

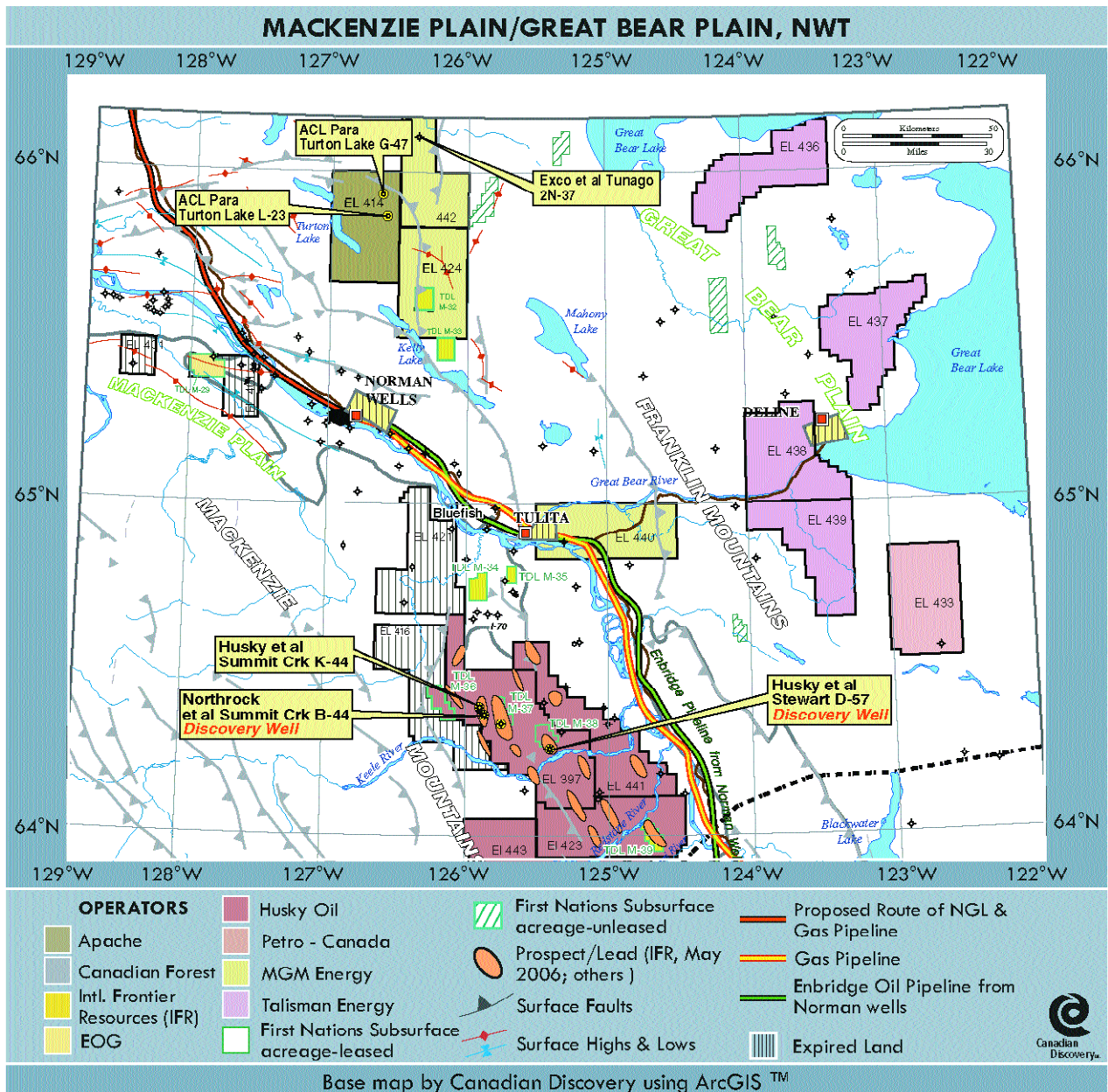
Mackenzie Plain/Great Bear Plain, NWT

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Reduced Recent Exploration Activity

This past winter no new drilling or workover efforts were licensed in this area of the Central Mackenzie Valley. Operators are still waiting to see what happens with the long delayed and still uncertain Mackenzie Gas Pipeline Project (MGP). This spring, it was announced that the cost estimate for the entire project had ballooned to \$16.2 billion. The last hearings into environmental, socioeconomic and cultural

impacts of the project led by the Joint Review Panel (JRP) will not conclude until November this year, a year behind schedule. Once the JRP has filed its report, the National Energy Board (NEB) can complete its own report and final recommendations. The project proponents, led by Imperial Oil, will hopefully get to sit down in 2008 at the earliest, once the NEB report is handed down, and decide if this project has economic value. There are also other issues that could make or break this pipeline (see separate review of the MGP).



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MACKENZIE PLAIN, NWT - EXPLORATION LAND HOLDINGS													
Exploration Licence	Interest Holders (*Operator)	%	Issue Date	Primary Expiry	Final Expiry	Bid Amount (\$MM)	Area (ha)	\$/ha	Wells	TD (m)	Spud Date	RR Date	Status
EL397	Husky Oil*	29.5	08/01/2000	07/31/2004	07/31/2008	16.58	134,565	123	Northrock et al Summit Creek B-44	3,064m	01/16/2004	03/23/2004	Potential Gas
	Northrock Resources	32.5							Husky et al Summit Creek K-44	3,615m	01/28/2006	03/28/2006	Suspended @ 3,310m
	EOG Resources Canada	26.4											
	Pacific Rodera Energy International Frontier Res.	6.6 5.0											
EL401	EOG Resources Canada*	4.5	08/01/2000	07/31/2004	07/31/2008	12.75	64,342	99	EOG et al Devo Creek P-45	2,596m	01/05/2002	03/15/2002	P&A @ 2,600m
	Northrock Resources	17.5											
	Anadarko Canada	2.5											
	Pacific Rodera Energy International Frontier Res.	1.9 3.1											
	Duvernay Oil	7.5											
(Partially Surrendered Aug 2005; now terminated by surrender)													
EL414	Apache Canada*	50	09/18/2001	09/17/2005	09/17/2009	10.75	84,880	126.6	Apache Paramount Turton Lake G-47	1,441 m	02/24/2005	04/05/2005	Standing
	MGM Energy	50							Apache Paramount Turton Lake L-23	551 m	03/15/2005	04/06/2005	Suspended, pending re-entry
EL416	Husky Oil*	20.0	09/18/2001	09/17/2005	09/17/2009	1.53	80,510	9			none		
	Northrock Resources	22.9											
	Anadarko Canada	32.5											
	EOG Resources Canada	12.3											
	International Frontier Res.	7.7											
Pacific Rodera Energy	4.7												
EL421	Canadian Forest Oil	100	05/28/2003	05/27/2007	05/27/2011	1.11	79,668	14					none
EL423	Husky Oil*	29.5	06/08/2004	06/07/2008	06/07/2012	24.8	90,632	273.6					
	Northrock Resources	32.5											
	EOG Resources Canada	26.4											
	International Frontier Res.	5											
Pacific Rodera Energy	6.6												
EL424	MGM Energy*	50	06/08/2004	06/07/2008	06/07/2012	8.1	80,608	100.5					none
	Apache Canada	50											
EL433	Petro-Canada	100	05/18/2005	05/17/2009	05/17/2013	32.13	88,004	365					none
TDL/M29	EOG Resources Canada*	17.5	04/01/1997	n/a	n/a	n/a	n/a	n/a					none
	Anadarko Canada	32.5											
	Northrock Resources	25											
	International Frontier Res.	10.9											
	Pacific Rodera Energy	6.6											
Duvernay Oil	7.5												
TDL/M32-M35 & TDL/M39	International Frontier Res.*	10.9	04/01/1997	n/a	n/a	n/a	n/a	n/a					none
	Anadarko Canada	32.5											
	EOG Resources Canada	17.5											
	Northrock Resources	2.5											
Pacific Rodera Energy	6.6												
TDL/M37	Husky Oil*	10	04/01/1997	n/a	n/a	n/a	n/a	n/a	Northrock et al Sah Cho L-71	3,673 m	01/23/2005	03/26/2005	Standing
	Northrock Resources	32.5											
	EOG Resources Canada	23.4											
	Pacific Rodera Energy International Frontier Res.	6.6 5.0											
TDL/M36 & TDL/M38	Husky Oil*	10	04/01/1997	n/a	n/a	n/a	n/a	n/a	Husky et al Stewart D-57	3,147m	01/23/2006	03/23/2006	Potential Gas
	Northrock Resources	27.7											
	Anadarko Canada	32.5											
	EOG Resources Canada	19.9											
	International Frontier Res.	4.3											
Pacific Rodera Energy	5.6												
EL 436	Talisman Energy*	50	05/10/2006	05/09/2010	05/09/2014	12.5	84,353	144					none
	Devon ARL	50											
E 437	Talisman Energy*	50	05/10/2006	05/09/2010	05/09/2014	32.78	85,993	381					none
	Devon ARL	50											
EL 438	Talisman Energy*	50	05/10/2006	05/09/2010	05/09/2014	3.85	87,183	44					none
	Devon ARL	50											
EL 439	Talisman Energy*	50	05/10/2006	05/09/2010	05/09/2014	5.13	82,820	62					none
	Devon ARL	50											
EL 440	MGM Energy	100	05/10/2006	05/09/2010	05/09/2014	6.30	87,872	72					none
EL 441	Husky Oil *	25.9	05/10/2006	05/09/2010	05/09/2014	10.50	88,452	119					none
	Northrock Resources	27.7											
	EOG Resources Canada	26.4											
	International Frontier Res.	7.5											
	Pacific Rodera Energy	12.5											
EL 442	MGM Energy*	100	05/09/2007	05/08/2011	05/08/2015	8.26	63,312	130				none	
EL 443	Husky Oil*	7.5	05/09/2007	05/08/2011	05/08/2015	4.90	91,116	54					none
	International Frontier Res.	2.5											
Expired Land													

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The clouds of uncertainty regarding the immediate future of the gas discoveries in this and other areas of Arctic Canada does not seem, however, to have stopped explorers from acquiring exploration licences (EL) and carrying out geological and geophysical exploration field work.

Successful Call for Bids

This year's Call for nominations by Indian and Northern Affairs Canada's (INAC) was followed by a successful Call for bids with a deadline of May 8, 2007. Four licences were awarded, two in nearby Colville Hills (see separate review) and two in the Mackenzie Plain/Great Bear Plain. MGM Energy was top bidder and was awarded EL 442 (formerly CMV-1) totalling 63,312 ha. The company bid \$8.26 million in work expenditure or the equivalent of \$130/ha. This acquisition complements contiguous ELs 414 and 424 acquired by MGM (was Paramount Resources until January 11, 2007) and partner Apache Canada in 2001 and 2004, respectively. In 1Q 2005, the partners, with Apache as operator, drilled two wells on EL 414 at Turton Lake. Latest reports list both wells as standing. Turton Lake G-47 was drilled to 1,441m in the Precambrian. Located nearby, Turton Lake L-23 has been initially drilled to 551m (Ordovician Franklin Mountain Formation) and tested, but had to be suspended due to spring break-up. Future plans might include deepening this well to the Precambrian, the well's original depth target. Only one well sits on new EL 442 (Tunago N-37/2N-37 – see logs). Drilled in 1Q 1985 by Exco Energy to 1,620m, this Precambrian NFW tested a Cambrian prospect and was abandoned.

The second and last parcel is EL 443 (formerly CMV-2) totalling 91,116 ha, which was leased to a partnership of Husky Oil (75%, operator) and International Frontier Resources – IFR (25%) for a work commitment of \$4.9 million or \$54/ha. That new acquisition is on trend with three ELs (397, 441 and 423 totalling 313,649 ha) held by Husky (operator) and partners Northrock Resources,

EOG Resources Canada, Pacific Rodera and IFR (see Exploration Land Holdings table). Between July and September 2006, Veritas shot 235 km of seismic data in what the National Energy Board (NEB) calls the Summit-Redstone Project, including prospects on ELs 397, 423 and 441. EL 397 has already been validated through drilling of several wells including discoveries Summit Creek B-44 and Stewart Creek D-57 and stepout Summit Creek K-44. EL 423 expires in 2008, and it will be interesting to see if a decision is made to drill this winter. EL 441 does not expire until 2010. EL 416, which was also held by the same consortium, expired in 2005. Husky also has land holdings with Paramount Resources in the Cameron Hills oil field area, while IFR also has exploration licences in the Colville Hills area.

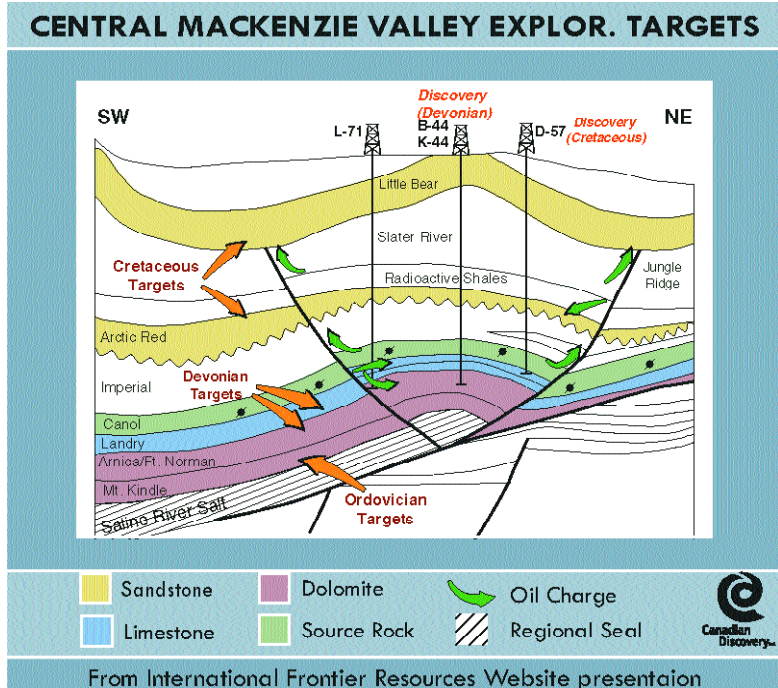
Northrock Resources

One of the members of the Husky et al partnership is Northrock Resources, initially an operator (see EL table). That company has a history of recent ownership change (Unocal Canada [2000], Pogo Producing [2005]). In early March this year, rumours circulated that Northrock was to be sold again, with Pogo in midst of a strategic review. At the end of May it was announced that Northrock, with assets in Alberta, Saskatchewan and the NWT, had been sold to Abu Dhabi National Energy Company PJSC (TAQA) for US\$2.0 billion cash. Abu Dhabi is the first Middle East state to get involved in the Western Canada Sedimentary Basin. The sale is expected to close in 3Q 2007.

No information has been made public on significant discovery applications for the two recent important hydrocarbon discoveries (Northrock et al Summit Creek B-44 and Husky et al Stewart D-57) made in the Mackenzie Valley.

Great Bear Plain

On the western side of the area in the Great Bear Plain, which recently attracted top bids from Petro-Canada (EL 433 in 2005) and Talisman Energy/Devon ARL (ELs 436, 437, 438 and 439 in 2006), no postings were requested this year. As of yet, no exploration plans have been made public specifically for Petro-Canada's EL 433. This past winter, Veritas acquired 153 km (was initially 355 km) of 2D seismic in the Great Bear Plain area for operator Talisman Energy. That survey was begun January 29 and completed March 24. A geochemical survey was also completed for Talisman in the area (Deline district) between March 12 and 26. In October/November 2005, a 7,793-km² aerial gravity survey in the Sahtu region was acquired by Devon Canada, likely in anticipation of the 2005/2006 sale where the company partnered with Talisman in winning the four aforementioned parcels. Two geophysical surveys were initiated and apparently completed during Q1 2006 in the Deline District of the Sahtu Settlement Area. There, ExplorData acquired 138 km of 2D seismic and 208 km of gravity data.



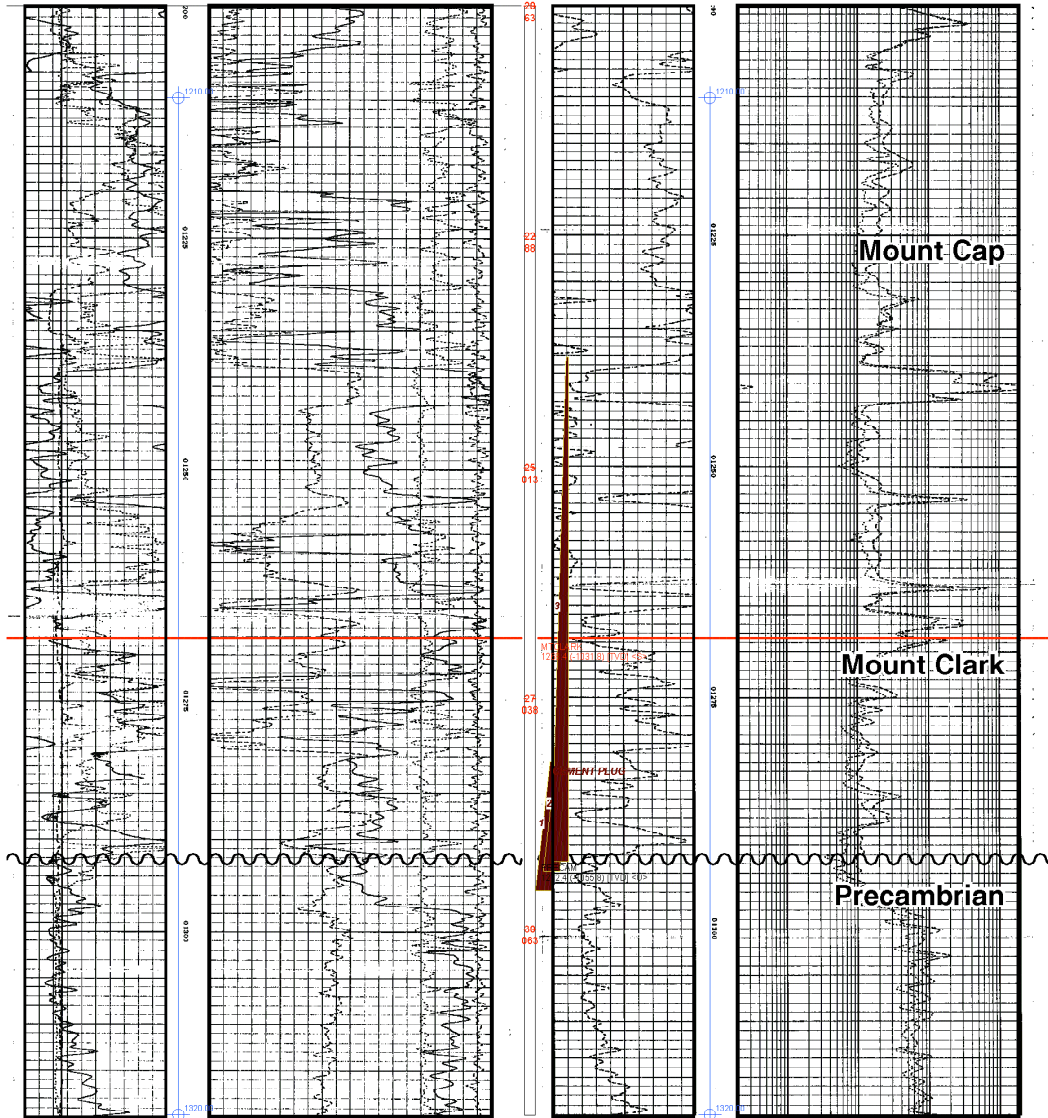
From International Frontier Resources Website presentation
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BASAL CAMBRIAN LOGS (MD)

02/N37 66-10 126-15/0



RR: 1985-03-16



BHD 1,630m

Note: All DSTs misrun



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