

April 20, 2007

President's Message

As President, I am pleased to report operating and financial results for Marauder Resources East Coast Inc. ("Marauder" or the "Company") for the year ended December 31, 2006.

During 2006, the management and directors of the Company have been pursuing strategic alternatives to maximize shareholder value.

On November 9, 2006, Encana Corporation filed the Deep Plan Application for the Deep Panuke gas field. This field encompasses the Balmoral Block in which Marauder holds a 50% interest, however, the eventual working interest for Marauder in the Deep Panuke gas field is yet to be determined.

In November 2006, Dean Prodan, a Director, and Ron Murphy, Chief Financial Officer, resigned their positions with the Company. Management and the Board would like to thank Mr. Prodan and Mr. Murphy for their exemplary service and wish them well in their future endeavours. Following the resignations, John C. Loewen was appointed to the Board of Directors. Mr. Loewen is the Chief Executive Office of Loewen & Partners Corporate Services Inc.

Discussions are taking place in regards to potential values in unused tax pools of the Company. In addition, other opportunities are being explored which ultimately will provide potential future value for the shareholders.

On behalf of the Board of Directors,

"Robert V. Shields"

Robert V. Shields
President
Marauder Resources East Coast Inc.

MANAGEMENT DISCUSSION AND ANALYSIS

The December 31, 2006 Management Discussion & Analysis (“MD&A”) for Marauder Resources East Coast Inc. (“Marauder” or the “Company”) should be read in conjunction with the audited consolidated financial statements and related notes for the years ended December 31, 2006 and 2005. The consolidated financial statements for the years ended December 31, 2006 and December 31, 2005 were issued under the name of Marauder and include the consolidated operations of Marauder and 1153845 Nova Scotia Limited (“NSRL”) and 1171340 Alberta Ltd. The financial data presented has been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”). The reporting currency in the consolidated financial statements and in this MD&A is the Canadian dollar, unless otherwise stated.

Additional information on Marauder is available for review on SEDAR at www.sedar.com. The Company’s shares trade on the TSX Venture Exchange under the trading symbol “MES”.

This MD&A is dated April 20, 2007.

Special Note Regarding Non-GAAP Measures – This MD&A includes references to financial measures commonly used in the oil and gas industry. The term “funds from (used in) operations”, defined as the net loss for the year adjusted for non-cash items in the statement of operations, before the change in non-cash working capital, should not be considered an alternative to, or more meaningful than, cash flow from operating activities or net loss as determined in accordance with GAAP as an indicator of performance. The Company’s determination of funds from (used in) operations may not be comparable to that reported by other companies. The reconciliation between net loss and funds from (used in) operations can be found in the Statements of Cash Flows included in the financial statements noted above.

OVERVIEW

In 2004, a Plan of Arrangement was approved amongst Endless Energy Corp. (“Endless”), Marauder Resources Corp. (“MRC”) and NSRL. In conjunction with the Plan, Endless sold its Western Canadian Properties to two of its directors based on a third party fairness opinion. The Company changed its name to Marauder Resources East Coast Inc. and commenced trading on the TSX Venture Exchange under the symbol “MES”.

Effective September 30, 2005, the Company completed a corporate reorganization. In conjunction with the reorganization, Marauder acquired MRC through a share exchange. Prior to the acquisition, MRC owned approximately 41.5% of the issued and outstanding shares of the Company. As a result of the corporate reorganization and acquisition of MRC, all of the former shareholders of MRC, including Robert Shields, President and Director, now hold their interests in the Company directly. As the acquisition of MRC was between related parties, it was approved by the independent directors of the Company and recorded at the carrying amount of MRC’s net assets. Upon completion of the share exchange, 54,669 shares of the Company were returned to treasury.

In November 2005, Marauder announced the spudding of the Encana / Marauder J-14 well. The well was expected to evaluate a prospect along trend with the Deep Panuke natural gas discovery where existing wells have production tested at rates in excess of 50 MMSCFD. This well reached a total depth of 3,700 meters and initial well analysis determined that the well did not encounter the natural gas-bearing reservoir.

In January 2006, the Company participated in a sidetrack well bore to test additional zones. The Dominion J-14a sidetrack well reached a total depth of 4,440 meters and did not encounter any reservoir containing economic quantities of hydrocarbons. As at December 31, 2006, the Company had spent \$18.6 million pursuant to the farm-in agreement.

Encana, the operator of the Deep Panuke gas field, has reached an Offshore Strategic Energy

Agreement (“OSEA”) with the Province of Nova Scotia. This OSEA establishes a framework with the Province for royalties, employment and industrial benefits, plus funding for research and education for the potential development of the Deep Panuke natural gas field. In November 2006, Encana filed the Development Plan Application for the Deep Panuke gas field and subsequently the hearings on the application were completed during the first quarter of 2007. This field encompasses the Balmoral Block in which Marauder holds a 50% interest. Marauder is currently in discussions with Encana as to their involvement and ultimate working interest in the project.

At March 31, 2006, the Company applied the ceiling test to its capitalized assets and determined that there was an impairment of \$2,008,710. During the three months ended June 30, 2006, an additional \$21,789 was written down as a result of an increase in the estimated liability to abandon another well in the amount of \$30,937. Credits received from Encana during the year in the amount of \$49,317 decreased the total impairment as at December 31, 2006 to \$1,981,182.

SELECTED COMPARATIVE FINANCIAL INFORMATION

	Three months ended		Years ended	
	December 31		December 31	
	2006	2005	2006	2005
	\$	\$	\$	\$
Interest income	6	(898)	9,901	169,985
General and administrative expenses	216,208	241,801	643,152	689,019
Net loss for the period	(216,921)	(3,002,225)	(2,231,413)	(3,280,091)
Net loss per share – basic and diluted	(0.01)	(0.07)	(0.04)	(0.07)
Funds used in operations	(217,100)	(932,770)	(680,188)	(1,209,136)
Total assets			36,402,211	39,920,422

RESULTS OF OPERATIONS

Revenue

Revenue is comprised of interest earned on cash balances in the Company bank account. The interest earned for the year ended December 31, 2006 was \$9,901 as compared to \$169,985 for the comparative year ended December 31, 2005. The Company received \$16.4 million from an equity issue at the end of 2004 and therefore had significantly higher interest income in 2005.

General and administrative expenses

General and administrative expenses for the three months and year ended December 31, 2006 were \$216,208 and \$643,152, respectively, which was relatively unchanged from \$241,801 and \$689,019 for the comparative 2005 periods.

Interest expense

In 2005, the Company incurred \$671,618 of interest related to \$16,625,000 of flow-through proceeds raised in 2004 for which expenditures were incurred in the first half of 2005.

As qualifying expenditures related to the \$1,150,000 of flow-through proceeds raised in 2005 were incurred in the first two months of 2006, the Company did not incur any interest in 2006.

Stock-based compensation

As the Company did not grant any options in 2006, there was no stock-based compensation for the year. The fair value of options granted in 2005 was estimated at \$2,379,040, using the Black-Scholes pricing model. As the options granted vested immediately, the entire fair value was recorded as stock-based compensation expense at the time of grant.

Ceiling test impairment

The Company performed a ceiling test calculation at each interim and year end balance sheet date during the years ended December 31, 2006 and 2005. In 2005, the Company recorded an impairment loss of \$5,263,200. As drilling activities in the first quarter of 2006 did not result in the discovery of any economic reserves, the Company recorded a further impairment loss of \$1,981,182 in 2006. The amounts for the impairment loss are included in depletion and depreciation expense.

Net loss and funds used in operations

During the three months ended December 31, 2006, the Company incurred a net loss of \$216,921 which increased the net loss for the year to \$2,231,413. The comparative net loss for the 2005 periods was \$3,002,225 and \$3,280,091, respectively. The 2006 fourth quarter net loss is lower than that for 2005 primarily due to the 2005 impairment loss being recorded at year end whereas the majority of the 2006 impairment loss was recorded in first quarter of 2006.

Funds used in operations during the three months ended December 31, 2006 were \$217,100 compared to \$932,770 for the three months ended December 31, 2005. The funds used in operations for the year were \$680,188 for 2006 and \$1,209,136 for 2005. The amounts for funds used in operations were higher in the 2005 periods mainly due to production and interest expenses which were not incurred in 2006.

SELECTED HISTORICAL QUARTERLY INFORMATION

	2006				
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL
\$					
Interest revenue	9,895	–	–	6	9,901
General and administrative expenses	147,559	178,002	101,383	216,208	643,152
Net loss	(1,760,646)	(200,694)	(53,152)	(216,921)	(2,231,413)
Net loss per share – basic and diluted	(0.03)	(0.01)	(0.00)	(0.00)	(0.04)
Funds used in operations	(137,664)	(178,002)	(147,422)	(217,100)	(680,188)

	2005				
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL
\$					
Interest revenue	74,323	74,347	22,213	(898)	169,985
General and administrative expenses	132,106	211,297	103,817	241,799	689,019
Net loss	(57,785)	(136,948)	(83,134)	(3,002,224)	(3,280,091)
Net loss per share – basic and diluted	(0.00)	(0.01)	(0.00)	(0.06)	(0.07)
Funds used in operations	62,097	(359,618)	(59,075)	(852,540)	(1,290,136)

CAPITAL EXPENDITURES

During the three months ended December 31, 2006, the Company did not incur any capital expenditures. A total of \$1,944,465 of capital expenditures were incurred during the first three quarters of 2006. During the three months and year ended December 31, 2005, the Company incurred capital expenditures of \$2,811,176 and \$16,915,349, respectively.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2005 the Company had a net working capital position of \$3,070,446. During 2006, the Company incurred \$1,944,465 of capital expenditures and used \$680,188 of funds in operating activities, decreasing the working capital position to \$445,793 at December 31, 2006.

Additional financings will be required for the Company to pursue opportunities.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

Total proceeds from flow-through shares issued in 2005 in the amount of \$1,150,000 were spent on qualifying expenditures during the first two months of 2006. The Company does not have any significant commitments or contractual obligations at December 31, 2006

RELATED PARTY TRANSACTIONS

During the three months and year ended December 31, 2006, the Company had the following related party transactions:

- \$27,668 and \$45,917, respectively (three months and year ended December 31, 2005 – \$75,100 and \$219,393) for legal services was charged by a legal firm in which an director of the Company is a partner
- \$31,785 and \$122,321, respectively (three months and year ended December 31, 2005 – \$41,184) for rent was charged by a company controlled by a director of Marauder
- Nil and \$17,100, respectively (three months and year ended December 31, 2005 – \$34,411 and \$66,663) for consulting services was charged by a corporation controlled by an officer of the Company.
- The Company has accrued a liability in the amount of \$338,968 for the indemnification of investors subject to reassessment as a result of an audit by the Canada Revenue Agency for unexpended, renounced flow through share expenditures. An officer of the Company has indemnified the

Company for these costs; as such, an equal amount receivable has been accrued.

These amounts are recorded at the exchange amounts agreed to by the related parties.

INCOME TAXES

As at December 31, 2006, the Company has approximately \$5.9 million of tax pools and \$94.7 million of non-capital losses available for deduction against future taxable income. Non-capital losses expire between 2008 and 2026.

The Company recognized the tax effect of the flow-through shares that were renounced in February 2006. This tax liability reduced future tax assets that have not been recognized in the financial statements.

SHARE CAPITAL

The Company's issued and outstanding common shares are unchanged from December 31, 2005. A total of 51,568,835 common shares are outstanding as at December 31, 2006 and as at the date of this MD&A.

A total of 5,090,000 stock options were outstanding as at the beginning of 2006. During 2006, a total of 1,690,000 options were forfeited, reducing the balance outstanding to 3,400,000 at December 31, 2006. In April 2007, 1,175,000 options were granted at a price of \$0.25 which vest immediately and expire five years from date of grant. This increases the options granted to 4,450,000 as of the date of this MD&A. In addition, the Company plans to seek shareholder approval to cancel 1,500,000 stock options at \$1.50, 1,700,000 at \$1.30 and 200,000 at \$0.65 and reissue the total at current market prices.

A total of 2,992,149 warrants were outstanding at December 31, 2005. During 2006, a total of 2,791,279 warrants expired, reducing the total warrants outstanding to 200,870 as of December 31, 2006 all of which have expired as of the date of this MD&A.

OUTLOOK

Marauder continues to evaluate strategic alternatives. During the later part of 2006 and first quarter of 2007, management has been reviewing business opportunities elsewhere.

In addition, the continued pursuit of Marauder's involvement in the development plan with EnCana for the Deep Panuk gas field is still being considered. Financing arrangements are being investigated so that a decision can be reached once the eventual working interest is determined.

FINANCIAL AND DERIVATIVE INSTRUMENTS

The Company did not enter into any financial derivative transactions in 2006 or as of the date of this MD&A.

OFF BALANCE SHEET ARRANGEMENTS

Marauder does not have any special purpose entities nor is it a party to any off-balance sheet arrangements.

BUSINESS RISKS AND UNCERTAINTIES

Marauder is exposed to several operational risks inherent in exploring, developing, producing and marketing crude oil and natural gas. These inherent risks include: economic risk of finding and producing reserves at a reasonable cost; financial risk of marketing reserves at an acceptable price given current

market conditions; cost of capital risk associated with securing the needed capital to carry out Marauder's operations; risk of environment impact, including the potential impact of the Kyoto accord, and credit risk of non-payment for sales contracts and joint venture partners.

In order to mitigate these risks, Marauder maintains a comprehensive insurance program to reduce risk to an acceptable level and to protect it against significant losses. The Company's risk in regards to financial instruments is detailed in note 12 to the annual consolidated financial statements.

MANAGEMENT COMMENTS ON FINANCIAL STATEMENTS

The accompanying audited annual consolidated financial statements of Marauder Resources East Coast Inc. for year ended December 31, 2006 have been prepared by Management and approved by the Audit Committee of the Company.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company is accumulated and communicated to our management as appropriate to allow timely decisions regarding required disclosure. The Company's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation as of December 31, 2006, that the Company's disclosure controls and procedures are designed and operating effectively to provide reasonable assurance that material information related to the Company, is made known to them by others with the entity. It should be noted that while the Company's Chief Executive Officer and Chief Financial Officer believe that our disclosure controls and procedures provide a reasonable level of assurance and that they are effective, except as noted below, they do not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. We have assessed the design of our internal control over financial reporting as of December 31, 2006 and during this process we have identified certain material weaknesses in internal controls over financial reporting which are follows:

- Due to the limited number of staff at the Company, it is not possible to achieve complete segregation of duties; and
- Due to the size of the Company and the limited number of staff, the Company does not have the technical accounting expertise and knowledge to address all complex and non-routine accounting transactions that may arise.

These weaknesses in the Company's internal controls over financial reporting result in a more than remote likelihood that a material misstatement would not be prevented or detected. Management and the board of directors work to mitigate the risk of material misstatement in financial reporting. In addition, when complex accounting and technical issues arise during preparation of the quarterly financial statements outside consulting expertise is engaged. In spite of management's best efforts, there can be no assurance that this risk can be reduced to less than a remote likelihood of a material misstatement. The Company currently has no plans to remediate these weaknesses.

CRITICAL ACCOUNTING ESTIMATES

The significant accounting policies used by Marauder are disclosed in note 2 to the consolidated audited December 31, 2006 financial statements. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. The following discusses such accounting policies and is included in the MD&A to aid the reader in assessing the critical accounting policies and practices of the Company and the likelihood of materially different results being reported. Marauder reviews its estimates regularly. The emergence of new information and changed circumstances may result in actual results or changes to estimated amounts that differ materially from current estimates.

The Company believes the following are the most critical accounting estimates used in the determination of its financial results.

Reserves Estimates

On an annual basis, the Company engages independent petroleum consultants to evaluate 100% of its oil and gas reserves. Reserve engineering is an analytical process of estimating underground accumulations of oil and natural gas that can be difficult to measure. The accuracy of any reserve estimate is a function of the quality of available data, engineering and geological interpretation and judgment. Estimates of economically recoverable oil and natural gas reserves and future net cash flows necessarily depend upon a number of variable factors and assumption, such as historical production from the area, the assumed effects of regulations by governmental agencies and assumptions governing future prices, royalties and operating costs, along with development costs and work-over and remedial costs, all of which may in fact vary considerably from actual results.

Reserve estimates are used in the calculation of depletion and depreciation. A change in estimated reserves would result in a higher or lower depletion and depreciation charge to net loss. Downward revisions to reserve estimates could also result in an impairment write-down of capital assets under the ceiling test.

Asset Retirement Obligations

The Company recognizes the fair value of a liability for asset retirement obligations in the period in which it is incurred, and records a corresponding increase in the carrying value of the related long-lived asset. The fair value is determined through a review of engineering studies, industry guidelines, and management's estimates on a site by site basis. The liability is subsequently adjusted for the passage of time, and is recognized as an accretion expense in the statement of operations. The liability is also adjusted due to revisions in either the timing or the amount of the original estimated cash flows associated with the liability. Estimates of the asset retirement costs are subject to uncertainty associated with the method, timing and extent of future retirement activities.

Income Taxes

The Company records future tax assets and liabilities to account for the expected future tax consequences of events that have been recorded in its consolidated financial statements and its tax returns. These amounts are estimates and the actual tax consequences may differ from the estimates due to changing tax rates and regimes, as well as changing estimates of cash flows and capital expenditures in current and future periods. A valuation allowance is recorded to the extent that there is uncertainty regarding utilization of future tax assets.

CHANGE IN ACCOUNTING POLICIES

The Canadian Institute of Chartered Accountants ("CICA") has issued a number of accounting pronouncements which may impact the Company's reported results and financial position in future periods:

Comprehensive Income / Financial Instruments / Hedges

The CICA issued new standards in early 2005 for Comprehensive Income (CICA 1530), Financial Instruments – Recognition and Measurement (CICA 3855), Financial Instruments – Disclosure and Presentation (CICA 3861) and Hedges (CICA 3865), all of which are effective for fiscal periods beginning on or after January 1, 2007.

The standards require the inclusion of all financial instruments on a company's balance sheet at their fair value, other than held-to-maturity investments, loans and receivables. Held-to-maturity investments, loans and receivables would be measured at their amortized cost. The standards create a new statement of comprehensive income that will include changes in fair value of certain derivative financial instruments.

The Company elects to mark-to-market its derivative contracts under its risk management program. The accounting for hedging relationships for prior fiscal years is not retroactively changed. Therefore, management expects no restatement of prior periods as a result of these new standards.

International Financial Reporting Standards ("IFRS")

Over the next five years, the CICA will adopt its new strategic plan for the direction of accounting standards in Canada as ratified in 2006. As part of that plan, Canadian accounting standards for public companies will converge with IFRS. The Company will continue to monitor and assess the impact of the planned convergence of Canadian GAAP with IFRS.

NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain information regarding Marauder set forth in this document, including management's assessment of Marauder's plans and future operations, contains forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Marauder's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, the lack of availability of qualified personnel or management, stock market volatility and ability to access capital from internal and external sources. Marauder's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do occur, what benefits Marauder will derive therefrom. The Company undertakes no responsibility to update the information provided herein.