



PETRO UNO RESOURCES LTD.

**FORM 51-101F1
STATEMENT OF RESERVES DATA AND
OTHER OIL AND GAS INFORMATION**

EFFECTIVE DECEMBER 31, 2009

TABLE OF CONTENTS

GLOSSARY OF ABBREVIATIONS	3
CONVERSION OF UNITS.....	3
CURRENCY.....	4
FORWARD-LOOKING STATEMENTS	4
Petroleum and Natural Gas Reserves.....	5
PART 1 Date of Statement	5
PART 2 Disclosure of Reserves Data	6-7
PART 3 Pricing Assumptions	8
Forecast Prices and Costs – Dec. 31, 2009	8
PART 4 Reconciliation of Changes in Reserves and Future Net Revenue	9
Reserve Reconciliation	9-10
PART 5 Additional Information Relating to Reserves Data	10
Undeveloped Reserves.....	10
Proved Undeveloped Reserves	10
Probable Undeveloped Reserves.....	10
Significant Factors or Uncertainties Affecting Reserves Data	10
Future Development Costs.....	11
PART 6 Other Oil and Gas Information	11
Oil and Gas Properties and Wells	11
Principal Producing Properties	11
Production Overview	11
Wells	12
Forward Contracts.....	12
Additional Information Concerning Abandonment and Reclamation Costs	12
Tax Horizon	12
Costs Incurred	12
Exploration and Development Activities.....	12
Production Estimate	12
Production Volume by Field.....	13
Production History	14
DEFINITIONS USED FOR RESERVE CATEGORIES	15-17
Appendix A.....	15-17

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
MM\$	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 Petro Uno Resources Ltd. (“**Petro Uno**” 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

Sproule Associates Limited (“**SPROULE**”), independent petroleum engineers of Calgary, Alberta prepared a Reserves Assessment and Evaluation of Canadian Oil and Gas Properties - Corporate Summary dated March 26, 2010 of Petro Uno’s oil and gas reserves (the “**Sproule Report**”) which evaluation is effective December 31, 2009. In preparing its report, SPROULE obtained basic information from Petro Uno, 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 SPROULE Report is based, was obtained from public records, other operators and from SPROULE’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 SPROULE 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, 2009 which numbers may vary slightly from those presented in the SPROULE 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, 2009 pricing assumptions. The information set forth below is derived from the SPROULE 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 26, 2010.
2. Effective date of the Statement: December 31, 2009.
3. Preparation date of the Statement: March 26, 2010.

PART 2 DISCLOSURE OF RESERVES DATA

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

The following table summarizes Petro Uno's oil and gas reserves effective December 31, 2009 based on forecast price and cost assumptions as of December 31, 2009.

SUMMARY OF OIL AND GAS RESERVES										
Effective December 31, 2009										
FORECAST PRICES AND COSTS										
Reserves										
	Light and Medium Oil		Heavy Oil		Natural Gas (non-associated & associated)		Natural Gas Liquids		Oil Equivalent	
	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mmcf)	Net (Mmcf)	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)
PROVED										
Developed Producing	90.0	84.7	0	0	59	56	0.3	0.2	100	94.2
Developed Non-Producing	80.0	78.5	0	0	0	0	0	0	80.0	78.5
Undeveloped	0	0	0	0	0	0	0	0	0	0
TOTAL PROVED	170	163.2	0	0	59	56	0.3	0.2	180	172.7
PROBABLE	84.0	79.1	0	0	23	21	0.1	0.1	87.9	82.7
TOTAL PROVED PLUS PROBABLE	254	242.3	0	0	81	77	0.4	0.3	267.9	255.4

The following tables summarize the undiscounted value and the present value, discounted at 5%, 10%, 15% and 20%, of Petro Uno's estimated future net revenue effective December 31, 2009 based on forecast price and cost assumptions as of December 31, 2009.

SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE											
Effective December 31, 2009											
FORECAST PRICES AND COSTS											
Reserves Category	BEFORE INCOME TAXES DISCOUNTED AT (%/year)					AFTER INCOME TAXES DISCOUNTED AT (%/year)					Bef Tax Net Val 10%/yr (\$/boe)
	0 (M\$)	5 (M\$)	10 (M\$)	15 (M\$)	20 (M\$)	0 (M\$)	5 (M\$)	10 (M\$)	15 (M\$)	20 (M\$)	
Developed Producing	4,284	3,495	2,939	2,533	2,227	3,889	3,229	2,753	2,400	2,129	31.20
Developed Non-Producing	5,532	4,604	3,939	3,444	3,064	4,051	3,373	2,889	2,530	2,255	50.18
Proved Undeveloped	0	0	0	0	0	0	0	0	0	0	0
Total Proved	9,816	8,098	6,878	5,977	5,291	7,940	6,601	5,642	4,930	4,384	39.83
PROBABLE	5,971	3,557	2,328	1,643	1,230	4,433	2,636	1,722	1,212	905	28.14
TOTAL PROVED PLUS PROBABLE	15,786	11,656	9,206	7,620	6,521	12,372	9,238	7,364	6,142	5,289	36.04

TOTAL FUTURE NET REVENUE (UNDISCOUNTED) Effective December 31, 2009 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\$)
Total Proved	16,535	678	5,323	360	358	9,816	1,876	7,940
Total Proved Plus Probable Reserves	26,357	1,258	8,542	360	411	15,786	3,414	12,372

NET PRESENT VALUE OF FUTURE NET REVENUE By Production Group Effective December 31, 2009 FORECAST PRICES AND COSTS			
RESERVES CATEGORY	PRODUCTION GROUP	FUTURE NET REVENUE BEFORE INCOME TAXES (Discounted at 10% year) (M\$)	UNIT VALUE BEFORE INCOME TAXES (Discounted at 10% year) (\$/boe)
Proved	Light and Medium Oil (including solution gas and associated by products)	6,878	39.83
	Natural Gas (including associated by-products)	0	0
	Natural Gas Liquids	0	0
Total		6,878	39.83
Proved Plus Probable Reserves	Light and Medium Oil (including solution gas and associated by products)	9,206	36.04
	Natural Gas (including associated by-products)	0	0
	Natural Gas Liquids	0	0
Total		9,206	36.04

PART 3 PRICING ASSUMPTIONS

Forecast Prices and Costs – December 31, 2009

SPROULE employed the following pricing, exchange rate and inflation rate assumptions in estimating Petro Uno's reserves data using forecast prices and costs as of December 31, 2009.

FORECAST PRICES USED IN PREPARING RESERVES DATA SPROULE Price Forecast As of December 31, 2009								
Year	WTI Cushing Oklahoma (\$US/Bbl)	Edmonton Par Price 40° API (\$Cdn/Bbl)	Cromer Medium 29.3% API (\$Cdn/Bbl)	Natural Gas AECO Hub (\$Cdn/MMBtu)	Pentanes Plus FOB Field Gate (\$Cdn/Bbl)	Butanes F.O.B Field Gate (\$Cdn/Bbl)	Inflation Rate (% /Yr)	Exchange Rate (\$US/\$Cdn)
Historical								
2004	41.42	52.91	45.72	6.87	53.91	41.37	1.4	0.770
2005	56.46	69.29	57.36	8.58	69.13	45.20	1.3	0.826
2006	66.09	73.30	62.35	7.16	75.03	59.32	1.5	0.882
2007	72.27	77.06	65.35	6.65	77.33	63.71	2.0	0.935
2008	99.59	102.85	93.05	8.15	104.70	75.09	1.0	0.943
2009	61.63	66.20	62.77	4.19	68.13	47.07	2.0	0.880
Forecast								
2010	79.17	84.25	80.04	5.36	86.28	59.65	2.0	0.920
2011	84.46	89.99	84.59	6.21	92.16	63.72	2.0	0.920
2012	86.89	92.61	85.20	6.44	94.84	65.57	2.0	0.920
2013	90.20	96.19	87.53	7.23	98.51	68.11	2.0	0.920
2014	92.01	98.13	88.32	7.98	100.50	69.48	2.0	0.920

Escalation rate of 2.0% thereafter

Actual Selling Prices – Year ended December 31, 2009

Petro Uno's weighted average realized sales prices by product type for the nine months ended December 31, 2009 were \$65.78/Bbl for light & medium oil, \$32.15/Bbl for NGLs and \$4.36/Mcf for natural gas.

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, 2009**

Factors	Light and Medium Oil			Heavy Oil			Natural Gas Solution		
	Gross	Gross	Gross Proved plus	Gross	Gross	Gross Proved plus	Gross	Gross	Gross Proved plus
	Proved	Probable	Probable	Proved	Probable	Probable	Proved	Probable	Probable
	(MSTB)	(MSTB)	(MSTB)	(MSTB)	(MSTB)	(MSTB)	(MSTB)	(MSTB)	(MSTB)
December 31, 2008	118.4	40.0	158.4	0	0	0	50	30	80
Extensions	0	0	0	0	0	0	0	0	0
Improved Recovery	0	0	0	0	0	0	0	0	0
Infill Drilling	80	40	120	0	0	0	0	0	0
Technical Revisions	(17.7)	3.8	(13.9)	0	0	0	12	(8)	4
Exploration Discoveries	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0	0	0	0
Dispositions	0	0	0	0	0	0	0	0	0
Economic Factors	0.5	0.2	0.7	0	0	0	1	0	1
Production	(11.2)	0	(11.2)	0	0	0	(4)	0	(4)
December 31, 2009	170	84	254	0	0	0	59	22	81

Factors	Associated and Non-Associated Gas			Natural Gas Liquids		
			Gross			Gross
	Gross	Gross	Proved plus	Gross	Gross	Proved plus
	Proved	Probable	Probable	Proved	Probable	Probable
	(MMCF)	(MMCF)	(MMCF)	(MMCF)	(MMCF)	(MMCF)
December 31, 2008	0	0	0	2.4	1.5	3.9
Extensions	0	0	0	0	0	0
Improved Recovery	0	0	0	0	0	0
Infill Drilling	0	0	0	0	0	0
Technical Revisions	0	0	0	(2.0)	(1.4)	(3.4)
Exploration Discoveries	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0
Dispositions	0	0	0	0	0	0
Economic Factors	0	0	0	0	0	0
Production	0	0	0	(0.1)	0	(0.1)
December 31, 2009	0	0	0	0.3	0.1	0.4

PART 5 ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Undeveloped Reserves

No Undeveloped Reserves have been assigned.

Proved Undeveloped Reserves

N/A

Probable Undeveloped Reserves

N/A

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. Petro Uno's reserves are evaluated by SPROULE, 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. Petro Uno'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 future development costs forecasted in the SPROULE Report are the costs associated with putting the two wells drilled in December 2009 on production. These funds were spent in January 2010.

PART 6 OTHER OIL AND GAS INFORMATION

Oil and Gas Properties and Wells

Petro Uno has properties located in Alberta and Saskatchewan all of which are the subject of the SPROULE 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 80 miles east of Peace River, Alberta. The Corporation holds working interests of 44.1% to 100% percent in seven producing oil wells.

Dodsland, Saskatchewan

The Dodsland property is located in the Kindersley Area of Saskatchewan. The Corporation holds a working interest of 100% in the wells drilled to date.

Production Overview

As of December 31, 2009 Petro Uno produced approximately 33 boe/d from 10 operated oil wells and 23 non-operated unit wells. Approximately 70% of this production comes from long life, low decline Petro Uno operated oil properties in the Lanaway, Loon and Red Earth areas of Alberta. The remainder of the production is 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 7.8 years and 8.2 for proved plus probably reserves.

Wells

As of December 31, 2009, the Corporation had an interest in 53 wells which includes 12 gross/8.6 net operated wells, 5 gross/2.6 net abandoned wells and 35 gross/1.2 net non-operated unit wells.

Forward Contracts

Petro Uno has no forward contracts.

Additional Information Concerning Abandonment and Reclamation Costs

As of December 31 2009, Petro Uno expects to incur abandonment and reclamation costs of \$614,898 on 50 wells (12.5 net wells). Petro Uno estimates the costs associated with well abandonment and reclamation using a 2% 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, 2009, Petro Uno had accumulated tax pools of approximately \$3,801,194 and 1,013,707 of non capital losses available to reduce future taxable income. Petro Uno will not be taxable in the year ending 2010 and would incur current taxes in the 2011 fiscal year.

Costs Incurred

The Corporation incurred \$1.73 million of exploration or development costs during the financial year ended December 31, 2009.

Exploration and Development Activities

The Corporation drilled 2 horizontal wells in the Kindersley area of Saskatchewan during the financial year ended December 31, 2009.

Production Estimates

The following table discloses the estimated average daily production before the deduction of royalties of Petro Uno for fiscal 2010 by product type associated with the first year of the future net revenue estimates reported in the SPROULE Report effective December 31, 2009, 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	33	14		35
Developed non-producing	56	0		56
Undeveloped	0	0		0
Total Proved	84	14		86
Probable	3	0		3
Total proved plus probable	87	15		89

The following tables disclose the estimated average daily production before deduction of royalties for fiscal 2010 from Petro Uno's producing properties 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)	Combined Oil Equivalent (BOE/d)
Proved			
Developed producing	5	14	8
Developed non-producing	0	0	0
Undeveloped	0	0	0
Total Proved	5	14	8
Probable	0	0	0
Total proved plus probable	5	15	8

Loon, AB Property	Light and Medium Crude Oil (Bbl/d)	Natural Gas (Mcf/d)	Combined Oil Equivalent (BOE/d)
Proved			
Developed producing	12	0	12
Developed non-producing	0	0	0
Undeveloped	0	0	0
Total Proved	12	0	12
Probable	0	0	0
Total proved plus probable	12	0	12

Red Earth, AB Property	Light and Medium Crude Oil (Bbl/d)	Natural Gas (Mcf/d)	Combined Oil Equivalent (BOE/d)
Proved			
Developed producing	16	0	16
Developed non-producing	0	0	0
Undeveloped	0	0	0
Total Proved	16	0	16
Probable	0	0	0
Total proved plus probable	16	0	16

Dodsland, SK Property	Light and Medium Crude Oil (Bbl/d)	Natural Gas (Mcf/d)	Combined Oil Equivalent (BOE/d)
Proved			
Developed producing	0	0	0
Developed non-producing	56	0	56
Undeveloped	0	0	0
Total Proved	56	0	56
Probable	2	0	2
Total proved plus probable	58	0	58

Production History

The following table sets forth certain information in respect of production, product prices received, royalties, production cost and netbacks received by the Corporation for each quarter of its most recently, completed financial period.

Category	2009				
	Year	Q4	Q3	Q2	Q1
Average Daily Production					
Light and medium oil (Bbl)	31	28	29	36	29
Natural gas (Mcf)	11	9	11	11	12
Natural Gas Liquids(Bbl)	1	1	1	1	1
Average Net prices Received					
Light and medium oil (\$/Bbl)	65.78	83.51	68.37	63.76	48.54
Natural gas (\$/Mcf)	4.36	5.14	3.29	3.98	5.38
Natural Gas Liquids (\$/Bbl)	32.15	32.67	36.86	31.53	28.65
Royalties (\$/boe)	2.70	4.56	2.89	(.10)*	4.15
Production Cost (\$/boe)	26.13	32.06	15.37	28.57	28.42
Netback Received (\$/boe)	31.64	40.48	38.73	32.98	14.50

* The 2nd quarter saw a prior year adjustment from a non-operated unit in the Loon area come through giving the Corporation a lower than normal royalty rate and a negative royalty expense for the quarter.

APPENDIX A DEFINITIONS USED FOR RESERVE CATEGORIES

Reserves estimates have been prepared by SPROULE Petroleum Consultants Ltd. (SPROULE) 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 equally 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.

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, 2009**

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.

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.