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Attention Business Editors:

^Advanced Sensing Systems Inc. Signs Letters of Intent to Acquire IROC
H2S Consulting Ltd.@

RED DEER, AB, July 18 /CNW/ - Mr. Dennis Featherstone, C.E.O. of Advanced Sensing Systems Inc. reports that Advanced has signed a letter of intent dated July 13, 2000 to acquire 100% of the issued and outstanding shares of IROC H2S Consulting Ltd. Advanced is a capital pool company pursuant to Policy 2.4 of the Canadian Venture Exchange. It is intended that this acquisition by Advanced constitute Advanced's Qualifying Transaction pursuant to that CDNX Policy.

BUSINESS OF ADVANCED

Pursuant to CDNX Policy 2.4, Advanced has not conducted operations of any kind to date other than to enter into discussions to identify potential acquisitions of, or participations in, properties, corporations, assets or businesses (or a combination thereof).

BUSINESS OF IROC

Advanced has identified IROC as a potential acquisition for Advanced's Qualifying Transaction. IROC's core business is downwind air quality monitoring and safety services in the energy sector. IROC has been in the oil and gas services industry since 1984, primarily offering its services in Alberta. Currently there is a high demand for IROC's products and services given the increasing number of sour wells and critical wells being drilled in Alberta and elsewhere around the world.

IROC has provided to Advanced audited financial statements for IROC for the fiscal year ended March 31, 2000. These audited financial statements indicate total assets of \$2,348,559 comprised of current assets of \$1,962,304 and capital assets of \$386,255, total liabilities of \$107,785 comprised of current liabilities of \$101,905, long term debt of \$2,880 and deferred income taxes of \$3,000, and shareholders equity comprised of share capital of \$1,563,208 and retained earnings of \$677,566.

PRINCIPAL SELLERS

The acquisition of IROC would be considered non-arm's length in that Dennis Featherstone, a director, promoter and principal shareholder of Advanced, and Laura Featherstone, a principal shareholder of Advanced, are also directors, officers and principal shareholders of IROC. Dennis Featherstone owns 34% of the issued and outstanding shares of IROC. Laura Featherstone owns 24% of the issued and outstanding shares of IROC. Further, Gregg C. Johnson, a director, officer and principal shareholder of Advanced, owns 4% of the issued and outstanding shares of IROC. As a result, conflicts of interest may arise in the negotiations between Advanced and the shareholders of IROC.

TERMS OF THE PROPOSED ACQUISITION

It is proposed that Advanced will acquire IROC on the following basis:

1. Advanced will acquire all of the issued and outstanding common shares (the ``IROC Shares'') of IROC (8,526,000 IROC Shares), and all of the issued and outstanding common share purchase warrants (the ``IROC Warrants'') of IROC (1,563,000 IROC Warrants each exercisable into one IROC Share at an exercise price of \$1.00 per IROC Share on or before June 30, 2001).
2. The purchase price for the issued IROC Shares shall be \$4,263,000 payable by the issuance of 8,526,000 post consolidation common shares of Advanced (the ``Advanced Shares'') at a deemed value of \$0.50 per Advanced Share and issued on a one for one basis in consideration for the 8,526,000 issued and outstanding IROC Shares to the holders of the IROC Shares.

The consideration for the IROC Warrants will be the issuance of 1,563,000 common share purchase warrants (the ``Advanced Warrants'') of Advanced on a one for one basis to the holders of the IROC Warrants. Each Advanced Warrant will be exercisable into one Advanced

Share at an exercise price of \$1.00 per Advanced Share on or before 5:00 pm on June 30, 2001.

3. The foregoing proposal is conditional upon the following:
 - (a) Advanced and each of the holders of IROC Shares and IROC Warrants entering into a formal sale agreement with standard conditions, covenants, representations and warranties;
 - (b) approval of the board of directors of Advanced to the transaction contemplated herein;
 - (c) obtaining regulatory approval, including, but not limited to, the approval of the Canadian Venture Exchange to the transaction contemplated herein;
 - (d) obtaining the approval of the minority shareholders of Advanced to the acquisition of IROC as the Qualifying Transaction of Advanced pursuant Policy 2.4 of the Canadian Venture Exchange;
 - (e) obtaining the approval of the shareholders of Advanced of a consolidation of the issued and outstanding common shares of Advanced on a two for one basis such consolidation to occur immediately prior to the closing of the transaction contemplated herein and the issuance of Advanced Shares and Advanced Warrants as contemplated herein.

As can be seen from the above list of conditions, even though the proposed acquisition is not at arm's length, there are certain material conditions to closing the proposed transaction, the satisfaction of which are beyond the control of the insiders of Advanced and the insiders of IROC. These conditions include, without limitation, the completion of a satisfactory valuation on IROC and the approval of the transaction by an independent committee of directors of Advanced comprised of at least two independent directors whom are not related parties to IROC. An independent committee of directors of Advanced will review any proposed Qualifying Transaction, including any proposed acquisition of IROC, and make a decision which it feels is in the best interests of Advanced. Management of Advanced is currently of the view that there is a high probability that the proposed acquisition of IROC by Advanced will be successfully completed within the next six months. Further, any Qualifying Transaction shall be subject to the approval of CDNX and the shareholders of Advanced. It is possible that Advanced will not receive approval for the acquisition of IROC from CDNX and/or the shareholders as Advanced's Qualifying Transaction.

SPONSOR

Pacific International Securities Inc., subject to completion of satisfactory due diligence, has agreed to act as sponsor in connection with the transaction. An agreement to sponsor should not be construed as any assurance with respect to the merits of the transaction or the likelihood of completion. For its services, Pacific International Securities Inc. will be paid a fee of \$10,000 and will be reimbursed for its reasonable expenses incurred in preparing the Sponsor Report including fees for legal services and fees to consultants hired to provide any necessary reports to the sponsor.

Completion of the transaction is subject to a number of conditions, including but not limited to, Canadian Venture Exchange acceptance and majority of the minority shareholder approval. The transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.

The Canadian Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

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ST: Alberta
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SU: TNM

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