

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

KAT Racing, Inc.

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SIC: **3711** Motor vehicles & passenger car bodies

Mailing Address

*11099 CARAMEL CREST CT.
LAS VEGAS NV 89135*

Business Address

*11099 CARAMEL CREST CT.
LAS VEGAS NV 89135
702-525-2024*

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **January 22, 2013**

Prairie West Oil & Gas, Ltd.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of incorporation)

001-34770
(Commission
File Number)

83-0375241
(IRS Employer
Identification Number)

9500 W. Flamingo #205, Las Vegas, NV
(Address of principal executive offices)

89147
(Zip Code)

Registrant's telephone number, including area code: **(702) 525-2024**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

Item 1.01 Entry into a Material Definitive Agreement.

On January 22, 2013, Prairie West Oil & Gas, Ltd. (Nevada) ("Prairie Nevada") entered into an exchange agreement to purchase 100% of the outstanding interests of Prairie West Oil & Gas, Ltd. (Canada) ("Prairie Canada") in exchange for 5,000,000 common shares of Prairie Nevada stock. Prairie Canada is now a wholly-owned subsidiary of Prairie Nevada and Prairie Nevada has acquired the business and operations of Prairie Canada. The Exchange Agreement contains customary representations, warranties, and conditions. The Exchange Agreement is attached hereto as Exhibit 99.

Prairie West Oil & Gas is a producing energy company with both established production and assets within the center of Canada's highest reserve epicenters; the oil boom provinces of Alberta and now Saskatchewan. The company believes that present conditions have never been better for a swift and innovative company such as Prairie West to thrive in today's energy market.

By continuously adding value through low risk acquisition / development of both mature and immature properties, Prairie is setting the stage for long term growth while remaining focused on short term profitability and increasing net asset value.

Prairie operates under the notion that phase changes in commodity price cycles require different strategies and will identify opportunities for growth regardless of phase. By utilizing a multi-discipline approach, the company has and will continue to unlock the upside potential of acquired properties leading to increased production and incremental reserves.

The experienced team at Prairie West has the expertise and proven execution required for success in today's rapidly changing energy sector. This has been clearly demonstrated with the Maidstone acquisition, the more recent eleven well expansion located in close proximity to current production and a new 27 well producing gas play in Saskatchewan Canada.

The company is currently focused on three projects:

- 1) The Maidstone Project (Heavy Oil - Producing)
- 2) The Shackleton Project (Natural Gas - Producing)
- 3) The Twinning Project (Light Sweet Crude - Drilling completed August 1, 2012, currently working towards well completion.

An independent asset, reserve and resource evaluation (NI 51-101) done by Chapman Petroleum Engineering Ltd that has valued Prairie West's assets at \$22,957,000 (CDN) undiscounted. This report conforms to industry standard and is an accepted primary means of asset evaluation.

Objectives

- 1) Develop to full potential through lower risk 'developmental drilling' the company's current long term developmental project which is strategically placed within the highly productive Twinning area (Section 17-31-23W4.) and surrounded by major multinational oil / gas giants.
- 2) Acquire oil and gas producing properties that have proven reserves and established in-field drilling locations through a combination of cash, debt, and equity. Positive metrics and the ability to enhance for maximum production efficiency is key. In addition, there must be the opportunity to streamline operational costs and administration overhead with the goal maximizing profits.
- 3) Add value and reserves through the identification of plays and prospects which demonstrate attractive metrics and a high chance of success.
- 4) Focus operational efforts around today's technological advancements so that the company can effectively maximize return on capital invested by reducing drilling risk and enhancing ability to cost effectively grow reserves and production volumes.
- 5) Keep operational costs to the lowest possible levels through a streamlined operational and management process.
- 6) Continue to practice strict fiscal discipline as 'Team Prairie West' is experienced enough to know that a large debt load can easily be the end of junior energy corporation. Prairie West has been able to accomplish all it has done to date with "Zero bank or institutional financing".
- 7) Continue to have strong due diligence control mechanisms in place in regards to potential acquisitions.

8) Continue to mitigate risk through diversification and expertise.



- 9) Successfully raise capital through the public markets to further finance company goals and objectives.
- 10) Remain fully transparent to shareholders through open communication, regular updates and filings.

The company is currently focused on three projects:

- 1) The Maidstone Project (Heavy Oil - Producing)
- 2) The Shackleton Project (Natural Gas - Producing)
- 3) The Twinning Project (Light Sweet Crude)

Twining, Alberta, CAN

Type of project: Light Sweet Crude

Status: Working Towards well completion

Number of wells: 2

“The Twinning project is becoming a more valuable asset every day as other companies continue to have great success in the area and prices continue to skyrocket as a result.”

- Prairie West President :Anthony Sarvucci

KEY POINTS:

Located in East-Central Alberta Canada within the prolific Western Canada Sedimentary Basin, Prairie West 's developmental project is strategically placed within the highly productive Twining area (Section 17-31-23W4.) and surrounded by major multinational oil / gas giants.

Prairie's property is immediately adjacent to the enormous Twining Rundle/Mannville Pool with Original Oil In Place of 1.013 billion barrels equivalent.

Prairie has identified a prospect in the prolific Devonian Nisku carbonate, with pool analogues in the immediate area having oil reserves approaching 60 mmbbls (OOIP).

Detailed geological and geophysical mapping of the Nisku reservoir under Prairie West 's land, demonstrates a potential accumulation of almost 300 acres, with a potential mean resource of 2.4 million barrels(OOIP). P10 resource however is closer to 4.0 mmbbls.

Proximal Nisku pools tend to be in the 40-42 API crude, and therefore receive some of the best netbacks in the basin. With success on Prairie's first well, an aggressive 40 acre pool development will be implemented, with the goal being to grow the property to the 1000 BOPD range within the first 2 to 3 years. Horizontal well application and selective acid fracture stimulation will also be evaluated which would ultimately increase productivity and recovery of the pool's reserves.

An engineering study of this prospect by Canadian Petroleum Engineering, Inc. found that at the then current price of a barrel of oil at \$50 a barrel, that the prospect was a viable drilling target. With the recent uptick in oil prices the potential of this project for Prairie and its shareholders is huge.

The first well was successfully drilled on August 1st, 2012. Multiple zones that have tested positive and the company is presently working towards completing the wells to producing status.

Maidstone

Location: Maidstone, Saskatchewan, CAN

Type of project: Heavy Oil

Status: Producing

Number of wells: 12

KEY POINTS:

The Maidstone Project currently has production online and consists of eleven heavy oil wells plus one licensed horizontal water disposal well.



The economics of the most recent acquisition / expansion made perfect sense as management knows the area extremely well, had an existing footprint in close proximity and has rock solid relationships already in place. From an operational standpoint this translates into lower operating costs, the ability to act swiftly and higher profits.

Prairie West's operator David Forest is a heavy oil specialist and efficiency expert who in the past was able to take a company's production from 135 barrels a day to 800 barrels a day without drilling a well. This is important to note because a comprehensive nine well Maidstone work over program is in the works that is designed to utilize the latest technology to both maximize the output and efficiency of Prairie West's latest heavy oil play.

The licensed horizontal disposal well located within Prairie's Maidstone project is an excellent revenue source as most wells in the area make water and are required by law to dispose of it in a licensed water disposal unit. Not only does this well have the capacity to handle all of Prairie West's disposal needs but it is also fully equipped to act as a disposal solution for other companies in the area.

The desirability of investing in oil in Saskatchewan continues to get better all the time. The support for the industry starts at the premier level and is mirrored through all levels of government. This has resulted in a very favorable business climate in terms of simplified regulation and economic terms. The province has huge heavy oil resources, very good producing infrastructure and a highly skilled work force. For these reasons at this time Prairie West can think of no better place to do business and will be actively looking to further expand in this geographical area.

Shackleton

Location: Shackleton, Saskatchewan, CAN
Type of project: Natural Gas
Status: Scheduled shut in for maintenance
Number of wells: 27

KEY POINTS:

The Shackleton project consists of a 99% interest in 27 wells situated on 15 sections (9600 Acres) of oil and gas property located in the prolific Shackleton area within an energy rich area of the Western Canadian Sedimentary basin.

The company is currently performing a strategic in-depth geological analysis for the full 9600 acres and has already identified multiple drilling targets that have a high probability of carrying a low risk, high reward profile.

From a viability standpoint, this project for Prairie West remains viable and profitable at current natural gas prices due to Prairie West's low operating costs in the area. If natural gas turns bullish as a result of new 'Fracking' regulations, the company has positioned itself for accelerated profits moving forward.

It is important to note that the recent additional 49% ownership increase in the Shackleton project has increased Prairie West's assets past the \$22,957,000 (undiscounted) number contained in the NI 51-101 as the report was created before the acquisition took place.

At the end of May 2012, Prairie West began its scheduled summer overhaul of the company's Shackleton natural gas asset. The entire project is being revamped with the goal of producing higher revenues in the fall season through greater efficiency, lower operating costs and traditionally higher fall natural gas prices.

REPORT OF REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Prairie West LTD.
Calgary, Alberta Canada

We have audited the accompanying balance sheet of Prairie West Inc., an oil and gas production Company, as of December 31, 2011, and the related statements of operations, stockholders' equity and cash flows for the year ended December 31, 2011, and the period from September 6, 2009 (inception) to December 31, 2011.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2011 and the results of its operations and changes in stockholders' and its cash flows for the years ended December 31, 2011 and the period from September 6, 2009 to December 31, 2011 in conformity with accounting principles generally accepted in the United States of America.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

As discussed in Note 2 of the notes to the accompanying financial statements, the financial statements have been prepared assuming that the Company will continue as a going concern. As discussed within the footnotes the Company has minimal revenue, a deficit in retained earnings and current and historical operating losses. Those conditions raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might results from the outcome of this uncertainty.

/s/ W.T. Uniack & Co. CPA's P.C.
Woodstock, Georgia.

Prairie West Oil & Gas Ltd.
Balance Sheet
as of December 31, 2011

Total Assets

Cash & Cash Equivalents	\$	24,355
Other Assets		18,836
Total Current Assets		43,191
Tangible Drilling costs-net		97,619
Intangible Drilling & Completion costs-net		150,000
Intangible Drillings rights-net		106,250
Total Tangible and Intangible costs-net		353,869
Other Assets-joint venture costs		560,000
Total Assets	\$	957,060

Liabilities and Shareholders' Equity

Accounts Payable	\$	155,033
Other Current Liabilities:		
Loan from Emporium Group		792,116
Accrued Expenses		73,282
Total current liabilities		1,020,431
<u>Long-term Debt</u>		
Shareholder Loans		241,091
Loan from Johhann Lisson		50,000
		291,091
Total Liabilities		1,311,522
Shareholders' Deficit		
Common stock-no par		360,691
Retained Deficit		(715,151)
Total Shareholder's Deficit		(354,460)
Total Liabilities & Shareholders' Deficit	\$	957,060

Prairie West Oil & Gas Ltd.
Statement of Operations
For year ended December 31, 2011
and the period from September 6, 2009 (inception)
to December 31, 2011

	<u>12/31/2011</u>	<u>Cumulative from Inception</u>
Oil and natural gas revenues	\$ 7,500	\$ 59,070
<u>Cost and expenses:</u>		
Production and lease operating expenses	13,865	74,166
Depletion, depreciation and amortization	12,598	12,598
General & administrative expenses	<u>277,889</u>	<u>623,977</u>
Total costs and expenses	304,352	710,741
Loss from operations	<u>(296,852)</u>	<u>(651,671)</u>
Other income/(expense)		
Other	(73,282)	(73,282)
Interest Expense	(199)	(199)
Net loss	<u>\$ (370,332)</u>	<u>\$ (725,152)</u>
Net loss per common share -basic and diluted	<u>\$ (0.17)</u>	<u>\$ (0.33)</u>
Weighted average number of common shares outstanding - basic and diluted	<u>2,223,761</u>	<u>2,223,761</u>

Prairie West Oil & Gas Ltd.
Statement of Cash Flows
for the Year ended December 31, 2011

	<u>2011</u>	<u>Cumulative from Inception</u>
Cash flows from Operating Activities:		
Net Loss	\$ (370,331)	\$ (715,151)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	-	-
Depletion	12,598	12,598
Increase (decrease) in operating assets and liabilities:		
Other assets	(5,000)	(188,836)
Accounts Payable and accrued expenses	205,715	155,033
Net cash used in operating activities	<u>(157,018)</u>	<u>(736,356)</u>
Cash flows from Investing Activities:		
Intangible and Tangible Drilling Costs/investments	-	353,869
Investment in Joint Venture	560,000	560,000
Net cash used in investing activities	<u>560,000</u>	<u>913,869</u>
Cash flows from Financing Activities:		
Loan from Johann Lisson	50,000	-
Issuance of Common stock	98,369	360,691
Loan from Emporium Group-net	444,044	998,443
Shareholder loans	191,091	291,091
Cash provided by financing activities	<u>733,504</u>	<u>1,650,225</u>
Increase/(decrease) in cash	16,486	-
Cash at beginning of year	<u>7,869</u>	<u>-</u>
Cash at end of year	<u>\$ 24,355</u>	<u>\$ 24,355</u>

Prairie West Oil & Gas Ltd.
Statement of Stockholder deficit
for the years ended December 31, 2011

	Series A shares	Series A Amount	Accumulated Deficit	Totals
Beginning Balance--09/06/2009	-	\$ -	\$ -	\$ -
Common stock series A.	556,250	10,000	-	10,000
Net (loss)	-	-	-	-
End of the year 12/31/2009	556,250	10,000	-	10,000
Common stock series A.	1,620,238	252,322	-	252,322
Net (loss)	-	-	(344,820)	(344,820)
End of the year 12/31/2010	2,176,488	262,322	(344,820)	(82,498)
Common stock series A.	78,639	98,369	-	98,369
Net (loss)	-	-	(370,332)	(370,332)
End of the year 12/31/2011	2,255,127	\$ 360,691	\$ (715,152)	\$ (344,820)

Note 1. The Business

Prairie West Oil & Gas is a producing energy company with both established production and assets within the center of Canada's highest reserve epicenters; the oil boom provinces of Alberta and now Saskatchewan.

The company is currently focused on three projects:

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An independent asset, reserve and resource evaluation (NI 51-101) done by Chapman Petroleum Engineering Ltd that has valued Prairie West's assets at \$22,957,000 (CDN) undiscounted. This report conforms to industry standard and is an accepted primary means of asset evaluation.

The Company is engaged in two joint ventures. They are as follows:

- 1) Shackleton-ie (aka Sand box Energy Corp.) ownership of 99% by the Company.
- 2) Maidstone-(aka Western Plains Ltd.) ownership of 36% by the Company.

Derivatives

The Company did not engage nor does it have any contingent exposure or resultant liability for any contract associated with derivative (s).

Note 2. Going Concern

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. However, we have incurred net losses of (\$715,000) since inception and (\$370,332) for the year ended December 31, 2011. We have remained in business primarily through private placement capital \$ raise; loans and investments from related parties. We intend on financing our future development activities from the same sources, until such time that funds provided by operations are sufficient to fund working capital requirements.

These factors, among others, raise substantial doubt about our ability to continue as a going concern for a reasonable period of time.

Note 3-Foreign Currency- translation

The functional currency is United States Dollars. The Company's books and records are kept Canadian dollars. All profit and loss items are converted to U.S. dollars at the average conversion for the year. All balance sheet items are converted usually at historical rates.

Note 4-Oil and natural gas properties

The Company accounts for its oil and natural gas properties using the successful efforts method of accounting. Under this method, all costs associated with property acquisitions, all development wells, and asset retirement obligation assets are capitalized. Additionally, interest is capitalized while wells are drilled and the underlying property is in development. Costs of exploratory wells are capitalized pending determination of whether each well has resulted in the discovery of proved reserves. Oil and natural gas mineral leasehold costs are capitalized as incurred. Items charged to expense generally include geological and geophysical costs, costs of unsuccessful exploratory wells, and oil and natural gas production costs. Capitalized costs of proved properties including associated salvage are depleted on a well-by-well or field-by-field (common reservoir) basis using the units-of -production method based upon proved producing oil and natural gas reserves. The depletion rate is the current period production as a percentage of the total proved producing reserves. The depletion rate is applied to the net book value of property costs to calculate the depletion expense. Proved reserves materially impact depletion expense. If the proved reserves decline, then the depletion rate (the rate at which we record depletion expense) increases, reducing net income. Dispositions of oil and natural gas properties are accounted for as adjustments to capitalized

costs with gain or loss recognized upon sale. A gain (loss) is recognized to the extent the sales price exceeds or is less than original cost or the carrying value, net of impairment. Oil and natural gas properties are also subject to impairment at the end of each reporting period. Unproved property costs are excluded from depletable costs until the related properties are developed.

Subsequent Event- Stock split-

A 10 for 1 stock split was affected in August 2012. All shares and per share calculations have reflected this split.

Corporate Income Taxes-

The Company's operations are to a large extent domiciled in Canada. The Company has not filed Canadian tax returns for 2009 - inception, 2010 and 2011. If the Company was filing in United States it would have net operating loss carry-forwards to the extent or ranging to approximately \$700,000 less any foreign tax credit for taxes paid to Canadian authorities. Under United States generally accepted accounting principles, it would be uncertain if the Company would have taxable income in the future so a valuation allowance would be recorded to the extent of any and all operating loss carry-forwards. Within the United States loss carry-forwards expire 20 years after each year's incurrence.

Note 5-Reclamation and Remediation Costs (Asset retirement Obligations)

We accrue costs associated with environmental remediation obligations in accordance with Accounting Standards Codification 410, "Asset retirement and Environmental Obligations." ASC No. 410 requires us to record a liability for the present value of our estimated environmental remediation costs, and the related asset created with it, in the period in which the liability is incurred. The liability will be accreted and the asset will be depreciated over the life of the related assets. Adjustments for changes resulting from the passage of time and changes to either the timing or amount of the original present value estimate underlying the obligation will be made.

Future closure, reclamation and environmental-related expenditures are difficult to estimate, in many circumstances due to the early stage nature of investigations, and uncertainties associated with defining the nature and extent of environmental contamination and the application of laws and regulations by regulatory authorities and changes in reclamation or remediation technology. We periodically review accrued liabilities for such reclamation and remediation costs as evidence becomes available indicating that our liabilities have potentially changed. Changes in estimates at our non-operating properties are reflected in current period net income (loss). We had no accruals for closure costs, reclamation and environmental matters for operating and non-operating properties at December 31, 2011.

Note 6-Notes payable consists of the following at December 31, 2011:

Johann Lisson-\$50,000 due; date of note 08/05/2011 accrued interest \$2027.00; at a 10% interest..maturity date 01/31/2013.

The Emporium Group S.A.-original amount due \$1,000,000; date of loan 7/27/2010; outstanding as of 12/31/2011 \$792,116; interest rate of 10% ; maturity date 12/31/2012; accrued interest \$54,379.

Related Party - wife of president and CEO - amount(s) - non-interest bearing loan of \$10,000 due upon demand; and \$12,134; at an interest rate of 10%; accrued interest is \$1,294.

Father-in law of president and CEO-amount \$153,938 at an interest rate of 10% due upon demand; accrued interest \$5,824.

Loan from CEO and president-\$65,019 at a 10% interest rate due upon demand..accrued interest of \$9,758.

Note 7-Subsequent Event-(unaudited)-Subsequent to the end of the year \$ 1,118,878 of debt was converted into shares of common stock of the Company. This will result in a gain of \$ 555,605 that will be recognized in the first half of 2012.

Item 5.01 Changes in Control of Registrant.

On January 22, 2013, Prairie West Oil & Gas, Ltd. (Nevada) (“Prairie Nevada”) entered into an exchange agreement to purchase 100% of the outstanding interests of Prairie West Oil & Gas, Ltd. (Canada) (“Prairie Canada”) in exchange for 5,000,000 common shares of Prairie Nevada stock. Prairie Canada is now a wholly-owned subsidiary of Prairie Nevada and Prairie Nevada has acquired the business and operations of Prairie Canada. The Exchange Agreement contains customary representations, warranties, and conditions. The Exchange Agreement is attached hereto as Exhibit 99.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Anthony Sarvucci - Director and President

A results driven professional with vast industry experience in both the energy and investment banking sector Mr. Sarvucci has a proven track record of success.

Mr. Sarvucci brings to Prairie West a wealth of worldwide contacts and relationships established over years as the CEO of a public energy service company and more recently as a highly sought after consultant. Mr. Sarvucci works every day towards making sure the goals of Prairie West are achieved both on time and on budget.

Previous Experience:

2009-Present

Anthony co-founded Prairie West Oil and Gas Ltd. He currently serves as the company's president and is a member of the board of directors. Prairie West is a producing Alberta based oil and gas company that is well diversified in Heavy Oil, Light Oil and Natural gas. Moving forward, Anthony is focused on continually increasing operational efficiency in regards to the company's current undiscounted asset base valued at \$22,957,000 (CDN). With an eye to the future and a strong desire to lower overall risk, Anthony is looking to expand Prairie West into the US oil and gas sector as soon as a deal can be found that is favorable to both the company and its shareholders.

2004-2009

During this period Anthony acted as a highly sought after freelance consultant. Working hand in hand with several Public companies, Anthony was successful in providing strategic financing options through the global market place. With a focus on Europe and South America, Anthony broadened the financial possibilities for these North American based companies and in each case was able to increase their access to capital with the goal of securing the necessary funds for growth.

2001-2004

In 2001 Anthony founded Prelude Ventures. Prelude was an oil and gas service company that was publicly traded on a US exchange. From 2001 to 2004 Anthony guided Prelude Ventures in the purchase several Canadian and US based Petroleum Service and Petroleum product related companies. In 2004 Anthony stepped down from the position of President and CEO and handed the company off to Alliance Petroleum, based out of Chicago Illinois.

1996-2001

Acted as a consultant to private companies wanting to raise money and go public on the various US exchanges. During this time Anthony worked with numerous companies that spanned all sectors of the market. These sectors include; entertainment, mining, petroleum, textile and numerous others. Near the end of this period is when Anthony developed a passion for energy service and production companies..

1993-1996

Anthony worked with a private equity group based group out of the Newport Beach California. At his time with the group his primarily duties revolved around the investment of capital in commodities and currencies on the CME (Chicago Mercantile Exchange) on a daily basis.



1991-93

Anthony started work as a brokers assistant with Brentwood National and the Camden Group. Located in Newport Beach California Anthony sold Investments in RTC (Resolution Trust Corporation Properties).

Garry Pearce - Chairman of Board of directors - Advisor

A seasoned business veteran Mr. Pearce brings to Prairie West over 35 years of experience in the areas of both asset and operations management.

A former Vice President of Business Development for Investicare Group and a former Executive Director of the United Way he is fully in his comfort zone being at the helm of large scale companies and capital intense projects.

Garry has been involved in several Junior Oil & Gas companies in the role of a venture capitalist and adviser over the past 10 years.

Always looking to give back to the community in his free time Garry continues to provide consultation for the Salvation Army, the United Way, and the Baptist Church with the goal of streamlining their Social and Development programs.

Previous Experience:

2008- 2012

Garry is the co-founder and current chairman of Prairie West Oil and Gas. As the former President of the company, Mr. Pearce guided the company since its inception and helped to grow the company's asset base to over \$22,957,000 (Undiscounted) in just three short years. Still an active member of Team Prairie West Garry will continue to advise and provide his expertise in the years moving forward.

2000-2008

Realtor - An active member of the Calgary Real Estate Board

Worked as an associate with Premiere Realty

Specialized in Condo and single family residential in North West Calgary

2002 - 2005

Connecting Care - Partner and V. P. Business development

Established the strategic plan and direction for growth of the company

Worked with owners/developers to negotiate management contracts both for existing facilities and proposed senior assisted living facilities

Assisted with design and set-up of operations

1998 - 2001

Regional Manager - Origin Adult Communities, Calgary

Responsible for three senior retirement living communities in Calgary - Trinity Lodge, The Lodge at Valley Ridge, and Lake Bonavista Village.

This role encompassed:

Management and direction of the activities of the Regional Office staff

Responsibility for the day to day operations of the Calgary Origin Adult Communities through the Lodge managers

Responsibility for all senior level Human Resource functions

Oversaw accounting functions including operating and capital budgets, inventory, accounts receivable and accounts payable

Ensured that Origin policies were implemented on a consistent basis throughout the region

1996 - 2000

General Manager - Trinity Lodge, Calgary

Provided leadership, direction and guidance based on the organization's strategic plan and philosophy.

Duties Included

- Budgeting, revenue and expenditures;
- Provision of high quality housing services and long term operational planning to ensure the viability of the organization;
- Provides visible leadership in the daily operation of the lodge;
- An effective team player, motivating the senior management group;
- External representation, communication, and liaison for the organization' s goals, and objectives.

1990 - 1996

Director of Development - The Baptist Union of Western Canada, Calgary

- Served as field staff for the Baptist Union Foundation Fund
- Staff member of the Finance Committee of The Baptist Union of Western Canada
- Established the denominational Development Office
- Provided support services to The Baptist Leadership School Development Committees
- Established the major gift and planned giving program
- Co-ordinated capital funding campaigns for BUWC churches
- Provided leadership in the area of stewardship education
- Lead money management seminars
- Lead and coordinated planned giving seminars

1987 -1990

Executive Director - The United Way of Regina

- Implemented policies established by The Board of Directors
- Assisted in establishing goals, objectives and program development of The United Way
- Provided leadership in the areas of fund-raising, agency relations, public relations, and community planning
- Managed, staffed and administered the organization in accordance with accepted practices

Paula Pearce---Treasurer, Secretary - Director

A Top shelf individual, Ms. Pearce has extensive experience and success in making companies run as smoothly as possible. A firm believer that only an efficient company can reach their full potential, Ms. Pearce is both diligent and forceful when it comes to corporate organization and inner communication. She is a Prairie west co-founder and has been a driving force behind Prairie West's continued success.

Previous Experience:

2008-present

In 2008 Paula helped to form Prairie West Oil and Gas Ltd with her Husband Anthony and her Father Garry. With years assisting other oil and gas companies on a public level this was a natural progression moving forward. Paula has been instrumental in the day to day activities of Prairie West. Paula currently serves as Prairie West's corporate secretary and sits on the company's board of directors.

2001-2008

Ms. Pearce spent seven years with Optima Capital as an Administrative Assistant during a period of rapid growth. Working with both public and private companies, her duties included keeping accurate records to assist in the public filings and making sure that they were filled both on time and on schedule. Paula's attention to detail and high level of organization was instrumental in helping to take the company to new heights and great achievements.

1994-2001

Paula worked as a surgical assistant in Oral Maxillofacial surgeries at the Mission Viejo Hospital Professional Center where she assisted in reconstructive facial and Dental surgeries. Additionally, Paula was responsible for pre / post operative care, scheduling patients and making sure all surgical supplies were in order and fully stocked.

1994

Graduated Orange Coast College after completing her studies as a member of Alpha Gamma Sigma (California Honors Society).

Exhibits

No. Exhibits

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10 Exchange Agreement

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated Jan. 28, 2013

Prairie West Oil & Gas, Ltd.

By: Anthony Sarvucci
Anthony Sarvucci, President and
Chief Executive Officer

EXHIBIT INDEX

No. Exhibits

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10 Exchange Agreement

EXCHANGE AGREEMENT

THIS EXCHANGE AGREEMENT (the “**Agreement**”) made this 22nd day of January, 2013 by and among, **Prairie West Oil & Gas, Inc. fka Kat Racing, Inc.**, a Nevada corporation, with offices located at 9500 W. Flamingo #205, Las Vegas, NV 89147 (“**Prairie Nevada**”) and **Prairie West Oil & Gas, Ltd.**, a Canada Company, with offices located at 888 - 3rd Street SW, (West Bankers Hall) 10th Floor, Calgary, Alberta, Canada T2P 5C5, (“**Prairie Canada**” or “**the Company**”) on behalf of its shareholders, both parties hereinafter referred to as the “**Parties.**”

BACKGROUND:

A. The Boards of Directors of Prairie Nevada and PRAIRIE CANADA have determined that an acquisition of 100% of the outstanding interests in PRAIRIE CANADA by Prairie Nevada through a share exchange upon the terms and subject to the conditions set forth in this Agreement, would be fair and in the best interests of Prairie Nevada and PRAIRIE CANADA’s interest holders, and the Boards of Directors of Prairie Nevada and PRAIRIE CANADA have approved such Exchange, pursuant to which all of the right, title and interest in and to 100% of the ownership interest in PRAIRIE CANADA (the “**Ownership Interest**”) will be exchanged for the right to receive 5,000,000 shares of common stock of Prairie Nevada (the “**Exchange Shares**”).

B. Prairie Nevada and PRAIRIE CANADA desire to make certain representations, warranties, covenants and agreements in connection with the Exchange and also to prescribe various conditions to the Exchange.

C. For federal income tax purposes, the Parties intend that the Exchange shall qualify as reorganization under the provisions of Section 368(a)(1)(B) of the Internal Revenue Code of 1986, as amended (the “**Code**”).

NOW, THEREFORE, in consideration of the representations, warranties, covenants and agreements contained in this Agreement, the Parties agree as follows:

ARTICLE I THE EXCHANGE

1.01 Exchange. Upon the terms and subject to the conditions set forth in this Agreement, and in accordance with the Nevada Revised Statutes (“**Nevada Statutes**”), at the Closing (as hereinafter defined), the Parties shall do the following:

(a) The interest holders of PRAIRIE CANADA will sell, convey, assign, and transfer the Ownership Interest to Prairie Nevada by delivering to Prairie Nevada executed and transferable interest certificates. The Ownership Interest transferred to Prairie Nevada at the Closing shall constitute 100% of all issued and outstanding ownership interest in the Company.

(b) As consideration for its acquisition of the Ownership Interest, Prairie Nevada shall issue the Exchange Shares to PRAIRIE CANADA by delivering a share certificate to PRAIRIE CANADA evidencing the Exchange Shares (the “**Exchange Shares Certificate**”).

(c) For federal income tax purposes, the Exchange is intended to constitute a “reorganization” within the meaning of Section 368 of the Code, and the Parties shall report the transactions contemplated by the this Agreement consistent with such intent and shall take no position in any Tax filing or legal proceeding inconsistent therewith. The Parties to this Agreement hereby adopt this Agreement as a “Plan of Reorganization” within the meaning of Sections 1.368-2(g) and 1.368-3(a) of the United States Treasury Regulations. None of Prairie Nevada or PRAIRIE CANADA has taken or failed to take, and after the Effective Time (as defined below), Prairie Nevada shall not take or fail to take, any action which reasonably could be expected to cause the Exchange to fail to qualify as a “reorganization” within the meaning of Section 368(a) of the Code.

1.02 Effect of the Exchange. The Exchange shall have the effects set forth in the applicable provisions of the Nevada Statutes.

1.03 Closing. Unless this Agreement shall have been terminated and the transactions herein contemplated shall have been abandoned pursuant to Article VI and subject to the satisfaction or waiver of the conditions set forth in Article V, the closing of the Exchange (the “**Closing**”) will take place at 10:00 a.m. U.S. Pacific Standard Time on the business day upon satisfaction of the conditions set forth in Article V (or as soon as practicable thereafter following satisfaction or waiver of the conditions set forth in Article

V) (the “**Closing Date**”), at the offices of Harold P. Gewerter, Esq., 5536 S. Ft. Apache #102, Las Vegas, NV 89148, unless another date, time or place is agreed to in writing by the Parties hereto.

1.04 Effective Time of Exchange. As soon as practicable following the satisfaction or waiver of the conditions set forth in Article V, the Parties shall make all filings or recordings required under Nevada Statutes. The Exchange shall become effective at such time as is permissible in accordance with Nevada Statutes (the time the Exchange becomes effective being the “**Effective Time**”). Prairie Nevada and the Company shall use reasonable efforts to have the Closing Date and the Effective Time to be the same day.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

2.01 Representations and Warranties of the Company. Except as set forth in the disclosure schedule delivered by the PRAIRIE CANADA to Prairie Nevada at the time of execution of this Agreement (the “**Company Disclosure Schedule**”), the Company represents and warrants to Prairie Nevada as follows:

(a) **Organization, Standing and Power.** The Company is duly organized, validly existing and in good standing under the laws of Calgary and has the requisite power and authority and all government licenses, authorizations, permits, consents and approvals required to own, lease and operate its properties and carry on its business as now being conducted. The Company is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification or licensing necessary, other than in such jurisdictions where the failure to be so qualified or licensed (individually or in the aggregate) would not have a material adverse effect (as defined in Section 8.02).

(b) **Subsidiaries.** The Company does not own directly or indirectly, any equity or other ownership interest in any company, corporation, partnership, joint venture or otherwise.

(c) **Ownership Interest.** The Ownership Interest represents 100% of the issued and outstanding ownership interest of the Company. There are no outstanding bonds, debentures, notes or other indebtedness or other securities of the Company. There are no rights, commitments, agreements, arrangements or undertakings of any kind to which the Company is a party or by which it is bound obligating the Company to issue, deliver or sell, or cause to be issued, delivered or sold, additional ownership interests of the Company or obligating the Company to issue, grant, extend or enter into any such right, commitment, agreement, arrangement or undertaking. There are no outstanding contractual obligations, commitments, understandings or arrangements of the Company to repurchase, redeem or otherwise acquire or make any payment in respect of the ownership interests of the Company.

(d) **Authority; Noncontravention.** The Company has all requisite power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement by the Company and the consummation by the Company of the transactions contemplated hereby have been (or at Closing will have been) duly authorized by all necessary action on the part of the Company. This Agreement has been duly executed and when delivered by the Company shall constitute a valid and binding obligation of the Company, enforceable against the Company and the selling shareholders, as applicable, in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors’ rights generally or by general principles of equity. The execution and delivery of this Agreement do not, and the consummation of the transactions contemplated by this Agreement and compliance with the provisions hereof will not, conflict with, or result in any breach or violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of or “put” right with respect to any obligation or to a loss of a material benefit under, or result in the creation of any lien upon any of the properties or assets of the Company under, (i) the Company’s articles of incorporation or bylaws, if any, (ii) any loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, instrument, permit, concession, franchise or license applicable to the Company, its properties or assets, or (iii) subject to the governmental filings and other matters referred to in the following sentence, any judgment, order, decree, statute, law, ordinance, rule, regulation or arbitration award applicable to the Company, its properties or assets, other than, in the case of clauses (ii) and (iii), any such conflicts, breaches, violations, defaults, rights, losses or liens that individually or in the aggregate could not have a material adverse effect with respect to the Company or could not prevent, hinder or materially delay the ability of the Company to consummate the transactions contemplated by this Agreement.

(e) **Governmental Authorization.** No consent, approval, order or authorization of, or registration, reclamation or filing with, or notice to, any United States court, administrative agency or commission, or other federal, state or local government or other governmental authority, agency, domestic or foreign (a “**Governmental Entity**”), is required by or with respect to the Company in connection with the execution and delivery of this Agreement by the Company or the consummation by the Company of the transactions contemplated hereby, except, with respect to this Agreement, any filings under the Securities Act of 1933, as amended (the “**Securities Act**”) or Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the “**Exchange Act**”).

(f) Financial Statements

(i) Prairie Nevada has received a copy of the unaudited consolidated financial statements of the Company (collectively, the "**Company Financial Statements**"). The Company Financial Statements fairly present the financial condition of the Company at the dates indicated and its results of operations and cash flows for the periods then ended and, except as indicated therein, reflect all claims against, debts and liabilities of the Company, fixed or contingent, and of whatever nature.

(ii) Since the date of the balance sheet (the "**Company Balance Sheet Date**"), there has been no material adverse change in the assets or liabilities, or in the business or condition, financial or otherwise, or in the results of operations or prospects, of the Company, whether as a result of any legislative or regulatory change, revocation of any license or rights to do business, fire, explosion, accident, casualty, labor trouble, flood, drought, riot, storm, condemnation, act of God, public force or otherwise and no material adverse change in the assets or liabilities, or in the business or condition, financial or otherwise, or in the results of operation or prospects, of the Company except in the ordinary course of business.

(iii) Since the Company Balance Sheet Date, the Company has not suffered any damage, destruction or loss of physical property (whether or not covered by insurance) affecting its condition (financial or otherwise) or operations (present or prospective), nor has the Company, except as disclosed in writing to Prairie Nevada, issued, sold or otherwise disposed of, or agreed to issue, sell or otherwise dispose of, any membership interest or any other security of the Company and has not granted or agreed to grant any other right to subscribe for or to purchase any membership interest or any other security of the Company or has incurred or agreed to incur any indebtedness for borrowed money.

(g) Absence of Certain Changes or Events. Except as set forth on Schedule 2.01(g), since the Company Balance Sheet Date, the Company has conducted its business only in the ordinary course consistent with past practice, and there is not and has not been any:

(i) material adverse change with respect to the Company;

(ii) event which, if it had taken place following the execution of this Agreement, would not have been permitted by Section 3.01 without prior consent of Prairie Nevada;

(iii) condition, event or occurrence which could reasonably be expected to prevent, hinder or materially delay the ability of the Company to consummate the transactions contemplated by this Agreement;

(iv) incurrence, assumption or guarantee by the Company of any indebtedness for borrowed money other than in the ordinary course and in amounts and on terms consistent with past practices or as disclosed to Prairie Nevada in writing;

(v) creation or other incurrence by the Company of any lien on any asset other than in the ordinary course consistent with past practices;

(vi) transaction or commitment made, or any contract or agreement entered into, by the Company relating to its assets or business (including the acquisition or disposition of any assets) or any relinquishment by the Company of any contract or other right, in either case, material to the Company, other than transactions and commitments in the ordinary course consistent with past practices and those contemplated by this Agreement;

(vii) labor dispute, other than routine, individual grievances, or, to the knowledge of the Company, any activity or proceeding by a labor union or representative thereof to organize any employees of the Company or any lockouts, strikes, slowdowns, work stoppages or threats by or with respect to such employees;

(viii) payment, prepayment or discharge of liability other than in the ordinary course of business or any failure to pay any liability when due;

(ix) write-offs or write-downs of any assets of the Company;

(x) creation, termination or amendment of, or waiver of any right under, any material contract of the Company;

(xi) damage, destruction or loss having, or reasonably expected to have, a material adverse effect on the Company;

(xii) other condition, event or occurrence which individually or in the aggregate could reasonably be expected to have a material adverse effect or give rise to a material adverse change with respect to the Company; or

(xiii) agreement or commitment to do any of the foregoing.

(h) Certain Fees. Except as set forth on Schedule 2.01(h), no brokerage or finder's fees or commissions are or will be payable by the Company to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other person with respect to the transactions contemplated by this Agreement.

(i) Litigation; Labor Matters; Compliance with Laws

(i) There is no suit, action or proceeding or investigation pending or, to the knowledge of the Company, threatened against or affecting the Company or any basis for any such suit, action, proceeding or investigation that, individually or in the aggregate, could reasonably be expected to have a material adverse effect with respect to the Company or prevent, hinder or materially delay the ability of the Company to consummate the transactions contemplated by this Agreement, nor is there any judgment, decree, injunction, rule or order of any Governmental Entity or arbitrator outstanding against the Company having, or which, insofar as reasonably could be foreseen by the Company, in the future could have, any such effect.

(ii) The Company is not a party to, or bound by, any collective bargaining agreement, contract or other agreement or understanding with a labor union or labor organization, nor is it the subject of any proceeding asserting that it has committed an unfair labor practice or seeking to compel it to bargain with any labor organization as to wages or conditions of employment nor is there any strike, work stoppage or other labor dispute involving it pending or, to its knowledge, threatened, any of which could have a material adverse effect with respect to Company.

(iii) The conduct of the business of the Company complies with all statutes, laws, regulations, ordinances, rules, judgments, orders, decrees or arbitration awards applicable thereto.

(j) Benefit Plan. The Company is not a party to any Benefit Plan under which the Company currently has an obligation to provide benefits to any current or former employee, officer or director of the Company. As used herein, "**Benefit Plan**" shall mean any employee benefit plan, program, or arrangement of any kind, including any defined benefit or defined contribution plan, ownership plan with respect to any membership interest, executive compensation program or arrangement, bonus plan, incentive compensation plan or arrangement, profit sharing plan or arrangement, deferred compensation plan, agreement or arrangement, supplemental retirement plan or arrangement, vacation pay, sickness, disability, or death benefit plan (whether provided through insurance, on a funded or unfunded basis, or otherwise), medical or life insurance plan providing benefits to employees, retirees, or former employees or any of their dependents, survivors, or beneficiaries, severance pay, termination, salary continuation, or employee assistance plan.

(k) Tax Returns and Tax Payments.

(i) The Company has timely filed with the appropriate taxing authorities all Tax Returns required to be filed by it (taking into account all applicable extensions). All such Tax Returns are true, correct and complete in all respects. All Taxes due and owing by the Company has been paid (whether or not shown on any Tax Return and whether or not any Tax Return was required). The Company is not currently the beneficiary of any extension of time within which to file any Tax Return or pay any Tax. No claim has ever been made in writing or otherwise addressed to the Company by a taxing authority in a jurisdiction where the Company does not file Tax Returns that it is or may be subject to taxation by that jurisdiction. The unpaid Taxes of the Company did not, as of the Company Balance Sheet Date, exceed the reserve for Tax liability (excluding any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the face of the financial statements (rather than in any notes thereto). Since the Company Balance Sheet Date, neither the Company nor any of its subsidiaries has incurred any liability for Taxes outside the ordinary course of business consistent with past custom and practice. As of the Closing Date, the unpaid Taxes of the Company and its subsidiaries will not exceed the reserve for Tax liability (excluding any reserve for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the books and records of the Company.

(ii) No material claim for unpaid Taxes has been made or become a lien against the property of the Company or is being asserted against the Company, no audit of any Tax Return of the Company is being conducted by a tax authority, and no extension of the statute of limitations on the assessment of any Taxes has been granted by the Company and is currently in effect. The Company has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party.

(iii) As used herein, “**Taxes**” shall mean all taxes of any kind, including, without limitation, those on or measured by or referred to as income, gross receipts, sales, use, ad valorem, franchise, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium value added, property or windfall profits taxes, customs, duties or similar fees, assessments or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts imposed by any governmental authority, domestic or foreign. As used herein, “**Tax Return**” shall mean any return, report or statement required to be filed with any governmental authority with respect to Taxes.

(l) Environmental Matters. The Company is in compliance with all Environmental Laws in all material respects. The Company has not received any written notice regarding any violation of any Environmental Laws, including any investigatory, remedial or corrective obligations. The Company holds all permits and authorizations required under applicable Environmental Laws, unless the failure to hold such permits and authorizations would not have a material adverse effect on the Company. The Company is in compliance with all terms, conditions and provisions of all such permits and authorizations in all material respects. No releases of Hazardous Materials have occurred at, from, in, to, on or under any real property currently or formerly owned, operated or leased by the Company or any predecessor thereof and no Hazardous Materials are present in, on, about or migrating to or from any such property which could result in any liability to the Company. The Company has not transported or arranged for the treatment, storage, handling, disposal, or transportation of any Hazardous Material to any off-site location which could result in any liability to the Company. The Company has no liability, absolute or contingent, under any Environmental Law that if enforced or collected would have a material adverse effect on the Company. There are no past, pending or threatened claims under Environmental Laws against the Company and Company is not aware of any facts or circumstances that could reasonably be expected to result in a liability or claim against the Company pursuant to Environmental Laws. “**Environmental Laws**” means all applicable foreign, federal, state and local statutes, rules, regulations, ordinances, orders, decrees and common law relating in any manner to contamination, pollution or protection of human health or the environment, and similar state laws. “**Hazardous Material**” means any toxic, radioactive, corrosive or otherwise hazardous substance, including petroleum, its derivatives, by-products and other hydrocarbons, or any substance having any constituent elements displaying any of the foregoing characteristics, which in any event is regulated under any Environmental Law.

(m) Material Contract Defaults. The Company is not, or has not received any notice or has any knowledge that any other party is, in default in any respect under any Material Contract; and there has not occurred any event that with the lapse of time or the giving of notice or both would constitute such a material default. For purposes of this Agreement, a “**Material Contract**” means any contract, agreement or commitment that is effective as of the Closing Date to which the Company is a party (i) with expected receipts or expenditures in excess of \$50,000, (ii) requiring the Company to indemnify any person, (iii) granting exclusive rights to any party, (iv) evidencing indebtedness for borrowed or loaned money in excess of \$50,000 or more, including guarantees of such indebtedness, or (v) which, if breached by the Company in such a manner would (A) permit any other party to cancel or terminate the same (with or without notice of passage of time) or (B) provide a basis for any other party to claim money damages (either individually or in the aggregate with all other such claims under that contract) from the Company or (C) give rise to a right of acceleration of any material obligation or loss of any material benefit under any such contract, agreement or commitment.

(n) Accounts Receivable. All of the accounts receivable of the Company that are reflected on the Company Financial Statements or the accounting records of the Company as of the Closing (collectively, the “**Accounts Receivable**”) represent or will represent valid obligations arising from sales actually made or services actually performed in the ordinary course of business and are not subject to any defenses, counterclaims, or rights of set off other than those arising in the ordinary course of business and for which adequate reserves have been established. The Accounts Receivable are fully collectible to the extent not reserved for on the balance sheet on which they are shown.

(o) Properties. The Company has valid land use rights for all real property that is material to its business and good, clear and marketable title to all the tangible properties and tangible assets reflected in the latest balance sheet as being owned by the Company or acquired after the date thereof which are, individually or in the aggregate, material to the Company’s business (except properties sold or otherwise disposed of since the date thereof in the ordinary course of business), free and clear of all material liens, encumbrances, claims, security interest, options and restrictions of any nature whatsoever. Any real property and facilities held under lease by the Company is held by it under valid, subsisting and enforceable leases of which the Company is in compliance, except as could not, individually or in the aggregate, have or reasonably be expected to result in a material adverse effect.

(p) Intellectual Property

(i) As used in this Agreement, the term “**Trademarks**” means trademarks, service marks, trade names, internet domain names, designs, slogans, and general intangibles of like nature; the term “**Trade Secrets**” means technology; trade secrets and other confidential information, know-how, proprietary processes, formulae, algorithms, models, and methodologies; the term “**Intellectual Property**” means patents, copyrights, Trademarks, applications for any of the foregoing, and Trade Secrets; the term “**Company License Agreements**” means any license agreements granting any right to use or practice any rights under any Intellectual Property (except for such agreements for off-the-shelf products that are generally available for less than \$25,000), and any written settlements relating to any Intellectual Property, to which the Company is a party or otherwise bound; and the term “**Software**” means any and all computer programs, including any and all software implementations of algorithms, models and methodologies, whether in source code or object code.

(ii) The Company owns or has valid rights to use the Trademarks, trade names, domain names, copyrights, patents, logos, licenses and computer software programs (including, without limitation, the source codes thereto) that are necessary for the conduct of its respective businesses as now being conducted. To the knowledge of the Company, none of the Company’s Intellectual Property or Company License Agreements infringe upon the rights of any third party that may give rise to a cause of action or claim against the Company or its successors.

(q) Undisclosed Liabilities. The Company has no liabilities or obligations of any nature (whether fixed or unfixed, secured or unsecured, known or unknown and whether absolute, accrued, contingent, or otherwise) except for liabilities or obligations reflected or reserved against in the Company Financial Statements incurred in the ordinary course of business or such liabilities or obligations disclosed in Schedule 2.01(g).

(r) Full Disclosure. All of the representations and warranties made by the Company in this Agreement, and all statements set forth in the certificates delivered by the Company at the Closing pursuant to this Agreement, are true, correct and complete in all material respects and do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make such representations, warranties or statements, in light of the circumstances under which they were made, misleading. The copies of all documents furnished by the Company pursuant to the terms of this Agreement are complete and accurate copies of the original documents. The schedules, certificates, and any and all other statements and information, whether furnished in written or electronic form, to Prairie Nevada or its representatives by or on behalf of any of the Company or its affiliates in connection with the negotiation of this Agreement and the transactions contemplated hereby do not contain any material misstatement of fact or omit to state a material fact or any fact necessary to make the statements contained therein not misleading.

2.02 Representations and Warranties of Prairie Nevada. Except as set forth in the disclosure schedule delivered by Prairie Nevada to the Company at the time of execution of this Agreement (the “**Prairie Nevada Disclosure Schedule**”), Prairie Nevada represents and warrants to the Company as follows:

(a) Organization, Standing and Corporate Power. Prairie Nevada is duly organized, validly existing and in good standing under the laws of the State of Nevada and has the requisite corporate power and authority and all government licenses, authorizations, permits, consents and approvals required to own, lease and operate its properties and carry on its business as now being conducted. Prairie Nevada is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the nature of its business or the ownership or leasing of its properties makes such qualification or licensing necessary, other than in such jurisdictions where the failure to be so qualified or licensed (individually or in the aggregate) would not have a material adverse effect with respect to Prairie Nevada.

(b) Subsidiaries. Prairie Nevada does not own directly or indirectly, any equity or other ownership interest in any company, corporation, partnership, joint venture or otherwise.

(c) Capital Structure of Prairie Nevada. As of the date of this Agreement, the authorized capital stock of Prairie Nevada consists of 300,000,000 shares of Prairie Nevada Common Stock, \$0.001 par value, of which 5,749,000 shares of Prairie Nevada Common Stock are issued and outstanding. There are no other shares of Prairie Nevada stock issuable upon the exercise of outstanding warrants, convertible notes, options and otherwise. Except as set forth above, no shares of capital stock or other equity securities of Prairie Nevada are issued, reserved for issuance or outstanding. All shares which may be issued pursuant to this Agreement will be, when issued, duly authorized, validly issued, fully paid and nonassessable, not subject to preemptive rights, and issued in compliance with all applicable state and federal laws concerning the issuance of securities.



(d) Corporate Authority; Noncontravention. Prairie Nevada has all requisite corporate and other power and authority to enter into this Agreement and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement by Prairie Nevada and the consummation by Prairie Nevada of the transactions contemplated hereby have been (or at Closing will have been) duly authorized by all necessary corporate action on the part of Prairie Nevada. This Agreement has been duly executed and when delivered by Prairie Nevada shall constitute a valid and binding obligation of Prairie Nevada, enforceable against Prairie Nevada in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally or by general principles of equity. The execution and delivery of this Agreement do not, and the consummation of the transactions contemplated by this Agreement and compliance with the provisions hereof will not, conflict with, or result in any breach or violation of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of or "put" right with respect to any obligation or to loss of a material benefit under, or result in the creation of any lien upon any of the properties or assets of Prairie Nevada under, (i) its articles of incorporation, bylaws, or other charter documents of Prairie Nevada (ii) any loan or credit agreement, note, bond, mortgage, indenture, lease or other agreement, instrument, permit, concession, franchise or license applicable to Prairie Nevada, its properties or assets, or (iii) subject to the governmental filings and other matters referred to in the following sentence, any judgment, order, decree, statute, law, ordinance, rule, regulation or arbitration award applicable to Prairie Nevada, its properties or assets, other than, in the case of clauses (ii) and (iii), any such conflicts, breaches, violations, defaults, rights, losses or liens that individually or in the aggregate could not have a material adverse effect with respect to Prairie Nevada or could not prevent, hinder or materially delay the ability of Prairie Nevada to consummate the transactions contemplated by this Agreement.

(e) Government Authorization. No consent, approval, order or authorization of, or registration, declaration or filing with, or notice to, any Governmental Entity, is required by or with respect to Prairie Nevada in connection with the execution and delivery of this Agreement by Prairie Nevada, or the consummation by Prairie Nevada of the transactions contemplated hereby, except, with respect to this Agreement, any filings under the Nevada Statutes, the Securities Act or the Exchange Act.

(f) Financial Statements

(i) The consolidated financial statements of Prairie Nevada included in the reports, schedules, forms, statements and other documents filed by Prairie Nevada with the SEC (collectively, and in each case including all exhibits and schedules thereto and documents incorporated by reference therein, the "**Prairie Nevada SEC Documents**"), such Prairie Nevada SEC Documents comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, have been prepared in accordance with U.S. generally accepted accounting principles (except, in the case of unaudited consolidated quarterly statements, as permitted by Form 10-Q of the SEC) applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and fairly present the consolidated financial position of Prairie Nevada and its consolidated subsidiaries as of the dates thereof and the consolidated results of operations and changes in cash flows for the periods then ended (subject, in the case of unaudited quarterly statements, to normal year-end audit adjustments as determined by Prairie Nevada's independent accountants). Except as set forth in the Prairie Nevada SEC Documents, at the date of the most recent audited financial statements of Prairie Nevada included in the Prairie Nevada SEC Documents, Prairie Nevada has not incurred any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) which, individually or in the aggregate, could reasonably be expected to have a material adverse effect with respect to Prairie Nevada.

(g) Absence of Certain Changes or Events. Except as disclosed in the Prairie Nevada SEC Documents or as set forth on Schedule 2.02(g), since Sept. 30, 2012 (the "**Prairie Nevada Balance Sheet Date**") Prairie Nevada has conducted its business only in the ordinary course consistent with past practice in light of its current business circumstances, and there is not and has not been any:

(i) material adverse change with respect to Prairie Nevada;

(ii) event which, if it had taken place following the execution of this Agreement, would not have been permitted by Section 3.01 without prior consent of the Company;

(iii) condition, event or occurrence which could reasonably be expected to prevent, hinder or materially delay the ability of Prairie Nevada to consummate the transactions contemplated by this Agreement;

(iv) incurrence, assumption or guarantee by Prairie Nevada of any indebtedness for borrowed money other than in the ordinary course and in amounts and on terms consistent with past practices or as disclosed to the Company in writing;

(v) creation or other incurrence by Prairie Nevada of any lien on any asset other than in the ordinary course consistent with past practices;

(vi) transaction or commitment made, or any contract or agreement entered into, by Prairie Nevada relating to its assets or business (including the acquisition or disposition of any assets) or any relinquishment by Prairie Nevada of any contract or other right, in either case, material to Prairie Nevada, other than transactions and commitments in the ordinary course consistent with past practices and those contemplated by this Agreement;

(vii) labor dispute, other than routine, individual grievances, or, to the knowledge of Prairie Nevada, any activity or proceeding by a labor union or representative thereof to organize any employees of Prairie Nevada or any lockouts, strikes, slowdowns, work stoppages or threats by or with respect to such employees;

(viii) payment, prepayment or discharge of liability other than in the ordinary course of business or any failure to pay any liability when due;

(ix) write-offs or write-downs of any assets of Prairie Nevada;

(x) creation, termination or amendment of, or waiver of any right under, any material contract of Prairie Nevada;

(xi) damage, destruction or loss having, or reasonably expected to have, a material adverse effect on Prairie Nevada;

(xii) other condition, event or occurrence which individually or in the aggregate could reasonably be expected to have a material adverse effect or give rise to a material adverse change with respect to Prairie Nevada; or

(xiii) agreement or commitment to do any of the foregoing.

(h) Certain Fees. Except as set forth on Schedule 2.02(h), no brokerage or finder's fees or commissions are or will be payable by Prairie Nevada to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other person with respect to the transactions contemplated by this Agreement.

(i) Litigation; Labor Matters; Compliance with Laws

(i) There is no suit, action or proceeding or investigation pending or, to the knowledge of Prairie Nevada, threatened against or affecting Prairie Nevada or any basis for any such suit, action, proceeding or investigation that, individually or in the aggregate, could reasonably be expected to have a material adverse effect with respect to Prairie Nevada or prevent, hinder or materially delay the ability of Prairie Nevada to consummate the transactions contemplated by this Agreement, nor is there any judgment, decree, injunction, rule or order of any Governmental Entity or arbitrator outstanding against Prairie Nevada having, or which, insofar as reasonably could be foreseen by Prairie Nevada, in the future could have, any such effect.

(ii) Prairie Nevada is not a party to, or bound by, any collective bargaining agreement, contract or other agreement or understanding with a labor union or labor organization, nor is it the subject of any proceeding asserting that it has committed an unfair labor practice or seeking to compel it to bargain with any labor organization as to wages or conditions of employment nor is there any strike, work stoppage or other labor dispute involving it pending or, to its knowledge, threatened, any of which could have a material adverse effect with respect to Prairie Nevada.

(iii) The conduct of the business of Prairie Nevada complies with all statutes, laws, regulations, ordinances, rules, judgments, orders, decrees or arbitration awards applicable thereto.

(j) Benefit Plans. Prairie Nevada is not a party to any Benefit Plan under which Prairie Nevada currently has an obligation to provide benefits to any current or former employee, officer or director of Prairie Nevada.

(k) Certain Employee Payments. Prairie Nevada is not a party to any employment agreement which could result in the payment to any current, former or future director or employee of Prairie Nevada of any money or other property or rights or accelerate or provide any other rights or benefits to any such employee or director as a result of the transactions contemplated by this Agreement, whether or not (i) such payment, acceleration or provision would constitute a "parachute payment" (within the meaning of Section 280G of the Code), or (ii) some other subsequent action or event would be required to cause such payment, acceleration or provision to be triggered.

(l) Environmental Matters. Prairie Nevada is in compliance with all Environmental Laws in all material respects. Prairie Nevada holds all permits and authorizations required under applicable Environmental Laws, unless the failure to hold such permits and authorizations would not have a material adverse effect on Prairie Nevada. Prairie Nevada is compliance with all terms, conditions and provisions of all such permits and authorizations in all material respects. No releases of Hazardous Materials have occurred at, from, in, to, on or under any real property currently or formerly owned, operated or leased by Prairie Nevada or any predecessor thereof and no Hazardous Materials are present in, on, about or migrating to or from any such property which could result in any liability to Prairie Nevada. Prairie Nevada has not transported or arranged for the treatment, storage, handling, disposal, or transportation of any Hazardous Material to any off-site location which could result in any liability to Prairie Nevada. Prairie Nevada has no liability, absolute or contingent, under any Environmental Law that if enforced or collected would have a material adverse effect on Prairie Nevada. There are no past, pending or threatened claims under Environmental Laws against Prairie Nevada and Prairie Nevada is not aware of any facts or circumstances that could reasonably be expected to result in a liability or claim against Prairie Nevada pursuant to Environmental Laws.

(m) Material Contract Defaults. Prairie Nevada is not, or has not, received any notice or has any knowledge that any other party is, in default in any respect under any Prairie Nevada Material Contract; and there has not occurred any event that with the lapse of time or the giving of notice or both would constitute such a material default. For purposes of this Agreement, a “**Prairie Nevada Material Contract**” means any contract, agreement or commitment that is effective as of the Closing Date to which Prairie Nevada is a party (i) with expected receipts or expenditures in excess of \$5,000, (ii) requiring Prairie Nevada to indemnify any person, (iii) granting exclusive rights to any party, (iv) evidencing indebtedness for borrowed or loaned money in excess of \$5,000 or more, including guarantees of such indebtedness, or (v) which, if breached by Prairie Nevada in such a manner would (A) permit any other party to cancel or terminate the same (with or without notice of passage of time) or (B) provide a basis for any other party to claim money damages (either individually or in the aggregate with all other such claims under that contract) from Prairie Nevada or (C) give rise to a right of acceleration of any material obligation or loss of any material benefit under any such contract, agreement or commitment.

(n) Properties. Prairie Nevada has valid land use rights for all real property that is material to its business and good, clear and marketable title to all the tangible properties and tangible assets reflected in the latest balance sheet as being owned by Prairie Nevada or acquired after the date thereof which are, individually or in the aggregate, material to Prairie Nevada’s business (except properties sold or otherwise disposed of since the date thereof in the ordinary course of business), free and clear of all material liens, encumbrances, claims, security interest, options and restrictions of any nature whatsoever. Any real property and facilities held under lease by Prairie Nevada are held by them under valid, subsisting and enforceable leases of which Prairie Nevada is in compliance, except as could not, individually or in the aggregate, have or reasonably be expected to result in a material adverse effect.

(o) Intellectual Property. Prairie Nevada owns or has valid rights to use the Trademarks, trade names, domain names, copyrights, patents, logos, licenses and computer software programs (including, without limitation, the source codes thereto) that are necessary for the conduct of its business as now being conducted. All of Prairie Nevada’s licenses to use Software programs are current and have been paid for the appropriate number of users. To the knowledge of Prairie Nevada, none of Prairie Nevada’s Intellectual Property or Prairie Nevada License Agreements infringe upon the rights of any third party that may give rise to a cause of action or claim against Prairie Nevada or its successors.

(p) Board Determination. The Board of Directors of Prairie Nevada has unanimously determined that the terms of the Exchange are fair to and in the best interests of Prairie Nevada and its stockholders.

(q) Required Prairie Nevada Share Issuance Approval. Prairie Nevada represents that the issuance of the Exchange Shares to the Selling Member will be in compliance with the Nevada Statutes and the Bylaws of Prairie Nevada.

(r) Undisclosed Liabilities. Prairie Nevada has no liabilities or obligations of any nature (whether fixed or unfixed, secured or unsecured, known or unknown and whether absolute, accrued, contingent, or otherwise) except for liabilities or obligations reflected or reserved against in the Prairie Nevada SEC Documents incurred in the ordinary course of business.

(s) Full Disclosure. All of the representations and warranties made by Prairie Nevada in this Agreement, and all statements set forth in the certificates delivered by Prairie Nevada at the Closing pursuant to this Agreement, are true, correct and complete in all material respects and do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make such representations, warranties or statements, in light of the circumstances under which they were made, misleading. The copies of all documents furnished by Prairie Nevada pursuant to the terms of this Agreement are complete and accurate copies of the original documents. The schedules, certificates, and any and all other statements and information, whether furnished in written or electronic form, to the Company or its representatives by or on behalf of Prairie Nevada and the Prairie

Nevada Stockholders in connection with the negotiation of this Agreement and the transactions contemplated hereby do not contain any material misstatement of fact or omit to state a material fact or any fact necessary to make the statements contained therein not misleading.

ARTICLE III
COVENANTS RELATING TO CONDUCT OF BUSINESS PRIOR TO EXCHANGE

3.01 Conduct of the Company and Prairie Nevada. From the date of this Agreement and until the Effective Time, or until the prior termination of this Agreement, the Company and Prairie Nevada shall not, unless mutually agreed to in writing:

- (a) engage in any transaction, except in the normal and ordinary course of business, or create or suffer to exist any lien or other encumbrance upon any of their respective assets or which will not be discharged in full prior to the Effective Time;
- (b) sell, assign or otherwise transfer any of their assets, or cancel or compromise any debts or claims relating to their assets, other than for fair value, in the ordinary course of business, and consistent with past practice;
- (c) fail to use reasonable efforts to preserve intact their present business organizations, keep available the services of their employees and preserve its material relationships with customers, suppliers, licensors, licensees, distributors and others, to the end that its good will and ongoing business not be impaired prior to the Effective Time;
- (d) except for matters related to complaints by former employees related to wages, suffer or permit any material adverse change to occur with respect to the Company and Prairie Nevada or their business or assets; or
- (e) make any material change with respect to their business in accounting or bookkeeping methods, principles or practices, except as required by GAAP.

ARTICLE IV
ADDITIONAL AGREEMENTS

4.01 Access to Information; Confidentiality

(a) The Company shall, and shall cause its officers, employees, counsel, financial advisors and other representatives to, afford to Prairie Nevada and its representatives reasonable access during normal business hours during the period prior to the Effective Time to its and to the Company's properties, books, contracts, commitments, personnel and records and, during such period, the Company shall, and shall cause its officers, employees and representatives to, furnish promptly to Prairie Nevada all information concerning its business, properties, financial condition, operations and personnel as such other party may from time to time reasonably request. For the purposes of determining the accuracy of the representations and warranties of Prairie Nevada set forth herein and compliance by Prairie Nevada of its obligations hereunder, during the period prior to the Effective Time, Prairie Nevada shall provide the Company and its representatives with reasonable access during normal business hours to its properties, books, contracts, commitments, personnel and records as may be necessary to enable the Company to confirm the accuracy of the representations and warranties of Prairie Nevada set forth herein and compliance by Prairie Nevada of its obligations hereunder, and, during such period, Prairie Nevada shall, and shall cause its officers, employees and representatives to, furnish promptly to the Company upon its request (i) a copy of each report, schedule, registration statement and other document filed by it during such period pursuant to the requirements of federal or state securities laws and (ii) all other information concerning its business, properties, financial condition, operations and personnel as such other party may from time to time reasonably request. Except as required by law, each of the Company and Prairie Nevada will hold, and will cause its respective directors, officers, employees, accountants, counsel, financial advisors and other representatives and affiliates to hold, any nonpublic information in confidence.

(b) No investigation pursuant to this Section 4.01 shall affect any representations or warranties of the Parties herein or the conditions to the obligations of the Parties hereto.

4.02 Best Efforts. Upon the terms and subject to the conditions set forth in this Agreement, each of the Parties agrees to use its best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other Parties in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the Exchange and the other transactions contemplated by this Agreement. Prairie Nevada and the Company shall mutually cooperate in order to facilitate the achievement of the benefits reasonably anticipated from the Exchange.

4.03 Public Announcements. Prairie Nevada, on the one hand, and the Company, on the other hand, will consult with each other before issuing, and provide each other the opportunity to review and comment upon, any press release or other public statements with respect to the transactions contemplated by this Agreement and shall not issue any such press release or make any such public statement prior to such consultation, except as may be required by applicable law or court process. The Parties agree that the

initial press release or releases to be issued with respect to the transactions contemplated by this Agreement shall be mutually agreed upon prior to the issuance thereof.

4.04 Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses.

4.05 No Solicitation. Except as previously agreed to in writing by the other party, neither the Company nor Prairie Nevada shall authorize or permit any of its officers, directors, agents, representatives, or advisors to (a) solicit, initiate or encourage or take any action to facilitate the submission of inquiries, proposals or offers from any person relating to any matter concerning any exchange, merger, consolidation, business combination, recapitalization or similar transaction involving the Company or Prairie Nevada, respectively, other than the transaction contemplated by this Agreement or any other transaction the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the Exchange or which would or could be expected to dilute the benefits to either the Company or Prairie Nevada of the transactions contemplated hereby. The Company or Prairie Nevada will immediately cease and cause to be terminated any existing activities, discussions and negotiations with any Parties conducted heretofore with respect to any of the foregoing.

ARTICLE V

CONDITIONS PRECEDENT

5.01 Conditions to Each Party's Obligation to Effect the Exchange. The obligation of each Party to effect the Exchange and otherwise consummate the transactions contemplated by this Agreement is subject to the satisfaction, at or prior to the Closing, of each of the following conditions:

(a) **No Restraints.** No temporary restraining order, preliminary or permanent injunction or other order preventing the consummation of the Exchange shall have been issued by any court of competent jurisdiction or any other Governmental Entity having jurisdiction and shall remain in effect, and there shall not be any applicable legal requirement enacted, adopted or deemed applicable to the Exchange that makes consummation of the Exchange illegal.

(b) **Governmental Approvals.** All authorizations, consents, orders, declarations or approvals of, or filings with, or terminations or expirations of waiting periods imposed by, any Governmental Entity having jurisdiction which the failure to obtain, make or occur would have a material adverse effect on Prairie Nevada or the Company shall have been obtained, made or occurred.

(c) **No Litigation.** There shall not be pending or threatened any suit, action or proceeding before any court, Governmental Entity or authority (i) pertaining to the transactions contemplated by this Agreement or (ii) seeking to prohibit or limit the ownership or operation by the Company, Prairie Nevada or any of its subsidiaries, or to dispose of or hold separate any material portion of the business or assets of the Company or Prairie Nevada.

5.02 Conditions Precedent to Obligations of Prairie Nevada. The obligation of Prairie Nevada to effect the Exchange and otherwise consummate the transactions contemplated by this Agreement are subject to the satisfaction, at or prior to the Closing, of each of the following conditions:

(a) **Representations, Warranties and Covenants.** The representations and warranties of the Company in this Agreement shall be true and correct in all material respects (except for such representations and warranties that are qualified by their terms by a reference to materiality or material adverse effect, which representations and warranties as so qualified shall be true and correct in all respects) both when made and on and as of the Closing Date, and (ii) the Company shall have performed and complied in all material respects with all covenants, obligations and conditions of this Agreement required to be performed and complied with by each of them prior to the Effective Time.

(b) **Consents.** Prairie Nevada shall have received evidence, in form and substance reasonably satisfactory to it, that such licenses, permits, consents, approvals, authorizations, qualifications and orders of governmental authorities and other third Parties as necessary in connection with the transactions contemplated hereby have been obtained.

(c) **No Material Adverse Change.** There shall not have occurred any change in the business, condition (financial or otherwise), results of operations or assets (including intangible assets) and properties of the Company that, individually or in the aggregate, could reasonably be expected to have a material adverse effect on the Company.

(d) **Delivery of the Assignment of Ownership Interest.** The selling shareholders shall have delivered the share certificates to Prairie Nevada on the Closing Date.

(e)

Due Diligence Investigation. Prairie Nevada shall be reasonably satisfied with the results of its due diligence investigation of the Company in its sole and absolute discretion.

5.03 Conditions Precedent to Obligation of the Company. The obligation of the Company to effect the Exchange and otherwise consummate the transactions contemplated by this Agreement is subject to the satisfaction, at or prior to the Closing, of each of the following conditions:

(a) Representations, Warranties and Covenants. The representations and warranties of Prairie Nevada in this Agreement shall be true and correct in all material respects (except for such representations and warranties that are qualified by their terms by a reference to materiality or material adverse effect, which representations and warranties as so qualified shall be true and correct in all respects) both when made and on and as of the Closing Date, and (ii) Prairie Nevada shall have performed and complied in all material respects with all covenants, obligations and conditions of this Agreement required to be performed and complied with by it prior to the Effective Time.

(b) Consents. The Company shall have received evidence, in form and substance reasonably satisfactory to it, that such licenses, permits, consents, approvals, authorizations, qualifications and orders of governmental authorities and other third Parties as necessary in connection with the transactions contemplated hereby have been obtained.

(c) No Material Adverse Change. There shall not have occurred any change in the business, condition (financial or otherwise), results of operations or assets (including intangible assets) and properties of Prairie Nevada that, individually or in the aggregate, could reasonably be expected to have a material adverse effect on Prairie Nevada.

(d) Board Resolutions. The Company shall have received resolutions duly adopted by Prairie Nevada's board of directors approving the execution, delivery and performance of the Agreement and the transactions contemplated by the Agreement.

(e) Resignations. The current officers and directors of Prairie Nevada shall appoint Tamio Stehrenberger to all officer and director positions and tender their resignations at the time of the closing.

(f) Delivery of the Exchange Shares Certificate. The Company shall have received the Exchange Shares Certificate on the Closing Date.

(g) Current Report. Prairie Nevada shall file a Form 8-K with the SEC within four (4) business days of the Closing Date containing information about the Exchange.

(h) Due Diligence Investigation. The Company shall be reasonably satisfied with the results of its due diligence investigation of Prairie Nevada in its sole and absolute discretion.

ARTICLE VI **TERMINATION, AMENDMENT AND WAIVER**

6.01 Termination. This Agreement may be terminated and abandoned at any time prior to the Effective Time of the Exchange:

(a) by mutual written consent of Prairie Nevada and the Company;

(b) by either Prairie Nevada or the Company if any Governmental Entity shall have issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Exchange and such order, decree, ruling or other action shall have become final and nonappealable;

(c) by either Prairie Nevada or the Company if the Exchange shall not have been consummated on or before January 10, 2013 (other than as a result of the failure of the party seeking to terminate this Agreement to perform its obligations under this Agreement required to be performed at or prior to the Effective Time.);

(d) by Prairie Nevada, if a material adverse change shall have occurred relative to the Company (and not curable within thirty (30) days);

(e) by the Company if a material adverse change shall have occurred relative to Prairie Nevada (and not curable within thirty (30) days);

(f) by Prairie Nevada, if the Company willfully fails to perform in any material respect any of its material obligations under this Agreement; or

(g) by the Company, if Prairie Nevada willfully fails to perform in any material respect any of its obligations under this Agreement.

6.02 Effect of Termination. In the event of termination of this Agreement by either the Company or Prairie Nevada as provided in Section 6.01, this Agreement shall forthwith become void and have no effect, without any liability or obligation on the part of Prairie Nevada or the Company, other than the provisions of the last sentence of Section 4.01(a) and this Section 6.02. Nothing contained in this Section shall relieve any party for any breach of the representations, warranties, covenants or agreements set forth in this Agreement.

6.03 Amendment. This Agreement may not be amended except by an instrument in writing signed on behalf of each of the Parties upon approval by the party, if such party is an individual, and upon approval of the Board of Director of Prairie Nevada and of the Company.

6.04 Extension; Waiver. Subject to Section 6.01(c), at any time prior to the Effective Time, the Parties may (a) extend the time for the performance of any of the obligations or other acts of the other Parties, (b) waive any inaccuracies in the representations and warranties contained in this Agreement or in any document delivered pursuant to this Agreement, or (c) waive compliance with any of the agreements or conditions contained in this Agreement. Any agreement on the part of a party to any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party. The failure of any party to this Agreement to assert any of its rights under this Agreement or otherwise shall not constitute a waiver of such rights.

6.05 Return of Documents. In the event of termination of this Agreement for any reason, Prairie Nevada and the Company will return to the other party all of the other party's documents, work papers, and other materials (including copies) relating to the transactions contemplated in this Agreement, whether obtained before or after execution of this Agreement. Prairie Nevada and the Company will not use any information so obtained from the other party for any purpose and will take all reasonable steps to have such other party's information kept confidential.

ARTICLE VII

INDEMNIFICATION AND RELATED MATTERS

7.01 Survival of Representations and Warranties. The representations and warranties in this Agreement or in any instrument delivered pursuant to this Agreement shall survive until twelve (12) months after the Effective Time (except for with respect to Taxes, which shall survive for the applicable statute of limitations plus 90 days, and covenants that by their terms survive for a longer period).

7.02 Indemnification

(a) Prairie Nevada shall indemnify and hold the selling interest holders and the Company harmless for, from and against any and all liabilities, obligations, damages, losses, deficiencies, costs, penalties, interest and expenses (including, but not limited to, any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever) (collectively, "**Losses**") to which Prairie Nevada may become subject resulting from or arising out of any breach of a representation, warranty or covenant made by Prairie Nevada as set forth herein.

(b) The Company and selling interest holders shall jointly indemnify and hold Prairie Nevada and Prairie Nevada's officers and directors ("**Prairie Nevada's Representatives**") harmless for, from and against any and all Losses to which Prairie Nevada or Prairie Nevada's Representatives may become subject resulting from or arising out of (1) any breach of a representation, warranty or covenant made by the Company as set forth herein; or (2) any and all liabilities arising out of or in connection with: (A) any of the assets of the Company prior to the Closing; or (B) the operations of the Company prior to the Closing.

7.03 Notice of Indemnification. Promptly after the receipt by any indemnified party (the “**Indemnitee**”) of notice of the commencement of any action or proceeding against such Indemnitee, such Indemnitee shall, if a claim with respect thereto is or may be made against any indemnifying party (the “**Indemnifying Party**”) pursuant to this Article VII, give such Indemnifying Party written notice of the commencement of such action or proceeding and give such Indemnifying Party a copy of such claim and/or process and all legal pleadings in connection therewith. The failure to give such notice shall not relieve any Indemnifying Party of any of its indemnification obligations contained in this Article VII, except where, and solely to the extent that, such failure actually and materially prejudices the rights of such Indemnifying Party. Such Indemnifying Party shall have, upon request within thirty (30) days after receipt of such notice, but not in any event after the settlement or compromise of such claim, the right to defend, at its own expense and by its own counsel reasonably acceptable to the Indemnitee, any such matter involving the asserted liability of the Indemnitee; provided, however, that if the Indemnitee determines that there is a reasonable probability that a claim may materially and adversely affect it, other than solely as a result of money payments required to be reimbursed in full by such Indemnifying Party under this Article VII or if a conflict of interest exists between Indemnitee and the Indemnifying Party, the Indemnitee shall have the right to defend, compromise or settle such claim or suit; and, provided, further, that such settlement or compromise shall not, unless consented to in writing by such Indemnifying Party, which shall not be unreasonably withheld, be conclusive as to the liability of such Indemnifying Party to the Indemnitee. In any event, the Indemnitee, such Indemnifying Party and its counsel shall cooperate in the defense against, or compromise of, any such asserted liability, and in cases where the Indemnifying Party shall have assumed the defense, the Indemnitee shall have the right to participate in the defense of such asserted liability at the Indemnitee’s own expense. In the event that such Indemnifying Party shall decline to participate in or assume the defense of such action, prior to paying or settling any claim against which such Indemnifying Party is, or may be, obligated under this Article VII to indemnify an Indemnitee, the Indemnitee shall first supply such Indemnifying Party with a copy of a final court judgment or decree holding the Indemnitee liable on such claim or, failing such judgment or decree, the terms and conditions of the settlement or compromise of such claim. An Indemnitee’s failure to supply such final court judgment or decree or the terms and conditions of a settlement or compromise to such Indemnifying Party shall not relieve such Indemnifying Party of any of its indemnification obligations contained in this Article VII, except where, and solely to the extent that, such failure actually and materially prejudices the rights of such Indemnifying Party. If the Indemnifying Party is defending the claim as set forth above, the Indemnifying Party shall have the right to settle the claim only with the consent of the Indemnitee.

ARTICLE VIII **GENERAL PROVISIONS**

8.01 Notices. Any and all notices and other communications hereunder shall be in writing and shall be deemed duly given to the party to whom the same is so delivered, sent or mailed at addresses and contact information set forth below (or at such other address for a party as shall be specified by like notice.) Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be deemed given and effective on the earliest of: (a) on the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto prior to 5:30 p.m. (Pacific Standard Time) on a business day, (b) on the next business day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number set forth on the signature pages attached hereto on a day that is not a business day or later than 5:30 p.m. (Pacific Standard Time) on any business day, (c) on the second business day following the date of mailing, if sent by a nationally recognized overnight courier service, or (d) if by personal delivery, upon actual receipt by the party to whom such notice is required to be given.

If to Prairie Nevada:

9500 W. Flamingo #205
Las Vegas, NV 89147

If to the Company:

888 - 3rd Street SW
(West Bankers Hall)
10th Floor
Calgary, Alberta, Canada
T2P 5C5

8.02 Definitions. For purposes of this Agreement:

(a) an “affiliate” of any person means another person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such first person;

(b) “material adverse change” or “material adverse effect” means, when used in connection with the Company or Prairie Nevada, any change or effect that either individually or in the aggregate with all other such changes or effects is materially adverse to the business, assets, properties, condition (financial or otherwise) or results of operations of such party and its subsidiaries taken as a whole (after giving effect in the case of Prairie Nevada to the consummation of the Exchange);

(c) “person” means an individual, corporation, partnership, joint venture, association, trust, unincorporated organization or other entity; and (d) a “subsidiary” of any person means another person, an amount of the voting securities, other voting ownership or voting partnership interests of which is sufficient to elect at least a majority of its board of Directors or other governing body (or, if there are no such voting interests, fifty percent (50%) or more of the equity interests of which) is owned directly or indirectly by such first person.

8.03 Interpretation. When a reference is made in this Agreement to a Section, Exhibit or Schedule, such reference shall be to a Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation”.

8.04 Entire Agreement; No Third-Party Beneficiaries. This Agreement and the other agreements referred to herein constitute the entire agreement, and supersede all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter of this Agreement. This Agreement is not intended to confer upon any person other than the Parties any rights or remedies.

8.05 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Nevada, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

8.06 Assignment. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of law or otherwise by any of the Parties without the prior written consent of the other Parties. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns.

8.07 Enforcement. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States located in the State of Nevada, this being in addition to any other remedy to which they are entitled at law or in equity. In addition, each of the Parties hereto (a) agrees that it will not attempt to deny or defeat such personal jurisdiction or venue by motion or other request for leave from any such court, and (b) agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any state court other than such court.

8.08 Severability. Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but if any provision or portion of any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or portion of any provision in such jurisdiction, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision or portion of any provision had never been contained herein.

8.09 Counterparts. This Agreement may be executed simultaneously in two or more counterparts, any one of which need not contain the signatures of more than one party, but all such counterparts taken together will constitute one and the same Agreement. This Agreement, to the extent delivered by means of a facsimile machine or electronic mail (any such delivery, an “**Electronic Delivery**”), shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. At the request of any party hereto, each other party hereto shall re-execute original forms hereof and deliver them in person to all other Parties. No party hereto shall raise the use of Electronic Delivery to deliver a signature or the fact that any signature or agreement or instrument was transmitted or communicated through the use of Electronic Delivery as a defense to the formation of a contract, and each such party forever waives any such defense, except to the extent such defense related to lack of authenticity.

8.10 Attorneys Fees. In the event any suit or other legal proceeding is brought for the enforcement of any of the provisions of this Agreement, the Parties hereto agree that the prevailing party or Parties shall be entitled to recover from the other party or Parties

upon final judgment on the merits reasonable attorneys' fees, including attorneys' fees for any appeal, and costs incurred in bringing such suit or proceeding.

8.11 **Currency.** All references to currency in this Agreement shall refer to the lawful currency of the United States of America.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have caused their duly authorized officers to execute this Agreement as of the date first above written.

Prairie Nevada

By: /s/ Julie Bauman
Julie Bauman, President and CEO
Prairie Canada, LLC

By: /s/ Anthony Sarvucci
Anthony Sarvucci, President and CEO