

FORM 51-101F1
STATEMENT OF RESERVES DATA
AND OTHER OIL AND GAS INFORMATION
ECHO ENERGY CANADA INC.

This reserves and cash flow evaluation of Echo Energy Canada Inc was prepared on February 27, 2008 using production and revenue data up to and including December 31, 2007 (the "effective date") in a report entitled Echo Energy Canada Inc Reserves and Cash Flow Evaluation as of Dec 31, 2007 prepared by Jim McIntosh Petroleum Engineering Ltd. The results of this report are summarized in the tables below.

**Summary of Oil and Gas Reserves and Net Present Values of Future Net Revenue
As of December 31, 2007
Constant Prices and Costs**

Reserves Category	Echo Gross	Echo Net
	Gas	Gas
	(Bcf)	(Bcf)
Proved Developed Producing	5.31	4.88
Proved Developed Non-Producing	1.30	1.23
Proved Undeveloped	7.26	6.89
Total Proved	13.87	13.00
Probable	23.44	22.26
Total Proved plus Probable	37.31	35.26

Reserves Category	Net present Worth Before Taxes (\$k)					Unit Value Before Tax Disc @ 10% (\$/Mcf)
	0% Disc	5% Disc	10% Disc	15% Disc	20% Disc	
	Proved Developed Producing	\$29,640	\$17,846	\$12,592	\$9,784	\$8,049
Proved Developed Non-Producing	\$8,445	\$5,547	\$3,995	\$3,059	\$2,441	\$3.08
Proved Undeveloped	\$31,682	\$15,798	\$8,060	\$3,843	\$1,354	\$1.11
Total Proved	\$69,768	\$39,191	\$24,648	\$16,686	\$11,845	\$1.78
Probable	\$138,764	\$49,656	\$19,347	\$7,880	\$3,106	\$0.83
Total Proved plus Probable	\$208,532	\$88,847	\$43,995	\$24,566	\$14,951	\$1.18

Reserves Category	Net present Worth After Taxes (\$k)				
	0% Disc	5% Disc	10% Disc	15% Disc	20% Disc
Proved Developed Producing	\$23,072	\$14,524	\$10,611	\$8,462	\$7,101
Proved Developed Non-Producing	\$5,540	\$3,652	\$2,643	\$2,035	\$1,634
Proved Undeveloped	\$20,815	\$9,947	\$4,612	\$1,686	-\$49
Total Proved	\$49,427	\$28,123	\$17,867	\$12,183	\$8,687
Probable	\$90,978	\$32,278	\$12,288	\$4,732	\$1,602
Total Proved plus Probable	\$140,405	\$60,401	\$30,155	\$16,914	\$10,289

Revenue/Operating Cost Breakdown: Undiscounted Constant prices and operating costs

Reserves Category	Revenue (\$k)	Royalties (\$k)	Operating Costs (\$k)	Develop't Costs (\$k)	Abandn't Costs (\$k)	Future Net Revenue Before Tax (\$k)	Income Taxes (\$k)	Future Net Revenue After Tax (\$k)
Total Proved	\$112,608	\$7,066	\$20,284	\$14,840	\$650	\$69,768	\$20,340	\$49,427
Proved plus Probable	\$302,912	\$16,646	\$42,639	\$34,040	\$5,855	\$208,532	\$68,126	\$140,405

Future Net Revenue by Product Group: Constant Prices and Costs

Reserves Category	Product Group	Future Net Revenue Before Tax @ 10% Disc (\$k)
Total Proved Reserves	Crude Oil ⁽¹⁾	\$0
	Natural Gas	\$24,648
Proved plus Probable Reserves	Crude Oil ⁽¹⁾	\$0
	Natural Gas	\$43,995

**Summary of Oil and Gas Reserves and Net Present Values
As of December 31, 2007
Forecasted Prices and Operating Costs**

Reserves Category	Echo Gross	Echo Net
	Gas	Gas
	(Bcf)	(Bcf)
Proved Developed Producing	5.31	4.88
Proved Developed Non-Producing	1.30	1.23
Proved Undeveloped	7.26	6.89
Total Proved	13.87	13.00
Probable	23.44	22.26
Total Proved plus Probable	37.31	35.26

Reserves Category	Net present Worth Before Taxes (\$k)					Unit Value Before Tax Disc @ 10% (\$/Mcf)
	0% Disc	5% Disc	10% Disc	15% Disc	20% Disc	
	Proved Developed Producing	\$39,758	\$22,094	\$14,738	\$11,059	
Proved Developed Non-Producing	\$10,495	\$6,613	\$4,635	\$3,487	\$2,750	\$3.57
Proved Undeveloped	\$44,272	\$21,894	\$11,467	\$5,971	\$2,796	\$1.58
Total Proved	\$94,524	\$50,601	\$30,840	\$20,517	\$14,454	\$2.22
Probable	\$220,361	\$77,645	\$30,127	\$12,548	\$5,361	\$1.29
Total Proved plus Probable	\$314,885	\$128,247	\$60,968	\$33,065	\$19,815	\$1.63

Reserves Category	Net present Worth After Taxes (\$k)				
	0% Disc	5% Disc	10% Disc	15% Disc	20% Disc
Proved Developed Producing	\$29,481	\$17,219	\$11,975	\$9,276	\$7,652
Proved Developed Non-Producing	\$6,839	\$4,328	\$3,051	\$2,309	\$1,834
Proved Undeveloped	\$28,786	\$13,813	\$6,783	\$3,052	\$886
Total Proved	\$65,106	\$35,360	\$21,809	\$14,637	\$10,372
Probable	\$142,647	\$49,976	\$19,082	\$7,654	\$2,999
Total Proved plus Probable	\$207,753	\$85,336	\$40,891	\$22,292	\$13,371

Total Future Net Revenue Components using Forecasted Prices and Operating Costs (Undiscounted)

	Revenue (\$k)	Royalties (\$k)	Operating Costs (\$k)	Development Costs (\$k)	Abandonment Costs (\$k)	Future Net Revenue Before Tax (\$k)	Income Tax (\$k)	Future Net Revenue After Tax (\$k)
Total Proved	\$143,650	\$9,093	\$24,066	\$15,057	\$910	\$94,524	\$29,418	\$65,106
Proved plus Probable	\$428,490	\$23,439	\$53,092	\$35,590	\$6,731	\$314,885	\$107,133	\$207,753

Future Net Revenue by Product Group: Forecasted Prices and Costs

Reserves Category	Product Group	Future Net Revenue Before Tax @ 10% Disc (\$k)
Total Proved Reserves	Crude Oil ⁽¹⁾	\$0
	Natural Gas	\$30,840
Proved plus Probable Reserves	Crude Oil ⁽¹⁾	\$0
	Natural Gas	\$60,968

Product Prices and Operating Cost Summary

Product price, operating cost, economic limit summary table

	Echo Norfolk/ Elgin (Gas)	
2007 Product Price	\$8.04	Cdn/Mcf
Basis to NYMEX over past 3 years	-\$0.04	Cdn/Mcf
2008 Product Price	\$8.12	Cdn/Mcf
Royalty Rate	5% to 10%	
Fixed Well Op Cost	\$250	/well/mo
Variable Well Op Cost	\$0.05	/Mcf
Fixed Field Op Cost-PDP eval	\$5,000	/month
Fixed Field Op Cost-PD,TP,P+P eval	\$2,500	/month
Variable Field Op Cost	\$0.70	/Mcf
Economic Limit	1.0	Mcf/d
Abandonment Costs (2007\$)	\$5.0	k/Well

Benchmark and Product Prices in Forecasted Evaluation (see Note)

Year	Henry Hub Nat Gas (\$US/MMBtu)	Inflation Rate (%/Year)	Exchange Rate (\$US/\$Cdn)	Echo Gas Price (\$Cdn/Mcf)
2004 Act	\$6.14	1.27%	\$0.77	\$8.47
2005 Act	\$8.62	1.56%	\$0.83	\$10.48
2006 Act	\$7.23	1.50%	\$0.88	\$8.40
2007 Act	\$6.86	1.50%	\$0.94	\$8.04
2008	\$7.79	1.50%	\$1.00	\$8.12
2009	\$8.34	1.50%	\$1.00	\$8.70
2010	\$8.36	1.50%	\$1.00	\$8.72
2011	\$8.44	1.50%	\$1.00	\$8.80
2012	\$8.62	1.50%	\$1.00	\$8.99

Note: Average of Sproule, McDaniels, GLJ, and PLA used for benchmark forecasts

Pool/Entity	Echo Energy Canada Net Rem Rec Res			
	Ttl Proved ⁽¹⁾		Pr plus Prob ⁽²⁾	
	Oil (MBbl)	Gas (Bcf)	Oil (MBbl)	Gas (Bcf)
Norfolk/Elgin Thorold	0.0	13.00	0.0	35.26
Total	0.0	13.00	0.0	35.26

Note 1: Ttl Proved = Total Proved

Note 2: Pr plus Prob = Proved plus Probable

Reserve Reconciliation

	Crude Oil			Natural Gas		
	Gross Proved (MStb)	Gross Probable (MStb)	Gross Pr & Prob (MStb)	Gross Proved (Bcf)	Gross Probable (Bcf)	Gross Pr & Prob (Bcf)
December 31, 2006	0.00	0.00	0.00	16.14	25.05	41.19
Extensions	0.00	0.00	0.00	0.00	0.00	0.00
Improved Recovery	0.00	0.00	0.00	0.00	0.00	0.00
Technical Revisions	0.00	0.00	0.00	-1.99	-1.61	-3.61
Discoveries	0.00	0.00	0.00	0.00	0.00	0.00
Acquisitions	0.00	0.00	0.00	0.00	0.00	0.00
Dispositions	0.00	0.00	0.00	0.00	0.00	0.00
Economic Factors	0.00	0.00	0.00	0.00	0.00	0.00
Production	0.00	0.00	0.00	0.28	0.00	0.28
December 31, 2007	0.00	0.00	0.00	13.87	23.44	37.31

The reduction in Proved, Probable, and Proved plus Probable reserves as of December 31, 2007 compared to December 31, 2006 reflects a change in estimating methodology used. The methodology in the December 31, 2007 report uses primarily exponential decline curve-based forecasting for the Proved assignments and hyperbolic decline curve-based forecasting for the Proved plus Probable assignments. In past year reserve reports, the production forecasts and associated remaining recoverable reserves were calculated based on estimates of Gas-in-Place and recovery factors due to lack of predictable production declines. With most wells onstream for 2.5 to 3 years and demonstrating predictable declines, the move from volumetric based to decline based reserves estimating and forecasting is appropriate and reflects standard industry estimating practices. The Total Proved values in this table assume an additional 60 Proved Undeveloped wells are drilled, in addition to the existing 72 cased gas wells. The Proved plus Probable values in this table were calculated assuming an additional 80 Probable wells, as well as the 60 Proved Undeveloped wells are drilled.

FORM 51-101F2
REPORT ON RESERVES DATA
By INDEPENDENT QUALIFIED EVALUATOR

To the board of directors of Echo Energy Canada Inc (the "Company")

1. I have evaluated the Company's reserves data as at December 31, 2007. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2007, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Company's management. My responsibility is to express an opinion on the reserves data based on my evaluation.

I carried out my evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

3. Those standards require that I plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions in the COGE Handbook.
4. The following table sets forth the estimated future net revenue (before deduction for income taxes) attributable to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by me for the year ended December 31, 2007, and identifies the respective portions thereof that I have evaluated and reported on to the Company's management.

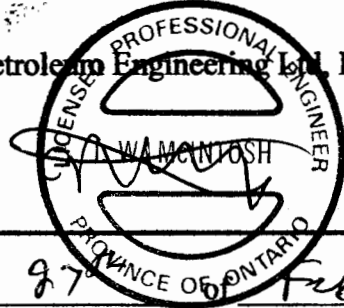
Independent Evaluator	Report Date	Reserves Location	Audited (\$k)	Evaluated (\$k)	Reviewed (\$k)	Total (\$k)
Jim McIntosh Petr Eng	2/27/08	Ontario		\$60,968		\$60,968
Total				\$60,968		\$60,968

5. In my opinion, the reserves data respectively evaluated by me have, in all material respects, been determined and are in accordance with the COGE Handbook. I express no opinion on the reserves data that I reviewed but did not audit or evaluate.
6. I have no responsibility to update my report referred to in paragraph 4 for events and circumstances occurring after their respective preparation dates.

7. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

Executed as to my report referred to above:

Jim McIntosh Petroleum Engineering Ltd, London, Ontario



Signed this 9th of Feb, 2008.

ECHO ENERGY CANADA INC.
FORM 51-101F3

*REPORT OF
MANAGEMENT AND DIRECTORS
ON OIL AND GAS DISCLOSURE*

This is the form referred to in item 3 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). This form does not apply in British Columbia.

1. Terms to which a meaning is ascribed in *NI 51-101* have the same meaning in this form.¹
2. The report referred to in item 3 of section 2.1 of *NI 51-101* must in all material respects be as follows:

Report of Management and Directors on Reserves Data and Other Information

Management of Echo Energy Canada Inc. (the "Company") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2007, estimated using forecast prices and costs.

An independent qualified reserves evaluator has evaluated and reviewed the Company's reserves data. The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the board of directors of the Company has:

- (a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and
- (c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The Reserves Committee of the board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has, on the Recommendation of the Reserves Committee, approved:

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and
- (c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery

Signed "Gary Conn"

Gary Conn,
President, Director and Chief Executive Officer

Signed "Robert Moore"

Robert Moore,
Director

Signed "David Johnstone"

David Johnstone,
Director

March 27, 2008

¹ For the convenience of readers, CSA Staff Notice 51-324 Glossary to NI 51-101 Standards of Disclosure for Oil and Gas Activities sets out the meanings of terms that are printed in italics in sections 1 and 2 of this Form or in NI 51-101, Form 51-101F1, Form 51-101F2 or Companion Policy 51-101CP.