

AMENDED 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 March 23, 2006 using production and revenue data up to and including December 31, 2005 (the “effective date”) in a report entitled Echo Energy Canada Inc Reserves and Cash Flow Evaluation as of Dec 31, 2005 prepared by Jim McIntosh Petroleum Engineering Ltd. The results of this report are summarized in the tables below.

Echo Energy Canada Inc (Echo) is exclusively active in exploration and production of natural gas from the Thorold sandstone zone located onshore in Elgin and Norfolk Counties in south-western Ontario, Canada. No light or medium crude oil, heavy oil, or natural gas liquids are produced in conjunction with this natural gas.

**2.1: Summary of Oil and Gas Reserves and Net Present Values of Future Net  
 Revenue  
 As of December 31, 2005  
 Constant Prices and Costs**

Reserves Category	Company Gas Reserves	
	Gross	Net
	(Bcf)	(Bcf)
Proved Developed Producing	9.81	9.27
Proved Developed Nonproducing	5.72	5.40
Proved Undeveloped	1.85	1.75
Total Proved	17.38	16.42
Additional Probable	59.56	56.28
Proved plus Probable	76.94	72.71

Reserves Category	Net Present Value Before Taxes				
	0% Disc	5% Disc	10% Disc	15% Disc	20% Disc
	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)
Proved Developed Producing	\$ 104,866	\$ 54,854	\$ 34,044	\$ 24,110	\$ 18,678
Proved Developed Nonproducing	\$ 62,078	\$ 31,248	\$ 18,546	\$ 12,568	\$ 9,354
Proved Undeveloped	\$ 15,000	\$ 4,378	\$ 431	-\$ 1,262	-\$ 2,036
Total Proved	\$ 181,349	\$ 90,480	\$ 53,021	\$ 35,416	\$ 25,996
Additional Probable	\$ 625,958	\$ 316,056	\$ 183,072	\$ 118,707	\$ 83,858
Proved plus Probable	\$ 807,307	\$ 406,536	\$ 236,093	\$ 154,123	\$ 109,854

	Net Present Value After Taxes				
	0% Disc	5% Disc	10% Disc	15% Disc	20% Disc
	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)
Proved Developed Producing	\$ 71,051	\$ 38,258	\$ 24,462	\$ 17,786	\$ 14,083
Proved Developed Nonproducing	\$ 39,294	\$ 19,750	\$ 11,696	\$ 7,907	\$ 5,871
Proved Undeveloped	\$ 9,086	\$ 2,643	\$ 79	-\$ 1,041	-\$ 1,568
Total Proved	\$ 119,431	\$ 60,651	\$ 36,237	\$ 24,652	\$ 18,386
Additional Probable	\$ 396,323	\$ 200,104	\$ 115,953	\$ 75,258	\$ 53,248
Proved plus Probable	\$ 515,754	\$ 260,754	\$ 152,190	\$ 99,910	\$ 71,633

Total Future Net Revenue Table (Undiscounted, Constant Prices)

Reserves Category	Revenue	Royalties	Operating Costs	Develop't Costs	Abandon't Costs	Future Net Revenue Before taxes	Income Taxes	Future Net Revenue After Taxes
	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)
Proved Developed Producing	\$ 122,693	\$ 6,748	\$ 10,829	\$ -	\$ 250	\$ 104,866	\$ 33,815	\$ 71,051
Proved Developed Nonproducing	\$ 71,446	\$ 3,930	\$ 5,109	\$ 220	\$ 110	\$ 62,078	\$ 22,784	\$ 39,294
Proved Undeveloped	\$ 23,148	\$ 1,273	\$ 2,609	\$ 4,725	\$ 135	\$ 14,405	\$ 5,319	\$ 9,086
Total Proved	\$ 217,287	\$ 11,951	\$ 18,547	\$ 4,945	\$ 495	\$ 181,349	\$ 61,918	\$ 119,431
Additional Probable	\$ 744,686	\$ 40,958	\$ 59,838	\$ 11,720	\$ 6,213	\$ 625,958	\$ 229,634	\$ 396,323
Proved plus Probable	\$ 961,973	\$ 52,909	\$ 78,385	\$ 16,665	\$ 6,708	\$ 807,307	\$ 291,552	\$ 515,754

All of Echo's oil and natural gas assets consist of non-associated natural gas in the Thorold sandstone formation. The company has no light and medium crude oil, heavy oil, or natural gas liquids reserves.

**2.2: Summary of Oil and Gas Reserves and Net Present Values  
As of December 31, 2005  
Forecasted Prices and Operating Costs**

Reserves Category	Company Gas Reserves	
	Gross	Net
	(Bcf)	(Bcf)
Proved Developed Producing	9.81	9.27
Proved Developed Nonproducing	5.72	5.40
Proven Undeveloped	1.85	1.75
Total Proved	17.38	16.42
Additional Probable	59.56	56.28
Proved plus Probable	76.94	72.71

Reserves Category	Net Present Value Before Taxes				
	0% Disc	5% Disc	10% Disc	15% Disc	20% Disc
	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)
Proved Developed Producing	\$ 88,910	\$ 45,365	\$ 27,775	\$ 19,644	\$ 15,323
Proved Developed Nonproducing	\$ 53,084	\$ 25,970	\$ 15,100	\$ 10,137	\$ 7,544
Proved Undeveloped	\$ 10,751	\$ 2,239	-\$ 961	-\$ 2,239	-\$ 2,764
Total Proved	\$ 152,745	\$ 73,574	\$ 41,914	\$ 27,542	\$ 20,103
Additional Probable	\$ 533,902	\$ 259,117	\$ 145,156	\$ 92,009	\$ 64,234
Proved plus Probable	\$ 686,647	\$ 332,691	\$ 187,071	\$ 119,550	\$ 84,337

Reserves Category	Net Present Value After Taxes				
	0% Disc	5% Disc	10% Disc	15% Disc	20% Disc
	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)
Proved Developed Producing	\$ 60,943	\$ 32,247	\$ 20,490	\$ 14,957	\$ 11,958
Proved Developed Nonproducing	\$ 33,597	\$ 16,408	\$ 9,517	\$ 6,373	\$ 4,730
Proved Undeveloped	\$ 6,770	\$ 1,286	-\$ 807	-\$ 1,667	-\$ 2,035
Total Proved	\$ 101,310	\$ 49,941	\$ 29,200	\$ 19,663	\$ 14,653
Additional Probable	\$ 338,014	\$ 164,043	\$ 91,945	\$ 58,357	\$ 40,828
Proved plus Probable	\$ 439,324	\$ 213,984	\$ 121,146	\$ 78,021	\$ 55,481

Total Future Net Revenue Table (Undiscounted, Forecasted Prices)

Reserves Category	Revenue	Royalties	Operating Costs	Develop't Costs	Abandon't Costs	Future Net Revenue Before taxes	Income Taxes	Future Net Revenue After Taxes
	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)	(\$M)
Proved Developed Producing	\$ 108,274	\$ 5,955	\$ 13,071	\$ -	\$ 338	\$ 88,910	\$ 27,967	\$ 60,943
Proved Developed Nonproducing	\$ 63,061	\$ 3,468	\$ 6,140	\$ 220	\$ 148	\$ 53,084	\$ 19,488	\$ 33,597
Proved Undeveloped	\$ 20,072	\$ 1,104	\$ 3,310	\$ 4,725	\$ 182	\$ 10,751	\$ 3,980	\$ 6,770
Total Proved	\$ 191,407	\$ 10,527	\$ 22,521	\$ 4,945	\$ 668	\$ 152,745	\$ 51,435	\$ 101,310
Probable	\$ 642,831	\$ 35,356	\$ 55,864	\$ 11,670	\$ 6,039	\$ 533,902	\$ 195,889	\$ 338,014
Proved plus Probable	\$ 834,238	\$ 45,883	\$ 78,385	\$ 16,615	\$ 6,708	\$ 686,647	\$ 247,324	\$ 439,324

All of Echo's oil and natural gas assets consist of non-associated natural gas in the Thorold sandstone formation. The company has no light and medium crude oil, heavy oil, or natural gas liquids reserves.

### 3: Pricing Assumptions

The NYMEX natural gas futures contract most closely reflects natural gas price changes in Ontario. The table below lists actual prices received by Echo since the company began producing in 2004, compared to the closing NYMEX natural gas prices for the period, and lists the NYMEX gas price forecast and resulting Echo gas price forecast for the next 5 years.

Year	Echo Gas Price		NYMEX Natural Gas Close/Forecast	
	(\$US/MMBtu)	(\$Cdn/Mcf)	(\$US/MMBtu)	(\$Cdn/Mcf)
2004 Act	\$6.23	\$8.47	\$6.14	\$8.35
2005 Act	\$8.26	\$10.48	\$8.62	\$10.93
2006 Est.	\$10.14	\$12.50	\$9.98	\$12.30
2007 Est.	\$9.36	\$11.54	\$9.19	\$11.33
2008 Est.	\$8.26	\$10.18	\$8.09	\$9.97
2009 Est.	\$7.51	\$9.25	\$7.33	\$9.03
2010 Est.	\$7.15	\$8.81	\$6.98	\$8.60

Based on past year's gas prices received by Ontario natural gas producers, a basis differential of +\$.20Cdn/MMBtu to the average of NYMEX natural gas closing prices reflects the actual prices received in Ontario. The average of 4 published NYMEX Henry Hub price forecasts (Sproule, GLJA, McDaniels, PLA), in conjunction with the above basis differential has been used to calculate Echo's forecasted prices. This results in anticipated Echo gas prices over the next 5 years as listed above.

In all constant price evaluations, the 2006 gas price of \$12.50Cdn/Mcf has been used throughout.

#### 4: Reconciliation of Changes in Reserves and Future Net Revenue

The following tables set forth a reconciliation of the changes in Echo's non-associated natural gas reserves as at December 31, 2005 based on the forecast price and cost assumptions.

##### Reconciliation of Company Net Reserves

Factors	Net Proved (Bcf)	Net Probable (Bcf)	Net Proved + Probable (Bcf)
December 31, 2004	32.76	41.46	74.22
Extensions	-	9.82	9.82
Improved recovery	-	-	-
Technical revisions	(5.00)	5.00	-
Discoveries	-	-	-
Acquisitions	-	-	-
Dispositions	-	-	-
Economic factors	(10.89)	-	(10.89)
Production	(0.45)	-	(0.45)
December 31, 2005	16.42	56.28	72.71

The Net Proved natural gas reserves evaluation has been reduced due to the small production rates from the producing gas wells in the field compared to prior year estimates. These small flow rates resulted in lower overall recovery factors. To effectively access these unrecovered reserves, additional infill wells are required. These additional infill wells were booked as Proved Undeveloped reserves. Even with these additional infill wells, net Proved reserves declined compared to the prior year's evaluation. The net Probable reserves increased due to the addition of prospective freehold acreage close to Echo's gathering system. A portion of the net Proved reserves reduction will be recouped as Probable reserves once existing and infill wells are hydraulically fractured to improve productivity. The anticipated increase in flow rates and resulting increased reserves associated with these hydraulic fracs has been forecasted as additional Probable reserves and are classified as technical revisions.

The following table sets forth changes between future net revenue estimates attributable to net proved reserves as at December 31, 2005 compared to the December 31, 2004.

**Reconciliation of Changes in Net Present Values of Future Net Revenue  
Net Proved Evaluation discounted at 10% After Tax  
Constant Prices and Costs**

Estimated Future Net Revenue at December 31, 2004	\$ 51,100M
Sales during 2005 net of production costs and royalties	-\$ 3,202M
Net change in prices, production costs, and royalties on Future Production	
Net changes in Development costs during 2005	\$ 490M
Net changes in estimated future Development costs	-\$ 4,558M
Net changes as a result of extensions and improved recoveries	
Net changes as a result of Discoveries	\$ 1,000M
Net changes due to Acquisitions of reserves	
Net changes due to Disposition of reserves	
Net changes due to Revisions of Quantity Estimates	-\$ 9,593M
Net changes in Income Tax	\$ 1,000M
Estimated Future Net Revenue at December 31, 2005	\$36, 237M

**5: Additional Information Relating to Reserves Data**

Echo Energy Canada Inc was created in 2004 by the merger of Pifher Resources, a public company listed on the TSX Venture Exchange, and Echo Energy Inc, a private company. As such, there are no comparative values for many of the tables discussed prior to the December 31, 2004 evaluation. The company commenced production from the south-western Ontario Thorold sandstone wells in June, 2004.

As of December 31, 2005, Echo had 50 gross (49 net) gas wells onstream and producing. In addition, Echo has drilled and cased an additional 22 gross (22 net) gas wells that are awaiting hydraulic frac treatments, wellsite production facilities, and low pressure gathering system interconnects prior to commencing producing. Production rates from Thorold sandstone gas wells are small but can be improved with hydraulic sand fracture treatments. In addition to the 22 non-producing gas wells, some of the 50 currently producing gas wells still need to be fraced to maximize production potential. The expected increase in producing rates and resulting increased reserves associated with these fracture treatments have been classed as additional probable reserves in the above mentioned reserves report. Currently, the average proved developed freehold acreage associated with each of the Echo drilled wells is 193 acres/well. With the small flow rates of some of the currently drilled Echo wells relative to the proved acreage associated with that well, an additional well will be required to effectively drain the gas-in-place proved by the well. An additional 26 gross (26 net) wells are forecasted to be required to more efficiently deplete the gas-in-place under the proved acreage. All reserves associated with these additional infill wells have been classed as proved undeveloped reserves in the referenced report. All of these 26 infill wells are forecast to be drilled during 2006 and 2007.

The proved gas wells drilled to date have confirmed proved reserves under 19,130 acres of Echo's 100% net acreage. In addition to this proved acreage, Echo has an additional

35,093 acre of 100% leased acreage in close proximity to the company's gathering system. Geological mapping indicates that this acreage is prospective. In the above referenced report, ½ of this acreage has been assigned additional probable reserves, with wells drilled on an average of 193 acre spacing to develop these additional probable reserves. These additional probable wells will be drilled once the infill Proved Undeveloped wells discussed above are drilled, with an estimated pace of 20 wells per year for the 91 probable wells required.

These reserves can only be realized if the company aggressively drills additional Thorold wells to both prove up additional company acreage and to add additional infill wells where current wells are not capable of recovering the gas-in-place quantities, and continues to hydraulically frac existing wells to maximize productivity. The probable reserves assignment and the present worth of those reserves is contingent upon Echo continuing on an aggressive annual drilling program, with 15 to 20 wells/year drilled to evaluate Echo acreage. The acreage under lease by Echo has sufficient remaining term to allow the company to drill at this pace. If, however, drilling does not proceed aggressively, some of the Echo acreage will have reached the end of the primary term, and will either need to be renegotiated with the landowner, or the acreage and associated reserves potential will be lost. All the Echo acreage is currently leased with an annual rental rate of \$5.00/acre. As the acreage is drilled up and becomes held-by-production (HBP), the annual rental is replaced by the lessor royalty payment which keeps the lease in good standing until production from the associated well ceases.

The estimation of reserves requires significant judgement and decisions based on available geological, engineering, and economic data. These estimates can change substantially as additional information from ongoing development activities and production performance becomes available and as economic and political conditions impact oil and gas prices. The estimates used here are based on current production forecasts, prices, and economic conditions.

The future development costs associated with tie-in of existing drilled wells, fracing existing wells, and drilling the infill Proved Undeveloped and step-out Probable wells are summarized below.

Year	Future Development Costs (Undiscounted, Constant Costs)	Future Development Costs (Undiscounted, Forecasted Costs)	
	Total Proved Capital	Total Proved Capital	Proved + Probable Capital
2006	\$ 2,670 M	\$ 2,670 M	\$ 3,840 M
2007	\$ 2,145 M	\$ 2,145 M	\$ 2,275 M
2008	\$ - M	\$ - M	\$ 3,500 M
2009	\$ - M	\$ - M	\$ 3,500 M
2010	\$ - M	\$ - M	\$ 3,500 M
Remaining	\$ - M	\$ - M	\$ 5,425 M
Total	\$ 4,815 M	\$ 4,815 M	\$ 22,040 M

Year	Future Development Costs (10% Discount Rate, Constant Costs)	Future Development Costs (10% Discount Rate, Forecasted Costs)	
	Total Proved Capital	Total Proved Capital	Proved + Probable Capital
2006	\$ 2,427 M	\$ 2,427 M	\$ 3,491 M
2007	\$ 1,880 M	\$ 1,880 M	\$ 1,880 M
2008	\$ - M	\$ - M	\$ 2,630 M
2009	\$ - M	\$ - M	\$ 2,391 M
2010	\$ - M	\$ - M	\$ 2,173 M
Remaining	\$ - M	\$ - M	\$ 2,963 M
Total	\$ 4,307 M	\$ 4,307 M	\$15,528 M

All capital required in the Total Proved and Proved plus Probable reserve assignments are available from existing cash flow. If Echo spends significant monies relative to the monies listed above on exploration work or other activities, additional financing may be required.

## 6: Other Oil and Gas Information

Currently, all wells drilled by Echo have targeted sweet natural gas from the Silurian aged Thorold sandstone in the area. To date, all wells drilled by Echo have successfully contacted Thorold gas. Although there is potential for natural gas or oil reserves in other formations within Echo lands, only the Thorold sandstone reserves have been evaluated within the above referenced report. All of Echo's producing wells connect to a large, low pressure gathering system with central compression and dehydration. Echo has three sales points where the company's pipeline system interconnects with the Union Gas transportation system in the area. No take away capacity restrictions exist in the Union Gas system that could restrict Echo's ability to sell the volumes of natural gas forecast in this report, and the company has sufficient compression and dehydration capacity to handle the forecasted volumes. Additional wells only need to be connected to the gathering system to commence production.

Echo sells natural gas both to Union Gas, the local utility, and to gas marketers. The price received from Union Gas is based on the current month's gas price within their franchise area, while the price received from gas marketers is based on the gas prices at the Dawn trading hub. Echo has the right to forward sell the natural gas sold to the gas marketers. To date, only one month term forward contracts have been used by Echo.

All Echo acreage is in close proximity to producing Thorold wells, and is prospective. All Echo undeveloped acreage has been included in this evaluation.

An individual well abandonment and site restoration cost of \$5,000/well (2005 \$Cdn) has been included in all forecasts, with the well abandonment scheduled in the year the well becomes uneconomic. No restoration cost has been included for gathering system removal or for compressor site decommissioning. Since all wells have recently

commenced producing and remaining lives are long, no abandonment costs are forecast during the next 3 years.

Echo will not be required to pay income taxes during 2006 based on their current level of tax pools. In all evaluations, income taxes will start to be payable in 2007.

During 2005, Echo drilled 3 additional Thorold gross (3 net) gas wells and fraced 8 wells. No dry holes were drilled.

If the capital schedule discussed above is followed, the daily production volumes listed below are possible.

2006 Average Natural Gas Production Rates

	Gross (Mcf)	Net (Mcf)
Proved Developed Producing	1218	1151
Proved Developed	1218	1151
Total Proved	1179	1114
Proved plus Probable	2700	2551

The table below lists net natural gas production volumes and lifting costs by quarter incurred during 2005.

		1Q 2005	2Q 2005	3Q 2005	4Q 2005
Ave Sales	(Mcf)	1134	1121	1110	1009
Price	(\$Cdn/Mcf)	\$8.56	\$9.14	\$10.71	\$14.36
Royalties	(\$Cdn/Mcf)	\$0.50	\$0.61	\$0.62	\$0.77
Op Costs	(\$Cdn/Mcf)	\$2.23	\$1.88	\$1.59	\$1.75
Netbacks	(\$Cdn/Mcf)	\$5.83	\$6.65	\$8.50	\$11.84