

August 28, 2006

Year Ended April 30, 2006

Edmonton, Alberta – John Babic, President and CEO of Dalmac Energy Inc. (“Dalmac”) (TSX Venture “DAL”) announces the operating results for the year ended April 30, 2006.

2006 was an excellent growth year for Dalmac. Revenue has more than doubled from the preceding year. The increase in revenue was due to organic growth. The demand for Dalmac’s products and services is continuing to exceed the Company’s current capacity to supply which further indicates strong growth opportunities. As of April 30, 2006, the Company has completed the purchase or lease of new equipment valued at \$2.7 million. The Company will supplement that with a further purchase or lease of new equipment valued at an additional \$5.0 million which is expected to be delivered by the third quarter of fiscal 2007 (Q3, 2007). The MD&A and financial statements for earlier periods should also be considered relevant and are available on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com.

Effective April 30, 2005 the Company changed its year end date from December 31 to April 30 resulting in a 16 month year for the financial period ended April 30, 2005. All future financial reporting will be done on the April 30 year end basis. This change further impacted on the quarterly comparisons and as a result the quarters are referred to “Period Ended”

Selected financial Year End Information

(000’s Cdn Dollars, except per share)	YE Apr 30, 2006	16 mo’s YE Apr 30, 2005	YE Dec 31 2003
Revenues	14,779	7,310	0
Gross Margin	4,365	2,711	0
Gross Margin %	29%	37%	0%
Net income (loss)	742	267	(17)
Net income per share - basic	0.10	0.08	(0.01)
Net income per share - diluted	0.09	0.07	(0.01)
Total Assets	16,259	9,637	756
Total long-term financial liabilities	2,441	3,148	0
Shareholder Equity	9,541	2,052	762
Weighted average common shares -basic	7,679	4,155	3,351
Weighted average common shares - diluted	8,106	4,817	4,210

Summary of Quarterly Results

(000's Cdn Dollars, except per share)	Q4, 06 Period Ended Apr 30 2006	*Q6, 05 Period Ended Apr 30, 2005
Revenue	4,018	784
Net income (loss)	535	-296
Net income per share - basic	0.08	(0.07)
Net income per share - diluted	0.07	(0.07)

* The quarter endings do not conform to a normal fiscal year due to the year end changes associated with the qualifying transaction which resulted in a 16 month year.

Revenue

The annual revenue for the year ended (YE) April 30, 2006 increased by \$7.5 million to \$14.8 million or 102% over the \$7.3 million reported in 2005. High oil and gas prices combined with increased activity in the energy sector translated into increased revenues for the Company.

The 102% increase in revenue can be attributed to:

- Purchase or lease of: of new equipment, valued at \$2.7 million, consisting of- 2 hydro vac units, 1 combo vac unit, 1 hot oiler, 1-3 ton 4x4 mini pumper, 2 –tandum tankers, 3 steel tridem pup trailers, 1 – aluminum tridem pup trailer and the immediate productive utilization of the new equipment to generate additional revenues.
- Successful marketing and consistent high quality customer service, especially in the Hinton – Grande Cache areas, created an expanded customer base and increased demand for our services
- Successful bundling of services to customers generated more revenue opportunities which would have previously been provided to our customers by third party sources

Q4, 06 increased by \$3.2 million to \$4.0 or 413% over the \$0.8 million in Q6, 05. Q6,05 represented only a one month quarter due to the year end changes. Revenues for YE 2003 reflect the period Dalmac was a Capital Pool Company.

Gross Margin

The gross margin for 2006, increased by \$1.6 million to \$4.3 million or 60% over \$2.7 million, reported in 2005. The Gross profit margin declined to 29% from 37% in the previous year primarily due to the increased use of subcontract operators driven by the demand for our services. The profit margins on subcontractors about 10% compared to 30% for company owned equipment. As the Company received delivery of the \$2.7 million of new equipment it has scaled down the use of subcontractors. The previous year is not indicative of 12 months of operations due to the fact that it covers a 16 month period which only records the 6 months of operations of the Company's subsidiary, McClelland Oil Services Inc.. These last 6 months coincide with the Company's busiest periods. This also effectively, minimizes the negative impact of the months that are weaker due to spring break up conditions. The 6 months of operations recorded is due to the timing of the Qualifying Transaction which occurred in early November 2004.

Net income increased \$474,698 to \$742,060, or 178% from \$267,362 reported in 2005. Net income per fully diluted share increased by \$0.02 to \$0.09, or 29% from the \$0.07 reported in the previous period.

Dalmac focuses mainly on production services rather than exploratory work, so the demand for its products and services is slightly insulated from the affects of changes in commodity prices. Production and field work provides a steady baseline demand for the Company's products and services.

Outlook

High commodity prices continue to bode well for the oil and gas industry. Exploration and production from the Western Canadian Sedimentary Basin is also continuing at record levels. This, in turn, creates a healthy environment for Dalmac's products and services in the foreseeable future. The Company's ability to meet the demands for its products and services is limited by its current capacity. This invariably results in work turn downs because of lack of equipment. This indicates excellent growth opportunities for Dalmac. Fiscal 2007 is expected to replicate last year's demand levels for the Company's products and services. With the additional equipment purchases expected to be delivered in the winter of fiscal 2007, Dalmac is encouraged by the expected growth in revenue.

Dalmac Energy Inc. ("Dalmac" or "the Company") is a provider of "hot oiler", "hydro vac", "vacuum", "pressure" and "tanker truck" services to the west central Alberta energy sector. Other products and services provided by the Company include "methanol/glycol", and "KCL" distribution and delivery. The Company presently has a total of 67 service units.

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Statements throughout this report that are not historical facts may be considered "forward looking statements". Such statements are based on current expectations that involve risks and uncertainties, which could cause actual results to differ from those anticipated. Important factors that can cause anticipated outcomes to differ materially from actual outcomes include the impact of general economic conditions, industry conditions, competition from other industry participants, volatility of petroleum prices, the ability to attract and retain qualified personnel, changes in laws or regulations, currency fluctuations, continued ability to access capital from available facilities and environmental risks. References in this MD&A to "Dalmac", the "Corporation", "Company", "us", "we" and "our" mean Dalmac Energy Inc. and its subsidiaries 750761 Alberta Ltd. And McClelland Oil Services Inc

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