



International Frontier Resources Corporation

April 16, 2008

Report to Shareholders

This report covers operations for the year ending December 31, 2007 and to date for 2008. Before reporting on results I thought it was important to re-visit the Company's business plan post our Summit Creek B-44 discovery well. The business plan developed was based on the Company participating in ten high-impact exploration wells. The goal was to achieve a success rate of 20% versus an industry average of 10% on wildcat drilling. Management targeted an average working interest of 15% given the risk reward profile considered appropriate for the Company. A second goal of the business plan was to participate in prospects that had minimum un-risked reserve potential of 25 million barrels equivalent with upside potential for un-risked reserves of 100 million barrels equivalent. To off-set risk the Company's strategy was to farmout a portion of the cost to drill the first well on each prospect.

To meet the business plan \$20.5 million was raised in 2007. These proceeds, together with working capital at the time of \$13.5 million, provided the Company with sufficient working capital to move forward with its business plan.

A summary of results for the last 15-months is as follows;

- Seven exploration wells were drilled at a total gross cost of approximately \$125 million, \$14 million net to IFR.
- The drilling program resulted in two discoveries and five dry holes, for a 29% success rate.
- The Company received a carried interest in three North Sea wells.
- The average working interest in wells drilled was 15%.
- The Company purchased additional equity in the Summit – Keele NWT area.
- A Significant Discovery License (“SDL”) was granted on the Stewart D-57 discovery area. The SDL holds the land until all reserves are produced.
- A Significant Discovery Application was submitted covering the Summit Creek discovery area; approvals are expected in Q2, 2008.
- In Q3, 2008 a Significant Discovery Application will be submitted covering the Sah Cho L-71 discovery area.

- Two drill ready prospects were generated on the Bowmore (UKCS) acreage. The prospects have mid case resource exposure in excess of 60 million barrels equivalent. The Company is fully funded for its 10% share of the estimated dry hole cost of \$70 million for the two wells. The operator is procuring long lead items and plans are in progress to shoot a sea bed site survey in June 2008. After long lead items are purchased, and the site survey is completed, Nippon will seek bids for drilling rigs.
- Seismic was acquired on three licenses in the Colville Hills, NWT area. The Company's share of seismic expenditures was \$5.5 million. Interpretation of the data will likely lead to one or two drilling locations.
- With respect to our business plan, attached is a copy of the Company's historical drilling results that shows the Company is on track to meet its business plan.

A summary of the Company's drilling program for the period is as follows;

Central Mackenzie Valley, NWT

- **Stewart D-57** – The D-57 well tested gas from the Cretaceous Little Bear sands. This is the first well to obtain commercial flow rates from the Cretaceous in the Central Mackenzie Valley. A Significant Discovery License (“SDL”) was granted covering the Stewart structure; the SDL extends approximately 9.3 kilometres north and 3.9 kilometres south of the D-57 well.
- **Keele River L-52** - In Q1, 2008 the Company participated for its 15% share (\$1.4M net) of the cost to drill a shallow (850m) Cretaceous oil prospect. The well did not encounter hydrocarbons and it was abandoned.
- **Dahadinni B-20** – The Company paid 15% (\$4.5M net) of the cost to drill the Dahadinni B-20 well. Due to a late opening of the government winter road drilling operations started later than anticipated, as a result the well was only drilled to 2,420 meters versus a targeted total depth of 2,580 meters. Casing was run to total depth and the well was abandoned. The well remains on confidential status. The Company considers the B-20 well to be an excellent sign posting well. Well results will be integrated into geological and geophysical models to gain a better understanding of the Dahadinni structure, and of the petroleum system in the south end of our acreage portfolio.
- The drilling of the L-52 and B-20 wells has fulfilled the license requirement therefore EL-423 has been extended for an additional term of four years.
- The Company exercised its right of first refusal to acquire an additional 26% interest in five TDL parcels, and an additional 5.9245% in EL-441 and 3.2112% in EL-423. An agreement to assign a 25% interest, and operatorship, in five TDL

parcels was entered into with Husky Oil Operations Ltd. As part of the agreement the Company purchased an additional 7.30% interest in the Stewart D-57 discovery well, drilled on TDL parcel M-38, and an additional 10.80% interest in TDL parcel M-37 on which the Sah Cho L-71 suspended well is located. The Company now holds a 14.80% interest in the Stewart D-57 well and a 15.80% interest in the Sah Cho L-71 well.

- Two partners in the NWT project, Pacific Rodera and Taqa North, recently relinquished their interest in five TDL parcels. As a result the lands are now held Husky - 75% and IFR – 25%.
- The strategy incorporated in the Summit – Keele area is to drill wells to preserve licenses. To date EL-397 and EL-423 have been extended for a second term of four years. Two additional wells are required to extend the term of EL-441 and EL- 443. By extending the term of our licenses the Company is well positioned to commence with appraisal and development drilling when a final decision is made on the Central Mackenzie Valley gas pipeline.

North Sea – UKCS

- **Laurel Valley** – The Company did not incur any drilling costs and was carried for a 10.45% interest in the Laurel Valley well. The well did not encounter hydrocarbons and it was abandoned. After drilling the consortium relinquished 50% of the acreage and it is likely that the remaining 50% will be relinquished in 2008.
- **Lytham** – The Company paid 5% (\$1.1M net) of drilling costs to retain a 9.3% interest in the license. The well found approximately 50 – 75 BCF of gas that, due to lack of infrastructure in the area, was deemed to be uneconomic and the well was abandoned. The consortium relinquished 50% of the license and a farminee is being sought to drill a well on the remaining acreage. If a farminee is not found the Company plans to relinquish the license in 2008.
- **Ridgewood** – The Company paid 15% (\$3.5M net) and was carried for 10% of the cost to drill the Ridgewood well to retain a 25% interest in the license. The well did not encounter hydrocarbons and it was abandoned. The Company plans to relinquish its interest in the license in 2008.
- **Maria** – The Company paid 11.11% (\$3.7M net) of well costs to earn an 8.33% interest in block 15/18a. The well encountered 45 feet of net oil pay and 15 feet of gas pay in a Palaeocene channel sand system that trends through the McCullough and Brenda oilfields. By drilling the Maria 15/18-12 well the Company earned an 8.33% interest in two fallow Jurassic wells. The Company intends to attempt to structure an arrangement with partners that would allow it to move forward with a development of the Palaeocene 15/18-12 discovery after results of the 25th licensing round are announced later this year.

As stated, our goal was to participate in ten high - impact exploration wells, to date seven wells have been drilled and three exploration wells are planned for in 2008/09.

With respect to finances, after costs incurred for our drilling and seismic programmes working capital is projected to be \$12 to \$13 million, sufficient to fund the dry hole costs for two wells at Bowmore and one well at Colville Hills.

The Company recently commissioned McDaniel and Associates to prepare a resource report on the Summit Creek, Stewart Lake and Maria discoveries. A report covering unevaluated land values in the NWT has also been commissioned. Completion of these reports will facilitate a better understanding of the inherent value of the Company's shares than is reflected in its current share price. Subject to partner approval the reports will be posted on our website.

The go-forward plan is to participate in two wells at Bowmore and one well at Colville Hills. The Company does not plan to do a financing until results of the Bowmore well(s) are known. The Company will have a clearer idea on its future capital requirements once the operators provide budgets for 2009.

The Company will not be taking on any new projects until results of the Bowmore and Colville Hills drilling programme are known. During this period the Company will conserve its working capital to the maximum extent possible.

I would like to thank shareholders for your support and sincerely hope that by the time the next round of drilling is completed, the value created by our drilling programme is better reflected in the market.

Yours truly,

Pat Boswell
President

Historical Drilling Results

NWT Prospects	Result	Prospect Generator	License Status	FO = Farmout & Retained Interest
N. Mackay	D&A	EGL	Expired	FO – 35%
Fallstone	D&A	Northrock	Expired	FO - 35%
Devo Creek	D&A	EOG	Expired	7.50%
Summit B44	Gas + Oil	Northrock	SDA	FO – 8.2%
Sah Cho	Gas	Husky	SDA	15.80%
Stewart Creek	Gas	Husky	SDL	14.80%
Summit K44	Gas + Oil	Husky	SDA - Appraisal	8.20%
Keele L71	D&A	Husky	4-years	15.00%
Dahadinni B20	Sign posting	Husky	4-years	15.00%
Total NWT	9 wells			4 discoveries 5 D&A
International Prospects				
WA-274-P (Australia)	D&A	EGL	Expired	FO – 12.50%
Laurel Valley UKCS	D&A	EGL	50% relinquished	FO – 10.45%
Lytham UKCS	D&A	EGL	50% relinquished	Pay + FO – 9.30%
Ridgewood UKCS	D&A	EGL	1-year	Pay + FO – 25.00%
Maria UKCS	Oil & Gas	Petro-Canada	Held	Pay 11.11 for 8.33%
Total International	5 wells			1 discovery 4 D&A
Total Wells	14 wells			4 discoveries – 10 D&A

Notes – FO means the Company received a carried interest

EGL – Exploration Geosciences Ltd.

EOG – EOG Resources Canada Inc.

SDA – Significant Discovery Application

SDL – Significant Discovery License