

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

FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 and 2006
(Stated in Canadian Dollars)



AUDITORS' REPORT

To the Shareholders of
Invicta Oil & Gas Inc.
(formerly eVenture Capital Corp.)

We have audited the balance sheets of Invicta Oil & Gas Inc. (formerly eVenture Capital Corp.) as at September 30, 2007 and 2006 and the statements of operations and deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2007 and 2006, and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada

January 21, 2008

"Morgan & Company"

Chartered Accountants

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

BALANCE SHEETS

	September 30,	
	2007	2006
ASSETS		
Current		
Cash and cash equivalents	\$ 657,446	\$ 36,101
GST recoverable	28,260	15,323
Notes receivable (Note 5)	155,189	-
Prepaid expenses	3,486	-
Assets held for sale (Note 4)	-	288,538
	844,381	339,962
Deferred Acquisition Costs (Note 6)	1,623,395	-
Deferred Financing Costs (Note 7)	4,093	-
Equipment (Note 8)	4,581	-
Exploration Advances (Note 9)	64,133	-
Oil And Gas Property (Note 9)	3,160,699	-
	\$ 5,701,282	\$ 339,962
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 11)	\$ 233,818	\$ 48,402
Liabilities held for sale (Note 4)	-	72,225
Loan payable (Note 12)	39,792	-
	273,610	120,627
SHAREHOLDERS' EQUITY		
Share Capital (Note 10)	7,493,370	356,360
Share Subscriptions Received (Note 10)	57,119	20,000
Warrants (Note 10)	1,301,120	-
Contributed Surplus (Note 10)	1,997,788	147,742
Deficit	(5,421,725)	(304,767)
	5,427,672	219,335
	\$ 5,701,282	\$ 339,962

Going Concern (Note 1)
Subsequent Events (Note 16)

Approved on Behalf of the Board of Directors:

"Paul Larkin"
Director

"Michael Binnion"
Director

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

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

STATEMENTS OF OPERATIONS AND DEFICIT

	YEARS ENDED SEPTEMBER 30	
	2007	2006
Expenses		
Administration	\$ 30,000	\$ 10,000
Amortization	305	-
Bank charges and interest	824	168
Foreign exchange loss	21,912	-
Impairment write-down (Note 9)	1,599,827	-
Insurance	21,959	-
Management fees (Note 11)	48,000	23,000
Office	4,100	4,137
Professional fees (Note 11)	256,091	54,581
Stock based compensation	3,065,000	-
Transfer agent and filing fees	20,563	44,711
Travel and business development	37,323	6,863
	<u>(5,105,904)</u>	<u>(143,460)</u>
Interest and Miscellaneous Income	<u>40,708</u>	<u>6,278</u>
Loss From Continuing Operations	<u>(5,065,196)</u>	<u>(137,182)</u>
Discontinued Operations (Note 4)	3,810	103,774
Loss on Disposal of Discontinued Operations (Note 4)	<u>(5,122)</u>	<u>-</u>
Net loss for the year	<u>(5,066,508)</u>	<u>(33,408)</u>
Deficit, Beginning Of Year	<u>(304,767)</u>	<u>(271,359)</u>
	<u>(5,371,275)</u>	<u>(304,767)</u>
Premium On Common Shares Returned To Treasury	<u>(50,450)</u>	<u>-</u>
Deficit, End Of Year	<u>\$ (5,421,725)</u>	<u>\$ (304,767)</u>
Basic and diluted loss per share from continuing operations	<u>\$ (0.17)</u>	<u>\$ (0.04)</u>
Basic and diluted loss per share	<u>\$ (0.17)</u>	<u>\$ (0.01)</u>
Weighted average number of shares outstanding	<u>29,066,846</u>	<u>3,560,833</u>

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

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

STATEMENTS OF CASH FLOWS

	YEARS ENDED SEPTEMBER 30	
	2007	2006
Cash Flows From (Used By) Operating Activities		
Loss from continuing operations	\$ (5,065,196)	\$ (137,182)
Items not affecting cash:		
Depreciation	305	-
Impairment write-down	1,599,827	-
Stock based compensation	3,065,000	-
Change in non-cash working capital items related to operating activities	5,380	13,845
	<u>(394,684)</u>	<u>(123,337)</u>
Discontinued operations	-	100,000
	<u>(394,684)</u>	<u>(23,337)</u>
Cash Flows From (Used By) Investing Activities		
Deferred acquisition costs	(1,623,395)	-
Equipment	(4,886)	-
Exploration advances	(64,133)	-
Notes receivable	(155,189)	-
Oil and Gas Properties	(3,960,526)	-
Proceeds from sale of subsidiary	100,000	-
Change in non-cash working capital items related to investing activities	163,614	-
	<u>(5,544,515)</u>	<u>-</u>
Cash Flows From (Used By) Financing Activities		
Share capital issued	6,467,726	-
Subscription receipts	57,119	20,000
Loan payable	39,792	-
Deferred financing fees	(4,093)	-
Discontinued operations	-	(112,800)
	<u>6,560,544</u>	<u>(92,800)</u>
Net (Decrease) Increase In Cash And Cash Equivalents	621,345	(116,137)
Cash And Cash Equivalents, Beginning Of Year	36,101	152,238
Cash And Cash Equivalents, End Of Year	\$ 657,446	\$ 36,101
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	\$ -	\$ -

Supplemental disclosure with respect to cash flows (Note 13)

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

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

1. NATURE OF OPERATIONS, BASIS OF PRESENTATION AND GOING CONCERN

Invicta Oil & Gas Inc. (the "Company") 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 year ended September 30, 2007 the Company disposed of its interest in Pro Net and acquired a 15% interest in certain oil & gas leases as described in Notes 4 and 9. Accordingly, the assets and liabilities, and the results of operations of Pro Net have been segregated and presented separately as discontinued operations in the financial statements. Invicta's common shares began trading on the TSX Venture Exchange on a 1 for 2 consolidated basis on November 29, 2006 under the symbol IGG. All references to share and per share data for all periods presented in the audited financial statements have, where necessary, been adjusted to give effect to the 1 for 2 common share consolidation.

These financial statements have been prepared on the going concern basis, which assumes the realization of assets and settlement of liabilities in the normal course of business. At September 30, 2007, the Company has a working capital surplus of \$570,771. The application of the going concern concept is dependent on the Company's ability to raise financing through the issuance of additional shares of the Company or other means, the continued support of the Company's creditors, the discovery of economically recoverable reserves on its oil and gas properties and the generation of future profitable operations therefrom. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which might differ significantly from their carrying values. Management is of the opinion that sufficient working capital will be obtained through the issuance of additional common shares to meet the Company's liabilities and commitments as they come due.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Presentation

These financial statements include the accounts of the Company and, for the comparative year, its wholly-owned subsidiary Pro Net Communications Inc. See also Note 4 – Discontinued Operations.

All intercompany transactions have been eliminated on consolidation.

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Financial Instruments – Change in Accounting Policies

Effective October 1, 2006, the Company has adopted three new accounting standards related to financial instruments that were issued by the Canadian Institute of Chartered Accountants (“CICA”) in 2005. These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

Financial Instruments – Recognition and Measurement (CICA Handbook Section 3855)

In accordance with this new standard the Company now classifies all financial instruments as either held-to-maturity, available-for-sale, held for trading or loans and receivables. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading, are measured at amortized cost. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized on the statement of loss.

Comprehensive Income (CICA Handbook Section 1530)

Comprehensive income is the change in shareholders’ equity during a period from transactions and other events and circumstances from non-owner sources. In accordance with this new standard, when applicable, the Company’s financial statements will include, a consolidated statement of comprehensive income/loss and accumulated other comprehensive income/loss will be added to the shareholders’ equity section of the consolidated balance sheet. The components of this new category will include unrealized gains and losses on financial assets classified as available-for-sale and the effective portion of cash flow hedges, if any. There were no such components to be recognized in comprehensive income for the year ended September 30, 2007.

Hedges (CICA Handbook Section 3865)

The new standard specifies the criteria under which hedge accounting can be applied and how hedge accounting can be executed. The Company has not designated any hedging relationships.

c) Cash and Equivalents

Cash and equivalents consist of cash and short term deposits which, on acquisition, have a maturity of less than ninety days. The Company did not have cash equivalents as of September 30, 2007 and 2006.

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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) Equipment

Computer equipment is recorded at cost. Amortization is recorded at an annual rate of 50% using the declining balance method.

f) 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.

g) 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 country-by-country 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.

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Oil and Gas Interests (Continued)

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.

The Company uses Canadian standards for full cost accounting and for the ceiling test calculation pertaining to the measurement of impairment of petroleum and natural gas properties. In applying the full cost method, the Company evaluates petroleum and natural gas assets to determine that the carrying amount in each cost centre is recoverable and does not exceed the fair value of the properties in the cost centre. The carrying amounts are assessed to be recoverable when the sum of the undiscounted cash flows expected from the production of proved reserves and the lower of cost and the market of unproved properties exceeds the carrying amount of the cost centre. When the carrying amount is not recoverable, an impairment loss is recognized to the extent the carrying amount of the cost centre exceeds the sum of the discounted cash flows expected from the production of proved and probable reserves and the lower of cost and market of unproved properties of the cost centre.

h) Asset Retirement Obligation

The fair value of obligations associated with the retirement of tangible long-lived assets is recorded in the period the asset is put into use, with a corresponding increase to the carrying amount of the related asset. The obligations recognized are statutory, contractual or legal obligations. The liability is accreted over time for changes in the fair value of the liability through charges to accretion, which is included in depletion, depreciation and accretion expense. The costs capitalized to the related assets are amortized in a manner consistent with the depletion and depreciation of the related asset. At September 30, 2007, the Company had no asset retirement obligation.

i) Stock based compensation

The Company has a stock-based compensation plan, whereby stock options are granted in accordance with the policies of regulatory authorities. The fair value of all share purchase options granted is expensed over their vesting period with a corresponding increase to contributed surplus or warrant capital. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus or warrant capital, is recorded as an increase to share capital.

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Stock based compensation (Continued)

The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company's share purchase options.

j) 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.

k) Joint Interest Activities

The Company's exploration, development and production activities are conducted jointly with other entities and accordingly the consolidated financial statements reflect only the Company's proportionate interest in such activities.

3. NEW ACCOUNTING POLICIES NOT YET ADOPTED

The CICA issued a new accounting standard, Section 1535, Capital Disclosures, which requires the disclosure of both qualitative and quantitative information that provides users of financial statements with information to evaluate the entity's objectives, policies and processes for managing capital. This new section will be effective for the Company beginning October 1, 2007. The Company does not expect the impact of the adoption of this new section on the financial statements to be significant.

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

3. NEW ACCOUNTING POLICIES NOT YET ADOPTED (Continued)

Two new accounting standards were issued by the CICA, Section 3862, Financial Instruments – Disclosures (“Section 3862”), and Section 3863, Financial Instruments – Presentation (“Section 3863”). The objective of Section 3862 is to provide users with information to evaluate the significance of the financial instruments on the entity’s financial position and performance, the nature and extent of risks arising from financial instruments, and how the entity manages those risks. The provisions of Section 3863 deal with the classification of financial instruments, related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset. These new sections are effective for the Company beginning October 1, 2007. The Company does not expect the impact of the adoption of these new sections on the financial statements to be significant.

4. 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 645,000 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.

On November 28, 2006 the Company completed the Pro Net sale. The Company realized a loss on disposition of Pro Net calculated as follows:

Consideration received on Sale:		
Cash		\$ 100,000
Company shares returned for cancellation		115,000
Total Proceeds		<u>215,000</u>
Net Assets Disposed of		
Assets disposed of	\$ 309,222	
Liabilities transferred on disposition	<u>(89,100)</u>	
Net assets disposed of		<u>220,122</u>
Loss on disposal of subsidiary		<u>\$ (5,122)</u>

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

4. DISCONTINUED OPERATIONS (Continued)

The following table presents summarized financial information related to discontinued operations:

OPERATIONS	2007	2006
Revenue	\$ 68,574	\$ 515,139
Expenses		
General and administrative	65,292	439,313
Income From Operations	3,282	75,826
Interest income	528	1,450
Income Before Future Income Taxes And Non-Controlling Interest	3,810	77,276
Future Income Taxes Recovered	-	26,500
Amount Attributed to Non-Controlling Interest		(2)
Net Income For The Year	\$ 3,810	\$ 103,774

5. NOTES RECEIVABLE

The Company advanced \$155,189 (US\$156,000) to Cheetah Oil & Gas (B.C) Ltd during the year ended September 30, 2007. These advances are secured by promissory notes bearing interest of prime rate plus 2% and are repayable on demand. These notes were subsequently repaid. See note 16.

6. DEFERRED ACQUISITION COSTS

The Company made payments of \$1,623,395 (US\$1,575,000) to Macquarie Holdings (USA) Inc. to extend the closing date for the acquisition of 90% of Cheetah Oil & Gas (B.C) Ltd. ("Cheetah"). Subsequent to September 30, 2007, US\$1,500,000 of the payments was applied to the \$15,000,000 acquisition of 90% Cheetah. See note 16.

7. DEFERRED FINANCING COSTS

Deferred financing costs of \$4,093 consist of legal costs that relate to the private placement that closed subsequent to September 30, 2007.

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

8. EQUIPMENT

	September 30 2007			September 30 2006
	COST	ACCUMULATED DEPRECIATION	NET BOOK VALUE	NET BOOK VALUE
Computer equipment	\$ 4,886	\$ 305	\$ 4,581	\$ -
	<u>\$ 4,886</u>	<u>\$ 305</u>	<u>\$ 4,581</u>	<u>\$ -</u>

9. OIL AND GAS PROPERTY

	September 30 2007	September 30 2006
Palo Duro Basin		
Cost	\$ 4,760,526	\$ -
Accumulated amortization and impairment	(1,599,827)	-
Net book value	<u>\$ 3,160,699</u>	<u>\$ -</u>

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 (11.25% Net Revenue Interest). Under the terms of the acquisition agreement, the Company issued 10,000,000 of its common shares at a price of \$0.08 per share 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 \$2,277,410.

During the year ended September 30, 2007, the Company incurred an additional \$119,745 in lease costs and \$2,363,372 in oil and gas exploration costs. The Company also advanced \$64,133 for exploration expenditures to the operator of the project as at September 30, 2007.

The cost of the Company's unevaluated properties and major development projects associated with the United States cost centre totaling approximately \$2,323,087.

The Company performed a ceiling test calculation at September 30, 2007 to assess the recoverable value of the property. The natural gas prices are based upon the future trades on the New York Mercantile Exchange. Based on these assumptions and utilizing a Canadian – US exchange rate of \$1.005 as at September 30, 2007, it was determined that a \$1,599,827 ceiling test write-down was required to reflect an impairment in these assets.

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

9. OIL AND GAS PROPERTY (Continued)

The following table summarizes the benchmark prices used in the ceiling test calculation.

YEAR ENDED SEPTEMBER 30	GAS (US\$/MMBTU)
2008	8.38
2009	8.57
2010	8.42
2011	8.29
2012	8.21
2013	8.14

10. SHARE CAPITAL AND CONTRIBUTED SURPLUS

a) Authorized

Unlimited common shares without par value

b) Issued

	NUMBER OF SHARES	CAPITAL STOCK	CONTRIBUTED SURPLUS
Balance, September 30, 2006 and 2005	3,560,833	\$ 356,360	\$ 147,742
Shares issued pursuant to private placements	29,706,667	3,725,907	-
Shares issued for acquisition of Palo Duro leases	10,000,000	800,000	-
Shares issued upon exercise of warrants	5,829,167	1,564,380	-
Shares issued upon exercise of agents' warrants	128,250	107,148	-
Shares issued upon exercise of options	1,795,000	1,394,454	(1,214,954)
Cancellation of escrow shares	(645,000)	(64,550)	-
Stock based compensation	-	-	3,065,000
Less: Share issue costs	-	(390,329)	-
Balance, September 30, 2007	50,374,917	\$ 7,493,370	\$ 1,997,788

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

10. SHARE CAPITAL AND CONTRIBUTED SURPLUS (Continued)

b) Issued (Continued)

On November 29, 2006, the Company completed a private placement for \$1,760,000 consisting of 22,000,000 units at a price of \$0.08 per unit. Each unit is comprised of one common share and one share purchase warrant entitling the holder to acquire one common share at a price of \$0.16 for a period of two years. The gross proceeds have been allocated \$942,978 to the common shares and \$817,022 to the share purchase warrants. The share purchase warrants were valued using the Black-Scholes pricing option model using the following assumptions: 134% volatility, 3.9% risk free interest rate, an expected life of two years and 0% dividend yield.

On November 29, 2006, the Company completed another private placement for \$3,468,000 consisting of 7,706,667 units at a price of \$0.45 per unit. Each unit is comprised of one common share and one-half of a share purchase warrant with each whole warrant entitling the holder to acquire one common share at a price of \$0.55 for a period of one year. The gross proceeds have been allocated \$2,782,929 to the common shares and \$685,071 to the share purchase warrants. The share purchase warrants were valued using the Black-Scholes pricing option model using the following assumptions: 108% volatility, 3.9% risk free interest rate, an expected life of one year and 0% dividend yield.

Pursuant to the private placement, the Company paid cash commission of \$122,850 and issued 454,000 agent's warrants with a fair value of \$175,000 as finders' fees. Each agent's warrant is exercisable for one common share at a price of \$0.45 per share for a period of one year. The fair value of the agent's warrants was estimated using the Black-Scholes pricing option model using the following assumptions: 108% volatility, 3.9% risk free interest rate, an expected life of one year and 0% dividend yield.

c) Stock Options

The following table summarizes information about stock option transactions:

	NUMBER OF SHARES	AVERAGE EXERCISE EXERCISE PRICE
Balance, September 30, 2005	532,500	\$ 0.24
Expired	(132,500)	(0.40)
Balance, September 30, 2006	400,000	0.20
Cancelled	(225,000)	0.20
Granted	5,020,000	0.27
Exercised	(1,795,000)	0.10
Balance, September 30, 2007	3,400,000	\$ 0.38

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

10. SHARE CAPITAL AND CONTRIBUTED SURPLUS (Continued)

c) Stock Options (Continued)

The following table summarizes information about the stock options outstanding at September 30, 2007:

EXERCISE PRICE	OPTIONS OUTSTANDING	OPTIONS EXERCISABLE	EXPIRY DATE
\$0.20	175,000	175,000	December 16, 2009
\$0.10	1,575,000	1,575,000	November 27, 2011
\$0.67	921,000	921,000	September 19, 2012
\$0.67	729,000	379,000	September 21, 2012
	<u>3,400,000</u>	<u>3,050,000</u>	

During the year ended September 30, 2007 a fair value of \$3,065,000 (2006 - \$Nil) was expensed as stock based compensation. The fair value of the options granted has been estimated on the date of grant using the Black-Scholes option-pricing model.

Assumptions used in the option-pricing model are as follows:

Average risk-free interest rate	3.91% - 4.39%
Expected life	1 - 5 years
Expected volatility	108% - 142%
Expected dividends	Nil

d) Warrants

The following table summarizes information about warrant transactions:

	NUMBER OF WARRANTS	WEIGHTED AVERAGE EXERCISE PRICE	CARRYING AMOUNT
Balance, September 30, 2005	350,000	\$ 0.64	-
Expired	(350,000)	0.64	-
Balance, September 30, 2006	-	-	-
Granted	26,307,334	0.22	1,677,093
Exercised	(5,957,417)	0.22	(375,973)
Balance September 30, 2007	<u>20,349,917</u>	<u>\$ 0.22</u>	<u>1,301,120</u>

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

10. SHARE CAPITAL AND CONTRIBUTED SURPLUS (Continued)

d) Warrants (Continued)

As at September 30, 2007, the following warrants were outstanding:

<u>NUMBER OF SHARES</u>	<u>EXERCISE PRICE</u>	<u>EXPIRY DATE</u>
16,953,333	\$ 0.16	November 28, 2008
325,750	\$ 0.45	November 29, 2007
<u>3,070,834</u>	\$ 0.55	November 29, 2007
<u><u>20,349,917</u></u>		

e) Escrow Shares

As at September 30, 2007, the Company has 7,701,562 (2006 – 1,347,500) common shares held in escrow to be released in tranches of 15% every six months up to November 28, 2009.

11. RELATED PARTY TRANSACTIONS AND BALANCES

Transactions and balances with related parties conducted during the year ended September 30, 2007 in the normal course of operations are recorded at the exchange value as summarized below:

	<u>2007</u>	<u>2006</u>
Services rendered:		
Management and consulting fees paid to a director and a company controlled by a director of the Company	\$ 96,000	\$ 58,187
Management and consulting fees paid to a company controlled by an officer of the Company	\$ 1,600	\$ -
Management and consulting fees paid to an officer of the Company	\$ 25,000	\$ -
Management fees paid to a director of the Company included in discontinued operations	\$ -	\$ 105,000
Accounts payable includes:		
Amounts due to companies controlled by officers of the Company	\$ 6,340	\$ 30,912

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

12. LOAN PAYABLE

The Company was advanced a loan of \$39,792 (US\$40,000) by a private company. The loan is unsecured, non-interest bearing and has no specific terms for repayment.

13. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Pursuant to the non-brokered private placement at \$0.45 that closed in November 2006, the Company issued 454,000 agents' warrants with a value of \$175,000 which was charged to share issue costs. Other significant non-cash transactions that occurred during the year were the issuance of 10,000,000 shares for a value of \$800,000 as part of the acquisition costs of the Palo Duro Basin oil and gas project as detailed in Note 9 and the recognition of \$3,065,000 of stock-based compensation expense amortized during the year.

Changes in non-cash working capital are as follows:

	2007	2006
GST recoverable	\$ (12,937)	\$ (7,733)
Prepaid expenses	(3,486)	-
Accounts payable and accrued liabilities	185,416	21,578
Change in non-cash working capital	\$ 168,993	\$ 13,845
Relating to:		
Operating activities	\$ 5,380	\$ 13,845
Investing activities	163,613	-
Change in non-cash working capital	\$ 168,993	\$ 13,845

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

14. 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:

	2007	2006
Statutory rates	34%	34%
Recovery of income taxes computed at statutory rates	\$ (1,735,000)	\$ (48,000)
Non-deductible items	1,060,000	-
Depreciation and amortization in excess of capital cost allowance claimed for income tax purposes	548,000	-
Share issue cost	(15,000)	-
Effect on change in tax rate	-	7,000
Discontinued operations	-	30,000
Tax benefit not recognized on current year's losses	142,000	11,000
	\$ -	\$ -

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:

	2007	2006
Future income tax assets:		
Non-capital loss carry forward	\$ 369,000	\$ 209,000
Non-capital loss carry forward related to discontinued operations	-	(26,000)
Capital loss carry forward	16,000	-
Share issue costs	59,000	-
Less: Valuation allowance	(444,000)	(183,000)
	\$ -	\$ -

The Company has non-capital losses carried forward of \$1,077,000 which may be available to offset future income for income tax purposes expiring as follows:

2008	\$ 73,000
2009	\$ 101,000
2010	\$ 123,000
2014	\$ 28,000
2015	\$ 159,000
2026	\$ 154,000
2027	\$ 439,000

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

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

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

15. COMPARATIVE FIGURES

Certain of the prior year's comparative figures have been reclassified to conform to the current year's financial statement presentation.

16. SUBSEQUENT EVENTS

Subsequent to September 30, 2007:

Acquisition and private placement and commitment

The Company closed its previously announced acquisition of 90% of the shares of Cheetah Oil & Gas (B.C.) Limited ("Cheetah BC") by exercising its right to acquire the shares for a price of US\$15.0 million. Cheetah BC indirectly holds interests in approximately 8.4 million acres of land for oil and natural gas exploration in Papua New Guinea (the "PNG Lands").

In connection with the acquisition, the Company paid US\$3.25 million to Kepis and Pobe Investments Inc. ("Kepis") to acquire Kepis' rights to subscribe for shares of Cheetah BC. Kepis accepted US\$2,250,000 of the payment in the form of 3,968,437 shares of the Company, at a deemed price of \$0.56 per share.

The Company has also agreed to make an additional US\$10.0 million contribution of capital to Cheetah BC on or before December 31, 2008.

To finance the acquisition, the Company issued 77,293,138 common shares at a price of \$0.56 per common share for gross proceeds of \$43,284,157. An additional 4,380,445 common shares were issued as a finder's fee in connection with the private placement.

Exercise of Warrants

5,671,778 warrants were exercised at \$0.16 for proceeds of \$907,484, 1,556,500 warrants were exercised at \$0.55 for proceeds of \$856,075 and 325,750 agents' warrants were exercised at \$0.45 for proceeds of \$146,588. 1,514,334 warrants with an exercise price of \$0.55 expired on November 29, 2007.

Options Granted and Exercised

7,600,000 options were granted to directors and consultants of the Company at \$0.58. In addition, 300,000 options were exercised at \$0.10 and 100,000 at \$0.20 for proceeds of \$50,000.