ZAPATA
Energy Corporation

STATEMENT OF OIL AND GAS RESERVES DATA
AND OTHER OIL AND GAS INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2005

As Defined by National Instrument 51-101
Standards of Disclosure for Oil and Gas Activities

April 24, 2006

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GLOSSARY, ABBREVIATIONS & CONVERSIONS

In this Statement, the following abbreviations have the meanings set forth below.

AECO Alberta Energy Company interconnect with the Nova System, the Canadian benchmark for natural gas pricing purposes

API American Petroleum Institute;

ARTC Alberta Royalty Tax Credit;

bbls barrels, with each barrel representing 34.972 Imperial gallons or 42 U.S. gallons

bbls/d barrels per day

BOE barrels of oil equivalent converting 6 Mcf of natural gas to one barrel of oil equivalent and one barrel of natural gas liquids to one barrel of oil equivalent. The factor used to convert natural gas and natural gas liquids to oil equivalent is not based on either energy content or prices but is a commonly used industry benchmark.

BOE/d barrels of oil equivalent per day

Corporation or **Zapata** Zapata Energy Corporation, a corporation amalgamated under the *Business Corporations Act* (Alberta);

FNR Future Net Revenues

GJ gigajoules

$M means thousands of dollars

Mbbls one thousand barrels

MBOE one thousand barrels of oil equivalent

Mcf one thousand cubic feet

Mcf/d one thousand cubic feet per day

MMbbls one million barrels

MMBOE one million barrels of oil equivalent

MMBTU one million British Thermal Units

MMcf one million cubic feet

MMcf/d one million cubic feet per day

MW megawatts of electricity

NGL natural gas liquids, including condensate, propane, butane and pentane

NPV Net Present Values

royalty interest an interest in the gross production of oil and gas under a lease, free of any expense for exploration, drilling, development, operating and other costs incident to the production and sale of oil and gas produced from the lease;

Sproule Sproule Associates Limited, independent petroleum consultants in Calgary, Alberta; and

"**Sproule Report**" means the independent consultants' evaluation of Zapata's oil and natural gas properties prepared by Sproule as of December 31, 2005.

WTI West Texas Intermediate at Cushing, Oklahoma, the benchmark for North American crude oil pricing purposes

In this Statement of Oil and Gas Reserves Data and Other Oil and Gas Information, unless otherwise indicated, all dollar amounts are in Canadian dollars and all references to "$" are to Canadian dollars.

The following table sets forth certain standard conversions between Standard Imperial Units and the International System of Units (or metric units).

To Convert From To Multiply By

Mcf	cubic metres	28.174
cubic metres	cubic feet	35.494
bbls	cubic metres	0.159
cubic metres	bbls	6.293
feet	metres	0.305
metres	feet	3.281
miles	kilometers	1.609
kilometers	miles	0.621
acres	hectares	0.4047
hectares	acres	2.471

PRESENTATION OF ZAPATA'S OIL AND NATURAL GAS RESERVES AND PRODUCTION INFORMATION

DISCLOSURE OF INFORMATION

In this Statement of Oil and Natural Gas Reserves Data and Other Oil and Gas Information (the "Statement"), all estimates of oil and natural gas reserves and production are presented on a "company interest" (as defined below) basis, unless indicated that they have been presented on a "gross" or "net" basis. The Corporation's actual oil and natural gas reserves and production will be greater than or less than the estimates provided in this Statement. The estimated future net revenue from the production of the Corporation's oil and natural gas reserves do not represent the fair market value of the Corporation's reserves.

The Corporation has adopted the standard of 6 Mcf:1 BOE when converting natural gas to BOE. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 BOE is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Note to Reader Regarding Oil and Natural Gas Information and National Instrument 51-101

The oil and natural gas operational and reserves information contained in this Statement contains the information required to be included in the Statement of Reserves Data and Other Oil and Gas Information pursuant to National Instrument 51-101 adopted by the Canadian securities regulatory authorities and is presented in accordance with Form 51-101F1. Readers should also refer to the Report on Reserves Data by Sproule attached hereto as Exhibit "A" and the Report of Management and Directors on Oil and Gas Disclosure attached hereto as Exhibit "B".

Certain of the following definitions and guidelines have been prepared by the Standing Committee on Reserves Definitions of the CIM (Petroleum Society). Further information is contained in Section 5.4 of Volume 1 of the *COGE Handbook* (First Edition, June 30, 2002). Readers should consult the *COGE Handbook* for additional explanation and guidance. Certain other terms used in this Statement have the meanings assigned to them in National Instrument 51-101 and accompanying Companion Policy 51-101CP, adopted by the Canadian securities regulatory authorities.

INTERESTS IN RESERVES, PRODUCTION, WELLS AND PROPERTIES

"**Company Interest**" means in relation to the Corporation's interest in production or reserves, its working interest (operating or non-operating) share before deduction of royalties and including any royalty interests of the Corporation.

"**Gross**" means:

(i) in relation to the Corporation's interest in production or reserves, its working interest (operating or non-operating) share in its reserves, before deduction of royalties and without including any royalty interests of the Corporation;

(ii) in relation to wells, the total number of wells in which the Corporation has an interest; and

(iii) in relation to properties, the total area of properties in which the Corporation has an interest.

"**Net**" means:

(i) in relation to the Corporation's interest in production or reserves, its working interest (operating or non-operating) share after deduction of royalty obligations, plus the Corporation's royalty interests in those production or reserves;

(ii) in relation to the Corporation's interest in wells, the number of wells obtained by aggregating the Corporation's working interest in each of its gross wells; and

(iii) in relation to the Corporation's interest in a property, the total area in which the Corporation has an interest multiplied by the working interest owned by the Corporation.

"Unproved Property" means a property or part of a property to which no reserves have been specifically attributed.

"**Working Interest**" means the percentage of undivided interest held by the Corporation in the oil and/or natural gas or mineral lease granted by the mineral owner, Crown or freehold, which interest gives the Corporation the right to "work" the property (lease) to explore for, develop, produce and market the leased substances.

RESERVES CATEGORIES

"**Proved Reserves**" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved Reserves.

"**Probable Reserves**" are those additional reserves that are less certain to be recovered than Proved Reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved plus Probable Reserves.

"**Possible Reserves**" are those additional reserves that are less certain to be recovered than Probable Reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated Proved plus Probable plus Possible Reserves.

DEVELOPMENT AND PRODUCTION STATUS

Each of the reserves categories (Proved, Probable and Possible) may be divided into developed and undeveloped categories:

"**Developed Reserves**" are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into Producing and Non-Producing.

"**Developed Producing Reserves**" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

"**Developed Non-Producing Reserves**" are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

"**Undeveloped Reserves**" are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (Proved, Probable, Possible) to which they are assigned.

LEVELS OF CERTAINTY FOR REPORTED RESERVES

The qualitative certainty levels referred to in the definitions above are applicable to individual reserves entities (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest-level sum of individual entity estimates for which reserves estimates are presented). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated Proved Reserves;

- at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated Proved plus Probable Reserves; and

- at least a 10 percent probability that the quantities actually recovered will equal the sum of the estimated Proved plus Probable plus Possible Reserves.

DESCRIPTION OF PRICE AND COST ASSUMPTIONS

"**Constant Prices and Costs**" means prices and costs used in an estimate that are:

(i) the Corporation's prices and costs as at December 31, 2005, held constant throughout the estimated lives of the properties to which the estimate applies; and

(ii) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the Corporation is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices or costs referred to in paragraph (i).

"**Forecast Prices and Costs**" means future prices and costs that are:

(i) generally accepted as being a reasonable outlook of the future; and

(ii) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the Corporation is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices or costs referred to in paragraph (i).

FORWARD LOOKING STATEMENTS

Certain statements contained in this Statement constitute forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Statement should not be unduly relied upon. These statements speak only as of the date of this Statement.

In particular, this Statement contains forward-looking statements pertaining to the following:

- the quantity of oil and natural gas reserves ;
- crude oil, natural gas and natural gas liquids production levels;
- capital expenditure programs;
- projections of market prices and costs;
- supply and demand for crude oil, natural gas and natural gas liquids;
- expectations regarding the ability of the Corporation and its subsidiaries to raise capital and to continually add to reserves through acquisitions and development; and
- treatment under governmental regulatory regimes and tax laws.

The actual results of the Corporation and its subsidiaries could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below:

- volatility in market prices for crude oil, natural gas and natural gas liquids;
- liabilities inherent in oil and natural gas operations;
- uncertainties associated with estimating oil and natural gas reserves;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of acquisitions; and
- geological, technical, drilling and processing problems.

These factors should not be construed as exhaustive. Except as required by law, neither the Corporation nor its affiliates undertake any obligation to publicly update or revise any forward-looking statements.

PART 1 DATE OF STATEMENT

The effective date for the Statement is December 31, 2005 and the information contained in the Statement has been prepared as of April 24, 2006.

PART 2 DISCLOSURE OF RESERVES DATA

In the Sproule Report, Sproule has evaluated all of the crude oil, NGL and natural gas reserves associated with Zapata's properties effective as of December 31, 2005 in accordance with National Instrument 51-101 adopted by the Canadian securities regulatory authorities. All of Zapata's crude oil, natural gas and NGL reserves are located in Canada.

In preparing its report, Sproule obtained basic information from Zapata, which included land data, well information, geological information, reservoir studies, estimates of on-stream dates, contract information, current hydrocarbon product prices, operating cost data, capital budget forecasts, financial data and future operating plans. Other engineering, geological or economic data required to conduct the evaluation and upon which the Sproule Report is based, was obtained from public records, other operators and from Sproule's non-confidential files. Information concerning the extent and character of ownership of Zapata's interests and the accuracy of all factual data supplied to Sproule by third parties was accepted by Sproule as represented.

The following is a summary, as at December 31, 2005, of the crude oil, NGL and natural gas reserves of Zapata and the net present value of the estimated future net revenue ascribed to such reserves as evaluated in the Sproule Report, based on both forecast and constant price and cost assumptions. All future net revenues are stated prior to provision for interest, future site restoration and reclamation costs, general and administrative expenses and indirect costs and after deduction of royalties and estimated future capital expenditures. It should not be assumed that the present worth of estimated future cash flows shown below is representative of the fair market value of the reserves. There is no assurance that such price and cost assumptions will be attained and variances could be material. The recovery and reserve estimates of Zapata's crude oil, NGL and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein. Readers should review the definitions and information contained in "Presentation of Zapata's Oil and Natural Gas Reserves and Production Information" in conjunction with the following tables and notes. Columns may not add due to rounding.

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

	RESERVES									
	Light and Medium Oil (mbbl)		Heavy Oil (mbbl)		Natural Gas - non-associated & associated (mmcf)		Coalbed Methane (mmcf)		Natural Gas Liquids (mbbl)	
RESERVES CATEGORY	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
PROVED										
Developed Producing	1,656	1,447	243	209	15,540	12,413	347	279	317	213
Developed Non-Producing	393	328	85	68	2,538	2,035	789	685	43	34
Undeveloped	254	213	85	67	1,857	1,417	758	654	18	13
TOTAL PROVED	2,302	1,988	414	344	19,935	15,865	1,894	1,619	378	260
PROBABLE	1,357	1,163	425	347	13,622	10,463	584	524	223	150
TOTAL PROVED PLUS PROBABLE	3,659	3,151	839	692	33,558	26,328	2,477	2,143	602	410

	NET PRESENT VALUES OF FUTURE NET REVENUES – Constant Prices									
	Before Income Taxes Discounted at (%/year) ($M)					After Income Taxes Discounted at (%/year) ($M)				
RESERVES CATEGORY	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%
PROVED										
Developed Producing	164,258	138,157	120,488	107,520	97,537	130,670	110,308	96,581	86,510	78,750
Developed Non-Producing	35,411	29,540	25,432	22,393	20,049	23,743	19,660	16,837	14,763	13,172
Undeveloped	24,281	18,902	15,186	12,480	10,431	16,370	12,551	9,894	7,964	6,509
TOTAL PROVED	223,949	186,599	161,105	142,393	128,017	170,783	142,520	123,311	109,238	98,430
PROBABLE	137,852	95,790	72,274	57,320	47,027	91,788	63,482	47,610	37,504	30,547
TOTAL PROVED PLUS PROBABLE	361,801	282,390	233,379	199,713	175,044	262,570	206,002	170,921	146,742	128,977

Notes:

- Net Present Values of Future Net Revenues include all resource income:
  - Sale of oil, gas, by-product reserves
  - Processing third party reserves
  - Other income

- Income Taxes
  - Includes all resource income
  - Apply appropriate income tax calculations
  - Include prior tax pools

2.2 Summary of Oil and Natural Gas Reserves and Net Present Values of Future Net Revenue As of December 31, 2005 (Forecast Prices and Costs)

	RESERVES									
	Light and Medium Oil (mbbl)		Heavy Oil (mbbl)		Natural Gas - non-associated & associated (mmcf)		Coalbed Methane (mmcf)		Natural Gas Liquids (mbbl)	
RESERVES CATEGORY	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
PROVED										
Developed Producing	1,615	1,411	235	199	15,330	12,228	347	279	315	212
Developed Non-Producing	392	328	85	67	2,474	1,981	790	686	41	33
Undeveloped	254	213	85	67	1,858	1,417	760	656	18	13
TOTAL PROVED	2,261	1,952	405	333	19,662	15,626	1,897	1,621	374	257
PROBABLE	1,330	1,141	421	341	13,490	10,341	582	523	223	150
TOTAL PROVED PLUS PROBABLE	3,592	3,093	826	673	33,153	25,967	2,479	2,144	597	407

	NET PRESENT VALUES OF FUTURE NET REVENUES – Forecast Prices									
	Before Income Taxes Discounted at (%/year) ($M)					After Income Taxes Discounted at (%/year) ($M)				
RESERVES CATEGORY	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%
PROVED										
Developed Producing	148,077	129,131	115,687	105,460	97,348	120,259	104,567	93,588	85,295	78,744
Developed Non-Producing	32,226	27,533	24,198	21,689	19,720	21,795	18,457	16,121	14,381	13,024
Undeveloped	21,304	16,921	13,854	11,593	9,859	14,558	11,362	9,110	7,458	6,197
TOTAL PROVED	201,608	173,584	153,739	138,741	126,927	156,612	134,386	118,819	107,133	97,966
PROBABLE	114,132	80,501	61,850	49,932	41,651	77,078	54,015	41,183	32,974	27,273
TOTAL PROVED PLUS PROBABLE	315,740	254,085	215,588	188,673	168,577	233,691	188,401	160,002	140,107	125,239

Notes:

- Net Present Values of Future Net Revenues include all resource income:
  - Sale of oil, gas, by-product reserves
  - Processing third party reserves
  - Other income
- Income Taxes
  - Includes all resource income
  - Apply appropriate income tax calculations
  - Include prior tax pools

2.1 (3) & 2.2 (3) Additional Information Concerning Future Net Revenue

The undiscounted total future net revenue by reserves categories as of December 31, 2005, using both constant and forecast prices and costs, is set forth below:

RESERVES CATEGORY	REVENUE ($M)	ROYALTIES ($M)	OPERATING COSTS ($M)	DEVELOPMENT COSTS ($M)	WELL ABANDONMENT / OTHER COSTS ($M)	FUTURE NET REVENUE BEFORE INCOME TAXES ($M)	FUTURE INCOME TAXES ($M)	FUTURE NET REVENUE AFTER INCOME TAXES ($M)
Constant Prices and Costs								
Proved Reserves	378,395	61,528	82,695	6,435	3,788	223,949	53,166	170,783
Proved Plus Probable Reserves	620,955	108,445	132,530	14,394	3,788	361,801	99,230	262,570
Forecast Prices and Costs								
Proved Reserves	360,085	60,349	86,573	6,447	5,109	201,608	44,996	156,612
Proved Plus Probable Reserves	582,419	103,936	143,106	14,528	5,109	315,740	82,050	233,691

The net present value of future net revenue (before deducting income taxes) by reserves category and production group as of December 31, 2005, using both constant and forecast prices and costs and discounted at 10% per year, is set forth below:

RESERVES CATEGORY	**PRODUCTION GROUP**	NPV OF FUTURE NET REVENUE BEFORE INCOME TAXES (discounted at 10%/year) ($M)	
		Constant Prices & Costs	**Forecast Prices & Costs**
Proved	Light and Medium Crude Oil (including solution gas and other by-products)	51,841	53,771
	Heavy Oil (including solution gas and associated by-products)	8,223	8,646
	Natural Gas (including associated by-products)	87,783	79,121
	Coalbed Methane (including associated by-products)	8,458	7,777
Proved Plus Probable	Light and Medium Crude Oil (including solution gas and other by-products)	72,235	73,018
	Heavy Oil (including solution gas and associated by-products)	13,727	13,833
	Natural Gas (including associated by-products)	131,103	113,898
	Coalbed Methane (including associated by-products)	10,600	9,489

2.3 Reserves Disclosure Varies with Accounting

The Corporation filed consolidated financial statements for the year ended December 31, 2005, which include the accounts of the Corporation, its wholly owned subsidiary, 771129 Alberta Ltd. ("771129") and beneficially owned Zapata Limited Partnership (the "Partnership"). In accordance with NI 51-101, the following table summarizes the reserves attributable to each of the Corporation, 771129 and the Partnership.

	RESERVE SUMMARY - (MBOE)		
	Proved	Probable	Proved Plus Probable
Partnership	3,155	1,678	4,833
771129	68	35	103
Corporation	3,511	2,660	6,171
Total Reserves	6,733	4,373	11,106
	RESERVE OWNERSHIP DISTRIBUTION		
Partnership	47%	38%	44%
771129 %	1%	1%	1%
Zapata %	52%	61%	56%

2.4 Future Net Revenue Disclosure Varies with Accounting

The Corporation filed consolidated financial statements for the year ended December 31, 2005, which include the accounts of the Corporation, its wholly owned subsidiary, 771129 Alberta Ltd. and Zapata Limited Partnership. There are no minority interests in 771129. The Corporation owns 97 percent of the Partnership, and 771129 owns the remaining three percent. Hence, the beneficially owned Partnership has no minority interests.

PART 3 PRICING ASSUMPTIONS

3.1 Constant Prices Used in Estimates

The constant price and cost case assumes the continuance of product prices at December 31, 2005 and operating costs projected for 2006, and the continuance of current laws and regulations. Product prices have not been escalated beyond this date nor have operating and capital costs been increased on an inflationary basis. The constant prices and costs used are those in effect as of December 31, 2005 and are as follows:

Year	***OIL***			***NATURAL GAS***(1)	***PENTANES PLUS***	***BUTANES***	EXCHANGE RATE(2) ($US/$Cdn)
	WTI Cushing Oklahoma ($US/bbl)	Edmonton Par Price 40^0 API ($Cdn/bbl)	Cromer Medium 29.3^0 API ($Cdn/bbl)	Alberta AECO-C ($Cdn/Mcf)	FOB Field Gate ($Cdn/bbl)	FOB Field Gate ($Cdn/bbl)	
Historical							
December 31, 2000	26.83	39.57	32.58	13.34	48.63	46.69	0.667
December 31, 2001	19.78	31.15	22.41	3.64	29.25	16.73	0.628
December 31, 2002	31.23	49.26	41.95	5.97	50.22	38.91	0.634
December 31, 2004	32.56	40.60	36.39	6.88	44.18	37.73	0.771
December 31, 2004	44.04	46.51	32.10	6.78	51.80	39.78	0.832
Forecast							
December 31, 2005	61.04	68.12	52.28	9.99	71.35	59.32	0.860

(1) This summary table identifies benchmark reference pricing schedules that might apply to a *reporting issuer*.

(2) Exchange rates used to generate the benchmark reference prices in this table.

3.2 Forecast Prices Used in Estimates

The forecast price and cost case assumes the continuance of current laws and regulations, and any increase in selling prices also takes inflation into account. The estimated future net revenue to be received from the production of the reserves was based on the following production price forecasts using Sproule's December 31, 2005 escalated pricing model:

Year	OIL			NATURAL GAS[1]	PENTANES PLUS	BUTANES	INFLATION RATES[2] (%/Year)	EXCHANGE RATE[3] ($US/$Cdn)
	WTI Cushing Oklahoma ($US/bbl)	Edmonton Par Price 40⁰ API ($Cdn/bbl)	Cromer Medium 29.3⁰ API ($Cdn/bbl)	AECO Gas Price ($Cdn/MMBtu)	FOB Field Gate ($Cdn/bbl)	FOB Field Gate ($Cdn/bbl)		
Historical								
2001	25.94	39.06	31.56	6.23	42.46	27.93	2.0	0.646
2002	26.09	40.12	35.46	4.04	40.80	25.39	2.7	0.637
2003	31.14	43.23	37.53	6.66	44.16	34.55	2.5	0.716
2004	41.41	52.91	45.72	6.87	53.91	41.37	1.3	0.826
2005	56.45	69.28	57.38	8.58	69.13	45.20	1.6	0.850
Forecast								
2006	60.81	70.07	59.62	11.58	71.77	47.01	2.5	0.850
2007	61.61	70.99	60.39	10.84	72.71	47.62	2.5	0.850
2008	54.60	62.73	53.48	8.95	64.25	42.08	2.5	0.850
2009	50.19	57.53	49.18	7.87	58.92	38.59	1.5	0.850
2010	47.76	54.65	46.75	7.57	55.97	36.66	1.5	0.850
Thereafter	Various escalation rates							

(1) This summary table identifies benchmark reference pricing schedules that might apply to a *reporting issuer*.

(2) Inflation rates for forecasting prices and costs.

(3) Exchange rates used to generate the benchmark reference prices in this table.

Note: Product sale prices will reflect these reference prices with further adjustments for quality and transportation point of sale.

PART 4 RECONCILIATIONS OF CHANGES IN RESERVES AND FUTURE NET REVENUE

4.1 Reserves Reconciliation

The following table reconciles the Corporation's net crude oil, NGL and natural gas reserves from December 31, 2004 to December 31, 2005, using forecast prices and costs.

	Light & Medium Oil (mbbl)			Heavy Oil (mbbl)			NGL (mbbl)			Associated & Non-associated Gas (mboe)			Total (mboe)		
	Net Proved	Net Probable	Net Proved Plus Probable	Net Proved	Net Probable	Net Proved Plus Probable	Net Proved	Net Probable	Net Proved Plus Probable	Net Proved	Net Probable	Net Proved Plus Probable	Net Proved	Net Probable	Net Proved Plus Probable
December 31, 2004	2,129	889	3,018	365	426	791	239	136	375	3,352	1,871	5,223	6,084	3,322	9,407
December 31, 2005	1,952	1,141	3,093	333	340	673	257	152	409	2,873	1,810	4,683	5,415	3,444	8,859
Overall Difference	(176)	252	75	(32)	(86)	(118)	18	17	34	(479)	(61)	(540)	(670)	122	(548)
Production (Sales)	(456)	-	(456)	(52)	-	(52)	(49)	-	(49)	(430)	(14)	(444)	(986)	(14)	(1,000)
Acquisitions & Dispositions	(27)	(7)	(34)	-	-	-	-	-	-	-	-	-	(27)	(7)	(34)
Discoveries	115	212	327	-	-	-	41	39	80	873	679	1,552	1,028	930	1,958
Extensions	287	140	427	112	60	172	18	5	23	63	29	92	480	233	713
Economic Factors	(84)	2	(82)	(7)	(28)	(35)	23	3	26	8	(25)	(17)	(60)	(49)	(109)
Technical Revisions	(0)	-	-	-	-	-	20	8	28	(17)	(6)	(23)	3	2	5
Improved Recovery	(12)	(95)	(107)	(86)	(117)	(203)	(35)	(38)	(73)	(977)	(724)	(1,701)	(1,109)	(974)	(2,082)

Changes in Reserves

This section summarizes the major changes in Zapata's reserves net of royalties are detailed in section 4.1 above.

In 2005, Zapata drilled 27 net wells resulting in 25 net successful wells. This program resulted in discoveries of 1,958 mboe and extensions of 713 mboe for a total of 2,671 mboe being added to Zapata's reserves.

Previous years' recovery estimates incorporated into the reserves required adjustments as follows:

At Pageant, additional compression installed in late 2004 to maximize production levels only lasted a few months, and the 3-26 well watered out prematurely resulting in an 826 mboe reduction in proved plus probable reserves. In the Monitor area, a total of 316 mboe of proved plus probable reserves were eliminated as a result of the 6-27 well prematurely watering out, the 3-20 well performing poorly and the 13-17 well reactivation not occurring as planned. These two areas accounted for over half of the 2,082 mboe loss in the improved recovery category of the reserves reconciliation. The remaining fifty percent is spread amongst Zapata's other properties. Zapata does not expect this loss to recur this year as its reserves are now based on conservative decline curve analyses. The foregoing adjustments and production of 1,000 mboe for the year offset the 2,671 mboe added by discoveries and additions resulting in reserves lower by 548 mboe from the previous year.

4.2 Reconciliation of Changes in Net Present Value of Future Net Revenue

The following table sets forth a reconciliation of changes in the net present value of estimated future revenues associated with the Corporation's net Proved Reserves after tax from December 31, 2004 to December 31, 2005 using constant prices and costs and discounted at 10% per year.

PERIOD AND FACTOR	$M
Estimated Future Net Revenue at Beginning of Year	89,937
Sales and Transfers of Oil and Gas Produced, Net of Production Costs and Royalties	(30,239)
Net Change in Production Costs Related to Future Production	(22,912)
Net Change in Sales Prices Related to Future Production	102,880
Net Change in Royalties Related to Future Production	(14,130)
Changes in Previously Estimated Development Costs Incurred During the Period	5,434
Changes in Estimated Future Development Costs	(6,191)
Extensions and Improved Recovery	(10,678)
Discoveries	17,442
Acquisitions (Dispositions) of Reserves	(458)
Net Change Resulting from Revisions in Quantity Estimates	(966)
Accretion of discount (10% of discounted future net revenue at the beginning of the year)	9,573
Net change in income taxes	(8,500)
Other factors	(7,880)
Estimated Future Net Revenue at End of Year	123,311

PART 5 ADDITIONAL INFORMATION RELATING TO RESERVES DATA

5.1 Undeveloped Reserves

Proved and probable undeveloped reserves have been estimated in accordance with procedures and standards contained in the COGE Handbook. Unless the economics preclude the development of reserves, the Corporation intends to place reserves on production as soon as possible.

Year	PROVED UNDEVELOPED RESERVES									
	Light and Medium Crude Oil (mbbl)		Heavy Oil (mbbl)		Natural Gas - Associated & Non-associated (mmcf)		Coalbed Methane (mmcf)		NGL (mbbl)	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
2005	254	213	85	68	1,858	1,417	758	654	18	13
2004	408	351	-	-	4,539	3,353	-	-	14	10
2003	399	339	-	-	7,399	5,757	-	-	92	63
2002	165	138	-	-	5,457	4,275	-	-	57	38
2001	-	-	-	-	1,026	815	-	-	9	6
2000	-	-	-	-	552	426	-	-	42	30

Year	PROBABLE UNDEVELOPED RESERVES									
	Light and Medium Crude Oil (mbbl)		Heavy Oil (mbbl)		Natural Gas - Associated & Non-associated (mmcf)		Coalbed Methane (mmcf)		NGL (mbbl)	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
2005	1,357	1,163	425	347	13,623	10,463	584	524	223	150
2004	-	-	-	-	-	-	-	-	-	-
2003	52	46	-	-	393	296	-	-	64	44
2002	-	-	-	-	1,183	935	-	-	31	22
2001	-	-	-	-	646	525	-	-	10	7
2000	-	-	-	-	632	591	-	-	3	2

5.2 Significant Factors or Uncertainties

The Corporation does not foresee significant uncertainties that would affect its current reserves with the exception of commodity price volatility.

5.3 Future Development Costs

The amount of development costs deducted in the estimated net present value of future net revenue is as follows (see also section 6.7 "Other Oil and Gas Information – Exploration and Development Activities"):

Year	*Constant Prices and Costs*	*Forecast Prices and Costs*	
	Proved Reserves	Proved Reserves	Proved Plus Probable
	Undiscounted ($M)	Undiscounted ($M)	Undiscounted ($M)
2006	6,245	6,245	11,955
2007	100	103	2,081
2008	-	-	84
2009	60	65	65
2010	-	-	-
Remaining	30	35	343
Total	6,435	6,447	14,528
Total Discounted @ 10%	6,151	6,159	13,473

The Corporation expects the source of funding for estimated future development costs to be internally generated cash flow, debt and equity financing. The costs of this funding will be at market rates, and the Corporation does not anticipate that such costs make development of any property uneconomic or will have any material impact on disclosed reserves or future net revenue. Notwithstanding, the Corporation evaluates each project individually including testing for economic viability.

PART 6 OTHER OIL AND GAS INFORMATION

6.1 Oil and Gas Properties and Wells

Principal Producing Properties

Zapata operates in three focus areas in Alberta: East Central, West Central, and Southeast. All of Zapata's lands are located onshore in Canada. The Corporation's land holdings are summarized as follows:

	UNDEVELOPED LAND (hectares)				
	2005		**2004**		% Net Change
	Gross	Net	Gross	Net	
Alberta	44,555	35,446	40,837	30,717	15%
BC	10,676	1,682	10,624	1,662	1%
Total	55,231	37,128	51,461	32,380	15%

	TOTAL LAND (hectares)				
	2005		**2004**		% Net Change
	Gross	Net	Gross	Net	
Alberta	75,936	53,677	72,360	46,922	14%
BC	13,658	1,839	13,657	1,839	0%
Total	89,594	55,516	86,018	48,761	14%

Readers are directed to the definitions of "company interest," "gross," "net" and other defined terms and disclosure regarding the Corporation's operations and resources under "Presentation of Zapata's Oil and Natural Gas Reserves and Production Information" in this Statement. In particular, unless otherwise indicated as "gross" or "net," all estimates of oil and natural gas reserves and production are presented on a "company interest" basis.

Summary of Production from Principal Producing Properties

During the year ended December 31, 2005, on a BOE basis, 98 percent of the Corporation's production was derived from Alberta, and two percent from British Columbia. The following describes the Corporation's major properties and the average net daily production from these properties during the year ended December 31, 2005.

EAST CENTRAL ALBERTA

East Central was a major area of activity in 2005. The Corporation drilled 10 (18.9 net) wells increasing production sales in the area 18 percent to 1,474 boe/d from 1,253 boe/d in 2004. Zapata expects additional production increases in 2006 as wells drilled in 2005 are brought on production and the Corporation continues to pursue its drilling program.

The Corporation shot two 3-D seismic surveys and purchased a third during 2005 which assisted in developing an ongoing drilling program for 2006 and 2007. The Corporation is also developing a regional natural gas play in the area which will be evaluated in 2006.

Zapata holds 22,013 (20,810 net) hectares of undeveloped land in East Central Alberta. The Corporation has interests in 85 (77 net) oil wells and 24 (20 net) gas wells producing from the Dina, Lloydminster, Cummings and Viking formations. In addition, the Corporation has working interests in seven oil batteries providing a strong area for development. Zapata continues to add to its land base through Crown acquisitions and farmins in this core area.

Net sales from this area in 2005 totaled 1,474 boe/d. This is a prolific oil producing area in Alberta and hosts several significant oil pools. Recent drilling by the Corporation on 3-D identified prospects has encountered several wells each with the capability of producing in excess of 100 boe/d. The Corporation plans to continue its 3-D seismic and drilling programs for the next several years.

Zapata’s large holdings of petroleum and natural gas rights in the area could provide substantial future value to the Corporation as industry begins to evaluate the Mannville coalbed methane reserves in the area.

EAST CENTRAL ALBERTA			
Year ended December 31	2005	2004	% Change
Production			
Gas (mcf/d)	1,744	1428	22%
Oil (bbls/d)	1,163	1002	16%
NGL (bbls/d)	20	13	55%
Total BOE/D	***1,474***	***1,253***	18%
Undeveloped land (gross hectares)	22,013	17,814	24%

SOUTHEAST ALBERTA

Zapata's Southeast Alberta properties had reduced activity during 2005 with the drilling of four (four net) gas wells. Production was down eight percent to 808 boe/d from 882 boe/d from natural gas production declines and downtime. Oil production was up eight percent as a result of a new oil pool discovery which is still under evaluation.

Zapata has working interests ranging from 13 to 100 percent in 6,360 (5,109 net) hectares of undeveloped land in Southeast Alberta. The Corporation has 47 (37 net) gas wells in the area producing from the Belly River, Bow Island, Mannville and Mississippian formations. Net sales from the area in 2005 were 3,968 mcf/d of natural gas and 147 bbls/d of oil and NGL or 808 boe/d.

A 3-D seismic program was shot during 2005 which will assist the Corporation in evaluating its lands in 2006. Additional wells are scheduled in 2006 to develop two of the Corporation's oil pools, while two exploration wells are planned to evaluate exploration concepts.

SOUTHEAST ALBERTA			
Year ended December 31	2005	2004	%Change
Production			
Gas (mcf/d)	3,968	4,747	(16%)
Oil (bbls/d)	93	41	127%
NGL (bbls/d)	54	50	8%
Total BOE/D	***808***	***882***	(8%)
Undeveloped land (gross hectares)	6,360	6,552	(3%)

WEST CENTRAL ALBERTA

The Corporation has various working interests in 9,882 (5,427 net) hectares of undeveloped land in West Central Alberta. Zapata has 18 (11.4 net) gas wells and 22 (2.3 net) oil wells in the area producing from the Elkton, Viking and Cardium formations. Net sales from these wells in 2005 were 486 boe/d, 10 percent greater than the 442 boe/d sold in 2004. The Corporation also has an 85 percent operated interest in the Crossfield Elkton Z Unit and related processing facilities.

Although not an active area for the Corporation, production increased 10 percent to 486 boe/d from 442 boe/d. Zapata drilled four (four net) coalbed methane ("CBM") wells in the area in 2005, one of which was tied in during the year and three of which are expected to contribute to the Corporation's production in early 2006.

Zapata expects 2006 to be an active year in this core area. A drilling program targeting the Mississippian formation is planned at Pembina. Zapata is also negotiating farmins which could, if completed, result in drilling in the Crossfield area. In the meantime, the Corporation continues to acquire land at Crown sales.

WEST CENTRAL ALBERTA			
Year ended December 31	2005	2004	%Change
Production			
Gas (mcf/d)	2,021	1,622	25%
Oil (bbls/d)	89	111	-20%
NGL (bbls/d)	60	61	-1%
Total BOE/D	***486***	***442***	10%
Undeveloped land (gross hectares)	9,882	9,751	1%

MINOR PROPERTIES (Note: Includes BC)

MINOR PROPERTIES			
Year ended December 31	2005	2004	%Change
Production			
Gas (mcf/d)	1,083	960	13%
Oil (bbls/d)	22	31	-29%
NGL (bbls/d)	19	21	-12%
Total BOE/D	***221***	***212***	4%
Undeveloped land (gross hectares)	16,976	17,344	-2%

Oil and Natural Gas Wells and Unproved Properties

The following table summarizes, as at December 31, 2005, Zapata's interests in producing wells and in non-producing wells which may be capable of production, along with Zapata's interests in unproved properties. Although many wells produce both oil and natural gas, a well is categorized as an oil well or a natural gas well based upon the proportion of oil or natural gas production.

	Producing Wells				Non-Producing Wells	
	Oil		Natural Gas			
	Gross	Net	Gross	Net	Gross	Net
Alberta	125	88	116	76.3	45	37
British Columbia	2	0.2	26	1.4	4	0.5
Total	127	88.2	142	77.7	49	37.5

The following table presents Zapata's properties with attributable reserves that are currently not being produced:

Property	**Area (hectares)**		**Attributed Reserves**					
	Gross	Net	**Light and Medium Crude Oil (mbbl)**		**Natural Gas (mmcf)**		**NGL (mbbl)**	
			Proved	Probable	Proved	Probable	Proved	Probable
Brazeau, Alberta	512	320	7	-	-		-	-
Cecilia, Alberta	256	128	-		522	75	7	1
Totals	768	448	7	-	522	75	8	1

6.2 Properties with no Attributed Reserves

1. Zapata has 2,496 (1,752 net) hectares of unproved land. Zapata's main priority is to place its proved properties on production, however, management continually reviews and searches for prospects on its unproved properties.

Property	Area (hectares)	
	Gross	Net
Blueridge, Alberta	256	77
David, Alberta	256	256
Fenn Big Valley, Alberta	768	515
John Lake, Alberta	512	384
McKinley, Alberta	512	512
Shadow, Alberta	192	8
Total	2,496	1,752

2. The Corporation has 1,024 (717 net) hectares of unproved land with the potential to expire before December 31, 2006.

Expiring before December 31, 2006

Property	Area (hectares)	
	Gross	Net
Blueridge	256	77
John Lake	256	128
McKinley	512	512
Total	1,024	717

6.3 Forward Contracts

From time-to-time, the Corporation enters into gas sales contracts in the form of forward financial transactions providing the Corporation with a fixed price on natural gas sales. At December 31, 2005, the Corporation had the outstanding hedge transactions or forward financial contracts shown below.

Commodity	Notional Volume	Floor Price	Ceiling Price	Terms
AECO Gas	2000 GJ/day	$9.00/GJ	$19.50GJ	November 1, 2005-March 31, 2006

This hedge position created neither a gain or loss in 2005. Subsequent to year end the Corporation collapsed this forward financial contracts for a gain of $118,220. This amount will be included in income in 2006.

The Corporation enters into these instruments to protect a portion of its production from possible reduction in price. The risk taken is that prices may rise substantially and Zapata will be limited by its financial instrument. Zapata manages this risk by limiting its use of such instruments to no more than 20 percent of its production.

Subsequent to year end the corporation entered into the following hedge transactions:

Commodity	Notional Volume	Floor Price	Ceiling Price	Terms
WTI Crude Oil	200 bbls/day	$65.00 US/bbl	$75.00 US/bbl	July 1, 2006 –Sept. 30, 2006 *
WTI Crude Oil	200 bbls/day	$65.00 US/bbl	$78.50 US/bbl	Oct 1, 2006 –Dec. 31, 2006 *

* If WTI declines below $58.00 US per bbl, the Corporation will not receive the above floor price, but will receive the actual WTI price plus $7.00 US per bbl

6.4 Additional Information Concerning Abandonment and Reclamation Costs

The Corporation is liable for ongoing environmental obligations and for the ultimate abandonment and reclamation costs for its petroleum and natural gas properties (including surface leases, wells, facilities and pipelines) upon abandonment. The Corporation identifies obligations related to petroleum and natural gas properties by estimating the present value of expected future costs to reclaim and abandon these properties and the timing of the costs to be incurred in future periods. These estimates are currently based on 293 net wells in respect of which the Corporation expects to incur such costs. The Corporation anticipates the total amount of such costs net of salvage to be approximately $3.8 million on an undiscounted basis and $548,000. Of this amount, the Corporation anticipates that approximately $108,000 (undiscounted) will be incurred in the next three financial years.

6.5 Tax Horizon

The Corporation was not required to pay income tax for the year ended December 31, 2005.

6.6 Costs Incurred

In the fiscal year ended December 31, 2005, the Corporation's capital expenditures totaled $27.9 million. Net capital expenditures were financed from the Corporation's cash flow.

CAPITAL EXPENDITURES			
Year ended December 31	2005	2004	Change
($M)			
Drilling and completions	14,322	12,928	11%
Production facilities	11,102	12,361	(9%)
Land and rentals	1,244	1,115	12%
Seismic and geological	1,191	919	30%
Office equipment	58	34	71%
Total exploration and development	*27,917*	*27,357*	2%
Purchase of oil & gas properties	0	565	-
Capitalized G&A	14	35	(60%)
Total Net Capital Expenditures	***27,931***	***27,957***	-

6.7 Exploration and Development Activities

During 2005, Zapata drilled or participated in drilling 42 (27 net) wells resulting in 26 (11 net) gas wells, 10 (10 net) oil wells, four net CBM wells, and two net abandonments for a 95 percent success rate. The majority of Zapata's 2005 wells were drilled in Alberta. The following table summarizes the number and type of wells that Zapata drilled or participated in drilling for the year ended December 31, 2005. The Corporation plans to continue with similar exploration and development activities. All of the Corporation's current exploration and development activities are in Canada.

	DRILLING SUMMARY			
	Exploratory		**Development**	
	Gross	Net	Gross	Net
Completed Gas	5.0	3.0	21.0	8.0
Completed Oil	1.0	1.0	9.0	9.0
Completed CBM	-	-	4.0	4.0
Abandoned	-	-	2.0	2.0
Total Drilled	**6.0**	**4.0**	**36.0**	**23.0**

6.8 Production Estimates

The following tables present the Sproule's forecasted 2006 production by product type. All production is from Canada. No single property accounted for 20 percent or more of the Corporation's forecast production.

	2006 PRODUCTION FORECAST - Constant Pricing			
	Production Start January 1, 2006			
	Crude Oil (mbbl)	Natural Gas (mmcf)	Natural Gas Liquids	Total (mboe)
Total	668	4,829	82	1,555

	2006 PRODUCTION FORECAST - Forecast Pricing			
	Production Start January 1, 2006			
	Crude Oil (mbbl)	Natural Gas (mmcf)	Natural Gas Liquids (mbbl)	Total (mboe)
Total	670	4,825	82	1,556

6.9 Production History and Netbacks

Quarterly Production and Netback History

The following table sets forth Zapata's average daily production volumes on a company interest basis, together with netbacks received, for each product type for each fiscal quarter in 2004 and for the entire year.

	Annual 2005	Q4-2005	Q3-2005	Q2-2005	Q1-2005
CRUDE OIL					
Production (bbls/d)	1,366	1,315	1,278	1,385	1,490
Price received ($/bbl)	54.01	55.16	60.05	55.34	47.84
Royalties paid ($/bbl)	6.84	5.14	7.09	8.75	6.50
Production costs ($/bbl)	16.58	18.68	18.59	15.39	14.51
Transportation costs ($/bbl)	1.52	0.85	1.18	1.85	2.11
Netback ($/bbl)	29.07	30.48	33.15	29.35	24.72
GAS					
Production (mcf/d)	8,801	9,260	8,135	8,635	9,322
Price received ($/mcf)	9.01	13.43	9.02	8.09	6.89
Royalties paid ($/mcf)	1.74	2.90	1.62	1.55	1.18
Production costs ($/mcf)	2.11	2.40	2.39	2.02	1.90
Transportation costs ($/mcf)	0.23	0.42	0.14	0.19	0.20
Netback ($/mcf)	4.93	7.71	4.87	4.33	3.61
NGL					
Production (bbls/d)	156	147	145	163	171
Price received ($/bbl)	53.74	61.36	59.44	52.13	44.52
Royalties paid ($/bbl)	17.47	28.57	14.66	17.49	10.52
Transportation costs ($/bbl)	2.99	7.11	1.88	1.92	1.30
Netback ($/bbl)	33.29	25.68	42.90	32.72	32.70
TOTAL					
Production (boe/d)	2,989	3,005	2,778	2,988	3,215
Price received ($/boe)	54.02	67.89	57.13	51.85	44.53
Royalties paid ($/boe)	9.17	12.36	8.77	9.48	7.01
Production costs ($/boe)	13.78	15.62	15.55	12.93	12.23
Transportation costs ($/boe)	1.52	1.98	1.07	1.54	1.63
Netback ($/boe)	29.55	37.93	31.74	27.90	23.66

Note: Production costs are costs incurred to operate and maintain wells and related equipment and facilities, including operating costs of support equipment used in oil and gas activities and other costs of operating and maintaining those wells and related equipment and facilities. Examples of operating costs include items such as field staff labour costs, costs of materials, supplies and fuel consumed and supplies utilized in operating the wells and related equipment (such as power, chemicals and lease rentals), repairs and maintenance costs, property taxes, insurance costs, costs of workovers, processing and treating fees, overhead fees, taxes (other than income and capital taxes) and other costs.

Form 51-101F2

Report on Reserves Data
by Independent Qualified Reserves Evaluator or Auditor

Report on Reserves Data

To the Board of Directors of Zapata Energy Corporation (the "Company"):

1. We have evaluated the Company's Reserves Data as at December 31, 2005. The reserves data consist of the following:

   (a) (i) proved and proved plus probable oil and gas reserves estimated as at December 31, 2005 using forecast prices and costs; and

   (ii) the related estimated future net revenue; and

   (b) (i) proved oil and gas reserve quantities were estimated as at December 31, 2005 using constant prices and costs; and

   (ii) the related estimated future net revenue.

2. The Reserves Data are the responsibility of the Company's management. Our responsibility is to express an opinion on the Reserves Data based on our evaluation.

   We carried out our 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 we 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 presented in the COGE Handbook.

4. The following table sets forth the estimated future net revenue attributed to proved plus probable reserves, estimated using forecast prices and costs on a before tax basis and calculated using a discount rate of 10%, included in the reserves data of the Company evaluated by us as of December 31, 2005, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company's management and Board of Directors:

Independent Qualified Reserves Evaluator or Auditor	Description and Preparation Date of Evaluation Report	Location of Reserves (Country)	Net Present Value of Future Net Revenue (10% Discount Rate) Audited (M$)	Evaluated (M$)	Reviewed (M$)	Total (M$)
Sproule	Evaluation of the P&NG Reserves of Zapata Energy Corporation, as of December 31, 2005, prepared February and March 2006	Canada				
Total			**Nil**	**215,588**	**Nil**	**215,588**

5. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are presented in accordance with the COGE Handbook.

6. We have no responsibility to update the report referred to in paragraph 4 for events and circumstances occurring after its preparation date.

7. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

Sproule Associates Limited
Calgary, Alberta
April 3, 2006

Harry J. Helwerda, P.Eng.
Vice-President, Engineering

James D. Hudson, R.P.T. (Eng.)
Shareholder

Michael W. Maughan, C.P.G., P.Geol.
Manager, Geoscience, and Associate

James E. Nemrava, C.E.T.
Shareholder

L Precul

Lucia M. Precul, P.Eng.
Senior Petroleum Engineer

Nora T. Stewart, P.Eng.
Associate

Rob W. Warholm, P.Eng.
Senior Petroleum Engineer

Ken H. Crowther, P.Eng.
President

EXHIBIT "B"
FORM 51-101F3
REPORT OF MANAGEMENT AND DIRECTORS
ON RESERVES DATA AND OTHER INFORMATION

Management of Zapata Energy Corporation (the “Company”) is 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 consists of the following:

(a) (i) proved and proved plus probable oil and gas reserves estimated as at last day of the reporting issuer’s most recently completed financial year using forecast prices and costs; and

(ii) the related estimated future net revenue; and

(b) (i) proved oil and gas reserves estimated as at last day of the reporting issuer's most recently completed financial year using constant prices and costs; and

(ii) the related estimated future net revenue.

Sproule Associates Limited, an independent qualified reserves evaluator has evaluated and reviewed the Company’s reserves data. The report of the independent 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 reserves evaluator;

(b) met with the independent reserves evaluator to determine whether any restrictions affected the ability of the independent reserves evaluator to report without reservation; and

(c) reviewed the reserves data with management and the independent 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 the reserves data and other oil and gas information;

(b) the filing of the report of the independent 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.

(“signed”)______________________________
Lloyd Driscoll
Chairman & Chief Executive Officer

(“signed”)______________________________
George Paulus
President & Chief Financial Officer

(“signed”)______________________________
Robert Brawn
Director

(“signed”)______________________________
Allen Emes
Director

April 24, 2006