

This prospectus constitutes a public offering of securities only in those jurisdictions where such securities may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. See "Plan of Distribution".

PROSPECTUS

Initial Public Offering

October 9, 2007



SEAVIEW ENERGY INC.

Minimum: 10,000 Units (\$10,000,000)

Maximum: 12,000 Units (\$12,000,000)

Seaview Energy Inc. ("Seaview" or the "Corporation") hereby offers for sale a minimum of 10,000 Units (the "Minimum Offering") and a maximum of 12,000 Units (the "Maximum Offering") at a price of \$1,000 per Unit. Each Unit is comprised of 400 "flow-through" Class A Shares at \$0.25 per share (\$100) and 90 "flow-through" Class B Shares at \$10.00 per share (\$900), which amounts, in the aggregate, will constitute the flow-through funds (the "Flow-through Funds").

Price: \$1,000 per Unit
Minimum Subscription: 5 Units (\$5,000)

Seaview will incur and renounce to subscribers Qualifying Expenditures (as defined herein) as to \$1,000 per Unit effective on or before December 31, 2007. Assuming the completion of the Maximum Offering, approximately 88.3% of the Flow-through Funds will be expended on CEE (as defined herein) and approximately 11.7% on Eligible CDE (as defined herein). Based on the current provisions of Tax Act (as defined herein), estimated deductions available to subscribers for income tax purposes based on the minimum subscription of five Units (\$5,000) will aggregate \$5,000 in 2007. See "Summary of the Prospectus - Estimated Expenditures and Income Tax Deductions" and "Canadian Federal Income Tax Considerations".

	Price to the Public⁽¹⁾⁽²⁾	Agents' Commission⁽³⁾	Net Proceeds to the Corporation⁽³⁾
Per Unit	\$1,000	\$70.00	\$930
Minimum Offering	\$10,000,000	\$700,000	\$9,300,000
Maximum Offering	\$12,000,000	\$840,000	\$11,160,000

Notes:

- (1) The proceeds from subscriptions will be deposited with Olympia Trust Company (the "Custodian") and held by it in a segregated trust account until subscriptions for a minimum of 10,000 Units (\$10,000,000) are received.
- (2) The price and terms of these securities were fixed by negotiation between Seaview and the Agents.

- (3) The Agents will receive a fee of 7% of the gross amount raised pursuant to the Offering. The Agents' Commission will be paid out of the proceeds of the Offering. Total estimated expenses of the offering of \$250,000 will be paid out of Seaview's existing working capital.

Orion Securities Inc., Blackmont Capital Inc., FirstEnergy Capital Corp. and Canaccord Capital Corporation (collectively, the "Agents"), conditionally offer the Units, on a "best efforts" basis, subject to prior sale, if, as and when issued by Seaview and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under "Plan of Distribution", subject to approval of all legal matters on Seaview's behalf by McCarthy Tétrault LLP, of Calgary, Alberta and on the Agents' behalf by Blake, Cassels & Graydon LLP, of Calgary, Alberta.

The TSX Venture Exchange has conditionally approved the listing of the Class A Shares and the Class B Shares, subject to the Corporation fulfilling the requirements of such exchange, including the distribution of the Class A and the Class B Shares to a minimum number of public shareholders. The Units will not be listed or traded on any exchange.

These securities are considered to be highly speculative due to the nature of the Corporation's business and its formative stage of development. There is no market through which these securities may be sold and subscribers may not be able to resell securities purchased under this prospectus. The Corporation was incorporated to pursue oil and gas exploration, development and production in the Western Canadian Sedimentary Basin, the success of which cannot be assured. The Corporation has no present intention to pay any dividends on its Class A Shares or its Class B Shares. The Corporation has no history of earnings. Subscribers must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of Seaview. See "Risk Factors".

Subscriptions for Units will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice.

Provided the Minimum Offering has been subscribed for, it is expected that the Closing will take place on or about October 17, 2007. Notwithstanding the above, the Offering will be discontinued in the event that a Closing in respect of the Minimum Offering has not occurred on or prior to the date which is 90 days from the issuance of a receipt for this prospectus, unless each of the persons or companies who have subscribed within such period consents to the continuation of the Offering.

Until such time as a Closing has occurred in respect of the Minimum Offering, all subscription funds received by the Agents will be promptly delivered to and held by the Custodian, pending Closing of the Minimum Offering, pursuant to the provisions of the Custodian Agreement. If the Minimum Offering has not been subscribed for prior to the expiry of the 90 day period, the Custodian shall promptly return the proceeds of subscriptions to the subscribers without interest or deduction unless such subscribers have otherwise instructed the Custodian.

Should Closing occur in respect of the Minimum Offering, one or more additional Closings, if necessary, may occur until the earlier of the Maximum Offering being subscribed and the expiry of the 90 day period.

Certificates for the 400 Class A Shares and 90 Class B Shares per Unit are expected to be available for delivery within 15 days after the Closing. No Unit certificates will be issued.

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SUMMARY OF THE PROSPECTUS

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus. Reference is made to the Glossary for the definitions of certain terms with initial capital letters used in this prospectus and in this summary.

The Offering This Offering consists of a minimum of 10,000 Units and maximum of 12,000 Units. Each Unit is comprised of 400 “flow-through” Class A Shares and 90 “flow-through” Class B Shares. See “*Details of the Offering*” and “*Plan of Distribution*”.

Allocation of Subscription Price	Allocation of Purchase Price	Number	Per Share Purchase Price
Per Unit			
Class A Shares	\$100	400	\$0.25
Class B Shares	\$900	90	\$10.00
	<u>\$1,000</u>		

Minimum Subscription The minimum subscription is five Units (\$5,000). Additional purchases must be in multiples of one Unit (\$1,000).

Price and Subscription Procedure The subscription price of \$1,000 per Unit (minimum five Units for \$5,000) is payable at the time of Closing by cheque dated at the subscription date.

Closing Provided the Minimum Offering has been subscribed for, the Closing will take place on or about October 17, 2007. One or more additional Closings may occur until the earlier of the Maximum Offering being subscribed and the date which is 90 days from the issuance of a receipt for this prospectus. See “*Plan of Distribution*”.

The Corporation Seaview is a newly incorporated corporation that was formed to participate in oil and gas exploration, development and production in Canada. Specifically, Seaview intends to generate and develop its own prospects, acquire oil and gas properties and participate with joint venturers and other industry partners in oil and gas exploration and development in the Western Canadian Sedimentary Basin. To date, Seaview has entered into the 1276921 Amalgamation Agreement, the Kereco Agreements and the Canoil Agreements. See “*General Development of the Business*” and “*Description of the Business*”.

Developments to Date Kereco Balsam Agreement

Seaview entered into the Kereco Balsam Agreement with Kereco on July 27, 2007 for an option on 3,840 gross acres (3,424 net acres) of undeveloped land. Pursuant to the terms of the Kereco Balsam Agreement, Seaview has been granted the opportunity to review 2D and 3D seismic data in Kereco’s possession on or within one square mile of the farmout lands, on a work station at a third party location to be chosen and coordinated by Kereco, for a period of 30 days. Seaview has the right to elect to either drill a well on the farmout lands or surrender its right to earn an interest in the farmout lands without further obligation. If Seaview elects to drill the initial well, the well shall be spud at a location of Seaview’s choice on the farmout lands within 90 days of its election to drill. Seaview will pay 100% of the cost of drilling and completing or abandoning the well. In return, Seaview will earn 100% of Kereco’s pre-farmout working interest in the farmout lands to the deepest formation fully penetrated and evaluated, subject to a convertible overriding royalty of: (i) 5% to 15% on oil and 15% on natural gas (including NGLs), calculated with reference to 100% of production; or (ii) 5% to 10% on oil and 10% on natural gas (including NGLs), calculated with reference to 100% of production on Kereco’s pre-farmout working interest, depending

on the block of lands earned. Alternatively, Kereco will have the option to convert the royalty to a working interest (35% to 40% of Kereco's pre-farmout working interest), depending on the block of lands earned. After drilling the earning well Seaview shall have a continuous option for a period of 45 days from rig release of the test well to elect by notice to drill an option well at a location of its choice on unearned farmout lands. Seaview shall have 90 days from the date of its election to drill an option well to spud such well. If Seaview elects to not drill subsequent option wells, the right to earn additional interests in the farmout lands shall terminate. See "*Description of the Business – Kereco Balsam Agreement*".

Kereco Hamelin Agreement

Seaview entered into the Kereco Hamelin Agreement with Kereco on July 27, 2007 for an option on 8,224 gross acres (4,903 net acres) of undeveloped land. Pursuant to the terms of the Kereco Hamelin Agreement, Seaview has been granted the opportunity to review 2D and 3D seismic data in Kereco's possession on or within one square mile of the farmout lands, on a work station at a third party location to be chosen and coordinated by Kereco, for a period of 30 days. Seaview has the right to elect to either drill a well on the farmout lands or surrender its right to earn an interest in the farmout lands without further obligation. If Seaview elects to drill the initial well, the well shall be spud at a location of Seaview's choice on the farmout lands within 90 days of its election to drill. Seaview will pay 100% of the cost of drilling and completing or abandoning the well. In return, Seaview will earn 100% of Kereco's pre-farmout working interest in the farmout lands to the deepest formation fully penetrated and evaluated, subject to a convertible overriding royalty of: (i) 5% to 15% on oil and 15% on natural gas (including NGLs), calculated with reference to 100% of production on Kereco's pre-farmout working interest; or (ii) 5% to 10% on oil and 10% on natural gas (including NGLs), calculated with reference to 100% of production on Kereco's pre-farmout working interest, depending on the block of lands earned. Alternatively, Kereco will have the option to convert the royalty to a working interest (35% to 40% of Kereco's pre-farmout working interest), depending on the block of lands earned. Upon drilling the earning well Seaview shall have a continuous option for a period of 45 days from rig release of the test well to elect by notice to drill an option well at a location of its choice on unearned farmout lands. Seaview shall have 90 days from the date of its election to drill an option well to spud such well. If Seaview elects to not drill subsequent option wells, the right to earn additional interests in the farmout lands shall terminate. See "*Description of the Business – Kereco Hamelin Agreement*".

Canoil Boundary Lake Agreement

Seaview entered into the Canoil Boundary Lake Agreement with Canoil on July 24, 2007 for an option on 960 gross acres (960 net acres) of undeveloped land. Pursuant to the terms of the Canoil Boundary Lake Agreement, Seaview shall acquire a minimum area of 3D seismic as outlined in the agreement at an estimated cost of \$160,000. The costs associated with the acquisition of seismic data shall be paid 62.5% by Seaview (\$100,000 net to Seaview) and 37.5% by Canoil (\$60,000 net to Canoil). Upon acquiring the seismic data, Seaview shall have earned a 25% working interest in the farmout lands. In addition, Seaview has a 30 day period from receipt of the seismic data to either elect to drill a test well on the farmout lands or surrender its right to earn an additional 25% interest in the farmout lands without further obligation. See "*Description of the Business – Canoil Boundary Lake Agreement*".

Canoil Mulligan Agreement

Seaview entered into the Canoil Mulligan Agreement with Canoil on July 24, 2007 for an option on 640 gross acres (640 net acres) of undeveloped land. Pursuant to the terms of the Canoil Mulligan Agreement, Seaview shall acquire and reprocess a minimum of 26

kilometres of trade seismic data as outlined in the agreement at an estimated cost of \$60,000. The costs associated with the acquisition of seismic data shall be paid 100% by Seaview (\$60,000 net to Seaview). Upon acquiring the seismic data, Seaview shall have earned a 25% working interest in the farmout lands. In addition, Seaview has a 30 day period from receipt of the seismic data to either elect to drill a test well on the farmout lands or surrender its right to earn an additional 25% interest in the farmout lands without further obligation. See “*Description of the Business – Canoil Mulligan Agreement*”.

Purchase of Crown Petroleum and Natural Gas License

On July 11, 2007, Seaview purchased a crown petroleum and natural gas license covering Section 5-77-7W6M for aggregate consideration of \$53,708. Pursuant to the acquisition, Seaview acquired all petroleum and natural gas rights below base Doe Creek. This acquisition provides Seaview with 640 gross acres (320 net) of undeveloped land. See “*Description of the Business – Purchase of Petroleum and Natural Gas License*”.

Significant Probable Acquisition of 1276921

On July 20, 2007, the Corporation and Seaview Exploration, a wholly-owned subsidiary of Seaview, entered into the 1276921 Amalgamation Agreement pursuant to which Seaview Exploration and 1276921 shall amalgamate on the basis of 0.9076 of a Class A Share being issued for each 1276921 Share. The Amalgamation is expected to close on or about October 12, 2007. The completion of the Amalgamation is subject to certain conditions to be satisfied on or prior to closing including the approval of the shareholders of 1276921, which was obtained at a meeting held on October 5, 2007. Certain of the directors and officers of Seaview are also shareholders of 1276921 and, as such, can be regarded as having an interest in the Amalgamation. The completion of this offering is not conditional upon the closing of the Amalgamation. See “*Description of the Business – Significant Probable Acquisition of 1276921*”, “*Interest of Management and Others in Material Transactions*”, “*Risk Factors*” and the 1276921 Financial Statements and Pro-forma Combined Financial Statements set forth in Schedule “A” to this prospectus.

Management and Directors of the Corporation

<u>Name</u>	<u>Position Held</u>
Michael J.J. Wuetherick	President, Chief Executive Officer and a Director
Stephanie A. Bunch	Vice President, Finance and Chief Financial Officer
H. Scott Oldale	Vice President, Exploration, Chief Operating Officer and a Director
Davin Chandler	Vice President, Engineering
Timothy L. Campbell	Vice President, Land
Sanjib Gill	Corporate Secretary
Paul Colborne	Director
Gregory G. Turnbull	Director
James B. Howe	Director
Steven R. VanSickle	Director
Daryl Gilbert	Director

See “*Directors and Officers of the Corporation*” and “*Interests of Management and Others*”

in Material Transactions”.

Description of Share Capital

The Class A Shares and the Class B Shares are voting on the basis of one vote per share. There are no fixed dividends payable on either the Class A Shares or the Class B Shares. See “*Description of Securities Distributed*”.

The Class B Shares are convertible, at the option of Seaview, at any time after June 1, 2010 and before May 31, 2012, into Class A Shares upon five days prior notice to holders of Class B Shares. The number of Class A Shares obtained upon conversion of each Class B Share will be equal to \$10.00 divided by the greater of \$1.00 and the then Current Market Price of the Class A Shares. If Seaview fails to exercise the conversion option by the close of business on May 31, 2012, then the Class B Shares shall be convertible at the option of the shareholder, at any time after June 1, 2012, and before June 30, 2012 into Class A Shares pursuant to the conversion formula described above. Any Class B Shares not converted by the close of business on June 30, 2012 will be automatically converted into Class A Shares pursuant to the conversion formula described above. See “*Capitalization of Seaview*”.

Use of Proceeds

The gross proceeds to Seaview from the sale of the Units offered hereby will be \$10,000,000 if the Minimum Offering is sold and \$12,000,000 if the Maximum Offering is sold. The net proceeds to Seaview from the sale of the Units offered hereby after deducting the Agents’ Commission and total estimated expenses of the Offering of \$250,000 are estimated to be \$9,050,000 if the Minimum Offering is sold and \$10,910,000 if the Maximum Offering is sold. Seaview intends to expend its allocated available funds as follows:

Use of Proceeds	Minimum Offering⁽¹⁾	Maximum Offering⁽¹⁾
Kereco Agreements	\$2,800,000	\$3,400,000
Canoil Agreements	\$1,400,000	\$1,800,000
Exploration and Development Activities ⁽³⁾	\$5,100,000	\$5,960,000
Agents’ Commission	\$700,000	\$840,000
	\$10,000,000	\$12,000,000

Notes:

- (1) The Agents will receive a commission of 7% of the gross amount raised pursuant to the Offering (\$700,000 in the event that the Minimum Offering is sold and \$840,000 in the event that the Maximum Offering is sold). The Agents are also entitled to be reimbursed for all of their reasonable out-of-pocket expenses associated with the Offering. The Agents’ Commission will be paid from the proceeds of the Offering. Total estimated expenses of the Offering of \$250,000 will be paid from Seaview’s existing working capital, which was approximately \$1,153,542 as at July 31, 2007.
- (2) Seaview intends to finance the shortfall in the Flow-through Funds resulting from the payment of the Agents’ Commission through a combination of existing working capital, cash flow from future activities and bank debt. However, there can be no assurance that funds will be available to the Corporation on terms that are acceptable to the Corporation or at all.
- (3) Assuming completion of the Amalgamation, funds will be allocated to exploration and development activities in respect of lands earned by 1276921 pursuant to the Fairborne Agreement. Under the New Resource Development Program of the Fairborne Agreement, for each test well drilled, 1276921 shall earn Fairborne’s working interest in the section where the test well is located in addition to one other gross section of contiguous farmout lands. Under the Optimization Program of the Fairborne Agreement, 1276921 will earn 50% of Fairborne’s pre-farmout working interest in the spacing unit for each re-entry well entered into in the optimization project, being a quarter section for an oil well and a full section for a gas well to the base of the deepest formation evaluated by each optimization project.

See “*Use of Proceeds*”.

**Estimated
Expenditures and
Income Tax Deductions**

Seaview will cause the Flow-through Funds of \$1,000 per Unit to be expended on Qualifying Expenditures (as defined herein) which will be renounced by Seaview to the subscribers effective on or before December 31, 2007 pursuant to the Tax Act. The following tables have been compiled to reflect the estimated deductions for income tax purposes and the estimated net cost and money at risk based on the proposed issuance of Class A Shares and Class B Shares and assumptions described in the footnotes to the tables. **Subscribers should consult their own professional advisors to assess the income tax, legal and other aspects of an investment in Units.** See “*Canadian Federal Income Tax Considerations*” and “*Risk Factors – Tax Treatment of Class A Shares and Class B Shares Comprising the Units*”.

TABLE 1
ESTIMATED 2007 QUALIFYING EXPENDITURES⁽¹⁾⁽²⁾

	<u>Minimum Offering</u>	<u>Maximum Offering</u>
CEE	\$8,600,000	\$10,600,000
CDE (deemed CEE)	\$1,400,000	\$1,400,000
TOTAL	<u>\$10,000,000</u>	<u>\$12,000,000</u>

TABLE 2
ESTIMATED DEDUCTIONS FOR INCOME TAX PURPOSES^{(1), (3)}
(Assuming Maximum Offering and Minimum Subscription of \$5,000)

	<u>2007</u>
CEE	\$4,417
CDE (deemed CEE)	\$583
TOTAL	<u>\$5,000</u>

TABLE 3
ESTIMATED EFFECTIVE NET COST
AND MONEY AT RISK ^{(1), (4)}

	(Minimum Subscription of \$5,000)				
	BC	ALTA	SASK	MB	ONT
Top Marginal Tax Rate (Year 2007 ⁽⁴⁾)	43.7%	39.0%	44.0%	46.4%	46.4%
Minimum Subscription	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Less Estimated Tax Savings (Year 2007 ⁽⁵⁾)	\$2,185	\$1,950	\$2,200	\$2,320	\$2,320
Money at Risk ⁽⁶⁾	\$2,815	\$3,050	\$2,800	\$2,680	\$2,680
% Money at Risk to Total Investment	56.3%	61.0%	56.0%	53.6%	53.6%
Money at Risk per Additional \$1,000 Unit ⁽⁷⁾	\$563	\$610	\$560	\$536	\$536

Notes:

- (1) These tables have been prepared on the basis that the Flow-through Funds of \$5,000 (per minimum subscription of \$5,000) paid for the Class A Shares and Class B Shares will be expended on Qualifying Expenditures which will be renounced by Seaview to the subscribers effective on or before December 31, 2007 pursuant to the Tax Act. Qualifying Expenditures will be incurred such that all of the Flow-through Funds will be expended on CEE or on CDE which can be renounced to subscribers as CEE.
- (2) Although a precise estimate as to the nature and timing of the expenditure of the Flow-through Funds cannot be provided, this table summarizes the estimated Qualifying Expenditures expected to be incurred by Seaview.
- (3) The deductions for income tax purposes are based on 100% of CEE being deductible for the year renounced and assuming that CDE incurred by Seaview and renounced to subscribers qualifies for CEE treatment in the hands of the subscribers and accordingly will be deductible as to 100% for the year renounced. In the case of the Minimum Offering, the same deductions for income tax purposes have been assumed.
- (4) Each province has its own tax brackets and individuals should consult with their own tax advisors to determine the level of taxable income at which the top marginal tax rate applies. For the purposes of this table, all surtaxes and flat taxes have been included in these tax rates. No consideration has been given to the alternative minimum tax. This table is based on the current legislation and does not reflect any proposed changes.
- (5) The estimated tax savings are calculated by multiplying the estimated deductions in Table 2 by the maximum marginal tax rate as set forth above.
- (6) Money at risk is the undiscounted after tax cost of a \$5,000 investment after giving effect to tax deductions to a subscriber who is an individual in the highest marginal tax bracket. The calculations assume the estimated expenditures are as set out in Table 1 and are not discounted as to present worth.
- (7) Money at risk per additional \$1,000 Unit is the undiscounted after tax cost of an additional \$1,000 investment after giving effect to tax deductions to a subscriber who is an individual in the highest marginal tax bracket. The calculations assume the estimated expenditures are as set out in Table 1 and are not discounted as to present worth.

No assurance can be given that the actual allocation of expenditures or the timing thereof will in whole or in part approximate the estimates set forth above, nor that the Canada Revenue Agency will agree with the characterization or the renunciation of the expenditures by Seaview. See “Canadian Federal Income Tax Considerations”.

Eligibility for Investment

In the opinion of McCarthy Tétrault LLP, counsel to Seaview, based on the provisions of the Tax Act and the regulations thereunder in force as of the date hereof, the Class A Shares and the Class B Shares, if, as and when, either of the Class A Shares or the Class B Shares, are listed on a prescribed stock exchange, will be qualified investments, within the meaning of the Tax Act, for trusts governed by registered retirement savings plans (“RRSPs”), registered retirement income funds, registered education savings plans and deferred profit sharing plans (collectively, “Exempt Plans”) as defined in the Tax Act. Although the Class A Shares and Class B Shares may be qualified investments as described above, if an Exempt Plan

subscribes for Class A Shares or Class B Shares, renounced Qualifying Expenditures will not be available for deduction against the income of the annuitant or beneficiary of such plans.

Risk Factors

These securities are considered to be highly speculative due to the nature of the Corporation's business and its formative stage of development. Seaview was incorporated to explore for oil and gas through internally generated prospects and participate with other industry partners through joint ventures, the success of which cannot be assured. Seaview also intends to pursue strategic acquisitions of oil and gas properties. Seaview has no business history or earnings record. There are additional risks associated with the investment relating to Seaview's prospects for success, availability of subsequent financing, no market for the securities, competition in the industry, potential liability for damages arising during operations, governmental regulation, availability of oil and gas markets, fluctuating commodity prices and changes in income tax laws. In assessing the risks of an investment in the Units, potential investors should realize that they are relying on the experience, judgment, discretion, integrity and good faith of the management of Seaview. **An investment in Units is suitable for only those investors who are willing to risk a loss of their entire investment and who can afford to lose their entire investment. Subscribers should consult their own professional advisors to assess the income tax, legal and other aspects of an investment in Units.** See "*Risk Factors*".

Summary Financial Information

Seaview has only recently commenced operations. To date, the only activities of Seaview have been the completion of private placements of Class A Shares and the acquisition of undeveloped land. The following is a summary of selected financial information of Seaview as at July 31, 2007. See the Seaview Financial Statements set forth in Schedule "A" to this prospectus.

Working Capital	\$1,153,542
Petroleum and Natural Gas Assets	\$53,708
Share Capital	\$1,197,025

GLOSSARY

In this prospectus, unless the context otherwise requires, the following words and phrases shall have the meanings set forth below:

“**1276921**” means 1276921 Alberta Ltd.;

“**1276921 Amalgamation Agreement**” means the amalgamation agreement dated July 20, 2007 among Seaview, Seaview Exploration and 1276921;

“**1276921 Share**” means a common share in the capital stock of 1276921;

“**2D**” means two dimensional;

“**3D**” means three dimensional;

“**AEPEA**” means the *Alberta Environmental Protection and Enhancement Act*;

“**Agency Agreement**” means the agency agreement dated October 9, 2007 with respect to the Offering between Seaview and the Agents as more particularly described under the heading “*Plan of Distribution*”;

“**Agents**” means collectively, Orion Securities Inc., Blackmont Capital Inc., FirstEnergy Capital Corp. and Canaccord Capital Corporation;

“**Agents’ Commission**” means the fee of 7% of the gross amount raised under the Offering and payable to the Agents pursuant to the Agency Agreement;

“**Amalgamation**” means the amalgamation of Seaview Exploration and 1276921 pursuant to the 1276921 Amalgamation Agreement;

“**ARTC**” means Alberta Royalty Tax Credit;

“**Board**” or “**Board of Directors**” means the board of directors of Seaview;

“**Canadian exploration expense**” or “**CEE**” means Canadian exploration expense described in subsection 66.1(6) of the Tax Act and when renounced under subsection 66(12.66) of the Tax Act, means Canadian exploration expense described in paragraph (a) or (d) of that definition or that would be described in paragraph (h) of that definition if the words “paragraphs (a) to (d) and (f) to (g.1),” were read as “paragraphs (a) and (d)”, in all cases excluding amounts which are prescribed to constitute “Canadian exploration and development overhead expense” under the Tax Act, any amount of assistance described in paragraph 66(12.6)(a) of the Tax Act and any specified expenses described in paragraph 66(12.6)(b.1) of the Tax Act;

“**Canadian development expense**” or “**CDE**” means Canadian development expense described in paragraph (a) or (b) of that definition in subsection 66.2(5) of the Tax Act or that would be described in paragraph (f) of that definition if the words “any of paragraphs (a) to (e)” in that paragraph were read as “paragraph (a) or (b)”, in all cases excluding amounts which are prescribed to constitute “Canadian exploration and development overhead expense” under the Tax Act and any amount of assistance described in paragraphs 66(12.62)(a) and 66(12.601)(c) of the Tax Act;

“**Canoil**” means Canoil Inc.;

“**Canoil Agreements**” means, collectively, the Canoil Boundary Lake Agreement and the Canoil Mulligan Agreement;

“**Canoil Boundary Lake Agreement**” means the agreement dated July 24, 2007 between Seaview and Canoil;

“**Canoil Mulligan Agreement**” means the agreement dated July 24, 2007 between Seaview and Canoil;

“**Class A Share**” or “**Class A Shares**” means, respectively, one or more Class A Shares in the capital of Seaview;

“**Class B Share**” or “**Class B Shares**” means, respectively, one or more Class B Shares in the capital of Seaview;

“**Closing**” means closing of the issue and sale of Units pursuant to this Offering;

“**Corporation**” or “**Seaview**” means Seaview Energy Inc.;

“**Current Market Price**” at any date shall mean the weighted average trading price per share for Class A Shares for any 30 consecutive trading days selected by Seaview and commencing not more than 45 days before such date on the TSX Venture Exchange, or, if the Class A Shares are not listed thereon, on such stock exchange on which the Class A Shares are listed as may be selected for such purpose by the directors of Seaview, or if the Class A Shares are not listed on any stock exchange, then on the over-the-counter market. The weighted average price shall be determined by dividing the aggregate sale price of all Class A Shares sold on the said exchange or market, as the case may be, during the said 30 consecutive trading days by the total number of such Class A Shares so sold. In the event the foregoing cannot be determined, the Current Market Price shall be established by a qualified independent valuer approved by the board of directors;

“**Custodian**” means Olympia Trust Company;

“**Custodian Agreement**” means the custodian agreement dated October 9, 2007 among Seaview, the Agents and the Custodian with respect to the subscription funds;

“**Eligible CDE**” means CDE which may be renounced to subscribers as CEE in accordance with the Tax Act;

“**Expenditure Period**” means the period commencing on the date of Closing and ending on the earlier of: (i) the date on which the Flow-through Funds have been fully expended in accordance with the terms hereof; and (ii) December 31, 2008;

“**Fairborne**” means Fairborne Energy Ltd.;

“**Fairborne Agreement**” means the agreement dated December 1, 2006 among Fairborne, Fairborne Pivotal Production Partnership and 1276921;

“**Flow-through Funds**” means an amount equal to the gross proceeds of \$1,000 per Unit received by Seaview from subscribers;

“**Kereco**” means Kereco Energy Ltd.;

“**Kereco Agreements**” means, collectively, the Kereco Balsam Agreement and the Kereco Hamelin Agreement;

“**Kereco Balsam Agreement**” means the agreement dated July 4, 2007 between Seaview and Kereco;

“**Kereco Hamelin Agreement**” means the agreement dated July 5, 2007 between Seaview and Kereco;

“**Maximum Offering**” means the maximum offering of 12,000 Units;

“**Minimum Offering**” means the minimum offering of 10,000 Units;

“**NAFTA**” means the North American Free Trade Agreement;

“**NASDAQ**” means the National Association of Securities Dealers Automated Quotation System;

“**NEB**” means the National Energy Board;

“**Offering**” means the public offering of the Units described herein or in any amendment hereto;

“**Qualifying Expenditures**” means those expenditures that are CEE or Eligible CDE on the date they are incurred to the extent permitted to be renounced by Seaview to the subscribers;

“**RRSP**” means registered retirement savings plan;

“**Seaview Exploration**” means Seaview Exploration Ltd.;

“**Subscription Agreement**” means the agreement or agreements to be executed by the Agents, or any sub-agents of the Agents, as Agents for and on behalf of the subscribers of Units and accepted by Seaview at or prior to Closing setting out, among other things, the contractual relationship between Seaview and such subscribers relating to the Units, which agreement shall be in a form satisfactory to both Seaview and the Agents;

“**Tax Act**” means the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th Supp.), as amended;

“**TSX**” means the Toronto Stock Exchange; and

“**Units**” means the units comprising this Offering, each of which consists of 400 “flow-through” Class A Shares and 90 “flow-through” Class B Shares.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this prospectus constitute forward-looking statements. The use of any of the words “anticipate”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “should”, “believe” and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Seaview believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct. Such forward-looking statements included in this prospectus should not be unduly relied upon. These statements speak only as of the date of this prospectus.

In particular, this prospectus contains forward-looking statements pertaining to the following:

- the performance characteristics of Seaview’s oil and natural gas properties;
- oil and natural gas production levels;
- the size of the oil and natural gas reserves;
- the ability of Seaview to incur Qualifying Expenditures and its ability to renounce such expenditures to the Subscribers;
- projections of market prices and costs and the related sensitivity of distributions;
- supply and demand for oil and natural gas;
- expectations regarding the ability to raise capital and to continually add to reserves through acquisitions and development;
- the treatment of the Class A Shares and Class B Shares and the expenses renounced thereunder by the CRA;
- treatment under governmental regulatory regimes and tax laws; and
- capital expenditure programs.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this prospectus:

- volatility in market prices for oil and natural gas;
- liabilities inherent in oil and natural gas operations;
- uncertainties associated with estimating oil and natural gas reserves;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of acquisitions and exploration and development programs;
- geological, technical, drilling and processing problems;
- changes in tax laws and incentive programs relating to the oil and natural gas industry;
- failure to realize the anticipated benefits of acquisitions; and
- the other factors discussed under “Risk Factors”.

Statements relating to “reserves” or “resources” are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the resources and reserves described can be profitably produced in the future. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this prospectus are expressly qualified by this cautionary statement. Except as required under applicable securities laws, Seaview does not undertake any obligation to publicly update or revise any forward-looking statements.

CONVENTIONS

Certain terms used herein are defined in the “*Glossary of Terms*”. Unless otherwise indicated, references herein to “\$” or “dollars” are to Canadian dollars. All financial information with respect to Seaview has been presented in Canadian dollars in accordance with generally accepted accounting principles in Canada.

ABBREVIATIONS

Crude Oil and Natural Gas Liquids

Bbls	barrels
bbls/d	barrels per day
Mbbls	thousand barrels
Boe	barrels of oil equivalent of natural gas and crude oil, unless otherwise indicated
boe/d	barrels of oil equivalent per day
Mboe	thousand boe
NGLs	natural gas liquids
Mmbtu	million British thermal units
Stb	standard stock tank barrel
Mstb	thousand standard stock tank barrels

Natural Gas

mcf	thousand cubic feet
mmcf	million cubic feet
bcf	billion cubic feet
mcf/d	thousand cubic feet per day
mmcf/d	million cubic feet per day
GJ	gigajoule

Conversion

The following table sets forth certain standard conversions from Standard Imperial units to the International System of Units (or metric units).

<u>To Convert From</u>	<u>To</u>	<u>Multiply By</u>
Mcf	Thousand cubic metres (“10 ³ m ³ ”)	0.0282
Thousand cubic metres	Mcf	35.494
Bbls	Cubic metres (“m ³ ”)	0.159
Cubic metres	Bbls	6.290
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471

THE CORPORATION

Seaview Energy Inc. was incorporated under the laws of the Province Alberta on December 13, 2006. The registered office of Seaview is located at 3300, 421 – 7th Avenue S.W., Calgary, Alberta, T2P 4K9 and its head office is located at 1670, 700 – 2nd Street S.W., Calgary, Alberta, T2P 2W1. Seaview's articles were amended on August 31, 2007 to remove the private company restrictions.

Seaview Exploration is a wholly-owned subsidiary of Seaview. Seaview Exploration was incorporated under the laws of the Province Alberta on July 20, 2007.

GENERAL DEVELOPMENT OF THE BUSINESS

Seaview was formed to operate in Canada as an oil and gas exploration, development and production company. As at the date hereof, Seaview has no interests in oil and gas properties. Seaview presently has eleven (11) people on staff as either full-time employees, part-time employees or consultants. See "*Directors and Officers of the Corporation*".

DESCRIPTION OF THE BUSINESS

General

Seaview currently has no interests in producing oil and gas properties. Seaview plans to focus its exploration efforts in two to three core areas in order to develop an asset portfolio offering both geologic and geographic diversity to manage overall investment risk. Business development will be focused on regions where management has previous experience. The goal of Seaview is to create sustainable and profitable growth in production and cash flow. To accomplish this, Seaview will pursue aggressive, yet focused, acquisition, exploration, exploitation and development opportunities.

Seaview plans to acquire interests in oil and gas exploration and development prospects primarily through internal generation and through farm-ins and participation with other industry partners. Emphasis will be placed on exploration targets near established infrastructure that have the potential to be placed on production soon after drilling success. Seaview's focus areas will characteristically have moderate drilling and operating costs and offer access to processing and transportation systems. Typical drilling depths between 500 and 2,000 metres will allow Seaview to explore for oil and gas in the Cretaceous, Triassic and Mississippian formations with drilling costs in the \$250,000 to \$800,000 range.

Seaview has initially been focusing exploration efforts in the Peace River Arch area, Northwest of Grande Prairie, Alberta, to develop Seaview's first core area. To date, Seaview has been active in securing oil and gas interests in this area by entering into the Kereco Agreements, the Canoil Agreements and the 1276921 Amalgamation Agreement. In addition, Seaview has been and will continue to pursue additional interests within its focus areas through acquisitions, farm-in agreements and other industry participation agreements. Management of Seaview has extensive experience in oil and gas exploration and development in Seaview's areas of focus. Investment decisions will largely be opportunity driven, however, and management may employ a significant portion of the Flow-through Funds in other areas.

Seaview plans to expend approximately all of the Flow-through Funds in Alberta. It is anticipated that 30% of the Flow-through Funds will be expended pursuant to the Kereco Agreements, approximately 12% of the Flow-through Funds pursuant to the Canoil Agreements and approximately 51% of the Flow-through Funds on lands to be acquired pursuant to the 1276921 Amalgamation Agreement. "See "*Developments to Date – Significant Probable Acquisition of 1276921*" and "*Use of Proceeds*". It is anticipated that the remaining Flow-through Funds will be expended through internally generated exploration and development activities and through participation and farm-in agreements that Seaview will endeavour to negotiate with third parties.

Seaview plans to aggressively acquire, exploit and explore for oil and gas prospects. Seaview will focus on acquisitions of oil and gas properties where management believes further exploration, exploitation and development

opportunities exist. While largely opportunity driven, Seaview plans to pursue a balanced portfolio of crude oil and natural gas prospects. In selecting exploration, exploitation and development prospects, management of Seaview will choose those that offer an appropriate combination of risk and economic reward, recognizing that all drilling involves substantial risk and that a high degree of competition exists for prospects. To achieve sustainable and profitable growth, Seaview believes in controlling the timing and costs of its projects whenever possible. Accordingly, Seaview will seek to become the operator of its properties to the greatest extent possible.

In order to focus its exploration and development drilling programs, Seaview will consider some or all of the following criteria prior to allocating capital to new projects:

- required capital and degree of risk relative to expected production rate and potential reserves volumes;
- quality of the anticipated production and reserves. Seaview's exploration efforts will be focused towards long-life, low-decline reserves with reserves life indices greater than five years;
- favourable payout and return on investment. Seaview will strive to identify projects which have the ability to achieve payout in less than three years and have the ability to generate a return on investment of at least 15% per annum;
- availability and application of seismic to reduce risk. Seaview will attempt to minimize risk by pursuing plays that are supported by seismic. Furthermore, Seaview intends to maintain capital efficiency by shooting or acquiring seismic data prior to land acquisition;
- availability of operatorship;
- adjacent land opportunities;
- potential for additional reservoir development and repeatability of the play type; and
- target areas where infrastructure is available and accessible and the ability to expand the infrastructure is also significant. All new wells drilled (exploration or development) should have the reasonable expectation of being placed on production within six months from the date of completion.

It is important to recognize that exploration drilling involves substantial risk and no assurance can be given that drilling will prove successful in establishing commercially recoverable reserves. While Seaview believes that it has the skills and resources necessary to achieve its objectives, participation in the exploration for and development of oil and natural gas has a number of inherent risks. See "*Risk Factors*".

Strategic acquisitions of oil and gas properties which are synergistic to Seaview's exploration focus will be a key component of Seaview's future growth plan. Management has industry experience in a wide range of producing areas of Western Canada, in addition to its initial focus areas. Management believes this diverse experience provides the capability to expand the scope of Seaview's activities and opportunities through selective asset and corporate acquisitions. Seaview intends to finance acquisitions through a combination of debt and equity. When reviewing potential participations or acquisitions, Seaview will consider some or all of the following criteria:

- the opportunity must present identifiable and measurable upside, either through drilling, completions, reservoir management or production/facility optimization;
- producing properties should exhibit low decline and long reserves life, typically greater than seven years;
- operatorship or the possibility of becoming operator;
- ensuring facilities and infrastructure provide near-term market access, with capability of expansion to accommodate increased activity;

- additional facility opportunities, particularly if there is a consistent stream of third party processing income that could be increased through additional tie-ins, whereby facilities associated with the acquisition of producing properties may represent up to 30% of total asset value;
- required return on investment from acquired producing properties should be at least 15% per annum, with a recycle ratio greater than two. The recycle ratio is a measure for evaluating the effectiveness of a company's reinvestment program. The ratio measures the efficiency of capital investment. It accomplishes this by comparing the operating netback per barrel of oil equivalent to that year's reserve finding and development costs;
- all acquisitions, when fully exploited, should enhance the net asset value per share of Seaview; and
- utilizing commodity price and exchange rate assumptions from projections by major independent petroleum engineering firms and future contract pricing.

In addition to the above criteria, in circumstances where Seaview seeks to acquire assets of a material nature with proven reserves, prior to the investment decision being finalized, Seaview intends to obtain an independent engineering report (whether from the vendor of such assets or otherwise) relating to such proven reserves.

The Board may, in its discretion, approve asset or corporate acquisitions or investments that do not conform to these guidelines based upon the Board's consideration of the qualitative aspects of the subject properties including risk profile, technical upside, reserves life and asset quality.

Peace River Arch Core Area

Seaview will initially focus its exploration and acquisition efforts in the Peace River Arch region encompassing the Balsam-Boundary Lake, Hamelin, Mulligan and Gordondale-Valhalla areas. The focus within these areas is characterized by multi-zone potential, natural gas and light oil drilling opportunities at shallow to moderate drilling depth (approximately 350 to 2,000 metres). Infrastructure is readily available and drilling access is "year-round" or near "year-round".

To date, Seaview has been active in pursuing oil and gas interests in this area by entering into the Kereco Agreements, the Canoil Agreements and the 1276921 Amalgamation Agreement. See "*Developments to Date*".

Seaview intends to focus its efforts in building its presence in this area through the internal development of prospects, posting Crown acreage and attempting to secure acreage through farm-in agreements and other industry participation agreements. Largely opportunity driven, Seaview will also look at selective acquisitions of assets, including undeveloped land, in this area.

To date, Seaview has developed 4 drilling prospects of varying degrees of risk and reserves potential on the lands available through participation in the Kereco Agreements and Canoil Agreements. In addition, Seaview has identified 12 drilling prospects and 3 re-completion operations of varying degrees of risk and reserves potential on the lands to be acquired in Gordondale – Valhalla area pursuant to the 1276921 Amalgamation Agreement

Balsam, Boundary and Hamelin Focus Areas

The Balsam, Boundary and Hamelin focus areas have traditionally been known for shallow to moderate depth (1,000 to 2,000 metres) oil and gas prospects in the Cretaceous, Triassic and Mississippian formations. Recently, interest in this area has increased as a result of expanded 3D seismic coverage and the belief that a number of prospects in the area offer multi-zone potential. Seaview is beginning the process of developing prospects in the area. To date, Seaview has entered into the Kereco Agreements and the Canoil Agreements relating to this area. See "*Developments to Date*".

Gordondale – Valhalla Focus Areas

The Gordondale - Valhalla focus area is characterized by multi-zone, light oil drilling opportunities at shallow to medium drilling depths (approximately 350 to 1,800 metres). Seaview is beginning the process of developing prospects in the area. To date, Seaview has acquired a section of prospective land through a crown land sale and entered into the 1276921 Amalgamation Agreement. See “*Developments to Date*”.

Developments to Date

Kereco Balsam Agreement

Seaview entered into the Kereco Balsam Agreement with Kereco on July 27, 2007 for an option on 3,840 gross acres (3,424 net acres) of undeveloped land. Pursuant to the terms of the Kereco Balsam Agreement, Seaview has been granted the opportunity to review 2D and 3D seismic data in Kereco’s possession on or within one square mile of the farmout lands, on a work station at a third party location to be chosen and coordinated by Kereco, for a period of 30 days. Seaview has the right to elect to either drill a well on the farmout lands or surrender its right to earn an interest in the farmout lands without further obligation.

If Seaview elects to drill the initial well, the well shall be spud at a location of Seaview’s choice on the farmout lands within 90 days of its election to drill. Seaview will pay 100% of the cost of drilling and completing or abandoning the well. In return, Seaview will earn 100% of Kereco’s pre-farmout working interest in the farmout lands to the deepest formation fully penetrated and evaluated, subject to a convertible overriding royalty of: (i) 5% to 15% on oil and 15% on natural gas (including NGLs), calculated with reference to 100% of production; or (ii) 5% to 10% on oil and 10% on natural gas (including NGLs), calculated with reference to 100% of production on Kereco’s pre-farmout working interest, depending on the block of lands earned. Alternatively, Kereco will have the option to convert the royalty to a working interest (35% to 40% of Kereco’s pre-farmout working interest), depending on the block of lands earned.

Seaview shall earn Kereco’s working interest in optioned lands depending on the maximum depth evaluated with the earning well. A test well drilled to a minimum depth of 10 metres into the Bluesky formation or 1,100 metres, whichever shall first occur, shall earn one section of Kereco’s working interest in the farmout lands. A test well drilled to a minimum depth of 15 metres into the Montney formation or 1,500 metres, whichever shall first occur, shall earn two sections of Kereco’s working interest in the farmout lands. A test well drilled below the base of the Belloy formation (approximately 1,800 metres) shall earn three sections of Kereco’s working interest in the farmout lands.

After drilling the earning well Seaview shall have a continuous option for a period of 45 days from rig release of the test well to elect by notice to drill an option well at a location of its choice on unearned farmout lands. Seaview shall have 90 days from the date of its election to drill an option well to spud such well. If Seaview elects to not drill subsequent option wells, the right to earn additional interests in the farmout lands shall terminate.

Kereco Hamelin Agreement

Seaview entered into the Kereco Hamelin Agreement with Kereco on July 27, 2007 for an option on 8,224 gross acres (4,903 net acres) of undeveloped land. Pursuant to the terms of the Kereco Hamelin Agreement, Seaview has been granted the opportunity to review 2D and 3D seismic data in Kereco’s possession on or within one square mile of the farmout lands, on a work station at a third party location to be chosen and coordinated by Kereco, for a period of 30 days. Seaview has the right to elect to either drill a well on the farmout lands or surrender its right to earn an interest in the farmout lands, without further obligation.

If Seaview elects to drill the initial well, the well shall be spud at a location of Seaview’s choice on the farmout lands within 90 days of its election to drill. Seaview will pay 100% of the cost of drilling and completing or abandoning the well. In return, Seaview will earn 100% of Kereco’s pre-farmout working interest in the farmout lands to the deepest formation fully penetrated and evaluated, subject to a convertible overriding royalty of: (i) 5% to 15% on oil and 15% on natural gas (including NGLs), calculated with reference to 100% of production on Kereco’s pre-farmout

working interest; or (ii) 5% to 10% on oil and 10% on natural gas (including NGLs), calculated with reference to 100% of production on Kereco's pre-farmout working interest, depending on the block of lands earned. Alternatively, Kereco will have the option to convert the royalty to a working interest (35% to 40% of Kereco's pre-farmout working interest), depending on the block of lands earned.

Seaview shall earn Kereco's working interest in options lands pursuant to the agreement depending on the maximum depth evaluated with the earning well. A test well drilled to a minimum depth of 10 metres into the Bluesky formation or 1,100 metres, whichever shall first occur, shall earn one section of Kereco's working interest in the farmout lands. A test well drilled to a minimum depth of 15 metres into the Montney formation or 1,500 metres, whichever shall first occur, shall earn two sections of Kereco's working interest in the farmout lands. A test well drilled below the base of the Belloy formation (approximately 1,800 metres) shall earn three sections of Kereco's working interest in the farmout lands.

Upon drilling the earning well Seaview shall have a continuous option for a period of 45 days from rig release of the test well to elect by notice to drill an option well at a location of its choice on unearned farmout lands. Seaview shall have 90 days from the date of its election to drill an option well to spud such well. If Seaview elects to not drill subsequent option wells, the right to earn additional interests in the farmout lands shall terminate.

Canoil Boundary Lake Agreement

Seaview entered into the Canoil Boundary Lake Agreement with Canoil on July 24, 2007 for an option on 960 gross acres (960 net acres) of undeveloped land. Pursuant to the terms of the Canoil Boundary Lake Agreement, Seaview shall acquire a minimum area of 3D seismic as outlined in the agreement at an estimated cost of \$160,000. The costs associated with the acquisition of seismic data shall be paid 62.5% by Seaview (\$100,000 net to Seaview) and 37.5% by Canoil (\$60,000 net to Canoil).

Upon acquiring the seismic data, Seaview shall have earned a 25% working interest in the farmout lands. In addition, Seaview has a 30 day period from receipt of the seismic data to either elect to drill a test well on the farmout lands or surrender its right to earn an additional 25% interest in the farmout lands without further obligation.

If Seaview elects to drill the initial well, the well shall be spud at a location mutually agreed upon by both parties to a minimum contract depth of 40 metres below the top of the Debolt formation or 1,859 metres total depth. Seaview shall participate for its 25% working interest and further participate for an additional 40% in all costs pertaining to drill, case, complete or abandon the test well to earn an additional 25% of Canoil's working interest. For greater clarity, Seaview's interest after drilling the test well will be 50% in the farmout lands. Seaview shall be the designated operator upon election of intent to drill the test well.

Canoil Mulligan Agreement

Seaview entered into the Canoil Mulligan Agreement with Canoil on July 24, 2007 for an option on 640 gross acres (640 net acres) of undeveloped land. Pursuant to the terms of the Canoil Mulligan Agreement, Seaview shall acquire and reprocess a minimum of 26 kilometres of trade seismic data as outlined in the agreement at an estimated cost of \$60,000. The costs associated with the acquisition of seismic data shall be paid 100% by Seaview (\$60,000 net to Seaview).

Upon acquiring the seismic data, Seaview shall have earned a 25% working interest in the farmout lands. In addition, Seaview has a 30 day period from receipt of the seismic data to either elect to drill a test well on the farmout lands or surrender its right to earn an additional 25% interest in the farmout lands without further obligation.

If Seaview elects to drill the initial well, the well shall be spud at a location mutually agreed upon by Seaview and Canoil to a minimum contract depth of 30 metres below the top of the Debolt formation or 2,050 metres total depth. Seaview shall participate for its 25% working interest and further participate for an additional 40% in all costs pertaining to drill, case, complete or abandon the test well to earn an additional 25% of Canoil's working interest. For greater clarity, Seaview's interest after drilling the test well will be 50% in the farmout lands. Seaview shall be the designated operator upon election of intent to drill the test well.

Purchase of Crown Petroleum and Natural Gas License

On July 11, 2007, Seaview purchased a petroleum and natural gas license covering Section 5-77-7W6M for aggregate consideration of \$52,708. Pursuant to the acquisition, Seaview acquired all petroleum and natural gas rights below base Doe Creek. This acquisition provides Seaview with 640 gross acres (320 net) of land.

Significant Probable Acquisition of 1276921

On July 20, 2007, the Corporation and Seaview Exploration, a wholly-owned subsidiary of Seaview, entered into the 1276921 Amalgamation Agreement pursuant to which Seaview Exploration and 1276921 shall amalgamate on the basis of 0.9076 of a Class A Share being issued for each 1276921 Share. The Amalgamation is expected to close on or about October 12, 2007. The completion of the Amalgamation is subject to certain conditions to be satisfied on or prior to closing, including the approval of the shareholders of 1276921, which was obtained at a meeting held on October 5, 2007. Certain of the directors and officers of Seaview are also shareholders of 1276921 and, as such, can be regarded as having an interest in the Amalgamation. The completion of this offering is not conditional upon the closing of the Amalgamation. See “*Interest of Management and Others in Material Transactions*” and “*Risk Factors*”.

The primary asset of 1276921 is located in the Gordondale – Valhalla focus area. This focus area is characterized by multi-zone, natural gas or light oil drilling opportunities at shallow to medium drilling depths (approximately 350 to 1,800 metres). 1276921’s land base was acquired through the Fairborne Agreement.

Pursuant to the Fairborne Agreement, 1276921 acquired an option on 39,840 gross acres (24,715 net acres). The target formations are the Cretaceous aged Doe Creek, Dunvegan, Notikewin and Gething formations targeting sweet natural gas reserves at depths of 350 to 1,800 metres. In addition to the shallow-medium depth gas reserves, potential also exists in the Triassic aged Charlie Lake, Halfway, Doig and Montney formations targeting primarily medium-light grade crude oil reserves at depths to 2,000 metres. Finally the Mississippian aged Kiskatinaw formation at average depths of 2,200 metres holds potential for exploration prospects targeting natural gas reserves.

Pursuant to the terms of Fairborne Agreement, 1276921 has the right to earn in the farmout lands by committing to capital expenditures of \$8,500,000 prior to April 30, 2008. If 1276921’s commitment to make certain capital expenditures is not satisfied by April 30, 2008, 1276921 will be obligated to pay to Fairborne the difference between the commitment amount under the Fairborne Agreement and the amounts actually expended by 1276921. 1276921’s commitment under the Fairborne Agreement is comprised of three components: the New Resource Development Program, the Optimization Program and the Sour Gas Infrastructure Planning Program.

Under the New Resource Development Program, 1276921 commits to expend approximately \$5,000,000 net to 1276921’s account to drill, test, complete or abandon a minimum of 7 wells. Of the test wells, one well must be drilled to minimum contract depth of 450 metres or 20 metres into the Shaftesbury formation, two test wells must be drilled to minimum contract depth of 950 metres or 50 metres into the Notikewin formation, two test wells must be drilled to minimum contract depth of 1,475 metres or 50 meters into the Fernie formation and two test wells must be drilled to minimum contract depth of 1,700 metres or 20 meters below the base of the Boundary Lake formation. 1276921 will pay 100% of the cost of drilling and completing or abandoning the well. In return, 1276921 will earn 60% or 70% (depending on the subject lands) of Fairborne’s pre-farmout working interest in the farmout lands to the deepest formation fully penetrated and evaluated. For each test well drilled, 1276921 shall earn Fairborne’s working interest in the section where the test well is located in addition to one other gross section of contiguous farmout lands.

Under the Optimization Program, 1276921 commits to expend approximately \$3,000,000 net to 1276921’s account to test, complete, equip and tie-in, workover or otherwise optimize re-entry wells outlined in the agreement. The capital commitment for the Optimization Program must be spent prior to April 30, 2008. 1276921 will pay 100% of the cost to test, complete, equip and tie-in, workover or otherwise optimize re-entry wells outlined in the agreement. In return, 1276921 will earn 50% of Fairborne’s pre-farmout working interest in the spacing unit for the re-entry well entered into in the optimization project, being a quarter section for an oil well and a full section for a gas well to the base of the deepest formation evaluated by each optimization project.

Under the Sour Gas Infrastructure Planning Program, 1276921 commits to expend up to a maximum of \$500,000 net to 1276921's account to be dedicated to an engineering feasibility study and pre-construction plan to address further development of Fairborne's existing Boundary Lake sour light oil development. Fairborne shall retain an option to commit additional capital to the execution of the sour Boundary Lake development plan after completion of the feasibility study. Earning terms and commitment levels for incremental capital commitments shall be negotiated in good faith by 1276921 and Fairborne.

1276921 commenced the initial phase of operations pursuant to the Fairborne Agreement in the second quarter of 2007. Pursuant to the New Resource Development Program, 1276921 has drilled 3 gross (1.2 net) wells in Gordondale area with a 100% success rate. As of the date of this prospectus, 1276921 is required to drill a minimum of 4 additional locations to fulfill its commitments. These locations are currently at various stages in preparation for drilling prior to the end of 2007. Two (0.6 net) of the wells drilled in the second quarter of 2007 are on-stream and produced an average of 1,720 mcf/d (515 mcf/d net) in the month of July and are currently producing 2,320 mcf/d (696 mcf/d net). The third location is currently being tied-in and is anticipated to be on-stream in September 2007 at a rate of 1,000 mcf/d (600 mcf/d net) initial rate.

Pursuant to the Optimization Program, 1276921 has completed optimization projects on 4 oil wells (2 net) which are all currently on production. These operations involved selective workovers and equipping of previously standing or suspended oil wells. The producing formation is the Charlie Lake formation which produces long life 40 degree API light crude oil, in addition to associated sour solution gas. These wells produced an average of 22 bbls/d (11.0 bbls/d net) in the month of July and are currently producing 38 bbls/d (19 bbls/d net). To date, 1276921 has identified an additional 12 drilling locations (6.14 net) in the Gordondale-Valhalla lands.

Pursuant to the Sour Gas Infrastructure Planning Program, 1276921 has retained a consultant to review the regional sour infrastructure and potential development plan in the Gordondale area. The initial scope of this study includes a review of regional sour gathering systems and processing facilities, technical analysis of existing standing oil wells for possible optimization or activation and an engineering feasibility study of possible long term development options.

As at June 30, 2007, 1276921 had approximately \$3.4 million remaining to be expended under the New Resources Development Program, \$2.8 million remaining to be expended under the Optimization Program and up to \$500,000 to be expended under the Sour Gas Infrastructure Program. Funds to satisfy 1276921's capital expenditure commitments under each program will be obtained from 1276921's existing working capital (\$2.6 million as at June 30, 2007), a credit facility from a Canadian chartered bank in the amount of \$2.0 million and cash flow from production.

The information contained in this prospectus relating to the Amalgamation should be read in conjunction with the Seaview Financial Statements, the 1276921 Financial Statements and the Pro-forma Combined Financial Statements set forth in Schedule "A" to this prospectus.

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION IN RESPECT OF 1276921

Disclosure of Reserve Data

In accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities, Sproule Associates Limited ("Sproule") prepared a report (the "Sproule Report") dated July 20, 2007. The Sproule Report evaluated, as at May 31, 2007, 1276921's oil, NGL and natural gas reserves. The tables below are a summary of the oil, NGL and natural gas reserves of 1276921 and the net present value of future net revenue attributable to such reserves as evaluated in the Sproule Report based on constant and forecast price and cost assumptions. The tables summarize the data contained in the Sproule Report and as a result may contain slightly different numbers than such report due to rounding. Also due to rounding, certain columns may not add exactly. **The net present value of future net revenue attributable to 1276921's reserves is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, development costs,**

other income, future capital expenditures, and well abandonment costs for only those wells assigned reserves by Sproule. It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to 1276921's reserves estimated by Sproule represent the fair market value of those reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery and reserve estimates of 1276921's oil, NGL and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein.

The Sproule Report is based on certain factual data supplied by 1276921 and Sproule's opinion of reasonable practice in the industry. The extent and character of ownership and all factual data pertaining to 1276921's petroleum properties and contracts (except for certain information residing in the public domain) were supplied by 1276921 to Sproule and accepted without any further investigation. Sproule accepted this data as presented and neither title searches nor field inspections were conducted.

Notes and Definitions

The determination of oil and gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved, probable and possible reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery.

The estimation and classification of reserves requires the application of professional judgment combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions.

"Reserves" are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on (a) analysis of drilling, geological, geophysical, and engineering data; (b) the use of established technology; and (c) specified economic conditions, which are generally accepted as being reasonable and shall be disclosed. Reserves are classified according to the degree of certainty associated with the estimates.

"Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

"Developed Producing" reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

"Developed Non-Producing" reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

"Undeveloped" reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned. In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to sub-divide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

"Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

The following terms, used in the preparation of the Sproule Report (as defined herein) and this document, have the following meanings:

“**associated gas**” means the gas cap overlying a crude oil accumulation in a reservoir.

“**constant prices and costs**” means prices and costs used in an estimate that are:

- (a) 1276921’s prices and costs as at the effective date of the estimation, held constant throughout the estimated lives of the properties to which the estimate applies;
- (b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which 1276921 is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a).

For the purpose of paragraph (a), the reporting issuer’s prices will be the posted price for oil and the spot price for gas, after historical adjustments for transportation, gravity and other factors.

“**crude oil**” or “**oil**” means a mixture that consists mainly of pentanes and heavier hydrocarbons, which may contain sulphur and other non-hydrocarbon compounds, that is recoverable at a well from an underground reservoir and that is liquid at the conditions under which its volume is measured or estimated. It does not include solution gas or natural gas liquids.

“**development costs**” means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas from the reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

- (a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves;
- (b) drill and equip development wells, development type stratigraphic test wells and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and the wellhead assembly;
- (c) acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and
- (d) provide improved recovery systems.

“**development well**” means a well drilled inside the established limits of an oil or gas reservoir, or in close proximity to the edge of the reservoir, to the depth of a stratigraphic horizon known to be productive.

“**exploration costs**” means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil and gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as “prospecting costs”) and after acquiring the property. Exploration costs, which include applicable operating costs of support equipment and facilities and other costs of exploration activities, are:

- (a) costs of topographical, geochemical, geological and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as “geological and geophysical costs”);
- (b) costs of carrying and retaining unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defence, and the maintenance of land and lease records;
- (c) dry hole contributions and bottom hole contributions;
- (d) costs of drilling and equipping exploratory wells; and
- (e) costs of drilling exploratory type stratigraphic test wells.

“**exploratory well**” means a well that is not a development well, a service well or a stratigraphic test well.

“**field**” means an area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field that are separated vertically by intervening impervious strata or laterally by local geologic barriers, or both. Reservoirs that are associated by being in overlapping or adjacent fields may be treated as a single or common operational field. The geological terms “structural feature” and “stratigraphic condition” are intended to denote localized geological features, in contrast to broader terms such as “basin”, “trend”, “province”, “play” or “area of interest”.

“**future prices and costs**” means future prices and costs that are:

- (a) generally accepted as being a reasonable outlook of the future;
- (b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which 1276921 issuer is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a).

“**future income tax expenses**” means future income tax expenses estimated (generally, year-by-year):

- (a) making appropriate allocations of estimated unclaimed costs and losses carried forward for tax purposes, between oil and gas activities and other business activities;
- (b) without deducting estimated future costs that are not deductible in computing taxable income;
- (c) taking into account estimated tax credits and allowances (for example, royalty tax credits); and
- (d) applying to the future pre-tax net cash flows relating to the reporting issuer’s oil and gas activities the appropriate year-end statutory tax rates, taking into account future tax rates already legislated.

“**future net revenue**” means the estimated net amount to be received with respect to the development and production of reserves (including synthetic oil, coal bed methane and other non-conventional reserves) estimated using constant prices and costs or forecast prices and costs.

“**gross**” means:

- (a) in relation to 1276921's interest in production or reserves, its "company gross reserves", which are its working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of 1276921;
- (b) in relation to wells, the total number of wells in which 1276921 has an interest; and
- (c) in relation to properties, the total area of properties in which 1276921 has an interest.

"natural gas" means the lighter hydrocarbons and associated non-hydrocarbon substances occurring naturally in an underground reservoir, which under atmospheric conditions are essentially gases but which may contain natural gas liquids. Natural can exist in a reservoir either dissolved in crude oil (solution gas) or in a gaseous phase (associated gas or non-associated gas). Non-hydrocarbon substances may include hydrogen sulphide, carbon dioxide and nitrogen.

"natural gas liquids" means those hydrocarbon components that can be recovered from natural gas as liquids including, but not limited to, ethane, propane, butanes, pentanes plus, condensate and small quantities of non-hydrocarbons.

"net" means

- (a) in relation to 1276921's interest in production or reserves its working interest (operating or non-operating) share after deduction of royalty obligations, plus 1276921's royalty interests in production or reserves;
- (b) in relation to 1276921's interest in wells, the number of wells obtained by aggregating 1276921's working interest in each of its gross wells; and
- (c) in relation to 1276921's interest in a property, the total area in which 1276921 has an interest multiplied by the working interest owned by 1276921.

"non-associated gas" means an accumulation of natural gas in a reservoir where there is no crude oil.

"operating costs" or **"production costs"** means costs incurred to operate and maintain wells and related equipment and facilities, including applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities.

"production" means recovering, gathering, treating, field or plant processing (for example, processing gas to extract natural gas liquids) and field storage of oil and gas.

"property" includes:

- (a) fee ownership or a lease, concession, agreement, permit, license or other interest representing the right to extract oil or gas subject to such terms as may be imposed by the conveyance of that interest;
- (b) royalty interests, production payments payable in oil or gas, and other non-operating interests in properties operated by others; and
- (c) an agreement with a foreign government or authority under which a reporting issuer participates in the operation of properties or otherwise serves as "producer" of the underlying reserves (in contrast to being an independent purchaser, broker, dealer or importer).

A property does not include supply agreements, or contracts that represent a right to purchase, rather than extract, oil or gas.

“**property acquisition costs**” means costs incurred to acquire a property (directly by purchase or lease, or indirectly by acquiring another corporate entity with an interest in the property), including:

- (a) costs of lease bonuses and options to purchase or lease a property;
- (b) the portion of the costs applicable to hydrocarbons when land including rights to hydrocarbons is purchased in fee;
- (c) brokers’ fees, recording and registration fees, legal costs and other costs incurred in acquiring properties.

“**proved property**” means a property or part of a property to which reserves have been specifically attributed.

“**reservoir**” means a porous and permeable underground formation containing a natural accumulation of producible oil or gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.

“**service well**” means a well drilled or completed for the purpose of supporting production in an existing field. Wells in this class are drilled for the following specific purposes: gas injection (natural gas, propane, butane or flue gas), water injection, steam injection, air injection, salt-water disposal, water supply for injection, observation, or injection for combustion.

“**solution gas**” means natural gas dissolved in crude oil.

“**stratigraphic test well**” means a drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Ordinarily, such wells are drilled without the intention of being completed for hydrocarbon production. They include wells for the purpose of core tests and all types of expendable holes related to hydrocarbon exploration. Stratigraphic test wells are classified as (a) “exploratory type” if not drilled into a proved property; or (b) “development type”, if drilled into a proved property. Development type stratigraphic wells are also referred to as “evaluation wells”.

“**support equipment and facilities**” means equipment and facilities used in oil and gas activities, including seismic equipment, drilling equipment, construction and grading equipment, vehicles, repair shops, warehouses, supply points, camps, and division, district or field offices.

“**unproved property**” means a property or part of a property to which no reserves have been specifically attributed.

“**well abandonment costs**” means costs of abandoning a well (net of salvage value) and of disconnecting the well from the surface gathering system. They do not include costs of abandoning the gathering system or reclaiming the wellsite.

Summary of Oil and Natural Gas Reserves - Constant Prices and Costs

	Gross Reserves			Net Reserves		
	Light and Medium Crude Oil Mbbbls	Natural Gas Liquids Mbbbls	Natural Gas mmcf	Light and Medium Crude Oil Mbbbls	Liquids Mbbbls	Natural Gas mmcf
Proved						
Developed Producing	19	-	202	17	-	150
Developed Non-Producing	71	-	549	66	-	420
Undeveloped	20	-	54	17	-	30
Total Proved	109	-	806	100	-	599
Probable	67	-	1,509	61	-	1,162
Total Proved plus Probable	176	-	2,314	161	-	1,761

Summary of Oil and Natural Gas Reserves – Forecast Prices and Costs

	Gross Reserves			Net Reserves		
	Light and Medium Crude Oil	Natural Gas Liquids	Natural Gas	Light and Medium Crude Oil	Liquids	Natural Gas
	Mbbls	Mbbls	mmcf	Mbbls	Mbbls	mmcf
Proved						
Developed Producing	19	-	202	19	-	165
Developed Non-Producing	71	-	549	68	-	423
Undeveloped	20	-	54	17	-	30
Total Proved	109	-	806	104	-	617
Probable	67	-	811	63	-	617
Total Proved plus Probable	176	-	1,617	167	-	1,234

Net Present Value of Future Net Revenue – Constant Prices and Costs

	Before Future Income Tax Expenses and Discounted at		After Future Income Tax Expenses and Discounted at	
	0%	10%	0%	10%
	(M\$)	(M\$)	(M\$)	(M\$)
Proved				
Developed Producing	1,815	1,552	1,227	1,052
Developed Non-Producing	4,444	3,545	2,941	2,267
Undeveloped	800	585	535	376
Total Proved	7,059	5,682	4,703	3,695
Probable	8,713	5,395	6,000	3,642
Total Proved plus Probable	15,772	11,077	10,703	7,337

Net Present Value of Future Net Revenue – Forecast Prices and Costs

	Before Future Income Tax Expenses and Discounted at				
	0%	5%	10%	15%	20%
	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)
Proved					
Developed Producing	2,040	1,896	1,775	1,670	1,580
Developed Non-Producing	4,536	4,100	3,728	3,407	3,129
Undeveloped	706	610	532	466	410
Total Proved	7,283	6,607	6,034	5,544	5,120
Probable	5,782	4,914	4,243	3,713	3,288
Total Proved plus Probable	13,064	11,521	10,277	9,257	8,408

	After Future Income Tax Expenses and Discounted at				
	0%	5%	10%	15%	20%
	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)
Proved					
Developed Producing	1,412	1,313	1,229	1,157	1,095
Developed Non-Producing	3,062	2,728	2,445	2,201	1,990
Undeveloped	490	415	354	303	260
Total Proved	4,964	4,457	4,028	3,661	3,345
Probable	4,099	3,453	2,954	2,560	2,245
Total Proved plus Probable	9,062	7,910	6,981	6,222	5,591

Additional Information Concerning Future Net Revenue (Undiscounted)

Constant Prices and Costs

	Revenue	Royalties	Operating Costs	Development Costs	Abandonment and Reclamation Costs	Future Net Revenue Before Income Taxes	Income Taxes	Future Net Revenue After Income Taxes
	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)
Total Proved Reserves	13,689	1,961	2,879	1,650	141	7,059	2,356	4,703
Total Proved plus Probable	29,327	4,557	6,139	2,658	202	15,772	5,069	10,703

Forecast Prices and Costs

	Revenue	Royalties	Operating Costs	Development Costs	Abandonment and Reclamation Costs	Future Net Revenue Before Income Taxes	Income Taxes	Future Net Revenue After Income Taxes
	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)
Total Proved Reserves	14,052	1,778	3,170	1,650	171	7,283	2,319	4,964
Total Proved plus Probable	24,873	3,442	5,612	2,513	243	13,064	4,002	9,062

Future Net Revenue by Production Group - Constant Prices and Costs

	Future Net Revenue Before Income Taxes and Discounted at 10%
	(M\$)
Proved	
Light and Medium Crude Oil ⁽¹⁾	3,570
Natural Gas ⁽²⁾	2,112
Proved plus Probable	
Light and Medium Crude Oil ⁽¹⁾	5,979
Natural Gas ⁽²⁾	5,097

Notes:

- (1) Including solution gas and other by-products.
- (2) Including by-products, but excluding solution gas from oil wells.

Future Net Revenue by Production Group - Forecast Prices and Costs

	Future Net Revenue Before Income Taxes and Discounted at 10%
	(M\$)
Proved	
Light and Medium Crude Oil ⁽¹⁾	3,614
Natural Gas ⁽²⁾	2,420
Proved plus Probable	
Light and Medium Crude Oil ⁽¹⁾	5,810
Natural Gas ⁽²⁾	4,467

Notes:

- (1) Including solution gas and other by-products.
- (2) Including by-products, but excluding solution gas from oil wells.

Pricing Assumptions - Constant Prices and Costs

Sproule used the following pricing and exchange rate assumptions as of April 30, 2007 in estimating 1276921's reserves data using constant prices and costs.

NATURAL GAS		CRUDE OIL		NATURAL GAS LIQUIDS	
Alberta Spot Plant Gate		Edmonton Light		Pentanes Plus Field Gate	Butanes Field Gate
(\$Cdn/MMbtu)		(\$Cdn/Bbl)		(\$Cdn/Bbl)	(\$Cdn/Bbl)
7.46		74.85		70.40	64.32
Exchange Rate (\$US/\$Cdn)					
0.897					

Pricing Assumptions - Forecast Prices and Costs

Sproule used the following pricing, exchange rate and inflation rate assumptions as of April 30, 2007 in estimating 1276921's reserves data using forecast prices and costs.

Year	CRUDE OIL			NATURAL GAS	NATURAL GAS LIQUIDS		Inflation (%)	US/Cdn Exchange Rate (\$US/\$Cdn)
	WTI Crude Oil	Edmonton Light Crude Oil	Cromer Medium Crude Oil	Alberta AECO Spot Price	Pentanes Plus Field Gate	Butanes Field Gate		
	(\$US/Bbl)	(\$Cdn/Bbl)	(\$Cdn/Bbl)	(\$Cdn/GJ)	(\$/Bbl)	(\$/Bbl)		
Forecast	(1)	(2)	(3)					
2007	66.95	75.49	64.92	8.16	77.31	56.26	4.6	0.87
2008	69.64	78.56	67.56	8.98	80.45	58.55	4.0	0.87
2009	64.89	73.08	62.85	8.29	74.84	54.47	3.0	0.87
2010	58.37	65.56	56.38	7.55	67.14	48.86	2.0	0.87
2011	55.20	61.90	53.23	7.72	63.39	46.14	2.0	0.87

(1) West Texas Intermediate at Cushing Oklahoma 40 degrees API/0.5% sulphur.

(2) Edmonton Light Sweet 40 degrees API, 0.3% sulphur.

(3) Cromer Medium 29.3 degrees API.

Oil and Gas Wells

The following table summarizes 1276921's interest as at June 30, 2007 in wells that are producing and non-producing.

	Producing Wells				Non Producing Wells			
	Oil		Natural Gas		Oil		Natural Gas	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Alberta	1.0	0.6	1.0	0.3	3.0	1.5	2.0	0.9
Total	1.0	0.6	1.0	0.3	3.0	1.5	2.0	0.9

Notes:

(1) "Gross" refers to all wells in which 1276921 has either a working interest or a royalty interest.

(2) "Net" refers to the aggregate of the percentage working interests of 1276921 in the gross wells before deduction of royalties.

(3) "Non producing wells" refers to wells which have encountered and are capable of producing crude oil or natural gas but which are not producing due to lack of available transportation facilities, available markets or other reasons. Non producing wells in which 1276921 has an interest are located no further than 10 kilometres from existing pipelines.

Properties with No Attributed Reserves

The following table summarizes the gross and net acres of unproved properties in which 1276921 has an interest and also the number of net acres for which 1276921's rights to explore, develop or exploit will, absent further action, expire within one year.

	Gross Acres	Net Acres	Net Acres Expiring Within One Year
Peace River Arch area	3,360	1,636	-
Total	3,360	1,636	-

Notes:

- (1) "Gross Acres" means the total number of acres in which 1276921 has an interest.
- (2) "Net Acres" means the aggregate of the percentage working interest of 1276921 in the gross acres.

Costs Incurred

The following table summarizes 1276921's property acquisition costs, exploration costs and development costs for the period ended June 30, 2007.

	Property Acquisition Costs			
	Proved Properties	Unproved Properties	Exploration Costs	Development Costs
Total (\$)	\$17,912	-	\$1,209,500	\$1,053,654

Drilling Activity

The following table summarizes the gross and net exploration and development wells in which 1276921 participated for the period ended June 30, 2007.

	Exploratory Wells		Development Wells	
	Gross	Net	Gross	Net
Oil	-	-	-	-
Gas	2.0	0.9	1.0	0.3
Dry Holes	-	-	-	-
Total	2.0	0.9	1.0	0.3

Notes:

- (1) "Gross" wells means all wells in which 1276921 has a working interest.
- (2) "Net" wells refer to the aggregate of the percentage working interests on 1276921 in the gross wells before the deduction of royalties.

Production History

The following tables disclose, for the period ended June 30, 2007, 1276921's share of average daily production volume, prior to royalties, and the prices received, royalties paid, production costs incurred and netbacks on a per unit of volume basis for each product type.

Average Daily Production Volume

	Three Months Ended	
	June 30, 2007	Total
Natural gas (mcf/d)	407	407
Light and Medium Crude Oil (bbl/d)	12	12
NGL (bbl/d)	1	1
Total (boe/d)	80	80

Prices Received, Royalties Paid, Production Costs and Netback – Light and Medium Crude Oil and NGLs

(\$ per Bbl)	Three Months Ended	
	June 30, 2007	Total
Prices Received	61.23	61.23
Royalties Paid	1.04	1.04
Production Costs	23.08	23.08
Netback	37.11	37.11
Oil price	60.99	60.99
NGL price	66.33	66.33

Prices Received, Royalties Paid, Production Costs and Netback – Natural Gas

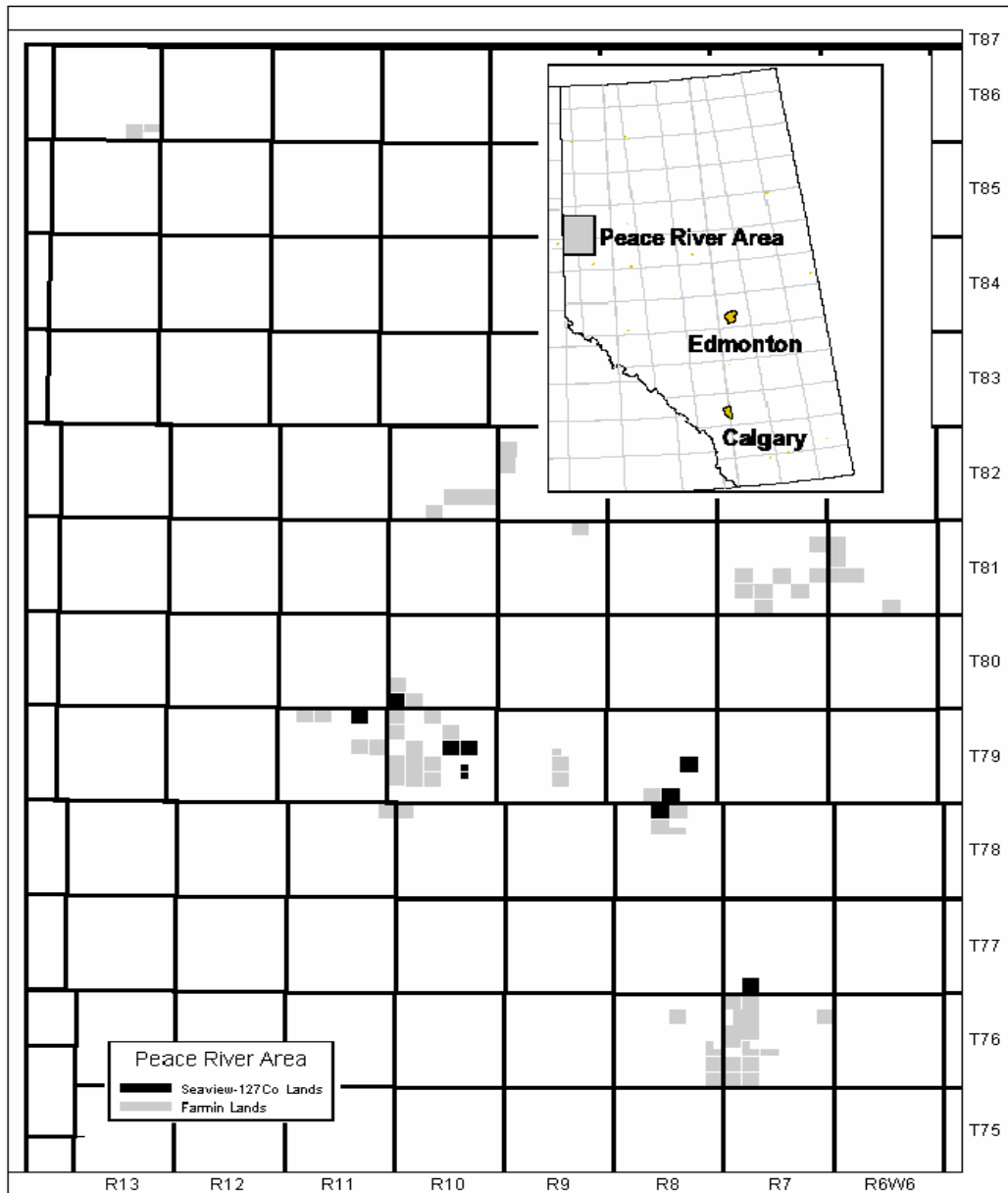
(\$ per mcf)	Three Months Ended	
	June 30, 2007	Total
Prices Received	6.98	6.98
Royalties Paid	1.98	1.98
Production Costs	0.91	0.91
Netback	4.09	4.09

Production Volume by Field

The following table discloses for each important field, and in total, 1276921's production volumes for the period ended June 30, 2007 for each product type.

Field	Light and Medium Crude Oil (bbls/d)	Natural Gas (mcf/d)	Natural Gas Liquids (bbls/d)	BOE (boe/d)	%
Gordondale, Peace River Arch	12	407	1	80	100%
Total	12	407	1	80	100%

Seaview Energy Inc. Focus Areas



USE OF PROCEEDS

The gross proceeds to Seaview from the sale of the Units offered hereby will be \$10,000,000 if the Minimum Offering is sold and \$12,000,000 if the Maximum Offering is sold. The net proceeds to Seaview from the sale of the Units offered after deducting the Agents' Commission and total estimated expenses of the Offering of \$250,000 are estimated to be \$9,050,000 if the Minimum Offering is sold and \$10,910,000 if the Maximum Offering is sold. Of the proceeds of the sale of each Unit, \$100 will be allocated to the purchase of 400 Class A Shares and \$900 will be allocated to the purchase of 90 Class B Shares.

Seaview will use the Flow-through Funds to incur the Qualifying Expenditures as to \$1,000 per Unit, which Qualifying Expenditures will be renounced to subscribers effective in 2007. Assuming the Maximum Offering, approximately 88.3% of the Flow-through Funds will be expended on CEE and approximately 11.7% on Eligible CDE.

It is currently anticipated that the approximate total funds available to Seaview at the close of the Offering will be as follows:

	<u>Minimum Offering</u>	<u>Maximum Offering</u>
Net Proceeds ⁽¹⁾	\$9,300,000	\$11,160,000
Existing Working Capital ^{(2), (3)}	\$903,542	\$903,542
Total Funds Available	\$10,203,542	\$12,063,542

Notes:

- (1) Gross proceeds of \$10,000,000 if the Minimum Offering is sold and \$12,000,000 if the Maximum Offering is sold less Agents' Commission of 7%.
- (2) As of July 31, 2007.
- (3) Total estimated expenses of the Offering of \$250,000 has been netted against the existing working capital of \$1,153,542.
- (4) Seaview intends to finance the shortfall in the Flow-through Funds resulting from the payment of the Agents' Commission through a combination of existing working capital, cash flow from future activities and bank debt. However, there can be no assurance that funds will be available to the Corporation on terms that are acceptable to the Corporation or at all.

The proposed use of Seaview's allocated available funds is anticipated to be as follows:

<u>Use of Proceeds</u>	<u>Minimum Offering (\$)</u>	<u>Maximum Offering (\$)</u>
Kereco Agreements		
Drilling 3 to 4 wells	2,800,000	3,400,000
Canoil Agreements		
Seismic Program	200,000	200,000
Drilling 2 to 3 wells	1,200,000	1,600,000
	1,400,000	1,800,000
Exploration and Development Activities ⁽⁴⁾		
Land	300,000	500,000
Seismic Program	300,000	500,000
Drilling 6 to 8 wells	4,500,000	4,960,000
	5,100,000	5,960,000
Agents' Commission ^{(1), (2)}	700,000	840,000
	<u>10,000,000</u>	<u>12,000,000</u>

Notes:

- (1) The Agents will receive a fee of 7% of the gross amount raised pursuant to the Offering, or \$70 per Unit. The Agents are also entitled to be reimbursed for all of its reasonable out-of-pocket expenses associated with the Offering. Total estimated expenses of the Offering of \$250,000 will be paid from Seaview's existing working capital, which was approximately \$1,153,542 as at July 31, 2007.
- (2) Seaview intends to finance the shortfall in the Flow-through Funds resulting from the payment of the Agents' Commission through a combination of existing working capital, cash flow from future activities and bank debt. However, there can be no assurance that funds will be available to the Corporation on terms that are acceptable to the Corporation or at all.
- (3) Total estimated expenses of the Offering of \$250,000 will be paid out of existing working capital.
- (4) Assuming completion of the Amalgamation, funds will be allocated to exploration and development activities in respect of lands earned by 1276921 pursuant to the Fairborne Agreement. Under the New Resource Development Program of the Fairborne Agreement, for each test well drilled, 1276921 shall earn Fairborne's working interest in the section where the test well is located in addition to one other gross section of contiguous farmout lands. Under the Optimization Program of the Fairborne Agreement, 1276921 will earn 50% of Fairborne's pre-farmout working interest in the spacing unit for each re-entry well entered into in the

optimization project, being a quarter section for an oil well and a full section for a gas well to the base of the deepest formation evaluated by each optimization project.

To the extent that Seaview farms in, participates with or otherwise enters into exploration and development arrangements with other industry partners, it shall use its reasonable best efforts to enter into such arrangements with public issuers.

Due to the nature of the oil and gas industry, budgets are regularly reviewed in light of the success of the expenditures and other opportunities which may become available to Seaview. In addition, the ability of Seaview to carry out operations will depend upon the decisions of other working interest owners in its properties. Accordingly, while Seaview anticipates that it will have the ability to spend the funds available to it as stated in this prospectus, there may be circumstances where, for sound business reasons, a reallocation of funds may be prudent. A discussion of the factors that management will consider in assessing Seaview's participation in acquisition or development opportunities is described under "*Description of the Business – General*".

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

General

Between June 22, 2007 and July 13, 2007, Seaview raised \$1,197,000 by way of private placement of Class A Shares at an issue price of \$0.25 per share. As at July 31, 2007, Seaview had cash on hand of approximately \$1,153,542 and no non-cash working capital.

Seaview has only recently been incorporated and was inactive until June 22, 2007 when it raised funds through the private placement of Class A Shares to its founding shareholders. See "*Description of the Business – Development to Date*". As at the date hereof, Seaview has not had any revenues. Seaview's only sources of financing are the prior issue of 4,788,100 Class A Shares for gross aggregate proceeds of \$1,197,025. See "*Prior Sales*" and "*Capitalization of Seaview*".

Significant Probable Acquisition of 1276921

On July 20, 2007, Seaview entered into the 1276921 Amalgamation Agreement. See "*Description of the Business – Significant Probable Acquisition of 1276921*", "*Interest of Management and Others in Material Transactions*" and "*Risk Factors*".

Upon completion of the Amalgamation, Seaview Exploration and 1276921 will continue to carry on business under the name "Seaview Exploration Ltd." and such entity shall be a wholly-owned subsidiary of Seaview. Funds to satisfy 1276921's commitments and obligations upon completion of the Amalgamation will be obtained from 1276921's existing working capital, a credit facility from a Canadian chartered bank in the amount of \$2.0 million and cash flow from production generated from the ongoing activities of 1276921 pursuant to the Fairborne Agreement. See "*Description of the Business – Developments to Date – Significant Probable Acquisition of 1276921*".

The information contained in this prospectus relating to the Amalgamation should be read in conjunction with the Seaview Financial Statements, the 1276921 Financial Statements and the Pro-forma Combined Financial Statements set forth in Schedule "A" to this prospectus.

Contractual Obligations

The Corporation has entered into an office lease with its landlord providing for the following estimated payments as of June 30, 2007:

Contractual Obligations	Payments due by Period				
	Total	Less than 1 year	1-3 years	4-5 years	More than 5 years
Operating Leases	1,436,580	23,943	861,948	550,689	-
Total Contractual Obligations	1,436,580	23,943	861,948	550,689	-

Liquidity and Capital Resources

Seaview will conduct its operations in Canada in a manner consistent with environmental regulations as stipulated in provincial and federal legislation. Seaview is committed to meeting its responsibilities to protect the environment wherever it operates and anticipates making increased expenditures of both a capital and expense nature as a result of the increasingly stringent laws relating to the protection of the environment. However, Seaview does not anticipate that it will be subject to any increases in such expenditures which, as a percentage of cash flow, will be greater than those expected, on average, by other industry operators. Seaview will maintain insurance coverage where available and financially desirable in light of risk versus cost factors. Unforeseen significant changes in such areas as markets, prices, royalties, interest rates and government regulations would have an impact on Seaview's future operating results and/or financial condition. See "*Risk Factors*".

The oil and gas industry has been subject to considerable price volatility, over which companies have little control, and a material decline in the price of oil and/or natural gas could result in a significant decrease in Seaview's future anticipated revenues. The oil and gas industry has inherent business risks and there is no assurance that products can continue to be produced at economical rates or that produced reserves will be replaced. Fluctuations in currency and exchange rates and changes in production volumes are daily risks in the oil and gas industry. See "*Risk Factors*".

Although Seaview has no set policy, management of Seaview may use financial instruments to reduce corporate risk in certain situations. Seaview may hedge up to 60% of its production to help guarantee a return or to appease creditors when concluding a business transaction. Seaview has no hedges or other financial instruments in place.

1276921 has a credit facility with a Canadian chartered bank in the amount of \$2.0 million. Assuming the completion of the Amalgamation, Seaview, through 1276921, will be able to draw upon the Credit Facility.

Presently, Seaview has not incurred any capital expenditures. Seaview anticipates that future capital requirements will be funded through a combination of internal cash flow and external debt and/or equity financing.

DETAILS OF THE OFFERING

Each Unit consists of 400 Class A Shares and 90 Class B Shares. Within 15 days of Closing, each subscriber will be issued 400 Class A Shares and 90 Class B Shares per Unit subscribed for. A minimum of five Units must be subscribed for at a minimum aggregate purchase price of \$5,000. Additional purchases may be made in multiples of one Unit (\$1,000).

The following table describes the number of Class A Shares and Class B Shares to be issued per Unit and per minimum subscription for five Units (\$5,000):

	<u>Allocation of Purchase Price</u>	<u>Number of Shares</u>	<u>Per Share Purchase Price</u>
Per Unit			
Class A Shares	\$100	400	\$0.25
Class B Shares	\$900	90	\$10.00
	<u>\$1,000</u>		
Per Five Units			
Class A Shares	\$500	2,000	\$0.25
Class B Shares	\$4,500	450	\$10.00
	<u>\$5,000</u>		

The Class A Shares and Class B Shares will be issued as “flow-through shares” under the Tax Act. Pursuant to the Subscription Agreement, the Corporation will covenant and agree: (i) to incur on or before December 31, 2008 and renounce, as CEE, to the subscriber effective on or before December 31, 2007, Qualifying Expenditures in an amount equal to the aggregate purchase price paid by such Subscriber for the Units; and (ii) that if the Corporation does not renounce to such subscriber, effective on or before December 31, 2007, as CEE an amount equal to such amount, or if there is a reduction in such amount renounced pursuant to the provisions of the Tax Act, the Corporation shall indemnify the subscriber for an amount equal to the amount of any tax payable or that may become payable under the Tax Act (and under any corresponding provincial legislation) by the subscriber as a consequence of such failure or reduction. The Subscription Agreement will contain additional representations, warranties, covenants and agreements by the Corporation in favour of the subscriber of Units which are consistent with and supplement the Corporation’s obligations as described in this prospectus. See “*Canadian Federal Income Tax Considerations*”.

See “*Description of the Securities Distributed*” for a description of the rights and limitations attaching to the Class A Shares and Class B Shares.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Agents have agreed to act as the Agents for Seaview to offer a minimum of 10,000 Units and a maximum of 12,000 Units for sale to the public on a best efforts basis in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus.

The TSX Venture Exchange has conditionally approved the listing of the Class A Shares and the Class B Shares, subject to the Corporation fulfilling the requirements of such exchange, including the distribution of the Class A and the Class B Shares to a minimum number of public shareholders. The Units will not be listed or traded on any exchange.

The minimum amount of funds to be raised under the Offering is \$10,000,000 and the maximum amount of funds that could be raised under the Offering is \$12,000,000. The Units are being offered to the public at a price of \$1,000 per Unit. The Agents’ Commission is \$70 per Unit, being an aggregate of \$700,000 if the Minimum Offering is sold and \$840,000 if the Maximum Offering is sold. The price of the Units was determined through negotiations between Seaview and the Agents. The obligations of the Agents under the Agency Agreement may be terminated at any time in their sole discretion on the basis of their assessment of the state of the financial markets and on the occurrence of certain stated events. The Agents have reserved the right to offer selling group participation in the Offering to other registered investment dealers. Any fees payable to members of such selling group will be paid by the Agents out of its fee.

Provided the Minimum Offering has been subscribed for, it is expected that the Closing will take place on or about October 12, 2007, subject to postponements, as the Agents and Seaview may agree. Notwithstanding the above, the Offering will be discontinued in the event that a Closing in respect of the Minimum Offering has not occurred on or prior to the date which is 90 days from the issuance of a receipt for this prospectus, unless each of the persons or companies who have subscribed within such period consents to the continuation of the Offering.

Until such time as a Closing has occurred in respect of the Minimum Offering, all subscription funds received by the Agents will be promptly delivered to and held by the Custodian, pending Closing of the Minimum Offering, pursuant to the provisions of the Custodian Agreement. If the Minimum Offering has not been subscribed for prior to the expiry of the 90 day period, the Custodian shall promptly return the proceeds of subscriptions to the subscribers without interest or deduction unless such subscribers have otherwise instructed the Custodian.

Should Closing occur in respect of the Minimum Offering, one or more additional Closings, if necessary, may occur until the earlier of the Maximum Offering being subscribed and the expiry of the 90 day period.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

METHOD OF SUBSCRIPTION

Subscription for the Units will be made by the Agents, or any sub-agents of the Agents, as Agents for and on behalf of all subscribers of Units. Subscribers who place an order to purchase Units will be deemed to have authorized the Agents, or any sub-agents of the Agents, to execute, on their behalf, the Subscription Agreement. The Subscription Agreement will also contain the following representations and warranties made by the subscriber, or deemed to have been made by the subscriber, to Seaview, namely, that:

- (a) the subscription by the subscriber is subject to the acceptance of Seaview and is effective only upon such acceptance;
- (b) each subscriber has received and reviewed a copy of this prospectus;
- (c) each subscriber waives any right he or she may have to any federal or provincial credits, grants or similar or like payments, other than as set out in this prospectus arising or resulting from the incurring of Qualifying Expenditures and acknowledges that such credits, grants and similar or like payments shall belong to, be vested in and accrue solely to the benefit of Seaview;
- (d) each subscriber and Seaview agree that the price per Unit of \$1,000 shall be allocated as to \$100 for Class A Shares and as to \$900 for Class B Shares;
- (e) each subscriber is not a non-resident of Canada for the purposes of the Tax Act;
- (f) each subscriber is of the full age of majority and has the legal capacity and competence to enter into and be bound by the Subscription Agreement; and
- (g) the subscribers presently deal, and will at all relevant times continue to deal, at arm's length with Seaview for the purposes of the Tax Act.

Subscribers for Units must purchase a minimum of five Units (\$5,000).

All monies received by the Agents (or such other investment dealer as is authorized by the Agents) prior to the Closing will be delivered to the Custodian and held in trust pending the Closing.

Default by Subscribers

Should any subscriber's cheque fail for any reason to be honoured, Seaview may, through the Custodian, serve written notice (the "Default Notice") on the subscriber. Within 10 days after sending such Default Notice (the

“Default Period”), if the subscriber has failed to deliver cash or a certified cheque to Seaview for the amount of the default within the Default Period, Seaview has the option, in addition to any other remedy available at law, of not distributing to such subscriber any Class A Shares or Class B Shares comprising the Units subscribed for and of not renouncing any Qualifying Expenditures in favour of such subscriber. In addition, a charge of \$20 per cheque shall be payable by any subscriber whose cheque is not honoured.

DIRECTORS AND OFFICERS OF THE CORPORATION

The name, municipality of residence, age and position held in Seaview of each of the directors and officers of Seaview are as follows:

Name and Municipality of Residence	Age	Position Held
Michael J.J. Wuetherick Calgary, Alberta	40	President, Chief Executive Officer and Director
Stephanie A. Bunch Calgary, Alberta	40	Vice President, Finance and Chief Financial Officer
H. Scott Oldale Calgary, Alberta	47	Vice President, Exploration, Chief Operating Officer and Director
Davin Chandler Calgary, Alberta	44	Vice President, Engineering
Timothy L. Campbell Calgary, Alberta	55	Vice President, Land
Sanjib Gill Calgary, Alberta	31	Corporate Secretary
Paul Colborne ^{(1), (3)} Calgary, Alberta	48	Director
Gregory G. Turnbull ^{(2), (4)} Calgary, Alberta	52	Director
James B. Howe ^{(1), (4)} Calgary, Alberta	57	Director
Steven R. VanSickle ^{(1), (2), (3)} Calgary, Alberta	42	Director
Daryl Gilbert ^{(2), (4)} Calgary, Alberta	56	Director

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Reserves and Environment Committee.
- (3) Member of the Compensation Committee.
- (4) Member of the Corporate Governance Committee.

Michael J.J. Wuetherick has been a director of Seaview since December 13, 2006, and Messrs. Oldale, Colborne, Turnbull, Howe, VanSickle and Gilbert have been directors of Seaview since June 15, 2007. The term of office of all directors will expire at the next annual meeting of the shareholders of Seaview.

The officers and directors, as a group, currently hold directly or indirectly 3,426,766 Class A Shares. Assuming that they do not subscribe for any Units, the officers and directors, as a group, will hold 35.7% of the outstanding Class A Shares if the Maximum Offering is sold (39% if the Minimum Offering is sold). In the event that ownership of Class A Shares by directors and officers increases to over 50% as a result of further purchases, exercise of stock options or otherwise, the directors and officers will be able to elect a majority of the Board of Directors of Seaview and to control the vote in respect of matters submitted to a vote of the holders of Class A Shares.

Each of Messrs. Wuetherick, Oldale, Campbell and Chandler and Ms. Bunch devotes his or her full time and attention to the business and affairs of Seaview. The other directors of Seaview will devote their time and attention to the affairs of Seaview as required.

Profiles of Seaview's directors and officers and other members of management and the particulars of their respective principal occupations during the last five years is set forth below.

Michael J.J. Wuetherick P.Eng., President, Chief Executive Officer and a Director

Mr. Wuetherick is the President and Chief Executive Officer and a Director of Seaview. Mr. Wuetherick has 16 years of wide ranging experience in the Canadian oil and gas industry including management, operations, exploitation, exploration and development roles.

From 2006 to 2007, Mr. Wuetherick provided consulting services in the oil and gas business to a number of companies in evaluation of merger and acquisition opportunities. From 2003 to 2006, Mr. Wuetherick was the Vice President, Corporate Development and Chief Operating Officer of Signal Energy Inc. ("Signal"). During that time, he also acted as Chief Financial Officer until October 2005. Signal originated as a bio-tech firm before being restructured into an exploration and production company which grew to 2,300 boe/d of production through acquisitions and development before divesting the majority of its assets in March 2006.

From 2000 to 2003, Mr. Wuetherick was the President and Chief Executive Officer of Capture Energy Ltd., a private company that grew to 1,300 boe/d through a mixture of acquisitions and development before being sold to Midnight Oil and Gas in April 2003.

From 1997 to 2003, Mr. Wuetherick was the Manager, Business Development & Team Leader for the Gold Creek/Wapiti Team of Rio Alto Exploration Ltd. (a TSX listed company). During that time, Mr. Wuetherick's team played a key role in establishing the Western core areas for the company through a series of both corporate and property acquisitions. With subsequent exploitation and development of those assets, the team managed assets producing in excess of 25,000 boe/d of production.

Mr. Wuetherick is a Professional Engineer and graduated from the University of Alberta in 1990 with a Bachelor of Science, Chemical Engineering. Mr. Wuetherick graduated from the Southern Alberta Institute of Technology in 1987 with a diploma (Honours) in Chemical Engineering Technology. Mr. Wuetherick is a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta.

Stephanie A. Bunch, Vice President, Finance and Chief Financial Officer

Ms. Bunch is the Vice President, Finance and Chief Financial Officer of Seaview. Ms. Bunch has over 15 years of business and financial experience in the oil and gas industry.

From 2006 to 2007, Ms. Bunch provided financial consulting services to a private junior oil and gas company, including merger and acquisition analysis, due diligence and the creation of internal controls and financial reporting processes. During 2006, Ms. Bunch was the Manager, Special Projects at Canetic Resources Trust responsible for investor relations and communications, acquisition analysis and various compensation matters. Prior to its acquisition by Canetic Resources Trust, Ms. Bunch was the Treasurer of Acclaim Energy Trust from 2002 to 2004 and Manager, Special Projects, Business Development, responsible for acquisition analysis from 2004 to 2006. Prior thereto Ms. Bunch was employed by Ketch Energy Ltd. from 2000 to 2002 as the Controller, responsible for

financial reporting and internal controls. From 1999 to 2000, Ms. Bunch provided consulting controllership services to a number of private and public junior oil and gas companies. From 1997 to 1999, Ms. Bunch was the Controller of Inuvialuit Energy Inc., a private oil and gas company. Prior thereto, Ms. Bunch was employed by KPMG LLP, with various positions with the most recent being Manager, Tax.

Ms. Bunch is a Chartered Accountant and received her designation in 1994 from the Institute of Chartered Accountants of Alberta. Ms. Bunch graduated from the University of Alberta with a Bachelor of Commerce in 1991 and a Bachelor of Science in 1988.

H. Scott Oldale, Vice President, Exploration, Chief Operating Officer and a Director

Mr. Oldale is the Vice President, Exploration and Chief Operating Officer and a director of Seaview. Mr. Oldale has over 25 years experience in the oil and gas industry in Western Canada.

From 2006 to 2007, Mr. Oldale has been the President of Benacadie Energy Ltd., a private consulting firm, providing geological consulting services to a number of private oil and gas companies. From 2003 to 2006, Mr. Oldale was the Vice President, Exploration of Stride Energy Ltd., a private oil and gas company. Mr. Oldale was responsible for all aspects of exploration and development at Stride. From 2000 to 2003, Mr. Oldale fulfilled the roles as Director, Exploration and Director, Business Development at Ketch Energy Ltd., a TSX-listed public oil and gas company that grew from 2,500 boe/d to approximately 10,000 boe/d during that time. Previously, Mr. Oldale was the Vice President, Exploration of Kintail Energy Ltd., a junior capital pool company incorporated in 1997 that was subsequently sold to Canadian Hunter for \$45 million in 1999. From 1995 -1997, Mr. Oldale was a Region Manager at Northstar Energy. From 1988 – 1995, Mr. Oldale held senior exploration and manager roles at Sceptre Resources. During that time, Mr. Oldale was responsible for several significant natural gas pool discoveries. From 1982 -1988, Mr. Oldale was an exploration geologist at PetroCanada.

Mr. Oldale has been involved with the Canadian Potential Gas Committee since its initiation in 1992 and most recently was the Group Leader for the Western Canada portion of the recent “Natural Gas Potential in Canada 2005” report published by this organization. Mr. Oldale has presented a number of talks at North American conferences on resource assessment. Mr. Oldale authored the Middle Devonian chapter in the Geological Atlas of Western Canada Basin published in 1994.

Mr. Oldale graduated from the University of Acadia in 1982 with a Bachelor of Science degree in Geology.

Davin Chandler, Vice President, Engineering

Mr. Chandler is the Vice President, Engineering and has over 20 years experience in the oil and gas industry in western Canada. Mr. Chandler has extensive knowledge and experience in all aspects of the business from budgeting through drilling, completions and facilities, to exploitation and acquisitions.

From 2000 to 2006, Mr. Chandler was President of Stride Energy Ltd., a private oil and gas company which was sold in April 2006. Starting with limited capital and no production, the company was built to 230 boe/d while maintaining a healthy balance sheet. From 1997 to 2000, Mr. Chandler started up 2 small private companies that focused on identifying drilling and exploitation opportunities. With no capital input, net production reached 75 boe/d. From 1993 – 1997, Mr. Chandler was Manager of Exploitation for Samson Canada, where he was directly involved in \$72 million of acquisitions and saw the company grow from 700 to 7000 boe/d. Mr. Chandler’s career started in the field as an operator and later supervising facility construction and completion/workover operations.

Mr. Chandler is a Professional Engineer and graduated in 1986 with an honours degree in Applied Science (Chemical Engineering) from Queen’s University at Kingston.

Timothy L. Campbell, Vice President, Land

Mr. Campbell is the Vice President, Land of Seaview and has over 28 years experience in all aspects of petroleum land management.

From 2004 to 2006, Mr. Campbell was Vice President, Land for Signal. During his tenure, Signal's production grew from a base of 400 boe/d to over 2,000 boe/d on exit 2005. Prior to joining Signal, Mr. Campbell was Vice President, Land & Corporate Development for Hawker Resources Inc. from 2003 to 2004.

In 1998, Mr. Campbell founded and was President of FarPoint Energy Corporation, a private oil and gas company, which he led until its sale in 2003. From 1988 to 1998, Mr. Campbell was president of a land consulting firm which was involved primarily in mergers, acquisitions and large drilling farmout arrangements.

Mr. Campbell is also a director for several public and private companies.

Mr. Campbell graduated in 1974 with a Bachelor of Arts degree in Business Administration from Rocky Mountain College in Billings, Montana, and in 1976 with a Bachelor of Science degree in Hotel Management from the University of Nevada.

Sanjib Gill, Corporate Secretary

Mr. Gill is the Corporate Secretary of Seaview. Mr. Gill has been an associate with the law firm of McCarthy Tétrault LLP since July 2002. Prior to joining McCarthy Tétrault, Mr. Gill practised law with the firm of Donahue LLP, an associated firm of Ernst & Young LLP. Mr. Gill specializes in mergers and acquisitions matters involving both public and private companies and has experience in a wide variety of corporate finance and securities transactions including take-over bids, amalgamations, plans of arrangement, asset and share purchases and dispositions, equity financings and restructuring scenarios. Mr. Gill advises underwriters and investment dealers on a broad range of matters, including financings, take-over bids and corporate assignments. Mr. Gill is the Corporate Secretary of BNP Resources Inc. and Action Energy Inc., both of which are publicly traded companies on the TSX Venture Exchange.

Mr. Gill obtained a Bachelor of Arts degree in Economics from the University of Calgary in 1997 and a Bachelor of Laws degree from the University of Alberta in 2000.

Paul Colborne, Director

Mr. Colborne is a director of Seaview. Mr. Colborne is currently the Chairman of the Board of Tristar Oil & Gas Ltd. From September 2003 to January 2006, Mr. Colborne was the President and Chief Executive Officer of StarPoint Energy Ltd. From October, 2001 to August, 2003, Mr. Colborne was the President and Chief Executive Officer of Crescent Point Energy Ltd., a Calgary based junior oil and gas exploration and production company whose shares were listed on the TSX. Under Mr. Colborne's leadership, Crescent Point grew from a start-up with no production to a company with production in excess of 7,000 boe/d in less than two years.

From 1993 to February, 2001, Mr. Colborne was the President and Chief Executive Officer of Startech Energy Inc., a Calgary based intermediate oil and gas exploration and production company whose shares were listed on the TSX and on NASDAQ. Under Mr. Colborne's leadership and direction, Startech grew from two employees and production of 120 boe/d to more than 100 employees and production of over 15,000 boe/d in 2000.

Prior to joining Startech, Mr. Colborne was employed as a corporate finance and oil and gas lawyer with Wascana Energy Inc. and Husky Oil Ltd. and, prior to that, he was an associate with the Calgary law firm of Parlee McLaws.

A graduate of the University of Calgary, Mr. Colborne holds a Bachelor of Laws degree and a Bachelor of Arts degree in economics. Mr. Colborne is a Director of a number of publicly traded companies and income trusts.

Gregory G. Turnbull, Director

Mr. Turnbull is a director of Seaview. Since July 1, 2002, Mr. Turnbull has been a partner with the law firm of McCarthy Tétrault LLP. From September 2001 to June 2002, Mr. Turnbull was a partner of Donahue LLP. Prior thereto, Mr. Turnbull was a partner of Gowlings LLP and its predecessor law firms for over ten years. During this time, Mr. Turnbull has been the Corporate Secretary or Assistant Corporate Secretary of the following public companies: Baytex Energy Ltd., Barrington Petroleum Ltd., Hawk Oil Inc., Kensington Energy Ltd., Lessor Energy Inc., Newquest Energy Inc., Mannville Oil & Gas Ltd., Petrostar Petroleum Inc., Pinnacle Resources Ltd., Quadron Resources Ltd., Quintex Energy Ltd., ResoQuest Resources Ltd., Tri Ex Oil & Gas Ltd., Trigas Exploration Ltd., Twin Energy Ltd. and Westward Energy Ltd.

From March 1994 to December 1997, Mr. Turnbull was a director of Tri Ex Oil & Gas Ltd., a publicly traded company which was listed on the TSX prior to its acquisition by Real Resources Ltd. in December, 1997. From December 1998 to June 2002, Mr. Turnbull was a director of Spire Energy Ltd., a publicly traded natural gas company which was listed on the TSX prior to its acquisition by Quintana Minerals. From August 1997 to March 2004, Mr. Turnbull was a director of Seventh Energy Ltd., a publicly traded natural gas company which was listed on the TSX prior to its acquisition by PrimeWest Gas Corp. From July, 2002 to 2004, Mr. Turnbull was a director of Storm Energy Inc. From August 2005 to June 2007, Mr. Turnbull was a director of Trimox Energy Inc., a publicly traded natural gas company which was listed on the TSX Venture Exchange prior to its acquisition by Canext Energy Ltd. From March 2005 to September 2007, Mr. Turnbull was a director of Castle Rock Petroleum Ltd., an oil and gas exploration company listed on the TSX Venture Exchange prior to its acquisition by Arrow Energy Ltd. From June 2002 to September 2007, Mr. Turnbull was a director of Rally Energy Corp., an international oil and gas exploration company listed on the TSX Venture Exchange prior to its acquisition by Citadel Capital Company and National Petroleum Company S.A.E. and their affiliates. Mr. Turnbull is currently a director of Action Energy Inc., BNP Resources Inc., Crescent Point Resources Inc., Flagship Energy Inc., Heritage Oil Corporation and Storm Exploration Ltd., all publicly traded entities listed on the TSX Venture Exchange or the TSX.

Mr. Turnbull graduated in 1976 from Queen's University with a Bachelor of Arts (Honours) degree and from the University of Toronto with a Bachelor of Laws degree in 1979.

James B. Howe, Director

Mr. Howe is a director of Seaview. Mr. Howe is a Chartered Accountant and has been the President of Bragg Creek Financial Consultants Ltd. since 1982. Mr. Howe is a director of various public companies including Pason Systems Ltd., Ensign Energy Services Ltd., Wrangler West Energy Inc., Stylus Energy Inc., and Avery Resources Inc. Mr. Howe has been Vice President, Finance of numerous publicly traded companies as well, including Canrise Resources Ltd., Bonavista Petroleum Ltd., Kintail Energy Inc., Nycan Energy Corp., and Kinloch Resources Inc.

Mr. Howe graduated from the University of Western Ontario with a Bachelor of Arts (Honours) in Business Administration in 1973.

Steven R. VanSickle, Director

Mr. VanSickle is a director of Seaview. Mr. VanSickle has an extensive background in the oil and gas industry both in Canada and internationally. Mr. VanSickle has been involved in exploration, production, strategic planning and portfolio management in the oil and gas industry for the past 19 years.

From 2005, Mr. VanSickle has been the President and Chief Executive Officer of Fairborne Energy Trust. From 2002 to 2005, Mr. VanSickle was the Vice President, Exploration of Fairborne Energy Ltd., the predecessor of Fairborne Energy Trust. From 1999 to 2002, Mr. VanSickle was part of the executive team which founded Canadian Midstream Services Ltd. and was Vice President, Business Development until the company was sold to Duke Energy Field Services in the spring of 2001. Mr. VanSickle was the Vice President of Business Development for Duke Energy Field Services in Canada.

Mr. VanSickle began his career as an exploration geologist with Amoco Canada in Calgary. In 1992-93, Mr. VanSickle attended Amoco's Petrophysics training school in Tulsa, Oklahoma and in 1995 was transferred to Houston, where he held a variety of positions, including Exploration Coordinator – Trinidad and Exploration Manager – Angola. In 1998, Mr. VanSickle joined Pan East Petroleum Corp. which was sold in November 1998.

Mr. VanSickle received his B.Sc. in Geology from McMaster University in 1986 and attended the Kellogg Executive Development Program in 1997.

Daryl Gilbert, Director

Mr. Gilbert is a director of Seaview. Mr. Gilbert currently serves as a director of AltaGas Income Trust, Canetic Resources Trust, Kereco Energy Ltd., MGM Energy Corporation, Nexstar Energy Ltd., Zedi Inc. and Global Direct Inc. as well as several private companies.

Mr. Gilbert entered the field of independent consulting in 1979 when he joined the predecessor oil and gas engineering and geological firm which became Gilbert Laustsen Jung Associates Ltd. He became a Principal Officer of the firm in 1988 and was appointed President and Chief Executive Officer in 1994 and served in both capacities until his retirement in early 2005. The firm provided professional services to the Canadian and international oil and gas industry, fair market value appraisals, merger and acquisitions advice and expert witness testimony.

From 1976 to 1979, Mr. Gilbert managed various oil and gas exploitation projects at Great Northern Oil Ltd. From 1973 to 1976, Mr. Gilbert was employed by the Alberta Energy Resources Conservation Board, where he received his training in Petroleum Engineering and related regulatory processes.

Mr. Gilbert graduated from the University of Manitoba in 1973 with a Bachelor of Science Degree in Civil Engineering. Mr. Gilbert is currently a member of the Association of Petroleum Engineers, Geologists and Geophysicists of Alberta, the Canadian Institute of Mining and Metallurgy and the Society of Petroleum Evaluation Engineers.

EXECUTIVE COMPENSATION

No remuneration has been paid by Seaview to the officers or directors of Seaview in their capacities as such since the date of incorporation. No pension or retirement benefits are payable to officers or directors. Seaview's Compensation Committee is currently reviewing the issue of executive compensation and will provide a report to Seaview's board of directors in due course. It is intended that management of Seaview shall be compensated in accordance with industry standards. See "*Options to Purchase Securities*".

OPTIONS TO PURCHASE SECURITIES

Stock Option Plan

Seaview has a stock option plan (the "Plan") pursuant to which options to purchase Class A Shares may be granted by the board of directors to directors, officers, employees of and consultants to Seaview. All options granted will be in compliance with the requirements of the TSX Venture Exchange. Options granted under the Plan will have an exercise price which is not less than the price allowed by regulatory authorities, will be non-transferable and will be exercisable for a period not to exceed five years. The aggregate number of Class A Shares subject to options granted under the Plan, from time to time, cannot exceed 10% of the Class A Shares outstanding after giving effect to this issue and no one optionee is permitted to hold options entitling such optionee to purchase more than 5% of the issued and outstanding Class A Shares.

Options granted under the Plan will terminate upon the date which is 90 days from the termination of an optionee's employment or, from the date such optionee ceased to be a director of Seaview, unless: (i) the optionee was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the optionee's services to the Corporation; (ii) the directors of Seaview otherwise determine; or (iii) provided the optionee has died, the option shall terminate one year following the death of the optionee.

Following the Closing, it is anticipated that options equivalent to 10% of the aggregate number of Class A Shares then outstanding will be granted to directors, officers and employees of Seaview at an exercise price of \$0.40 per Class A Share. The options will vest as to one-third on each of the first, second and third anniversaries of the date of grant. The following table sets forth the number of Class A Shares that will be subject to option in the case of the Minimum Offering and the Maximum Offering. The market value of the Class A Shares is not ascertainable because there is currently no public market for the Class A Shares.

Group (Number in Group)	Number of Class A Shares Subject to Option		Exercise Price (\$)
	Minimum Offering	Maximum Offering	
Executive Officers (5)	525,000	570,000	\$0.40
Directors (5) ⁽¹⁾	125,000	136,250	\$0.40
Employees and Consultants (8)	228,810	252,560	\$0.40

Note:

(1) Excluding Directors who are also executive officers.

PROMOTERS OF THE CORPORATION

Messrs. Wuetherick and Oldale may be considered to be the promoters of Seaview in that they took the initiative in founding and organizing Seaview. See “*Prior Sales*”. The following table represents the number of Class A Shares currently owned, directly or indirectly, or controlled by, the promoters and the percentage of Class A Shares to be owned, directly or indirectly, or controlled by, the promoters following: (i) the completion of the Offering; and (ii) the completion of the Offering and the Amalgamation:

Promoter	Class A Shares Held Directly or Indirectly	Percentage of Outstanding Class A Shares after giving effect to the Offering but before giving effect to the Amalgamation		-	Percentage of Outstanding Class A Shares after giving effect to the Offering and the Amalgamation	
		Minimum Offering	Maximum Offering ⁽¹⁾		Minimum Offering	Maximum Offering ⁽¹⁾
Michael J.J. Wuetherick	360,100	4.10%	3.76%		9.16%	8.78%
H. Scott Oldale	373,333	4.25%	3.89%		9.43%	9.04%

Note:

(1) Not including any Units purchased by the promoters pursuant to the Offering.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

There exists no indebtedness of the directors or executive officers of Seaview, or any of their associates, to Seaview.

CAPITALIZATION OF THE CORPORATION

Seaview is authorized to issue an unlimited number of Class A Shares, an unlimited number of Class B Shares, and an unlimited number of Preferred Shares, issuable in series.

The following table sets forth the capitalization of Seaview as at the dates indicated:

		Outstanding as at July 31, 2007 after giving effect to the Offering^{(1), (2), (3)}		Outstanding as at July 31, 2007 after giving effect to the Offering and the Amalgamation^{(1), (2), (3), (7)}		
	Authorized	Outstanding as at July 31, 2007⁽⁶⁾	Minimum Offering⁽⁴⁾ (unaudited)	Maximum Offering⁽⁴⁾ (unaudited)	Minimum Offering⁽⁴⁾ (unaudited)	Maximum Offering⁽⁴⁾ (unaudited)
Class A Shares	Unlimited	\$1,197,025 (4,788,100 shares)	\$2,197,025 (8,788,100 shares)	\$2,397,025 (9,588,100 shares)	\$15,448,348 (18,390,508 shares)	\$15,648,348 (19,190,508 shares)
Class B Shares	Unlimited	Nil	\$9,000,000 (900,000 shares)	\$10,800,000 (1,080,000 shares)	\$9,000,000 (900,000 shares)	\$10,800,000 (1,080,000 shares)

Notes:

- (1) Seaview intends to issue options equivalent to 10% of the aggregate number of Class A Shares outstanding following Closing at an exercise price of \$0.40 per share.
- (2) This reflects Class A Shares and Class B Shares to be issued at Closing and 4,788,100 Class A Shares issued by way of private placement between December 13, 2006 and July 13, 2007. See "Prior Sales". Class A Share amounts and Class B Share amounts are after deducting issue costs of \$250,000 and Agents' Commission of \$700,000 assuming the Minimum Offering and \$840,000 assuming the Maximum Offering. The costs were prorated on a dollar basis and allocated to each of the Class A Shares and the Class B Shares. No charge was recorded for the future income taxes related to issue expenses or flow-through shares.
- (3) As of July 13, 2007, Seaview had issued an aggregate of 4,788,100 Class A Shares for gross proceeds of \$1,197,025. See "Prior Sales."
- (4) These amounts will be reduced to reflect the renunciation of Qualifying Expenditures.
- (5) As at July 31, 2007, Seaview had working capital of approximately \$1,153,542 and no bank debt.
- (6) Information obtained from the audited financial statements of Seaview and notes thereto.
- (7) There is no assurance that the Amalgamation will be completed.

DESCRIPTION OF SECURITIES DISTRIBUTED

Class A Shares

Seaview has an unlimited number of Class A Shares authorized. As at the date hereof, there are 4,788,100 Class A Shares issued and outstanding. All Class A Shares when issued pursuant to this Offering shall be issued as fully paid and non-assessable. The holders of Class A Shares are entitled to dividends if, as and when declared by the board of directors pro-rata with the Class B Shares; to one vote per share at any meeting of the shareholders of Seaview; and upon liquidation to receive, pro-rata with the Class B Shares, all assets of Seaview as are distributable to the holders of shares.

Class B Shares

Seaview also has an unlimited number of Class B Shares authorized, of which none are currently issued and outstanding. All Class B Shares when issued pursuant to this Offering will be issued as fully paid and non-assessable. The holders of Class B Shares are entitled to one vote per share at any meeting of the shareholders

of Seaview. The holders of Class B Shares are entitled to dividends, if, as and when declared by the board of directors, pro-rata with the Class A Shares, and upon liquidation to receive, pro-rata with the Class A Shares, all assets of Seaview as are distributable to the holders of shares.

The Class B Shares will be convertible, at the option of Seaview, at any time after June 1, 2010 and before May 31, 2012 into Class A Shares. The number of Class A Shares obtained upon conversion of each Class B Share will be equal to \$10.00 divided by the greater of \$1.00 and the Current Market Price of the Class A Shares at the effective date of conversion.

If Seaview fails to exercise the option to convert the Class B Shares into Class A Shares by the close of business on May 31, 2012, then the Class B Shares shall be convertible, at the option of the shareholder, at any time after June 1, 2012 and before June 30, 2012 into Class A Shares. The number of Class A Shares obtained upon conversion of each Class B Share will be equal to \$10.00 divided by the greater of \$1.00 and the Current Market Price of the Class A Shares at the effective date of conversion. Any Class B Shares outstanding at the close of business on June 30, 2012 shall be automatically converted into Class A Shares. The number of Class A Shares obtained upon conversion of each Class B Share will be equal to \$10.00 divided by the greater of \$1.00 and the Current Market Price of the Class A Shares at the effective date of conversion.

The conversion option may be exercised by shareholders by notice in writing given to Olympia Trust Company, the transfer agent of Seaview, accompanied by the share certificate or certificates representing the Class B Shares in respect of which the holder desires to exercise such conversion privilege.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McCarthy Tétrault LLP, counsel to Seaview (“Counsel”), the following is, as of the date hereof, a fair and adequate summary of the principal Canadian federal income tax considerations applicable to an investment in the Units to subscribers who at all relevant times are individuals or corporations resident or deemed to be resident in Canada, deal at arm’s length, and are not affiliated with Seaview and who hold the Class A Shares or the Class B Shares acquired hereunder as capital property, all within the meaning of the Tax Act. The Class A Shares and the Class B Shares will each generally constitute capital property to a holder thereof unless the holder holds such securities in the course of carrying on a business or has acquired such securities in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to subscribers who are “principal-business corporations” within the meaning of the Tax Act, whose business includes trading or dealing in rights, licences or privileges to explore for, drill or take minerals, oil, natural gas or other related hydrocarbons, who are subject to the “mark-to-market” provisions of the Tax Act, who are trusts or who are “financial institutions” for purposes of the Tax Act.

This summary is based on the Tax Act and the regulations enacted thereunder (the “Regulations”) taking into account all published proposals for the amendment thereof to the date hereof (the “Proposed Amendments”) and upon Counsel’s understanding of the current administrative practices of the Canada Revenue Agency (“CRA”). This summary does not otherwise take into account or anticipate any change in law or administrative practice, nor does it take into account provincial or territorial tax laws of Canada or tax laws of any foreign country. No assurances can be given that the Proposed Amendments to the Tax Act and the Regulations will be enacted as proposed or at all or that legislative, judicial or administrative changes will not modify or change the statements expressed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular subscriber. Accordingly, potential subscribers should consult their own tax advisors for advice with respect to the income tax consequences of investing in Units having regard to their own particular circumstances.

This summary assumes that Seaview will incur Qualifying Expenditures during the Expenditure Period in an amount not less than the Flow-through Funds so as to enable Seaview to renounce Qualifying Expenditures equal to the amount of the Flow-through Funds to subscribers effective on or before December 31, 2007. This summary also

assumes that Seaview will make all filings in respect of the issue of the Class A Shares and the Class B Shares and the renunciation of Qualifying Expenditures in the manner and within the time required by the Tax Act and the Regulations and that all renunciations will be validly made. In addition, while Seaview will furnish each subscriber with information with respect to renounced Qualifying Expenditures for purposes of filing income tax returns, the preparation and filing of returns will remain the responsibility of each subscriber. This summary is based upon the representation of Seaview that it will be a "principal-business corporation" at all material times and that its Class A Shares and Class B Shares, when issued, will not be prescribed shares, all within the meaning of the Tax Act. The purpose of the prescribed share rules is to prevent renunciation of resource expenses where an investor's risk of loss in respect of the share may be limited in any manner. Generally, the prescribed share rules prevent the issuance of preferred or guaranteed shares as flow-through shares. However, the Regulations defining prescribed shares are broadly worded and could be interpreted as encompassing some types of common shares. Although Counsel is of the view that neither the Class A Shares nor the Class B Shares are prescribed shares, there is no assurance that the CRA or a court would agree with Counsel's view. If any of the above assumptions are incorrect, Seaview may be unable to renounce some or all of the Qualifying Expenditures which it has agreed to renounce under the Subscription Agreement.

The federal income tax consequences to a particular subscriber of an investment in Units hereunder will vary according to a number of factors including the particular province in which the subscriber resides, carries on business or has a permanent establishment, the legal characterization of the subscriber as an individual or corporation, the amount that would be the subscriber's taxable income but for the investment in the Units and the manner in which the proceeds for the Class A Shares and the Class B Shares are expended.

Allocation of Unit Price

Subscribers and the Corporation will be required to allocate the price paid for each such Unit on a reasonable basis between the Class A Shares and the Class B Shares in order to determine their respective costs for tax purposes. Pursuant to the Subscription Agreement, the Corporation and the subscribers will have agreed that the price per Unit of \$1,000 is to be allocated as to \$100 for the Class A Shares and as to \$900 for the Class B Shares. Such allocation will not be binding on the CRA. See "*Risk Factors*".

Qualifying Expenditures

The Corporation will be entitled to renounce Qualifying Expenditures incurred by it during the Expenditure Period to the extent of the portion of the Unit subscription price which is properly allocable to Class A Shares and Class B Shares, as the case may be, as permitted by and in accordance with Tax Act. Such Qualifying Expenditures as are properly renounced to a subscriber will be deemed to have been incurred by that subscriber on the effective date of the renunciation.

Special rules in the Tax Act provide that corporations that have a "taxable capital amount" (within the meaning of the Tax Act) of not more than \$15,000,000 at the time consideration for the Units is given may renounce up to \$1,000,000 of Eligible CDE incurred in a calendar year to subscribers and have the Eligible CDE deemed to constitute CEE to the subscriber. The Corporation intends to incur Eligible CDE so that the renounced Eligible CDE will be considered to be CEE to the subscriber in accordance with the above rules. Qualifying Expenditures that are considered to have been incurred by a subscriber will be added to such subscriber's cumulative Canadian exploration expense ("CCEE") account.

The Tax Act contains a one year "look-back" rule which, if certain conditions are satisfied, entitles the Corporation to have Qualifying Expenditures incurred by it after Closing and before the end of 2008 renounced to subscribers effective on December 31, 2007. In other words, the subscribers are deemed to have incurred Qualifying Expenditures on December 31, 2007 even though Seaview will not incur the expenditures until 2008. For this rule to apply in respect of a share, the subscriber must have paid the consideration in money for the share, and the Subscription Agreement must have been entered into, on or prior to December 31, 2007. In the event that Seaview does not fully expend the amounts renounced under the one year "look-back" rule by the end of 2008, Seaview will

be required to reduce the amount of Qualifying Expenditures renounced to the subscribers and the subscribers' income tax returns for the years in which the Qualifying Expenditures were claimed will be reassessed accordingly. A subscriber will not be subject to any penalties for any such reassessment and will not be subject to any interest charges for any additional taxes payable if such taxes are paid by the subscriber on or prior to April 30, 2009.

A subscriber may deduct in computing such subscriber's income from all sources for a taxation year an amount not exceeding 100% of the balance of such subscriber's CCEE account, at the end of that taxation year. Deductions claimed by a subscriber reduce the CCEE account in the year deductions are claimed. The right to deduct CCEE accrues to the initial purchaser of Units and is not transferable. To the extent that a subscriber does not deduct the balance of such subscriber's CCEE account at the end of the taxation year, the balance may be carried forward and deducted in subsequent taxation years in accordance with the provisions of the Tax Act.

Certain restrictions apply in respect of the deduction of CCEE following an acquisition of control and on certain reorganizations of a corporate subscriber. Corporate subscribers should consult their own independent tax advisors for advice with respect to the potential application of these rules to them having regard to their own particular circumstances.

Disposition of Shares

A disposition or deemed disposition of a Class A Share or a Class B Share (other than to Seaview) will result in the realization of a capital gain or capital loss in the taxation year of the disposition equal to the amount by which the proceeds of disposition exceed, or are less than, respectively, the adjusted cost base of such share and reasonable expenses incurred by the subscriber for the purposes of making such disposition. One-half of any capital gain (a taxable capital gain) must be included in computing the income of a taxpayer for the year in which the disposition takes place, while one-half of any capital loss (an allowable capital loss) will be required to be deducted against taxable capital gains realized by the subscriber in the same taxation year. Allowable capital losses not deducted in the year in which they arise may be deducted by a taxpayer from taxable capital gains realized in any of the three preceding years, or any subsequent year, subject to the detailed provisions of the Tax Act in that regard.

The Class A Shares and the Class B Shares comprising the Unit will be deemed to have been acquired by the subscriber for an initial cost of nil. The adjusted cost base to a holder of a Class A Share or a Class B Share will generally be the average cost of all Class A Shares or Class B Shares, as the case may be, held by such subscriber as capital property at a particular time. Any tax consequences arising from a subsequent disposition of Class A Shares or Class B Shares will be measured by reference to the adjusted cost base for Class A Shares or Class B Shares, respectively.

A subscriber that is a "Canadian-controlled private corporation" (as defined in the Tax Act) will be liable to pay an additional 6 $\frac{2}{3}$ % refundable tax on its "aggregate investment income" for the year, which is defined to include an amount in respect of taxable capital gains.

A subscriber who disposes of Class A Shares or Class B Shares will retain the entitlement to the renunciation of Qualifying Expenditures from Seaview as described above as well as the ability to deduct any CCEE not previously deducted, and a subsequent purchaser of such shares will not be entitled to any renunciations of CEE.

Conversion of Class B Shares

The conversion of the Class B Shares into Class A Shares will not constitute a disposition to the holder thereof. The cost of the Class A Shares acquired on the conversion from Class B Shares will be the adjusted cost base to the holder of the Class B Shares immediately before the conversion and the adjusted cost base of such shares will be determined by averaging the cost of the Class A Shares acquired on the conversion with the adjusted cost base of all other Class A Shares owned by the holder at that time and held as capital property.

Minimum Tax

Under the Tax Act an alternative minimum tax is payable by an individual other than certain trusts equal to the amount by which the alternative minimum tax exceeds the tax otherwise payable. In calculating adjusted taxable income for the purpose of determining minimum tax, certain deductions and credits otherwise available such as the deduction for Qualifying Expenditures not used to reduce resource income, are disallowed and certain amounts not otherwise taxable are included in income, such as 80% of net capital gains. The Tax Act disallows the deduction of certain carrying charges for purposes of computing adjusted taxable income for minimum tax purposes that relate to an investment in flow-through shares to the extent that the deduction for such carrying charges exceeds the individual's resource income after deductions for resource expenses, including Qualifying Expenditures. In computing adjusted taxable income for minimum tax purposes, a \$40,000 exemption is provided. The federal rate of minimum tax is a flat 15.5%. Whether and to what extent the tax liability of a particular subscriber will be increased by the minimum tax will depend upon the amount of such subscriber's income, the sources from which it is derived and the nature and amounts of any deductions that such subscriber claims. Any additional tax payable for a year from the application of the minimum tax provisions is recoverable in subsequent years to the extent that tax otherwise determined exceeds the minimum tax for any of the following seven taxation years. Subscribers should consult their own independent tax advisors with respect to the potential alternative minimum tax consequences to them having regard to their own particular tax circumstances.

Cumulative Net Investment Loss

One-half of the amount the Qualifying Expenditures renounced to a subscriber will be added to the subscriber's cumulative net investment loss ("CNIL") account, as defined in the Tax Act. A subscriber's CNIL account may impact a subscriber's ability to access the \$500,000 lifetime capital gains exemption available on the disposition of certain qualified small business corporation shares, farm property and fishing property.

In the March 2007 Federal Budget, the Minister of Finance (Canada) proposed to increase the lifetime capital gains exemption described above from \$500,000 to \$750,000 in respect of dispositions on or after March 19, 2007.

Eligibility for Investment

Based on the provisions of the Tax Act and the regulations thereunder in force as of the date hereof, the Class A Shares and the Class B Shares, if, as and when, either of the Class A Shares or the Class B Shares are listed on a prescribed stock exchange, will be qualified investments, within the meaning of the Tax Act, for Exempt Plans. It is not anticipated that Exempt Plans will subscribe for Class A Shares or Class B Shares comprising the Units as Exempt Plans do not benefit from the deduction of Qualifying Expenditures as described above.

An individual subscriber could contribute all or a portion of his or her Class A Shares or Class B Shares which constitute qualified investments for RRSPs (collectively referred to as the "Qualifying Securities") to his or her RRSP or to a spousal RRSP and thereby become entitled to a deduction in computing income equal to the fair market value of the Qualifying Securities at the time they are so contributed within the limits set out in the Tax Act for deductions for contributions to RRSPs. A subscriber that contributes the Qualifying Securities to a RRSP will be deemed to have disposed of such Qualifying Securities for proceeds of disposition equal to the fair market value thereof at that time. Subscribers that contribute all or a portion of these securities to an RRSP should consult their own tax advisors as to the tax consequences of such a contribution having regard to their own particular circumstances.

PRINCIPAL SHAREHOLDERS

Assuming completion of the Maximum Offering and the Amalgamation, there are no shareholders who own, or are known by Seaview to own, of record or beneficially, either directly or indirectly, more than 10% of the issued and outstanding voting shares of the Seaview.

PRIOR SALES

Since its incorporation, Seaview has issued and presently has outstanding an aggregate of 4,788,100 Class A Shares for aggregate proceeds of \$1,197,025. The specifics of the issuances are set forth below:

<u>Date</u>	<u>Number of Class A Shares</u>	<u>Price</u>	<u>Proceeds</u>
December 13, 2006	100 ⁽¹⁾	\$0.25	\$25
June 22, 2007	2,708,000 ⁽²⁾	\$0.25	\$677,000
July 13, 2007	2,080,000 ⁽²⁾	\$0.25	\$520,000

Notes:

- (1) These shares were issued to Mr. Wuetherick on the initial organization of Seaview.
- (2) These shares were issued to various subscribers on a private placement basis.

ESCROWED SECURITIES

Pursuant to an agreement (the “Escrow Agreement”) dated October 9, 2007 among Seaview, the Custodian and certain of the current shareholders (including all of the directors and officers who hold Class A Shares), the following securities of Seaview are held in escrow:

<u>Designation of Class Held in Escrow</u>	<u>Number of Securities/Percentage of Class</u>				
	<u>Prior to the Offering</u>	<u>After Giving Effect to the Minimum Offering</u>	<u>After Giving Effect to the Maximum Offering</u>	<u>After Giving Effect to the Minimum Offering and the Amalgamation</u>	<u>After Giving Effect to the Maximum Offering and the Amalgamation</u>
Class A	3,426,766 71.6%	3,426,766 39.0%	3,426,766 35.7%	9,725,600 52.9%	9,725,600 50.7%

Ten (10%) percent of such Class A Shares will be released from escrow upon receipt of notice from the TSX Venture Exchange confirming the listing of the Class A Shares on the TSX Venture Exchange. The remaining ninety (90%) percent of such Class A Shares will be released from escrow in fifteen per cent (15%) tranches during consecutive six month intervals over a 36 month period following receipt of such notice. The above escrow release schedule is subject to acceleration in accordance with National Policy 46-201 – “Escrow for Initial Public Offerings” of the Canadian Securities Administrators and the policies of the TSX Venture Exchange in the event that Seaview subsequently meets certain listing requirements.

DIVIDENDS

Seaview has not declared or paid any dividends since its incorporation and while it may pay dividends in the future, Seaview does not anticipate the declaration or payment of dividends in the near future. Any decision to pay dividends on its shares will be made by the Board on the basis of Seaview’s earnings, financial requirements and other conditions existing at such future time.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere herein, none of the directors, officers or principal shareholders of Seaview, and no associate or affiliate of any of them, has or has had any material interest in any transaction which materially affects Seaview, other than:

1. Gregory G. Turnbull, a director of the Corporation, who is a partner of McCarthy Tétrault LLP, the law firm which provides legal services to the Corporation;
2. Sanjib Gill, the Corporate Secretary of the Corporation, is an associate of McCarthy Tétrault LLP, the law firm which provides legal services to the Corporation;
3. Michael J.J. Wuetherick, the President, Chief Executive Officer and a director of the Corporation, holds 1,460,000 1276921 Shares, representing 13.8% of the issued and outstanding 1276921 Shares;
4. H. Scott Oldale, Vice President, Exploration, Chief Operating Officer and a director of the Corporation, holds 1,500,000 1276921 Shares, representing 14.2% of the issued and outstanding 1276921 Shares;
5. Stephanie Bunch, Vice President, Finance and Chief Financial Officer of the Corporation, holds 600,000 1276921 Shares, representing 5.7% of the issued and outstanding 1276921 Shares;
6. Timothy Campbell, Vice President, Land of the Corporation, holds 1,520,000 1276921 Shares, representing 14.4% of the issued and outstanding 1276921 Shares;
7. Davin Chandler, Vice President, Engineering of the Corporation, holds 1,420,000 1276921 Shares, representing 13.4% of the issued and outstanding 1276921 Shares; and
8. Paul Colborne, a director of the Corporation, holds 440,000 1276921 Shares, representing 4.2% of the issued and outstanding 1276921 Shares.

There are potential conflicts of interest to which the directors and officers of Seaview will be subject in connection with the operations of Seaview. In particular, certain of the directors and officers of Seaview are involved in managerial and/or director positions with other oil and gas companies and trusts whose operations may, from time to time, be in direct competition with those of Seaview or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of Seaview. See “*Directors and Officers of the Corporation*”. Conflicts, if any, will be subject to the procedures and remedies available under the *Business Corporations Act* (Alberta) (the “ABCA”). The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA.

MATERIAL CONTRACTS

The only material contracts entered into or proposed to be entered into by Seaview, or on its behalf, since incorporation, other than contracts in the ordinary course of business, are as follows:

1. Custodian Agreement among the Custodian, the Agents and Seaview, as more particularly described under the heading “*Plan of Distribution*”;
2. Agency Agreement between Seaview and the Agents, as more particularly described under the heading “*Plan of Distribution*”;
3. Escrow Agreement among Seaview, the Custodian and certain shareholders of Seaview, as more particularly described under the heading “*Escrowed Securities*”;
4. the Kereco Agreements;
5. the Canoil Agreements; and
6. the 1276921 Amalgamation Agreement.

Copies of these agreements, when executed, may be inspected at the head office of Seaview at 1670, 700 – 2nd Street S.W., Calgary, Alberta, T2P 2W1, at the offices of McCarthy Tétrault LLP, in Calgary at 3300, 421 – 7th Avenue

S.W., Calgary, Alberta T2P 4K9 and in Toronto at Suite 4700, Toronto Dominion Bank Tower, Toronto, Ontario M5K 1E6, or at the offices of the Alberta Securities Commission, during normal business hours during the course of distribution of the Units.

Copies of these documents as well as additional information relating to the Corporation contained in documents filed by the Corporation with the Canadian securities regulatory authorities may also be accessed through the SEDAR website at www.sedar.com.

RISK FACTORS

The securities offered hereby should be considered highly speculative due to the nature of the Corporation's business and the present stage of its development. A prospective investor should consider carefully the risk factors set out below. In addition, prospective investors should carefully review and consider all other information contained in the prospectus before making an investment decision. An investment in securities of the Corporation should only be made by persons who can afford a significant or total loss of their investment. There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this prospectus.

Amalgamation of Seaview Exploration and 1276921

The Amalgamation is subject to certain conditions to be satisfied prior to closing. Approval of the shareholders of 1276921 was obtained at a meeting held on October 5, 2007. **However, there can be no assurance that the Amalgamation will close as planned or be completed at all.** The closing of this Offering is not conditional upon the completion of the Amalgamation. In the event that the Amalgamation is not completed, the Corporation will use the proceeds from this offering to expand the Corporation's capital expenditure program, to fund future opportunities and for general corporate purposes.

Exploration, Development and Production Risks

An investment in the Units is speculative due to the nature of Seaview's involvement in the exploration, development and production of oil and natural gas and its present stage of development.

Oil and natural gas exploration involves a high degree of risk and there is no assurance that expenditures made on future exploration by Seaview will result in new discoveries of oil or natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over pressured zones and tools lost in the hole, and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretations thereof.

Seaview currently has a limited number of specific identified exploration or development prospects. Management will continue to evaluate prospects on an ongoing basis in a manner consistent with industry standards and their past practices. The long-term commercial success of Seaview depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. No assurance can be given that Seaview will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, Seaview may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. While Seaview has established a set of criteria with respect to participations and acquisitions (see "*Description of the Business – General*"), investors are advised that a substantial amount of the proceeds to be raised herein will be spent on properties which are not yet identified. In this regard, Seaview has not entered into any contracts relating to the acquisition or participation in any properties other than as set forth herein nor have any letters of intent been executed.

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and

various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While close well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

In addition, oil and gas operations are subject to the risks of exploration, development and production of oil and natural gas properties, including encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, cratering, sour gas releases, fires and spills. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity and financial condition.

Limitations of Insurance

Seaview's involvement in the exploration for and development of oil and gas properties may result in Seaview becoming subject to liability for pollution, blow-outs, property damage, personal injury or other hazards. Although Seaview has obtained insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, Seaview may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to Seaview. The occurrence of a significant event that Seaview is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on Seaview's financial position, results of operations or prospects.

Prices, Markets and Marketing of Crude Oil and Natural Gas

Oil and natural gas are commodities whose prices are determined based on world demand, supply and other factors, all of which are beyond the control of Seaview. World prices for oil and natural gas have fluctuated widely in recent years. Any material decline in prices could result in a reduction of net production revenue. Certain wells or other projects may become uneconomic as a result of a decline in world oil prices and natural gas prices, leading to a reduction in the volume of Seaview's oil and gas reserves. Seaview might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in Seaview's future net production revenue, causing a reduction in its oil and gas acquisition and development activities. In addition, bank borrowings available to Seaview are in part determined by the borrowing base of Seaview. A sustained material decline in prices from historical average prices could limit or reduce Seaview's borrowing base, therefore reducing the bank credit available to Seaview, and could require that a portion of any existing bank debt of Seaview be repaid.

In addition to establishing markets for its oil and natural gas, Seaview must also successfully market its oil and natural gas to prospective buyers. The marketability and price of oil and natural gas which may be acquired or discovered by Seaview will be affected by numerous factors beyond its control. Seaview will be affected by the differential between the price paid by refiners for light quality oil and the grades of oil produced by Seaview. The ability of Seaview to market its natural gas may depend upon its ability to acquire space on pipelines which deliver natural gas to commercial markets. Seaview will also likely be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing facilities and related to operational problems with such pipelines and facilities and extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business. Seaview has limited direct experience in the marketing of oil and natural gas.

Substantial Capital Requirements; Liquidity

Seaview anticipates that it will make substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. If Seaview's revenues or reserves decline, Seaview may have limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms

acceptable to Seaview. Moreover, future activities may require Seaview to alter its capitalization significantly. The inability of Seaview to access sufficient capital for its operations could have a material adverse effect on Seaview's financial condition, results of operations or prospects.

Competition

Seaview actively competes for reserve acquisitions, exploration leases, licences and concessions and skilled industry personnel with a substantial number of other oil and gas companies, many of which have significantly greater financial resources than Seaview. Seaview's competitors include major integrated oil and natural gas companies and numerous other independent oil and natural gas companies and individual producers and operators.

The oil and gas industry is highly competitive. Seaview's competitors for the acquisition, exploration, production and development of oil and natural gas properties, and for capital to finance such activities, include companies that have greater financial and personnel resources available to them than Seaview.

Certain of Seaview's customers and potential customers are themselves exploring for oil and natural gas, and the results of such exploration efforts could affect Seaview's ability to sell or supply oil or gas to these customers in the future. Seaview's ability to successfully bid on and acquire additional property rights, to discover reserves, to participate in drilling opportunities and to identify and enter into commercial arrangements with customers will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment.

Environmental Risks

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to foreign governments and third parties and may require Seaview to incur costs to remedy such discharge. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect Seaview's financial condition, results of operations or prospects. To its knowledge, Seaview is currently in compliance with applicable environmental laws and regulations.

Reserve Replacement

Seaview's future oil and natural gas reserves, production and cash flows to be derived therefrom are highly dependent on Seaview successfully acquiring or discovering new reserves. Without the continual addition of new reserves, any existing reserves Seaview may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in Seaview's reserves will depend not only on Seaview's ability to develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. There can be no assurance that Seaview's future exploration and development efforts will result in the discovery and development of additional commercial accumulations of oil and natural gas.

Reliance on Operators and Key Employees

Seaview may not be the operator of certain oil and gas properties in which it acquires an interest. To the extent Seaview is not the operator of its oil and gas properties, Seaview will be dependent on such operators for the timing

of activities related to such properties and will largely be unable to direct or control the activities of the operators. In addition, the success of Seaview will be largely dependent upon the performance of its management and key employees. Seaview does not have any key man insurance policies, and therefore there is a risk that the death or departure of any member of management or any key employee could have a material adverse effect on Seaview.

Corporate Matters

To date, Seaview has not paid any dividends on its outstanding Class A Shares and does not anticipate the payment of any dividends on its Class A Shares or its Class B Shares for the foreseeable future. Certain of the directors and officers of Seaview are also directors and officers of other oil and gas companies involved in natural resource exploration and development, and conflicts of interest may arise between their duties as officers and directors of Seaview and as officers and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as apply under the ABCA.

Permits and Licenses

The operations of Seaview may require licenses and permits from various governmental authorities. There can be no assurance that the issuer will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development at its projects. In addition, the requirements applicable to sustain existing permits and licenses may change or become more stringent over time and there is no assurance that the Corporation will have the resources or expertise to meet its obligations under such licenses and permits.

Additional Funding Requirements

Seaview's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times. From time to time, Seaview may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause Seaview to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If Seaview's revenues from its reserves decrease as a result of lower oil and natural gas prices or otherwise, it will affect Seaview's ability to expend the necessary capital to replace its reserves or to maintain its production. If Seaview's cash flow from operations is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on favourable terms.

No Public Market for Class A Shares or Class B Shares

Prior to the completion of the Offering, there has been no public market for the Corporation's securities. The TSX Venture Exchange has conditionally approved the listing of the Class A Shares and the Class B Shares, subject to the Corporation fulfilling the requirements of such exchange, including the distribution of the Class A and the Class B Shares to a minimum number of public shareholders. The Units will not be listed or traded on any exchange.

The price at which the Units are being offered hereunder is determined through negotiations between the Corporation and the Agents. Among the factors to be considered in determining the price are the Corporation's future prospects and the prospects of the industry in general, sales, oil and natural gas reserves, financial information in recent periods, and the market prices of securities and certain financial and other operating information of companies engaged in activities similar to the Corporation's. The offering price of the Units may not be indicative of the market price for the Corporation's Class A Shares or Class B Shares after the Offering, which price may decline below the offering price.

Issuance of Debt

From time to time, Seaview may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase Seaview's debt levels above industry standards. An increase in debt levels will require the Corporation to sue its resources to service principal and interest payment requirements rather than on its operations. Neither Seaview's articles nor its by-laws limit the amount of indebtedness that Seaview may incur. The level of Seaview's indebtedness from time to time could

impair Seaview's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Availability of Drilling Equipment and Access Restrictions

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to Seaview and may delay exploration and development activities.

Management Control

Following the completion of the offering, directors and officers of the Corporation will hold 39% of the outstanding Class A Shares, assuming completion of the Minimum Offering, and 35.7% of the outstanding Class A Shares, assuming completion of the Maximum Offering. In the event that ownership of Class A Shares by directors and officers increases to over 50% as a result of further purchases, exercise of stock options or otherwise, the directors and officers will be able to elect a majority of the Board of Directors of Seaview and to control the vote in respect of matters submitted to a vote of the holders of Class A Shares.

Dilution

The Offering price of the Class A Shares and Class B Shares significantly exceeds the net tangible book value of Seaview's Class A Shares and Class B Shares. Accordingly, purchasers of Class A Shares and Class B Shares will experience immediate and substantial dilution of their investment. Investors may be subject to further dilution if Seaview sells additional Class A Shares or Class B Shares or issues additional Class A Shares or Class B Shares in connection with the financing of future expenditures or acquisitions. In addition, Class A Shares issued upon the exercise of outstanding stock options will lead to further dilution.

Kyoto Protocol

Canada is a signatory to the United Nations Framework Convention on Climate Change and has ratified the Kyoto Protocol established thereunder to set legally binding targets to reduce nationwide emissions of carbon dioxide, methane, nitrous oxide and other so-called "greenhouse gases". Seaview's exploration and production facilities and other operations and activities will emit a small amount of greenhouse gases which may subject Seaview to legislation regulating emissions of greenhouse gases. The Government of Canada has put forward a Climate Change Plan for Canada which suggests further legislation will set greenhouse gases emission reduction requirements for the various industrial activities, including oil and gas exploration and production. Bill C-288, which is intended to ensure that Canada meets its global climate change obligations under the Kyoto Protocol, was passed by the House of Commons on February 14, 2007. Future federal legislation, together with provincial emission reduction requirements, such as those proposed in Alberta's Bill 32: Climate Change and Emissions Management, may require the reduction of emissions or emissions intensity with Seaview's operations and facilities. The direct or indirect costs of these regulations may adversely affect the business of Seaview.

Availability of Additional Funds for Qualifying Expenditures

The Flow-Through Funds raised pursuant to the Offering are reduced by the Agents' Commission. The Corporation must obtain cash from other sources to fund the shortfall in order to fulfil its obligation to renounce the full amount of the Flow-through Funds to Subscribers. The Corporation intends to obtain the additional cash to fund such Qualifying Expenditures from a combination of existing working capital, cash flow from operations and by the incurrence of debt. However, there can be no assurance that funds will be available to the Corporation on terms that are acceptable to the Corporation or at all. If the Corporation does not expend an amount equal to the Flow-through Funds on Qualifying Expenditures prior to December 31, 2008, the Corporation will be required to restate the amount of expenses that it has renounced in favour of the subscribers and the subscribers will be reassessed and will be liable for the tax benefits from which they would have otherwise benefited.

Tax Treatment of Class A Shares and Class B Shares Comprising the Units

The tax treatment applicable with respect to oil and gas activities and flow-through shares constitutes a major factor when considering an investment in the flow-through shares. There is no guarantee that the taxation laws and regulations and the current administrative practices of both the federal and provincial tax authorities will not be amended or construed in such a way that the tax considerations for a subscriber holding Class A Shares or Class B Shares comprising the Units will not be altered, and moreover there is no guarantee that there will not be any differences of opinion between the federal and provincial tax authorities with respect to the tax treatment of the Class A Shares or Class B Shares comprising the Units, the status of such Class A Shares or Class B Shares and the activities contemplated by the Corporation's exploration and development programs. See "*Canadian Federal Income Tax Considerations*".

The Class A Shares and Class B Shares comprising the Units are designed for investors whose income is subject to high marginal tax rates. The right to deduct Qualifying Expenditures accrues to the initial purchaser of Units and is not transferable. No guarantee can be given that Canadian tax laws will not be amended, that the amendments announced with respect to such laws will be adopted or that the current administrative practices of the tax authorities will not be modified. In addition, there is no guarantee that the projected tax deductions will be accepted by the CRA. Consequently, the tax considerations for subscribers holding or selling Class A Shares or Class B Shares comprising the Units may be fundamentally altered. See "*Canadian Federal Income Tax Considerations*".

There can be no assurance that the Class A Shares or Class B Shares comprising the Units will not be viewed by the CRA or a court as constituting prescribed shares for the purposes of the Tax Act. If the Class A Shares or Class B Shares comprising the Units are prescribed shares, such shares will not be considered flow-through shares and subscribers will not be entitled to any renunciations of Qualifying Expenditures from the Corporation. However, in such circumstances, the shares will not be governed by the rules in the Tax Act deeming flow-through shares to have a cost of nil.

There can be no assurance that the allocation of the purchase price of Units between the Class A Shares and Class B Shares as contemplated herein will be viewed by the CRA or a court as being reasonable. In the event the CRA were to successfully challenge that the allocation of the purchase price should be different than the allocation as agreed to by the Corporation and the subscribers there may be adverse tax consequences to the Corporation and the subscribers, including the subscribers not being entitled to a portion of the renunciations of Qualifying Expenditures by the Corporation.

There is no guarantee that an amount equal to the total proceeds or the sale of the Class A Shares and Class B Shares comprising the Units will be expended on or prior to December 31, 2008 as Qualifying Expenditures resulting in the deductions described under "*Canadian Federal Income Tax Considerations*". **If the Corporation does not expend an amount equal to the proceeds from the sale of the Class A Shares and Class B Shares comprising the Units so as to incur Qualifying Expenditures prior to December 31, 2008, the Corporation shall restate the amount of expenses that it has renounced in favour of the investors and the investors will be reassessed and will remit the tax benefits from which they would have benefited.** Subscribers will not be subject to penalties for any such reassessment and no interest will be payable on such additional tax if such tax is paid by April 30, 2009. **Pursuant to the Subscription Agreements the Corporation shall be obligated to indemnify the Subscribers for tax payable pursuant to any such reassessment. However, there can be no assurance that the Corporation will have sufficient funds to satisfy such obligation.**

Geo-Political Risks

The marketability and price of oil and natural gas that may be acquired or discovered by the Corporation is and will continue to be affected by political events throughout the world that cause disruptions in the supply of oil. Conflicts or conversely peaceful developments, arising in the Middle-East, and other areas of the world, have a significant

impact on the price of oil and natural gas. Any particular event could result in a material decline in prices and therefore result in a reduction of the Corporation's net production revenue.

In addition, the Corporation's oil and natural gas properties, wells and facilities could be subject to a terrorist attack. If any of the Corporation's properties, wells or facilities are the subject of terrorist attack it could have a material adverse effect on the Corporation. The Corporation will not have insurance to protect against the risk from terrorism.

Failure to Realize Anticipated Benefits of Acquisitions and Dispositions

The Corporation makes acquisitions and dispositions of businesses and assets in the ordinary course of business. Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner as well as the Corporation's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of the Corporation. The integration of acquired businesses may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters. Management continually assesses the value and contribution of services provided and assets required to provide such services. In this regard, non-core assets are periodically disposed of, so that the Corporation can focus its efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain non-core assets of the Corporation, if disposed of, could be expected to realize less than their carrying value on the financial statements of the Corporation.

Regulatory

Oil and natural gas operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government, which may be amended from time to time. See "*Industry Conditions*". Governments may regulate or intervene with respect to price, taxes, royalties and the exportation of oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. At this time the Alberta government is in the process of examining the royalty and tax regime applicable to oil, gas and oil sands – see "*Industry Conditions – Royalties and Incentives*". The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for natural gas and crude oil and increase the Corporation's costs, any of which may have a material adverse effect on the Corporation's intended business, financial condition and results of operations. In order to conduct oil and natural gas operations, the Corporation will require licenses from various governmental authorities. There can be no assurance that the Corporation will be able to obtain all of the licenses and permits that may be required to conduct operations that it may wish to undertake.

Aboriginal Claims

Aboriginal peoples have claimed title and rights to portions of Western Canada. The Corporation is not aware that any claims have been made in respect of its properties and assets; however, if a claim arose and was successful this could have an adverse effect on the Corporation and its operations.

Seasonality

The level of activity in the Canadian oil and natural gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Also, certain oil and natural gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. Seasonal factors and unexpected weather patterns may lead to declines in exploration and production activity and corresponding declines in the demand for the goods and services of the Corporation.

Title to Assets

While title reviews will generally be conducted prior to the purchase of most oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat the Corporation's claim which could result in a reduction of the revenue received by the Corporation.

Management of Growth

The Corporation may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Corporation to manage growth effectively will require it to continue to implement and improve its operations and financial systems and to expand, train and manage its employee base. The inability of the Corporation to deal with this growth could have a material adverse impact on its business, operations and prospects.

Hedging

From time to time the Corporation may enter into agreements, to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline; however, if commodity prices increase beyond the levels set in such agreements, the Corporation will not benefit from such increases and the Corporation may nevertheless be obligated to pay royalties on such higher prices, even though not received by it, after giving effect to such agreements. Similarly, from time to time the Corporation may enter into agreements to fix the exchange rate of Canadian to United States dollars in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to the United States dollar; however, if the Canadian dollar declines in value compared to the United States dollar, the Corporation will not benefit from the fluctuating exchange rate.

Third Party Credit Risk

The Corporation is or may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to the Corporation, such failures could have a material adverse effect on the Corporation and its cash flow from operations. In addition, poor credit conditions in the industry and of joint venture partners may impact a joint venture partner's willingness to participate in the Corporation's ongoing capital program, potentially delaying the program and the results of such program until the Corporation finds a suitable alternative partner.

Alternatives to and Changing Demand for Petroleum Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons. The Corporation cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on the Corporation's business, financial condition, results of operations and cash flows.

INDUSTRY CONDITIONS

The oil and gas industry is subject to extensive controls and regulations imposed by various levels of government. Outlined below are some of the more significant aspects of the legislation, regulations and agreements governing the oil and gas industry. All current legislation is a matter of public record and Seaview is unable to predict what additional legislation or amendments may be enacted.

Canadian Government Regulation

The oil and natural gas industry is subject to extensive controls and regulations imposed by various levels of government. It is not expected that any of these controls or regulations will affect the operations of Seaview in a manner materially different than they would affect other oil and gas companies of similar size.

Pricing and Marketing - Oil

In Canada, producers of oil negotiate sales contracts directly with oil purchasers, with the result that the market determines the price of oil. The price depends in part on oil quality, prices of competing fuels, distance to market, the value of refined products and the supply/demand balance. Oil exports may be made pursuant to export contracts with terms not exceeding one year in the case of light crude, and not exceeding two years in the case of heavy crude, provided that an order approving any such export has been obtained from the NEB. Any oil export to be made pursuant to a contract of longer duration (to a maximum of 25 years) requires an exporter to obtain an export licence from the NEB and the issue of such a licence requires the approval of the Governor in Council.

Pricing and Marketing - Natural Gas

In Canada, the price of natural gas sold in interprovincial and international trade is determined by negotiation between buyers and sellers. Natural gas exported from Canada is subject to regulation by the NEB and the Government of Canada. Exporters are free to negotiate prices and other terms with purchasers, provided that the export contracts continue to meet certain criteria prescribed by the NEB and the Government of Canada. Natural gas exports for a term of less than two years or for a term of two to 20 years (in quantities of not more than 30,000 m³/day), must be made pursuant to an NEB order. Any natural gas export to be made pursuant to a contract of longer duration (to a maximum of 25 years) or a larger quantity requires an exporter to obtain an export licence from the NEB and the issue of such a licence requires the approval of the Governor in Council.

The governments of Alberta, British Columbia and Saskatchewan also regulate the volume of natural gas which may be removed from those provinces for consumption elsewhere based on such factors as reserve availability, transportation arrangements and market considerations.

The North American Free Trade Agreement

On January 1, 1994, NAFTA became effective among the governments of Canada, the United States of America and Mexico. NAFTA carries forward most of the material energy terms contained in the Canada-U.S. Free Trade Agreement. In the context of energy resources, Canada continues to remain free to determine whether exports to the United States of America or Mexico will be allowed provided that any export restrictions do not: (i) reduce the proportion of energy resource exported relative to domestic use (based upon the proportion prevailing in the most recent 36 month period), (ii) impose an export price higher than the domestic price, and (iii) disrupt normal channels of supply. All three countries are prohibited from imposing minimum export or import price requirements.

NAFTA contemplates the reduction of Mexican restrictive trade practices in the energy sector and prohibits discriminatory border restrictions and export taxes. NAFTA also contemplates clearer disciplines on regulators to ensure fair implementation of any regulatory changes and to minimize disruption of contractual arrangements, which is important for Canadian natural gas exports.

Royalties and Incentives

In addition to federal regulation, each province has legislation and regulations which govern land tenure, royalties, production rates, environmental protection and other matters. The royalty regime is a significant factor in the profitability of oil and natural gas production. Royalties payable on production from lands other than Crown lands are determined by negotiations between the mineral owner and the lessee. Crown royalties are determined by government regulation and are generally calculated as a percentage of the value of the gross production, and the rate of royalties payable generally depends in part on prescribed reference prices, well productivity, geographical location, field discovery date and the type or quality of the petroleum product produced.

From time to time the governments of the western Canadian provinces create incentive programs for exploration and development. Such programs often provide for royalty rate reductions, royalty holidays and tax credits, and are generally introduced when commodity prices are low. The programs are designed to encourage exploration and development activity by improving earnings and cash flow within the industry. Crude oil and natural gas royalty holidays for specific wells and royalty reductions will reduce the amount of Crown royalties paid by Seaview, as applicable, to the provincial governments. In general, the Alberta Royalty Tax Credit (“ARTC”) program provides a rebate on Alberta Crown royalties paid in respect of eligible producing properties.

The Alberta government has also introduced a Third Tier Royalty with a base rate of 10% and a rate cap of 25% for oil pools discovered after September 30, 1992. The new oil royalty reserved to the Crown has a base rate of 10% and a rate cap of 30%. The old oil royalty reserved to the Crown has a base rate of 10% and a rate cap of 35%.

In the Province of Alberta, the royalty reserved to the Crown in respect of natural gas production, subject to various incentives, is between 15% and 30%, in the case of new gas, and between 15% and 35%, in the case of old gas, depending upon a prescribed or corporate average reference price. Natural gas produced from qualifying exploratory gas wells spudded or deepened after July 31, 1985 and before June 1, 1988 is eligible for a royalty exemption for a period of 12 months, up to a prescribed maximum amount. Natural gas produced from qualifying intervals in eligible gas wells spudded or deepened to a depth below 2,500 metres is also subject to a royalty exemption, the amount of which depends on the depth of the well.

Regulations made pursuant to the *Mines and Minerals Act* (Alberta) provided various incentives for exploring and developing oil reserves in Alberta. However, the Alberta Government announced in August of 2006 that four royalty programs were to be amended, a new program was to be introduced and the ARTC was to be eliminated, effective January 1, 2007. The programs affected by this announcement are: (i) Deep Gas Royalty Holiday; (ii) Low Productivity Well Royalty Reduction; (iii) Reactivated Well Royalty Exemption; and (iv) Horizontal Re-Entry Royalty Reduction. The program being introduced is the Innovative Energy Technologies Program (the “IETP”) which is intended to promote the producers’ investment in research, technology and innovation for the purposes of improving environmental performance whilst creating commercial value. The IETP provides royalty reductions which are presumed to reduce financial risk. Alberta Energy will be the one to decide which projects qualify and the level of support that will be provided. The deadline for the IETP’s third round of applications was May 31, 2007.

On February 16, 2007, the Alberta Government announced that a review of the province’s royalty and tax regime (including income tax and freehold mineral rights tax) pertaining to oil, gas and oil sands will be conducted by a panel of experts, with the assistance of individual Albertans and key stakeholders. The purpose of this process is to ensure that Albertans are receiving a fair share from energy development through royalties, taxes and fees. The issues to be reviewed during this examination process are: (i) undertaking a comparison of Alberta’s royalty system to other oil and natural gas producing jurisdictions, taking into account investment economics and industry returns and risks in Alberta; (ii) whether Alberta’s royalty system is sufficiently sensitive to market conditions; (iii) whether the current revenue minus cost system for oil sands royalties is optimal; (iv) which programs built into the existing royalty system should be retained or strengthened, and which should be adapted or eliminated; (v) how the tax treatment of the oil and natural gas sector compares to other sectors and jurisdictions; (vi) the economic and fiscal impacts of any possible changes to the royalty and corporate tax structures; and (vii) how existing resource development should be treated if changes are to be made to the fiscal regime. The review panel is to produce a final report that will be presented to the Minister of Finance by August 31, 2007.

The current structure for federal taxation of resource income contains the following initiatives applicable to the oil and gas industry which are being phased in over a five year period: (i) a reduction of the federal statutory corporate income tax rate on income earned from resource activities from 28 to 21% and (ii) a deduction for federal income tax purposes of actual provincial and other Crown royalties and mining taxes paid and the elimination of the 25% resource allowance.

Producers of oil and natural gas in the Province of British Columbia are required to pay annual rental payments with respect to the Crown leases and royalties and freehold production taxes in respect of oil and natural gas produced

from Crown and freehold lands. The amount payable as a royalty in respect of oil depends on the type of oil, the value of the oil, the quantity of oil produced in a month, and the vintage of the oil. Generally, the vintage of oil is based on the determination of whether the oil is produced from a pool discovered before October 31, 1975 (old oil), between October 31, 1975, and June 1, 1998 (new oil, or after June 1, 1998 (third-tier oil). The royalty rates are calculated in three stages, which take into account the vintage of the oil, if the oil produced has already been sold and any royalty exempt value applicable (exempt wells). Oil produced from newly discovered pools may be exempt from the payment of a royalty for the first 36 months of production or 11,450m³ produced, whichever comes first; and the royalties for third tier oil are the lowest reflecting the higher costs of exploration and extraction that the producers would incur. The royalty payable on natural gas is determined by a sliding scale based on a reference price, which is the greater of the price obtained by the producer, and a prescribed minimum price. However, when the reference price is below the select price (a parameter used in the royalty rate formula), the royalty rate is fixed. As an incentive for the production and marketing of natural gas, which may have been flared, natural gas produced in association with oil has a lower royalty than the royalty payable on non-conservation gas.

On May 30, 2003, the Ministry of Energy and Mines for the Province of British Columbia announced an Oil and Gas Development Strategy for the Heartlands (“Strategy”). The Strategy is a comprehensive program to address road infrastructure, targeted royalties and regulatory reduction, and British Columbia service sector opportunities. In addition, the Strategy will result in economic and employment opportunities for communities in British Columbia’s heartlands.

Some of the financial incentives in the Strategy include:

- Royalty credits of up to \$30 million annually towards the construction, upgrading and maintenance of road infrastructure in support of resource exploration and development. Funding will be contingent upon an equal contribution from industry.
- Changes to provincial royalties: new royalty rates for low productivity natural gas to enhance marginally economic resources plays, royalty credits for deep gas exploration to locate new sources of natural gas, and royalty credits for summer drilling to expand the drilling season.

In Saskatchewan, the amount payable as a royalty in respect of oil depends on the vintage of the oil, the type of oil, the quantity of oil produced in a month, and the value of the oil. For Crown royalty and freehold production tax purposes, crude oil is considered “heavy oil”, “southwest designated oil”, or “non-heavy oil other than southwest designated oil”. The conventional royalty and production tax classifications (“fourth tier oil” introduced October 1, 2002, “third tier oil”, “new oil”, or “old oil”) of oil production are applicable to each of the three crude oil types. The Crown royalty and freehold production tax structure for crude oil is price sensitive and varies between the base royalty rates of 5% for all “fourth tier oil” to 20% for “old oil”. Marginal royalty rates are 30% for all “fourth tier oil” to 45% for “old oil”.

The amount payable as a royalty in respect of natural gas is determined by a sliding scale based on a reference price (which is the greater of the amount obtained by the producer and a prescribed minimum price), the quantity produced in a given month, the type of natural gas, and the vintage of the natural gas. As an incentive for the production and marketing of natural gas which may have been flared, the royalty rate on natural gas produced in association with oil is less than on non-associated natural gas. The royalty and production tax classifications of gas production are “fourth tier gas” introduced October 1, 2002, “third tier gas”, “new gas”, and “old gas”. The Crown royalty and freehold production tax for gas is price sensitive and varies between the base royalty rate of 5% for “fourth tier gas” and 20% for “old gas”. The marginal royalty rates are between 30% for “fourth tier gas” and 45% for “old gas”.

On October 1, 2002, the following changes were made to the royalty and tax regime in Saskatchewan:

- A new Crown royalty and freehold production tax regime applicable to associated natural gas (gas produced from oil wells) that is gathered for use or sale. The royalty/tax will be payable on associated natural gas produced from an oil well that exceeds approximately 65 thousand cubic metres in a month.
- A modified system of incentive volumes and maximum royalty/tax rates applicable to the initial production from oil wells and gas wells with a finished drilling date on or after October 1, 2002, was introduced. The incentive volumes are applicable to various well types and are subject to a maximum royalty rate of 2.5% and a freehold production tax rate of zero per cent.
- The elimination of the re-entry and short section horizontal oil well royalty/tax categories. All horizontal oil wells with a finished drilling date on or after October 1, 2002, will receive the “fourth tier” royalty/tax rates and new incentive volumes.

In 1975 the Government of Saskatchewan introduced a Royalty Tax Rebate (“RTR”) as a response to the Federal Government disallowing Crown royalties and similar taxes to be deducted as a business expense for income tax purposes. As of January 1, 2007 the RTR will be allowed to wind down since the Federal Government had the initiative to reintroduce the full deduction of provincial resource royalties from federal and provincial income tax.

Changes to Royalty Regime

There can be no assurance that the Federal government or any provincial government will not adopt a new royalty regime or modify the methodology of royalty calculations which could increase the royalties paid by Seaview. An increase in royalty could reduce Seaview’s earnings and/or it could make capital expenditures by Seaview uneconomic. In February 2007, the Government of Alberta announced the creation of an independent Royalty Review Panel formed to examine the province’s royalty and tax regimes relating to oil sands, convention oil and natural gas, and cold bed methane. It is scheduled to conduct a series of public meetings in Calgary, Edmonton, Fort McMurray and Grande Prairie beginning in April 2007 and is to present its final report with recommendations to the Minister of Finance (Alberta) by August 31, 2007.

Land Tenure

Crude oil and natural gas located in the western provinces is owned predominantly by the respective provincial governments. Provincial governments grant rights to explore for and produce oil and natural gas pursuant to leases, licences and permits for varying terms from two years and on conditions set forth in provincial legislation including requirements to perform specific work or make payments. Oil and natural gas located in such provinces can also be privately owned and rights to explore for and produce such oil and natural gas are granted by lease on such terms and conditions as may be negotiated.

Canadian Environmental Regulation

The oil and natural gas industry is currently subject to environmental regulation pursuant to provincial and federal legislation. Environmental legislation provides for restrictions and prohibitions on releases or emissions of various substances produced or utilized in association with certain oil and gas industry operations. In addition, legislation requires that well and facility sites be abandoned and reclaimed to the satisfaction of provincial authorities. A breach of such legislation may result in the imposition of fines and penalties.

In Alberta, environmental compliance has been governed by the AEPEA since September 1, 1993. In addition to replacing a variety of older statutes which related to environmental matters, AEPEA also imposes certain new environmental responsibilities on oil and natural gas operators in Alberta and in certain instances also imposes greater penalties for violations.

British Columbia’s *Environmental Assessment Act* became effective June 30, 1995. This legislation rolls the previous processes for the review of major energy projects into a single environmental assessment process which contemplates public participation in the environmental review.

Pipeline Capacity

Although pipeline expansions are ongoing, the lack of firm pipeline capacity continues to affect the oil and natural gas industry and limit the ability to produce and to market natural gas production. In addition, the pro-rationing of capacity on the inter-provincial pipeline systems also continues to affect the ability to export oil and natural gas.

EXPERTS

Certain legal matters in connection with the Offering are being reviewed, on behalf of Seaview, by McCarthy Tétrault LLP, Calgary, Alberta and, on behalf of the Agents, by Blake, Cassels & Graydon LLP, Calgary, Alberta.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The auditors of Seaview are KPMG LLP, Chartered Accountants, Suite 2700, 205 – 5th Avenue S.W., Calgary, Alberta, T2P 4B9.

Olympia Trust Company, 2300, 125-9th Avenue S.E., Calgary, Alberta, T2P 0P6, will be registrar and transfer agent for the Class A Shares and the Class B Shares.

INTEREST OF EXPERTS

Except as disclosed herein, none of McCarthy Tétrault LLP, Sproule or any director, officer, employee or partner thereof received or will receive a direct or indirect interest in the property of Seaview or of any associate or affiliate of Seaview. As at the date hereof, the aforementioned companies and partnerships, and all directors, officers, employees and partners thereof, beneficially own, directly or indirectly, less than 5% of the securities of Seaview and its associates and affiliates. In addition, except for Messrs. Turnbull and Gill, no other director, officer, partner or employee of any of the aforementioned companies and partnerships is currently expected to be elected, appointed or employed as a director, officer or employee of Seaview or of any associates or affiliates of Seaview.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus or any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. **The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.**

Auditor's Consent

To the Board of Directors
Seaview Energy Inc.

We have read the prospectus dated October 9, 2007 relating to the sale and issue of between 10,000 and 12,000 units of Seaview Energy Inc. (the "Corporation"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the shareholders of the Corporation on the balance sheets of the Corporation as at June 30, 2007 and December 31, 2006 and statements of net loss and deficit and cash flows for the three and six months period ended June 30, 2007 and for the period from date of incorporation on December 13, 2006 to December 31, 2006. Our report is dated September 7, 2007.

We also consent to the use in the above-mentioned prospectus of our report to the shareholders of 1276921 Alberta Ltd. ("1276921") on the balance sheet of 1276921 as at December 31, 2006 and statements of net loss and deficit and cash flows for the period from date of incorporation on October 24, 2006 to December 31, 2006. Our report is dated September 7, 2007.

(signed) "KPMG LLP"

Chartered Accountants

Calgary, Alberta

October 9, 2007

SCHEDULE "A"
FINANCIAL STATEMENTS



KPMG LLP
Chartered Accountants
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COMPILATION REPORT ON PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors
Seaview Energy Inc.

We have read the accompanying unaudited pro forma consolidated balance sheet of Seaview Energy Inc. as at June 30, 2007 and unaudited pro forma consolidated statement of loss for the six months then ended and for the year ended December 31, 2006, and have performed the following procedures:

1. Compared the figures in the columns captioned "Seaview Energy Inc." to the audited financial statements of the Company as at June 30, 2007 and December 31, 2006 and for the three and six month periods ended June 30, 2007 and for the period from incorporation on December 13, 2006 to December 31, 2006, respectively, and found them to be in agreement.
2. Compared the figures in the columns captioned "1276921 Alberta Ltd." to the unaudited financial statements of 1276921 Alberta Ltd. as at June 30, 2007 and for the six months then ended, and the audited financial statements of 1276921 Alberta Ltd. for the period ended December 31, 2006, respectively, and found them to be in agreement.
3. Made enquiries of certain officials of the Company who have responsibility for financial and accounting matters about:
 - (a) The basis for determination of the pro forma adjustments; and
 - (b) Whether the pro forma consolidated financial statements comply as to form in all material respects with the published requirements of Canadian securities legislation.

The officials:

- (a) described to us the basis for determination of the pro forma adjustments, and
 - (b) stated that the pro forma consolidated financial statements comply as to form in all material respects with the published requirements of Canadian securities legislation.
4. Read the notes to the pro forma consolidated financial statements, and found them to be consistent with the basis described to us for determination of the pro forma adjustments.
5. Recalculated the application of the pro forma adjustments to the aggregate of the amounts in the columns captioned "Seaview Energy Inc." and "1276921 Alberta Ltd." as at June 30, 2007 and for the six months then ended, and for the year ended December 31, 2006, and found the amounts in the column captioned "Pro forma consolidated" to be arithmetically correct.



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A pro forma financial statement is based on management assumptions and adjustments which are inherently subjective. The foregoing procedures are substantially less than either an audit or a review, the objective of which is the expression of assurance with respect to management's assumptions, the pro forma adjustments, and the application of the adjustments to the historical financial information. Accordingly, we express no such assurance. The foregoing procedures would not necessarily reveal matters of significance to the pro forma consolidated financial statements, and we therefore make no representation about the sufficiency of the procedures for the purposes of a reader of such statements.

KPMG LLP

Chartered Accountants

Calgary, Canada
September 7, 2007

Seaview Energy Inc.
Pro Forma Consolidated Balance Sheet

As at June 30, 2007
(Unaudited)

	Seaview Energy Inc.	1276921 Alberta Ltd.	Pro Forma Adjustments	Notes	Pro Forma Seaview Energy Inc.
ASSETS					
Current					
Cash and cash equivalents	\$ 676,982	\$ 2,660,342	\$ 520,000	2(a)	\$ 15,017,324
			11,160,000	2(b)	
Accounts receivable	-	594,066	-		594,066
Prepays and deposits	-	245,265	-		245,265
	676,982	3,499,673	11,680,000		15,856,655
Property and equipment	-	2,407,286	10,277,000	2(c)	10,277,000
			(2,407,286)	2(c)	
Goodwill	-	-	4,013,714	2(c)	4,013,714
	\$ 676,982	\$ 5,906,959	\$ 23,563,428		\$ 30,147,369
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current					
Accounts payable and accrued liabilities	\$ -	\$ 940,272	250,000	2(c)	\$ 1,190,272
		940,272	-		1,190,272
Asset retirement obligations	-	93,859	-		93,859
Future income taxes	-	888,834	(888,834)	2(c)	6,772,822
			(259,728)	2(b)	
			3,710,400	2(b)	
			3,332,150	2(c)	
	-	1,922,965	6,133,988		8,056,953
Shareholders' Equity					
Share capital	677,025	4,113,897	(4,113,897)	2(c)	22,090,459
			520,000	2(a)	
			12,000,000	2(b)	
			(580,272)	2(b)	
			(3,710,400)	2(b)	
			13,184,106	2(c)	
Deficit	(43)	(129,903)	129,903	2(c)	(43)
	676,982	3,983,994	17,429,440		22,090,416
	\$ 676,982	\$ 5,906,959	\$ 23,563,428		\$ 30,147,369

See accompanying notes to the pro forma consolidated financial statements.

Seaview Energy Inc.
Pro Forma Consolidated Statement of Loss
For the Six Months Ended June 30, 2007
(Unaudited)

	Seaview Energy Inc.	1276921 Energy Ltd.	Pro Forma Adjustments	Notes	Pro Forma Seaview Energy Inc.
Revenue					
Petroleum and natural gas sales	\$ -	\$ 327,347	\$ -		\$ 327,347
Royalties	-	\$ (74,474)	-		\$ (74,474)
	-	252,873	-		252,873
Interest income	(5)	25,439			25,434
	-	278,312	-		278,307
Expenses:					
Operating expenses	-	59,675	-		59,675
General and administrative	38	305,042	-		305,080
Depletion, depreciation and accretion	-	78,048	234,183	2(d)	312,231
	38	442,765	234,183		676,986
Loss for the period	(43)	(164,453)	(234,183)		(398,679)
Future income taxes reduction	-	(67,910)	(72,409)	2(d)	(140,319)
Net loss	\$ (43)	\$ (96,543)	\$ (161,774)		\$ (258,360)
Net loss per share (Note 2(f))					
Basic					\$ (0.01)
Diluted					\$ (0.01)

See accompanying notes to the pro forma consolidated financial statements.

Seaview Energy Inc.
Pro Forma Consolidated Statement of Loss
For the Year Ended December 31, 2006
(Unaudited)

	Seaview Energy Inc.	1276921 Energy Ltd.	Pro Forma Adjustments	Notes	Pro Forma Seaview Energy Inc.
Expenses:					
General and administrative	-	48,320			48,320
Depreciation	-	380	2,010	2(e)	2,390
	-	48,700	2,010		50,710
Loss for the period	-	(48,700)	(2,010)		(50,710)
Future income taxes reduction	-	15,340	633	2(e)	15,973
Net Loss	\$ -	\$ (33,360)	\$ (1,377)		\$ (34,737)
Net Loss per share (Note 2(f)) Basic and diluted					\$ 0.00

See accompanying notes to the pro forma consolidated financial statements.

Seaview Energy Inc.

Notes to Pro Forma Consolidated Financial Statements

For the Six Months Ended June 30, 2007 and Year Ended December 31, 2006

Unaudited (tabular amounts in thousands of dollars, except share and per share amounts)

1. Basis of Presentation

The accompanying unaudited pro forma consolidated balance sheet as at June 30, 2007 and the unaudited pro forma consolidated statements of loss for the six months ended June 30, 2007 and the year ended December 31, 2006 (the "pro forma statements") have been prepared to reflect the closing of a private placement for the issuance of 2,080,000 Class A shares, which closed July 13, 2007, the Initial Public Offering (the "IPO") of Seaview Energy Inc. ("Seaview") and the acquisition of 1276921 Alberta Ltd. ("127") and subsequent amalgamation with a wholly owned subsidiary of Seaview.

The pro forma statements have been prepared based on information derived from, and should be read in conjunction with, the following:

- Seaview's audited financial statements as at June 30, 2007 and December 31, 2006 and for the six months ended June 30, 2007 and for the period from incorporation on December 13, 2006 to December 31, 2006;
- 127's audited financial statements as at December 31, 2006 and for the period from incorporation on October 24, 2006 to December 31, 2006; and
- 127's unaudited interim financial statements as at June 30, 2007 and for the three and six month periods then ended.

The pro forma statements have been prepared by the management of Seaview in accordance with accounting principles generally accepted in Canada. The unaudited pro forma consolidated balance sheet gives effect to the assumed transactions and assumptions described in note 2 as if they occurred at the date of the balance sheet. The unaudited pro forma consolidated statements of loss for the six month period ended June 30, 2007 and the year ended December 31, 2006 give effect to the assumed transactions as if they occurred on January 1, 2007 and January 1, 2006, respectively. No adjustments have been made in preparing these pro forma financial statements for the expected operating synergies that could result from combining the operations of Seaview and 127. The pro forma statements may not be indicative of the results that actually would have occurred if the events reflected herein had been in effect on the dates indicated or of the results that may be obtained in the future.

Accounting policies used in the preparation of the pro forma statements are consistent with those used in the audited financial statements of Seaview as at June 30, 2007 and December 31, 2006 and for the three and six month periods ended June 30, 2007 and for the period from incorporation on December 13, 2006 to December 31, 2006.

2. Pro Forma Assumptions and Adjustments

Seaview and 127 entered into an acquisition and amalgamation agreement on July 20, 2007. Under the agreement, a wholly owned subsidiary of Seaview will acquire all of the issued and outstanding shares of 127 and immediately thereafter, amalgamate.

As Seaview has been identified as the acquirer, the transaction will be accounted for as an acquisition of 127 by Seaview. For purposes of determining the purchase price allocation, a price of \$1.37 per Class A share of Seaview was used to value shares issued to 127 shareholders. The value of the Seaview Class A shares was determined in reference to net asset values.

Seaview will issue 0.9076 Class A shares for each common share of 127 outstanding at the time of closing. Under the agreement, Seaview will issue 9,602,408 Class A shares for the 10,580,000 outstanding common shares of 127.

Seaview Energy Inc.

Notes to Pro Forma Consolidated Financial Statements

For the Six Months Ended June 30, 2007 and Year Ended December 31, 2006

Unaudited (tabular amounts in thousands of dollars, except share and per share amounts)

The pro forma statements give effect to the following transactions and assumptions:

- (a) Seaview closed a private placement for 2,080,000 Class A shares at \$0.25 per share on July 13, 2007.
- (b) Seaview closes its IPO for a maximum 12,000 units (at \$1,000 per unit) for \$11,160,000 net of issuance costs of \$840,000. Each unit consists of 400 Class A shares (at \$0.25 per share) and 90 Class B shares (at \$10.00 per share) issued on a flow-through basis. The proforma statements assume the renunciation of \$12,000,000 of qualifying Canadian Exploration Expense to subscribers of the IPO. The future income taxes are adjusted to reflect the future tax effects on the issuance costs and flow-through share renunciation at an effective tax rate of 30.92%.
- (c) Seaview completes the proposed acquisition of 127 for the issuance of 9,602,408 Class A shares. The fair value of the assets acquired are based on the reserve report effective May 31, 2007 and the June 30, 2007 financial statements of 127. The purchase price allocation for the proposed acquisition of 127 by Seaview is outlined as follows:

Acquisition cost

Class A shares issues for common shares of 127 (9,602,408 Class A shares at \$1.37 per share)	\$ 13,184,106
	<u>13,184,106</u>
Transaction costs	250,000
	<u>\$ 13,434,106</u>

Allocation

Property and equipment	\$ 10,277,000
Working capital	2,559,401
Asset retirement obligations	(93,859)
Goodwill	4,013,714
Future income tax liability	<u>(3,322,150)</u>
	<u>\$ 13,434,106</u>

- (d) Depletion has been recalculated as at June 30, 2007 based on the adjustment to property and equipment in note 2(b). The charge has been tax effected.
- (e) Depreciation for the period ended December 31, 2006 has been annualized based on 69 days. The charge has been tax effected.

Seaview Energy Inc.

Notes to Pro Forma Consolidated Financial Statements

For the Six Months Ended June 30, 2007 and Year Ended December 31, 2006

Unaudited (tabular amounts in thousands of dollars, except share and per share amounts)

- (f) Seaview shares will be issued to effect the amalgamation of the wholly owned subsidiary of Seaview with 127. The net loss per common share has been based on the following number of shares of Seaview:

Class A shares outstanding at June 30, 2007	2,708,100
Class A shares issued upon the closing of the private placement (note 2a)	2,080,000
Class A shares issued upon the closing of the IPO (note 2b)	4,800,000
Class A shares issued upon the acquisition of 127 (note 2c)	9,602,408
Class B shares outstanding (note 2b)	1,080,000
Total shares outstanding – basic	20,270,508

In computing diluted per share amounts, the options to purchase 958,810 Class A shares were not included in the weighted average number of shares outstanding due to the options being anti-dilutive.

1276921 Alberta Ltd.

Financial Statements
For the three and six months ended June 30, 2007
(unaudited)

1276921 Alberta Ltd.

Balance Sheets

(unaudited)

As at	June 30, 2007	December 31, 2006
Assets		
Current assets		
Cash and cash equivalents	\$ 2,660,342	\$ 5,092,316
Accounts receivable	594,066	68,360
Prepaid expenses & deposits	245,265	49,176
	3,499,673	\$ 5,209,852
Future income tax asset (note 4)	-	59,131
Property and equipment (net) (note 3)	2,407,286	101,801
Total assets	\$ 5,906,959	\$ 5,370,784
Current liabilities		
Accounts payable	\$ 940,272	\$ 274,372
Future income tax liability (note 4)	888,834	-
Asset retirement obligation (note 5)	93,859	-
Shareholders' equity		
Share capital (note 6)	4,113,897	5,129,772
Deficit	(129,903)	(33,360)
Total shareholders' equity	3,983,994	5,096,412
Total liabilities and shareholders' equity	\$5,906,959	\$ 5,370,784

Commitments and contingencies (note 7)

See accompanying notes to the unaudited interim financial statements.

1276921 Alberta Ltd.
Statement of Net Earnings (Loss) and Deficit
For the three and six months ended June 30, 2007
(unaudited)

	Three months ended June 30, 2007	Six months ended June 30, 2007
Petroleum and natural gas sales	\$ 327,347	\$ 327,347
Less: Royalty expense	(74,474)	(74,474)
	252,873	252,873
Operating expense	59,675	59,675
General and administrative expenses	132,234	305,042
Interest income	(11,237)	(25,439)
Depletion & depreciation	76,734	78,048
Loss for the period	(4,533)	(164,453)
Future income tax reduction	(17,535)	(67,910)
Net earnings (loss) for the period	\$ 13,002	\$ (96,543)
Deficit, beginning of period	(142,905)	(33,360)
Deficit, end of period	\$ (129,903)	\$ (129,903)
Net earnings (loss) per share - Basic (note 6)	0.00	(0.01)

See accompanying notes to the unaudited interim financial statements.

1276921 Alberta Ltd.
Statement of Cash Flows
For the three and six months ended June 30, 2007

(unaudited)

	Three months ended June 30, 2007	Six months ended June 30, 2007
Cash provided by (used in)		
Operating activities		
Net earnings (loss) for the period	\$ 13,002	\$ (96,543)
Non cash items:		
Depletion, depreciation & accretion expense	76,735	78,048
Future income tax reduction	(17,535)	(67,910)
	72,201	(86,405)
Changes in non-cash working capital	149,710	(288,732)
Cash provided by (used in) operating activities	221,911	(375,137)
Investing activities		
Property and equipment expenditures	(981,578)	(2,289,674)
Changes in non-cash working capital	(1,086,759)	232,837
Cash used in investing activities	(2,068,337)	(2,056,837)
Decrease in cash for the period	(1,846,425)	(2,431,974)
Cash and equivalents, beginning of period	4,506,767	5,092,316
Cash and equivalents at the end of the period	\$ 2,660,342	\$ 2,660,342

See accompanying notes to the unaudited interim financial statements.

1276921 Alberta Ltd.
Notes to the Financial Statements
For the three and six months ended June 30, 2007

(unaudited)

1 Nature of Business

1276921 Alberta Ltd (the "Company") was incorporated under the Alberta Business Corporations Act on October 24, 2006. The Company's principal business activity is exploration, development and production of oil and gas reserves in Canada.

2 Significant accounting policies

The interim financial statements of the Company have been prepared by management in accordance with the accounting policies generally accepted in Canada. The unaudited interim financial statements have been prepared following the same accounting policies and methods of computation as the financial statements for the fiscal year ended December 31, 2006. The interim financial statement note disclosures do not include all of those required by Canadian generally accepted accounting principles ("GAAP") applicable for annual financial statements. Accordingly, the interim financial statements should be read in conjunction with the financial statements and the notes thereto contained in the audited financial statements for the period ended December 31, 2006.

3 Property and Equipment

	June 30, 2007	December 31, 2006
Petroleum and natural gas assets	\$ 2,461,454	\$ 87,885
Furniture and equipment	22,904	14,296
	<hr/> 2,484,358	<hr/> 102,181
Accumulated depletion and depreciation	(77,072)	(380)
	<hr/> \$ (2,407,286)	<hr/> \$ 101,801

For the three and six periods ended June 30, 2007, the Company capitalized \$196,420 and \$505,425 of general and administrative expenses, respectively, directly relating to exploration and development activities.

Future development costs amounting to \$1,650,000 (December 31, 2006 – nil) are included in the depletion calculations.

1276921 Alberta Ltd.
Notes to the Financial Statements
For the three and six months ended June 30, 2007

(unaudited)

As a result of the ceiling test calculations at June 30, 2007, there was no impairment to the carrying amount of property and equipment. The future prices used for the next five years in the ceiling test calculation of the Company's proved reserves at June 30, 2007 were as follows:

	Oil (Cdn \$/bbl)	Natural Gas (Cdn \$/MMbtu)	Foreign Exchange Cdn \$/US \$	WTI US \$
2007	\$76.99	\$8.16	1.15	\$66.95
2008	\$80.43	\$8.98	1.15	\$69.94
2009	\$74.62	\$8.29	1.15	\$64.89
2010	\$67.13	\$7.55	1.15	\$58.37
2011	\$63.48	\$7.72	1.15	\$55.20

Prices increase at an annual rate of approximately 2% thereafter.

4 Future Income Taxes

a) **Income tax provision**

	Three months ended June 30, 2007	Six months ended June 30, 2007
Net loss for the period	\$ (4,533)	\$ (164,453)
Combined tax rate	30.92%	32.12%
Expected income tax reduction	(1,402)	(52,822)
Current rate reduction	(16,133)	(15,088)
Future income tax reduction	(17,535)	\$ (67,910)

b) **Future income tax liability**

The components of the net future income tax liability (asset) are as follows:

	June 30, 2007	December 31, 2006
Temporary differences related to:		
Property, plant and equipment	1,056,813	\$ 27,846
Non-capital losses	(102,421)	(45,376)
Share issue costs	(36,537)	(41,601)
Asset Retirement Obligations	(29,021)	-
Net future income tax liability (asset)	888,834	\$ (59,131)

The non-capital losses expire in the years between 2016 and 2017.

1276921 Alberta Ltd.
Notes to the Financial Statements
For the three and six months ended June 30, 2007

(unaudited)

5 Asset Retirement Obligation

The total future asset retirement obligations were estimated by management based on the Company's net working interest in all wells and facilities, estimated costs to reclaim and abandon wells and facilities and the estimated timing of the costs to be incurred in future periods. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements could be significant. The Company estimates the undiscounted cash flows related to the asset retirement obligations, adjusted for inflation, to be incurred over the next 15 years will total approximately \$241,950, the majority of the expenditures to be incurred between 2017 and 2019. The fair value at June 30, 2007 is \$92,503 using a discount rate of 8% per annum and an inflation rate of 2% per annum. As at June 30, 2007, no funds have been set aside to settle this obligation.

Balance, December 31, 2006	\$	-
Liabilities incurred		92,503
Accretion expense		1,356
Balance, end of period	\$	93,859

6 Share Capital

Authorized

Unlimited number of voting common shares with no par value

Issued and outstanding

	Number of shares	Amount
Issued for cash – common shares	8,000,000	\$ 2,000,000
Issued for cash – flow through common shares	2,580,000	3,225,000
Share Issue costs (net of tax effect of \$43,791)		(95,228)
Balance – December 31, 2006	10,580,000	\$ 5,129,772
Future income tax effect on flow through share renunciation	-	(1,015,875)
Balance – June 30, 2007	10,580,000	\$ 4,113,897

In December, 2006, the Company closed a private placement of 8,000,000 common shares at a price of \$0.25 per share for gross proceeds of \$2,000,000. The two directors of the Company participated in the offering purchasing 2,710,000 common shares for \$677,500.

In December 2006, the Company closed a private placement of 2,580,000 flow-through shares at a price of \$1.25 per share for gross proceeds of \$3,225,000. One of the directors of the Company participated in the offering purchasing 100,000 flow-through shares for \$125,000.

1276921 Alberta Ltd.
Notes to the Financial Statements
For the three and six months ended June 30, 2007

(unaudited)

Per share amounts

Per share amounts have been calculated using the weighted average number of shares outstanding during the period. The weighted average number of shares outstanding for the period from December 31, 2006 to June 30, 2007 was 10,580,000.

7 Commitments and contingencies

- a) The Company has entered into a three-year sub-lease agreement for office space dated November 1, 2006 commencing November 1, 2006. The annual minimum lease payments are \$172,620 in each of 2007 and 2008.
- b) The Company issued 2,580,000 flow through shares at \$1.25 per share for gross proceeds of \$3,225,000 on December 29, 2006. The full value of this issue has been renounced as Canadian Exploration Expenditures for the December 31, 2006 year. At June 30, 2007, the Company had expended \$1,145,227 and must expend \$2,079,773 on eligible expenditures prior to December 31, 2007.
- c) The Company entered a farm-in agreement with Fairborne Energy Trust, dated December 1, 2006. Under the terms of this agreement, the Company must expend \$8 million on Fairborne lands by April 30, 2008. The commitment includes a \$5 million drilling commitment for 7 wells as well as \$3 million commitment on proven undeveloped (PUD) reserves conversions, by way of production testing, equipping and tying in standing wells. As at June 30, 2007, \$1,556,806 had been expended on 3 of the commitment wells and \$699,059 had been expended on 6 PUD conversion wells. A further \$2.3 million must be expended on the PUD conversion commitment and a further 4 wells must be drilled before April 30, 2008.

8 Subsequent events

The Company entered into a Purchase and Sale Agreement date July 20, 2007 whereby a wholly owned subsidiary of Seaview Energy Inc has agreed to purchase all of the issued and outstanding shares of the Company for \$1.25 per share. Each shareholder of the Company will receive 0.9076 of a Seaview Energy Inc Class A share for each share owned.

The Company entered into a secured lending agreement dated August 29, 2007 with National Bank of Canada in the amount of \$2.0 million dollars. No amounts are drawn on the facility.

1276921 Alberta Ltd.

Financial Statements
December 31, 2006



KPMG LLP
Chartered Accountants
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AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the balance sheet of 1276921 Alberta Ltd. as at December 31, 2006 and the statements of net loss and deficit and cash flows for the period from incorporation on October 24, 2006 to December 31, 2006. 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 audit.

We conducted our audit 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 December 31, 2006 and the results of its operations and its cash flows for the period from incorporation on October 24, 2006 to December 31, 2006 in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slanted font. A horizontal line is drawn underneath the signature.

Chartered Accountants

Calgary, Canada
September 7, 2007

1276921 Alberta Ltd.
Balance Sheet
As at December 31, 2006

Assets

Current assets

Cash	\$5,092,316
Accounts receivable	68,360
Prepaid expenses & deposits	49,176
	<hr/>
	5,209,852

Future income tax asset (*note 4*) 59,131

Property and equipment (net) (*note 3*) 101,801

Total assets **\$5,370,784**

Current liabilities

Accounts payable \$274,372

Shareholders' equity

Share capital (*note 5*) 5,129,772
Deficit (33,360)

Total shareholders' equity 5,096,412

Total liabilities and shareholders' equity **\$5,370,784**

Commitments and contingencies (*note 7*)

See accompanying notes to the financial statements.

Approved by the Board of Directors

(signed) "*Davin Chandler*"

Director

(signed) "*Tim Campbell*"

Director

1276921 Alberta Ltd.

Statement of Net Loss and Deficit

For the period from incorporation on October 24, 2006 to December 31, 2006

General and administrative expenses	\$ 48,320
Depreciation	380
Loss for the period	\$ 48,700
Future income tax reduction (<i>note 4</i>)	(15,340)
Net loss and deficit, beginning and end of period	\$ 33,360
Net loss per share - Basic (<i>Note 5</i>)	\$ 0.04

See accompanying notes to the financial statements.

1276921 Alberta Ltd.

Statement of Cash Flows

For the period from incorporation on October 24, 2006 to December 31, 2006

Cash provided by (used in)**Operating activities**

Net loss for the period	\$(33,360)
Non cash items:	
Depreciation	380
Future income tax reduction	(15,340)
	(48,320)
Changes in non-cash working capital	156,836
Cash provided by operating activities	108,516

Financing activities

Issue of common shares	2,000,000
Issue of flow through shares (net of costs)	3,085,981
Cash provided by financing activities	5,085,981

Investing activities

Property and equipment expenditures	(102,181)
-------------------------------------	-----------

Increase in cash for the period and cash at beginning and end of the period **\$5,092,316**

See accompanying notes to the financial statements.

1276921 Alberta Ltd.

Notes to the Financial Statements

For the period from incorporation on October 24, 2006 to December 31, 2006

1 Nature of Business

1276921 Alberta Ltd (the "Company") was incorporated under the Alberta Business Corporations Act on October 24, 2006. The Company's principal business activity is exploration, development and production of oil and gas reserves in Canada.

The Company is a pre-production stage enterprise whose sole activity has been the acquisition and development of its petroleum and natural gas interests.

In order to establish proved or probable reserves, the Company will require additional expenditures to complete development and production testing of petroleum and natural gas interests. Should further development and production testing prove unsuccessful, the future value of the petroleum and natural gas interests of the Company may be impaired.

These financial statements have been prepared on the basis that the Company will continue to access sufficient financing and will realize its assets and discharge its obligations in the ordinary course of business and do not reflect adjustments that would otherwise be necessary if the going concern assumption was not valid.

2 Significant accounting policies

Basis of presentation

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Cash and cash equivalents

Cash and cash equivalents consist of cash held in a commercial bank account and short term investments with maturity, at the time of purchase, of less than 90 days.

Financial instruments

The Company's financial instruments consist of cash, accounts receivable and account payable. Cash and accounts receivable are classified as loans and receivables and are measured at amortized cost. Accounts payable is classified as other financial liabilities which are also measured at amortized cost. The Company had no available-for-sale assets, held-for-trading and held-to-maturity instruments, or derivative financial instruments.

1276921 Alberta Ltd.

Notes to the Financial Statements

For the period from incorporation on October 24, 2006 to December 31, 2006

Per share amounts

Basic earnings per share will be computed by dividing earnings by the weighted average number of shares outstanding during the period

Property and equipment

Petroleum and natural gas (P&NG) assets:

The Company follows AcG 16 "Full Cost Accounting" whereby all costs associated with the exploration for and development of petroleum and natural gas reserves are capitalized and charged against earnings as described below. Capitalized costs include lease acquisition costs, the costs of geological and geophysical activities, the costs of drilling both productive and non-productive wells, carrying charges of non-producing properties and overhead costs directly related to exploration and development activities.

Proceeds from the disposal of properties will be applied as a reduction of the cost of the remaining assets, except when such a disposal would alter the rate of depletion by more than 20%, in which case a gain or loss on disposal is recorded.

Depletion of oil and gas properties, including future development costs and production equipment, will be provided using the unit of production method, which will be based upon gross proven reserve volumes. For this purpose, gas volumes will be converted to equivalent oil volumes based upon the relative energy content where six thousand cubic feet of gas equates to one barrel of oil.

Costs of acquisition and evaluation of unproved properties will be initially excluded from the depletion calculation. The Company periodically reviews costs associated with unproved properties to determine whether they are likely to be recovered. When such costs are not likely to be recovered, or when proved reserves are found to be attributable to the properties, the values of these properties are moved to the depletion pool.

Impairment will be recognized if the carrying amount of property, plant and equipment less future income taxes and asset retirement obligations exceed the sum of the undiscounted cash flows expected to result from the Company's proved reserves plus the lower of cost or market value of unproved properties. Cash flows will be calculated based on third party quoted forward rates. Upon recognition of impairment, the Company would measure the amount of impairment by comparing the carrying amounts of P&NG assets to an amount equal to the estimated net present value of future cash flows from proved plus probable reserves. The Company's risk-free interest rate will be used to arrive at the net present value of future cash flows. Any excess carrying value above the net present value of the Company's future cash flows would be recorded as a permanent impairment.

Furniture and equipment

Furniture and equipment are recorded at cost. Depreciation has been provided on a straight line basis based on the estimated useful life basis of 3 to 5 years.

1276921 Alberta Ltd.

Notes to the Financial Statements

For the period from incorporation on October 24, 2006 to December 31, 2006

Asset retirement obligation

The Company follows the Canadian Institute of Chartered Accountants standard for Asset Retirement Obligation ("ARO"). Under this standard, the fair value of a liability for an ARO is recorded in the period where a liability is incurred and a reasonable estimate of the fair value can be determined. When the liability is recorded, the carrying amount of the related asset is increased by the same amount of the liability. The asset recorded is depleted over the useful life of the asset. Additions to asset retirement obligations due to the passage of time are recorded as accretion expense. Actual expenditures incurred are charged against the obligation.

Joint interest activities

Substantially all of the Company's petroleum and natural gas activities are conducted jointly with others and, accordingly, the accounts reflect only the Company's proportionate interest in such activities.

Measurement uncertainty

The amounts recorded for depletion and amortization of oil and natural gas assets and equipment and the provision for asset retirement obligations are based on estimates. The ceiling test is based on estimates of proved reserves, production rates, oil and gas prices, future costs and other relevant assumptions. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

Future income taxes

The Company uses the asset and liability method in accounting for income taxes. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities, and measured using substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period in which the change occurs. Tax assets will be recognized only when it is more likely than not that they will be realized.

Flow-through shares

The Company has issued flow-through shares to finance a portion of its capital expenditure program. Pursuant to the terms of flow-through share agreements, the tax deductions associated with the expenditures are renounced to the subscribers. Accordingly, share capital will be reduced and a future tax liability will be recorded equal to the estimated amount of the future income tax liability of the Company as a result of the renunciations, when the renunciations are made.

Revenue recognition

Revenues from petroleum and natural gas sales will be recognized when title passes from the Company to its customer.

1276921 Alberta Ltd.

Notes to the Financial Statements

For the period from incorporation on October 24, 2006 to December 31, 2006**3 Property and Equipment**

Petroleum and natural gas assets	\$	87,885
Furniture and equipment		14,296
		102,181
Less accumulated depletion and depreciation		(380)
	\$	101,801

During the period ended December 31, 2006, the Company capitalized general and administrative expenses amounting to \$87,885 directly relating to exploration and development activities.

No depletion has been recorded as commercial operations have not commenced and all capitalized costs of P&NG assets are considered to be unproved.

4 Future Income Taxes**a) Income tax provision**

Net loss before income taxes	\$	(48,700)
Combined tax rate		34.50%
Expected income tax reduction		(16,801)
Deduct: Current rate reduction		(1,461)
Future income tax reduction	\$	(15,340)

b) Future income tax asset

The components of the net future income tax asset are as follows:

Temporary differences related to:		
Property, plant and equipment	\$	(27,846)
Non-capital losses (expiring 2016)		45,376
Share issue costs		41,601
Net future income tax asset	\$	59,131

5 Share Capital**Authorized**

Unlimited number of voting common shares with no par value

1276921 Alberta Ltd.

Notes to the Financial Statements

For the period from incorporation on October 24, 2006 to December 31, 2006

5 Share Capital (continued)**Issued and outstanding**

	Number of shares	Amount
Issued for cash – common shares	8,000,000	\$ 2,000,000
Issued for cash – flow through common shares	2,580,000	3,225,000
Share Issue costs (net of tax effect of \$43,791)		(95,228)
<u>Balance – December 31, 2006</u>	<u>10,580,000</u>	<u>\$ 5,129,772</u>

In December, 2006, the Company closed a private placement of 8,000,000 common shares at a price of \$0.25 per share for gross proceeds of \$2,000,000. The two directors of the Company participated in the offering purchasing 2,710,000 common shares for \$677,500.

In December 2006, the Company closed a private placement of 2,580,000 flow-through shares at a price of \$1.25 per share for gross proceeds of \$3,225,000. One of the directors of the Company participated in the offering purchasing 100,000 flow-through shares for \$125,000.

Per share amounts

Per share amounts have been calculated using the weighted average number of shares outstanding. The weighted average number of shares outstanding for the period from October 24, 2006 to December 31, 2006 were 838,316.

6 Financial Instruments

The Company has financial instruments consisting of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities. The carrying value of these instruments approximates fair value due to their relatively short term maturity.

7 Commitments and contingencies

- a) The Company has entered into a three-year sub-lease agreement for office space dated November 1, 2006 commencing November 1, 2006. The annual minimum lease payments are \$28,770 in year one and \$172,620 in years two and three.
- b) The Company issued 2,580,000 flow through shares at \$1.25 per share for gross proceeds of \$3,225,000 on December 29, 2006. The full value of this issue has been renounced as Canadian Exploration Expenditures for the December 31, 2006 year. At December 31, 2006, the Company had not expended any of the funds and must expend \$3,225,000 on eligible expenditures prior to December 31, 2007.
- c) The Company has entered into a farm-in agreement with Fairborne Energy Trust, dated December 1, 2006. Under the terms of this agreement, the Company must expend \$8 million on Fairborne lands by April 30, 2008. The commitment includes a \$5 million drilling commitment for 7 wells as well as \$3 million commitment on proven undeveloped reserves conversions, by way of production testing, equipping and tying in standing wells. As at December 31, 2006, no funds had been expended.

Seaview Energy Inc.

Financial Statements
June 30, 2007 and December 31, 2006



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AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the balance sheets of Seaview Energy Inc. as at June 30, 2007 and December 31, 2006 and the statements of net loss and deficit and cash flows for the three and six month periods ended June 30, 2007 and for the period from incorporation on December 13, 2006 to December 31, 2006. 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 June 30, 2007 and December 31, 2006 and the results of its operations and its cash flows for the three and six month periods ended June 30, 2007 and for the period from incorporation on December 13, 2006 to December 31, 2006 in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a single horizontal line that starts under the 'K' and extends past the 'P'.

Chartered Accountants

Calgary, Canada
September 7, 2007

Seaview Energy Inc.
Balance Sheets
As at June 30, 2007 and December 31, 2006

Assets	June 30 2007	December 31 2006
Current assets		
Cash	\$ 676,982	\$ 25
Total current assets	676,982	25
Total assets	\$ 676,982	\$ 25
Shareholders' equity		
Share capital (note 3)	\$ 677,025	\$ 25
Deficit	(43)	-
Total liabilities & shareholders' equity	\$ 676,982	\$ 25

Commitment (note 4)
Subsequent events (note 5)

See accompanying notes to the financial statements.

Approved on behalf of the Board of Directors

(signed) "Paul Colborne"

Director

(signed) "Michael Wuetherick"

Director

Seaview Energy Inc.

Statement of net loss and deficit

For the three and six months ended June 30, 2007 and for the period from incorporation on December 13, 2006 to December 31, 2006

	Three months ended June 30, 2007	Six months ended June 30, 2007	For the period from incorporation on December 13, 2006 to December 31, 2006
Bank charges and interest	\$ 28	\$ 43	\$ -
Net loss for the period and deficit at beginning and end of period	\$ 28	\$ 43	\$ -

See accompanying notes to the financial statements.

Seaview Energy Inc.

Statement of Cash Flows

For the three months ended March 31, 2007 and for the period from incorporation on December 13, 2006 to December 31, 2006

	Three months ended June 30, 2007	Six months ended June 30, 2007	For the period from incorporation on December 13, 2006 to December 31, 2006
Net loss	\$ (28)	\$ (43)	\$ -
Cash used in operating activities	(28)	(43)	-
Financing activity			
Issue of Class A shares	\$ 677,000	\$ 677,000	25
Cash provided by financing activities	\$ 677,000	\$ 677,000	\$ 25
Increase in cash during the period	\$676,972	\$ 676,957	\$ 25
Cash – beginning of period	10	25	-
Cash – end of period	\$ 676,982	\$ 676,982	\$ 25

See accompanying notes to the financial statements.

Seaview Energy Inc.

Notes to the Financial Statements

For the three and six months ending June 30, 2007 and for the period from incorporation on December 13, 2006 to December 31, 2006

1 Nature of Business

Seaview Energy Inc (the "Company" or "Seaview") was incorporated under the Alberta Business Corporations Act on December 13, 2006. The Company was inactive until it completed the first closing of a private placement on June 22, 2007 for \$677,000 with the issuance of 2,708,000 Class A shares.

The Company is a pre-production stage enterprise whose sole activity is expected to be the acquisition, exploration and development of petroleum and natural gas interests.

In order to establish proved or probable reserves, the Company will require additional expenditures to complete exploration, development and production testing of its petroleum and natural gas interests. Should further exploration, development and production testing prove unsuccessful, the future value of the petroleum and natural gas interests of the Company may be impaired.

These financial statements have been prepared on the basis that the Company will continue to access sufficient financing and will realize its assets and discharge its obligations in the ordinary course of business and do not reflect adjustments that would otherwise be necessary if the going concern assumption were not valid.

2 Significant accounting policies

Basis of presentation

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

Financial instruments

The Company's financial instruments consist of cash. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Seaview Energy Inc.

Notes to the Financial Statements

For the three and six months ending June 30, 2007 and for the period from incorporation on December 13, 2006 to December 31, 2006

3 Significant accounting policies (continued)

Per share amounts

Basic earnings per share will be computed by dividing earnings by the weighted average number of Class A shares outstanding during the period. Diluted per share amounts reflect the potential dilution that could occur if in the money stock options or warrants to purchase common shares were exercised and converted to common shares. The treasury method of calculating diluted per share amounts will be used whereby any proceeds from the exercise of stock options or warrants are assumed to be used to purchase common shares of the Company at the average market price during the period.

Stock based compensation

The Company has a stock option plan, which is described in Note 3.

Awards of stock options to employees and non-employees are accounted for in accordance with the fair value method of accounting for stock-based compensation. The fair value of stock options is determined using the Black-Scholes option-pricing model. Under the fair value method, the amount to be recognized as expense is determined at the time the options are issued and is deferred and recognized in earnings over the vesting period of the options with a corresponding increase in contributed surplus.

Consideration paid by directors, officers and key employees and consultants on the exercise of stock options is credited to share capital together with the amount previously recognized in contributed surplus.

4 Share Capital

Authorized

Unlimited number of voting Class A shares with no par value
Unlimited number of voting Class B shares with no par value
Unlimited number of voting preferred shares with no par value

The Class B shares are convertible, at the option of the Company, at any time after June 1, 2010, and before May 31, 2012, into Class A Shares upon five days prior notice to holders of Class B Shares. The number of Class A Shares obtained upon conversion of each Class B Share will be equal to \$10 divided by the greater of \$1 and the then Current Market Price of the Class A Shares. If the Company fails to exercise the conversion option by the close of business on May 31, 2012, the Class B Shares shall be convertible at the option of the shareholder, at any time after June 1, 2012 and before June 30, 2012 into Class A Shares pursuant to the conversion formula described above. Any Class B Shares not converted by the close of business on June 30, 2012 will automatically be converted to Class A Shares pursuant to the conversion formula described above.

Seaview Energy Inc.

Notes to the Financial Statements

For the three and six months ending June 30, 2007 and for the period from incorporation on December 13, 2006 to December 31, 2006**4 Share Capital (continued)****Issued and outstanding**

	Number of shares	Amount
Issued for cash – Class A shares	100	\$ 25
Balance – December 31, 2006	100	25
Issued for cash – Class A shares	2,708,000	677,000
Balance – June 30, 2007	2,708,100	\$ 677,025

The Company has no issued or outstanding Class B or preferred shares as at December 31, 2006 and June 30, 2007.

In June 2007, the Company closed a private placement of 2,708,000 Class A shares at a price of \$0.25 per share for gross proceeds of \$677,000. Four directors and two members of management of the Company participated in the offering purchasing 1,766,666 Class A shares for \$441,667.

The Company has a stock option plan (the “Plan”) pursuant to which options to purchase Class A shares may be granted by the board of directors to directors, officers, employees of, and consultants to, the Company. The Plan has reserved for issuance a number of Class A Shares equal to 10% of the Class A Shares issued and outstanding from time to time. Options granted under the Plan will have an exercise price which is not less than the price allowed by regulatory authorities, will be non-transferable and will be exercisable for a period not to exceed five years. No stock options were granted as at June 30, 2007 and December 31, 2006.

5 Commitment

The Company has entered into a five year lease agreement for office space dated June 25, 2007 commencing December 1, 2007. The annual minimum lease payments are \$23,943 in year one and \$287,316 in years two through five.

6 Subsequent Events

On July 13, 2007, the Company closed a private placement for the issuance of 2,080,000 Class A shares at \$0.25 per share. Four members of management and one director of the Company participated in the offering purchasing 1,560,000 Class A shares for \$390,000.

The Company has entered into an Agency Agreement dated August 24, 2007 whereby the agents have agreed to offer for sale, on a “best efforts” basis, a minimum of 10,000 units and a maximum of 12,000 units of the Company at a price of \$1,000 per unit on a flow-through basis. The agents will be paid a commission of \$70 per unit. Other issuance costs are estimated to be \$250,000. Each unit will consist of 400 Class A Shares and 90 Class B Shares, with a stated value of \$0.25 and \$10.00 respectively. In accordance with the terms of the offering, the Company intends to renounce for income tax purposes, exploration and development expenditures incurred to holders of Class A

Seaview Energy Inc.

Notes to the Financial Statements

For the three and six months ending June 30, 2007 and for the period from incorporation on December 13, 2006 to December 31, 2006**6 Subsequent Events (continued)**

and Class B Shares, comprising the unit. The maximum amounts to be renounced will be the subscription price of the Class A and Class B Shares, comprising the unit.

The Company has entered into a Purchase and Sale Agreement date July 20, 2007 whereby the company has agreed to purchase all of the issued and outstanding shares of 1276921 Alberta Ltd for \$1.25 per share. Each shareholder of 1276921 Alberta Ltd will receive 0.9076 of a Seaview Class A share for each share owned at the time of closing.

The purchase will be accounted for as an acquisition of 1276921 Alberta Ltd by Seaview using the purchase method of accounting. The following is an estimate of the purchase price allocation as at June 30, 2007 and is subject to change once the final values are known at the date of closing:

Current assets	\$	3,499,673
Property and equipment		10,277,000
Goodwill		4,013,714
Accounts payable and accrued liabilities		(940,272)
Future income taxes		(3,322,150)
Asset retirement obligations		(93,859)
		13,434,106
Consideration will be comprised of:		
Issuance of 9,602,408 Class A shares of Seaview		13,184,106
Estimated transaction costs		250,000
	\$	13,434,106

CERTIFICATE OF THE CORPORATION

DATED: October 9, 2007

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the *Securities Act* (British Columbia), Part 9 of the *Securities Act* (Alberta), Part XI of the *Securities Act* (Saskatchewan), Part VII of *The Securities Act* (Manitoba) and by Part XV of the *Securities Act* (Ontario), and by the respective regulations made thereunder.

(signed) "Michael J.J. Wuetherick"
Michael J.J. Wuetherick
President and Chief Executive Officer

(signed) "Stephanie Bunch"
Stephanie Bunch
Vice President, Finance and
Chief Financial Officer

On behalf of the Board of Directors

(signed) "Paul Colborne"
Paul Colborne
Director

(signed) "Gregory G. Turnbull"
Gregory G. Turnbull
Director

CERTIFICATE OF THE PROMOTERS

DATED: October 9, 2007

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the *Securities Act* (British Columbia), Part 9 of the *Securities Act* (Alberta), Part XI of the *Securities Act* (Saskatchewan), Part VII of *The Securities Act* (Manitoba) and by Part XV of the *Securities Act* (Ontario), and by the respective regulations made thereunder.

(signed) "Michael J.J. Wuetherick"
Michael J.J. Wuetherick

"Scott Oldale"
Scott Oldale

CERTIFICATE OF THE AGENTS

DATED: October 9, 2007

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the *Securities Act* (British Columbia), Part 9 of the *Securities Act* (Alberta), Part XI of the *Securities Act* (Saskatchewan), Part VII of *The Securities Act* (Manitoba) and by Part XV of the *Securities Act* (Ontario), and by the respective regulations made thereunder.

ORION SECURITIES INC.

By: (signed) "Daniel J. Cristall"
Daniel J. Cristall

BLACKMONT CAPITAL INC.

FIRSTENERGY CAPITAL CORP.

(signed) "John M. Peltier"
John M. Peltier

(signed) "Jamie N. Ha"
Jamie N. Ha

CANACCORD CAPITAL CORPORATION

By: (signed) "Karl B. Staddon"
Karl B. Staddon