LOMA OIL & GAS LTD.

Statement of Reserves Data and Other Oil & Gas Information (Form 51-101 F1)

As at December 31, 2005

PART 2 - RESERVES DATA

Throughout this statement Loma Oil and Gas Ltd. is referred to as "Loma" or the "Corporation."

Item 2.1 ***Reserves Data (Constant Prices and Costs)***

The following table sets out the Corporation's gross and net reserves by country, estimated using *constant prices and costs,* for both oil and gas, in the following categories: proved developed producing reserves, proved developed non-producing reserves, proved undeveloped reserves, and proved reserves (in total).

Country	**Category**	**Oil STB**		**NA Gas MCF**	
Canada[1]		**Gross**	**Net**	**Gross**	**Net**
	Proved Developed Producing	2,900	1,800	344,300	86,100
	Proved Developed Non-producing	_	_	146,500	72,600
	Proved Undeveloped	–	–	–	–
	Proved Reserves (Total)	2,900	1,800	490,800	158,700

(1) Canada in the only country in which the Corporation holds oil and gas interests.

The following table sets out the net present value of future net revenue attributable to the Corporation's reserves categories referred to in above table, estimated using constant prices and costs, before and after deducting future income tax expenses, calculated without discount and using a discount rate of 10%.

		Future Net Revenue ($1,000)			
Country	**Discount**	**Before Tax**		**After Tax**	
		0%	10%	0%	10%
Canada		636,900	541,600	420,500	349,407

The following table sets out the specified elements of future net revenue of the Corporation's proved reserves estimated using constant prices and costs, ($1,000).

Country	**Revenue**	**Royalties**	**Operating Costs**	**Development Costs**	**Abandonment And Reclamation Costs**	**Future net revenue before deducting Future Income Tax Expenses**	**Future Income Tax Expenses**	**Future Net Revenue after deducting Future Income Tax Expenses**
Canada	1,770.8	271.7	640.2	116.3	105.8	636.9	216.4	420.5

The following table sets out by production group, the net present value of future revenue (before taxes) of the Corporation's proved reserves estimated using constant prices and costs and calculated using a discount rate of 10%, in $1,000.

Light and Medium Crude Oil	Heavy Oil	Associated Gas and Non-Associated Gas	Bitumen, Synthetic Oil or Other Products from Non-Conventional Oil and Gas Activities
-	16.4	558.0	-

Item 2.2 ***Reserve Data (Forecast Prices and Costs)***

1. The following table sets out the Corporation's gross and net reserves by country, estimated using *forecast prices and costs*, for both oil and gas, in the following categories: proved developed producing reserves, proved developed non-producing reserves, proved undeveloped reserves, and proved reserves (in total), probable reserves and proved plus probable reserves.

2.

Country	**Category**	**Oil STB**		**NA Gas MCF**	
Canada		**Gross**	**Net**	**Gross**	**Net**
	Proved Developed Producing	3,100	2,000	267,600	68,500
	Proved Developed Non-producing	_	_	145,800	72,200
	Proved Undeveloped	–	–	–	–
	Proved Reserves (Total)	3,100	2,000	413,400	140,700
	Probable Reserve	687,200	339,400	74,200	24,100
	Proved Plus Probable Reserve	690,400	341,400	487,600	164,800

The following table sets out the net present value of future net revenue attributable to the Corporation's reserves categories referred to in the above table, estimated using forecast prices and costs, before and after deducting future income tax expenses, calculated without discount and using discount rates of 5%, 10%, 15% and 20%.

Country	**Future Net Revenue ($1,000)**					
	Discount	**0 %**	**5 %**	**10%**	**15%**	**20%**
Canada	Before Tax	3,762.5	2,978.0	2,379.0	1,913.2	1,544.6
	After Tax	2,503.6	1,892.0	1,431.1	1,076.3	798.0

The following table sets out the specified elements of future net revenue of the Corporation, after tax attributable to both proved reserves and proved plus probable reserves, estimated using forecast prices and costs, is $1,000.

		Revenue	Royalties	Operating Costs	Development Costs	Abandonment And Reclamation Costs	Future net revenue before deducting Future Income Tax Expenses	Future Income Tax Expenses	Future Net Revenue after deducting Future Income Tax Expenses
Canada	Proved Reserves	1,776.7	282.2	530.5	118.6	117.3	728.1	247.7	480.3
	Proved Plus probable Reserves	16,715.6	3,010.2	7,245.0	2,413.6	284.3	3,762.5	1,258.9	2,503.6

The following table sets out by production group, the net present value of future revenue, before taxes, of the Corporation estimated using forecast prices and costs and calculated using a discount rate of 10%.

Light and Medium Crude Oil	Heavy Oil	Associated Gas and Non-Associated Gas	Bitumen, Synthetic Oil or Other Products from Non-Conventional Oil and Gas Activities
-	2,952.5	809.9	-

PART 3 – PRICING ASSUMPTIONS

Item 3.1 *Constant Prices used in Estimates*

The following table sets out for each product type the benchmark reference prices for Canada, as at the most recent financial year, reflected in the reserves data disclosed in Item 2.1.

Year	Oil STB	NA Gas MCF
2006	$30.86	$8.24

Item 3.2 *Forecast Prices Used in Estimates*

The following table sets out the pricing assumptions used in estimating reserves data using forecast prices for each of the following 5 financial years. These pricing assumptions were made by an independent qualified reserves evaluator, Status Engineering Associates Ltd.

Year	Oil	NA Gas
2006	37.07	10.77
2007	37.29	10.08
2008	34.24	8.30
2009	32.27	7.28
2010	31.15	6.99
2011	31.95	7.12

The bench reference pricing used was Alberta Heavy Crude Oil and Alberta Aggregate Plantgate, adjusted for quality and transportation. Costs were escalated at an inflation rate of 1.5% per year.

PART 4 – RECONCILIATIONS OF CHANGES IN RESERVES AND FUTURE NET REVENUE

Item 4.1 *Reserves Reconciliations*

The following table provided information respecting changes between reserves estimates made as at December 31, 2005 and December 31, 2006.

Net Proved Reserves

	Light and Medium Crude Oil (Mbb1)	Heavy Oil (Mbb1)	Associated Gas and Non-Associated Gas (MMCF)	Synthetic Oil (Mbb1)
2005	2.2	2.8	234.6	-
Technical Revisions Acquisitions Production	(2.2)[1] - -	(0.1) - (0.9)	(27.0) - (16.1)	
2006	0.0	1.8	191.5	

(1) Have since used 1108 BTU/SCF for revenue purposes

Net Probable Reserves

	Light and Medium Crude Oil (Mbb1)	Heavy Oil (Mbb1)	Associated Gas and Non-Associated Gas (MMCF)	Synthetic Oil (Mbb1)
2005	0.2	332.6	27.1	-
Technical Revisions Acquisitions Production	(0.2)[1] - -	108.8 - -	16.2[2] - -	
2006	0.0	441.4	43.3	

(1) Have since used 1108 BTU/SCF for revenue purposes.
(2) A gentler decline trend.

Net Proved plus Probable Reserves (in total)

	Light and Medium Crude Oil (Mbb1)	Heavy Oil (Mbb1)	Associated Gas and Non-Associated Gas (MMCF)	Synthetic Oil (Mbb1)
2005	2.4	335.4	261.7	-
Technical Revisions Acquisitions Production	(2.4)[1] - -	108.7 - (0.9)	(11.8)[2] - (16.1)	
2006	0.0	443.2	233.8	

(1) Have since used 1108 BTU/SCF for revenue purposes.
(2) A significant increase in down-time trend.

Item 4.2 ***Future Net Revenue Reconciliations***

The following table provides information respecting change between before tax future net revenues estimates attributable to net proved reserves made as at December 31, 2004 and December 31, 2005, using cost at prices and costs and a discount rate of 10% in $1,000.

Future Net Revenue as at December 31, 2004	479.8
- sales and transfers of oil, gas or other product types produced during the period net of production costs and royalties	(27.8)
- net change in sales and transfer prices and in production costs and royalties related to future production	12.7
- changes in previously estimated development costs incurred during the period	-
- changes in estimated future development costs	(19.4)
- net change resulting from extensions and improved recovery	-
- net change resulting from discoveries	-
- changes resulting from acquisitions of reserves	-
- changes resulting from dispositions of reserves	-
- net change resulting from revisions in quantity estimates	(47.0)
- accretion of discount (10% of discounted future net revenues at the beginning of the financial year)	65.7
- net change in income taxes, and	-
- any other significant factors(1)	77.6
Future Net Revenue as at December 31, 2005	541.6

(1) Other significant factors are changes to the timing of anticipated future production.

PART 5 – ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Item 5.1 ***Undeveloped Reserves***

The Corporation does not have any undeveloped reserves.

Item 5.2 ***Significant Factors or Uncertainties***

There are no significant factors or uncertainties that affect any particulars of the reserve data.

Item 5.3 ***Future Development Costs***

The following table sets out the development costs deducted on the estimation of future net revenue, in $1,000.

		Proved Reserves Constant Prices and Costs		**Proved Reserves Forecast Prices and Costs**		**Proved plus Probable Reserves Forecast Prices and Costs**	
Year	**Discount**	**0%**	**10%**	**0%**	**10%**	**0%**	**10%**
2006		116.3	116.3	118.6	118.6	2,413.6	2,413.6
2007		0	0	0	0	0	0
2008		0	0	0	0	0	0
2009		0	0	0	0	0	0
2010		0	0	0	0	0	0
Total		116.3	116.3	118.6	118.6	2,413.6	2,413.6

The Corporation expects to enter into farm-out or joint venture agreements to fund the costs to develop the probable reserves. The Corporation's working interest in the reserves would be reduced as a result of those arrangements.

PART 6 - OTHER OIL AND GAS INFORMATION

Item 6.1 *Oil and Gas Properties and Wells*

1. The following is a Description of the Corporation's Properties, plants, facilities and installations:

"Halvar" Property

The "Halvar" property consists of various working interests in several oil and gas wells and was originally acquired in 1994 from a company controlled by directors of this company, for consideration of 3,637,000 pre-consolidation (1,828,500 post consolidation) common shares at $0.10 per share. Approximately one-half of its working interest was sold between 1995 and 1999.

"Harmattan" Property

The "Harmattan" property is a "farm-in" arrangement with an unrelated party (and related "farm-out" arrangements with its joint venture partners) whereby the company earns an option to acquire a net 24% working interest in the property for $1 in return for incurring 60% of the costs of completing a redevelopment well.

"Jordan" Property

The "Jordan" property consists of various working interests in several oil and gas wells and was acquired in 1994 from a company controlled by a director of this company for consideration of 1,277,000 pre-consolidation (638,500 post-consolidation) common shares at $0.10 per share.

"Ribstone" Property

The "Ribstone" property was obtained in 1994 from companies controlled by directors of this company pursuant to a "farm-in" agreement, whereby the company earned a one-half share of a 31.25% working interest in the property in return for participating in the exploration and development costs. Loma is to receive 90% of the net production revenue until its costs are recovered in full. These costs were recovered in full during the previous year and therefore the Corporation's share of net production revenue reverted to its regular working interest.

In 1995, the Corporation purchased the other one-half of the 31.25% working interest from the same parties for $250,000.

Effective April 1, 2001 the company purchased an additional approximately 31.25% working interest in the producing Ribstone property from an unrelated party, to bring its total working interest in this property to 62.5%. The purchase includes a working interest in three wells and a corresponding interest in certain tangible pipeline and natural gas facilities. Consideration provided to the vendor consisted of the issuance of 3,125,000 convertible, redeemable, non-voting preferred shares valued at $0.16 per share for a total purchase price of $500,000 (refer to Note 7). This purchase price was comprised of $50,000 for tangible assets and $450,000 for oil and gas rights and miscellaneous interest.

Concurrent with this purchase, the Corporation has become the operator for the entire Ribstone property.

"Success" Property

The "Success" property consists of a 12% interest in two parcels of land in Saskatchewan. The economic viability of this property has not yet been determined.

The following table sets out the Corporation's number of producing and non-producing wells, by province.

	Producing		Non-Producing	
Province	**Gross Wells**	**Net Wells**	**Gross Wells**	**Net Wells**
Alberta	61	5.45	-	-
Saskatchewan	-	-	1	.12

Item 6.2 ***Additional Information Concerning Abandonment and Reclamation Costs***

The Corporation estimates its anticipated abandonment and reclamation costs based upon experience and consultation of professional engineers. Abandonment costs and reclamation costs are estimated at $30,000 per well. The Corporation anticipates incurring abandonment and reclamation costs for 8.0 net wells (which figure includes wells not yet developed), which would amount to a total cost of $244,300 calculated without discount, or $126,300 using a discount rate of 10%. A total of $18,800 of these costs are expected to be incurred within the next three financial years.

Item 6.3 ***Tax Horizon***

The Corporation was not obligated to pay income taxes for the fiscal year ended December 31, 2005, as a result, in part, of the use of tax losses carried forward. These tax losses will expire in 2006, after which it is estimated that income taxes may become payable by the Corporation.

Item 6.4 ***Costs Incurred***

The following table sets out the property acquisition, exploration, and development costs incurred by the Corporation for the financial year ended December 31, 2005.

	Property Acquisition Costs		Exploration Costs	Development Costs
Country	**Proved**	**Unproved**		
Canada	Nil	Nil	Nil	$157,864

Item 6.5 ***Exploration and Development Activities***

The Corporation did not complete any wells during the year ended December 31, 2005.

All of the Corporation's exploration and development activities are located in Canada. The Corporation's most important current development work is production testing on a well located on the Wembly property. The most important likely exploration and development activity in the foreseeable future is the proposed drilling of two horizontal wells on the Ribstone property.

Item 6.6 ***Production Estimates***

The following table sets out the production estimated for the first year reflected in the estimates of the future net revenue disclosed under items 2.1 and 2.2. All of this estimated production is in Canada.

Light and Medium Crude Oil (STB)	Heavy Oil (STB)	Associated Gas and Non-Associated Gas (MCF)	Bitumen, Synthetic Oil or other Products
-	20,436	38,261	-

The following table describes those fields that account for more than 20% of the estimated production disclosed in the preceding tables.

Field	Oil (STB)	Gas (MCF)
Ribstone	20,436	29,355
Harmattan	-	8,906

Item 6.7 ***Production History***

During the year ended December 31, 2005, the Corporation's share of average daily production volume, before deduction of royalties was 6.9 barrels of oil and 51.2 MCF of gas, all of which production was in Canada. The following table sets out, for the year ending December 31, 2005, the average per unit of volume of the Corporation's prices received, royalties paid, production costs and resulting net back from oil and gas production.

	Price Received	Royalties Paid	Production Costs	Netback
Oil ($/STB)	43.82	1.76	20.49	21.57
Gas ($/MCF)	7.91	1.34	2.03	4.54

The following table sets out, for each important field and in total, the Corporation's production volumes for the year ended December 31, 2005, by product type.

Property	Oil (STB)	Gas (MCF)
Ribstone	857	6,697
Harmattan	686	11,976
Halvar	978	-
Total	2,521	18,673