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Energy Corporation

MANAGEMENT DISCUSSIONS AND ANALYSIS

For the Quarter Ended December 31, 2006

Management Discussions & Analysis of Operating Results and Financial Condition: Quarter Ended December 31, 2006

February 27th, 2006

The following discussion and analysis should be read in conjunction with the financial statements and notes for the three month period ended December 31, 2006 accompanying this report. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. Additional information relating to the Corporation and other regulatory filings can be found on the SEDAR website at www.sedar.com.

Forward-Looking Statements

Certain statements contained in this document constitute “forward-looking statements”. When used in this document, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “propose”, “anticipate”, “believe”, used by any of the Corporation’s management, are intended to identify forward-looking statements. Such statements reflect the Corporation’s “forecast”, “estimate”, “expect” and similar expressions, as they relate to the Corporation’s current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Corporation’s actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Corporation does not intend, and does not assume any obligation, to update any such factors or to publicly announce the result of any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments.

OVERVIEW

Universal Energy Corporation Inc. is a junior natural resource issuer dedicated to developing a sustainable and profitable business by progressively procuring oil and natural gas properties in the central US and Canada.

Universal Energy was largely focused on mineral exploration for many years, but at the completion of the Corporation's 2004-2005 fiscal year end, and in consideration of trends in the oil and gas industry, management made the decision to refocus its time and resources on oil and gas exploration. Universal will be primarily engaged in oil and gas exploration for the foreseeable future and will continue to evaluate promising mineral exploration opportunities as they may arise.

Universal's long-term goals encompass:

- acquiring and developing cash producing assets;
- building and strengthening our core operations in oil and gas exploration;
- increasing return on investment for our shareholders;

The corporation is a reporting venture issuer in British Columbia and Alberta and is listed on the TSX Venture Exchange. On February 9, 2007, the corporation changed its name to Supreme Resources Ltd. the corporation's trading symbol has changed to "SPR".

Operating Activities

Saturn I Property

The **Saturn I** property, announced on September 8th, 2005, was acquired by way of a Letter of Intent Agreement ("LOI") to purchase with the assistance of Jake Oil, LLC ("Jake"), leases at a Montana State oil and gas land sale on September 7th, 2005. The agreement provided Jake Oil LLC, a private U.S. based corporation owned by Eric Olsen, at the time, a director of Universal, the authority to bid on a block of Montana State oil and gas leases covering a contiguous 5,660 acres in the Williston Basin in Daniels County, Montana, U.S.A. Jake Oil was successful in acquiring 4,098 acres at the auction for an acquisition price of Cdn. $135,000, with Jake Oil retaining a Gross Overriding Royalty ("GORR") of 3 1/3%.

Saturn II Property

Pursuant to an agreement dated January 12th, 2006, as amended by agreements dated March 31st, 2006 and May 1st, 2006 (collectively, the "Saturn II LOI") between North American Technical Trading Company, Inc. ("NATT") and the Corporation, the Corporation has agreed to purchase a 75% net working interest in 1,040 acres of oil and gas leases located in the State of Montana. The oil and gas leases contain the following drilled oil wells and one salt water disposal well:

Name	**Working Interest**
Saturn State #1	100%
Gendreau #1	100%
Fugere #5	75%
Fugere #2	50%
Fisher #1[(1)]	100%

(1) Salt Water disposal well.

In order to purchase the Saturn II Property, the Corporation was to pay NATT the sum of US$4,500,000 and issue 4,000,000 common shares to NATT as follows:

(a) pay US$150,000 on or before November 30th, 2005;

(b) pay US$3,000,000 and issue 2,000,000 common shares on or before May 31st, 2006; and

(c) pay US$337,500 and issue 500,000 common shares on or before each of August 30th, 2006, February 28th, 2007, August 30th, 2007 and February 28th, 2008.

To date, the Corporation has paid NATT the sum of US$150,000 on November 30th, 2005 and the sum of US$150,000 on May 1st, 2006 for certain extensions of time, with both payments to be applied towards the final purchase of the target assets. In return for the $150,000 payment made on May 1st, 2006, Universal Energy was given a 6.7% net revenue interest on the current wells in production for the month of May 2006, being the Saturn State #1 and the Gendreau #1.

NATT agreed to transfer title to all of the leases comprising the Saturn II Property upon payment of the revised purchase price of US$3,000,000 and issuance of 2,000,000 common shares referred to in (b) above. The parties agreed that if the Corporation failed to make any of the payments referred to in (c) above when due, NATT would be entitled to a penalty of 25% of the required payment, which it may elect to receive from proceeds of production, subordinate to any royalty or overriding royalty interest and interest payments to debtors, and subject to such payments not exceeding 50% of net operating proceeds from the Saturn II Property. In addition, NATT agreed to provide the Corporation with 15 days written notice of its intention to sell any of the common shares referred to in (b) and (c) above, and granted the Corporation the right to purchase those shares at a 15% discount from the market price at the time of purchase. Each of the five wells contemplated in the original target asset purchase were subject to various gross overriding royalty interests ranging from 10% to 12. On May 1st, by way of an Extension Letter executed between Universal and NATT the agreement to purchase the Saturn II Wells was extended for closing to May 31st, 2006. This agreement lapsed on May 31st, 2006.

On August 17th, 2006, subsequent to the fiscal year end, and in conjunction with the original target acquisition, the Corporation entered into two separate subsequent agreements, which resulted from a dispute which erupted between NATT and the operators of record, Nerdlihc Company Inc., a private US-based oil company, that controls access to the Fugere #2 and #5 wells.

The agreements consisting of a Letter of Intent for the Purchase of a 30% Net Working Interest in the Saturn State #1, Gendreau #1 and the Fisher Salt Water Disposal Wells for a total purchase price of $1,050,000 USD; and the second being a Letter of Intent to Farm-Out (the "Farm-Out") on leases owned by NATT for the drilling of up to three wells to earn a 70% net working interest after payout.

1. Purchase Letter of Intent – 30% Working Interest in the Saturn State #1, Gendreau #1 and Fisher Salt Water Disposal Wells ("Purchase LOI")

To conclude the transaction for the purchase of the 30% working interest the general terms of the Purchase LOI are as follows:

1. The $300,000 USD already paid by Universal on November 30th, 2005 and May 1st, 2006 would be contributed towards the Purchase LOI;

2. Minimum production levels as a result of workovers on the Saturn State #1 and the Gendreau #1 would have to reach 65 barrels per day over a period of 30 days, as a result of workovers to the wellheads at NATT's own cost;

3. A further advance of $400,000 USD would be paid to NATT, upon receipt of TSX Venture Exchange approval and Universal receiving funding for the $400,000;

4. A final payment of $350,000 USD to conclude the purchase of the 30% working interest.

2. Letter of Intent to Farmout (the "Farmout") – Saturn II Property

Under the terms of the Farm-Out, Universal agrees to pay 100% of exploration and development costs on up to three horizontal wells to earn a 70% net working interest on leases owned by NATT. NATT would retain a 5% overriding royalty interest and a 30%

after payout net working interest as wells are drilled and completed by Universal. Universal would retain operatorship of the completed wells after payout. All previous funds paid in connection with the original target acquisition that are to be attributed towards the acquisition of the Saturn State #1, Gendreau #1 and the Salt Water Disposal Well first and with failure of the workovers to produce a minimum of 65 barrels per day of oil as outlined in the Purchase LOI, then funds already advanced by Universal, would be recouped from the farming-in on the Saturn II leases owned by NATT. Closing of this transaction is targeted for December 31st, 2006.

In relation to its acquisition of the Saturn II Property and subject to TSX Venture Exchange approval, the Corporation agreed to pay Ms. Stacy Broadoway, (who was not a director at the time of negotiation of the acquisition of the Saturn II Property, but subsequently became a director), a finder's fee of 5% of the final purchase price of the Saturn II Property in cash and 100,000 common shares.

The Saturn II agreements expired on December 31, 2006, and as such, the Company's management has made a decision to negotiate the abandonment of its agreements to acquire the Saturn II property. The Company is attempting to use the title to the properties to negotiate its release from other agreements or to negotiate an ongoing royalty.

Results of Exploration Activities – Operations

The results of operations reflect the overhead costs incurred for oil and gas acquisitions and exploration expenses incurred by the Corporation to maintain good standing with the various regulatory authorities and to provide an administrative infrastructure to manage the acquisition, exploration, and financing activities of the Corporation. General and administrative costs can be expected to increase or decrease in relation to the changes in activity required as property acquisitions and exploration continues. As at December 31, 2006, the Corporation has not yet recorded any revenues from its exploration projects.

Revenues

Due to the Corporation's status as an exploration and development stage resource issuer, the Corporation does not have revenues to report from its current operations at this time. Future revenues may be obtained from oil and gas exploration currently contemplated for development in Montana.

Operating Expenses

Comparative Overall Results

Revenue, net loss, diluted loss per common share, total assets and total long-term liabilities for the three month periods ended September 30th, 2006, and 2005 are as follows:

	3 months ended December 31, 2006	3 months ended December 31, 2005
Revenue	-	-
Loss	(113,307)	(202,031)
Loss per Common	(0.01)	(0.01)
Total Assets	574,503	581,859
Total Long-Term Liabilities	-	-

Overall business activity in the Corporation has decreased in the year ended December 31, 2006 as a result of decreased negotiations and due diligence relating to the acquisition of the Saturn properties. There were no long-term liabilities as all acquisitions have been financed through private placements of equity and short-term borrowing.

Management, Administrative & Professional Fees

Management and administrative fees and professional fees for the three month period ended December 31, 2006 and 2005 were as follows:

	December 31, 2006	December 31, 2005
Management and Administrative Fees	7,500	34,845
Professional Fees	29,459	46,842

Management and administrative and professional fees decreased along with business activity for the period ended December 31, 2006 largely as a result of the activities relating to the acquisition of the Saturn II Property.

Investor Relations, Shareholder Communications and Promotional Expenses

	December 31, 2006	December 31, 2005
Investors Relations	4,000	-
Shareholder Communications & Promotion	2,675	2,020

As the Corporation is still in the early stages of creating a viable business enterprise, investor relations, shareholder communications and promotion have not represented a major expenditure. The Company entered into a six month agreement for an investor relations service provider to promote investor awareness at a rate of $4,000 per month and for a grant of 100,000 stock options, at an exercise price of $0.10 per share expiring September 11, 2011.

Transfer Agent & Filing Fees

Transfer agent and filing fees relating to the three month period ended December 31, 2006 was $6,536 in contrast with $13,053 in same period 2005. These decreased regulatory filings are reflective of the Corporation's decreased activity from its business and fundraising objectives.

Liquidity & Capital Resources

The Corporation's cash balance was $2,140 (working capital deficiency of $328,841) at December 31, 2006 compared with a cash balance of $13,053 (working capital deficiency of $313,121) on December 31, 2005.

The Corporation entered into an agreement with Primary Petroleum Corporation for a loan of $150,000 USD secured by a promissory note and general security agreement securing all current assets of the Corporation, being the Saturn I Property. The Promissory Note carries an interest rate of 12% per annum and covers a term of two years, with principal and interest due on or before April 28th, 2008. There are no material credit facilities in place at the end of this fiscal year.

Financing Activities

In September 2006, the Corporation announced a private placement of units consisting of one common share and ½ of one share purchase warrant offered at a price of $0.065 per unit. These funds will provide the Corporation with the ability to move forward on its reactivation and development plans.

The Corporation's ability to explore and, if warranted, develop further properties will be dependent upon its ability to obtain significant additional financing to ensure a future in oil and gas exploration and development. Should the Corporation not be able to obtain such financing, its ability to participate in the development of further properties may be lost. The Corporation has limited financial resources, will have limited cash flow from operations, and will be dependent for funds based on its ability to sell its common shares and share purchase warrants, primarily on a private placement basis, pursuant to the policies of the TSX Venture Exchange.

There can be no assurance that the Corporation will be able to engage in such financings in light of factors such as the market demand for its securities, the general state of financial markets and other relevant factors. If such a method of financing is employed by the Corporation it will result in increased dilution to the existing shareholders each time a private placement is conducted.

The Corporation has no assurance that additional funding will be available to it for the exploration and development of future projects. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of any projects with the possible loss of such properties.

Cash Flow and Earnings

Universal Energy Corporation expects that until it receives substantial revenues from newly acquired oil assets it may be subject to funding its operating activities from the sale and issuance of equity securities.

Related Party Transactions

During the three month period ended December 31, 2006, the Company entered into the following transactions with related parties:

a) Paid or accrued $1,698 (2005 - $2,000) for occupancy cost to former directors;
b) Paid or accrued $7,500 (2005 - $10,000) for management and administration costs to former directors; and
d) Paid or accrued $2,676 (2005 - $Nil) for travel and promotion to former directors.

Included in accounts payable and accrued liabilities is $50,262 (2005 - $Nil) owed to directors, companies owned by directors and former directors for services provided.

Amounts due to and from related parties are non-interest bearing and with no fixed terms of repayment. These transactions were in the normal course of operations and have been recorded at the exchange amount, which is the amount agreed to by the related parties.

Off Balance Sheet Arrangements

The Corporation is not a party to any off balance sheet arrangements or transactions.

Stock Based Compensation

As a result of the adoption of fair value accounting for stock options the Corporation recorded stock-based compensation expense of $44,888 for the three month period ended December 31, 2006 (Year ended 2005 - $172,329).The fair value is determined using the Black-Scholes Option Pricing Model. Prior to the adoption of this standard no compensation was recognized for stock options issued to employees.

Shares Options & Warrants Outstanding

The undiluted total common shares outstanding on February 27, 2007 are as follows:

Shares	Category
22,857,749	Common shares without par value

The fully diluted total common shares outstanding are as follows:

Shares	Category	Expiry Date
758,623	Warrants priced at $0.10	December 20, 2007
1,100,890	Options priced at $0.10	December 16, 2009
100,000	Options priced at $0.10	September 12, 2011
700,000	Options priced at $0.10	December 20, 2011
2,659,513	**Total Warrants and Options**	
25,517,262	**Fully diluted shares outstanding**	

If the currently outstanding warrants and options were all exercised immediately, this would provide a total of $265,951 to the Corporation.

CRITICAL ACCOUNTING POLICIES

The attached financial statements have been prepared on the basis that the Corporation will continue as a going concern, which assumes the realization of assets and the settlement of liabilities in the normal course of business. The appropriateness of the going concern assumption is dependent upon the Corporation's ability to generate future profitable operations and/or generate continued financial support in the form of share issuances. Management is of the opinion that sufficient working capital will be obtained from operations, external financing or public share offerings to meet the Corporation's liabilities and commitments as they come due. These financial statements are prepared in accordance with accounting principles generally accepted in Canada.

The audit committee of the Board of Directors has reviewed the corporate disclosures in this MD&A.

OIL & GAS EXPLORATION

Going forward from December 31st, 2005, Universal will be following the full cost method of accounting for its oil and gas exploration whereby all costs related to the acquisition of, exploring for and developing oil and natural gas reserves are capitalized and charged against earnings. These costs, together with the estimated future costs to be incurred in developing proved reserves, are depleted or depreciated using the unit-of-production method based on the proved reserves before royalties as estimated by independent petroleum engineers. The costs of undeveloped properties are excluded from the costs subject to depletion and depreciation until it is determined whether proved reserves are attributable to the properties or impairment occurs.

Reserve estimates can have a significant impact on earnings, as they are a key component in the calculation of depletion, depreciation and amortization. A downward revision to the reserve estimate could result in higher depletion, depreciation and amortization and thus lower net earnings. In addition, estimated reserves are also used in the ceiling test. If the net capitalized costs exceed the calculated ceiling, the excess must be written off as an expense charged against earnings. The ceiling is equal to the estimated undiscounted future net revenue from proved reserves, based on yearend prices, plus the cost (net of impairments) of unproved properties less estimated future capital costs, future site restoration, general and administrative, financing and income tax costs.

Proceeds from the sale of oil and natural gas properties are applied against capitalized costs, with no gain or loss recognized, unless such a sale would result in a change in the depletion rate of 20% or more.

Oil & Gas Reserves

Universal's oil and gas reserves will be evaluated and reported on by an independent petroleum engineer. The estimates of reserves is a subjective process as forecasts are based on engineering data, projected future rates of production, estimated future commodity prices and the timing of future expenditures, which are all subject to uncertainty and interpretation.

Management relies on professional industry consultants to determine whether losses from environmental, legal, and other contingencies are probable, and if so, how much to accrue for each contingency. On an ongoing basis, management evaluates its estimates and assumptions, however, actual amounts could differ from those based on such estimates and assumptions.

Financial Reporting Controls

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible to ensure that information disclosed externally, including the financial statements and MD&A, is complete and reliable. Management has evaluated the effectiveness of the Corporation's disclosure controls and procedures as of December 31, 2006, and concluded that, as of that date, the Corporation's disclosure controls and procedures were effective.

Quantitative and Qualitative Risks

Oil & Gas Commodity Price Risk

Until the Corporation is in a position to engage in an active oil and gas hedging program, it may be at risk of fluctuations or instability in the price of oil and gas in the open market. The Corporation may assess and/or implement a hedging program in the future to ensure that a base level of cash flow is maintained for Universal to meet its financial obligations.

Oil and natural gas are commodities whose prices are determined based on world demand, supply and other factors, all of which are beyond the control of the Corporation. World prices for oil and natural gas have fluctuated widely in recent years. Any material decline in prices could result in a reduction of the Corporation's oil and gas acquisition and development activities as the economies of some wells may change as a result of lower prices.

Credit and Interest Rate Risk

The Corporation has no long-term debt, with accounts payable and accrued liabilities being short-term non-interest bearing. Interest rate risk is limited to interest bearing assets of cash and cash equivalents and short-term investments.

Foreign Exchange Currency Risk

A portion of the Corporation's current oil and gas exploration and development activities are located in the United States and future exploration and development expenditures and any future commercial production expenditures and income from the Corporation's properties will be in U.S. dollars. Receipts and payments in U.S. dollars are subject to foreign currency fluctuations upon conversion to Canadian currency.

The Corporation currently only maintains two bank accounts, one denominated in Canadian dollars and the other denominated in US dollars. Transactions between the accounts are converted from or to U.S. dollars on the date of the transaction and the total of the account balances is adjusted to reflect any gain or loss on foreign exchange at the end of each month.

Hedging, Sales Contracts, Commodity and Derivative Instruments

The Corporation is not engaged in any commodity price hedging and has no sales contracts, commodity or derivative instruments in place.

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Business Risk

Universal's financial results may be significantly influenced by its business environment. Business risks include, but are not limited to:

- Cost to find, develop, produce and deliver commodities;
- Relationships with any current or potential joint venture partners;
- Satisfactory title to property it has agreed to develop;
- Government regulations; and
- Cost of capital.

Joint Ventures

The oil properties in which Universal Energy has an interest are not currently operated through joint ventures with other companies. At this time, Universal Energy is the sole participant and operator of the properties it has acquired. Any failure of such other companies to meet their obligations to the Universal Energy, or to other third parties, could have a material adverse effect on the mineral exploration joint venture. In addition, Universal Energy may be unable to exert control over strategic decisions made in respect of that property.

Uncertainty of Exploration and Development Programs – Oil & Gas

Oil and natural gas exploration involves a high degree of risk and there is no assurance that expenditures made on exploration by the Corporation will result in discoveries or production of oil or natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling unknown formations, the costs associated with encountering various drilling conditions such as over pressured zones, tools lost in the hole, and changes in drilling plans and locations as a result of prior exploratory wells or additional seismic data and interpretation thereof. The long-term success of the Corporation's oil and gas programs depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. There is no assurance that the Corporation will be able to locate satisfactory properties for acquisition or participation. Even if such acquisitions or participations are identified, the Corporation may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive by do not produce sufficient net revenues to return a profit after drilling, operating and other costs. In addition, drilling hazards or environmental damage could greatly increase the costs of operations, and various field operating conditions, such as delays in obtaining any necessary governmental consent or approvals, extreme weather conditions or insufficient transportation capacity, may adversely affect the production from successful wells. Oil and gas operations are subject to the risks of exploration, development and production of oil and natural gas properties, including encountering unexpected formations or pressures, premature declines of reservoirs, invasion of water into producing formations, blow-outs, cratering, sour gas releases, fires and spills. Oil and gas exploration and development activities are also dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Corporation and may delay exploration and development activities.

Future Acquisitions

Universal Energy undertakes evaluations of potential opportunities to acquire additional mining and oil and gas assets from time to time. Any resultant acquisitions or joint ventures may be significant in size, may change the scale of Universal Energy's business and may expose the Corporation to new geographic, political, operating, financial and geological risks. Universal Energy's success in its growth strategies depends on its ability to identify suitable acquisitions, acquire them on acceptable terms and integrate them successfully into those already in existence. Any future acquisitions would be accompanied by risks, such as changes in commodity prices, reserves in both mining and oil and gas proving to be below expectations; the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of Universal Energy's ongoing business; the inability of management to maximize the financial and strategic position of Universal Energy through the successful integrations of acquired assets; the maintenance of uniform standards, controls, procedures and policies; the potential unknown liabilities associated with acquired assets and businesses. In addition, Universal Energy may need additional capital to finance new acquisitions of assets. Equity financing may expose the Corporation and its existing shareholders to dilution. There can be no assurance that Universal Energy would be successful in overcoming these risks or any other problems encountered in connection with such acquisition of assets.

Regulatory Risk

The operations of all oil and gas explorers and producers, are subject to extensive controls and regulations imposed by various levels of government. Universal monitors and adheres to all regulations which could affect its operations and has established standards of operating practice which are designed to minimize risk to our employees, the community and the environment. Changes to regulations could have an adverse effect on the Corporation's results of operations and financial condition.

Safety and Environmental Risks

Oil & Gas

The oil and gas business is subject to extensive regulation pursuant to various state, national and international conventions and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and gas operations. Universal Energy is committed to meeting its environmental and safety policy that is designed, at minimum to comply with current governmental regulations set for the oil and gas industry. Changes to government regulations are monitored to ensure compliance. Environmental reviews are completed as part of the due diligence process when evaluating acquisitions and developments.

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected consolidated quarterly information up to the second quarter of fiscal 2006-2007 and all quarters of Fiscal 2005-2006 and 2004-2005:

Each Quarter Ended Fiscal 2006-2007	**Q1 - September 30/06 $**	**Q2 - December 31/06 $**	**Q3 - March 31/07 $**	**Q4 - June 30/07 $**
Revenue	-	-	-	-
Loss	(37,078)	(113,307)	-	-
Loss per common share ($)	(0.01)	(0.01)	-	-
Each Quarter Ended Fiscal 2005-2006	**Q1 - September 30/05 $**	**Q2 - December 31/05 $**	**Q3 - March 31/06 $**	**Q4 - June 30/06 $**
Revenue	-	-	-	-
Loss	(26,579)	(202,031)	(227,542)	(170,878)
Loss per common share ($)	(0.01)	(0.01)	(0.01)	(0.01)
Each Quarter Ended Fiscal 2004-2005	**Q1 - September 30/04 $**	**Q2 - December 31/04 $**	**Q3 - March 31/05 $**	**Q4 - June 30/05 $**
Revenue	-	-	-	-
Loss	(16,625)	(16,544)	(34,470)	(53,072)
Loss per common share ($)	(0.01)	(0.01)	(0.01)	(0.01)

The results of operations for the three month period ended December 31, 2006, compared to the same period for 2005, reflects management's decision to focus on new acquisitions and potential properties in oil and gas. Currently, management is seeking new opportunities for future development.