



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

P.O. Box 55, 19th Floor
20 Queen Street West
Toronto ON M5H 3S8

CP 55, 19e étage
20, rue queen ouest
Toronto ON M5H 3S8

**IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED (THE "ACT")**

AND

**IN THE MATTER OF
ACTION ENERGY INC.**

NOTICE OF TEMPORARY ORDER AND HEARING
(Subsection 127(9))

WHEREAS the Director made an order under paragraph 2 of subsection 127(1) and subsection 127(5) of the Act on the 4th day of October, 2012 (the "Temporary Order"), a copy of which is attached, that all trading in the securities of

ACTION ENERGY INC. (the "Reporting Issuer")

whether direct or indirect, cease for a period of fifteen days from the date of the Temporary Order;

AND WHEREAS the Temporary Order was made because the Reporting Issuer failed to file the following continuous disclosure materials as required by Ontario securities law (collectively, the "Default"):

- a) audited annual financial statements for the year ended December 31, 2009, December 31, 2010 and December 31, 2011;
- b) management's discussion and analysis relating to the audited annual financial statements for the year ended December 31, 2009, December 31, 2010 and December 31, 2011;
- c) interim financial statements for the interim period ended March 31, 2010, March 31, 2011, March 31, 2012, June 30, 2010, June 30, 2011, June 30, 2012, September 30, 2009, September 30, 2010 and September 30, 2011;
- d) management's discussion and analysis for the interim periods ended March 31, 2010, March 31, 2011, March 31, 2012, June 30, 2010, June 30, 2011, June 30, 2012, September 30, 2009, September 30, 2010 and September 30, 2011;
- e) certification of the foregoing filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*;

AND WHEREAS the Temporary Order was made because the Director was of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

AND WHEREAS the Director may revoke the Temporary Order within the fifteen-day period if the Reporting Issuer remedies the Default to the satisfaction of the Director;

AND WHEREAS a true copy of this Notice of Temporary Order and Hearing was served this day on the Reporting Issuer at the address noted below;

TAKE NOTICE that, if the Default continues, a hearing will be held pursuant to section 127 of the Act (the "Hearing") to consider whether an order should be made under paragraph 2 of subsection 127(1) of the Act that all trading in the securities of the Reporting Issuer, whether direct or indirect, cease permanently or for such period as is specified in the order by reason of the continued Default;

AND FURTHER TAKE NOTICE that if the Reporting Issuer intends to attend at the Hearing, the Reporting Issuer is requested to notify the Director of the Reporting Issuer's intention to attend in writing, within seven days from the date of service of this Notice;

AND FURTHER TAKE NOTICE that if the Reporting Issuer notifies the Director that the Reporting Issuer intends to attend at the Hearing, the Hearing will be held before the Commission pursuant to section 127 of the Act at 20 Queen Street West, 17th Floor, Toronto, Ontario at a date and time to be determined within 15 days of the date of the Temporary Order;

AND FURTHER TAKE NOTICE that any party to a proceeding before the Commission may be represented by counsel at the Hearing;

AND FURTHER TAKE NOTICE that if the Reporting Issuer notifies the Director that it intends to be present at the Hearing and fails to attend the Hearing before the Commission, the Hearing may proceed without that party and such party will not receive further notice of the proceedings;

AND FURTHER TAKE NOTICE that if the Reporting Issuer fails to notify the Director that it intends to be present at the Hearing, then the Hearing will proceed before the Director without the Reporting Issuer pursuant to section 127 of the Act at 20 Queen Street West, 16th Floor commencing on 16th day of October, 2012 at 10:00 a.m., or as soon as possible after that time;

AND FURTHER TAKE NOTICE that the Director may extend the Temporary Order under subsection 127(7) of the Act until the Hearing is concluded or under 127(8) of the Act if satisfactory information is not provided to the Director within the fifteen day period.

DATED at Toronto this 4th day of October, 2012.

Ontario Securities Commission

"Lisa Enright"

Lisa Enright
Manager, Corporate Finance Branch

TO: The Secretary
Action Energy Inc.
426 Lands End Road
North Saanich, British Columbia
V8L 5L9

CC: Olympia Trust Company

Documentary evidence to be used at the hearing may be examined at the Commission's Offices, 16th Floor, 20 Queen Street West, Toronto, Ontario M5H 3S8 prior to the date of the hearing by appointment with Sheryl Antonio. Contact information is as follows:

Sheryl Antonio
Financial Examiner
Tel: (416) 595-8941
Fax: (416) 593-8252
Email: santonio@osc.gov.on.ca



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**IN THE MATTER OF THE SECURITIES ACT,
R.S.O. 1990, CHAPTER S.5, AS AMENDED (THE "ACT")**

AND

IN THE MATTER OF

ACTION ENERGY INC.

TEMPORARY ORDER
(Paragraphs 127(1)2 and subsection 127(5))

WHEREAS Action Energy Inc. (the "Reporting Issuer") is a reporting issuer in Ontario;

AND WHEREAS the Reporting Issuer failed to file the following continuous disclosure materials as required by Ontario securities law:

- a) audited annual financial statements for the year ended December 31, 2009, December 31, 2010 and December 31, 2011;
- b) management's discussion and analysis relating to the audited annual financial statements for the year ended December 31, 2009, December 31, 2010 and December 31, 2011;
- c) interim financial statements for the interim period ended March 31, 2010, March 31, 2011, March 31, 2012, June 30, 2010, June 30, 2011, June 30, 2012, September 30, 2009, September 30, 2010 and September 30, 2011;
- d) management's discussion and analysis for the interim periods ended March 31, 2010, March 31, 2011, March 31, 2012, June 30, 2010, June 30, 2011, June 30, 2012, September 30, 2009, September 30, 2010 and September 30, 2011;
- e) certification of the foregoing filings as required by National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*;

AND WHEREAS the Director is of the opinion that it is in the public interest to make an order that trading in the securities of the Reporting Issuer cease;

AND WHEREAS the Director is of the opinion that the length of time required to conclude a hearing could be prejudicial to the public interest;

IT IS ORDERED pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act that, effective immediately, all trading in the securities of the Reporting Issuer, whether direct or indirect, shall cease for a period of 15 days from the date of this order.

DATED at Toronto this 4th day of October, 2012.

Ontario Securities Commission

“Lisa Enright”

Lisa Enright
Manager, Corporate Finance Branch