

BALLATER RESOURCES LTD.

FORM 51-101F1

**STATEMENT OF RESERVES DATA AND
OTHER OIL AND GAS INFORMATION**

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GLOSSARY OF ABBREVIATIONS

AECO-C	Alberta Energy Company “C” Meter Station of the Nova Pipeline System
API	American Petroleum Institute
ARTC	Alberta Royalty Tax Credit
Bbl	Barrels
Bbl/d	Barrels per day
BOE	Barrel of oil equivalent
BOE/d	Barrels of oil equivalent per day
CBM	Coalbed Methane
CICA	Canadian Institute of Chartered Accountants
GJ	Gigajoules
GJ/d	Gigajoules per day
Mbbl	Thousand Barrels
Mboe	Thousands of barrels of oil equivalent
Mcf	Thousand cubic feet
Mcf/d	Thousand cubic feet per day
Mmcf	Million cubic feet
Mmcf/d	Million cubic feet per day
Mmbtu	Millions of British thermal units
NGLs	Natural gas liquids
OPEC	Organization of Petroleum Exporting Countries
stb	Standard stock tank barrel
WTI	West Texas Intermediate
M\$	Thousands of dollars
MMS	Millions of dollars

CONVERSION OF UNITS

1 acre	0.4 hectares
2.5 acres	1 hectare
1 bbl	0.159 cubic metres
6.29 bbls	1 cubic metre
1 foot	0.3048 metres
3.281 feet	1 metre
1 mcf	28.2 cubic metres
0.035 mcf	1 cubic metre
1 mile	1.61 kilometres
0.62 miles	1 kilometre
1 mmbtu	1.054 GJ
0.949 mmbtu	1 GJ

In this Statement of Reserves Data and Other Oil and Gas Information (the “**Statement**”) for Ballater Resources Ltd. (“**Ballater**” or the “**Corporation**”) where amounts are expressed on a barrel of oil equivalent basis, natural gas volumes have been converted to oil equivalence at six thousand cubic feet per barrel. The term BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet per barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

CURRENCY

In this Statement, unless otherwise noted, all dollar amounts are expressed in Canadian dollars.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Statement and in certain documents incorporated by reference into this Statement, constitute forward-looking statements. These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this Statement should not be unduly relied upon. These statements speak only as of the date of this Statement or as of the date specified in the documents incorporated by reference into this Statement, as the case may be. The Corporation does not intend, and does not assume any obligation, to update these forward-looking statements except as required pursuant to applicable securities laws.

In particular, this Statement and the documents incorporated by reference contain forward-looking statements pertaining to the following:

- the quantity of reserves;
- oil and natural gas production levels;
- capital expenditure programs;
- projections of market prices and costs;
- supply and demand for oil and natural gas;
- expectations regarding the Corporation's ability to raise capital and to continually add to reserves through acquisitions and development; and
- treatment under government regulatory and taxation regimes.

The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Statement:

- volatility in market prices for oil and natural gas;
- liabilities and risks inherent in oil and natural gas operations;
- uncertainties associated with estimating reserves;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of acquisitions;
- geological, technical, drilling and processing problems;
- fluctuations in foreign exchange or interest rates and stock market volatility; and
- changes in government regulations.

These factors should not be considered exhaustive.

Petroleum and Natural Gas Reserves

AJM Petroleum Consultants ("AJM"), independent petroleum engineers of Calgary, Alberta prepared a Reserves Assessment and Evaluation of Canadian Oil and Gas Properties - Corporate Summary dated

April 1, 2009 of Ballater's oil and gas reserves (the "**AJM Report**") which evaluation is effective December 31, 2008. In preparing its report, AJM obtained basic information from Ballater, which included land data, well information, geological information, reservoir studies, estimates of on-stream dates, contract information, current hydrocarbon product prices, operating cost data, capital budget forecasts, financial data and future operating plans. Other engineering, geological or economic data required to conduct the evaluation and upon which the AJM Report is based, was obtained from public records, other operators and from AJM's non-confidential files. The extent and character of ownership and the accuracy of all factual data supplied for the independent evaluation, from all sources, was accepted by AJM as represented.

The following tables set forth certain information relating to the oil and natural gas reserves of the Corporation's properties and the present value of the estimated future net cash flow associated with such reserves as at December 31, 2008 which numbers may vary slightly from those presented in the AJM Report due to rounding. Also due to rounding, certain columns may not add exactly. Certain tables which are derived by utilizing forecast prices and costs are presented using December 31, 2008 pricing assumptions. The information set forth below is derived from the AJM Report which has been prepared in accordance with the standards contained in the COGE Handbook and the reserves definitions contained in National Instrument 51-101 - *Standards of Disclosure For Oil and Gas Activities* ("**NI 51-101**"). **All evaluations and reviews of future net cash flow are stated prior to any provision for interest costs or general and administrative costs and after the deduction of estimated future capital expenditures for wells to which reserves have been assigned. It should not be assumed that the estimated future net cash flow shown below is representative of the fair market value of the Corporation's properties. There is no assurance that such price and cost assumptions will be attained and variances could be material. The recovery and reserve estimates of crude oil, NGLs and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, NGLs and natural gas reserves may be greater than or less than the estimates provided herein.**

PART 1 DATE OF STATEMENT

1. Date of the Statement: April 1, 2009.
2. Effective date of the Statement: December 31, 2008.
3. Preparation date of the Statement: April 1, 2009.

PART 2 DISCLOSURE OF RESERVES DATA

Definitions used for reserve categories in the AJM Report are attached as Appendix A hereto.

The following table summarizes Ballater's oil and gas reserves effective December 31, 2008 based on forecast price and cost assumptions as of December 31, 2008:

SUMMARY OF OIL AND GAS RESERVES								
Effective December 31, 2008								
FORECAST PRICES AND COSTS								
Reserves								
	Light and Medium Oil		Natural Gas (non-associated & associated)		Natural Gas Liquids		Oil Equivalent	
	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mmcf)	Net (Mmcf)	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)
PROVED								
Developed Producing	104.7	100.5	49.4	35.1	2.4	1.2	115.4	107.6
Developed Non-Producing	6.0	5.3	0	0	0	0	6.0	5.3
Undeveloped	7.6	7.5	0	0	0	0	7.7	7.5
TOTAL PROVED	118.4	113.2	49.4	35.1	2.4	1.2	129.1	120.3
PROBABLE	40.0	36.4	30.3	20.9	1.5	0.7	46.5	40.7
TOTAL PROVED PLUS PROBABLE	158.4	149.7	79.7	56.0	3.9	1.9	175.6	160.9

The following tables summarize the undiscounted value and the present value, discounted at 5%, 10%, 15% and 20%, of Ballater's estimated future net revenue effective December 31, 2008 based on forecast price and cost assumptions as of December 31, 2008:

SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE										
Effective December 31, 2008										
FORECAST PRICES AND COSTS										
Reserves Category	BEFORE INCOME TAXES DISCOUNTED AT (%/year)					AFTER INCOME TAXES DISCOUNTED AT (%/year)				
	0	5	10	15	20	0	5	10	15	20
	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)
PROVED										
Developed Producing	7,079.0	4,752.2	3,598.1	2,896.5	2,387.6	5,305.2	3,553.7	2,685.8	2,158.9	1,805.6
Developed Non-Producing	206.4	172.9	146.6	125.6	108.7	152.5	126.5	106.3	90.2	77.3
Proved Undeveloped	516.4	379.0	297.3	240.1	197.9	383.8	283.3	219.4	174.8	144.9
PROBABLE	3,432.1	1,833.5	1,111.1	736.3	487	2,571.5	1,372.7	831.1	550.2	389.5
TOTAL PROVED PLUS PROBABLE	11,233.6	7,141.1	5,153.1	3,998.5	3,181.3	8,413.0	5,336.2	3,842.6	2,975.8	2,416.7

TOTAL FUTURE NET REVENUE (UNDISCOUNTED)								
Effective December 31, 2008								
FORECAST PRICES AND COSTS								
Reserves Category	Revenue (M\$)	Royalties (M\$)	Operating Costs (M\$)	Develop- ment Costs (M\$)	Well Abandon- ment Costs (M\$)	Future Net Revenue Before Income Taxes (M\$)	Income Taxes (M\$)	Future Net Revenue After Income Taxes (M\$)
PROVED								
Developed Producing	12,672.0	773.4	4,365.4	0	433.1	7,100.1	1,777.7	5,322.4
Developed Non-Producing	514.4	65.6	217.4	25.0	0	206.4	53.9	152.5
Proved Undeveloped	787.2	19.8	241.5	9.6	0	516.4	132.6	383.8
Total Proved	13,914.5	858.9	4,786.4	34.6	433.1	7,801.5	1,960	5,841.5
Probable Additional	6,004.0	682.2	1,805.8	0	83.9	3,432.1	860.6	2,571.5
Total Proved Plus Probable Reserves	19,918.4	1,541.1	6,592.1	34.6	517.1	11,233.6	2,820.6	8,413.9

FUTURE NET REVENUE BY PRODUCTION GROUP Effective December 31, 2008 FORECAST PRICES AND COSTS		
RESERVES CATEGORY	PRODUCTION GROUP	FUTURE NET REVENUE BEFORE INCOME TAXES (undiscounted) (M\$)
Proved	Light and Medium Oil (including solution gas and associated by products)	4,042.0
	Natural Gas (including associated by-products)	0
	Natural Gas Liquids	0
Total		4,042.0
Proved Plus Probable Reserves	Light and Medium Oil (including solution gas and associated by products)	5,153.1
	Natural Gas (including associated by-products)	0
	Natural Gas Liquids	0
Total		5,153.1

PART 3 PRICING ASSUMPTIONS

Forecast Prices and Costs – December 31, 2008

AJM employed the following pricing, exchange rate and inflation rate assumptions in estimating Ballater's reserves data using forecast prices and costs as of December 31, 2008.

FORECAST PRICES USED IN PREPARING RESERVES DATA AJM Price Forecast As of December 31, 2008								
Year	Light Oil		Natural Gas		Natural Gas Liquids			
	WTI Cushing Oklahoma (\$US/Bbl)	Edmonton Par Price 40° API (\$Cdn/Bbl)	Direct Spot Plant Gate (\$Cdn/Mcf)	AECO Hub (\$Cdn/Mcf)	Edmonton Ethane (\$Cdn/Bbl)	Edmonton Propane (\$Cdn/Bbl)	Edmonton Butane (\$Cdn/Bbl)	Edmonton Condensate (\$Cdn/Bbl)
Historical								
2001	25.87	39.17	5.42	6.27	17.20	30.62	30.49	43.03
2002	26.11	40.33	3.85	4.07	11.21	20.92	27.78	41.22
2003	31.01	43.51	6.11	6.70	18.43	32.31	36.03	45.18
2004	41.45	52.96	6.40	6.57	19.40	35.20	44.07	55.49
2005	56.61	69.33	8.61	8.78	23.80	43.23	51.91	74.67
2006	66.06	73.34	6.35	6.54	19.81	44.11	58.16	78.19
2007	70.59	75.90	6.22	7.40	18.41	48.30	57.15	79.83
2008	99.58	102.85	7.97	7.40	22.82	56.99	82.72	109.23
2009	55.00	65.40	6.80	8.00	20.10	42.50	52.30	68.65
2010	76.50	87.20	7.85	7.90	23.25	56.70	69.75	91.55
2011	88.45	96.50	8.00	8.00	23.70	62.75	77.20	101.35

Escalation rate of 2.0% thereafter

Actual Selling Prices – Year ended December 31, 2008

Ballater's weighted average realized sales prices by product type for the nine months ended December 31, 2008* were \$100.67/Bbl for light & medium oil, \$65.92/Bbl for NGLs and \$8.50/Mcf for natural gas.

* These values are from April 1, 2008 to December 31, 2008 as per the effective date of the Ballater acquisition by Petro-Uno Resources Ltd.

PART 4 RECONCILIATION OF CHANGES IN RESERVES AND FUTURE NET REVENUE

NI 51-101 Table – Forecast Prices & Costs

**Reconciliation of Company Gross Reserves
By Principal Product Type as of
December 31, 2008**

Opening: AJM December 31, 2007

Closing: AJM December 31, 2008

	Light and Medium Oil			Associated and Non-Associated Gas		
			Gross			Gross
	Gross	Gross	Proved plus	Gross	Gross	Proved plus
	Proved	Probable	Probable	Proved	Probable	Probable
	(MSTB)	(MSTB)	(MSTB)	(MMCF)	(MMCF)	(MMCF)
December 31, 2007	0	0	0	0	0	0
Extensions	0	0	0	0	0	0
Improved Recovery	0	0	0	0	0	0
Technical Revisions	0	0	0	0	0	0
Exploration Discoveries	0	0	0	0	0	0
Acquisitions	127.8	40	167.8	53.8	30.3	84.0
Dispositions	0	0	0	0	0	0
Economic Factors	0	0	0	0	0	0
Production	(9.4)	0	(9.4)	(4.4)	0	(4.4)
December 31, 2008	118.4	40	158.4	49.4	30.3	79.7

PART 5 ADDITIONAL INFORMATION RELATING TO *RESERVES DATA*

Undeveloped Reserves

The following discussion generally describes the basis on which Ballater attributes proved and probable undeveloped reserves and its plans for developing those undeveloped reserves.

Proved Undeveloped Reserves

The Proved undeveloped reserves assigned in the AJM Report, are attributable to a bottom-hole pump change at 7-26 Red Earth, which is required in Q1-2009.

Probable Undeveloped Reserves

There majority of the Probable Undeveloped reserves as assigned in the AJM Report, are due to an estimated decrease in the decline rates in the Slave Point A Pool Unit from 11% to 8%.

Significant Factors or Uncertainties Affecting Reserves Data

The process of estimating reserves is complex. It required significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, commodity prices and economic conditions. Ballater's reserves are evaluated by AJM, an independent engineering firm.

Estimates made are reviewed and revised, either upward to downward, as warranted by the new information. Revisions are often required due to changes in well performance, commodity prices, economic conditions and governmental restrictions. Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. Ballater's actual production, revenues, taxes, development and operating expenditures with respect to its reserves may vary from such estimates, and such variances could be material.

Future Development Costs

The majority of the future development costs forecasted in the AJM Report are for a bottom-hole pump change in Q1-2009 to optimize fluid and oil production.

PART 6 OTHER OIL AND GAS INFORMATION

Oil and Gas Properties and Wells

Ballater has properties located in Alberta, all of which are the subject of the AJM Report. The term "net", when used to describe the Corporation's share of production, means the total of the Corporation's working interest share before deducting royalties owned by others.

Principal Producing Properties

Lanaway, Alberta

The Lanaway property is located approximately 75 miles north of Calgary, Alberta. The Corporation holds working interests of 39.55 and 100 percent in two producing oil wells. The wells are currently producing from the Cardium and Ellerslie Formations.

Loon, Alberta

The Loon property is located approximately 70 miles east of Peace River, Alberta. The Corporation holds working interests of 38 to 50 percent in two producing oil wells and 3.5 percent in a Unit containing 23 producing wells. The wells are currently producing out of the Slave Point Formation.

Red Earth, Alberta

The Red Earth property is located approximately 70 miles east of Peace River, Alberta. The Corporation holds working interests of 44.1% to 100% percent in seven producing oil wells.

Production Overview

Ballater currently produces approximately 33 boe/d from 11 operated producing oil wells and 20 non-operated unit wells. Approximately 70% of this production or 24 boe/d comes from long life, low decline Ballater-operated oil properties in the Lanaway, Loon and Red Earth areas of Alberta. The Corporation also produces approximately 9 boe/d from its' 3.54% interest in the Loon Slave Point "A" Unit. The reserve life index of the Corporation's proven developed producing properties is approximately 10 years and 15 years when probable additions are included.

Wells

As of December 31, 2008 the Corporation had an interest in 44 wells which includes, 11 gross/7 net operated wells, 33 gross/1.2 net non-operated unit wells and 5 gross/ 2 net abandoned wells.

Forward Contracts

Ballater has no forward contracts.

Additional Information Concerning Abandonment and Reclamation Costs

As of December 31 2008 Ballater expects to incur abandonment and reclamation costs of \$133,107 on 39 gross wells (8 net wells). Ballater estimates the costs associated with well abandonment and reclamation using a 4% inflation rate, discounted at 7% and is based on its previous experience, current regulations, costs, technology and industry standards area by area.

Tax Horizon

As at December 31, 2008, Ballater had accumulated tax pools of approximately \$149,000 available to reduce future taxable income. Unless sufficient income tax deductions are generated by future business operations, Ballater could incur current income taxes in fiscal 2009 and beyond.

Costs Incurred

The Corporation did not incur any exploration or development costs during the financial year ended December 31, 2008.

Exploration and Development Activities

The Corporation did not conduct any exploration and development activities during the financial year ended December 31, 2008.

Production Estimates

The following table discloses the estimated average daily production before the deduction of royalties of Ballater for fiscal 2009 by product type associated with the first year of the future net revenue estimates reported in the AJM Report effective December 31, 2008, based on forecast prices and costs.

Corporation	Light and Medium Oil (Bbl/d)	Natural Gas (Mcf/d)	Natural Gas Liquids (Bbl/d)	Combined Oil Equivalent (BOE/d)
Proved				
Developed producing	31.8	11.6	0.6	34.5
Developed non-producing	2.2	0.0	0.0	2.2
Undeveloped	3.5	0.0	0.0	3.5
Total Proved	37.5	11.6	0.6	40.3
Probable	0	3.1	0.1	0.2
Total proved plus probable	37.5	14.7	0.7	40.5

The following tables disclose the estimated average daily production before deduction of royalties for fiscal 2009 from Ballater's producing properties at Lanaway, Loon and Red Earth, Alberta each contributing to the total production set forth in the preceding table.

Lanaway, AB Property	Light and Medium Crude Oil (Bbl/d)	Natural Gas (Mcf/d)	Natural Gas Liquids (Bbl/d)	Combined Oil Equivalent (BOE/d)
Proved				
Developed producing	2.2	11.6	0.6	4.7
Developed non-producing	1.2	0.0	0.0	1.2
Undeveloped	2.0	0.0	0.0	2.0
Total Proved	5.4	11.6	0.6	7.9
Probable	0.2	3.1	0.1	0.9
Total proved plus probable	5.6	14.7	0.7	8.8

Loon, AB Property	Light and Medium Crude Oil (Bbl/d)	Natural Gas (Mcf/d)	Natural Gas Liquids (Bbl/d)	Combined Oil Equivalent (BOE/d)
Proved				
Developed producing	12.5	0.0	0.0	12.5
Developed non-producing	0.0	0.0	0.0	0.0
Undeveloped	0.0	0.0	0.0	0.0
Total Proved	12.5	0.0	0.0	12.5
Probable	0.3	0.0	0.0	0.3
Total proved plus probable	12.8	0.0	0.0	12.8

Red Earth, AB Property	Light and Medium Crude Oil (Bbl/d)	Natural Gas (Mcf/d)	Natural Gas Liquids (Bbl/d)	Combined Oil Equivalent (BOE/d)
Proved				
Developed producing	17.1	0.0	0.0	17.1
Developed non-producing	0.0	0.0	0.0	0.0
Undeveloped	2.5	0.0	0.0	2.5
Total Proved	19.2	0.0	0.0	19.2
Probable	0.4	0.0	0.0	0.4
Total proved plus probable	19.6	0.0	0.0	19.6

Production History

The following table summarizes Ballater's average daily production before deduction of royalties, for the periods indicated.

Product	Year*	Q2	Q3	Q4
Light and medium oil (Bbl/d)	30.4	24.3	35.1	31.8
NGLs (Bbl/d)	0.8	1.0	0.7	0.6
Natural gas (Mcf/d)	15.2	20.2	13.5	12.0
Total (BOE/d)	33.7	28.7	38.1	34.4

* For Period April 1st, 2008 to December 31st, 2008.

Netback History

The following table sets forth information respecting average net product prices received, royalties paid, production expenses and operating netbacks received by the Corporation in respect of the Corporation's production of crude oil and natural gas for the periods indicated.

Category	2008				
	Year	Q4	Q3	Q2	Q1
Selling prices					
Light and medium oil & NGLs (\$/Bbl)	102.61	67.41	119.69	126.02	
Natural gas (\$/Mcf)	8.50	7.37	8.78	8.85	
Natural Gas Liquids(\$/Bbl)	51.74	37.56	79.07	72.86	
Royalties					
Light and medium oil & NGLs (\$/Bbl)	4.15	3.88	7.65	9.49	
Natural gas (\$/Mcf)	0.94	0.74	0.83	1.10	
Natural Gas Liquids (\$/Bbl)	7.57	4.48	9.83	8.94	
Production expenses ⁽¹⁾					
Light and medium oil & NGLs (\$/Bbl)	37.40	42.07	25.22	48.78	
Natural gas (\$/Mcf)	0	0	0	0	
Natural Gas Liquids (\$/Bbl)	0	0	0	0	
Operating netbacks					
Light and medium oil & NGLs (\$/Bbl)	61.06	21.46	86.52	67.75	
Natural gas (\$/Mcf)	7.56	6.63	7.95	7.75	
Natural Gas Liquids (\$/Bbl)	44.17	33.08	69.24	63.92	

Note:

(1) Production expenses include petroleum and surface lease rentals, property taxes and expenses related to the operation and maintenance of wells, production facilities, gathering systems and transportation.

Production Volume by Field

The following table discloses Ballater's production volumes for each producing field and product type for the financial year ended December 31, 2008.

Field	Light and Medium Oil (Bbl/d)	Natural Gas (Mcf/d)	Natural Gas Liquids (Bbls/d)	BOE (BOE/d)	%
Lanaway, Alberta	4.6	15.2	0.8	7.9	23
Loon, Alberta	12.8	0	0	12.8	38
Red Earth, Alberta	13.1	0	0	13.1	39
Total	30.4	15.2	0.8	33.7	100

APPENDIX A DEFINITIONS USED FOR RESERVE CATEGORIES

Reserves estimates have been prepared by AJM Petroleum Consultants Ltd. (AJM) in accordance with standards contained in the Canadian Oil and Gas Evaluation (COGE) Handbook. The following reserves definitions are set out by the Canadian Securities Administrators in National Instrument 51-101 (NI 51-101; in Part 2 of Appendix 1 to Companion Policy 51-101CP) with reference to the COGE Handbook.

Reserves Categories

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on:

- analysis of drilling, geological, geophysical, and engineering data;
- the use of established technology;
- specified economic conditions¹, which are generally accepted as being reasonable, and shall be disclosed.

Reserves are classified according to the degree of certainty associated with the estimates.

Proved Reserves

Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

Probable Reserves

Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Possible Reserves

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

Other criteria that must also be met for the categorization of reserves are provided in [Section 5.5 of the COGE Handbook].

Development and Production Status

Each of the reserves categories (proved, probable, and possible) may be divided into developed and undeveloped categories.

Developed Reserves

Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

¹ For the purposes of NI 51-101, the key economic assumptions will be the prices and costs used in the estimate, namely: **forecast prices and costs as of December 31, 2008**

Developed Producing Reserves

Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

Developed Non-producing Reserves

Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.

Undeveloped Reserves

Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

Levels of Certainty for Reported Reserves

The qualitative certainty levels referred to in the definitions above are applicable to individual reserves entities (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest level sum of individual entity estimates for which reserves estimates are presented). Reported Reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves;
- at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves;
- at least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable plus possible reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with reserves estimates and the effect of aggregation is provided in Section 5.5.3 of the COGE Handbook.