

ECHO ENERGY CANADA INC.
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 Echo Energy Canada 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, 2005 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, 2005 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 Reserves Committee of 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 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, on Recommendation of the Reserves Committee, 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" (signed)

Gary Conn,
President and Director

"Salvatore Fuda" (signed)

Salvatore Fuda,
Chairman and Director

"Robert Moore" (signed)

Robert Moore,
Director

"Oliver Nepomuceno" (signed)

Oliver Nepomuceno,
Director

April 25, 2006

FORM 51-101F2

**REPORT ON RESERVES DATA
By INDEPENDENT QUALIFIED EVALUATOR**

To the board of directors of Echo Energy Canada Inc (the "Company")

1. I have evaluated the Company's Reserves Data as at December 31, 2005. The Reserves Data are:
 - a) i) proved and probable oil and gas reserves estimated as at December 31, 2005 using forecasted 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, 2005 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 Reserves 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 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 evaluated for the year ended December 31, 2005:

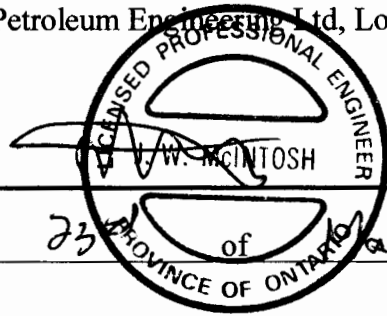
Independent Evaluator	Report Date	Reserves Location	Audited	Evaluated	Reviewed	Total
Jim McIntosh	March 23, 2006	Ontario, Canada		\$187.1 million		\$187.1 million
Total				\$187.1 million		\$187.1 million

6. In my opinion, the Reserves Data evaluated by me has, 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 Reserves 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 judgements regarding future events, actual results will vary and the variations may be material.

Signed as to my report referred to above:

Jim McIntosh Petroleum Engineering Ltd, London, Ontario



Signed this 23rd of May, 2006.

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.

**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)
Proven Developed Producing	9.81	9.27
Proven Developed	15.53	14.67
Total Proved	17.38	16.42
Additional Probable	59.56	56.28
Proved plus Probable	76.94	72.71

Reserves Category	Net Present Worth Before Taxes				
	0% Disc	5% Disc	10% Disc	15% Disc	20% Disc
	(\$k)	(\$k)	(\$k)	(\$k)	(\$k)
Proven Developed Producing	\$ 104,866	\$ 54,854	\$ 34,044	\$ 24,110	\$ 18,678
Proven Developed	\$ 166,944	\$ 86,102	\$ 52,590	\$ 36,678	\$ 28,032
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

Reserves Category	Net Present Worth After Taxes				
	0% Disc	5% Disc	10% Disc	15% Disc	20% Disc
	(\$k)	(\$k)	(\$k)	(\$k)	(\$k)
Proven Developed Producing	\$ 71,051	\$ 38,258	\$ 24,462	\$ 17,786	\$ 14,083
Proven Developed	\$ 110,345	\$ 58,008	\$ 36,158	\$ 25,693	\$ 19,954
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
	(\$k)	(\$k)	(\$k)	(\$)	(\$k)	(\$k)	(\$k)	(\$k)
Proven Developed Producing	\$ 122,693	\$ 6,748	\$ 10,829	\$ -	\$ 250	\$ 104,866	\$ 33,815	\$ 71,051
Proven Developed	\$ 194,139	\$ 10,678	\$ 15,938	\$ 220	\$ 360	\$ 166,944	\$ 56,599	\$ 110,345
Total Proven	\$ 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
Proven plus Probable	\$ 961,973	\$ 52,909	\$ 78,385	\$ 16,665	\$ 6,708	\$ 807,307	\$ 291,552	\$ 515,754

**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 (BCF)	Net (BCF)
Proven Developed Producing	9.81	9.27
Proven Developed	15.53	14.67
Total Proved	17.38	16.42
Additional Probable	59.56	56.28
Proved plus Probable	76.94	72.71

Reserves Category	Net Present Worth Before Taxes				
	0% Disc (\$k)	5% Disc (\$k)	10% Disc (\$k)	15% Disc (\$k)	20% Disc (\$k)
Proven Developed Producing	\$ 88,910	\$ 45,365	\$ 27,775	\$ 19,644	\$ 15,323
Proven Developed	\$ 141,994	\$ 71,335	\$ 42,875	\$ 29,781	\$ 22,867
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 Worth After Taxes				
	0% Disc (\$k)	5% Disc (\$k)	10% Disc (\$k)	15% Disc (\$k)	20% Disc (\$k)
Proven Developed Producing	\$ 60,943	\$ 32,247	\$ 20,490	\$ 14,957	\$ 11,958
Proven Developed	\$ 94,540	\$ 48,655	\$ 30,007	\$ 21,330	\$ 16,688
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
	(\$k)	(\$k)	(\$k)	(\$k)	(\$k)	(\$k)	(\$k)	(\$k)
Proven Developed Producing	\$ 108,274	\$ 5,955	\$ 13,071	\$ -	\$ 338	\$ 88,910	\$ 27,967	\$ 60,943
Proven Developed	\$ 171,335	\$ 9,423	\$ 19,211	\$ 220	\$ 486	\$ 141,994	\$ 47,455	\$ 94,540
Total Proven	\$ 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
Proven plus Probable	\$ 834,238	\$ 45,883	\$ 78,385	\$ 16,615	\$ 6,708	\$ 686,647	\$ 247,324	\$ 439,324

Benchmark Price used for Price Forecasting

NYMEX Natural Gas \$ 8.62 US/MMBtu average during 2005

Gas Price Schedule

Year	2006	2007	2008	2009	2010
Gas Price (\$ Cdn/Mcf)	\$ 12.50	\$ 11.54	\$ 10.18	\$ 9.25	\$ 8.81

Reconciliation of Company Net Reserves

Factors	Net Proved (Bcf)	Net Probable (Bcf)	Net Proved + Probable (Bcf)
December 31, 2004	35.23	43.72	78.95
Extensions	-	-	-
Improved recovery	-	-	-
Technical revisions	(17.40)	15.84	(1.56)
Discoveries	-	-	-
Acquisitions	-	-	-
Dispositions	-	-	-
Economic factors	-	-	-
Production	0.45	-	0.45
December 31, 2005	17.38	59.56	76.94

The Net Proven 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 additional Probable reserves. Note that the Net Total Proved plus Probable reserve total is only reduced marginally, as most of the reserves reduced in the Net Proved category are recouped in the additional Probable category. This transfer of reserves, however, can only be realized if the company aggressively drills additional Thorold wells to both prove up additional company acreage,

and drills additional infill wells where current wells are not capable of recovering the gas-in-place quantities. The capital schedule below is necessary to meet the Net Proven plus Probable reserve assignments listed above.

Capital Cost Summary

Year	Proved Developed Capital	Total Proved Capital	Proved + Probable Capital
2005			
Well Tie-ins	\$ 220 k	\$ 360 k	\$ 360 k
Fracturing	\$ -	\$ - k	\$ 1,170 k
Drilling & Completion		\$ - k	\$ 2,310 k
2006			
Drilling & Completion	\$ -	\$ -	\$ 2,145 k
Tie-in	\$ -	\$ -	\$ 130 k
2007			
Drilling & Completion	\$ -	\$ -	\$ 3,300 k
Tie-in			\$ 200 k
2008			
Drilling & Completion	\$ -	\$ -	\$ 3,300 k
Tie-in			\$ 200 k
2009			
Drilling & Completion			\$ 3,300 k
Tie-in	\$ -	\$ -	\$ 200 k

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

2006 Average Production Rates

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