



**Business Acquisition Report**

**September 5, 2008**

**FORM 51-102F4  
BUSINESS ACQUISITION REPORT**

**Item 1 Identity of Company**

**1.1 Name and Address of Company**

Probe Resources Ltd. (the “Company”)  
730 – 1111 West Hastings Street  
Vancouver, British Columbia V6E 2J3

**1.2 Executive Officer**

Paul Diven, Chief Financial Officer of the Company is knowledgeable about the significant acquisitions and this Report. He may be contacted at (281) 210-1178.

**Item 2 Details of Acquisition**

**2.1 Nature of Business Acquired**

The Company completed a two-part acquisition (the “Acquisitions”) for certain oil and gas interests in the Gulf of Mexico as described below.

*Trifecta Acquisition*

Pursuant to an Agreement dated May 26, 2008 with PetroVal, Inc., Grimes Energy Company, Texas Standard Oil & Gas, LP, Trifecta Oil & Gas, LLC and Trifecta Operating, LLC (collectively, the “Trifecta Group”), the Company’s wholly-owned subsidiary, Probe Resources US Ltd. (“Probe US”), acquired certain oil and gas contractual rights that amount to no less than 69.5% net revenue interest in each of six US federal oil and gas leases, namely: (1) East Cameron Block 36 OCS-G 24791; (2) East Cameron Block 37 OCS-G 25933; (3) East Cameron Block 246 OCS-G 24805; (4) South Timbalier Block 214 OCS-G 24979; (5) Brazos Block 434 OCS-G 26458; and (6) Vermilion Block 20 OCS-G 31329 (the “Leases”). In connection with the Trifecta Acquisition, the parties signed an Offshore Operating Agreement dated May 26, 2008, designating Probe US as the operator of the Leases. Probe US will conduct a drilling program on the Leases on a 100% working interest basis.

*Cutter Acquisition*

Pursuant to a Participation and Sale Agreement and Conveyance dated June 4, 2008 with Cutter Energy, LLC (“Cutter”), the Company and Probe US jointly acquired a 25% working interest in the Leases.

**2.2 Date of Acquisition**

The Acquisition was completed on June 30, 2008.

## **2.3 Consideration**

### *Trifecta Acquisition*

The Company paid US\$4,250,000 to the Trifecta Group for the Trifecta Acquisition.

### *Cutter Acquisition*

The Company paid Cutter cash consideration of US\$829,593 and issued to Cutter 2 million common shares in the capital of the Company with a deemed price of \$0.50 per share. In addition, the Company will issue to Cutter up to 2 million common shares in the capital of the Company in three equal instalments, each such issuance being subject to the completion of a producing well by June 26, 2010 within one or more of the Leases.

The Acquisitions were paid by funds raised by the Company pursuant to a non-brokered private placement announced on May 22, 2008 for 16 million units at a price of \$0.40 per unit for gross proceeds of \$6,400,000 which closed on June 6, 2008 and a brokered private placement announced on June 6, 2008 for 54,720,000 units at a price of \$0.50 per unit for gross proceeds of \$27,360,000 which closed on June 30, 2008.

## **2.4 Effect on Financial Position**

The Acquisitions further strengthen the Company's growth potential by adding six additional Outer Continental Shelf leases within the Gulf of Mexico to the Company's portfolio of oil and gas lease holdings. Funds raised by the private placements described above will be used, among other things, to commence drilling at three sites within the Leases and as such the bulk of the funds available to the Company will be devoted to the Company's drilling program within the Leases.

### ***Reserves Data***

#### *Estimated Reserves and Related Future Net Revenue*

The net estimated reserves attributable to the Acquisitions as disclosed in the NI 51-101 Report dated April 25, 2008 are 240.5 Mbbbl of oil and 52.276.3 MMcf of natural gas. All of the reserves are classified as Probable. The related future net revenue before income taxes is US\$346,846.6 million undiscounted and US\$249,362.3 million discounted at 10%.

#### *Material Assumptions Used to Prepare the Estimated Reserves*

There are numerous material assumptions that were used in developing the estimated reserves and future net revenue attributable to the Acquisitions. The assumptions are disclosed in detail in the NI 51-101 Report dated April 25, 2008 filed on SEDAR June 5, 2008.

#### *Estimates Oil and Gas Production Volumes*

The net estimated total production volumes as disclosed in the NI 51-101 Report dated April 25, 2008 for the first year included in the estimate are 4.5 Mbbl of oil and 638.8 MMcf of natural gas.

The Reserves Data was prepared by Wesley Franklin of the firm Quantum Oil and Gas, LLC on April 25, 2008. Mr. Franklin has no relationship with the Company.

Production, gross revenue, royalty expenses, production costs and operating income were nil for Cutter and each of the Trifecta Group members for the most recently completed financial year ended on or before the Acquisitions.

## **2.5 Prior Valuations**

The Company received an evaluation from Quantum Oil and Gas, LLC dated April 25, 2008 valuating the oil and gas rights acquired by the Company under the Acquisitions at US\$249,362.3 million.

This valuation was based on the NI 51-101 Report dated April 25, 2008.

## **2.6 Parties to Transaction**

The Trifecta Acquisition was an arm's length transaction.

Cutter's President and sole unit holder, Mr. Scott Broussard, is a director and President and CEO of the Company and as such the Cutter Transaction was a non-arm's length transaction.

## **2.7 Date of Report**

September 5, 2008.

## **Item 3 Financial Statements**

Not applicable - the Acquisitions involved the acquisition by the Company of certain drilling rights in the Leases which upon the successful drilling of one or more wells within the Leases will result in certain net revenue interests payable to the Company from producing wells.