TURNER VALLEY OIL & GAS INC
Form 10KSB/A
November 03, 2005

FORM 10-KSB-A

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

[X] ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 000-30891

For the Year ended December 31, 2004

Amendment Dated: October 31, 2005

Turner Valley Oil & Gas, Inc.

Nevada	91-1980526
(Jurisdiction of Incorporation)	(I.R.S. Employer Identification No.)

6160 Genoa Bay RoadDuncan B.C. Canada	V9L 5Y5
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (250) 745-1551

Securities registered pursuant to Section 12(g) of the Act: Common Voting Equity Stock

Yes [X] No [ ] (Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.)

[ ] (Indicate by check mark whether if disclosure of delinquent filers (§229.405) is not and will not to the best of Registrant's knowledge be contained herein, in definitive proxy or information statements incorporated herein by reference or any amendment hereto.)

Issuer's Revenues most recent fiscal year: None

As of 12/31/04, the number of shares of common stock outstanding was 48,535,970.

As of 12/31/04, the number of shares held by non-affiliates was approximately 48,199,370 shares, with a market value of $ based on low bid of $0.

Exhibit Index is found on page 16

CONTENTS

ABOUT THIS AMENDMENT

This Amended Filing of our previous year's Annual Report is made for certain technical but important corrections.

First, we have made technical but important compliance corrections to Item 12, Controls and Procedures. These were not substantive changes in our controls and procedures, by rather in the description of them. We have changed the language of our Section 302 Certification, to conform it to current rules, for compliance.

Second, some changes have been made to the Notes of our Audited Financial Statements, particularly to Note 1k, and Note 5. See also discussion of non-cash financing activity disclosed on the statement of stockholders equity. Attention is directed to Revenue Recognition: Properties not subject to amortization, and investments in oil and gas properties.

In other respects, our Annual Report is unchanged. While we believe corrections to be necessary and appropriate, we do not see these changes as suggestive of any impairment of our financial condition or operations.

INTRODUCTION

This Registrant (Reporting Company) has elected to refer to itself, whenever possible, by normal English pronouns, such as "We", "Us" and "Our". This Form 10-KSB may contain forward-looking statements. Such statements include statements concerning plans, objectives, goals, strategies, future events, results or performances, and underlying assumptions that are not statements of historical fact. This document and any other written or oral statements made by us or on our behalf may include forward-looking statements which reflect our current views, with respect to future events or results and future financial performance. Certain words indicate forward-looking statements, words like "believe", "expect", "anticipate", "intends", "estimates", "forecast", "projects", and similar expressions.

The Remainder of this Page is Intentionally left Blank

PART I

ITEM 1. Description of Business.

(a) Form and Year of Organization. Our Corporation, is described in our previous annual report, wherein we reported an issued and outstanding total shares of common stock of 42,560,984. (In out Quarterly Report of September 30, 2004, we noted the corrected total issued and outstanding shares then issued and outstanding.) The amount which should have been reported, and which is now corrected, as of 12/31/03 is 38,932,400 shares. The adjustments are as follows:

Form 10K 12/31/03	42,560,984
Not issued	(3,628,570)
Corrected/Adjusted Total	38,932,414

During 2004 we issued share to Officers, Directors and service providers, pursuant to registration, Sections 5/6 of the Securities Act of 1933, with filings on Form S-8; and we also issued new investment shares pursuant to Section 4(2) of the Act.

Carried from 12/31/03 as corrected		38,932,414
Issued pursuant to Registration	5,000,000	
New Investment Shares	4,603,570	
We issued during 2004		9,603,570
Total Issued and Outstanding 12/31/04		48,535,984

The foregoing is illustrated more fully in the table on the following page.

Current Year Issuances	§5/6	§4(2)	Shares
Carried from 12/31/03 as corrected			42,560,984
During 2004, we made a Registered issuances for services (valued at $680,650, to Officers, Directors and others.	5,000,000		5,000,000
On July 15, 2004, we issued new investment shares, pursuant to §4(2), for cash $48,750.		975,000	975,000
Subtotals	5,000,000	975,000	
Total Issued and Outstanding 12/31/04			48,535,984

(b) Our Business. *Turner Valley Oil and Gas Inc.* (‘TVOG”) is an emerging oil and gas Company. Since commencing operations as an Oil and Gas Company, in August of 2003, TVOG has incorporated a wholly owned Canadian subsidiary, TV Oil and Gas Canada Limited (Federal Canadian Registry). Our subsidiary has acquired a solid base of oil and gas properties located in the western basin of Alberta, Canada. These properties provide *Turner Valley Oil and Gas Inc.* with a firm foothold in the oil and gas sector. It is Management’s intent to continue to; add proven producing, development and exploration properties during 2004. As is the case with all of our properties, the Company has taken all necessary actions to commence operations on these properties as quickly as possible and this has been done. The nature of the oil and gas business requires that the Management and Board remain diligent in assessing risk and insisting that the Company's Operators work in strict compliance with all prevailing legislation. This has been done.

Risk Tolerance

Our risk tolerance would best be described as conservative in nature. Although we recognize that oil and commodity pricing is reaching all time highs we standardly apply flat pricing at a discount to market, in our risk analysis. We will only participate in programs that are; extremely well researched, fit within our financial capacity and have undergone stringent independent reviews. If a problem should occur at any time in the life of the property, Management has developed an exit strategy for each property that will allow us to cap our potential for loss. These exit stratagems are for internal use only.

Our Focus for 2005: Q1 and Q2

Management is primarily focusing on our Triangle lands in these quarters. We are taking a very conservative view of future oil and gas commodity pricing. We believe that this best serves our shareholders and imposes a higher than average standard as we work through our risk assessments.

Further to this, Win Energy has commissioned an Independent review of all properties to be conducted by one of the largest and most respected Geologic and Engineering firms in Calgary.

TVOG through its wholly owned subsidiary, TV Oil and Gas Canada Limited, has over 9,000 acres of prime exploration lands in the Triangle project and it is Management's position that Triangle best represents the future of TVOG. In the 4thQ of 2003 wells have been drilled by two Major Oil and Gas Companies directly offsetting our lands. As information pertaining to the drilling results of these wells becomes available us and its Partners have been assessing and extrapolating the data.

We are taking a very conservative view of future oil and gas commodity pricing. We believe that this best serves our shareholders and imposes a higher than average standard as we work through our risk assessments. As a complement to this primary focus, we and our Partners at Win Energy are also reviewing the construction of a gas plant and pipeline matrix to serve the major Oil and Gas Companies that are active in the area. This proposed processing plant would accommodate both our gas production and other's gas production, on a throughput fee basis. The plant is being designed to accommodate 10 million cubic feet of gas per day with the capability of upgrade to 20 million cubic feet per day. In addition, a delivery pipeline providing a tie in to a major gas line into the United States forms a significant part of the current reviews.

DESCRIPTION OF OIL & GAS PROPERTIES

The Strachan Property.

On August 20, 2003, we entered into a purchase agreement to acquire 1% interest in a producing gas well, located at 2-2-38-9W5 Red Deer, Alberta, Canada. The gas production rate at the time of the acquisition fluctuated between 1.5 and 2 MMCF/Day (million cubic feet of gas per day). The Company's senior management has set out a rework program for this well. The rework program calls for an acid wash and acid stimulation of the producing formation. The Company has agreed to participate in the program. The program was completed on October 15, 2003 and as of October 20, 2003, the new production rates have stabilized at approximately 2.01 MMCF/Day.

In addition to the preceding acquisition, we entered into a purchase agreement to acquire 0.5% interest in 10 Sections (6,400 acres) of drilling rights offsetting Sct. 22-38-9W-5. These offsetting sections have identified seismic anomalies in multiple cretaceous pay zones. The purchase price of the property was $45,114.

ITEM 2. Description of Property.

We enjoy the non-exclusive use of the offices of our CEO, and have no other property of our own.

ITEM 3. Legal Proceedings.

There are no legal proceedings pending against we, as of the preparation of this Report.

ITEM 4. Submission of Matters to a Vote of Security Holders.

None.

The Remainder of this Page is Intentionally left Blank

PART II

ITEM 5. Market for Common Equity and Stockholder Matters.

(a) Market Information. The Common Stock of this Issuer has not been quoted Over the Counter on the Bulletin Board ("OTCBB") or the NQB Pink Sheets or otherwise, during the period of this report. Our common stock was cleared for quotation on the OTCBB on February 20, 2002 and had never before traded in brokerage transactions.

period	high bid	low bid	volume
1st 2002	None	None	None
2nd 2002	None	None	None
3rd 2002	2.30	1.75	8,000
4th 2002	5.05	2.20	22,000
1st 2003	8.00	1.30	36,960
2nd 2003	1.05	0.25	31,320
3rd 2003	0.51	0.05	15,567,840
4th 2003	0.62	0.38	57,099,320
1st 2004	0.58	0.24	41,233,640
2nd 2004	0.33	0.10	12,618,360
Reverse Split: Ten shares to One Share			
3rd 2004	0.18	0.12	4,784,580
4th 2004	0.34	0.12	22,427,460

Source: Yahoo Finance

(b) Holders. There are approximately 100 shareholders of the our common stock, giving effect to shares held in brokerage accounts.

(c) Dividends. No dividends have been paid by us on the Common Stock or other Stock and no such payment is anticipated in the foreseeable future. We have not paid any cash dividends on our Common Stock, and do not anticipate paying cash dividends on our Common Stock in the next year. We anticipate that any income generated in the foreseeable future will be retained for the development and expansion of our business. Future dividend policy is subject to the discretion of the Board of Directors and will depend upon a number of factors, including future earnings, debt service, capital requirements, business conditions, the financial condition of we and other factors that the Board of Directors may deem relevant.

(d) Sales of Unregistered Common Stock 2004. On July 15, 2004, we issued new 4,603,570 investment shares, pursuant to §4(2), for cash, to a handful of investors who had previously subscribed and paid for their shares. The basis for reliance on §4(2) is as follows: the placement was made privately, without any advertising or public solicitation, to persons with pre-existing relationships with management, and persons having access to the kinds of information about our company, which registration would have disclosed.

ITEM 6. Management's Discussion and Analysis or Plan of Operation.

(a) Plan of Operation. The Company continued its plan of operations to a sole focus on; exploration for, development drilling for, and transmission facilities for the production and sale of oil and gas. We have an incorporated, wholly owned Canadian subsidiary named *T.V Oil & Gas Canada Limited.* This subsidiary company is a Federal Canadian Registered Company and complies with all applicable laws within Canada. As previously reported, the Company (through its wholly owned subsidiary, *TV Oil and Gas Canada Limited* holds a substantial share position in *WIN Energy Inc.* of Calgary, Alberta Canada. It is the intention of TVOG (Turner Valley Oil and Gas Inc. and its wholly owned subsidiary) to focus all of its efforts on supporting the extensive drilling program that is currently underway in *WIN Energy* until such time as WIN Energy commences trading on the Toronto Stock Exchange at which time, TVOG will move to monetize a portion of its stock holdings in WIN Energy in order to participate in on-going drilling opportunities as they present.

Our financial statements contain the following additional material notes:

(Note 2-Going Concern) The Company's financial statements have been prepared assuming that the Company will continue as a going concern. The Company has suffered recurring operating losses and is dependent upon raising capital to continue operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. It is management's plan to raise additional funds to continue the explorations of the leases, and then to begin producing oil and/or gas/or both to sell under contract and thereby generate the necessary funds to continue operations.

(b) Discussion and Analysis of Financial Condition and Results of Operations.

(1) ***Liquidity.*** Our net working capital for the year ended December 31, 2004 was $(15,712), compared to $9,095 for the same period last year. The decrease in working capital was caused by a note payable to a related party of $23,659, however, this was partly offset by a partial sale of its interest in the joint venture with *Win Energy* raising $56,706. To date, we have not invested in derivative securities or any other financial instruments that involve a high level of complexity or risk. We expect that in the future, any excess cash will continue to be invested in high credit quality, interest-bearing securities. We believe cash from operating activities, and our existing cash resources may not be sufficient to meet our working capital requirements for the next 12 months. We will likely require additional funds to support our business plan. Management intends to raise additional working capital through debt and equity financing. There can be no assurance that additional financing will be available on acceptable terms, if at all. If adequate funds are not available, we may be unable to take advantage of future opportunities, respond to competitive pressures, and may have to curtail operations.

There are no legal or practical restrictions on the ability to transfer funds between parent and subsidiary companies.

(2) ***Results of Operations.*** General and administrative costs for the year ended December 31 2004 decreased by 34% to $746,824, when compared to $1,134,466, for the same period last year. The majority of the costs relate to services provided by legal and accounting professionals which amounted to $680,649 in S-8 issuances. There are no known trends or uncertainties excepting those herein disclosed, that will have a material impact on revenues.

During the year ended December 31, 2004 the Company had royalty revenues of $8,421 from its properties which are all located in the Western Canadian Geologic Basin centered in Alberta, Canada.

The Strachan Property

Strachan 2-22-38-9W5 Gas Well. A nitrogen/acid tugging cleanout operation was conducted on the week of November 1, 2004. The well was placed back on stream on November 6th and is responding within a SI pressure of 8000 kPa. The full operation cost was $235,000 for 100%. The Company s share of the operation cost was 1%.

Strachan 1-12-38-9W5 Producing Gas Well. *Win Energy Corporation* has a 12.25% working interest in this gas well. The production from the Ellerslie and Cardium sands in this gas well is minimal. *Win Energy* and partners identified a potential up hole gas target in the Ostracod sands. *Win Energy* sees potential in this up hole Ostracod sand that is significantly greater that the Ellerslie and Cardium sands. A program is being created to perforate and test the Ostracod sand. Negotiations with Win's partners in this property are underway.

Strachan lands. *Win Energy* owns 0.85 net sections (544 acres) in sections 9, 10, 15, 16, 19, 20, 21, 22, 27, 28, 29, 30 and 33 in 22-38-9W5. *Win Energy Corporation* has identified two Devonian Reef targets in this township. At this time no drilling program is established for these lands.

The Karr Property

In addition to the property description in the attached financial statements for the year ended December 31, 2004, our operator of the Karr well in Northwest Alberta at 8-24-63-3W6 advised the following;

1. The Department of license and Lease Continuation of Alberta Energy have served notice that the Petroleum and Natural Gas Lease containing the Karr well has been officially validated.

2. Based on the recent test results carried out by the operator, the government agency has classified 8-24-63-3W6 as an oil well.

3. It is a new pool discovery, which is eligible for a Crown royalty holiday.

4. An application is being prepared to the EUB (Energy Utilities Board) license to place the well into production.

5. It is anticipated that first production will begin during May 2004 depending on road accessibility.

We are currently engaged in an internal review of our ongoing commitment to this project. Our review will center around the economic recovery of the ongoing costs and potential for profit, together with the costs already paid on this project. Upon the Company's review, this project was abandoned due to the uneconomic recovery of ongoing costs and lack of potential profit.

The Turner Valley Project

In addition to the property description in the attached financial statements for the year ended December 31, 2004, we are reviewing ours ongoing commitment to this project. The review currently underway, will include the ongoing costs of participation and the economic recovery of those costs in the short term. Following the review, the Company abandoned this project due to the uneconomic recovery of potential ongoing costs and the lack of potential profit. Through the Company's joint venture partner *Win Energy*, the following cased gas well exists;

Turner Valley 6-31-20-3W5 cased well. *Win Energy* has 61% working interest in the lands and well in section 31. Win has farmed out the majority of this interest to earn 35.5%. The well located in 6-31 has successfully penetrated the Cadomin formation. Production testing is currently underway on a confidential basis. The company has options to drill step-out wells to the Win discovery well.

Triangle Lands

In addition to the property description in the attached financial statements for the year ended December 31, 2003, during the year the highlights of this property were;

North Cowley Prospect. On August 17th, 2004 *Win Energy Corporation* signed an agreement with PetroCanada and Husky Oil Operations Limited. This Agreement grants *Win Energy Corporation* and *PetroCanada* a Farm-In on 5.5 sections of Husky land and an option on 7.5 sections of Husky land. Husky the Farmor will receive a 12.5% Overriding Royalty on Petroleum Substances. This Agreement is shared 50% *Win Energy Corporation* 50% *PetroCanada*.

Since June 2004 *Win Energy* has purchased 1 Seismic Line over North Cowley.

PetroCanada and *Win Energy* have identified on Seismic the initial North Cowley drill location in 8-29-8-1W5. *Win Energy Corporation* has identified a second drill location at 10-30-8-2W5. Currently *Win Energy Corporation* has received a drilling license from the EUB (Energy Utilities Board) for the 10-30-8-2W5. Win has agreed to wait on drilling the 10-30 location until PetroCanada has drilled the first joint well at 8-29. *PetroCanada* is currently applying for a drilling license at 8-29-8-2W5. PetroCanada has recently received a drilling license for the 8-29 well and it is anticipated that this well will spud (the time the drill bit hits the ground for the first time) by mid April, 2005. Surface location has been built and we are awaiting the drilling rig arrival.

South Cowley. On the South Cowley Prospect *Win Energy Corporation* purchased 1 new seismic line. Recently the logs and drilling report for *PetroCanada'*s discovery well 6-20-7-1W5 became public information. Win Energy recently drilled and cased a well at 14-8-8-1W5, 4 miles north of the *PetroCanada'*s discovery well 6-20-7-1W5. Based on seismic re-interpretations, this borehole missed penetrating the same gas pay zones as the PetroCanada's discovery well 6-20-7-1W5. As a consequence, a whip stock drilling program is planned to drill these target horizons. Win controls all four surrounding sections.

Todd Creek. At Todd Creek, *Win Energy* controls 14,560 gross acres (70.0% to 82.5%) within 22.75 sections. This land spread represents effective control within the interpreted limits of this new gas pool. Based on independent appraisals of recent flow tests, the discovery well drilled at 6-33-9-2W5 has been completed for production.

Win Energy drilled a second well 7-16-9-2W5 located 3 miles south of the 6-33-9-2W5 discovery well. Production testing is being conducted on a confidential basis.

Hillsprings/Pincher Creek. At Pincher Creek and Hillspring *Win Energy* has acquired interests in 5,329 gross acres in 8.3 sections located on two separate Triangle structures. In 2003 and 2004 Talisman drilled and cased three potential gas wells on the eastern structure. Win has a 35% pooled interest with Talisman in one key section offsetting these key wells. Plans are underway to drill a joint well on this lease with Talisman as operator.

On November 4th, 2004, *Win Energy* acquired section 26-5-29W4 for $64,000. This section is due south of Talisman's 6-35 location and S.E. of Win/TLM's 10-34-5-29W4 location.

Furthermore the company has acreage representation on another untested Triangle structure near the town of Pincher Creek with the same potential as Cowley.

Exxon-Mobil Corporation (EMC). *Win Energy* has finalized a Farm-Out Agreement with Exxon-Mobil Coropration. The Farm-Out commits Win Energy to drill 5 test wells in 2005 with an option to drill 5 test wells in each of 2006 and 2007. EMC's lands make up approximately 53 sections of land on the Cowley prospect. These leases occur with in the boundaries that Win Energy has mapped for the Cowley structure and in between all the key leases mentioned in the N. Cowley and S. Cowley description. EMC will receive an Over Riding Overriding Royalty with an opportunity to back in for a working interest.

Page - 10

Cautionary Statements

There can be no assurance that we will be successful in raising capital through private placements or otherwise. Even if we are successful in raising capital through the sources specified, there can be no assurances that any such financing would be available in a timely manner or on terms acceptable to us and our current shareholders. Additional equity financing could be dilutive to our then existing shareholders, and any debt financing could involve restrictive covenants with respect to future capital raising activities and other financial and operational matters. While Management has expressed confidence in the attainment of profitability sooner, rather than later, projects and even reasonable expectations are not outcomes yet. There is no absolute assurance that even our best laid plans and most diligent operations will succeed.

ITEM 7. Financial Statements.

The Audit Committee of this Corporation for this fiscal year consists of our Board of Directors. Management is responsible for our internal controls and the financial reporting process. Our independent auditors are responsible for performing an independent audit of our financial statements in accordance with generally accepted accounting standards and to issue a report thereon. It is the responsibility of our Board of Directors to monitor and oversee these processes. In this context the Committee has met and held discussions with management and the independent accountants. Management recommended to the Committee that our financial statements were prepared in accordance with generally accepted accounting principles, and the Committee has reviewed and discussed the financial statements with Management and such independent accountants, matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees). Our independent accountants also provided to the Committee the written disclosures required by Independence Board Standard No. 1 (Independence Discussions with Audit Committees), and the Committee discussed with the independent accountants that firm's independence.

Based upon the Committee's discussions, and review, of the foregoing, the Committee recommended that our audited financial statements in our Annual Report on Form 10-KSB for the year ended December 31, 2004 be included and filed with the Securities and Exchange Commission.

Audited Financial Statements for the years ended December 31, 2004, 2003, and from inception, April 14, 1999, are included and provided as Attachment AFK-04. These financial statements attached hereto and filed herewith are incorporated herein by this reference as though fully set forth herein.

ITEM 8. Changes In and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

PART III

ITEM 9. Directors and Executive Officers, Promoters and Control Persons.

The information required and appropriate for this Item is unchanged and found in our previous annual report. Officers and Directors serve until their successors might be elected or appointed. The time of the next meeting of shareholders has not been determined.

ITEM 10. Executive Compensation.

Summary Compensation, Table A. the disclosure of Executive compensation is now provided in the tabular form required by the Securities and Exchange Commission, pursuant to Regulation 228.402.

					Long Term Compensation			
	Annual Compensation				Awards		Payouts	
a				e	f	g	h	i
	b	c	d			Securi-ties		
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compen-sation ($)	Restric-ted Stock Awards ($)	Under-lying Options SARs (#)	LTIP Payouts ($)	All Other Compen-sation ($)
Christopher Paton-Gay, Chairman, CEO	2004	0	0	0		0	0	0
	2003	12,500	0	0	20,0000	0	0	0
	2002	0	0	0	0	0	0	0
Donald Jackson Wells, Director	2004	0	0	0	0	0	0	0
	2003	0	0	0	5,000	0	0	0
	2002	0	0	0	0	0	0	0
Joseph A. Kane Director	2004	0	0	0	0	0	0	0
	2003	0	0	0	5,000	0	0	0
	2002	0	0	0	0	0	0	0

ITEM 11. Security Ownership of Certain Beneficial Owners and Management.

To the best of Registrant's knowledge and belief the following disclosure presents the total security ownership of all persons, entities and groups, known to or discoverable by Registrant, to be the beneficial owner or owners of more than five percent of any voting class of Registrant's stock, along with the total beneficial security ownership of all Directors and Nominees, naming them, and by all Officers and Directors as a group, without naming them. Please refer to explanatory notes if any, for clarification or additional information. The Registrant has only one class of stock; namely Common Stock.

Common Stock

Name and Address of Beneficial Owner	Share Ownership	%
Christopher Paton-Gay 6160 Genoa Bay Road Chairman/CEO Duncan B.C. CanadaDirector	185,000	0.38
Donald Jackson Wells 3131 S.W. Freeway #46 Houston TX 77098 Director	75,800	0.16
Joseph Kane 3131 S.W. Freeway #46 Houston TX 77098 Director	75,800	0.16
All Officers and Directors as a Group	336,600	0.69
Total Issued and Outstanding	48,535,970	100.00
All Affiliates	(336,600)	(0.69)
Indicated Total Non-Affiliate Ownership	48,199,370	99.31

(a) Changes in Control. There are no arrangements known to Registrant, including any pledge by any persons, of securities of Registrant, which may at a subsequent date result in a change of control of our Corporation. Specifically, we are not a candidate for any direct or reverse acquisition transactions, but are devoted to bringing our business plan to actualization and profitability.

The Remainder of this Page is Intentionally left Blank

Item 12. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures. Based upon an evaluation under supervision and with the participation of our management, as of the end of the period represented by this Annual Report on form 10-KSB, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e)) under the Securities Exchange Act of 1934, are effective to ensure that information required to be disclosed (in reports that we file or submit under that Exchange Act) is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

Changes in Internal Accounting. There were no significant changes in our internal controls or other factors that could significantly affect these controls subsequent to the date of their evaluation. There were no significant deficiencies or material weaknesses, and therefore there were no corrective actions taken. However, the design of any system of controls is based in part upon the assumptions about the likelihood of future events, and there is no certainty that any design will succeed in achieving its stated goal under all potential future considerations, regardless of how remote.

ITEM 13. Attachments, Financial Statements, Exhibits, and Reports on Form 8-K.

(a) Attachments/Exhibits Hereto.

(31) Certification pursuant to 18 USC Section 302.

(32) Certification pursuant to 18 USC Section 1350.

(AC-99.1) Audit Committee Report

(AFK-04A) Audited Financial Statements for the years ended December 31, 2004, 2003 and from Inception.

(b) Exhibits Previously Filed. Please see our Previous Annual Report on Form 10-KSB, for the year ended December 31, 2001, for Exhibits: (3.1) Articles of Incorporation; (3.2) By-Laws, incorporated herein by this reference.

(c) Form 8-K Reports. None during the period represented by this report.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the individual capacities and on the date indicated.

Turner Valley Oil & Gas, Inc.

Dated: October 31, 2005

<u>/s/Christopher Paton-Gay</u>
Christopher Paton-Gay
president/director/Sole Officer

Page - 14

Exhibit 31

Section 302 Certification

CERTIFICATIONS PURSUANT TO SECTION 302

I, Christopher Paton-Gay, certify that:

1. I have reviewed this Annual report on Form 10-KSB of *Turner Valley Oil & Gas, Inc.*;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in the light of circumstances under which such statements were made, nor misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods represented in this report;

4. The small business issuer's other certifying officers officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures [as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)] for the small business issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

(b) Designed such internal control over financial reporting, or causes such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation, and

(d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and

5. The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's auditors and the audit committee of small business issuer's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Dated: October 31, 2005

/s/Christopher Paton-Gay
Christopher Paton-Gay
president/director/Sole Officer

Exhibit 32

CERITIFICATION PURSUANT TO 18 USC SECTION 1350

Page - 17

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

CERTIFICATION OF CUSTODIAN

In connection with the Annual Report of *Turner Valley Oil & Gas, Inc.*., a Nevada corporation (the "Company"), on 10-KSB for the year ended December 31, 2004 as filed with the Securities and Exchange Commission (the "Report"), I, Christopher Paton-Gay, Sole Officer of the Company, certify, pursuant to 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: October 31, 2005

/s/Christopher Paton-Gay
Christopher Paton-Gay
president/director/Sole Officer

Page - 18

Attachment AC-99.1

Audit Committee Report

Turner Valley Oil & Gas, Inc.
6160 Genoa Bay Road
Duncan B.C. Canada V9L 5Y5
Form Type: 10-KSB/A

AUDIT COMMITTEE REPORT

The Audit Committee of Turner Valley Oil & Gas, Inc. ("TVOG") is composed of the Corporation's Board of Directors. The members of the Committee are Christopher Paton-Gay, Donald Jackson Wells and Joseph A. Kane. The Committee recommended, subject to stockholder ratification, the selection of the Corporation's independent accountants.

Management is responsible for the Corporation's internal controls and the financial reporting process. The independent accountants are responsible for performing an independent audit of the Corporation's consolidated financial statements in accordance with the generally accepted auditing standards and to issue a report thereon. The Committee's responsibility is to monitor and oversee these processes.

In this context, the Committee has met and held discussions with management and the independent accountants. Management represented to the Committee that the Corporation's financial statements were prepared in accordance with generally accepted accounting principles, and the Committee has reviewed and discussed the consolidated financial statements with management and the independent accountants. The Committee discussed with the independent accountants matters required to be discussed by the Statement on Auditing Standards No. 61.

The Corporation's independent accountants also provided to the Committee the written disclosures required by Independence Standards Board Standard No. 1, and the Committee discussed with the independent accountant that firms independence.

Based upon Committee's discussion with management and the independent accountants and the Committee's review of the representation of management and the report of the independent accountants to the Committee, the Committee recommended that the audited consolidated financial statements be included in the Corporation's Annual Report on Form 10-KSB for the year ended December 31, 2004, filed with the Securities and Exchange Commission.

Dated: October 31, 2005

/s/Christopher Paton-Gay
Christopher Paton-Gay
president/director/Sole Officer

Attachment AFK-04A

Audited Financial Statements
of
Turner Valley Oil & Gas, Inc.

for the years ended
December 31, 2004, 2003
and from inception

Page - 21

C O N T E N T S

INDEPENDENT AUDITORS' REPORT

To the Stockholders and Board of Directors
Turner Valley Oil & Gas Corporation
Duncan B.C. Canada

We have audited the accompanying consolidated balance sheets of Turner Valley Oil & Gas Corporation (a Development Stage Company) as of December 31, 2004 and 2003 and the related consolidated statements of operations, stockholders' equity and comprehensive income and cash flows for the periods then ended and from inception on April 21, 1999 through December 31, 2004. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company has determined that it is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Turner Valley Oil & Gas Corporation as of December 31, 2004 and 2003 and the consolidated results of their operations and their cash flows for the period ended December 31, 2004 and from inception on April 21, 1999 through December 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Companies will continue as going concerns. As discussed in Note 2 to the consolidated financial statements, the Company has suffered recurring operating losses, and is dependent upon financing to continue operations, which raises substantial doubt about its ability to continue as a going concern. Management's plans with regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/Chisholm, Bierwolf & Nilson, LLC
Chisholm, Bierwolf & Nilson, LLC
Bountiful, Utah
March 28, 2005

Page - 23

TURNER VALLEY OIL & GAS CORPORATION
(a Development Stage Company)
Consolidated Balance Sheet

ASSETS	December 31, 2004	December 31, 2003
CURRENT ASSETS		
Cash	$ 22,191	$ 9,394
Accounts Receivable (Net of Allowance of $0)	4,809	-
Total Current Assets	27,000	9,394
OIL AND GAS PROPERTIES USING		
FULL COST ACCOUNTING (Note 3)		
Properties Not Subject to Amortization	-	300,672
Properties Being Amortized	48,942	-
Accumulated Amortization	(10,767)	-
Net Oil and Gas Properties	38,175	300,672
OTHER ASSETS		
Investments	181,585	-
Total Other Assets	181,585	-
TOTAL ASSETS	$ 246,760	$ 310,066
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	$ 19,053	$ 299
Notes Payable - Related Party	23,659	-
Total Current Liabilities	42,712	299
Total Liabilities	42,712	299
STOCKHOLDERS' EQUITY (Note 4)		
Common Stock; Par Value $0.001 Per Share; Authorized		
100,000,000 Shares; 48,535,984 and 42,560,984 Shares		
Issued and Outstanding, Respectively, Retroactively Restated	48,536	42,561
Capital in Excess of Par Value	3,559,673	2,836,249
Accumulated Deficit	(3,351,326)	(2,567,325)
Subscriptions Receivable	(48,750)	-
Other Comprehensive Income	(4,085)	(1,718)
Total Stockholders' Equity	204,048	309,767

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 246,760	$ 310,066

The accompanying notes are an integral part of these financial statements.

TURNER VALLEY OIL & GAS CORPORATION
(a Development Stage Company)
Consolidated Statements of Operations

	For the Year Ended December 31, 2004	For the Year Ended December 31, 2003	From Inception on April 21, 1999 through December 31, 2004
ROYALTIES RECEIVED	$ 8,421	$ -	$ 9,421
Total Revenue	8,421	-	9,421
EXPENSES			
Cost of Production	9,350	-	9,350
Depletion	10,767	-	10,767
General and Administrative	746,824	1,134,466	3,311,855
Total Expenses	766,941	1,134,466	3,331,972
NET OPERATING LOSS	(758,520)	(1,134,466)	(3,322,551)
OTHER INCOME (EXPENSES)			
Interest Expense	-	(3,294)	(3,294)
Gain (Loss) on Sale of Investments	(25,481)	-	(25,481)
Total Other Income (Expenses)	(25,481)	(3,294)	(28,775)
NET LOSS	$ (784,001)	$ (1,137,760)	$ (3,351,326)
BASIC LOSS PER COMMON SHARE	$ (0.02)	$ (0.03)	
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	44,823,100	40,647,839	
COMPREHENSIVE INCOME			
Net Loss	$ (784,001)	$ (1,137,760)	$ (3,351,326)
Other Comprehensive Income:			
Foreign Currency Translation	(2,367)	(1,718)	(4,085)
Comprehensive Income (Loss)	$ (786,368)	$ (1,139,478)	$ (3,355,411)

The accompanying notes are an integral part of these financial statements.

TURNER VALLEY OIL & GAS CORPORATION
(a Development Stage Company)
Consolidated Statement of Stockholders' Equity
From Inception on April 21, 1999 through December 31, 2004

	Common Stock Shares	Common Stock Amount	Paid-In Capital	Comprehensive Income	Subscription Receivable	Retained Deficit
Balance at Inception on April 21, 1999	41,080	$ 41	$ 5,094	$ -	$ -	$ -
Shares Issued for Cash at $0.05 Per Share, Retroactively Restated	16,000	16	99,984	-	-	-
Net Loss for the Year Ended December 31, 1999	-	-	-	-	-	(96,935)
Balance, December 31, 1999	57,080	57	105,078	-	-	(96,935)
Net Loss for the Year Ended December 31, 2000	-	-	-	-	-	(27,242)
Balance, December 31, 2000	57,080	57	105,078	-	-	(124,177)
Net loss for the Year Ended December 31, 2001	-	-	-	-	-	(65,380)
Balance, December 31, 2001	57,080	57	105,078	-	-	(189,557)
Shares Issued for Debt Reduction, Retroactively Restated	8,000	8 99,992	-	-	-	-
Shares Issued for Services at $0.05 Per Share, Retroactively Restated	2,190,150	2,190	1,092,885	-	-	-
Net Loss for the Year Ended December 31, 2002	-	-	-	-	-	(1,240,008)
Balance, December 31, 2002	2,255,230	2,255	1,297,955	-	-	(1,429,565)

Shares Issued for Services at $0.02 per Share, Retroactively Restated	1,500,000	1,500	298,500	-	-	-
Rounding Due to Stock Split	2,000	2	(2)	-	-	-
Shares Issued for Accounts Payable at $0.05 Per Share	8,000,000	8,000	392,000	-	-	-
Shares Issued for Services at $0.015 Per Share	31,729,200	31,729	444,209	-	-	-
Share Issued for Services at $0.015 Per Share	9,487,504	9,488	132,825	-	-	-

The accompanying notes are an integral part of these financial statements.

TURNER VALLEY OIL & GAS CORPORATION
(a Development Stage Company)
Consolidated Statement of Stockholders' Equity
From Inception on April 21, 1999 through December 31, 2004

	Common Stock		Paid-In	Comprehensive	Subscription	Retained
	Shares	Amount	Capital	Income	Receivable	Deficit
Shares Issued for Accounts Payable at $0.05 Per Share	2,000,000	2,000	98,000	-	-	-
Shares Issued for Accounts Payable at $0.05 Per Share	650,000	650	31,850	-	-	-
Cancellation of Common Shares issued for services	(14,691,520)	(14,692)	(122,459)	-	-	-
Cancellation of Common Shares issued for payables	(2,000,000)	(2,000)	(98,000)	-	-	-
Shares Issued for Cash at $0.05 Per Share	3,000,000	3,000	147,000	-	-	-
Shares Issued for Cash at $0.30 Per Share	100,000	100	29,900	-	-	-
Shares Issued for Cash at $0.35 Per Share	528,570	529	184,471	-	-	-
Net Loss for the Year Ended December 31, 2003	-	-	-	-	-	(1,137,760)
Balance, December 31, 2003	42,560,984	42,561	2,836,249	(1,718)	-	(2,567,325)
Shares Issued for Services at $.20 Per Share	2,317,500	2,318	461,182	-	-	-
Shares Issued for Services at $.08 Per Share	2,597,500	2,597	205,202	-	-	-
Shares Issued for Services at $.11 Per Share	85,000	85	9,265	-	-	-
Shares Issued for Subscription at $.05 Per Share	975,000	975	47,775	-	(48,750)	-
Foreign Currency Translation	-	-	-	(2,367)	-	-
Net Loss for the Year Ended						

December 31, 2004	-		-		-		-		-		(784,001)
Balance, December 31, 2004	48,535,984	$	48,536	$	3,559,673	$	(4,085)	$	(48,750)	$	(3,351,326)

The accompanying notes are an integral part of these financial statements.

TURNER VALLEY OIL & GAS CORPORATION
(a Development Stage Company)
Consolidated Statement of Cash Flows

	For the Year Ended December 31, 2004	For the Year Ended December 31, 2003	From Inception on April 21, 1999 through December 31, 2004
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Loss	$ (784,001)	$ (1,137,760)	$ (3,351,326)
Adjustments to Reconcile Net Loss to Net Cash			
Provided (Used) by Operating Activities:			
Depletion	10,767	-	10,767
Common Stock Issued for Services Rendered	680,649	781,100	2,561,959
(Loss) From Sale of Investments	25,481	-	25,481
Common Stock Issued for Retirement of Accounts Payable	-	432,500	532,500
Non-Cash Effect from Foreign Currency Translation	(2,367)	(1,718)	(4,085)
Changes in Operating Assets and Liabilities:			
Increase (Decrease) in Accounts Receivable	(4,809)	-	(4,809)
Increase (Decrease) in Accounts Payable-Related Party	23,659	(33,824)	23,659
Increase (decrease) in accounts payable	18,754	(95,232)	19,053
Net Cash Provided (Used) by Operating Activities	(31,867)	(54,934)	(186,801)
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures for Oil and Gas Property Development	(12,042)	(300,672)	(312,714)
Proceeds from Sale of Investments	56,706	-	56,706
Net Cash (Used) by Investing Activities	44,664	(300,672)	(256,008)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Issuance of Common Stock	-	365,000	465,000
Net Cash Provided by Financing Activities	-	365,000	465,000
NET INCREASE (DECREASE) IN CASH	12,797	9,394	22,191
CASH AND CASH EQUIVALENTS AT			
BEGINNING OF YEAR	9,394	-	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 22,191	$ 9,394	$ 22,191
CASH PAID FOR:			
Interest	$ -	$ 3,294	$ 3,294
Income Taxes	$ -	$ -	$ -

NON-CASH FINANCING ACTIVITIES:						
Common stock issued for services rendered	$	680,649	$	781,100	$	2,561,959
Common stock issued to retire accounts payable	$	-	$	432,500	$	532,500

The accompanying notes are an integral part of these financial statements.

TURNER VALLEY OIL & GAS CORPORATION
(a Development Stage Company)
Notes to the Financial Statements
December 31, 2004 and 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Company was incorporated under the laws of Nevada on April 21, 1999 as NetParts.com. The Company was originally organized to create a series of 16 specialized auto salvage yards whereby the salvageable components would be inventoried on a computer and listed on the internet. The Company, however, changed their operations and their name on July 24, 2003 to Turner Valley Oil & Gas Corporation. On August 1, 2003, the Company incorporated T.V. Oil & Gas Canada Limited, a wholly owned subsidiary, into the financial statements of the Company. The Company holds a working interest in an oil lease and an investment in an oil and gas entity.

B. Revenue and Cost Recognition

Oil and Gas Properties

The full cost method is used in accounting for oil and gas properties. Accordingly, all costs associated with acquisition, exploration, and development of oil and gas reserves, including directly related overhead costs, are capitalized. In addition, depreciation on property and equipment used in oil and gas exploration and interest costs incurred with respect to financing oil and gas acquisition, exploration and development activities are capitalized in accordance with full cost accounting. Capitalized interest for the years ended December 31, 2004 and 2003 was $0. All capitalized costs of proved oil and gas properties subject to amortization are being amortized on the unit-of-production method using estimates of proved reserves. Investments in unproved properties and major development projects not subject to amortization are not amortized until proved reserves associated with the projects can be determined or until impairment occurs. If the results of an assessment indicate that the properties are impaired, the amount of the impairment is added to the capitalized costs to be amortized. As of December 31, 2003, proved oil and gas reserves had been identified on the Strachan Property, however, the property was not producing due to the reworking of the well, and therefore, no amortization has been recorded for the year ending December 31, 2003. During the year ended December 31, 2004, the Company recorded depletion of $10,767 on its property.

C. Basis of Consolidation

The consolidated financial statements include the accounts of NetParts.Com, Inc. and Turner Valley Oil & Gas Corporation. All significant inter-company accounts and transactions have been eliminated in the consolidation.

TURNER VALLEY OIL & GAS CORPORATION
(a Development Stage Company)
Notes to the Financial Statements
December 31, 2004 and 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Earnings (Loss) Per Share

The computation of earnings per share of common stock is based on the weighted average number of shares outstanding at the date of the financial statements.

	Income (Loss) (Numerator)	Shares (Denominator)	Per-Share Amount
For the year ended December 31, 2004:			
Basic EPS			
Income (loss) to common stockholders	$ (773,234)	44,823,103	$ (0.02)
For the year ended December 31, 2003:			
Basic EPS			
Income (loss) to common stockholders	$ (1,137,760)	40,467,839	$ (0.03)

E. Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents.

F. Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes. Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss, tax credit carry-forwards, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

TURNER VALLEY OIL & GAS CORPORATION
(a Development Stage Company)
Notes to the Financial Statements
December 31, 2004 and 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Income Taxes (continued)

		December 31, 2004		December 31, 2003
Deferred tax assets:				
Net operation loss carry-forwards	$	3,373,000	$	2,600,000
Total Deferred Tax Assets		1,147,000		884,000
Valuation allowance for deferred tax assets		(1,147,000)		(884,000)
	$	-	$	-

At December 31, 2004, the Company has net operating losses of $3,373,000 which begin to expire in 2019.

G. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. In these financial statements assets and liabilities involve extensive reliance on management's estimates. Actual results could differ from those estimates.

H. New Technical Pronouncements

On December 16, 2004, the FASB issued SFAS No. 123(R), *Share-Based Payment* , which is an amendment to SFAS No. 123, *Accounting for Stock-Based Compensation.* This new standard eliminates the ability to account for share-based compensation transactions using Accounting Principles Board ("APB") Opinion No. 25, *Accounting for Stock Issued to Employees,* and generally requires such transactions to be accounted for using a fair-value-based method and the resulting cost recognized in our financial statements. This new standard is effective for awards that are granted, modified or settled in cash in interim and annual periods beginning after June 15, 2005. In addition, this new standard will apply to unvested options granted prior to the effective date. The Company will adopt this new standard effective for the fourth fiscal quarter of 2005, and has not yet determined what impact this standard will have on its consolidated financial position or results of operations.

TURNER VALLEY OIL & GAS CORPORATION
(a Development Stage Company)
Notes to the Financial Statements
December 31, 2004 and 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. New Technical Pronouncements (continued)

In November 2004, the FASB issued SFAS No. 151, *Inventory Costs — an amendment of ARB No. 43, Chapter 4*. This Statement amends the guidance in ARB No. 43, Chapter 4, "Inventory Pricing," to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). Paragraph 5 of ARB 43, Chapter 4, previously stated that ". . . under some circumstances, items such as idle facility expense, excessive spoilage, double freight, and rehandling costs may be so abnormal as to require treatment as current period charges. . . ." This Statement requires that those items be recognized as current-period charges regardless of whether they meet the criterion of "so abnormal." In addition, this Statement requires that allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. This statement is effective for inventory costs incurred during fiscal years beginning after June 15, 2005. Management does not believe the adoption of this Statement will have any immediate material impact on the Company.

In December 2004, the FASB issued SFAS No. 152, *Accounting for Real Estate Time-sharing* Transactions, which amends FASB statement No. 66, Accounting for Sales of Real Estate, to reference the financial accounting and reporting guidance for real estate time-sharing transactions that is provided in AICPA Statement of Position (SOP) 04-2, Accounting for Real Estate Time-Sharing Transactions. This statement also amends FASB Statement No. 67, Accounting for Costs and Initial Rental Operations of Real Estate Projects, to state that the guidance for (a) incidental operations and (b) costs incurred to sell real estate projects does not apply to real estate time-sharing transactions. The accounting for those operations and costs is subject to the guidance in SOP 04-2. This Statement is effective for financial statements for fiscal years beginning after June 15, 2005. Management believes the adoption of this Statement will have no impact on the financial statements of the Company.

In December 2004, the FASB issued SFAS No.153, *Exchange of Nonmonetary Assets*. This Statement addresses the measurement of exchanges of nonmonetary assets. The guidance in APB Opinion No. 29, Accounting for Nonmonetary Transactions, is based on the principle that exchanges of nonmonetary assets should be measured based on the fair value of the assets exchanged. The guidance in that Opinion, however, included certain exceptions to that principle. This Statement amends Opinion 29 to eliminate the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. A nonmonetrary exchange has commercial substance if the future cash flows of the entity are expected to change significantly as a result of the exchange. This Statement is effective for financial statements for fiscal years beginning after June 15, 2005. Earlier application is permitted for nonmonetary asset exchanges incurred during fiscal years beginning after the date of this statement is issued. Management believes the adoption of this Statement will have no impact on the financial statements of the Company.

TURNER VALLEY OIL & GAS CORPORATION
(a Development Stage Company)
Notes to the Financial Statements
December 31, 2004 and 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. New Technical Pronouncements (continued)

The implementation of the provisions of these pronouncements is not expected to have a significant effect on the Company's consolidated financial statement presentation.

I. Financial Instruments

The recorded amounts of financial instruments, including cash equivalents, accounts payable and short term notes approximate their market values as of December 31, 2004 and 2003. The Company has no investments in derivative financial instruments.

J. Functional Currency & Foreign Currency Translation

The Company's functional currency is the U.S. dollar. In accordance with the Statement of Financial Accounting Standard No. 52, *Foreign Currency Translation*, the assets and liabilities denominated in foreign currency are translated into U.S. dollars at the current rate of exchange existing at period end and revenues and expenses are translated at average monthly exchange rates. Related translation adjustments are reported as a separate component of stockholders' equity, whereas, gains or losses relating from foreign currency transactions are included in the results of operations.

K. Impairment of Long-Lived Assets

In accordance with Financial Accounting Standards Board Statement No. 121, the Company records impairment of long-lived assets to be held and used or to be disposed of when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount. At December 31, 2004 the impairment charge was $71.072, and at December 31, 2003 the impairment charge was $Nil.

NOTE 2 - GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company has suffered recurring operating losses and is dependent upon raising capital to continue operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. It is management's plan to raise additional funds to share in the exploration of leases individually as well as with WIN Energy, and then to begin extracting gas and oil to sell and generate the necessary funds to continue operations.

TURNER VALLEY OIL & GAS CORPORATION
(a Development Stage Company)
Notes to the Financial Statements
December 31, 2004 and 2003

NOTE 3 - OIL & GAS PROPERTIES

Strachen Property

On August 20, 2003, the Company entered into a purchase agreement to acquire 1% interest in a producing gas well, located at 22-38-9W5 Red Deer, Alberta, Canada. During the end of 2003, the Company's senior management set out a rework program for this well. The rework program called for an acid wash and acid stimulation of the producing formation. The Company agreed to participate in the program which increased their interest to 6.67%. The program was completed on October 15, 2003 and extraction continued in 2004. As of December 31, 2003, $300,672 of costs have been capitalized under "Properties not subject to amortization". The Strachen Property has proved gas reserves of 3.68 MMCF.

During 2004, two of the Companies properties were deemed to be impaired and the Company abandoned these properties and wrote off $71,072 of capitalized costs. The Strachen Property began to be extracted and was therefore moved to Properties being amortized with a capitalized cost of $48,942. Accumulated amortization at December 31, 2004 is $10,767. The remaining properties recorded at $192,700 was sold for common stock in Win Energy, see Note 5.

NOTE 4 - STOCK TRANSACTIONS

During 2004, the Company issued 5,000,000 shares pursuant to an S-8 Registration Statement. These shares were issued for services totaling $680,650.

During 2004, the Company issued 975,000 shares pursuant to a Private Placement and received a subscription for the amount of $48,750. The proceeds were received subsequent to December 31, 2004.

On January 5, 2003, the Company issued 15,000,000 pre-split shares of common stock for services rendered on behalf of the Company totaling $298,500, and in satisfaction of accounts payable totaling $1,500.

On July 1, 2003, the Company enacted a 10 for 1 reverse split of its common stock. Stock has been retroactively restated to reflect this split.

During July 2003, the Company issued 39,729,200 post-split shares of common stock for settlement of $196,146 of accounts payable and services valued at $679,792.

In August 2003, the Company issued 9,487,504 post-split shares of common stock in settlement of $28,971 of accounts payable and services valued at $113,360.

On October 21, 2003, the Company issued 2,000,000 post-split shares of common stock for services rendered on behalf of the Company totaling $100,000.

On November 21, 2003, the Company issued 650,000 post-split shares of common stock valued at $32,500 for professional services rendered in behalf of the Company.

During 2003, the Company issued a total of 3,628,570 post-split shares of common stock for cash at a total value of $365,000.

TURNER VALLEY OIL & GAS CORPORATION
(a Development Stage Company)
Notes to the Financial Statements
December 31, 2004 and 2003

NOTE 4 - STOCK TRANSACTIONS (Continued)

In April 2002, the Company purposed a 2 for 1 forward split of its outstanding common stock. In October of 2002, the Company enacted a 25 for 1 reverse split of its common stock. During the year, 80,000 shares of common stock were issued to reduce a payable by $100,000. In October 2002, 21,901,500 shares of common stock were issued for services rendered totaling $1,095,075.

NOTE 5 - INVESTMENTS AND SALE OF OILS & GAS PROPERTIES

On May 25, 2004, the Company entered into an Asset Purchase Agreement with Win Energy Corporation ("WIN"), wherein T.V. Oil & Gas Canada, Ltd. sold all its interests held in the other ten sections of the Strachan Property, the Karr Property, the Turner Valley Project and the Triangle Lands. In return for this conveyance the Company received 1,300,303 shares of common stock in WIN.

WIN Energy is a closely held private company and therefore has no listing stock price or published market value, therefore, the Company valued its investment in WIN at the carrying cost of the oil and gas properties conveyed of $192,700. Subsequent to this transaction the Company sold 75,000 shares with a basis of $11,115 ($.1482 per share) and realized proceeds of $56,706 thus crating a gain of $45,591.

WIN Energy Corporation ("Win"), formed in 2004, is a Calgary based private corporation. The company is actively engaged in the exploration, development and production of petroleum, natural gas and natural gas liquids. Win's core area is in the triangle zone ("Triangle Zone"), which is located along the eastern edge of the Foothills Belt in southern Alberta, extending from Turner Valley, 25 miles southwest of Calgary, to Pincher Creek, near the Alberta-Montana border.

NOTE 6 - OTHER COMPREHENSIVE INCOME

The Company reports other comprehensive income in accordance with Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" ("SFAS No. 130"). SFAS No. 130 establishes standards for reporting in the financial statements all changes in equity during a period, except those resulting from investments by and distributions to owners. The cumulative effect of foreign currency translation adjustments to a cash account held by the Company in Canadian dollars, which is included in other comprehensive income in the stockholders' equity section, consisted of the following:

	December 31, 2004	December 31, 2003
Balance, beginning of year	$ (1,718)	$ -
Effect of currency exchange rate changes	(2,367)	(1,718)
Balance, end of year	$ (4,085)	$ (1,718)

NOTE 7 - RELATED PARTY TRANSACTION

The transaction with Win Energy as described in Note 5 was a related party transaction due to the fact that the Company's President Christopher Paton-Gay is also the Chairman of Win Energy.

TURNER VALLEY OIL & GAS CORPORATION
(a Development Stage Company)
Notes to the Financial Statements
December 31, 2004 and 2003

S.F.A.S. 69 SUPPLEMENTAL DISCLOSURES

(1) Capitalized Costs Relating to Oil and Gas Producing Activities

	For the Years Ended December 31, 2004	2003
Proved oil and gas producing properties and related lease and well equipment	$ 48,942	$ 450,706
Accumulated depreciation and depletion	(10,767)	-
Net Capitalized Costs	$ 38,175	$ 450,706

(2) Costs Incurred in Oil and Gas Property Acquisition, Exploration, and Development Activities

	For the Years Ended December 31, 2004	2003
Acquisition of Properties		
Proved	$ -	$ -
Unproved	-	-
Exploration Costs	-	-
Development Costs	48,942	300,672

The Company does not have any investments accounted for by the equity method.

(3) Results of Operations for Producing Activities

	For the Years Ended December 31, 2004	2003
Sales	$ 8,421	$ -
Production costs	(9,350)	-
Depreciation and depletion	(10,767)	-
Results of operations for producing activities (excluding corporate overhead and interest costs)	$ (11,696)	$ -

TURNER VALLEY OIL & GAS CORPORATION
(a Development Stage Company)
Notes to the Financial Statements
December 31, 2004 and 2003

S.F.A.S. 69 SUPPLEMENTAL DISCLOSURES (Continued)

(4) Reserve Quantity Information

	Oil BBL	Gas MMCF
Proved developed and undeveloped reserves:		
Balance, December 31, 2003	-	4.67
Change in estimates	-	-
Production	-	.99
Balance, December 31, 2004	-	3.68

Proved developed reserves:	Oil BBL	Gas MMCF
Beginning of the year ended December 31, 2004	-	4.68
End of the year ended December 31, 2004	-	3.68

The Company has reserve studies and estimates prepared on the properties acquired and developed. The difficulties and uncertainties involved in estimating proved oil and gas reserves makes comparisons between companies difficult. Estimation of reserve quantities is subject to wide fluctuations because it is dependent on judgmental interpretation of geological and geophysical data.