



## **News Release**

### **EXPLORATION AND DEVELOPMENT UPDATE**

Issued Common Shares: 52,779,515  
TSX Venture - Stock Symbol: "EEL.V"

**TORONTO, CANADA – May 4, 2006 - Echo Energy Canada Inc.** is pleased to provide this update of its exploration and development.

Echo Energy Canada Inc. is a publicly traded exploration and production company active in natural gas and oil exploration in south-western Ontario. The company has drilled 73 wells since 2001 in Bayham Township, Elgin County and Houghton Township, Norfolk County, south of the town of Tillsonburg. All currently drilled wells have tested gas from the Silurian-aged Thorold sandstone, at depths varying from 1350 to 1460 feet. Most of these Thorold wells either have been sand fraced or are being fraced. Since the November 2005 update, an additional 9 wells have been fraced and are being cleaned up prior to commencing production. As of the date of this release, 53 Thorold wells are onstream and producing.

In addition to the Thorold sandstone, gas has been tested on many company wells from the Silurian-aged Guelph carbonate at an approximate depth of 1000 to 1100 feet. The company has received technical recommendations concerning some of the behind pipe Guelph potential. Based on this guidance, Echo plans to complete the Guelph zone in at least one of the currently drilled wells to test the reservoir potential.

Echo Energy purchased a high resolution aeromag (HRAM) survey covering the company's land position and augmented this data with gravity data to map deeper faulting which is critical for Ordovician Trenton/Black River carbonate and Cambrian sandstone reservoir development. Based on this exploration mapping, the company shot 3 seismic lines and pinpointed 3 locations for 3400 foot Precambrian exploration tests. The first of these wells were spudded last week. All 3 deeper wells will be drilled this spring and early summer. The Trenton/Black River (Tr/Bl Rvr) fractured carbonate play is a significant producing zone in south-western Ontario west of London and in upstate New York. Some of the upstate New York wells have been onstream for over a year with production rates well in excess of 20 MMcfd, while the initial production rates of many of the southwestern Ontario wells were in excess of 100 bopd. The Echo acreage is in a geologically similar area to both of these trends and has good hydrocarbon potential. The pools

tend to be linear features and align closely with basement faulting. The Cambrian sandstone zone will be a more conventional reservoir compared to the Tr/BI Rvr. The Cambrian sandstone reservoirs are created by uplifted traps against intersecting basement faults. Most Cambrian-type reservoirs that have been discovered to date in Ontario have been oil bearing, but either oil or natural gas could be expected here.

Echo Energy Canada has an extensive gathering, compression, and sales line system to allow production from wells within the company's land position. The system consists of over 112 kilometers of gathering lines, 17.4 kilometers of steel sales line, a 1250 BHP compression/dehydration station, and 3 delivery points, 2 into the Union Gas system, and one into the Talisman Energy Lake Erie system. Currently, the company is producing up to 1.5 MMcfd from the Thorold sandstone wells that are onstream. This system can process up to 6 MMcfd and allows the company to quickly and economically tie-in any additional gas wells to the system. The Guelph potential in the western part of the company's acreage is slightly sour (contains hydrogen sulphide). All sour Guelph gas resulting from Guelph recompletions will be delivered to the Talisman Energy Lake Erie delivery point, since Talisman has the ability to transport this gas to their sour gas treating facilities handling this own sour gas coming onshore from Lake Erie.

### **Information**

Further information can be obtained by contacting Joseph Fuda, Vice-President, at: Tel. (416) 364-6513 ext 227, or Gary Conn, President and C.E.O., at: (519) 455-8127.

Please visit our website at: [www.echoenergycanada.com](http://www.echoenergycanada.com)

Neither the TSX Venture Exchange nor any securities regulatory authority has approved or disapproved of the contents of this news release.