together with the related portion of contributed surplus is credited to share capital.

h) Income Taxes

The Company follows the liability method of tax allocation. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities, and measured using the substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse. In the case of unused tax losses, income tax reductions, and certain items that have a tax basis but cannot be identified with an asset or liability on the balance sheet, the recognition of future income tax assets is determined by reference to the likely realization of future income tax reductions. The Company has not recognized potential future benefit amounts as the criteria for recognition under Canadian generally accepted accounting principles ("GAAP") have not been met.

**3. DISCONTINUED OPERATIONS**

On February 20, 2006 the Company entered into an agreement with a Director and Officer (the "Purchaser") whereby the Company would sell to the Purchaser all of the issued and outstanding shares of Pro Net Communications Inc. ("Pro Net"), a wholly-owned subsidiary of the Company, for consideration of \$100,000 cash, the return for cancellation of 1,290,000 pre-consolidation shares of the Company held by the Purchaser and the assumption of all the existing lease and payable obligations of Pro Net.

The Agreement was subject to the approval of shareholders and regulatory authorities. Shareholder approval was given at a special and annual general meeting of shareholders held on August 10, 2006, and regulatory authority approval was given on November 28, 2006.

During the period ended March 31, 2007 (on November 28, 2006) the Company completed the Pro Net sale. The Company realized an approximate gain on disposition of Pro Net calculated as follows:

**INVICTA OIL & GAS LTD.**  
**(Formerly eVenture Capital Corp.)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2007 AND 2006**

|  |            |                  |
|--|------------|------------------|
| Consideration received on Sale:            |            |                  |
| Cash                                       |            | \$ 100,000       |
| Company shares returned for cancellation   |            | 220,000          |
| Total Proceeds                             |            | <u>320,000</u>   |
| Net Assets Disposed of                     |            |                  |
| Assets disposed of                         | \$ 309,222 |                  |
| Liabilities transferred on disposition     | 89,100     |                  |
| Net assets disposed of                     |            | <u>220,122</u>   |
| Approximate gain on disposal of subsidiary |            | <u>\$ 99,878</u> |

#### **4. OIL AND GAS PROPERTIES**

##### Palo Duro Basin Project

On November 28, 2006, the Company acquired a 15% working interest in approximately 100,000 acres of oil and gas leases in the Palo Duro Basin, Texas. (75% Net Revenue Interest) Under the terms of the acquisition agreement, the Company issued 10,000,000 of its post-consolidated common shares at a deemed price of \$0.08 per share (post-consolidated) to 0733259 BC Ltd. The Company also reimbursed 0733259 BC Ltd. for its costs incurred in the acquisition of the 15% interest which amounted to \$1,477,410. (USD \$1,220,000) for total lease acquisition costs of \$2,279,684.

As at March 31, 2007 the Company's balance sheet total for Oil and Gas properties is \$4,441,943. This amount reflects the total acquisition costs as stated above accompanied by the Company's 15% share of the JV drilling costs totalling \$2,162,259.



**INVICTA OIL & GAS LTD.**  
**(Formerly eVenture Capital Corp.)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2007 AND 2006**

**5. SHARE CAPITAL**

a) Authorized

Unlimited common shares without par value

b) Issued

|   | <b>NUMBER OF<br/>SHARES</b> | <b>AMOUNT</b> |
|---|-----------------------------|---------------|
| Balance, December 31, 2003  | 2,855,000                   | 303,240       |
| Shares issued pursuant to a private placement   | 1,400,000                   | 350,000       |
| Shares issued for acquisition of Pro Net in a reverse take-over   | 2,866,666                   | 339,570       |
| Adjustment to eliminate the stated amount of share capital of eVenture Capital Corp. (legal parent) and substitute share capital of Pro Net (legal subsidiary as a result of the reverse take-over. |                             | (636,450)     |
| Less: Share issue costs   |                             |               |
| Balance, September 30, 2006   | 7,121,666                   | 356,360       |
| Consolidation of shares on 1:2 basis  | (3,560,833)                 |               |
| Shares issued pursuant to a private placement   | 7,706,667                   | 3,468,000     |
| Shares issued for acquisition of Palo Duro leases   | 10,000,000                  | 800,000       |
| Cancellation of escrow shares re: Ciccone and Willey  | (645,000)                   | (64,550)      |
| Less: Share issue costs   |                             | (380,329)     |
| Balance, December 31, 2006  | 20,622,500                  | 4,179,481     |
| Shares issued upon conversion of subscription receipts  | 22,000,000                  | 1,760,000     |
| Balance, March 31, 2007   | 42,622,500                  | 5,939,481     |

**INVICTA OIL & GAS LTD.**  
**(Formerly eVenture Capital Corp.)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2007 AND 2006**

c) Stock Options

The following table summarizes information about stock option transactions:

|                                      | <b>OUTSTANDING<br/>AND<br/>EXERCISABLE<br/>OPTIONS</b> | <b>WEIGHTED<br/>AVERAGE<br/>EXERCISE<br/>PRICE</b> |
|--------------------------------------|--|--|
| Balance, September 30, 2004          | 1,065,000  | \$ 0.12  |
| Expired                              | (265,000)  | (0.20)   |
| Balance, September 30, 2006          | 800,000  | 0.10   |
| Expired November 21, 2006            | (50,000)   | 0.10   |
| Cancellation pursuant to sale        | (400,000)  | 0.10   |
| Consolidation 1:2 November 28 , 2006 | (175,000)  | 0.20   |
| Issued November 28, 2006             | 3,370,000  | 0.10   |
| Balance March 31, 2007               | 3,545,000  | 0.10.5   |

The following table summarizes information about the stock options outstanding at March 31, 2007:

| <b>Options Outstanding</b> |                     |                   |
|----------------------------|---------------------|-------------------|
| Exercise Price             | Number of<br>Shares | Expiry Date       |
| \$0.20                     | 175,000             | December 16, 2009 |
| \$0.10                     | 3,370,000           | November 27, 2011 |
|                            | 3,545,000           |                   |

Upon completion of the aforementioned RTO and change of business the Company changed its volatility % of calculating stock based compensation. The Company now uses the 2 year volatility of a TSX Venture listed Company which is similar in both business and share structure.

Assumptions used in the option-pricing model are as follows: 2 year volatility = 129.06%

|                                 |               |
|---------------------------------|---------------|
| Average risk-free interest rate | 3.46% - 4.01% |
| Expected life                   | 2 - 5 years   |
| Expected volatility             | 120% - 226%   |
| Expected dividends              | Nil           |

During the quarter ended March 31, 2007 a fair value of \$299,250 was expensed as stock based compensation.

**INVICTA OIL & GAS LTD.**  
**(Formerly eVenture Capital Corp.)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2007 AND 2006**

d) Warrants

As at March 31, 2007, there were 26,307,334 warrants outstanding. 3,853,334 were issued in connection with the 7,706,667 unit private placement, and are exercisable for a period of 1 year at a price of \$0.55. Additionally, there are 454,000 agents warrants outstanding. Each agents warrant is exercisable into one common share at a price of \$0.45 per share for a one year period. On March 29, 2007, 22,000,000 subscription receipts were converted, for no additional consideration, into units of the Company, each unit consisting of one common share of the Company and one share purchase warrant entitling the holder thereof to acquire one additional share of the Company for \$0.16.

| <u>NUMBER<br/>OF SHARES</u> | <u>EXERCISE<br/>PRICE</u> | <u>EXPIRY<br/>DATE</u> |
|-----------------------------|---------------------------|------------------------|
| 22,000,000                  | \$ 0.16                   | 11-28-2008             |
| 454,000                     | \$ 0.45                   | 11-29-2007             |
| <u>3,853,334</u>            | \$ 0.55                   | 11-29-2007             |
| <u><u>26,307,334</u></u>    |                           |                        |

e) Escrow Shares

As at March 31, 2007, the Company has 9,260,250 (2006 – 2,021,250) common shares held in escrow to be released in tranches of 15% every six months up to November 28, 2009.

**INVICTA OIL & GAS LTD.**  
**(Formerly eVenture Capital Corp.)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2007 AND 2006**

**6. RELATED PARTY TRANSACTIONS AND BALANCES**

Transactions and balances with related parties conducted during the 2<sup>nd</sup> quarter in the normal course of operations are recorded at the exchange value as summarized below:

|   | <u>Mar-2007</u> | <u>Mar-2006</u> |
|---|-----------------|-----------------|
| Services rendered:  |                 |                 |
| Management and consulting fees paid to a director of the Company                          | \$ 12,000       | \$ Nil          |
| Management fees paid to a director of the Company included in discontinued operations     | \$ Nil          | \$ 30,000       |
| Accounting services paid to a company owned by a director of the Company                  | \$ 7,500        | \$ 7,500        |
| Reimbursement of Company Related Expenses to a company owned by a director of the Company | 166             | Nil             |
| Reimbursement of Company Related Expenses to a director of the Company                    | \$ Nil          | Nil             |

**7. INCOME TAXES**

The Company's provision for income taxes differs from the amounts computed by applying the statutory income tax rates to the loss as a result of the following:

|  | <u>2006</u>   | <u>2005</u> |
|--|---------------|-------------|
| Statutory rates                                      | <b>34.2%</b>  | 35.6%       |
| Recovery of income taxes computed at statutory rates | \$ (47,000)   | \$ (50,200) |
| Non-deductible items                                 | 300           | -           |
| Share issue cost                                     | -             | (3,000)     |
| Effect on change in tax rate                         | <b>6,500</b>  | -           |
| Discontinued operations                              | <b>29,500</b> | (11,300)    |
| Tax benefit not recognized on current year's losses  | <b>10,700</b> | 64,500      |
|  | <u>\$ -</u>   | <u>\$ -</u> |

**INVICTA OIL & GAS LTD.**  
**(Formerly eVenture Capital Corp.)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2007 AND 2006**

The tax effects of temporary timing differences that give rise to significant components of the future tax assets and future tax liabilities are as follows:

|   | <b>2006</b>       | <b>2005</b> |
|---|-------------------|-------------|
| Future income tax assets:   |                   |             |
| Non-capital loss carry forward                                    | <b>\$ 209,000</b> | \$ 170,500  |
| Non-capital loss carry forward related to discontinued operations | <b>(26,000)</b>   | (1,500)     |
| Less: Valuation allowance   | <b>(183,000)</b>  | (169,000)   |
| Future income tax liability                                       |                   |             |
| Deferred development costs  | -                 | (28,000)    |
| Deferred development costs related to discontinued operations     | -                 | 28,000      |
| Net future income tax liability                                   | <b>\$ -</b>       | \$ -        |

The Company has non-capital losses carried forward of \$611,000 which may be available to offset future income for income tax purposes expiring as follows:

|      |           |
|------|-----------|
| 2007 | \$ 29,000 |
| 2008 | 30,000    |
| 2009 | 73,000    |
| 2010 | 101,000   |
| 2011 | 93,000    |
| 2015 | 149,000   |
| 2026 | 136,000   |

Due to the uncertainty of realization, the Company has not reflected any benefit recorded from these losses in these consolidated financial statements.

## **8. NOTABLE EVENTS**

On November 28, 2006 the Company completed the previously announced corporate reorganization which included the following:

- a) Acquisition of a 15% working interest in approximately 100,000 acres of oil and gas leases and interests in the Palo Duro Basin, Texas, (75% Net Revenue Interest), was approved by regulatory authorities and the Company completed the investment.

Under the terms of the Agreement, the Company acquired a 15% working interest in the Operating and Participation Agreements in consideration of the Company: (i) issuing to 0733259 BC Ltd 10,000,000 of its post-consolidated common shares (the "Payment Shares") at a deemed price of \$0.08 per share (post-consolidated); (ii) reimbursing 0733259 BC Ltd's costs incurred in the acquisition

**INVICTA OIL & GAS LTD.**  
**(Formerly eVenture Capital Corp.)**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**MARCH 31, 2007 AND 2006**

of the 15% interest, of approximately US\$1,220,000 (the "Costs"); and (iii) assuming 0733259 BC Ltd's contractual obligations to pay 15% of the future costs to develop the Project. The transaction, which was negotiated at arms length, constituted a reverse take-over under the policies of the TSX Venture Exchange (the "Exchange"), such that all of the Payment Shares were subject to such escrow requirements as imposed by the Exchange, and a four month hold period from the date of closing of the acquisition.

- b) Consolidation of the Company's issued share capital on a 2 for 1 basis and change of its name to Invicta Oil and Gas Inc.
- c) Sale of the Company's wholly-owned subsidiary, Pro Net Communications Inc. ("Pro Net"), to a current director of the Company for \$100,000 cash, the cancellation of 1,290,000 pre-consolidation shares, the assumption of all existing lease and payable obligations of Pro Net and the cancellation of all outstanding stock options with insiders of Pro Net totaling 400,000 pre-consolidation stock options at \$0.10 per share.
- d) Completion of two placements as follows:
  - (i) 22,000,000 subscription receipts at \$0.08 each, convertible on March 28, 2007 into 22,000,000 units. Each unit will consist of one post-consolidated common share and one share purchase warrant entitling the holder to purchase one additional post-consolidated common share of the Company for a period of two years at a price of \$0.16 per share; and
  - (ii) Private placement for 7,706,667 units at \$0.45 per unit. Each unit consisting of one post-consolidated common share and one-half share purchase warrant entitling the holder to purchase one additional post-consolidated common share of the Company for a period of one year at a price of \$0.55 per share. Pursuant to the private placement, the Company paid a cash commission of \$122,580 and issued 454,000 agents warrants as finders fees. Each agents warrant is exercisable for one common share at a price of \$0.45 per share for a one year period.
- e) On November 21, 2006, 50,000 stock options at a price of \$0.10 per share expired unexercised.
- f) On November 28, 2006, the Company granted 3,370,000 stock options to directors, officers and consultants. The stock options are exercisable at a price of \$0.10 per share and expire November 27, 2011. The options vest 30% six months after the grant date, 40% twelve months after the grant date and 30% eighteen months after the grant date.