

MANAGEMENT'S DISCUSSION & ANALYSIS

For the three and six months ended June 30, 2006

This report is dated August 17, 2006

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of our operations should be read in conjunction with the unaudited consolidated financial statements of Arawak Energy Corporation ("Arawak" or the "Company") and Notes relating thereto as at and for the three and six months ended June 30, 2006 and the audited consolidated financial statements of Arawak as at and for the year ended December 31, 2005. Our financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and presented in US dollars.

This MD&A contains certain "forward-looking statements". Forward-looking statements are not based on historical facts but rather on management's expectations regarding the Company's future growth, results of operations, production, future capital and other expenditures, competitive advantages, plans for and results of drilling activity, environmental matters, business prospects and opportunities. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These risks and uncertainties include, but are not limited to, risks associated with the oil and gas industry (for example operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses and health, safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the uncertainty associated with negotiating with foreign governments and risk associated with international activity. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in the Company's securities should not place undue reliance on these forward-looking statements.

This MD&A uses certain terms which are specific to the oil and gas industry. These are non-GAAP terms and are defined within our document. Except as otherwise required by the context, reference in this MD&A to "our", "we" or "us" refer to the combined business of Arawak and all of its subsidiaries.

All dollar amounts in this report are in US dollars unless otherwise indicated.

Additional information relating to the Company is available on SEDAR at www.sedar.com and the Company's website at www.arawakenergy.com.

OVERALL PERFORMANCE AND OPERATIONS REVIEW

Arawak Energy Corporation (the "Company" or "Arawak") is pleased to report a very positive second quarter, which following the strong first quarter provides the Company with an excellent first half year result both in absolute terms, with retained earnings appearing on the balance sheet for the first time in the Company's history, and relative to the same periods of last year.

These results were driven by increases in both production volumes and revenue. Average daily production in Kazakhstan and Russia was 7,544 barrels of oil per day ("bopd") in Q2 2006, which was up 18% from 6,369 bopd in Q1 of 2006 and up 32% from 5,730 bopd in the second quarter 2005. Output in Kazakhstan and Russia recently exceeded 9,000 bopd, due to gains in production capacity in Kazakhstan. Arawak is currently engaged in construction projects to increase oil processing capacity at the Akzhar and Besbolek fields to ease the main bottleneck to production in Kazakhstan. Production of oil and gas in Azerbaijan remains at the pilot stage.

At \$34.0 million, revenue from the sale of 660,651 barrels of crude oil from Kazakhstan and Russia in Q2 2006 was up 147% from the same period of 2005. Net income in the quarter saw a near nine-fold increase on the year to \$5.0 million, (2.9 cents per share on a diluted basis), while cash flow from operations was up 261% from the previous year at \$11.2 million, 6.4 cents per share on a diluted basis. Results for the first half year 2006 follow a similar pattern, with revenues of \$61.7 million (an increase of 127% over the first half year 2005), net income of \$10.3 million (a seven-fold increase) and cash flow from operations of \$22.1 million (up 250%).

Capital investment for Q2 2006 was \$21.6 million, reflecting the acquisition of the interest in the North Israel field in Russia which closed on June 27, 2006 with the addition of \$8.5 million of property and equipment, and ongoing capital investment of \$13.1 million in the Company's other fields in Kazakhstan, Russia and Azerbaijan, in line with the Company's annual budget.

Production from Kazakhstan, which is becoming the main focus for the Company's growth, outstripped Russia for the first time during 2006. Arawak expects the rate of production growth in Kazakhstan to continue to exceed Russia over the next two years. The Company's smallest field in Kazakhstan, Karataikyzy, was put back on full production in Q2 2006, following the approval of the Technical Plan of Development, and is now producing over 350 bopd. Total production from Kazakhstan in this quarter was 4,053 bopd, up 35% from the preceding quarter.

Further increases in production in Kazakhstan are expected upon completion of a new central processing facility serving the Akzhar field and upgrading of the processing facilities for the Besbolek field, both scheduled for Q3 2006. The Company has drilled the first two high angle wells in the Besbolek field and is drilling a third. Each of the first two wells has over 100 metres of net pay, and together they are expected to significantly add to the production capacity of Besbolek (currently 1,600 bopd) upon their perforation and completion, expected later this month.

Interpretation of 22 sq km 3D seismic acquired on the Besbolek field in second quarter 2006 continues, with results expected before the end of the third quarter. The acquisition phase of the larger 75 sq km 3D seismic survey on the Akzhar field has been completed, and data processing is commencing. Interpreted results are expected in Q1 2007.

In Russia, where the Company operates through its joint venture ZAO PechoraNefteGas ("PNG"), mixed results of recently drilled development wells caused PNG to slow down development drilling pending results of additional technical studies on the Sotchemyu - Talyu fields.

Also in Russia, production has commenced from the newly-acquired North Israel field, and following the workovers of existing wells, output has reached over 750 bopd (375 bopd net to Arawak). More workovers are taking place, and production is expected to continue to grow. An additional prospect is being drilled, with the well spudded earlier this month.

In Azerbaijan, pilot production of oil and gas continues, with the installation of line heaters expected this month to facilitate the tie in of the first of the two high capacity gas wells, Duvanny 102, so that higher production rates can be achieved in the fourth quarter 2006.

A tender has also been awarded for a 180 sq km 3D seismic survey over the relatively well defined Coastal block of the South West Gobustan Exploration Development and Production Sharing Agreement area, as well as a 200 km 2D seismic survey over the remaining Central and Northern blocks.

NETBACKS

The following table presents the operations and earnings netbacks as calculated by dividing total Company revenues and costs by total sales volumes.

For the period ended June 30

Dollars per barrel	Three months 2006	Three months 2005	Six months 2006	Six months 2005
Crude oil sales	51.43	34.31	47.73	32.63
Interest and other income	0.31	0.81	0.28	0.65
Total revenue	51.74	35.12	48.01	33.28
Royalties and taxes	(11.41)	(10.19)	(9.63)	(8.57)
Production costs	(3.70)	(2.35)	(3.28)	(2.92)
Transportation and selling expenses	(4.99)	(3.26)	(4.89)	(3.54)
Net operating income	31.64	19.32	30.21	18.25
General and administrative expenses	(5.76)	(6.44)	(4.81)	(5.38)
Realized foreign exchange (loss) gain	0.73	(0.61)	1.06	(0.45)
Interest expense	(1.03)	(0.73)	(0.99)	(1.37)
Current income tax expense	(8.67)	(3.82)	(8.33)	(3.46)
Funds from operations	16.91	7.72	17.14	7.59
Depletion, depreciation and amortization	(8.69)	(7.07)	(8.55)	(6.91)
Stock based compensation costs	(1.68)	(1.11)	(1.34)	(0.56)
Accretion expense	(0.09)	(0.47)	(0.09)	(0.28)
Unrealized foreign exchange (loss) gain	(0.57)	0.17	(0.59)	0.10
Future income tax recovery	1.73	2.18	1.42	1.82
Net income	7.61	1.42	7.99	1.76

PRODUCTION

For the period ended June 30

	Three months 2006	Three months 2005	Six months 2006	Six months 2005
<u>Production - barrels</u>				
Kazakhstan	368,829	244,499	638,135	424,443
Russia	317,696	276,973	621,614	528,531
	686,525	521,472	1,259,748	952,974
<u>Average daily production - barrels</u>				
Kazakhstan	4,053	2,685	3,526	2,654
Russia	3,491	3,045	3,434	3,013
	7,544	5,730	6,960	5,667

The Company's overall production increased 32% in the second quarter of 2006 to 686,525 barrels or the equivalent of 7,544 bopd, from 521,472 barrels or 5,730 bopd in the same period of 2005, and increased 18% from 6,369 bopd in the first quarter of 2006.

Production from our Kazakhstan operations increased 51% to 4,053 bopd in the second quarter of 2006 versus 2,685 bopd for the same period in 2005 and increased 35% from 2,992 bopd in the first quarter of 2006.

In Russia, production increased 15% in the second quarter of 2006 to 3,491 bopd versus 3,045 bopd for the second quarter of 2005 and increased 3% from 3,377 bopd in the first quarter of 2006.

SALES

For the period ended June 30

	Three months 2006	Three months 2005	Six months 2006	Six months 2005
<u>Sales - barrels</u>				
Kazakhstan	349,083	135,968	682,329	327,320
Russia	311,568	265,016	610,127	505,504
	660,651	400,984	1,292,456	832,824
<u>Average sales price per barrel</u>				
Kazakhstan	\$58.14	\$38.16	\$55.06	\$36.62
Russia	\$43.91	\$32.33	\$39.54	\$30.05
Total Arawak	\$51.43	\$34.31	\$47.73	\$32.63

Sales volume in the second quarter of 2006 increased 65% to 660,651 barrels from 400,984 barrels in the same period in 2005. The increase results mainly from a 32% increase in production levels in the current year but also from the crude oil inventory reduction in 2006.

The average sales price received increased 50% to \$51.43 per barrel in the second quarter of 2006 from \$34.31 per barrel in the same period of 2005. The average selling price per barrel is dependent upon world benchmark and domestic prices, but is also impacted by the mix between export and domestic sales as well as between Kazakhstan and Russia as detailed in the marketing section below.

MARKETING

Kazakhstan crude is exported by pipeline and sold as Urals Export Blend, free on board ("FOB") Odessa, Ukraine or Butinge, Lithuania. Russian crude is exported by pipeline and sold as Urals Export Blend FOB Butinge, Lithuania. Russian crude may also be exported to near-abroad markets, such as Belarus, which have favourable customs arrangements with Russia resulting in export duty and VAT exemptions. Domestic sales in Kazakhstan are either ex-field or delivered to the local refinery and in Russia domestic sales are ex-field.

For the three months ended June 30, 2006

Export oil sales	Kazakhstan	Russia	Total
Volume - barrels	320,470	129,564	450,034
Percentage of total sales	92%	42%	68%
Revenue (thousands)	\$19,724	\$8,079	\$27,803
Average export price per barrel	\$61.55	\$62.36	\$61.78

Domestic oil sales			
Volume - barrels	28,613	182,004	210,617
Percentage of total sales	8%	58%	32%
Revenue (thousands)	\$572	\$5,600	\$6,172
Average domestic price per barrel	\$19.99	\$30.77	\$29.30

For the three months ended June 30, 2005

Export oil sales	Kazakhstan	Russia	Total
Volume - barrels	99,502	106,636	206,138
Percentage of total sales	73%	40%	51%
Revenue (thousands)	\$4,648	\$4,707	\$9,355
Average export price per barrel	\$46.71	\$44.14	\$45.38

Near-abroad oil sales			
Volume - barrels	-	23,137	23,137
Percentage of total sales	-	9%	6%
Revenue (thousands)	-	\$707	\$707
Average price per barrel	-	\$30.54	\$30.54

Domestic oil sales			
Volume - barrels	36,466	135,243	171,709
Percentage of total sales	27%	51%	43%
Revenue (thousands)	\$541	\$3,153	\$3,694
Average domestic price per barrel	\$14.83	\$23.32	\$21.51

Kazakhstan

Total sales volume in the second quarter of 2006 in Kazakhstan increased 157% compared with the same period in 2005 due to a 51% increase in production and a lower than expected sales volume in the second quarter of 2005 resulting from the planned June sale being delayed until July, 2005. Export sales volume increased 222% while domestic sales volume decreased 22% reflecting the Company's higher proportion of export sales in 2006.

Revenues from Kazakhstan export sales increased 324% to \$19.7 million from \$4.6 million. This was due to a 222% sales volume increase to 320,470 barrels from 99,502 barrels and to a 32% increase in the average export price per barrel to \$61.55 from \$46.71.

Domestic sales revenues in Kazakhstan increased 6% due to a 35% increase in the average domestic price per barrel to \$19.99 from \$14.83 and a 22% decrease in the sales volume from 36,466 barrels to 28,613 barrels.

Russia

Total sales volume in Russia increased 18% largely as a result of the 15% production increase. The sales mix in Russia during the second quarter of 2006 was 58% domestic and 42% export versus 51% domestic, 40% export and 9% near-abroad in the same period in 2005.

Revenues from Russian export sales increased 72% to \$8.1 million from \$4.7 million due to a 22% increase in sales volume to 129,564 barrels from 106,636 barrels and a 41% increase in the average export price per barrel to \$62.36 from \$44.14.

There have not been any near-abroad sales to date in 2006.

Domestic sales revenues in Russia increased 78% to \$5.6 million from \$3.2 million due to a 32% increase in the average domestic price per barrel to \$30.77 from \$23.32 and a 35% increase in sales volume to 182,004 barrels from 135,243 barrels.

CRUDE OIL INVENTORY

Crude oil inventory consists of amounts produced and in storage tanks at the end of each period and is recorded at the lower of cost, determined on a weighted average basis, and net realizable value. The table below summarizes the current period oil movement and inventory balances.

For the three months ended June 30

In barrels	2006	2005
Crude oil inventory - beginning	35,864	30,501
Production	686,525	521,472
Sales	(660,651)	(400,984)
Losses and field usage	(7,461)	(6,512)
Crude oil inventory - ending	54,277	144,477

ROYALTIES AND TAXES

For the period ended June 30

In thousands of US dollars	Three months 2006	Three months 2005	Six months 2006	Six months 2005
Mineral resource extraction tax	3,752	2,318	6,974	4,049
Export duties	3,352	1,647	4,663	2,823
Royalties	434	121	805	267
	7,538	4,086	12,442	7,139

Mineral resource extraction tax

The Company is subject to production taxes in Russia at a rate established monthly by the state based on current world oil prices. The cost per barrel increased 31% to \$12.04 per barrel in the second quarter of 2006 from \$9.22 per barrel for the full year 2005 and increased 11% from \$10.80 in the first quarter of 2006.

Export duties

Export sales in Russia are subject to export duties with rates established by the state two months in advance based on prevailing world oil prices. Export duties are not levied on domestic or near-abroad sales. The export duties increased 41% to \$25.87 per barrel of Russian export sales for the second quarter of 2006 from \$18.33 for the full year 2005 and increased 18% from \$21.90 in the first quarter of 2006.

Royalties

Arawak pays royalties monthly to the Government in Kazakhstan to the state using stabilized rates that are graduated and increase with cumulative annual production. The Company also pays overriding royalties on two of its properties in Kazakhstan at fixed rates per barrel sold. The increase in royalties in the three months ended June 30, 2006 reflects the increased sales volumes and prices received versus the same period for 2005. Royalties in the second quarter of 2006 are 2.1% of Kazakhstan crude oil sales revenues as compared to 2.2% in the same period of the previous year.

PRODUCTION COSTS

Production costs increased 12% to \$3.28 per barrel sold for the six months ended June 30, 2006 compared to \$2.92 per barrel in the same period of the previous year due to higher production fuel, materials and repair costs, particularly in Kazakhstan.

TRANSPORTATION AND SELLING COSTS

Transportation and selling expenses include pipeline, trucking and other selling costs associated with marketing and delivering crude oil to markets. On a per barrel basis, these costs increased from \$3.26 in the second quarter of 2005 to \$4.99 in the same period in 2006 due primarily to the increased proportion of Kazakhstan export sales which carry higher transportation costs than other types of crude oil sales.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses increased from \$2.6 million in the second quarter of 2005 to \$3.8 million in the second quarter of 2006, reflecting the Company's increased activity, but decreased on a per barrel basis from \$6.44 in the second quarter of 2005 to \$5.76 in the second quarter of 2006 as a result of increased production.

INTEREST EXPENSE

Interest expense increased to \$0.7 million in the second quarter of 2006 from \$0.3 million during the same period in 2005 due to the increases in long term debt and the crude oil prepayment facility.

CURRENT INCOME TAX EXPENSE

Current income tax expense increased to \$5.7 million in the second quarter of 2006 from \$1.5 million in the same period of the previous year reflecting the significant increases in sales revenue, prices and net income before taxes.

Arawak is subject to excess profit tax on each hydrocarbon contract in Kazakhstan at incremental tiered rates based on each contract's cumulative internal rate of return in excess of 20%. The excess profit tax rates range from 0 to 30%. To date, Arawak has not accrued any related amounts but may be subject to excess profit tax in future years.

DEPLETION, DEPRECIATION AND AMORTIZATION

Depletion, depreciation and amortization expense increased to \$5.7 million for the quarter ended June 30, 2006 from \$2.8 million for the same period in 2005 reflecting the increased production and sales volumes in 2006. The expense per barrel increased to \$8.69 in the second quarter of 2006 from \$7.07 in the second quarter of 2005 as a result of the increased future development cost estimates as per the Company's December 31, 2005 reserve reports.

CAPITAL EXPENDITURES

In the second quarter of 2006, a total of \$13.1 million was spent on capital expenditures compared to \$4.1 million in the second quarter of the previous year. This growth in capital expenditure reflects the Company's escalation of the drilling programs in Russia and Kazakhstan, the seismic programs in Kazakhstan and Azerbaijan, and construction of the central processing facilities and other infrastructure in Kazakhstan. In addition, the Company acquired \$11.3 million of property and equipment related to the purchase of the 50% interest in the North Irael field in Russia (\$8.5 million cash component and \$2.8 million deferred consideration).

OPERATIONS IN AZERBAIJAN

Pilot oil production continued in the South West Gobustan fields in 2006 from the first development well, Dashgil 91, with small amounts also produced from the Adzhiveli wells in the Central block and Donguzdyg 101 in the Northern block. Gross production in the second quarter of 2006 was 5,012 barrels of oil and 124 million scf of gas, or 1,863 barrels of oil and 46 million scf of gas net to Arawak, versus 9,320 barrels of oil and no gas in the second quarter of 2005, which was 3,464 barrels of oil net to Arawak.

Sales from pilot production of 1,313 barrels of oil net to Arawak for \$0.07 million during the quarter ended June 30, 2006 have been offset against capitalized costs and not recognized as revenue compared to sales of 2,693 barrels for \$0.12 million for the same period of the previous year.

OUTSTANDING SHARE DATA

The table below sets out the Company's outstanding shares.

As at:	August 17, 2006	June 30, 2006	December 31, 2005
Common Shares	171,073,035	171,073,035	170,184,729
Exchangeable Shares	2,210,163	2,210,163	2,840,469
Total outstanding	173,283,198	173,283,198	173,025,198
Stock Options	10,977,000	10,977,000	5,700,000

LIQUIDITY AND CAPITAL RESOURCES

The levels of cash, current assets and current liabilities are as set out below and expressed in thousands of US dollars.

As at	June 30, 2006	December 31, 2005
Cash and cash equivalents	15,361	14,285
Current assets	45,381	30,729
Current liabilities	(41,172)	(13,974)
Net current assets	4,389	16,755

The Company's cash deposits are held principally in US dollars and are managed centrally. Surplus funds are placed on time deposit. Limited funds are kept in Azerbaijan, Russia and Kazakhstan.

The Company has a crude oil sales prepayment facility which allows Arawak to draw prepayments on future oil sales up to a maximum of \$15.0 million. The amount drawn as at June 30, 2006 was \$12.5 million.

Arawak's Russian joint venture, PNG, which is owned via the Company's 50% interest in RF Energy Investments Limited ("RF Energy"), has a \$51.0 million bank borrowing base facility agreement. The facility carries interest at LIBOR plus 4.4% and is repayable by September 1, 2010 via quarterly repayments of \$3 million. The balance outstanding as at June 30, 2006 was \$45.0 million. There are no penalties for early repayment and in certain circumstances PNG is required to accelerate repayment. The borrowing is secured by PNG export crude oil sales and by a guarantee of 50% of PNG's

obligations by Arawak. This loan facility provides a financing blueprint which may be replicated by the Company elsewhere and in particular, for Altius in Kazakhstan. Subsequent to quarter end, the loan facility limit was increased by \$9.0 million as the newly acquired North Israel field in Russia, which is owned by RF Energy, has been included as an additional borrower and the full amount was drawn in July.

The Company continues to seek additional business opportunities in Kazakhstan, Russia and Azerbaijan and potentially elsewhere in the FSU. Funding of any such further transactions will be considered on a case-by-case basis, depending on materiality and the expected cash flow profile of the opportunity.

SUMMARY OF QUARTERLY RESULTS

The following financial data is derived from the Company's consolidated financial statements for each of the eight most recently completed quarters.

(In thousands of US dollars except for per share amounts)				Net income (loss) per share	
Quarter ended		Crude oil sales	Net income (loss)	Basic	Diluted
2006	June 30 th	33,975	5,026	0.029	0.029
	March 31 st	27,719	5,292	0.031	0.030
2005	December 31 st	20,323	(317)	(0.002)	(0.002)
	September 30 th	27,575	7,355	0.043	0.041
	June 30 th	13,756	566	0.003	0.003
	March 31 st	13,419	894	0.006	0.006
2004	December 31 st	-	(198)	(0.002)	(0.002)
	September 30 th	-	(596)	(0.006)	(0.006)

RELATED PARTY TRANSACTIONS

Crude oil sales

Revenues from Russian and Kazakhstan export crude oil sales during the three months ended June 30, 2006 of \$27.8 million (three months ended June 30, 2005 - \$8.9 million) were received from Vitol S.A (an affiliate of Rosco S.A, the Company's largest shareholder). Related accounts receivable at June 30, 2006 of \$18.3 million includes revenues from export crude oil sales to Vitol S.A. (June 30, 2005 - \$3.6 million).

Crude oil sales prepayment facility

The crude oil sales prepayment facility provided by Vitol S.A. had an outstanding balance at June 30, 2006 of \$12.5 million (June 30, 2005 - nil). Related interest expense for the three months ended June 30, 2006 is \$0.083 million (three months ended June 30, 2005 - \$0.006 million) and the related accounts payable and accrued liabilities outstanding at June 30, 2006 was \$0.118 million (June 30, 2005 - \$0.006 million).

BUSINESS RISKS

As a junior oil and gas exploration, development and production company, Arawak is subject to risks and uncertainties inherent to the oil and gas industry and to risks inherent to a company of its size and stage of development. Due to the international nature of the Company's operations, it is subject to additional risks, including currency fluctuations, political risk, price controls and varying forms of fiscal regimes.

Oil and gas industry risks

Risks in the oil and gas industry include price fluctuations for commodity prices, operational risks and environmental concerns. Oil and natural gas prices have fluctuated widely during recent years and are determined by supply and demand factors. Arawak manages its operations in order to keep exposure

to these risks to reasonable levels, including the use of hedging instruments and forward sale, fixed price contracts to hedge its exposure.

Operational risks in the oil and gas industry include exploration and reserve estimate risks, costs and availability of services and materials, premature reservoir declines, blowouts, well bore collapse, equipment failure and other accidents and adverse weather conditions. Arawak attempts to mitigate these risks by employing experienced field personnel, consultants and contractors.

The oil and gas industry is subject to extensive environmental and other regulation imposed by governmental authorities. Arawak has existing policies and practices that ensure its operations conform to the standards and government regulations required for each jurisdiction in which it operates.

Political and economic conditions in Russia, Kazakhstan and Azerbaijan

Whilst there have been improvements in the economic situation in Russia, Kazakhstan and Azerbaijan in recent years, their economies continue to display some characteristics of emerging markets. These characteristics include, but are not limited to, the existence of currencies that are not freely convertible outside of the respective countries, a low level of liquidity of debt and equity securities in the markets and relatively high inflation.

Additionally, the oil and gas sectors in Russia, Kazakhstan and Azerbaijan are impacted by political, legislative, fiscal and regulatory developments. The prospects for future economic stability are largely dependent upon the effectiveness of economic measures undertaken by the respective Governments, together with legal, regulatory and political developments, which are beyond the Company's control.

The financial condition and future operations of the Company may be adversely affected by continued uncertainties in the business environment of Russia, Kazakhstan and Azerbaijan. Management is unable to predict the extent and duration of these uncertainties, nor quantify the impact, if any, on these financial statements.

Russian, Kazakhstan and Azerbaijani tax legislation and practice are in the developmental stage and therefore are subject to varying interpretations and frequent changes, which may be retroactive. Further, the interpretation of tax legislation by tax authorities as applied to the transactions and activities of the Company may not coincide with that of management. As a result, transactions may be challenged by tax authorities and the Company may be charged additional taxes, penalties and interest. Tax periods remain open to review by the tax authorities for three to five years; however under certain circumstances a tax year may remain open longer

Need for capital

Arawak must rely on access to debt and capital markets to supplement internally generated cash flow to fund its capital commitments and to finance its growth plans. There can be no assurance that Arawak will be successful in obtaining the funds required to meet its capital needs on a timely basis or, if successful, that the terms will be advantageous to Arawak.