



British Columbia Securities Commission

Cease Trade Order

AC Energy Inc.

Section 164 of the *Securities Act*, R.S.B.C. 1996, c. 418

AC Energy Inc. is a reporting issuer and has not filed an interim financial statement for the nine month period ended September 30, 2003, which is a required record under section 144(1) of the *Securities Rules*, B.C. Reg. 194/97.

Under section 164(1) of the Act, the Executive Director orders that all trading in the securities of AC Energy Inc. cease until:

1. it files the required record, and
2. the Executive Director, after considering that to do so would not be prejudicial to the public interest, makes an order under section 171 of the Act revoking this order.

Despite this order, a beneficial shareholder of AC Energy Inc. who is not, and was not at the date of this order, an insider or control person of AC Energy Inc., may sell securities of AC Energy Inc. acquired before the date of this order, if:

1. the sale is made through a market outside Canada,
2. the sale is made through an investment dealer registered in British Columbia, and
3. the investment dealer maintains a record of the details of the sales made under this provision.

December 16, 2003

John Hinze, CA
Manager, Financial and Insider Reporting

Scan ID#111081-4



Note: If a Cease Trade Order remains in effect for more than ninety days, the issuer will be required to meet the additional filing requirements under Section 186 of the Rules. Details on these additional requirements are provided in BC Policy 12-603.

TO:

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British Columbia Securities Commission
Attention: Elizabeth O’Hea