

# **ONA EXPLORATION INC.**

Consolidated Interim Financial Statements  
December 31, 2006

These consolidated financial statements have not been reviewed by the  
Company' auditors.

**ONA EXPLORATION INC.**

## Consolidated Balance Sheets

As at

	December 31, 2006 <i>(Unaudited)</i>	September 30, 2006
	\$	\$
<b>A S S E T S</b>		
<b>Current</b>		
Cash and short-term deposits	387,049	184,056
Short-term investments	5,200,000	1,000,000
Amounts receivable and prepaid expenses	53,648	61,016
	<u>5,640,697</u>	<u>1,245,072</u>
Investment in Medan Power Plant project (note 3)	1,700,000	1,700,000
Oil and gas property costs (note 4)	752,981	705,298
Equipment (note 5)	6,961	7,360
	<u>8,100,639</u>	<u>3,657,730</u>

**L I A B I L I T I E S**

<b>Current</b>		
Accounts payable and accrued liabilities	<u>532,561</u>	<u>51,662</u>

**S H A R E H O L D E R S ' E Q U I T Y**

Share capital (note 6(a))	10,120,254	6,050,830
Contributed surplus (note 6 (d))	2,825,493	2,825,493
Deficit	(5,377,669)	(5,270,255)
	<u>7,568,078</u>	<u>3,606,068</u>
	<u>8,100,639</u>	<u>3,657,730</u>

Approved by the Board of Directors:

"John Wong"

\_\_\_\_\_  
Director

"Curt Huber"

\_\_\_\_\_  
Director

**ONA EXPLORATION INC.**  
Consolidated Statements of Operations and Deficit  
For the Three Months ended December 31,  
(Unaudited)

	2006	2005
	\$	\$
<b>Expenses</b>		
Administrative Fees	1,215	4,000
Amortization	399	78
Audit and accounting fees	1,680	6,200
Consulting	34,481	8,780
Foreign exchange (gain)	(857)	-
Interest income	(589)	-
Legal	9,634	1,249
Office and miscellaneous	3,197	5,370
Property investigation	-	3,527
Rent	30,000	-
Shareholders communication	-	10,180
Stock-option compensation	-	449,200
Travel and accommodation	21,297	-
Trust and filing	6,957	41,906
	<hr/>	<hr/>
Net loss for the period	(107,414)	(530,490)
Deficit, beginning of period	(5,270,255)	(1,700,666)
Deficit, end of period	<u>(5,377,669)</u>	<u>(2,231,156)</u>
	<hr/>	<hr/>
<b>Loss per share</b>	<b>\$ (0.00)</b>	<b>\$ (0.03)</b>
	<hr/>	<hr/>
<b>Weighted average number of shares</b>	<b><u>23,577,073</u></b>	<b><u>16,173,779</u></b>

**ONA EXPLORATION INC.**  
Consolidated Statements of Cash Flows  
For the Three Months ended December 31,  
(Unaudited)

	2006	2005
	\$	\$
<b>Cash provided by (used for):</b>		
<b>Operations</b>		
Net loss for the period	(107,414)	(530,490)
Items not affecting cash:		
Amortization	399	78
Stock-option compensation	-	449,200
	<u>(107,015)</u>	<u>(81,212)</u>
Changes in non-cash working capital components:		
Accounts payable and accrued liabilities	480,899	(31,381)
Amounts receivable and prepaid expense	7,368	(43,622)
	<u>381,252</u>	<u>(156,215)</u>
<b>Investing Activities</b>		
Oil and gas property costs	<u>(47,683)</u>	<u>(64,080)</u>
	<u>(47,683)</u>	<u>(64,080)</u>
<b>Financing Activities</b>		
Short term investments	(4,200,000)	-
Cash from shares issued	4,506,499	979,240
Share issue costs	(437,075)	-
	<u>(130,576)</u>	<u>979,240</u>
<b>Net cash (used) provided during the period</b>	202,993	758,945
<b>Cash, beginning of period</b>	<u>184,056</u>	<u>362,599</u>
<b>Cash, end of period</b>	<u><u>387,049</u></u>	<u><u>1,121,544</u></u>

**ONA EXPLORATION INC.**  
Consolidated Schedule of Oil and Gas Property Costs

	September 30, 2006	Net Expenditures	December 31, 2006
	\$	\$	\$
<b>INDONESIA</b>			
<b>Dutch Oil Wells</b>			
<b>Keluang property</b>			
Acquisition	303,949	-	303,949
Assays and reports	19,360	9,150	28,510
Geological and geophysical	-	14,520	14,520
Travel and accommodation	39,019	4,747	43,766
	<u>362,328</u>	<u>28,417</u>	<u>390,745</u>
<b>Karangringin Property</b>			
Acquisition	151,975	-	151,975
Geological and geophysical	-	7,260	7,260
Travel and accommodation	19,509	2,373	21,882
	<u>171,484</u>	<u>9,633</u>	<u>181,117</u>
<b>Suban Burung Property</b>			
Acquisition	151,975	-	151,975
Geological and geophysical	-	7,260	7,260
Travel and accommodation	19,509	2,373	21,882
	<u>171,484</u>	<u>9,633</u>	<u>181,117</u>
<b>CANADA</b>			
<b>Dyberg property</b>			
Acquisition	1	-	1
<b>Hunkson property</b>			
Acquisition	1	-	1
<b>Total Oil and Gas Property Costs</b>	<u><u>705,298</u></u>	<u><u>47,683</u></u>	<u><u>752,981</u></u>

See notes to the consolidated financial statements

**ONA EXPLORATION INC.**  
Notes to the Consolidated Financial Statements  
December 31, 2006 and September 30, 2006  
(*unaudited*)

**1. NATURE AND CONTINUANCE OF OPERATIONS**

The Company's major activity is the energy business and oil and gas exploration and development of mineral properties. The recoverability of amounts shown for its properties is dependent upon the discovery of economically recoverable reserves. The Company does not generate cash flows from operations and has therefore relied principally upon the issuance of equity securities to finance its exploration activities. The Company intends to continue relying upon the issuance of equity securities to finance its operations and exploration activities to the extent that such instruments are issuable under terms acceptable to the Company. Accordingly, the Company's interim financial statements are presented on a going concern basis, which assumes that the Company will continue to realize its assets and discharge its liabilities in the normal course of operations. If future financing is unavailable, the Company may not be able to meet its ongoing obligations, in which case the realizable values of its assets may decline materially from current estimates.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Accounting principles and use of estimates**

The accompanying unaudited interim financial statements of the Company are prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. These interim financial statements should be read in conjunction with the Company's annual audited financial statements dated September 30, 2006. All material adjustments which, in the opinion of management, are necessary for a fair presentation of the results for the interim periods have been reflected. The results for the three month period ended December 31, 2006 are stated utilizing the same accounting policies as those reflected in the Company's most recent annual financial statements, but these interim figures are not necessarily indicative of the results to be expected for the full year.

**3. INVESTMENT IN MEDAN POWER PLANT PROJECT**

On June 20, 2006, the Company entered into an agreement to acquire a 51% interest in a joint venture to construct and own a 3x35 MW coal fired power plant in Medan, North Sumatra, Indonesia in consideration for the issue of 1,000,000 shares to Can Power Corporation ("CPC"), a private related British Columbia company. The Company has not yet financed nor commenced construction of the plant to date.

**4. OIL AND GAS PROPERTIES**

**Liberia Concession**

In October, 2005, the Company entered into a Memorandum of Understanding with the Government of the Republic of Liberia to acquire certain oil and gas rights to two off shore concessions. The parties have agreed that the Company will conduct a 3-D seismic study on the concessions being acquired.

To date, no formal concession agreement has been completed with the government of Liberia.

#### 4. OIL AND GAS PROPERTIES (continued)

##### Dutch Oil Wells Project, Indonesia

The Dutch Oil Wells Project is made up of three historic oil fields in South Sumatra, Indonesia, The Company acquired an interest in a joint venture agreement to rework and develop these fields.

All projects are held in PT. Muba Ona Oil, the Company's 80% held Foreign Investment Company in Indonesia, which is a joint venture with P.T. Petro Muba ("PTPM"), an agency of the Musi Banyuasin ("MUBA") Local Government Regency. Rights of the projects are governed under a Production Sharing Contract (PSC) within the MUBA Regency. The agreement provides for the management and rehabilitation of the abandoned oil wells located within the boundary of the Corridor Block PSC area in the Keluang, Karangrining, and Suban Baru oil fields being an area that was previously managed by ConocoPhillips. Under this agreement, the Company is entitled to 80% of the net profit of the Contractor's take, after expenses and taxes under the PSC with the Indonesian government.

##### Dyberg Prospect, Alberta Canada

During the 2005 fiscal year, the Company had entered into an agreement whereby the Company was granted the right to earn up to a 22.5% Working Interest before payout (13.75% after payout) in the Dyberg Prospect by contributing 25% of the costs associated with the drilling of a test well. The Company has paid \$106,800 under the agreement; however, during the year, the Company wrote-down its interest to \$1, pending a technical review of the project and resolution of costs.

#### 5. EQUIPMENT

	December 31, 2006			September 31, 2006
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Computer equipment	6,029	2,580	3,449	3,729
Office equipment	3,896	384	3,512	3,631
	<u>9,925</u>	<u>2,964</u>	<u>6,961</u>	<u>7,360</u>

6. **SHARE CAPITAL**

- a) Authorized share capital consist of: unlimited common shares without par value.  
unlimited preference shares without par value

Issued:

	Number of shares	Amount
		\$
Issued at September 30, 2006	21,330,260	6,050,830
Private placements	2,925,933	(1) 3,951,674
Warrants	157,000	117,750
Issued at December 30, 2006	<u>24,413,193</u>	<u>10,120,254</u>

(1) Net of share issue costs of \$437,075.

- b) Summary of stock options outstanding:

Expiry Date	Exercise Price	September 30, 2006	Granted	Cancelled	December 31, 2006
	\$				
February 28, 2010	0.60	125,000	-	-	125,000
August 17, 2011	1.50	1,001,000	-	-	1,001,000
September 11, 2011	1.50	1,000,000	-	(75,000)	925,000
		<u>2,126,000</u>	<u>-</u>	<u>(75,000)</u>	<u>2,051,000</u>
Weighted average exercise price		<u>\$ 1.45</u>	<u>\$ -</u>	<u>\$ 1.50</u>	<u>\$ 1.45</u>
Weighted average remaining life		<u>4.83</u>			<u>4.58</u>

- c) Warrants outstanding

The continuity of the Company's share purchase warrants is a follows:

Expiry Date	Exercise Price	Balance September 30, 2006	Changes in the period			Balance December 31, 2006
		Issued	Exercised	Expired		
	\$					
November 24, 2007	0.75	880,000	-	(157,000)	-	723,000
April 25, 2007	1.75	-	2,925,833	-	-	2,925,833
		<u>880,000</u>	<u>2,925,833</u>	<u>(157,000)</u>	<u>-</u>	<u>3,648,833</u>
Weighted average Exercise Price		<u>\$ 0.75</u>	<u>\$ 1.75</u>	<u>\$ 0.75</u>	<u>\$ -</u>	<u>\$ 1.45</u>

6. **SHARE CAPITAL** (continued)

d) Contributed surplus

During the period ended December 31, 2006, the Company recorded an estimated fair value of \$Nil (September 30, 2006 - \$2,845,758) for stock-based compensation.

The fair value of the share purchase options was estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rates of Nil (September 30, 2006 - 3.00%), no dividend yield, volatility factors of Nil (September 30, 2006 - 114%, and an expected life of Nil (September 30, 2006 - ½ - 2 ½ years).

	\$
Balance at September 30, 2006	2,825,493
Non-cash stock-based compensation	-
Contributed surplus transferred to share capital on options exercised	-
Balance at December 31, 2006	<u>2,825,493</u>

7. **PT MUBA ONA OIL JOINT VENTURE COMPANY**

During the year ended September 30, 2006, the Company acquired an 80% interest in a Joint Venture Company ("PT Muba Ona Oil").

The Company's proportionate interest in the accounts of PT Muba Ona Oil included in these financial statements are as follows:

Balance sheet as at	December 31, 2006	September 30, 2006
	\$	\$
Current assets	37,464	39,610
Long-term assets	<u>216,371</u>	<u>163,947</u>
Total assets	<u>253,835</u>	<u>203,557</u>
Current liabilities	<u>-</u>	<u>(599)</u>
Net income (loss)	<u>110</u>	<u>(21,851)</u>
Cash flows for the period ended September 30, 2006:		
Operating activities	(489)	(21,252)
Investing activities - property costs and equipment	<u>(9,150)</u>	<u>(163,947)</u>
Net cash used during the period	<u>(9,639)</u>	<u>185,199</u>

**ONA EXPLORATION INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**1<sup>st</sup> Quarter Report – December 31, 2006**

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The following discussion and analysis of the operations, results, and financial position of the Company for the three months ended December 31, 2006 should be read in conjunction with the December 31, 2006 unaudited Financial Statements and the related Notes. The effective date of this report is February 27, 2007.

**Forward Looking Statements**

Except for historical information, the Management's Discussion and Analysis ("MD&A") may contain forward looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance, or achievement expressed or implied by these forward looking statements.

**Business Description**

Ona was incorporated under the Business Corporation Act of Alberta on August 31, 1998 and continued into British Columbia on January 30, 2006. As of June 21, 2006, our shares are publicly traded on the CNQ under the symbol "OEIX". Prior to that, our shares were traded on the TSX Venture Exchange ("TSX-V") under the symbol "OEI". The Company delisted its shares from the TSX.V at the close of business on June 21, 2006. In addition to the CNQ, the Company also trades on the Frankfurt Exchange under the symbol "O3X".

We are in the business of oil and gas exploration & development and energy development (construction of coal fired power plants) in Canada and internationally. The Company currently is working on projects in Alberta, Canada, North and South Sumatra, Indonesia and Liberia. Management continues to actively evaluate additional resource prospects for acquisition by the Company.

**Results of Operations**

*Year to date (3 months)*

Ona reported an increase in cash from \$184,056 at September 30, 2006 to \$387,049 at December 31, 2006 and a short-term investments increase from \$1,000,000 at September 30, 2006 to \$5,200,000 at December 31, 2006. During the period total assets increased by \$4,442,909 to \$8,100,639. Both increases were due to the completion of a \$4,388,749 private placement in October 2006. There were 3,082,933 common shares issued in the quarter for net proceeds of \$4,069,424 increasing the issued share capital to 24,413,093 common shares at December 31, 2006.

The carrying value on our Oil and Gas Properties increasing to \$752,981 at December 31, 2006 from \$705,298 in September 30, 2006.

In the quarter Ona granted no Stock Options.

The loss for the quarter ended December 31, 2006 was \$107,414 compared to \$530,490 on December 31, 2005. The main difference was stock-option compensation in the amount of \$449,200 in 2005. General administrative fees for the quarter were \$107,414.

## **Overview of Projects**

### **Dutch Oil Wells Project – South Sumatra, Indonesia**

The Dutch Oil Wells Project is made up of three historic oil fields in South Sumatra, Indonesia. The Company acquired an interest in a joint venture agreement to rework and develop these fields.

All projects are held in PT. Muba Ona Oil, the Company's 80% held Foreign Investment Company in Indonesia, which is a joint venture with P.T. Petro Muba ("PTPM"), an agency of the Musi Banyuasin ("MUBA") Local Government Regency. Rights of the projects are governed under a Production Sharing Contract (PSC) within the MUBA Regency. The agreement provides for the management and rehabilitation of the abandoned oil wells located within the boundary of the Corridor Block PSC area in the Keluang, Karangrining, and Suban Baru oil fields being an area that was previously managed by ConocoPhillips. Under this agreement, the Company is entitled to 80% of the net profit of the Contractor's take, after expenses and taxes under the PSC with the Indonesian government.

The Dutch Oil Wells comprise approximately 300 abandoned Dutch Oil Wells situated in Keluang, Karangrining and the Suban Burung oilfields. Many of these wells have been capped since 1945, when the Japanese turned the country back to the Indonesians and not the Dutch. Through geological modeling, typical to this area, it would appear that the pay zone reservoirs are being recharged through sub-surface fluid movements. The regency of Musi Banyuasin has the rights to these Dutch oil wells.

The Company commissioned two separate 51-101 reports relating to the Dutch Oil Wells Project. The first report from Chapman Petroleum Engineering Ltd. of Calgary, Alberta, dealt with primary recovery of the Company's main Dutch Oil Wells asset, the Keluang field. In their report of March 1, 2006, it was reported that there were primary oil reserves recoverable of 1,806,948 stb. A further report commissioned from Calco Geological & Engineering from Calgary, Alberta. In the Calco report of November 1, 2006 it was reported that by utilizing secondary and tertiary recovery methods, namely horizontal well bore holes with down dip and/or central pool water flood, Calco reported that the estimated remaining recoverable reserves in the field range from 15,000,000 to 25,000,000 stb.

The Calco report recommended a work program that involves the development of all five compartments in the Keluang oilfield. The initial phase (anticipated in early 2007) provides for development to produce secondary reserves within Compartment "E" of the Keluang oilfield. The proposed development includes four horizontal producing wells, 2 vertical producing wells, 4 horizontal water injection wells, satellite battery gathering lines and water injection has an estimated capital cost of US\$8.5 million. The forecast production from compartment "E" of the Keluang oil field is 4.5 million STB.

Three additional work program phases have been proposed for subsequent years. Gross capital expenditures for all four phases have been estimated at US\$38 mil. Under the terms of the Indonesian Production Sharing Contracts (PSC), capital expenditures are 100% recoverable from production prior to taxes and split with the government.

### **Power Plant Project - North Sumatra, Indonesia**

In June 2006, the Company acquired a 51% interest in a joint venture (JV) to construct and own a 3 x 35 MW coal-fired power plant in Medan, North Sumatra, Indonesia.

PT Cahaya Sakti, ONA's JV partner shall transfer to the Company a 51% controlling interest in the project. Cahaya Sakti has all of the major approvals and documents in place for the Project, including the Power Purchase Agreement (PPA), Long Term Fuel Supply Agreement, and Environmental Permits.

In addition, PT Cahaya Sakti's wholly owned subsidiary, Pt. Turbindo, has a large coal mine concession covering 22,500 hectares. The deposit contains an estimated 50 million tonnes of coal rated at 4,500 to 5,200 kcal/kg. The deposit located in Palembang, Southern Sumatra, Indonesia, is ready to be exploited and will guarantee the fuel supply for the proposed power plant under a long-term contract.

The terms of the PPA are as follows:

- The term of electrical power sales is for 20 years
- The electrical power, with a minimum dependable capacity of 50 MW over a period of 8,760 hours per annum, amounting to 438,000,000 kW-hr per annum is to supply the Medan Industrial Estate.
- The sale price of electricity is approximately US\$0.05/kW-hr for first year through to the third year, thereafter; it is increased by 2% annum for the minimum contract amount.
- The sale price for electrical power in excess of the minimum amount contracted is approximately US\$0.04775/kW-hr thereafter; it is increase by 2% annum.

The estimated capital cost of the power plant is about US \$110 million. PT Cahaya Sakti shall use the equivalent of 20% of the project value in coal as a down payment, and financing shall be negotiated and arranged with the turnkey contractor who will provide the remainder of the project value.

The estimated annual gross revenue of the proposed power plant is in excess of US \$29 million subject to a 2% increase annually.

To date, construction on the power plant has not begun.

### **Dyberg oil well project – Alberta, Canada**

During the 2005 fiscal year the Company had entered into an agreement whereby the Company was granted the right to earn up to a 22.5% Working Interest before payout (13.75% after payout), in the Dyberg Prospect by contributing 25% of the costs associated with the drilling of a test well. The Company has paid \$106,800 under the agreement, however during the year, the Company wrote-down its interest to \$1, pending a technical review of the project and resolution of costs.

### **Off-shore oil concessions - Liberia**

In October, 2005, Ona entered into a Memorandum of Understanding with the Government of the Republic of Liberia to acquire certain oil and gas rights to two off shore concessions. One concession covers an area of 3,340 square kilometres and has had a total of 590 line kilometres of 2D seismic survey acquired. The second concession has an area of 3,121 square kilometres with a total of 490 line kilometres of 2D seismic survey acquired. Under the terms of the Memorandum, Ona agreed to conduct a 3-D seismic study on the concessions being acquired, upon signing of the a formal Concession Agreement. The agreement was originally expected to be signed in early January, 2006, but due to a change of government in the Republic of Liberia, the process is taking much longer than initially expected and is still ongoing. To date, no formal concession agreement has been completed with the government of Liberia.

## Share Structure

Authorized                      Unlimited common shares without par value  
    Unlimited preferred shares without par value

Common shares issued:

	Number	Amount
Balance at September 30, 2006	21,330,260	\$ 6,050,830
Private placements	2,925,933	3,951,674
Warrants	157,000	117,750
Balance, at December 31, 2006	<u>24,413,093</u>	<u>\$ 10,120,254</u>

The continuity of the Company's share purchase warrants is as follows:

Expiry dates	Exercise prices	Balance September 30 2006	Changes in the period			Balance December 31 2006
			Issued	Exercised	Expired	
April 25, 2007	\$ 1.75	-	2,925,833	-	-	2,925,833
November 24, 2007	\$ 0.75	880,000	-	(157,000)	-	723,000
		<u>880,000</u>	<u>2,925,833</u>	<u>(157,000)</u>	<u>-</u>	<u>3,648,833</u>
Weighted average Exercise price		<u>\$ 0.75</u>	<u>\$ 1.75</u>	<u>\$ 0.75</u>	<u>-</u>	<u>\$ 1.55</u>

The continuity of the Company's share purchase options is as follows:

Expiry dates	Exercise prices	Balance September 30, 2005	Issued	Exercised	Cancelled	Balance December 31, 2006
	\$					
February 28, 2010	0.60	125,000	-	-	-	125,000
August 17, 2011	1.50	1,001,000	-	-	-	1,001,000
September 11, 2011	1.50	1,000,000	-	-	(75,000)	925,000
		<u>2,126,000</u>	<u>-</u>	<u>-</u>	<u>(75,000)</u>	<u>2,051,000</u>
Weighted average Exercise price		<u>\$ 1.45</u>			<u>\$ 1.50</u>	<u>\$ 1.45</u>
Weighted average remaining life		<u>\$ 4.83</u>				<u>\$ 4.58</u>

## **Summary of Quarterly Results**

Expressed in Canadian \$

Period ended	2006				2005			
	Dec 31 Q1	Sept 30 Q4	Jun 30 Q3	Mar.31 Q2	Dec. 31 Q1	Sept. 30 Q4	Jun 30 Q3	Mar. 31 Q2
Total Revenue	-	-	-	-	-	-	-	-
Income (loss) before other items	(107,414)	(447,071)	(118,224)	(296,804)	(81,290)	(67,442)	(27,811)	(42,117)
Basic loss per Share	(0.00)	(0.02)	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)	(0.00)
Net Income (loss)	(107,414)	(447,071)	(118,224)	(2,473,804)	(530,490)	(130,307)	(27,811)	(608,317)
Basic loss per Share	(0.00)	(0.02)	(0.01)	(0.13)	(0.03)	(0.06)	(0.00)	(0.04)

### **Liquidity and Capital Resources**

The Company had working capital of \$5,108,136 at December 31, 2006. Historically, the Company has raised funds through equity financing and the exercise of options and warrants to fund its operations and it continues to rely upon these sources of capital to finance its operations.

The market price of natural resources is highly speculative and volatile. Instability in prices may affect the interest in resource properties and the development of and production from such properties. This may adversely affect the Company's revenues as well as its ability to raise capital to acquire and explore resource properties.

### **Off-Balance Sheet Arrangements**

The Company has not entered into any off-balance sheet transactions.

### **Critical Accounting Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

### **Financial Instruments**

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities. Terms of the financial instruments are fully disclosed in the Company's financial statements. It is management's opinion that the Company is not exposed to significant interest, currency, or credit risks arising from its financial instruments and that their fair values approximate their carrying values unless otherwise noted.

### **Subsequent Events**

On January 17, 2007 the Company filed its annual reserves information. The information can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Additional Information**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).