

RALPH E. DAVIS ASSOCIATES, INC.

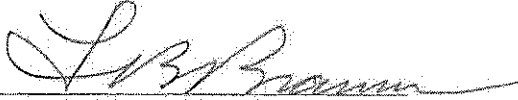
CONSULTANTS-PETROLEUM AND NATURAL GAS
1717 ST. JAMES PLACE-SUITE 460
HOUSTON, TEXAS 77056
(713) 622-8955

CONSENT OF AUTHOR

To: The securities regulatory authorities of each of the provinces and territories of Canada:

I, L. B. Branum, do hereby consent to the filing of the written disclosure of the reserve analysis by Ralph E. Davis Associates, Inc. on behalf of McAlester Fuel Company dated November 1, 2004 but with an effective date of October 1, 2004.

Dated: May 16, 2005

A handwritten signature in cursive script, appearing to read "L. B. Branum", written over a horizontal line.

L. B. Branum, P.E.
Vice President

RALPH E. DAVIS ASSOCIATES, INC.

CONSULTANTS-PETROLEUM AND NATURAL GAS
1717 ST. JAMES PLACE-SUITE 460
HOUSTON, TEXAS 77056
(713) 622-8955

November 1, 2004

The McAlester Fuel Company
2243 San Felipe Road
Houston, Texas 77019

Gentlemen:

At your request, we have appraised certain leasehold and royalty interests in properties operated by McAlester Fuel Company (McAlester) located in the Mission River Field in Refugio County, Texas.

Reserves estimated in this report conform to the definitions of proved, probable and possible reserves approved by the Society of Petroleum Engineers and the World Petroleum Congress (SPE/WPC) using the deterministic methodology.

We have prepared estimates of the reserves, future production and income attributable to the subject interests with an effective date of October 1, 2004. The income data were estimated using the NYMEX prices in effect on September 30, 2004. These data are described in a later section of this report. The results of our study are summarized as follows:

**Estimated Net Reserves and Income Data
Certain Leasehold and Royalty Interests of
The McAlester Fuel Company
As of October 1, 2004**

	<u>Producing</u>	<u>Proved Plus Probable</u>		<u>Totals</u>
		<u>Non-Producing</u>	<u>Undeveloped</u>	
<u>Net Remaining Reserves</u>				
Oil/Condensate-Barrels	12,400	394,000	833,500	1,240,000
Gas-MMCF	249	1,384	7,720	9,353
<u>Income Data (\$)</u>				
Future Gross Revenue	2,162,600	28,148,800	89,410,500	119,721,900
Severance and Ad Valorem	184,700	2,077,000	7,185,700	9,447,500
Operating Costs	472,500	3,500,000	5,055,500	9,028,000
Capital Costs	50,000	725,000	6,960,000	7,735,000
Future Net Revenue (FNR)	1,455,300	21,846,800	70,209,200	93,511,400
FNR @ 10%	1,296,400	9,258,100	57,095,900	67,650,400

The McAlester Fuel Company

November 1, 2004

Page 2

	<u>Producing</u>	<u>Non-Producing</u>	<u>Proved Undeveloped</u>	<u>Totals</u>
<u>Net Remaining Reserves</u>				
Oil/Condensate-Barrels	12,400	222,100	118,200	352,700
Gas-MMCF	249	788	3,150	4,186
<u>Income Data (\$)</u>				
Future Gross Revenue	2,162,600	15,912,100	25,484,300	43,559,000
Severance and Ad Valorem	184,700	1,175,000	2,216,200	3,576,000
Operating Costs	472,500	1,977,500	983,500	3,433,500
Capital Costs	50,000	445,000	825,000	1,320,000
Future Net Revenue (FNR)	1,455,300	12,314,600	21,459,600	35,229,600
FNR @ 10%	1,296,400	6,598,800	17,461,300	25,356,500

	<u>Non-Producing</u>	<u>Probable Undeveloped</u>	<u>Totals</u>
<u>Net Remaining Reserves</u>			
Oil/Condensate-Barrels	171,900	715,300	887,300
Gas-MMCF	596	4,570	5,167
<u>Income Data (\$)</u>			
Future Gross Revenue	12,236,700	63,926,200	76,162,800
Severance and Ad Valorem	902,000	4,969,500	5,871,500
Operating Costs	1,522,500	4,072,000	5,594,500
Capital Costs	280,000	6,135,000	6,415,000
Future Net Revenue (FNR)	9,532,200	48,749,600	58,281,800
FNR @ 10%	2,659,300	39,634,600	42,293,900

	<u>Non-Producing</u>	<u>Possible Undeveloped</u>	<u>Totals</u>
<u>Net Remaining Reserves</u>			
Oil/Condensate-Barrels	4,800	308,600	313,300
Gas-MMCF	371	8,912	9,282
<u>Income Data (\$)</u>			
Future Gross Revenue	2,544,600	70,812,500	73,357,100
Severance and Ad Valorem	231,200	6,186,400	6,417,600
Operating Costs	250,000	1,105,000	1,355,000
Capital Costs	180,000	2,045,000	2,225,000
Future Net Revenue (FNR)	1,883,400	61,476,100	63,359,500
FNR @ 10%	735,400	47,324,900	48,060,300

Note: There are differences in the addition as a result of computer program rounding of numbers.

Probable and Possible reserves were included in this report at the request of McAlester. Probable reserves are less certain to be recovered than proved reserves and Possible

reserves are less certain to be recovered than Probable reserves. The reserves and income attributable to the different reserve classifications in this report have not been adjusted to reflect their varying degree of risk in this report.

Condensate volumes are expressed in standard 42 gallon barrels. Gas volumes are expressed in million cubic feet (MMCF) at the official temperature and pressure base where the gas reserves are located.

METHOD OF APPRAISAL

The properties have been evaluated on the basis of future net cash flow, which is defined as the amount of future net income, which will accrue to the appraised interest by operating the properties to the estimated limit of profitable operation. The future net cash flow has been discounted at an annual effective rate of ten percent as the primary discount rate for this study. The future net cash flow has also been discounted at various other rates, as shown on the schedules. The discounted values shown are for your information and should not be construed as our estimate of fair market value.

RESERVE DETERMINATION

The reserves presented in this report have been estimated using engineering and geological methods widely accepted in the industry. In some cases, these estimates were made using performance methods that utilize extrapolations of various historical data including, but not limited to, oil, gas and water production and pressure history. In general however, reserves were estimated using volumetric methods which consolidated well log, sidewall core, and subsurface mapping.

Future production rates may be subject to regulation by various governmental agencies, changes in market demand or other factors; consequently, actual producing rates may differ materially from volumes predicted.

ECONOMIC PARAMETERS

Prices – At the request of McAlester, the NYMEX prices for oil and gas effective on September 30, 2004 were used. This price was held constant for the life of the property.

Costs – Operating costs for the fields, leases and wells in this report were provided by McAlester and were held constant for the life of the property. No provision has been made for the value of salvable equipment or the leases at abandonment, nor were costs included to properly plug and abandon the wells. It is assumed that these costs are minimal and generally offset one another.

The McAlester Fuel Company

November 1, 2004
Page 4

GENERAL

No consideration has been given to corporate overhead, income taxes, depletion, depreciation or any other indirect costs.

Titles to the evaluated properties have not been examined by Ralph E. Davis Associates, Inc., nor has the actual degree or type of interest owned been independently confirmed. The data used in our evaluation were obtained from McAlester or from public information sources. A field inspection of the properties was not made.

The reliability of any reserve estimate is a function of the quality of available information and of engineering interpretation and judgment. In our opinion, the reserve estimates presented herein were made in accordance with generally accepted engineering and evaluation principles consistently applied, and are believed to be reasonable. These reserves should be accepted with the understanding that additional activity or additional information subsequent to the effective date of this report might require revision to those reserve estimates.

Neither Ralph E. Davis Associates, Inc. nor any of its employees have any interest in the subject properties and neither the employment to make this study nor the compensation is contingent on its estimates of reserves and future income for the subject properties.

This report was prepared for the exclusive use of The McAlester Fuel Company. The data and work papers used in preparing this report are available for examination by authorized parties in our offices.

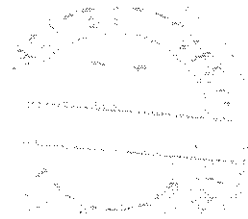
It has been a privilege to perform this study for you. Please contact us if we can be of further service in this or other matters.

Very truly yours,

RALPH E. DAVIS ASSOCIATES, INC.



L. B. Branum, P.E.
Vice President



RALPH E. DAVIS ASSOCIATES, INC.

CONSULTANTS-PETROLEUM AND NATURAL GAS
1717 ST. JAMES PLACE-SUITE 460
HOUSTON, TEXAS 77056
(713) 622-8955

NATIONAL INSTRUMENT FORM 51-101F2

REPORT ON RESERVES DATA

To the board of directors of The McAlester Fuel Company (the "Company"):

1. We have evaluated the Company's reserves data as of September 30, 2004. The reserves data consist of the following:
 - a.) proved and proved plus probable oil and gas reserves, estimated as of September 30, 2004 using constant prices and costs; and
 - b.) the related estimated future net revenue
2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy and Petroleum (Petroleum Society).

3. Those standards require that we 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 presented in the COGE Handbook.
4. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using constant prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us for the year ended September 30, 2004 and identifies the respective portions thereof that we have evaluated and reported on to the Company's board of directors.

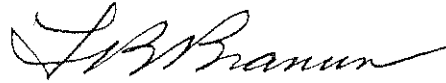
Independent Qualified Reserves Evaluator	Description & Preparation Date of Evaluation Report	Location of Reserves	Net Present Value of Future Net Revenue (before income tax, 10% discount rate)			
			Audited M\$-US	Evaluated M\$-US	Reviewed MSUS	Total M\$US
Ralph E. Davis Associates, Inc.	Appraisal Report as of September 30, 2004 on Certain Properties owned by The McAlester Fuel Company dated November 1, 2004	U.S.	-	67,650.4	-	67,650.4

5. In our opinion, the reserves evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
6. We have no responsibility to update this report referred to in paragraph 4 for events and circumstance occurring after their respective preparation dates.
7. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

Ralph E. Davis Associates, Inc. dated November 1, 2004.

RALPH E. DAVIS ASSOCIATES, INC.



L. B. Branum, P.E.



CERTIFICATE OF QUALIFICATION

I, L. B. Branum, Professional Engineer, of 1717 St. James Place, Suite 460, Houston, Texas 77056 hereby certify:

1. I am an employee of Ralph E. Davis Associates, Inc., which prepared a detailed analysis of the U.S. oil and gas properties of The McAlester Fuel Company. The effective date of this evaluation is September 30, 2004.
2. I do not have, nor do I expect to receive, any direct or indirect interest in the securities of The McAlester Fuel Company or its affiliated companies.
3. I attended the University of Missouri at Rolla and I graduated with a Bachelor of Science Degree in Petroleum Engineering in 1970; I am a Licensed Professional Engineer in the State of Texas, USA and I have in excess of thirty years experience in the Petroleum Industry of which twenty four years experience are in the conduct of evaluation and engineering studies relating to U.S. oil and gas fields.
4. A personal field inspection of the properties was not made, however, such an inspection was not considered necessary in view of the information available from public information and records, and the files of The McAlester Fuel Company.

SIGNED: November 1, 2004



L. B. Branum, P.E.
Vice President
Ralph E. Davis Associates, Inc.