

TG WORLD ENERGY CORP.
INTERIM CONSOLIDATED BALANCE SHEETS
(unaudited)

All amounts in C\$	March 31, 2006	December 31, 2005
ASSETS		
Current assets		
Cash	\$ 216,084	\$ 2,123,390
Accounts receivable	61,700	61,700
	277,784	2,185,090
Petroleum and natural gas properties	3,205,566	768,976
	\$ 3,483,350	\$ 2,954,066
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 231,162	\$ 271,442
Due to related parties (note 4)	27,696	44,312
	258,858	315,754
Shareholders' equity		
Share capital (note 5(b))	7,226,432	6,511,772
Warrants (note 5(c))	415,733	439,592
Contributed surplus (note 5(e))	386,199	308,401
Deficit	(4,803,872)	(4,621,453)
	3,224,492	2,638,312
	\$ 3,483,350	\$ 2,954,066

INTERIM CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT
(unaudited)

All amounts in C\$	Three months ended March 31	
	2006	2005
Expenses		
General and administrative	\$ 194,791	\$ 323,254
Amortization of debenture discount	0	32,459
Interest expense	0	23,099
Interest income	(12,605)	(888)
Foreign exchange (gain) loss	234	(116)
	182,419	377,808
Net loss for the quarter	182,419	377,808
Deficit, beginning of the period	4,621,453	4,187,754
Deficit, end of period	\$ 4,803,872	\$ 4,565,562
Net loss per share – basic and diluted	\$ 0.0039	\$ 0.0145

See notes to the Financial Statements

TG WORLD ENERGY CORP.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

All amounts in C\$	Three months ended March 31	
	2006	2005
Cash provided by (used for):		
Operating		
Net loss for the period	\$ (182,419)	\$ (377,808)
Add items not involving cash:		
Stock based compensation expense	90,518	21,775
Amortization of debenture discount	0	32,459
	(91,901)	(323,574)
Debt interest accrued	-	21,883
Changes in non-cash working capital	(40,280)	36,608
	(132,181)	(265,084)
Financing		
Due to related parties	(16,616)	(24,113)
Shares issued upon exercise of options and warrants	114,733	179,999
	98,117	155,886
Investing		
Acquisition of petroleum and natural gas properties	(1,873,242)	0
Decrease in cash	(1,907,306)	(109,198)
Cash at beginning of period	2,123,390	248,289
Cash at end of period	\$ 216,084	\$ 139,091

Notes to the Financial Statements
(unaudited)

1. Basis of presentation

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements and follow the same accounting policies and methods of application as the audited consolidated financial statements for the year ended December 31, 2005. These financial statements should be read in conjunction with those audited consolidated financial statements and management's discussion and analysis for the year ended December 31, 2005.

2. Nature of operations

The Company's assets primarily consist of its existing interests in certain oil and gas properties located in Eastern Niger, and newly acquired interests on the Alaska North Slope, all of which are in the exploration stage.

The ability of the Company to continue as a going concern and the recoverability of amounts shown for petroleum and natural gas properties is dependent upon the continued financial support of the Company's creditors, the ability of the Company to obtain additional financing, maintaining the

Company's interest in the underlying petroleum and natural gas claims, controlling expenditures and achieving future profitable operations.

The accompanying financial statements have been prepared on the basis of accounting principles applicable to a company with continuing operations. Should the going concern assumption not be appropriate, certain asset and liability accounts would require adjustment and reclassification.

3. Petroleum and natural gas properties

Costs capitalized are detailed below:

	Balance at Dec 31, 2005	Additions in Quarter	Balance at March 31, 2006
Tener, Niger Project			
Fees and other holding costs	\$ 52,153	25,938	78,091
Work Programs	603,657	14,902	618,561
Recoveries	(61,658)	0	(61,658)
	594,152	40,843	634,995
Alaska			
Work Programs	0	2,298,978	2,298,978
Fees and other holding costs	151,026	47,023	198,049
	151,026	2,346,001	2,497,027
Prospective project work programs in progress			
Cambodia	23,798	12,160	35,958
New ventures under evaluation	0	37,586	37,586
	23,798	49,746	73,544
Total	768,976	2,436,590	3,205,566

No general and administrative expenses were capitalized in the first quarter of 2006 (2205 – nil).

The Company has entered into a 4-year Joint Venture Agreement with Brooks Range Petroleum Corporation, a wholly owned subsidiary of Alaska Venture Capital Group, for an initial payment of US\$1.953 million (Cdn\$2.278 million) in cash and TG World Energy Corp. shares to explore oil and gas properties acquired on the Alaska North Slope amounting to 167,033 acres, and potential new properties in an Area of Mutual Interest. The US\$1.953 million (Cdn\$2.278 million) was payable as to US\$1.46475 million (Cdn\$1.708 million) in cash and US\$488,250 (Cdn\$569,446) by issuance of 443,809 common shares in TG World Energy Corp. at a deemed value of US\$1.10 (Cdn\$1.28) per common share. The Company's interest varies from 25% to 35% in eight prospective areas. The 4-year program includes additional lease acquisitions, 3-D seismic, and 4 exploratory wells, the first of which will be drilled in 2006/07.

The Company estimates its share of the costs of this four-year exploration program to be US\$17 million (Cdn\$19.827 million). In addition to the US\$1.953 million (Cdn\$2.278 million) already paid, a series of subsequent payments in the estimated total amount of US\$15.46 million (Cdn\$18.03) will be made as a further contribution to the costs of the program.

4. Related party transactions

The following table sets out the services that were provided by related parties and are recorded at exchange amount, which is the amount of consideration agreed to between the related parties:

	1 st Quarter 2006	1 st Quarter 2005
Management, secretarial and administrative services charged by Seajay Management Enterprises Ltd.	\$ 45,000	140,000
Rent charged by TVI Pacific Inc.	7,614	7,155
Office Maintenance costs charged by TVI Pacific Inc.	2,607	3,087
Management services provided by Global Solutions Ltd.	18,175	32,500

Services provided and fees charged by Seajay Management Enterprises Ltd., TVI Pacific Inc. and Global Solutions Ltd. are covered by contract approved by the independent members of the Board of Directors

Travel and other reimbursable costs related to the business of the Company are charged at cost by Seajay and for the quarter amounted to \$42,552 (2005 – \$7,041). Reimbursable costs incurred by Global Solutions for the quarter amounted to \$9,781 (2005 - \$4,359).

As at March 31, 2006, the amount of \$27,696 due to related parties represents balances due for reimbursable expenses and unpaid fees for services rendered.

5. Share capital

(a) Authorized:

Unlimited number of common shares.

(b) Common shares issued.

	Number of Shares	Amount \$
Balance December 31, 2005	46,957,606	\$ 6,511,772
Shares issued on exercise of warrants	119,295	125,260
Shares issued on exercise of options	133,332	26,054
Shares issued to Alaska Joint Venture partners (note 2)	<u>443,809</u>	<u>563,346</u>
Balance at March 31, 2006	47,654,042	7,226,432

(c) Private placement financing

On July 21, 2005, the Company completed a brokered private placement of an aggregate of 3,681,715 units to subscribers at a price of \$0.70 per unit for gross proceeds to the Company of \$2,577,200.

Each Unit consists of one common share and one-half of one share purchase warrant. Each full purchase warrant entitles the holder thereof to acquire one common share, at a price of \$0.85 per share if the warrant is exercised within the first twelve months following closing and at \$1.00 per share if the warrant is exercised at any time during the second year following closing.

The Company issued a total of 2,197,957 share purchase warrants valued at \$439,592. This amount, shown under warrants in the equity section of the balance sheet, will be transferred to share capital as and when the warrants are exercised.

During the quarter, an amount of \$23,859 was transferred from warrants to share capital as a consequence of warrants exercised.

(d) Share options:

The Company has a share option plan pursuant to which options may be granted to directors, officers, employees and consultants of the Company. The options vest over periods of three years and expire no more than five years from the date of grant.

At March 31, 2006, the Company had the following share options:

	March 31, 2006		December 31, 2005	
	Options outstanding	Exercise price \$	Options outstanding	Exercise price \$
Outstanding, beginning of year:	5,155,000	0.43	4,005,000	0.28
Granted	-	-	1,150,000	0.97
Exercised	133,332	0.10	-	-
Outstanding, end of period	5,021,668	0.44	5,155,000	0.43
Exercisable, end of period	3,626,668	\$ 0.32	3,532,083	\$ 0.33

Exercise Price	Options Exercisable	Weighted Average Contractual Life	Options Outstanding	Weighted Average Contractual Life
\$ 0.10	790,001	2.8 years	1,251,668	2.8 years
\$ 0.37	2,620,000	0.4 years	2,620,000	0.4 years
\$ 0.60	33,333	3.7 years	50,000	3.7 years
\$ 0.99	183,334	4.5 years	1,100,000	4.5 years
	3,626,668	1.3 years	5,021,668	2.0 years

(e) Stock-based compensation and contributed surplus:

	March 31, 2006	December 31, 2005
Balance, beginning of year	\$ 308,401	\$ 103,900
Stock-based compensation	90,518	204,501
Transfer to share capital on exercise of options	(12,720)	-
Balance, end of period	\$ 386,199	\$ 308,401

In the first quarter of 2006, \$90,518 (2005 – 21,775) of stock-based compensation has been charged to the statement of operations relating to options granted in prior periods.

(f) Warrants:

The Company had the following warrants outstanding:

	March 31, 2006		December 31, 2005	
	Number of common shares reserved	Exercise price \$	Number of common shares reserved	Exercise price \$
Expiring July 20, 2007 (exercisable at one warrant per common share*)	2,078,662	0.85/1.00	2,197,957	0.85/1.00

*The exercise price is \$0.85 per common share if exercised by July 20, 2006 and \$1.00 per common share if exercised after July 20, 2006. During the quarter, 119,295 warrants were exercised.

6. Per share amounts

The basic weighted average number of common shares outstanding during the quarter ended March 31, 2006 was 47,654,042 (2005 – 34,801,837). No addition is made to the basic weighted average number of shares when calculating diluted weighted average number of shares as the diluted per share amounts are anti dilutive.

7. Financial assets and liabilities:

(a) Fair values:

The fair values of cash, accounts receivable and current liabilities approximate their carrying values.

(b) Currency risks:

TG World is exposed to exchange rate fluctuations in relation to its costs on the Niger and Alaska projects and for services it must purchase in foreign currencies.

8. Subsequent event:

Under a Success Fee Arrangement with a third party, the Company agreed to reserve and pay to a third party for the successful settlement of the outstanding legal matters with CNPC and its related parties and the Government of Niger a minimum fee of \$150,000 or greater of 4% of the value received for the TG World 20% interest in the Tenere EA. The third party shall pay its 4% share of the Company's cost. In the second quarter of 2006, an arrangement was negotiated whereby the Company issued 750,000 treasury shares of TG World Energy Corp to the third party in lieu of the \$150,000 minimum payment and continuing obligation to pay 4% share of value received from the TG World 20% interest in the Tenere EA.