

**FORM 51-101F3**

***REPORT OF  
MANAGEMENT AND DIRECTORS  
ON RESERVES DATA AND OTHER INFORMATION***

Management of Costa Energy Inc. (the “Company”) is 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, 2006 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, 2006 using constant prices and costs; and
- (ii) the related estimated future net revenue.

An independent qualified reserves evaluator has evaluated 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 Costa Resources Ltd. 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 of Costa Resources Ltd. 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. Upon the recommendation of the Reserves Committee, 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.

“signed by Terry D. Brooker”

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Terry D. Brooker, Chief Executive Officer and Director

“signed by Tim S. Granger”

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Tim S. Granger, Director

“signed by Ron D. Miller”

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Ron D Miller , Director

“signed by Curtis D. Barlett”

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Curtis D. Bartlett, Director

April 18, 2007