UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-QSB

_X_ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934. For the quarter ended July 31, 2006

__TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

VTEX ENERGY, INC.

(Name of small business issuer in its charter)

Nevada	**76-0582614**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

11811 North Freeway, Suite 200
Houston, Texas 77060
(Address of principal executive office)

(281) 445-5880
(Issuer's telephone number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes _X_ No ___

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ___ No _X_

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

As of August 31, 2006, there were 15,501,470 shares of common stock, $0.001 par value, outstanding.

Transitional Small Business Disclosure Format (Check one).

Yes ___ No _X_

VTEX ENERGY, INC.
FORM 10-QSB
FOR THE QUARTER ENDED JULY 31, 2006

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Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

VTEX ENERGY, INC.
CONSOLIDATED BALANCE SHEETS

	July 31, 2006 (Unaudited)	April 30, 2006
ASSETS		
CURRENT ASSETS		
Cash	$ 955	$ 38,536
Certificates of deposit	101,807	101,807
Accounts receivable, oil and natural gas	14,979	52,239
Joint interest billings receivable	26,432	20,267
Note receivable	537,000	537,000
Other current assets	154,168	248,112
Total current assets	835,341	997,961
OIL AND NATURAL GAS PROPERTIES – Full cost method of accounting	16,890,310	16,977,310
Less accumulated depletion, depreciation and amortization	(1,723,994)	(1,723,720)
Oil and natural gas properties, net	15,166,316	15,253,590
OTHER ASSETS		
Other property and equipment, net of accumulated depreciation of $138,962 and $133,077 at July 31, 2006 and April 30, 2006, respectively	63,412	69,297
Deferred loan costs, net of accumulated amortization of $649,806 and $623,089 at July 31, 2006 and April 30, 2006, respectively	34,205	37,152
Investment in Viking Petroleum UK Limited, cost method	1,369,570	1,369,570
Other assets	119,356	108,342
Total other assets	1,586,543	1,584,361
TOTAL ASSETS	$ 17,588,200	$ 17,835,912

The accompanying notes are an integral part of the consolidated financial statements

VTEX ENERGY, INC.
CONSOLIDATED BALANCE SHEETS (Continued)

	July 31, 2006 (Unaudited)	April 30, 2006
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of line of credit – related party	1,585,809	1,359,265
Revolving lines of credit – banks	745,001	745,001
Notes payable, net of discount of $169,687 and $265,492 at July 31, 2006 and April 30, 2006, respectively	3,095,637	2,795,999
Production payments payable	291,504	299,504
Accounts payable – trade	3,167,741	2,610,775
Accrued salaries, officers	277,500	217,500
Royalties payable	584,759	771,793
Working interest revenues payable	65,807	63,768
Taxes payable	172,463	172,463
Advances from related parties	216,000	-
Accrued interest	691,729	540,418
Total current liabilities	10,893,950	9,576,486
NONCURRENT LIABILITIES		
Line of credit – related party	2,038,898	2,265,442
Asset retirement obligations	1,352,239	1,327,351
Total noncurrent liabilities	3,391,137	3,592,793
TOTAL LIABILITIES	14,285,087	13,169,279
COMMITMENTS AND CONTINGENCIES	-	-
STOCKHOLDERS' EQUITY		
Preferred stock class A-1, cumulative convertible; $1,000 par value per share 3,000 shares authorized; No shares issued or outstanding	-	-
Preferred stock class AA-1, cumulative convertible; $0.01 par value per share, 500,000 shares authorized; 395,879 shares issued and outstanding	3,959	3,959
Preferred stock class B, noncumulative nonconvertible; $0.001 par value per share, 500,000 shares authorized; 500,000 shares issued and outstanding	500	500
Common stock, $0.001 par value per share; 150,000,000 shares authorized; 15,087,689 and 15,007,689 shares issued and outstanding at July 31, 2006 and April 30, 2006, respectively	15,088	15,008
Additional paid-in capital	36,708,788	36,685,098
Accumulated deficit	(33,369,942)	(32,002,436)
Accumulated other comprehensive loss	(55,280)	(35,496)
Total stockholders' equity	3,303,113	4,666,633
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 17,588,200	$ 17,835,912

The accompanying notes are an integral part of the consolidated financial statements

VTEX ENERGY, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended July 31, 2006	2005
REVENUES		
Natural gas sales	$ 1,232	$ 199,714
Total Revenues	1,232	199,714
OPERATING EXPENSES		
Lease operating expense	177,284	105,511
Production taxes	83,100	33,802
Depreciation, depletion and amortization expense	6,159	58,682
General and administrative expense	823,653	1,784,510
Accretion expense	24,888	23,105
Total operating expenses	1,115,084	2,005,610
OPERATING LOSS	(1,113,852)	(1,805,896)
OTHER INCOME (EXPENSE)		
Other income	42,877	3,296
Interest expense	(296,531)	(235,079)
Total other expense, net	(253,654)	(231,783)
NET LOSS	$ (1,367,506)	$ (2,037,679)
NET LOSS PER SHARE – Basic and Diluted	$ (0.09)	$ (0.20)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	15,277,119	10,433,609

The accompanying notes are an integral part of the consolidated financial statements

VTEX Energy, Inc.
STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
Three Months Ended July 31, 2006
(Unaudited)

	Preferred Stock									
	Class AA-1		Class B		Common Stock		Additional Paid-in	Accumulated	Accumulated Other Comprehensive	Total Shareholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	Loss	Equity
Balance April 30, 2006	395,879	$ 3,959	500,000	$ 500	15,007,689	$ 15,008	$ 36,685,098	$ (32,002,436)	$ (35,496)	$ 4,666,633
Common stock issued for prior year loan consideration	-	-	-	-	80,000	80	(80)	-	-	-
Warrants granted for loan guarantee	-	-	-	-	-	-	23,770	-	-	23,770
Net loss	-	-	-	-	-	-	-	(1,367,506)	-	(1,367,506)
Foreign currency translation	-	-	-	-	-	-	-	-	(19,784)	(19,784)
Balance July 31, 2006	395,879	$ 3,959	500,000	$ 500	15,087,689	$ 15,088	$ 36,708,788	$ (33,369,942)	$ (55,280)	$ 3,303,113

The accompanying notes are an integral part of the consolidated financial statements

VTEX Energy, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended July 31, 2006	Three Months Ended July 31, 2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (1,367,506)	$ (2,037,679)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation, depletion and amortization expense	6,159	58,682
Amortization of deferred loan costs and debt discount	122,522	108,116
Accretion expense	24,888	23,105
Accrued salaries, officers	60,000	-
Common stock and warrants issued for services	-	21,494
Stock based compensation	-	1,280,000
Changes in operating assets and liabilities		
Accounts receivable	31,095	(130,042)
Other assets	82,930	(115,401)
Accounts payable – trade	556,966	(77,379)
Royalties and working interest revenues payable	(184,995)	(17,168)
Other current liabilities	151,311	114,096
Net cash used in operating activities	(516,630)	(772,176)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in certificates of deposit	-	(2,890)
Oil and natural gas capital expenditures	-	(24,571)
Proceeds from sales of oil and natural gas properties	87,000	270,000
Acquisition of Viking International Petroleum, PLC, net of cash acquired	-	(121,619)
Net cash provided by investing activities	87,000	120,920
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on notes payable	205,500	425,000
Repayments of notes payable	(1,667)	(67,529)
Repayments of production payments	(8,000)	-
Borrowings on lines of credit	-	350,000
Advances from related parties	216,000	-
Repayments of advances from related party	-	(12,500)
Net cash provided by financing activities	411,833	694,971
Effect of foreign currency translation	(19,784)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(37,581)	43,715
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	38,536	37,582
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 955	$ 81,297

The accompanying notes are an integral part of the consolidated financial statements

VTEX Energy, Inc.
Notes to Unaudited Consolidated Financial Statements
(Unaudited)

Note 1. Basis of Presentation

The accompanying consolidated financial statements have been prepared by management of VTEX Energy, Inc., a Nevada corporation and its subsidiaries, Vector Exploration, Inc. and Viking International Petroleum, PLC (“Viking”), (collectively the “Company”) without audit pursuant to the rules and regulations of the SEC. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted as allowed by such rules and regulations, and management believes that the disclosures are adequate to make the information presented not misleading. These financial statements include all of the adjustments that, in the opinion of management, are necessary for the fair presentation of the financial position and results of operations of the Company. These financial statements should be read in conjunction with the audited consolidated financial statements for the year ended April 30, 2006, which are included in the Company’s annual report on Form 10-KSB filed with the SEC on September 20, 2006. Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for the most recent fiscal year 2006 as reported in Form 10-KSB, have been omitted.

Going Concern

As shown in the financial statements, the Company has historically incurred net losses from operations and has incurred net losses of approximately $1,368,000 and $2,038,000 for the three months ended July 31, 2006 and 2005, respectively, and losses are expected to continue in the near term. Current liabilities exceeded current assets by approximately $10,059,000 and $8,579,000 at July 31, 2006 and April 30, 2006, respectively, and the accumulated deficit is approximately $33,370,000 at July 31, 2006. Amounts outstanding and payable to creditors are in arrears and the Company is in negotiations with creditors to obtain extensions and settlements of outstanding amounts. Management anticipates that significant additional expenditures will be necessary to develop the Company’s properties, which consist primarily of proved reserves that are non-producing, before significant positive operating cash flows will be achieved. Without outside investment from the sale of equity securities or debt financing, our ability to execute our business plan will be limited. These factors are an indication that the Company may be unable to continue in existence.

Management's plans to alleviate these conditions include the renegotiation of certain trade payables, settlements of debt amounts with stock, deferral of certain scheduled payments, and sales of non core properties, as considered necessary by management. In addition, management is pursuing business partnering arrangements for the acquisition and development of additional properties as well as debt and equity funding through private placements.

The accompanying consolidated financial statements are prepared assuming the Company will continue as a going concern. The consolidated financial statements do not contain adjustments, including adjustments to recorded assets and liabilities, which might be necessary if the Company were unable to continue as a going concern.

Certain reclassifications have been made to prior period amounts to conform to the current period presentation.

Note 2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of VTEX Energy, Inc. and its wholly owned subsidiaries, Vector Exploration, Inc. and Viking International Petroleum, PLC (“Viking”), herein collectively referred to as the “Company”. All significant intercompany accounts and transactions have been eliminated in consolidation.

The Company owns an approximate 24% interest in Viking Petroleum UK Limited which is accounted for under the cost method because of the inability to exercise significant influence over its operations. This investment is carried at cost and adjusted only for other than temporary declines in fair value. Profits and losses of the investee are not recognized in the consolidated financial statements of the Company. No impairment of this investment was considered necessary at July 31, 2006.

Oil and Natural Gas Properties

The Company follows the full cost method of accounting for its oil and natural gas properties. All costs associated with property acquisition, exploration, and development activities are capitalized in a single cost center located within the United States. Internal costs directly identified with the acquisition, exploration and development activities of the Company are also capitalized. Capitalized costs are amortized on the unit-of-production basis using total proved oil and natural gas reserves. Capitalized costs are subject to a "ceiling test" and are limited to the present value of estimated future net revenues less estimated future expenditures using a discount factor of ten percent. Should capitalized costs exceed the present value of reserves discounted at ten percent, the excess is charged to operations. Once incurred, an impairment of oil and natural gas properties can not be reversed at a later date. Impairment of oil and natural gas properties is assessed on a quarterly basis in conjunction with our quarterly filings with the SEC. Sales of proved and unproved oil and natural gas properties are treated as reductions of the capitalized cost pool, unless such adjustments would significantly alter the relationship between capitalized costs and proved reserves. At July 31, 2006 and April 30, 2006, there were no costs of unproved properties or major development projects included in the capitalized cost pool. The depletion rates per Mcfe for the three months ended July 31, 2006 and 2005 were $1.32 and $0.99, respectively.

Loss Per Share

Loss per share has been calculated using the weighted average number of shares outstanding. Outstanding warrants and other potentially dilutive securities have been excluded from the calculation of loss per share, as their effect would be anti-dilutive due to the Company incurring a net loss for all periods presented. At July 31, 2006 and April 30, 2006, there were 189,430 and 269,430 shares, respectively, that the Company was obligated to issue. The weighted average effect of these shares was 189,430 and 135,496 for the three months ended July 31, 2006 and 2005, respectively. At July 31, 2006 and April 30, 2006, there are 250,000 warrants that are potentially dilutive common shares that have been excluded from the calculation of earnings per share because their effects are anti-dilutive.

Statement of Cash Flows

For purposes of the consolidated statement of cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash and cash equivalents.

The following is a summary of all payments made for interest and significant noncash financing activities for the three months ended July 31, 2006 and 2005, respectively.

Supplemental Disclosures of Cash Flow Information:

	Three Months Ended July 31, 2006	Three Months Ended July 31, 2005
Cash Payments		
Interest	$ 13,736	$ 14,204
Noncash Investing and financing activities		
Accrued interest converted into note payable	$ -	$ 26,466
Common stock and warrants issued for services	-	21,494
Common stock and warrants issued to note holders recorded as debt discounts	-	79,761
Common stock and warrants issued for debt extensions and a guarantee	23,770	165,365
Common stock options issued for stock based compensation	-	1,280,000
Common stock issued as consideration for the acquisition of Viking International Petroleum, PLC	-	640,000
Common stock issued for loan consideration	80	-
Net liabilities acquired in the acquisition of Viking International Petroleum, PLC (net of cash acquired)	-	607,951

Note 3. Certificates of Deposit

At July 31, 2006 and April 30, 2006, the Company had certificates of deposit totaling $101,807. Such certificates bear interest at a rates ranging from 3.92% to 4.07% at July 31, 2006 and from 2.81% to 3.93% at April 30, 2006. The maturity dates of the certificates ranged from January 29, 2007 to March 20, 2007. The certificates of deposit are collateral for letters of credit, with expiration dates corresponding to the maturity dates of the certificates, issued in favor of governmental agencies in states in which the Company operates wells. It is anticipated that such certificates of deposit and the corresponding letters of credit will be renewed at maturity.

Note 4. Asset Retirement Obligations

The Company recognizes an estimated liability for the plugging and abandonment of its oil and natural gas wells and associated pipelines, platforms, and equipment. The Company records a liability in the period in which its asset retirement obligation ("ARO") is incurred. Upon initial recognition of the liability, the Company must capitalize a corresponding asset cost equal to the amount of the liability.

The estimated liability is based on historical experience in plugging and abandoning wells and associated pipelines, platforms, and equipment, estimated remaining lives of those wells based on reserve estimates and federal and state regulatory requirements. The liability is discounted using an assumed credit-adjusted risk-free rate of 7.5%. Revisions to the liability could occur due to changes in estimates of plugging and abandonment costs, changes in the risk-free rate or remaining lives of the wells, or if federal or state regulators enact new plugging and abandonment requirements. At the time the abandonment cost is incurred, the Company will be required to recognize a gain or loss if the actual costs do not equal the estimated costs included in the ARO.

The following table describes all changes to the Company's ARO liability:

	Three Months Ended July 31,	
	2006	**2005**
Beginning asset retirement obligations	$ 1,327,351	$ 1,232,297
Accretion expense	24,888	23,105
Ending asset retirement obligations	$ 1,352,239	$ 1,255,402

Note 5. Commitments and Contingencies

The Texas Railroad Commission declined a request by the Company for a reduction in bonding requirements for asset retirement obligations which were recently increased by the State of Texas for operators of certain wells located in offshore and bay State of Texas waters. The Company's bonding requirement has been $50,000, but would increase to $1,500,000 under the new regulations. The Company is seeking a bond at this increased level but does not have such bond in place at this time. There is no assurance that a bond can be obtained or that such bond would be available on commercial terms acceptable to the Company. The Company requested reconsideration by the Texas Railroad Commission of this decision and such request was declined on March 27, 2006. The Company has appealed such decision to the district court. Until a final decision is made in this matter, the Company will be allowed to continue its operations under its current bond. Should the Company not be successful in reducing the bond requirement, or alternatively obtain a bond at the increased requirement, or provide other satisfactory security the Company could be required to outsource offshore operations of the property provided such operator provides a satisfactory bond. An arrangement to outsource operations would likely result in the reduction of the Company's working interests or an increase in lease operating expenses to fund such asset retirement obligations.

As a member of Mustang Island Gathering, LLC, a Texas limited liability company and pipeline operator, the Company has been required to guarantee a portion of the LLC's bank debt, which is approximately $1.1 million in the aggregate**.** The Company's share of such guarantee is approximately $40,000. Due to positive financial performance of the pipeline, management's opinion of the likelihood that the Company will be required to perform under this guarantee is remote thus no amount is recorded to reflect the obligation under this guarantee.

ARCOA Energy Partners I, L.P. ("ARCOA") has the right to convert its net profits interest into common stock of the Company at a conversion rate of $1.25 per share. The value of the net profits interest will be determined based upon the net cash flows attributable to the reserves, discounted at 15%.

From time to time, the Company is party to certain legal actions and claims arising in the ordinary course of business. While the outcome of these events cannot be predicted with certainty, management does not expect these matters to have a materially adverse effect on the financial position of the Company.

Note 6. Stockholder's Equity

Common Stock

The Company has 150,000,000 shares of authorized $0.001 par value common stock, of which 15,087,689 and 15,007,689 shares were issued and outstanding at July 31, 2006 and April 30, 2006, respectively.

During the three months ended July 31, 2006, the Company issued 80,000 shares of its common stock under the terms of notes payable for which the obligation of issuance arose prior to April 30, 2006 and whose value was included in stockholders' equity at April 30, 2006.

Stock Options and Warrants

The Company has outstanding options granted to certain key employees to purchase 4,000,000 shares of the Company's common stock a purchase price of $0.50 per share. These options expire on July 29, 2015 and are non-transferable. The options, which were issued at a price equal to or exceeding the market value of the underlying stock on the date of the grant, are not intended to qualify as incentive stock options under Internal Revenue Code Section 422.

As of July 31, 2006, there were 5,329,376 warrants outstanding and exercisable at prices ranging from $0.10 to $2.00. Such warrants expire on dates ranging from August 8, 2006 to March 10, 2010.

During the three months ended July 31, 2006, the Company issued warrants to purchase 100,000 shares of its common stock at $0.50 per share to an individual in order to secure a guarantee of one of its revolving lines of credit. The warrants had a fair value of $23,770 and expire on June 20, 2008. The warrants have been recorded as deferred loan costs and will be amortized over the term of the line of credit.

Note 7. Related Party Transactions

From time to time, officers, directors and shareholders of the Company have made unsecured advances to the Company. During the three months ended July 31, 2006, the Company received $216,000 in such advances. Advances are due upon demand.

During July, 2005, the Company executed employment agreements with its officers. Certain of the officers have elected to defer payment of a portion of their salary under such agreements until such time as the Company's cash flow improves. At July 31, 2006 and April 30, 2006, deferred compensation of $277,500 and $217,500, respectively, has been accrued and is recorded as accrued salaries, officers.

Note 8. Subsequent Events

Office Lease

In June 2006, the Company entered into a long term lease for office space effective September 1, 2006. Under the terms of the lease, rent expense will be $4,330 per month for the first year and escalates annually to a maximum of $5,052 per month. Future minimum lease payments under this lease will be as follows:

Fiscal Year Ended April 30,		
2007	$	25,980
2008		53,403
2009		55,568
2010		57,733
2011		59,898
2012		30,310
Total	$	282,892

Exchange of Viking Interests to USEY

On August 11, 2006, VTEX contributed all of the outstanding stock of Viking to US Energy Overseas Investments, LLC ("Overseas") in return for Class B ownership units in Overseas and warrants to purchase common stock of US Energy Systems, Inc. ("USEY"). The Company, through Viking owned an approximate 24% interest in Viking Petroleum UK Limited ("Viking Petroleum"). Viking Petroleum owned gas licenses (the "Gas Licenses") for approximately 100,000 acres of onshore natural gas properties and mineral rights in North Yorkshire, England. The transaction between the Company and Overseas was combined with transactions between several other entities which resulted in the Gas Licenses, the Knapton Generating Station, a 42 MW gas-fired power plant associated with and located in the vicinity of the natural gas reserves in North Yorkshire, England, and certain related gas gathering and processing assets being directly and indirectly acquired by UK Energy Systems Limited ("UK Energy"). UK Energy is an English company which is a wholly-owned subsidiary of GBGH, LLC ("GBGH"), a Delaware limited liability company. GBGH is 79% owned by Overseas, and 21% owned by Marathon Capital Holdings (UK), LLC. As part of the transaction, a power purchase agreement and a gas sales agreement with Scottish Power Energy Management ("Scottish Power") was entered into under which Scottish Power is required to take all of the electricity generated by the Knapton Generating Station and all of the natural gas produced from the associated reserves up to 100 Bcf for a term of up to 12 years.

VTEX received 100 Class B Membership Units of Overseas. The Class B Membership Units participate in the cash flow of Overseas and are convertible into up to 1,900,000 shares of common stock of USEY. The investment in Overseas will be accounted for using the cost method. In addition, the Company received warrants to purchase 500,000 shares of common stock of USEY. The warrants are exercisable at prices ranging from $8 to $10 per share and expire on August 7, 2011.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is management's discussion and analysis of significant factors that have affected certain aspects of our financial position and operating results during the periods included in the accompanying unaudited condensed consolidated financial statements. This discussion should be read in conjunction with the accompanying unaudited condensed consolidated financial statements included elsewhere in this Form 10-QSB and with Management's Discussion and Analysis of Financial Condition and Results of Operations and our audited consolidated financial statements included in our annual report on Form 10-KSB for the year ended April 30, 2006.

Forward-Looking Statements

The statements contained in all parts of this document, including, but not limited to, those relating to our outlook, including any expectations regarding increases in our liquidity or available credit, our ability to access the capital markets to raise additional capital, our drilling plans, capital expenditures, future capabilities, the sufficiency of capital resources and liquidity to support working capital and capital expenditure requirements, reinvestment of cash flows, use of NOLs, tax rates, the outcome of litigation and audits, and any other statements regarding future operations, financial results, business plans, sources of liquidity and cash needs and other statements that are not historical facts are forward looking statements. When used in this document, the words "anticipate," "estimate," "expect," "may," "project," "believe," "budgeted," "intend," "plan," "potential," "forecast," "might," "predict," "should" and similar expressions are intended to be among the statements that identify forward looking statements. Such statements involve risks and uncertainties, including, but not limited to, those relating to the results of and our dependence on our exploratory and development drilling activities, the volatility of oil and natural gas prices, the need to replace reserves depleted by production, operating risks of oil and natural gas operations, our dependence on key personnel, our reliance on technological development and possible obsolescence of the technology currently used by us, the significant capital requirements of our exploration and development and technology development programs, the potential impact of government regulations and liability for environmental matters, results of litigation and audits, expansion of our capital budgets, our ability to manage our growth and achieve our business strategy, competition from larger oil and natural gas companies, the uncertainty of reserve information and future net revenue estimates, property acquisition risks and other factors detailed in this Form 10-QSB for the quarterly period ended July 31, 2006 and in our Form 10-KSB for the year ended April 30, 2006 and other filings with the SEC ("SEC"). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated. All subsequent written and oral forward-looking statements attributable to the Company or the persons acting on its behalf are expressly qualified in their entirety by the reference to these risks and uncertainties.

General Overview

VTEX Energy, Inc., a Nevada corporation (the "Company"), is an independent oil and natural gas company engaged in acquiring, exploiting, developing and operating oil and natural gas properties, with a focus on Texas and Louisiana. The Company has one wholly owned subsidiary, Vector Exploration, Inc., and is headquartered in Houston, Texas.

The Company was incorporated under the laws of the State of Texas on June 18, 1998 as Vector Energy Corporation ("Vector") which was a wholly owned subsidiary of Sunburst Acquisitions II, Inc. ("Sunburst"). Vector was formed for the purpose of completing a reverse merger with Sunburst in order to change Sunburst's name to Vector Energy Corporation and its state of incorporation from Colorado to Texas. This merger was completed on June 19, 1998. Effective November 15, 2002, the Company was reincorporated in Nevada. The reincorporation was effected by the merger of Vector with and into a newly created, wholly owned subsidiary, VTEX Energy, Inc., a Nevada Corporation, which became the surviving entity.

From its inception through March 2000, the Company consummated a series of oil and natural gas property acquisitions in Texas, Louisiana and Oklahoma. These acquisitions were funded primarily through the issuance of the Company's stock and the Company's assumption of debt and other liabilities. The properties acquired were a combination of producing properties and properties considered to have future development potential.

A lack of working capital and the service requirements of the debt assumed by the Company in its acquisitions prevented the Company from fully developing the properties it had acquired or funding sufficient capital expenditures on certain existing properties to sustain economic production. Accordingly, the Company identified those properties that had the most potential for future development, and in July 2002 began to actively market for sale the rest of its non-strategic producing oil and gas properties. The proceeds from the property sales allowed the Company to reduce and restructure its debt, while retaining enough capital to begin development of the properties retained.

The estimated proved oil and natural gas reserves of the Company at April 30, 2006 were 108,000 barrels of crude oil and condensate and 10,277,000 Mcf (thousand cubic feet) of natural gas. These reserves have an estimated $27 million in future net cash flow, discounted at 10%. Of these reserves, an estimated 76,000 barrels of crude oil and condensate and 6,880,000 MCF of natural gas with an estimated $16 million in future net cash flow, discounted at 10%, are considered to be proved developed. Estimated capital expenditures to develop these properties are $11,275,000. The Company's reserves are located in two fields, Bateman Lake and Mustang Island 818-L.

Field	Location	Percent of April 30, 2006 Estimated Future Net Cash Flows Discounted at 10%	Percent of Revenue Three Months Ended July 31, 2006	Percent of Revenue Three Months Ended July 31, 2005
Bateman Lake	St. Mary Parish, Louisiana	45.26%	100.00%	1.04%
Mustang Island 818-L	State Waters Offshore Texas	54.74%	0.00%	98.96%

Results of Operations

Three Months Ended July 31, 2006 Compared to Three Months Ended July 31, 2005

Revenues are minimal due to development and repair requirements on our principal properties. Production expenses exceeded revenue by $259,152 for the three months ended July 31, 2006, principally due to the fact that the Company's producing oil and gas wells have either been shut-in or produce only intermittently pending the completion of necessary repairs. Such repairs include repairs to the main tank battery and a new natural gas supply line for artificial gas lift at Bateman Lake and repairs to the production platform at Mustang Island. The Company estimates that such repairs will cost approximately $450,000.

Oil and natural gas revenues for the three months ended July 31, 2006 decreased 99% to $1,232, compared to $199,714 for the same period in 2005. Production volumes for natural gas during the three months ended July 31, 2006 decreased 99%, to 207 Mcf, compared to 55,149 Mcf for the three months ended July 31, 2006. Average natural gas prices for the three months ended July 31, 2006 increased 64% to $5.95 per Mcf, compared to $3.62 per Mcf for the same period in 2005. There was no oil production for either the three months ended July 31, 2006 or 2005.

The following table summarizes production volumes, average sales prices and operating revenues for the Company's oil and natural gas operations for the three months ended July 31, 2006 and 2005.

	Quarter Ended July 31,		2006 Compared to 2005	
	2006	2005	Increase (Decrease)	% Increase (Decrease)
Production volumes -				
Oil (Bbls)	-	-	-	-
Natural Gas (Mcf)	207	55,149	(54,942)	(99%)
Average sales prices -				
Natural gas (per Mcf)	$ 5.95	$ 3.62	$ 2.33	64%
Operating revenue				
Natural gas	$ 1,232	$ 199,714	$ (198,482)	(99%)

Production expenses for the three months ended July 31, 2006 increased 22% to $260,384 compared to $139,313 for the same period in 2005. This increase in production expense is caused by the effect of fixed lease operating expenses combined with an increase in the minimum transportation charge at Mustang Island and the cost of well control insurance.

Depreciation, depletion and amortization expense decreased from $58,682 for the three months ended July 31, 2005 to $6,159 for the three months ended July 31, 2006. This decrease was due to a 99% decrease in Mcfe production volumes.

General and administrative expenses for the three months ended July 31, 2006 decreased by $960,857 to $823,653 compared to $1,784,510 for the three months ended July 31, 2005. The decrease was primarily due to common stock warrants issued for stock based compensation whose value of $1,280,000 was expensed in the first quarter of fiscal 2005. Included in general and administrative expenses for the three months ended July 31, 2006 was $275,489 relating to Viking, whose expenses have been included in the Company’s operations since July 29, 2005.

Accretion expense for the three months ended July 31, 2006 increased by $1,783 to $24,888 compared to $23,105 for the three months ended July 31, 2005. This increase was due to the normal compound effect of the discount factor attributable to the Company’s asset retirement obligation.

Interest expense for the three months ended July 31, 2006 increased by 26% to $296,531 from $235,079 for the same period in 2005. The increase in interest expense was due primarily to an increase in weighted average debt from $5,843,660 for the three months ended July 31, 2005 to $7,494,186 for the three months ended July 31, 2006. Amortization of loan discount and deferred loan costs included in interest expense increased from $108,116 for the three months ended July 31, 2005 to $122,522 for the three months ended July 31, 2006.

Financial Condition and Capital Resources

Since its inception, the Company has suffered recurring losses from operations and has been dependent on existing stockholders and new investors to provide the cash resources to sustain its operations. During the three months ended July 31, 2006 and 2005, the Company reported losses of approximately $1,368,000 and $2,038,000, respectively. The Company’s continuing negative operating results have produced a working capital deficit of approximately $10,059,000 at July 31, 2006. These factors raise substantial doubt about the Company’s ability to continue as a going concern. The Company’s long-term viability as a going concern is dependent upon the Company’s ability to obtain sources of outside financing to support near term operations and to allow the Company to make strategic investments in new oil and natural gas prospects which will provide the Company the ability to attain profitability and sustain a cash flow level that will ensure support for continuing operations. The Company estimates that an additional $1.2 million in capital will be required to sustain operations for the next year.

For the past three months the Company has funded its oil and gas operating expenses and general and administrative expenses through the issuance of short term investor notes and advances from related parties. Additional equity funding will be required in the near term to meet the capital needs of the Company. The Company is evaluating various financing alternatives such as the issuance of debt, private placements of its common and preferred stock, sales of undivided interests in some of its oil and natural gas properties and joint ventures with industry partners. There is no guarantee that the Company will be successful in obtaining such financing, or that the terms of any financing obtained will be on terms favorable to the Company. Any inability of the Company to raise additional capital will limit the development of most of its oil and natural gas properties and may prevent the Company from meeting its cash requirements. If the wells which are currently being brought into production through development and workovers perform as expected additional cash flows may be available; however, there is no assurance that such cash flows will in fact be available or that the wells will, in fact, perform as expected. In the absence of such well performance or financing, the company will not be able to meet its financial obligations.

The Texas Railroad Commission declined a request by the Company for a reduction in bonding requirements which were recently increased by the State of Texas for operators of certain wells located in offshore and bay State of Texas waters. The Company's bonding requirement has been $50,000, but would increase to $1,500,000 under the new regulations. The Company is seeking a bond at this increased level but does not have such bond in place at this time. There is no assurance that a bond can be obtained or that such bond would be available on commercial terms acceptable to the Company. The Company requested reconsideration by the Texas Railroad Commission of this decision and such request was declined on March 27, 2006. The Company has appealed such decision to the district court. Until a final decision is made in this matter, the Company will be allowed to continue its operations under its current bond. Should the Company not be successful in reducing the bond requirement, or alternatively obtain a bond at the increased requirement, or provide other satisfactory security the Company could be required to outsource offshore operations of the property provided such operator provides a satisfactory bond. An arrangement to outsource operations would likely result in the reduction of the Company's working interests or an increase in lease operating expenses to fund such asset retirement obligations.

Financing Arrangements

The Company has a $10 million revolving credit line with an entity controlled by the brother of the Company's president. The credit line is subject to a borrowing base formula. At July 31, 2006, the Company had drawn the maximum available under the borrowing base on the revolving credit line of $3,624,707. Additional borrowings are not available without the consent of the lender. The line of credit is secured by all of the Company's oil and natural gas properties and bears interest at the rate of 7.5%. Accrued and unpaid interest on the line of credit totaled $340,375 at July 31, 2006. Under its terms, the line of credit was to accrue interest through October 31, 2005, at which time interest was to be due monthly. Beginning in November 2006, the principal balance outstanding under the line of credit was to convert to a term note payable in 48 equal monthly installments along with current interest. The Company has not made any payments under the terms of the converted note and interest on the line of credit is continuing to accrue. The note is currently in default, however no demand for payment has been received pending ongoing discussions with the lender to modify the terms of the note. No definitive agreement has yet been reached.

The Company also has a $250,000 line of credit with a bank. The outstanding balance under this line of credit is $245,001 at April 30, 2006, and is due upon demand.

On June 21, 2005, the Company entered into a $500,000 revolving credit agreement with Bank of Texas. The note was guaranteed by a private investor who is to receive 200,000 shares of the Company's common stock and warrants to purchase 100,000 shares of the Company's common stock at $0.50. Interest on this note is payable quarterly at the prime rate. The outstanding balance under the note is due December 31, 2006.

The Company has outstanding production payments in the amount of $291,504 at July 31, 2006. One of the holders of such production payments has agreed to a temporary forbearance of the Company's obligation until December 31, 2006. The Company is currently holding discussions with the holder of the remaining production payments in order to obtain his forbearance, however there can be no assurance that such forbearance will be obtained or will be on terms favorable to the Company. If such forbearance is not obtained or continued, the Company will be required to remit the revenue from a substantial portion of the Company's production.

From time to time, the Company issues notes payable to settle outstanding accounts payable and other liabilities, finance expenditures and generate working capital. The balances of such notes payable were $3,095,637 and $2,795,999 at July 31, 2006 and April 30, 2006, respectively. Notes payable totaling $1,420,342 have reached maturity and are currently in default, however no demand for payment has been received pending ongoing discussions with the lenders to modify the terms of the notes.

Off Balance Sheet Financing Arrangements

As a member of Mustang Island Gathering, LLC (the "LLC"), a Texas limited liability company and pipeline operator, the Company has been required to guarantee a portion of the LLC's bank debt, which is approximately $1.1 million in the aggregate**.** The Company's share of such guarantee is approximately $40,000. Due to the financial performance of the pipeline, the likelihood that the Company will be required to perform under this guarantee is remote thus no amount is recorded to reflect the obligation under this guarantee.

Net Cash Used in Operating Activities

Cash flows used in operating activities decreased to $516,630 for the three months ended July 31, 2006 as compared to $772,176 for the three months ended July 31, 2005. This decrease was primarily due to a decrease in the net loss incurred by the Company from $2,037,679 in 2005 to $1,367,506 in 2006.

Net Cash Provided by Investing Activities

Cash flows provided by investing activities decreased to $87,000 for the three months ended July 31, 2006 from $120,920 for the three months ended July 31, 2005. The decrease from the prior year was due primarily to a decrease in proceeds from the sale of non-strategic properties.

Net Cash Provided by Financing Activities

Net cash flows provided by financing activities totaled $411,833 for the three months ended July 31, 2006 primarily from borrowings under notes payable to investors totaling $205,500 and advances from related parties totaling $216,000.

Critical Accounting Policies

The following summarizes several of our critical accounting policies:

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from these estimates. The use of these estimates significantly affects oil and natural gas properties through depletion and the full cost ceiling test, as discussed in more detail below.

Oil and Natural Gas Properties

We account for investments in oil and natural gas properties using the full-cost method of accounting. All costs directly associated with the acquisition, exploration and development of oil and natural gas properties are capitalized. These costs include lease acquisitions, seismic surveys, and drilling and completion equipment. We expense maintenance and repairs as they are incurred.

We amortize oil and natural gas properties based on the unit-of-production method using estimates of proved reserve quantities. The amortizable base includes estimated future development costs and, where significant, dismantlement, restoration and abandonment costs, net of estimated salvage values. The depletion rate per Mcfe for the three months ended July 31, 2006 and 2005 was $1.32 and $0.99, respectively.

We account for dispositions of oil and natural gas properties as adjustments to capitalized costs with no gain or loss recognized, unless such adjustments would significantly alter the relationship between capitalized costs and proved reserves. We have not had any transactions that significantly alter that relationship.

The net capitalized costs of proved oil and natural gas properties are subject to a "ceiling test" which limits such costs to the estimated present value, discounted at a 10% interest rate, of future net revenues from proved reserves, based on current economic and operating conditions. If net capitalized costs exceed this limit, the excess is charged to operations through depletion, depreciation and amortization. No ceiling test write downs were required during the three months ended July 31, 2006 or 2005.

Oil and Natural Gas Reserve Estimates

The reserve data included in this document for the year ended April 30, 2006 are estimates prepared internally by the Company. The reserve data included in this document for the year ended April 30, 2005 are estimates prepared by D. Raymond Perry, Jr., an independent petroleum engineer. Reserve engineering is a subjective process of estimating underground accumulations of hydrocarbons that cannot be measured in an exact manner. The process relies on interpretation of available geologic, geophysical, engineering and production data. The extent, quality and reliability of this data can vary. The process also requires certain economic assumptions regarding drilling and operating expense, capital expenditures, taxes and availability of funds. The SEC mandates some of these assumptions such as oil and natural gas prices and the present value discount rate.

You should not assume that the present value of future net cash flows is the current market value of our estimated proved reserves. In accordance with SEC requirements, we based the estimated discounted future net cash flows from proved reserves on prices and costs on the date of the estimate.

Our rate of recording depreciation, depletion and amortization expense for proved properties depends on our estimate of proved reserves. If these reserve estimates decline, the rate at which we record these expenses will increase.

Asset Retirement Obligations

The Company records a liability for legal obligations associated with the retirement of tangible long-lived assets in the period in which they are incurred in accordance with SFAS No. 143, "*Accounting for Asset Retirement Obligations*." The Company adopted this policy effective May 1, 2003, using a cumulative effect approach to recognize transition amounts for asset retirement obligations, asset retirement costs and accumulated accretion and depletion. Under this method, when liabilities for dismantlement and abandonment costs, excluding salvage values, are initially recorded, the carrying amount of the related oil and natural gas properties are increased. Accretion of the liability is recognized each period using the interest method of allocation, and the capitalized cost is depleted over the useful life of the related asset.

Contingencies

Liabilities and other contingencies are recognized upon determination of an exposure, which when analyzed indicates that it is both probable that an asset has been impaired or that a liability has been incurred and that the amount of such loss is reasonably estimable.

Volatility of Oil and Natural Gas Prices

Our revenues, future rate of growth, results of operations, financial condition and ability to borrow funds or obtain additional capital, as well as the carrying value of our properties, are substantially dependent upon prevailing prices of oil and natural gas.

Item 3. Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in Company reports filed or submitted under the Security and Exchange Act are recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in Company reports filed under the Securities and Exchange Act is accumulated and communicated to management, including the Company’s President and Chief Executive Officer and the Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

The Company’s Chief Executive Officer and Chief Financial Officer (collectively, the “Certifying Officers”) are responsible for establishing and maintaining disclosure controls and procedures (as defined in Securities Exchange Act Rule 13a-15(e)) for the Company. Such officers have concluded (based upon their evaluation of these controls and procedures as of a date within 90 days of the filing of this report) that the Company's disclosure controls and procedures are not adequate and effective for purposes of Rule 13a-14(c) in timely alerting them to material information relating to the Company required to be included in the Company's filings with the SEC under the Securities Exchange Act of 1934. The reasons for our determination that our internal controls and procedures are not effective are detailed below.

The Company currently employs one person in the accounting department (the Chief Financial Officer) who is responsible for the day to day accounting and SEC reporting function of the Company. Daily transactions are accounted for, reconciled and processed to our accounting records solely by this person. This is considered a material weakness due to lack of segregation of responsibilities. The lack of resources in the accounting and reporting function of our internal controls also resulted in the Company not being able to file its annual financial statements for the year ended April 30, 2006 and for the quarterly period ended July 31, 2006 on a timely basis. As of the date of this filing the Company is compliant in all of its filings.

As a result of the items mentioned above, the Company has a material weakness in its internal control over the financial reporting and disclosure function due to the lack accounting resources available for the daily processing of transactions and account reconciliations and the reporting of our financial statements within the appropriate filings in the time required. This void in available accounting resources increases the likelihood to more than remote that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected in a timely manner.

Executive management of the Company is currently evaluating its accounting resource needs and anticipates employing further accounting assistance in the near term. Management believes that additional accounting assistance, including increased technical resources, will mitigate the circumstances that have resulted in our evaluation of internal controls and procedures as having material weaknesses.

There has been no change in our internal controls over financial reporting that occurred during the three months ended July 31, 2006 that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved from time to time in various claims, lawsuits and administrative proceedings incidental to its business. In the opinion of management, the ultimate liability, if any, will not have a materially adverse effect on the financial condition or results of operations of the Company

Item 2. Changes in Securities and Use of Proceeds

In May 2005, the Company issued 40,000 shares of its common stock to Michael R. Seeley as consideration under the terms of a loan agreement.

In May 2005, the Company issued 40,000 shares of its common stock to HK Realty as consideration under the terms of a loan agreement.

In each of the aforementioned cases, the Company issued the shares of its common stock in reliance upon the exemption from registration under Section 4(2) of the Securities Act of 1933, as amended. The Company did not engage any underwriters in connection with their issuances.

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 5. Other Information

None

Item 6. Exhibits

(a) Additional Exhibits

Exhibit 31.1 CEO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit 31.2 CFO Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Exhibit 32.1 CEO Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 32.2 CFO Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

In accordance with the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

VTEX Energy, Inc.
(Registrant)

By */S/* Stephen F. Noser
Stephen F. Noser
President
Principal Executive Officer
Date: October 5, 2006

By */S/* Randal B. McDonald, Jr.
Randal B. McDonald, Jr.
Chief Financial Officer
Principal Financial and Accounting Officer
Date: October 5, 2006

Exhibit 31.1

CERTIFICATIONS
Chief Executive Officer

I, Stephen F. Noser, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of VTEX Energy, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the small business issuer and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 5, 2006

By: /s/ Stephen F. Noser
Stephen F. Noser
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS
Chief Financial Officer

I, Randal B. McDonald, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-QSB of VTEX Energy, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) for the small business issuer and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 5, 2006

By: /s/ Randal B. McDonald, Jr.
Randal B. McDonald, Jr.
Chief Financial Officer

Exhibit 32.1

CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of VTEX Energy, Inc. (the "Company") on Form 10-QSB for the quarterly period ending July 31, 2006 (the "Report"), I, Stephen F. Noser, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Report fully complies with the requirement of Section 13(a) or 15 (d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the Company's financial position and results of operations.

/S/ Stephen F. Noser
Stephen F. Noser
Chief Executive Officer

Exhibit 32.2

CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of VTEX Energy, Inc. (the "Company") on Form 10-QSB for the quarterly period ending July 31, 2006 (the "Report"), I, Randal B. McDonald, Jr., Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1) The Report fully complies with the requirement of Section 13(a) or 15 (d) of the Securities Exchange Act of 1934; and

2) The information contained in the Report fairly presents, in all material respects, the Company's financial position and results of operations.

/s/Randal B. McDonald, Jr.
Randal B. McDonald, Jr.
Chief Financial Officer