

PIFHER RESOURCES INC.
FORM 51-101F1
STATEMENT OF RESERVES DATA AND
OTHER OIL AND GAS INFORMATION

This statement was prepared on May 12, 2004 and pertains to the oil and natural gas assets of Pifher Resources Inc. as of Dec 31, 2003. The preparation date of the reserves report that is the basis of this report was as of October 1st, 2003. Since none of the Pifher Resources Inc. natural gas wells referred to in the October, 2003 report were onstream and producing by December 31, 2003, this report is still valid.

Pifher Resources Inc. has natural gas assets onshore in Houghton and Middleton Townships of Norfolk County, in southwestern Ontario. The remaining natural gas reserves and discounted net present worth associated with these assets, as of December 31, 2003, using forecasted gas prices are:

Reserves Category	Company Gas Res	
	Gross (BCF)	Net (BCF)
Proved Undeveloped	9.02	8.47
Total Proved	9.02	8.47
Additional Probable	7.50	7.09
Proved plus Probable	16.52	15.56

Reserves Category	Net Present Worth Before Taxes					Net Present Worth After Taxes				
	0% Disc (\$k)	5% Disc (\$k)	10% Disc (\$k)	15% Disc (\$k)	20% Disc (\$k)	0% Disc (\$k)	5% Disc (\$k)	10% Disc (\$k)	15% Disc (\$k)	20% Disc (\$k)
Proved Undeveloped	\$ 51,201.3	\$ 29,342.5	\$ 20,816.7	\$ 16,183.8	\$ 13,196.1	\$ 37,389.2	\$ 20,957.3	\$ 14,610.9	\$ 11,199.7	\$ 9,023.1
Total Proved	\$ 51,201.3	\$ 29,342.5	\$ 20,816.7	\$ 16,183.8	\$ 13,196.1	\$ 37,389.2	\$ 20,957.3	\$ 14,610.9	\$ 11,199.7	\$ 9,023.1
Additional Probable	\$ 37,962.3	\$ 29,676.3	\$ 23,082.4	\$ 18,461.9	\$ 15,161.8	\$ 26,461.4	\$ 21,191.7	\$ 16,779.0	\$ 13,635.2	\$ 11,362.5
Proved plus Probable	\$ 89,163.7	\$ 59,018.8	\$ 43,899.1	\$ 34,645.7	\$ 28,357.9	\$ 63,850.7	\$ 42,149.0	\$ 31,389.9	\$ 24,834.9	\$ 20,385.5

The revenue and costs associated with the forecasted price table above consists of the following entities:

Reserves Category	Revenue (\$k)	Royalties (\$k)	Operating Costs (\$k)	Development Costs (\$k)	Abandonment Costs (\$k)	Future Net Revenue Before taxes (\$k)	Income Taxes (\$k)	Future Net Revenue After Taxes (\$k)
Proved Reserves	\$ 74,381	\$ 4,546	\$ 15,885	\$ 2,555	\$ 194	\$ 51,201	\$ 13,812	\$ 37,389
Probable Reserves	\$ 53,761	\$ 2,937	\$ 10,200	\$ 2,465	\$ 197	\$ 37,962	\$ 11,501	\$ 26,461
Proved plus Probable Res	\$ 128,141	\$ 7,482	\$ 26,085	\$ 5,020	\$ 391	\$ 89,164	\$ 25,313	\$ 63,851

The remaining proved natural gas reserves and discounted net present worth associated with the Houghton and Middleton Township assets using constant prices and costs are listed below:

Reserves Category	Company Res	
	Gross (BCF)	Net (BCF)
Proved Undeveloped	9.02	8.47
Total Proved	9.02	8.47
Additional Probable	7.50	7.09
Proved plus Probable	16.52	15.56

Reserves Category	Net Present Worth Before Taxes					Net Present Worth After Taxes				
	0% Disc (\$k)	5% Disc (\$k)	10% Disc (\$k)	15% Disc (\$k)	20% Disc (\$k)	0% Disc (\$k)	5% Disc (\$k)	10% Disc (\$k)	15% Disc (\$k)	20% Disc (\$k)
Proved Undeveloped	\$ 58,595.4	\$ 35,691.1	\$ 25,680.3	\$ 19,958.5	\$ 16,201.3	\$ 43,102.1	\$ 25,867.7	\$ 18,387.2	\$ 14,143.2	\$ 11,376.7
Total Proved	\$ 58,595.4	\$ 35,691.1	\$ 25,680.3	\$ 19,958.5	\$ 16,201.3	\$ 43,102.1	\$ 25,867.7	\$ 18,387.2	\$ 14,143.2	\$ 11,376.7
Additional Probable	\$ 50,469.8	\$ 37,967.2	\$ 29,253.4	\$ 23,274.3	\$ 19,019.1	\$ 40,751.0	\$ 30,917.9	\$ 24,032.1	\$ 19,276.4	\$ 15,870.4
Proved plus Probable	\$ 109,065.2	\$ 73,658.3	\$ 54,933.8	\$ 43,232.8	\$ 35,220.4	\$ 83,853.1	\$ 56,785.7	\$ 42,419.3	\$ 33,419.7	\$ 27,247.1

The revenue and costs associated with the constant price table above consists of the following entities:

otal Future Net Revenue Table (Undiscounted, Constant Prices)

Reserves Category	Revenue (\$k)	Royalties (\$k)	Operating Costs (\$k)	Development Costs (\$k)	Abandonment Costs (\$k)	Future Net Revenue Before taxes (\$k)	Income Taxes (\$k)	Future Net Revenue After Taxes (\$k)
roved Reserves	\$ 78,443	\$ 4,817	\$ 12,366	\$ 2,555	\$ 110	\$ 58,595	\$ 15,493	\$ 43,102
robable Reserves	\$ 65,202	\$ 3,566	\$ 8,592	\$ 2,465	\$ 110	\$ 50,470	\$ 9,719	\$ 40,751
roved plus Probable Res	\$ 143,646	\$ 8,383	\$ 20,958	\$ 5,020	\$ 220	\$ 109,065	\$ 25,212	\$ 83,853

The natural gas assets of Pifher Resources Inc. consist exclusively of 19 Thorold sandstone gas wells drilled by the company and 3 existing gas wells purchased by the company over the past 2 years in Houghton Township, Norfolk County in the province of Ontario. As well as the existing gas wells, Pifher Resources Inc. has an undeveloped land base in Houghton and Middleton Townships, Norfolk County that is highly prospective for Thorold gas. The company is actively evaluating this acreage. None of the existing Pifher gas wells are onstream and producing. The company is constructing an extensive gathering system, compressor site, and sales line to begin producing from the wells, with first gas anticipated to be flowing by July 1st. The gathering system is being constructed in 2 phases. The first phase involves tying in 6 Pifher Resources Inc. gas wells along with a number of Echo Energy Inc. gas wells. During the second phase, which is scheduled to be onstream by September, the remaining 16 wells will come onstream. The Proved reserve category development costs indicated in the above table are Pifher Resources Inc.'s share of the costs to build this system.

Since there is no production from the Pifher Resources Inc. wells yet, no history of gas prices is available. However, from discussions with other Ontario producers and industrial end users in Ontario, a +\$0.28/MMBtu basis differential to the natural gas futures contract on the New York Mercantile Exchange (NYMEX) should be expected for gas sales prices. This basis differential, in combination with published NYMEX natural gas forecasts, was used to estimate future gas prices. The NYMEX natural gas price forecasts published by Sproule Associates, McDaniel & Associates, Gilbert Laustsen Jung Associates, and Paddock Lindstrom & Associates were used to arrive at this average NYMEX forecast. Based on this philosophy, the gas price in 2004 will be \$8.69 Cdn/Mcf. This gas price was used in the constant gas price evaluations. The gas prices over the first 5 years of the forecasted evaluations are tabulated below:

Year	2004	2005	2006	2007	2008
Gas Price (\$ Cdn/Mcf)	\$ 8.69	\$ 8.19	\$ 7.15	\$ 6.61	\$ 6.71

In addition to constructing the gathering, compression, and sales line system discussed earlier, Pifher Resources Inc. has 6,451 acres of prospective petroleum and natural gas leases (P&NG leases) in the Houghton and Middleton Township areas of Norfolk County. This undeveloped acreage has been assigned probable reserves in recognition of offset well control and proximity to existing Pifher Resources Inc. gas wells. The capital costs required to construct the gathering system, as well as the costs required to frac existing non-fraced gas wells and to evaluate this undeveloped acreage, is summarized below:

Year	Proved Capital	Proved + Probable Capital
2004		
Facility construction	\$ 2,555 k	\$ 2,555 k
Frac 12 existing wells		\$ 540 k
Drill 1 probable well		\$ 175 k
2005		
Drill 6 probable wells		\$ 1,050 k
2006		
Drill 4 probable wells		\$ 700 k

Pifher Resources Inc. has arranged a construction line of credit to help finance its share of the facility construction. Interest on this construction line is at prime plus 1%, and reverts to prime plus .5% as a revolving credit facility once production commences.

As well as natural gas wells operated by Pifher Resources Inc. in Houghton and Middleton Townships of Norfolk County, Pifher Resources has a 19.14% equity interest in Echo Energy Inc, a private company developing reserves similar to those of Pifher in Bayham Township, Elgin County, directly to the west of the Pifher Resources Inc.

acreage. Pifher Resources Inc.'s equity interest in Echo Energy Inc. has not been included in any of the information above, and is tabulated below:

Pifher's Interest in Echo Energy: Constant Prices and Operating Costs

Reserves Category	Company Res		Net Present Worth Before Taxes			
	Gross (BCF)	Net (BCF)	0% Disc (\$k)	10% Disc (\$k)	15% Disc (\$k)	20% Disc (\$k)
Proved Undeveloped	6.85	6.26	\$ 46,246.9	\$ 18,583.1	\$ 14,303.6	\$ 11,577.3
Total Proved	6.85	6.26	\$ 46,246.9	\$ 18,583.1	\$ 14,303.6	\$ 11,577.3
Additional Probable	4.98	4.72	\$ 34,716.5	\$ 16,994.2	\$ 13,090.1	\$ 10,465.4
Proved plus Probable	11.83	10.97	\$ 80,963.4	\$ 35,577.2	\$ 27,393.7	\$ 22,042.6

Pifher Resources Inc.
Form 51-101F2
Report on Reserves Data
By Independent Qualified Evaluator

To the board of directors of Pifher Resources Inc. (the "Company"):

- 1 I have evaluated the Company's Reserves Data as at December 31, 2003. The Reserves Data are:
 - a) (i) Proved and probable gas reserves estimated as at December 31, 2003 using forecast prices and costs; and
 (ii) the related estimated future net revenue; and
 - b) (i) proved oil and gas reserve quantities, estimated as at December 31, 2003 using constant prices and costs; and
 (ii) the related standardized measure of discounted future net cash flows from oil and gas reserve quantities.
- 2 The Reserve Data are the responsibility of the Company's management. My responsibility is to express an opinion on the Reserves Data based on my evaluation.
- 3 I carried out my evaluation in accordance with standards established by the Canadian committee of The Society of Petroleum Evaluation Engineers.
- 4 Those standards require that I plan and perform an evaluation to obtain reasonable assurance as to whether the Reserves Data are free of material misstatement. An evaluation also includes assessing whether the Reserves Data are in accordance with principles and definitions established by the Canadian committee of The Society of Petroleum Evaluation Engineers.
- 5 The following sets forth the estimated proved plus probable future net revenue, estimated using forecast prices and costs, discounted at 10% included in the Reserves Data evaluation for the year ended December 31, 2003:

Independent Evaluator	Report Dated	Reserve Location	Audit	Evaluate	Review	Total
Jim McIntosh Petroleum Engineering	Dec 31, 2003	Canada	0	\$43,899k		\$43,899k
Totals				\$43,899k		\$43,899k

- 6 In my opinion, the Reserves Data evaluated by me have, in all material respects, been determined and are presented in accordance with the standards established by the Canadian committee of The Society of Petroleum Evaluation Engineers.

- 7 I express no opinion on the Reserve Data reviewed.
- 8 I have no responsibility to update this report for events and circumstances occurring after the date of this report.
- 9 Because the Reserves Data are based on judgments regarding future events, actual results will vary and the variations may be material.

Signed as to our report referred to above:

Jim McIntosh Petroleum Engineering Ltd.

Per: _____ “Jim McIntosh”

Jim McIntosh
President

May 17, 2004

FORM 51-101F3

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

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

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

Report of Management and Directors on Reserves Data and Other Information

Management of Pifher Resources Inc. (the "Company") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which consist of the following:

- (a) (i) proved and proved plus probable oil and gas reserves estimated as at December 31, 2003 using forecast prices and costs; and (ii) the related estimated future net revenue; and
- (b) (i) proved oil and gas reserves estimated as at December 31, 2003 using constant prices and costs; and (ii) the related estimated future net revenue.

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

The board of directors of the Company has:

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

The 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 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 qualified reserves evaluator on the reserves data; and
- (c) the content and filing of this report.

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

“Gary Conn”
Gary Conn, President and Director

“Salvatore Fuda”
Salvatore Fuda, Chairman and Director

“Joseph Fuda”
Joseph Fuda, Director

“Andrew Brandt”
Andrew Brandt, Director

May 19, 2004