



ECUADOR LTD

January 7, 2005

Ray Gillard
President
Road Badger
PO box 4244
Edmonton, Alberta
T6E 4T2

Dear Mr. Gillard:

Based on proven success in Alberta, AEC Ecuador, a division of EnCana Corporation, purchased a Road Badger unit in 2003 for use on oilfield roads in the Amazon Basin of Ecuador.

The design of the jungle roads differs from typical aggregate road specifications. The traveling surface material consists of uncrushed river rock, 2-3" + in size. There is geo-textile and riprap located below the traveling surface, as well the roads are narrower and the crown is more pronounced. Due to heavy rain periods, drainage from the road surface, material (generally 2"-3"+) was lost to ditches.

Standard road maintenance included grading, re-gravelling and re-packing the road surface. Road maintenance costs were high and gravel had to be transported considerable distances. Existing methods of road maintenance averaged about 1km per day, at an estimated cost of 1,370USD per km, not including any replacement aggregate or transportation costs.

The unit arrived in Ecuador in February 2004, and on-site commissioning and training commenced shortly after. There were a few initial operational issues relating to adapting to the ambient temperature conditions as well as the uncrushed aggregate. In these regards, the Road Badger staff acted promptly and effectively addressed the concerns.

The Road Badger was able to effectively breakup and remix the traveling surface without damaging the geotextile, it reconstituted and remixed the material from the existing road bed and provided a new base for compaction with no need for any additional aggregate. The Road Badger easily removed road defects such as potholes and ruts – instead of filling them in with loose material, allowing for a much smoother and safer traveling surface.

The ability of the Road Badger to work productively at 2-5 km/hr doubled conventional road maintenance production and was limited only by the packers daily output. It was found possible to attain 4 km per day output with the addition of another packer. This production would amount to productivity of four times the conventional method.



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Initial operational cost savings were calculated to exceed 30,000USD per month over conventional methods, not including any aggregate and transportation cost savings generated as no additional aggregate was required.

Based on the initial production reports, the Road Badger is an effective piece of equipment for reducing costs associated with road maintenance. Continued and ongoing use of the Road Badger is expected to generate substantial economic and environmental savings, while improving road surface condition, quality and safety on AEC Ecuador's oilfield road system.

AEC Ecuador would recommend companies concerned with cost, safety, environmental and conservational impacts in road maintenance consider utilizing the Road Badger.

Sincerely yours,

A handwritten signature in black ink, appearing to read "A. Johnston".

Alan Johnston
Facilities Advisor
AEC Ecuador