

## FORM 7

### MONTHLY PROGRESS REPORT

Name of CNQ Issuer: SUNORCA DEVELOPMENT CORP.(the "Issuer").

Trading Symbol: SUNO

Number of Outstanding Quoted Securities: 13,006,770

Date : July 10th, 2008

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNQ Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNQ.ca website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNQ Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

#### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Ans. The Issuer is seeking further opportunities in the energy sector while awaiting further results from its royalty interest in the Mnazi Bay Gas Field in Tanzania operated by Artumas Group. Drilling and Development of the Mnazi Bay Natural Gas Field is being carried out by the operator of the project, Artumas Group. Sunorca Development Corp. "the Issuer" has a Gross Overriding Royalty or GORR of 2.75% in the original Development block and 3 other

contiguous exploration blocks, and a 1.85% GORR in the remaining 5 blocks of the contract area in the Mnazi Bay Natural Gas Field. The 9 blocks of the contract area cover a total area of 756.8 square kilometres. Previously reported results open the door for large-scale gas off take initiatives which might include large-scale power supply into Tanzania and off take gas supply to Kenya.

In April the Issuer announced that it as signed a licensing and relationship agreement to acquire a certain algae technology for the production of green energy from waste products. The agreement requires the Company to establish a subsidiary which will hold over 90% of the subsidiary's outstanding shares. The Company will make an interest free loan of \$350,000 to the subsidiary that will be paid back from proceeds of direct equity financings in the subsidiary.

The licensed technology utilizes (1) a process specific algae strain with favorable combination of biomass and algae constituents for high energy content, (2) a series of process specific photo-bioreactor “pods” designed for high algae production with low energy consumption, (3) a series of settling tanks, nutrient recovery tanks and purified water storage tanks for efficient extraction of mature algae and recovery of nutrients and water “nutrient broth”, and lastly a centrifuge for separation of mature algae from the entrained nutrient broth. The primary “product” and revenue stream will be a mature algae byproduct with high energy content which can then be used as a fuel in a fluidized bed boiler.

On May 2<sup>nd</sup>, 2008 the Company announced that it has arranged a private placement for up to 2,000,000 units at a price of \$0.15 per unit. Each of the units will consist of one common share and one share purchase warrant entitling the holder to purchase one additional common share for a period of two years at a price of \$0.25 per share. The private placement is subject to regulatory approval

The proceeds of the private placement will be used to provide a loan to its subsidiary as announced in the Company’s news release of April 24, 2008 and for general working capital.

The Company’s subsidiary, Suntech Energy Inc. (“Suntech”) has been formed pursuant to a licensing agreement whereby Suntech has acquired the rights to a process of converting a specific strain of algae into a high energy content product which can be used as fuel in a fluidized bed boiler. As part of the transaction, Suntech will acquire all equipment, machinery, supplies, and facilities, owned or leased connected to the technology for \$1,100,000. The purchase of the equipment will be completed upon Suntech raising approximately \$10,000,000. Until such time, Suntech is deemed to be leasing the equipment for the sum of One Dollar. Part of the funds available will be used to maintain the various rents and leases.

Suntech executives have met with Alberta government officials to discuss various loans and subsidies available for a test facility in Alberta. Location is critical for commercial-scale facilities. In this respect, Suntech executives have been in advanced discussions with a major company that operates world-scale nitrogen fertilizer plants about building a test facility next to their plant in Alberta. On June 7<sup>th</sup> 2008 the Company (Sunorca Development Corp (CNQ: SUNO)) announced that Canadian Fertilizers Limited will collaborate with Sunorca Development Corp’s wholly owned subsidiary Suntech Energy Inc. (a Vancouver based technology company) in a project to capture and consume Carbon Dioxide (CO2) and other constituents from the flue gas and process gas stream emitted through Canadian Fertilizer Limited’s Medicine Hat facility.

The initial project will concentrate on 150 tons/day of the Medicine Hat facility's process CO<sub>2</sub>. This phase of the project will start immediately with collaboration between Canadian Fertilizers Limited and Suntech Energy Inc., and will include an on-site facility and the required infrastructure for the interconnections between Canadian Fertilizers Ltd's process and Suntech's proprietary algae growth and harvesting system.

Suntech intends to use some of the funds advanced to it from Sunorca to initiate the engineering work required to build such a plant.

On June 30<sup>th</sup>, 2008 the Company filed NI 51-101 Form F1, F2 and F3 STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION as at June 30<sup>th</sup> 2007. on its royalty interest in the Mnazi Bay Gas Field in Tanzania

2. Provide a general overview and discussion of the activities of management.

Ans. Refer to the response to item 1 above.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Ans. The Issuer has secured a royalty on production from a defined area of the Mnazi Bay Gas Field in Tanzania. The gas field is being drilled and operated by Artumas Group and updates will be disseminated accordingly. See Press Release on the cnq.ca website for further information.

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4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Ans. None

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

Ans. In April the Issuer announced that it signed a licensing and relationship agreement to acquire a certain algae technology for the production of green energy from waste products. The agreement requires the Issuer to establish a subsidiary which will hold over 90% of the subsidiary's outstanding shares. The Issuer will make an interest free loan of \$350,000 to the subsidiary that will be paid back from proceeds of direct equity financings in the subsidiary.

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required infrastructure for the interconnections between Canadian Fertilizers Ltd's process and Suntech's proprietary algae growth and harvesting system.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

Ans. None

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

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8. Describe the acquisition of new customers or loss of customers.

Ans. None

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

Ans. None

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

Ans. None

11. Report on any labour disputes and resolutions of those disputes if applicable.

Ans. None

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

Ans. None

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

Ans. During the period of the past month, the Company has not borrowed any funds except as mentioned in Loans by related parties (Q15 below). However, the Company in its normal course of business activities, may accumulate indebtedness from time to time in the form of fees for services and management fees, as is regularly reported in the Company's financial statements. The indebtedness created by the accumulation of service and management fees or any type of indebtedness can be settled with the completion of a financing, loan, or with the benefits of a successful business transaction. The Company is in the process of reducing its payables.

The Company will make an interest free loan of \$350,000 to its subsidiary that will be paid back from proceeds of direct equity financings in the subsidiary.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of
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			<b>Proceeds<sup>(1)</sup></b>
None			

*(1) State aggregate proceeds and intended allocation of proceeds.*

15. Provide details of any loans to or by Related Persons.

Ans. The Company will make an interest free loan of \$350,000 to its subsidiary that will be paid back from proceeds of direct equity financings in the subsidiary.

The company received a short term demand loan of \$30,000 from a director, bearing interest at 10%, for working capital purposes.

16. Provide details of any changes in directors, officers or committee members.

Ans. None

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

Ans. None known

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNQ that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNQ Requirements (as defined in CNQ Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated July 10, 2008

Nashirudeen Meghji

Name of Director or Senior Officer

*"Nashirudeen Meghji"*

Signature

Director

<b>Issuer Details</b>	For Month End	Date of Report YY/MM/DD
Name of Issuer	June 30th, 2008	08/07/10
SUNORCA DEVELOPMENT CORP.		
Issuer Address		
450 – 650 West Georgia St.		
City/Province/Postal Code	Issuer Fax No.	Issuer Telephone No.
VANCOUVER, B.C. V6B 4N8	(778)737-1299	(604) 809-4799
Contact Name	Contact Position	Contact Telephone No.
Nashirudeen Meghji	Director	(604) 809-4799
Contact Email Address	Web Site Address	
<a href="mailto:sunorca@shawbiz.ca">sunorca@shawbiz.ca</a>	N/A	



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