# RESERVE AND ECONOMIC EVALUATION OIL PROPERTY

# CERTAIN INTERESTS IN THE TROUT AREA ALBERTA

Owned by

COUGAR OIL AND GAS CANADA INC.

June 1, 2011 (May 31, 2011)

# **Chapman** Petroleum Engineering Ltd.

445, 708 - 11th Avenue S.W., Calgary, Alberta T2R 0E4 • Phone: (403) 266-4141 • Fax: (403) 266-4259 • www.chapeng.ab.ca

July 11, 2011

**Cougar Oil and Gas Canada Inc.** 1120, 833 – 4<sup>th</sup> Avenue SW Calgary, AB T2P 3T5

Attention: Mr. Glenn Watt - President

Dear Sir:

# Re: Cougar Oil and Gas Canada Inc. Reserve and Economic Evaluation – June 1, 2011

In accordance with your authorization we have prepared a reserve and economic evaluation of certain oil interests in the Trout area, Alberta owned by Cougar Oil and Gas Canada Inc. (the "Company") for an effective date of June 1, 2011 (as of May 31, 2011).

This evaluation has been carried out in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook ("COGEH") prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy and Petroleum (Petroleum Society). The report has been prepared and/or supervised by a "Qualified Reserves Evaluator" as demonstrated on the accompanying Certificate of Qualification of the author(s).

The SCOPE OF REPORT contains the authorization and purpose of the report and describes the methodology and economic parameters used in the preparation of this report.

The EXECUTIVE SUMMARY contains the results of this reserve and economic evaluation presented in a form consistent with the requirements of Form 51-101 F1 Part 2, Item 2.1 (Forecast Prices and Costs) and Item 2.2 (Constant Prices and Costs). The Forecast Prices and Constant Prices of our benchmark products are also presented.

The SUMMARY OF RESERVES AND ECONOMICS complements the Executive Summary, including values at the property level and the consolidated cash flows for each accumulating reserve category. The net present values presented in this report do not necessarily represent the fair market value of the reserves evaluated in this report. All monetary values presented in this report are expressed in terms of Canadian dollars.

The DISCUSSION contains a description of the interests and burdens, reserves and geology, production forecasts, product prices, capital and operating costs and a map of each major property. The economic results and cash flow forecasts (before income tax) are also presented on an entity and property summary level.

A REPRESENTATION LETTER from the Company, confirming that to the best of their knowledge all the information they provided for our use in the preparation of this report was complete and accurate as of the effective date, is enclosed following the Glossary.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be significant. We have no responsibility to update our report for events and circumstances which may have occurred since the preparation date of this report.

Prior to public disclosure of any information contained in this report, or our name as author, our written consent must be obtained, as to the information being disclosed and the manner in which it is presented. This report may not be reproduced, distributed or made available for use by any other party without our written consent and may not be reproduced for distribution at any time without the complete context of the report, unless otherwise reviewed and approved by us.

We consent to the submission of this report, in its entirety, to securities regulatory agencies and stock exchanges, by the Company.

It has been a pleasure to prepare this report and the opportunity to have been of service is appreciated.

Yours very truly,

### Chapman Petroleum Engineering Ltd.

[Original Signed By:]

C.W. Chapman

C.W. Chapman, P. Eng., President

[Original Signed By:]

Charles G.K. Moore

Charles G.K. Moore, P. Eng., Associate

cgm/lml/5396

[The Report original is endorsed with APEGGA "PERMIT TO PRACTICE" STAMP signed by Mr. C.W. Chapman, dated July 11, 2011]

Chapman Petroleum Engineering Ltd.

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I, C. W. CHAPMAN, P. Eng., Professional Engineer of the City of Calgary, Alberta, Canada, officing at Suite 445, 708 – 11<sup>th</sup> Avenue S.W., hereby certify:

- 1. THAT I am a registered Professional Engineer in the Province of Alberta and a member of the Australasian Institute of Mining and Metallurgy.
- 2. THAT I graduated from the University of Alberta with a Bachelor of Science degree in Mechanical Engineering in 1971.
- 3. THAT I have been employed in the petroleum industry since graduation by various companies and have been directly involved in reservoir engineering, petrophysics, operations, and evaluations during that time.
- 4. THAT I have in excess of 25 years in the conduct of evaluation and engineering studies relating to oil & gas fields in Canada and around the world.
- 5. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Cougar Oil and Gas Canada Inc., dated July 11, 2011 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.
- 6. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Cougar Oil and Gas Canada Inc. its participants or any affiliate thereof.
- 7. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.
- 8. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]

C.W. Chapman

C. W. Chapman, P.Eng. President

[The Report original is endorsed with APEGGA "PERMIT TO PRACTICE" STAMP signed by Mr. C.W. Chapman, dated July 11, 2011

I, CHARLES G.K. MOORE, P. Eng., Professional Engineer of the City of Calgary, Alberta, Canada, officing at Suite 445, 708 – 11<sup>th</sup> Avenue S.W., hereby certify:

- 1. THAT I am a registered Professional Engineer in the Province of Alberta.
- 2. THAT I graduated from the Technical University of Nova Scotia with a Bachelor of Engineering degree in Mining Engineering in 1972.
- 3. THAT I have been employed in the petroleum industry since graduation by various companies and have been directly involved in reservoir engineering, petrophysics, operations, and evaluations during that time.
- 4. THAT I have in excess of 10 years of experience in the conduct of evaluation and engineering studies relating to oil and gas fields in Canada and internationally.
- 5. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Cougar Oil and Gas Canada Inc., dated July 11, 2011 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.
- 6. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Cougar Oil and Gas Canada Inc., its participants or any affiliate thereof.
- 7. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.
- 8. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]

Charles G.K. Moore

Charles G.K. Moore, P. Eng., Associate

I, D. J. BRIERE, P. Eng., Professional Engineer of the City of Calgary, Alberta, Canada, officing at Suite 445, 708 – 11<sup>th</sup> Avenue S.W., hereby certify:

- 1. THAT I am a registered Professional Engineer in the Province of Alberta.
- 2. THAT I graduated from the University of Calgary with a Bachelor of Science degree in Electrical Engineering in 1978.
- 3. THAT I have been employed in the petroleum industry since graduation by various companies and have been directly involved in reservoir engineering, petrophysics, operations, and evaluations during that time.
- 4. THAT I have in excess of 30 years experience in engineering studies relating to oil & gas fields in Canada and around the world.
- 5. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Cougar Oil and Gas Canada Inc., dated July 11, 2011 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.
- 6. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Cougar Oil and Gas Canada Inc., its participants or any affiliate thereof.
- 7. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.
- 8. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]

D.J. Brière

D. J. Brière, P.Eng. General Manager International

I, HAROLD J. RYAN, P. Geol., Professional Geologist of the City of Calgary, Alberta, Canada, officing at Suite 445, 708 – 11<sup>th</sup> Avenue S.W., hereby certify:

- 1. THAT I am a registered Professional Geologist in the Province of Alberta, a Fellow of the Geological Association of Canada and a Fellow of the Geological Society of London.
- 2. THAT I graduated from the University of Calgary with a Bachelor of Science degree in Geology in 1983.
- 3. THAT I have been employed in the petroleum industry since graduation by various companies and have been directly involved in petroleum geology, petrophysics, operations, and evaluations during that time.
- 4. THAT I have in excess of 15 years of experience in the conduct of evaluation and geological studies relating to oil and gas fields in Canada and internationally.
- 5. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Cougar Oil and Gas Canada Inc., dated July 11, 2011 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.
- 6. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Cougar Oil and Gas Canada Inc., its participants or any affiliate thereof.
- 7. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.
- 8. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]

Harold J. Ryan

Harold J. Ryan, P. Geol. Manager Geoscience

I, REBECCA J. HOWE, of the City of Calgary, Alberta, Canada, officing at Suite 445, 708 – 11<sup>th</sup> Avenue S.W., hereby certify:

- 1. THAT I am a registered Geologist-In-Training with the Association of Professional Engineers, Geologists and Geophysicists of Alberta.
- 2. THAT I graduated from Brandon University, Manitoba with a Bachelor of Science degree in Geology in 2007.
- 3. THAT I participated directly in the evaluation of these assets and properties and preparation of this report for Cougar Oil and Gas Canada Inc., dated July 11, 2011 and the parameters and conditions employed in this evaluation were examined by me and adopted as representative and appropriate in establishing the value of these oil and gas properties according to the information available to date.
- 4. THAT I have not, nor do I expect to receive, any direct or indirect interest in the properties or securities of Cougar Oil and Gas Canada Inc., its participants or any affiliate thereof.
- 5. THAT I have not examined all of the documents pertaining to the ownership and agreements referred to in this report, or the chain of Title for the oil and gas properties discussed.
- 6. A personal field examination of these properties was considered to be unnecessary because the data available from the Company's records and public sources was satisfactory for our purposes.

[Original Signed By:]

Rebecca J. Howe

Rebecca J. Howe, Geol.I.T. Geologist

# RESERVE AND ECONOMIC EVALUATION OIL PROPERTY

# CERTAIN INTERESTS IN THE TROUT AREA ALBERTA

Owned by

# COUGAR OIL AND GAS CANADA INC.

June 1, 2011 (May 31, 2011)

. Chapman Petroleum Engineering Ltd. \_

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#### SCOPE OF REPORT

#### Authorization

This evaluation has been authorized by Mr. Glenn Watt, on behalf of Cougar Oil and Gas Canada Inc. The engineering analysis has been performed during the months of June and July 2011.

#### Purpose

The purpose of this report was to prepare a third party independent appraisal of certain oil reserves owned by Cougar Oil and Gas Canada Inc. for the Company's financial planning.

The values in this report do not include the value of the Company's undeveloped land holdings nor the tangible value of their interest in associated plant and well site facilities they may own.

#### **Reserve Definitions**

The following definitions, extracted from Section 5.4 of the Canadian Oil and Gas Evaluation Handbook, Volume 1 – Second Edition (COGEH-1) published by the Petroleum Society of CIM and the Calgary Chapter of the Society of Petroleum Evaluation Engineers (SPEE) as specified by NI 51-101 have been used in preparing this report. These definitions are compliant with the PRMS.

#### 5.4 Definitions of Reserves

The following definitions and guidelines are designed to assist evaluators in making reserves estimates on a reasonably consistent basis, and assist users of evaluation reports in understanding what such reports contain and, if necessary, in judging whether evaluators have followed generally accepted standards.

The guidelines outline

- General criteria for classifying reserves,
- Procedures and methods for estimating reserves,
- Confidence levels of individual entity and aggregate reserves estimates,
- Verification and testing of reserves estimates.

The determination of oil and gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved, probable, and possible reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery.

The estimation and classification of reserves requires the application of professional judgement combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions. The concepts are presented and discussed in greater detail within the guidelines of Section 5.5 of the Canadian Oil and Gas Evaluation Handbook, Volume 1 – Second Edition (COGEH-1).

The following definitions apply to both estimates of individual Reserves Entities and the aggregate of reserves for multiple entities.

#### 5.4.1 Reserves Categories

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

- Analysis of drilling, geological, geophysical, and engineering data;
- The use of established technology;
- Specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed.

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

- <u>Proved Reserves</u> 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.
- b. <u>Probable Reserves</u> 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 + probable reserves.

c. <u>Possible Reserves</u> 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 + probable + possible reserves.

Other criteria that must also be met for the categorization of reserves are provided in Section 5.5.4 of the Canadian Oil and Gas Evaluation Handbook, Volume 1 - Second Edition (COGEH-1).

5.4.2 Development and Production Status

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

a. <u>Developed Reserves</u> 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.

<u>Developed Producing Reserves</u> 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.

<u>Developed Non-Producing Reserves</u> 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.

b. <u>Undeveloped Reserves</u> are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., 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 sub-divide 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.

#### 5.4.3 Levels of Certainty for Reported Reserves

The qualitative certainty levels contained in the definitions in Section 5.4.1 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 + probable reserves,
- At least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved + probable + 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 are 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 Canadian Oil and Gas Evaluation Handbook, Volume 1 – Second Edition (COGEH-1).

#### **Barrels of Oil Equivalent**

If at any time in this report reference is made to "Barrels of Oil Equivalent" (BOE), the conversion used is 6 Mscf : 1 STB (6 Mcf : 1 bbl).

BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf : 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the well head.

# **Sources of Information**

Source of the data used in the preparation of this report are as follows:

- Ownership and Burdens have been derived from the Company's land records and other information from the Company as required for clarification;
- Production data is acquired from public data sources, except for very recent data or certain wells which are provided directly by the Company;
- iii) Well data is accessed from the Company's well files and from public data sources;
- iv) Operating Costs are based on actual revenue and expense statements provided by the Company for established properties or from discussions with the Company and our experience in the area for new or non-producing properties;
- Price differentials are derived from revenue statements, compared to actual posted prices for the appropriate benchmark price over a period of several months for established properties or from discussions with the Company and our experience in the area for new or non-producing properties;
- vi) Timing of Development Plans and Capital estimates are normally determined by discussions with the Company together with our experience and judgment.

# **Product Prices**

Chapman Petroleum Engineering Ltd. conducts continual surveillance and monitoring on a number of Benchmark product prices both locally and internationally. Based on historical data, current conditions and our view of the relevant political and economic trends, we independently prepare oil, gas and by-product price forecasts including predictions for the near term (first few years) with escalation thereafter for a maximum of 15 years, after which prices are held constant.

In establishing our forecasts we also consider input from operating companies, consulting firms, oil & gas marketing companies and financial institutions. Our forecasts are updated quarterly and the latest one prior to the effective date would generally be used. The forecast used for this report is presented in Table 5 in the Executive Summary.

The Benchmark Oil Par Price shown is the equivalent price of light sweet crude landed in Edmonton to that of the West Texas Intermediate crude (WTI) in Cushing, Oklahoma after adjustments for transportation and the prevailing dollar exchange rate (\$US/\$Can).

Any prices quoted in the property discussions reflect fully adjusted prices for crude quality, transportation, gas heating value and specific contractual arrangements. In the case of delayed production the equivalent 2011 price for that production has been quoted.

#### **Product Sales Arrangements**

The Company does not have any "hedge" contracts in place at this time.

#### Royalties

A full provision for Crown royalties under the latest regulations and incentive programs for the applicable provinces have been included in this report. Likewise, Freehold royalties, mineral taxes, gross overriding royalties and any other burdens have been accounted for.

#### Alberta

Effective January 1, 2011, a revised Alberta Royalty Framework (ARF-2011) for oil and natural gas has been implemented. Royalty rates under the ARF-2011 are a function of two separate components, product prices and producing rates, which are additive. The royalties are determined by means of complex formulae containing a series of thresholds for both prices and rates. Increasing royalty rates are applied incrementally to each threshold. The formulae provide for royalty reductions for gas wells deeper than 2000 m.

For natural gas, royalty rates range from five percent for relatively low rate wells when prices are low, up to 36 percent for high rate wells when prices are high. The maximum rate would not apply at any producing rate until gas prices exceed \$6.85/Mscf (1,000 BTU gas). Also, the highest royalty rates will not apply to any well producing less than 320 Mscf/day, regardless of price.

Conventional oil royalty rates under the ARF-2011 can be zero for low rate wells when prices are low, increasing to 40 percent for high rate wells when prices are high. The maximum royalty rate will not apply to any well producing less than 35 STB/day regardless of price. Also maximum royalty rates will not apply to any well regardless of rate at oil prices less than \$50.00/STB.

The new royalty framework is designed to deliver up to 40 percent (36 percent for gas) of the oil revenue to the Alberta Government from high rate wells when the prices are high. When prices and/or production rates are low the royalties are minimized (0 percent for oil and 5 percent for gas) so that stripper wells will not be shut in earlier than necessary, due to the Crown royalty burden.

Companies can apply for Transitional Royalty Rates for wells drilled between November 19, 2008 and December 31, 2010. These Transitional Royalty Rates have been structured to encourage new drilling by reducing the royalty rates under certain conditions during this period.

Alberta has introduced additional incentives to encourage drilling activity during the recent and expected periods of low energy prices and low oil industry activity.

All oil and gas wells drilled on Crown lands will pay a maximum royalty of five percent for the first 12 producing months. This includes wells drilled at any time that have not been on commercial production and in some cases wells that have produced but resume production after having been shut in or produced at marginal rates for an extended period of time. For wells producing shale gas, the 5 percent front end royalty rate extends to 36 production months with no volume limit. For wells producing Coal Bed Methane (CBM), the 5 percent front end rate extends to 36 production months with a volume limit of 750 MMscf.

For horizontal gas wells, the 5 percent front end rate extends to 18 production months with a volume limit of 500 MMscf. For horizontal oil wells, the period during which the 5 percent front end rate is applicable varies with well length, from 18 production months (maximum 50,000 BOE) for wells less than 2,500 m up to 48 production months (maximum 100,000 BOE) for wells more than 4,500 m in length.

All new natural gas wells spudded on or after May 1, 2010 deeper than 2,000 m TVD will be eligible for a revised NGDDP (New Gas Deep Drilling Program) royalty adjustment. The benefit will be \$625/m for depths between 2,000 and 3,500 m for all wells, \$2,500/m between 3,500 and 4,000 m for exploration wells and between 3,500 and 5,000 m for development wells. Development wells deeper than 5,000 m will receive a benefit of \$3,000/m for metres deeper than 5,000 m. Exploration wells will earn \$3,125/m for depths between 4,000 and 5,000 m and \$3,750/m for depths greater than 5,000 m. Additional legs in a multi lateral well will also receive credit.

There are additional temporary incentives (to be reviewed in 2014) for emerging resources and technologies including Shale Gas, Coal Bed Methane, Horizontal Gas and Horizontal Oil. After the 2014 review, the government has committed to provide three years notice before any programs are eliminated.

The Alberta government is committed to maintaining an attractive environment for investment in oil and gas production in Alberta.

# **Capital Expenditures and Operating Costs**

Operating costs and capital expenditures have been based on historical experience and analogy where necessary and are expressed in current year dollars and escalated as follows:

2011	<ul> <li>No Escalation</li> </ul>
2012-2026	- 2.0% per year
Thereafter	- No Escalation

# **Income Tax Parameters**

Net cash flows after consideration of corporate income tax have been included in this report.

Future capital expenditures anticipated for this report are predominantly development costs, and have been included as tangible or intangible costs. These interests have been considered to be fully taxable.

The Federal tax rates utilized in this report were 16.50% in 2011 and 15.00% in 2012 and thereafter. The Alberta Provincial tax rate utilized was 10% in all years.

#### Abandonment and Restoration

Abandonment and restoration costs, net of salvage, have been included in the cash flows for the final event of any particular well. The abandonment cost does not impact the economic limit and is included in the final year of production. For marginal wells nearing the end of their economic life, these costs may results in a negative net present value.

For Alberta wells we have utilized Directive 011 from the ERCB which has been made available to the public to estimate liability for well abandonment and site restoration, unless the Company has provided the information from their experience.

This directive accounts for the general areas, number of zones to be abandoned, well depth and presence of tubing and rods, etc. Separate amounts are determined for abandonment and lease restoration. The abandonment cost determined is net of salvage.

In this report, we have accounted for these costs for only the wells which are being evaluated and have not included other shut-in or suspended wells in the Company's inventory or their facilities and pipelines.

#### **Environmental Liabilities**

We have been advised by the Company that they are in material compliance with all Environmental Laws and do not have any Environmental Claims pending, as demonstrated in the Representation Letter attached.

#### **Economics**

The results of the before tax economic analysis, which are presented for each entity and property summary, are in a condensed form presented on one page for simplicity in analyzing the cash flows, however, if for any reason more extensive breakdown of the cash flow is required, a separate schedule can be provided showing the full derivation and breakdown of any or all of the columns on the summary page.

The economic presentation shows the gross property and company gross and net (before and after royalty) production of oil, gas and each NGL product along with the product prices adjusted for oil quality and heating value of gas. Oil prices also include the deduction for trucking costs where applicable for royalty deductions.

The second level includes the revenues, royalties, operating costs, processing income, abandonment costs, capital and cash flow of the property. Operating costs are presented for the gross property and the company share, split between variable and fixed costs, and the effective cost per BOE.

Net revenues are presented annually and as a net back in \$/BOE @ 6 Mscf/STB. Revenue from custom processing of oil or gas is presented separately.

The third level of data presents the cumulative cash flow values (present worth) for various discount rates. Also, the net cash flow breakdown is presented. The project profitability criteria are summarized on the bottom right of the page. These data are not relevant in the case of corporate evaluations but are useful in assessing individual capital projects.

For corporate consolidations a second page is included, which repeats the before tax cash flow and presents the Taxable Income, Income Tax Payable, After Income Tax Cash Flows and net present values After Income Tax.

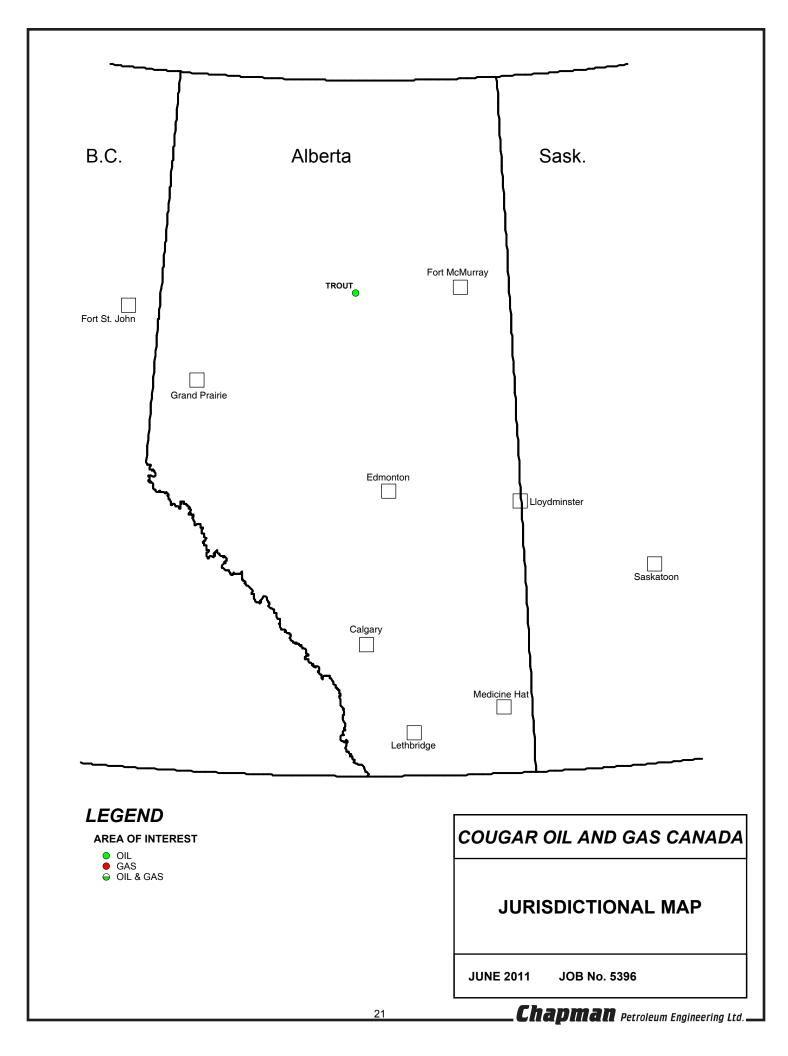
# **Constant Price Parameters**

The Constant Price values utilized in this report use the procedure required by the SEC which is the average of the oil prices on the first day of each month for 12 months preceding the effective date of the report.

Adjustments for crude quality, gas heating value and NGL trucking and fractionation have still been applied to the average prices to reflect actual prices being received. In addition, no escalation has been applied to either the capital expenditures or operating costs.

In the Constant Price cash flows the magnitude of the gross and net reserves will not change except where production forecasts have been truncated or extended due to economic limits being reached earlier or later in the life of the properties than in the forecast price case, and due to the impact of royalties which are price related.

The results of the Constant Prices and Costs case for all categories are presented in the Summary of Reserves and Economics. The Executive Summary contains constant prices and costs information for the proved reserves in accordance with Form 51-101 F1 Part 2 Item 2.2.



#### **EXECUTIVE SUMMARY**

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# **Forecast Prices and Costs**

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Table 4A:	Reserves and Net Present Values – By Production Group
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# **Constant Prices and Costs**

- Table 7: Summary of Net Present Values
- Table 8: Total Future Net Revenue (Undiscounted)
- Table 9: Future Net Revenue By Production Group
- Table 9A: Reserves and Net Present Values By Production Group

#### Cougar Oil and Gas Canada Inc.

# Summary of Oil and Gas Reserves

#### June 1, 2011 (as of May 31, 2011)

#### **Forecast Prices and Costs**

	Company Reserves								
	Light and Medium Oil		Heavy Oil		Natural Gas [1]		Natural Gas Liquids		
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	
Reserves Category	MSTB	MSTB	MSTB	MSTB	MMscf	MMscf	Mbbl	Mbbl	
PROVED									
Developed Producing	0	0	0	0	0	0	0	0	
Developed Non-Producing	0	0	0	0	0	0	0	0	
Undeveloped	183	147		0	0	0	0	0	
TOTAL PROVED	183	147	0	0	0	0	0	0	
PROBABLE	715	530	0	0	0	0	0	0	
TOTAL PROVED PLUS PROBABLE	898	677	0	0	0	0	0	0	
POSSIBLE	1,803	1,274	0	0	0	0	0	0	
TOTAL PROVED PLUS PROBABLE PLUS POSSIBLE	2,701	1,951	0	0	0	0	0	0	

Reference: Item 2.1 (1) Form 51-101F1

Columns may not add precisely due to accumulative rounding of values throughout the report. Note: [1] Includes associated, non-associated and solution gas where applicable.

#### Cougar Oil and Gas Canada Inc.

#### Summary of Net Present Values June 1, 2011 (as of May 31, 2011)

#### Forecast Prices and Costs

Before Income Tax

	Net Present Values of Future Net Revenue									
		Discounted at								
	0 %/yr.	5 %/yr.	10 %/уг.	15 %/yr.	20 %/yr.					
Reserves Category	M\$	M\$	M\$	M\$	M\$					
PROVED										
Developed Producing	0	0	0	0	0					
Developed Non-Producing	0	0	0	0	0					
Undeveloped	5,054	3,767	2,831	2,136	1,609					
TOTAL PROVED	5,054	3,767	2,831	2,136	1,609					
PROBABLE	33,477	28,833	25,244	22,392	20,075					
TOTAL PROVED PLUS PROBABLE	38,530	32,600	28,075	24,528	21,684					
POSSIBLE	80,537	61,717	49,442	40,960	34,811					
TOTAL PROVED PLUS PROBABLE PLUS POSSIBLE	119,067	94,317	77,517	65,488	56,495					

#### After Income Tax

	Net Present Values of Future Net Revenue Discounted at								
Reserves Category	0 %/yr. 	5 %/yr. M\$	10 %/yr. M\$	15 %/yr. M\$	20 %/уг. М\$				
PROVED									
Developed Producing	0	0	0	0	0				
Developed Non-Producing	0	0	0	0	0				
Undeveloped	3,721	2,658	1,889	1,321	894				
TOTAL PROVED	3,721	2,658	1,889	1,321	894				
PROBABLE	25,105	21,419	18,583	16,339	14,523				
TOTAL PROVED PLUS PROBABLE	28,825	24,077	20,472	17,660	15,417				
POSSIBLE	60,412	45,965	36,541	30,033	25,319				
TOTAL PROVED PLUS PROBABLE PLUS POSSIBLE	89,237	70,042	57,013	47,692	40,735				

#### Reference: Item 2.1 (2) Form 51-101F1

#### M\$ means thousands of dollars

Columns may not add precisely due to accumulative rounding of values throughout the report.

### Cougar Oil and Gas Canada Inc. Total Future Net Revenue (Undiscounted) June 1, 2011 (as of May 31, 2011) Forecast Prices and Costs

Reserve Category	Revenue M\$	Royalties M\$	Operating Costs M\$	Development Costs M\$	Well Abandonment Costs M\$	Future Net Revenues BIT M\$	Income Taxes M\$	Future Net Revenues AIT M\$
Total Proved	17,366	3,390	3,929	4,829	165	5,054	(1,333)	3,721
Proved Plus Probable	85,213	20,725	14,297	11,277	385	38,530	(9,705)	28,825
Proved Plus Probable Plus Possible	261,112	71,815	44,929	24,432	870	119,067	(29,830)	89,237

Reference: Item 2.1 (3)(b) NI 51-101F1

M\$ means thousands of dollars

	Table 4	
	Cougar Oil and Gas Canada Inc.	
	Future Net Revenue	
	By Production Group	
	June 1, 2011 (as of May 31, 2011)	
	Forecast Prices and Costs	
		Future Net Revenue Before Income Taxes Discounted at 10%/yr.
Reserve Category	Production Group	M\$
Total Proved	Light and Medium Oil ( including solution gas and other by-products)	2,831
	Heavy Oil (including solution gas and other by-products)	0
	Natural Gas (including by-products but not solution gas)	0
Proved Plus Probable	Light and Medium Oil ( including solution gas and other by-products)	28,075
	Heavy Oil (including solution gas and other by-products)	0
	Natural Gas (including by-products but not solution gas)	0
Proved Plus Probable Plus		
Possible	Light and Medium Oil ( including solution gas and other by-products)	77,517
	Heavy Oil (including solution gas and other by-products)	0
	Natural Gas (including by-products but not solution gas)	0

Reference: Item 2.1 (3)(c) NI 51-101F1

M\$ means thousands of dollars

#### Table 4A

#### Cougar Oil and Gas Canada Inc.

#### Oil and Gas Reserves and Net Present Values by Production Group June 1, 2011 (as of May 31, 2011)

#### **Forecast Prices and Costs**

			Rese	erves			Net Present	Unit Values @
Reserve Group by Category		Dil	G	as	N	GL	Value (BIT)	10%/yr.
	Gross MSTB	Net <u>MSTB</u>	Gross MMscf	Net MMscf	Gross Mbbl	Net Mbbl	10% M\$	\$/STB
Light and Medium Oil [1]								
Proved								
Developed Producing	0	0	0	0	0	0	0	N/A
Developed Non-Producing	0	0	0	0	0	0	0	N/A
Undeveloped		147	0	0	0	0	2,831	19.27
Total Proved	183	147	0	0	0	0	2,831	19.27
Probable	715	530	0	0	0	0	25,244	47.60
Proved Plus Probable	898	677	0	0	0	0	28,075	41.46
Possible	1,803	1,274	0	0	0	0	49,442	38.82
Proved Plus Probable Plus Possible	2,701	1,951	0	0	0	0	77,517	39.74

Reference: Item 2.1 (3)(c) NI 51-101F1

#### M\$ means thousands of dollars

Columns may not add precisely due to accumulative rounding of values throughout the report. Notes: [1] Includes solution gas.

#### Table 5 CHAPMAN PETROLEUM ENGINEERING LTD. CRUDE OIL

# HISTORICAL, CONSTANT, CURRENT AND FUTURE PRICES

June 1, 2011

Date	WTI [1] \$US/STB	Alberta Par Price [2] \$CDN/STB	Alberta Heavy [3] \$CDN/STB	Sask. Light [4] \$CDN/STB	Sask. Heavy [5]	B.C. Light [6]	Bank of Canada Average Noon Exchange rate
HISTORICAL PRICES		(02:0012		40010315	\$CDN/STB	\$CDN/STB	\$US/\$CDN
2001	25,98	39.66	25.41	35.57	31.84	n/a	0.05
2002	26.09	40.63	32.20	37.67	34.57	n/a	0.65 0.64
2003	30.84	43.57	32.65	40.13	37.64	n/a	0.84
2004	41.48	52.89	37.52	48,96	45.74	n/a	0.72
2005	56.62	69.16	43.25	62.04	56.53	n/a	0.83
2006	65.91	72.88	50.40	66.77	61.23	n/a	0.88
2007	72.35	75.57	53.17	71.42	64.55	n/a	0.94
2008	99.70	102.98	83.88	98.02	92.45	n/a	0.94
2009	61.64	76.77	53.04	72.56	64.37	n/a	0.88
2010	79.42	80.56	66.58	77.02	72.79	n/a	0.97
2011(5mos)	98.66	104.62	76.71	92.69	83.25	n/a	1.02
CONSTANT PRICES							
May 31, 2011	[7] 102.70	107.73	82.30	96.84	87.77	105.04	1.03
CURRENT YEAR FOR	ECAST				<i></i>	100.04	1.00
2011 (7 mos)	104.00	103.00	85.49	97.85	02.02	100.10	
FUTURE FORECAST		100.00	00.40	97.05	92.96	100.43	1
· · · · · · · · · · · · · · · · · · ·							
2012	102.00	103.08	85.56	97.93	93.03	100.50	0.98
2013	100.00	101.04	83.86	95.99	04.40	00 E4	
			03.00	90.99	91.19	98.51	0.98
2014	98.00	99.00	82.17	94.05	89.35	96.53	0.98
2015	97.00	97.98	81.32	93.08	88.43	95.53	0.98
2016	100.00	101.04	00.00	05.00			
	100.00	101.04	83.86	95.99	91.19	98.51	0.98
2017	102.00	103.08	85.56	97.93	93.03	100.50	0.98
2018	104.00	105.12	87.25	99.87	94.87	102.49	0.98
2019	106.00	107.16	88.95	101.81	96.71	104.48	0.98
2020	108.12	109.33	90.74	103.86	98.67	106.59	0.98
2021	110.28	111.53	92.57	105.96	100.66	108.74	0.98
2022	112.49	113.78	94.44	108.09	102.69	110,94	0.98
2023	114.74	116.08	96.35	110.28	104.76	113.18	0.98
2024	117.03	118.42	98.29	112.50	106.87	115.46	0.98
2025	119.37	120.81	100.27	114.77	109.03	117.79	
0000				1 4 . 4 . 1 1	103.00	117.19	0.98
2026 Constant thereafter	121.76	123.25	102.29	117.08	111.23	120.16	0.98

Constant thereafter

Notes:

[1] West Texas Intermediate quality (D2/S2) crude landed in Cushing, Oklahoma.

[2] Equivalent price for Light Sweet Crude (D2/S2) landed in Edmonton, Alberta is estimated from WTI US\$ exchange to C\$ and transportation differential of \$1.00 CDN/STB.

[3] Bow River at Hardisty, Alberta (905 kg/m3, 2.1% sulphur).

[4] Light Sour Blend at Cromer, Saskatchewan (850 kg/m3, 1.2% sulphur).

[5] Midale at Cromer, Saskatchewan (880 kg/m3, 2.0% sulphur).

[6] B.C. Light at Taylor, British Columbia (825 kg/m3, 0.5% sulphur).

[7] May 31, 2011 is the last trading day of May 2011

#### Cougar Oil and Gas Canada Inc.

# Summary of Oil and Gas Reserves June 1, 2011

# (as of May 31, 2011)

**Constant Prices and Costs** 

	Company Reserves								
	Light and	Medium Oil	Heav	/y Oil	Natural Gas [1]		Natural Gas Liquids		
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	
Reserves Category	MSTB	MSTB	MSTB	MSTB	MMscf	MMscf	Mbbl	Mbbl	
PROVED									
Developed Producing	0	0	0	0	0	0	0	0	
Developed Non-Producing	0	0	0	0	0	0	0	0	
Undeveloped		148	0	0	0	0	0	0	
TOTAL PROVED	183	148	0	0	0	0	0	0	
PROBABLE	715	532	0	0	0	0	0		
TOTAL PROVED PLUS PROBABLE	898	680	0	0	0	0	0	0	
POSSIBLE	1,803	1,290	0	0	0	0	0	0	
TOTAL PROVED PLUS PROBABLE PLUS POSSIBLE	2,701	1,970	0	0	0	0	0	0	

Reference: Item 2.1 (1) Form 51-101F1

Columns may not add precisely due to accumulative rounding of values throughout the report.

Note: [1] Includes associated, non-associated and solution gas where applicable.

#### Cougar Oil and Gas Canada Inc.

#### Summary of Net Present Values June 1, 2011 (as of May 31, 2011)

**Constant Prices and Costs** 

Before Income Tax

	Net Present Values of Future Net Revenue								
	Discounted at								
	0 %/yr.	5 %/yr.	10 %/yr.	15 %/yr.	20 %/yr.				
Reserves Category	M\$	M\$	M\$	M\$	M\$				
PROVED									
Developed Producing	0	0	0	0	0				
Developed Non-Producing	0	0	0	0	0				
Undeveloped	3,434	2,417	1,683	1,141	734				
TOTAL PROVED	3,434	2,417	1,683	1,141	734				
PROBABLE	26,511	22,712	19,774	17,440	15,544				
TOTAL PROVED PLUS PROBABLE	29,945	25,130	21,457	18,581	16,278				
POSSIBLE	63,431	48,504	38,683	31,853	26,881				
TOTAL PROVED PLUS PROBABLE PLUS POSSIBLE	93,376	73,634	60,140	50,434	43,158				

#### After Income Tax

	Net Present Values of Future Net Revenue Discounted at						
Reserves Category	0 %/yr. M\$	5 %/yr. M\$	10 %/yr. M\$	15 %/yr. M\$	20 %/yr. M\$		
PROVED							
Developed Producing	0	0	0	0	0		
Developed Non-Producing	0	0	0	0	0		
Undeveloped	2,505	1,648	1,031	580	244		
TOTAL PROVED	2,505	1,648	1,031	580	244		
PROBABLE	19,882	16,831	14,483	12,628	11,128		
TOTAL PROVED PLUS PROBABLE	22,387	18,479	15,515	13,208	11,371		
POSSIBLE	47,599	36,075	28,494	23,226	19,395		
TOTAL PROVED PLUS PROBABLE PLUS POSSIBLE	69,986	54,553	44,009	36,433	30,766		

Reference: Item 2.1 (2) Form 51-101F1

#### M\$ means thousands of dollars

Columns may not add precisely due to accumulative rounding of values throughout the report.

#### Cougar Oil and Gas Canada Inc. Total Future Net Revenue (Undiscounted) June 1, 2011 (as of May 31, 2011) Constant Prices and Costs

Reserve Category	Revenue M\$	Royalties M\$	Operating Costs <u>M\$</u>	Development Costs <u>M</u> \$	Well Abandonment Costs <u>M</u> \$	Future Net Revenues BIT M\$	Income Taxes M\$	Future Net Revenues AIT M\$
Total Proved	14,688	2,818	3,576	4,725	135	3,434	(929)	2,505
Proved Plus Probable	72,073	17,502	13,186	11,125	315	29,945	(7,558)	22,387
Proved Plus Probable Plus Possible	216,782	58,664	39,967	24,100	675	93,376	(23,390)	69,986

Reference: Item 2.1 (3)(b) NI 51-101F1

### M\$ means thousands of dollars

Table	9
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# Cougar Oil and Gas Canada Inc.

Future Net Revenue By Production Group June 1, 2011 (as of May 31, 2011)

# **Constant Prices and Costs**

		Future Net Revenue Before Income Taxes Discounted at 10%/yr.
Reserve Category	Production Group	M\$
Total Proved	Light and Medium Oil ( including solution gas and other by-products)	1,683
	Heavy Oil (including solution gas and other by-products)	0
	Natural Gas (including by-products but not solution gas)	0
Proved Plus Probable	Light and Medium Oil ( including solution gas and other by-products)	21,457
	Heavy Oil (including solution gas and other by-products)	0
	Natural Gas (including by-products but not solution gas)	0
Proved Plus Probable Plus		
Possible	Light and Medium Oil ( including solution gas and other by-products)	60,140
	Heavy Oil (including solution gas and other by-products)	0
	Natural Gas (including by-products but not solution gas)	0

Reference: Item 2.1 (3)(c) NI 51-101F1

M\$ means thousands of dollars

#### Table 9A

#### Cougar Oil and Gas Canada Inc.

#### Oil and Gas Reserves and Net Present Values by Production Group June 1, 2011 (as of May 31, 2011)

#### **Constant Prices and Costs**

	Reserves						Net Present	Unit Values @
Reserve Group by Category	Oil		Gas		NGL		Value (BIT)	10%/yr.
	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbl	Net Mbbl	10% M\$	\$/STB
Light and Medium Oil [1]								
Proved								
Developed Producing	0	0	0	0	0	0	0	N/A
Developed Non-Producing	0	0	0	0	0	0	0	N/A
Undeveloped		148	0	0	0	0	1,683	11.38
Total Proved	183	148	0	0	0	0	1,683	11.38
Probable	715	532	0	0	0	0	19,774	37.17
Proved Plus Probable	898	680	0	0	0	0	21,457	31.56
Possible	1,803	1,290	0	0	0	0	38,683	
Proved Plus Probable Plus Possible	2,701	1,970	0	0	0	0	60,140	30.53

Reference: Item 2.1 (3)(c) NI 51-101F1

#### M\$ means thousands of dollars

Columns may not add precisely due to accumulative rounding of values throughout the report. Notes: [1] Includes solution gas.

# TROUT AREA ALBERTA INDEX

#### Discussion

Ownership Geology Reserves Production Product Prices Capital Expenditures Operating Costs Economics

#### Attachments

Figure 1: Land and Well Map

Table 1: Schedule of Lands, Interests and Royalty Burdens

#### Figure 2: Geological Maps and Figures

- a) Northern Alberta Paleozoic Table of Formations
- b) Western Canada Keg River Paleogeography
- c) Trout Area, AB Keg River Facies Map
- d) Trout Area, AB Structure on Keg River

Table 2: Summary of Reserves

- Table 3: Summary of Anticipated Capital Expenditures
  - a) Development
  - b) Abandonment and Restoration

Table 4: Summary of Company Reserves and Economics - Forecast Prices and Costs

#### **Consolidated Cash Flows**

- a) Total Proved Undeveloped
- b) Total Proved Plus Probable
- c) Total Proved Plus Probable Plus Possible

# Individual Cash Flows

Proved Undeveloped

- d) Loc. 06-16-089-03 W5M, Upper Keg River
- e) Loc. 01-21-089-03 W5M, Upper Keg River
- f) Loc. 04-22-089-03 W5M, U&L Keg River & Granite Wash

#### Proved Plus Probable Undeveloped

- g) Loc. 06-16-089-03 W5M, Upper Keg River
- h) Loc. 01-21-089-03 W5M, Upper Keg River
- i) Loc. 04-22-089-03 W5M, U&L Keg River & Granite Wash

#### Probable Undeveloped

j) Loc. 02-08-089-03 W5M, Upper Keg River

- k) Loc. 12-08-089-03 W5M, Upper Keg River
- I) Loc. 15-08-089-03 W5M, U&L Keg River & Granite Wash
- m) Loc. 13-20-089-03 W5M, Upper Keg River

#### Possible Undeveloped

- n) Loc. 06-07-089-03 W3M, Upper Keg River
- o) Loc. 02-09-089-03 W3M, U&L Keg River & Granite Wash
- p) Loc. 03-09-089-03 W3M, U&L Keg River & Granite Wash
- q) Loc. 11-09-089-03 W3M, Upper Keg River
- r) Loc. 15-09-089-03 W3M, Upper Keg River
- s) Loc. 03-18-089-03 W3M, U&L Keg River & Granite Wash
- t) Loc. 03-19-089-03 W3M, Upper Keg River
- u) Loc. 06-19-089-03 W3M, Upper Keg River
- Table 5: Summary of Company Reserves and Economics Constant Prices and Costs

### Consolidated Cash Flows

- a) Total Proved Undeveloped
- b) Total Proved Plus Probable
- c) Total Proved Plus Probable Plus Possible

# Individual Cash Flows

Proved Undeveloped

- d) Loc. 06-16-089-03 W5M, Upper Keg River
- e) Loc. 01-21-089-03 W5M, Upper Keg River
- f) Loc. 04-22-089-03 W5M, U&L Keg River & Granite Wash

#### Proved Plus Probable Undeveloped

- g) Loc. 06-16-089-03 W5M, Upper Keg River
- h) Loc. 01-21-089-03 W5M, Upper Keg River
- i) Loc. 04-22-089-03 W5M, U&L Keg River & Granite Wash

#### Probable Undeveloped

- j) Loc. 02-08-089-03 W5M, Upper Keg River
- k) Loc. 12-08-089-03 W5M, Upper Keg River
- I) Loc. 15-08-089-03 W5M, U&L Keg River & Granite Wash
- m) Loc. 13-20-089-03 W5M, Upper Keg River

#### Possible Undeveloped

- n) Loc. 06-07-089-03 W3M, Upper Keg River
- o) Loc. 02-09-089-03 W3M, U&L Keg River & Granite Wash
- p) Loc. 03-09-089-03 W3M, U&L Keg River & Granite Wash
- q) Loc. 11-09-089-03 W3M, Upper Keg River
- r) Loc. 15-09-089-03 W3M, Upper Keg River
- s) Loc. 03-18-089-03 W3M, U&L Keg River & Granite Wash
- t) Loc. 03-19-089-03 W3M, Upper Keg River
- u) Loc. 06-19-089-03 W3M, Upper Keg River
- Appendix A: Summary of Analog Analysis Proved Plus Probable Locations

Appendix B: Summary of Analog Analysis – Western Trend Probable Locations

- Appendix C: Summary of Analog Analysis Strong Possible Locations
- Appendix D: Summary of Analog Analysis Average Possible Locations

# TROUT AREA ALBERTA DISCUSSION

# Ownership

The Company owns various working interests in approximately 4,800 acres of land in this area containing several active and shut in wells and 15 identified drilling locations, as shown on the map, Figure 1. Production is subject only to Alberta Crown Royalties. Only the proposed drilling locations have been evaluated in this report.

A detailed description of the lands, interests and royalty burdens is presented in Table 1.

#### Geology

The major productive intervals in this area are the Middle Devonian shelfal carbonates of the Keg River Formation and the immediately underlying basal Paleozoic clastics referred to as the Granite Wash Formation as they rest directly on the Precambrian. This is illustrated in the Table of Formations shown in Figure 2a.

Illustrated in Figure 2b is the Keg River paleogeography of western Canada as well as a schematic cross-section illustrating the major Keg River facies found in the Trout Area of Northern Alberta. The Trout Area is located within the fringing Keg River carbonate shelf of the emergent Peace River Arch. All the productive Keg River pools are located in the middle shelf facies that fringes the Peace River Arch as shown in the regional map illustrated in Figure 2c.

Keg River pools occur where the Keg River Formation is structurally closed across, or against the flanks of, underlying Precambrian highs. The Keg River structure mapping which incorporates both well control and the 3D seismic interpretation, is shown in Figure 2d. This mapping has identified a large number of undrilled locations on known or newly mapped structural highs.

Four locations have been identified as outposts of the Trout "A" pool on the western portion of the Company acreage. One of these locations at 15-8 also has Granite Wash potential according to the 3D seismic interpretation. Three locations have been identified as infill wells within the Trout "B" Pool on the eastern portion of the Company acreage, one of which at 4-22 also has Granite Wash potential.

As well as these step-out and infill locations, eight drilling locations have been identified on undrilled closed structural features. Four of these locations are immediately to the west of the Trout "A" pool. One of these structures at 3-18 is particularly pronounced and also has a potential Granite Wash target. The other four drilling locations are all located in section 9 and will target two east-west trending structural features. The southernmost of these two undrilled structures also has mapped Granite Wash potential which will be tested by 2-9 and 3-9.

#### Reserves

Total gross remaining proved undeveloped light and medium oil reserves of 183 MSTB have been estimated for three drilling locations which are in close proximity to successful wells and are supported by the reliable technology of 3D seismic. Reserves are based on Appendix A with a half of the proved plus probable (most likely) reserves estimated to be proved.

Total gross remaining probable undeveloped light and medium oil reserves of 715 MSTB have been estimated as follows.

Probable additional reserves of 183 MSTB have been estimated for the same three locations to which proved reserves were assigned based on Appendix A. Probable reserves of 532 MSTB have been estimated for four proposed drilling locations located within a trend of successful wells toward the west of the property. These reserves are based on Appendix B.

Total gross remaining possible undeveloped light and medium oil reserves of 1,803 MSTB have been estimated as follows.

Possible reserves of 1,200 MSTB have been estimated for five proposed drilling locations located on particularly strong seismic anomalies based on analogy to similar wells included in Appendix C. Possible reserves of 603 MSTB have been estimated for three proposed drilling locations on average seismic anomalies based on analogy to similar wells included in Appendix D.

A summary of reserves is presented in Table 2.

#### Production

The estimated initial production rates and on production dates for all wells are presented on Table 2. All wells have been forecast to immediately begin to decline to an eventual economic limit.

#### **Product Prices**

For 2011, an average oil price of \$101.00/STB of oil has been estimated for this property based on information provided by the operator for crude sales from wells in the immediate area.

#### **Capital Expenditures**

Capital expenditures of \$24,100,000 (\$23,628,000 net to the Company) have been anticipated for future development for this area as presented in Table 3a.

Total abandonment and restoration costs (net of salvage) of \$675,000 (\$662,000 net to the Company) have been estimated for this property based our judgment and experience, as presented in Table 3b.

#### **Operating Costs**

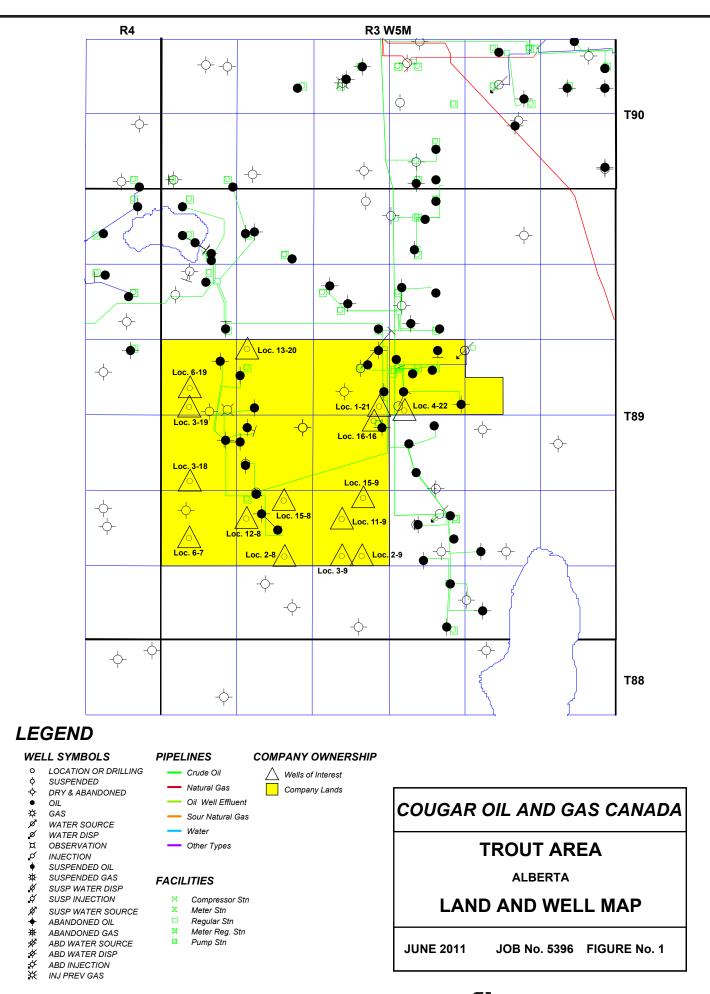
Operating costs of \$5,300 per well per month plus \$10.00/STB have been utilized based on the information provided by the operator for wells in the area and our own judgment and experience.

#### **Economics**

A summary of the company reserves and economics for the forecast prices and costs case is presented in Table 4 and the results of the economic analysis performed on this property are presented in Tables 4a through 4u.

A constant prices and costs case using the current United States SEC guidelines is presented in Table 5 and the results of the economic analysis are presented in Tables 5a through 5u.

All monetary values are expressed in Canadian dollars.



**Chapman** Petroleum Engineering Ltd.,

#### Table 1

#### Schedule of Lands, Interests and Royalty Burdens June 1, 2011

#### Cougar Oil and Gas Canada Inc.

#### Trout, Alberta

			Appraised I	nterest	Royalty	/ Burdens
	Rights	Gross	Working	Royalty	Basic	Overriding
Description	Owned	Acres	%	%	%	%
Twp 89 Rge 03 W5M						
Sec 7	[A]	640	100.0000	-	ARF-2011	-
(Loc 06-07)						
S/2 & NE/4 Sec 8	[A]	480	100.0000	-	ARF-2011	-
(Loc 2-8, 12-08						
15-08)						
Sec 9	[A]	640	100.0000	-	ARF-2011	-
(Loc 2-9, 3-9						
11-9 & 15-9)						
Sec 16	[A]	640	100.0000	-	ARF-2011	-
(Loc 16-16)						
W/2 Sec 17	[A]	320	85.0000	-	ARF-2011	-
E/2 Sec 17	[A]	320	100.0000	-	ARF-2011	-
S/2 & NW/4 Sec 18	[A]	480	100.0000	-	ARF-2011	-
(Loc 3-18)						
W/2 Sec 19	[A]	320	100.0000	-	ARF-2011	-
(Loc 3-19 & 6-19)						
NW/4 Sec 20	[B]	160	100.0000	-	ARF-2011	-
(Loc 13-20)						
SE/4 Sec 21	[C]	160	100.0000	-	ARF-2011	-
(Loc 1-21)						
Sec 22	[C]	640	100.0000	-	ARF-2011	-
(Loc 4-22)						

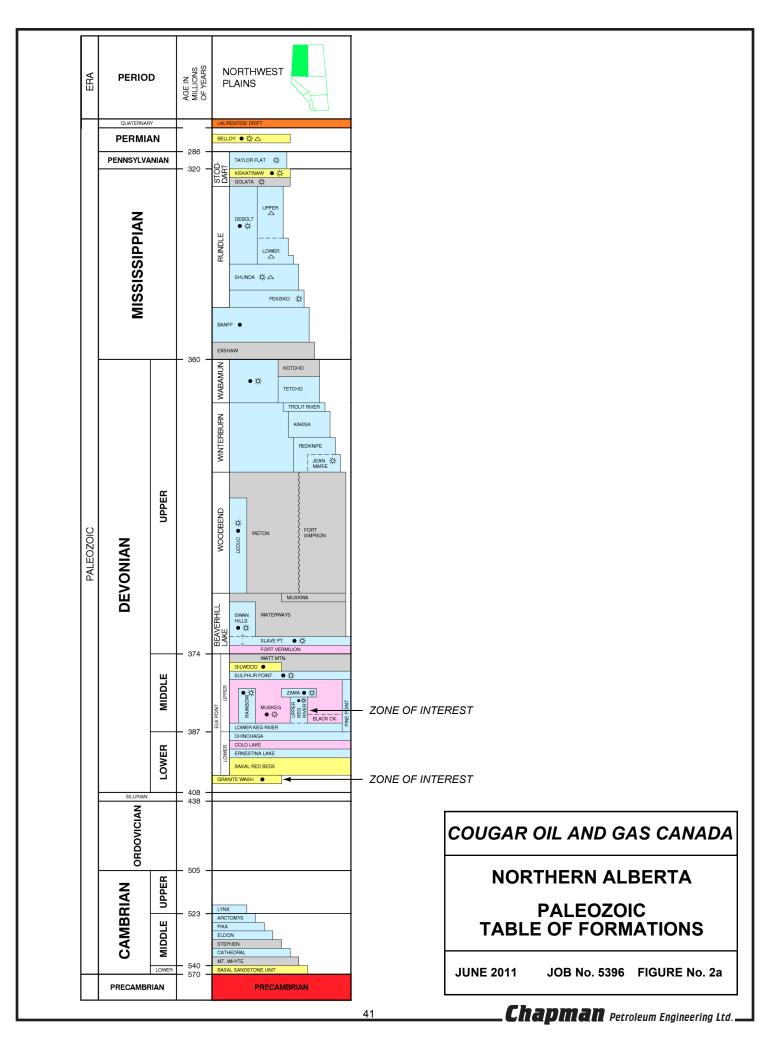
Total

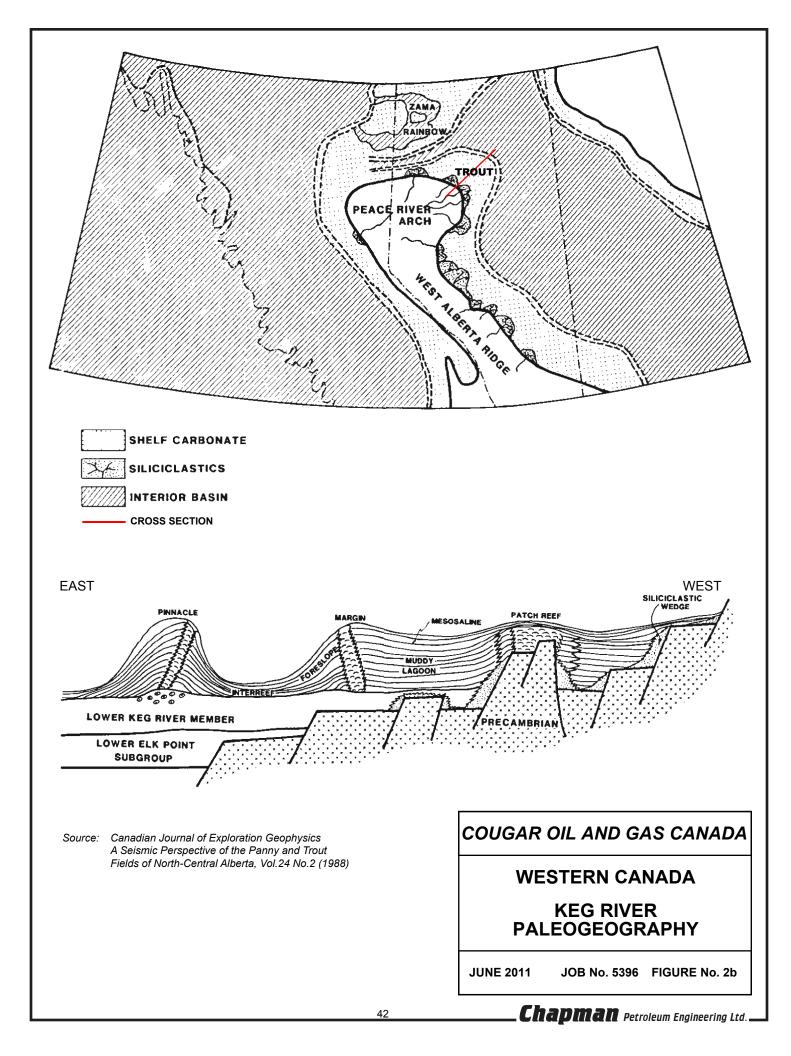
Rights Owned : [A] All P&NG.

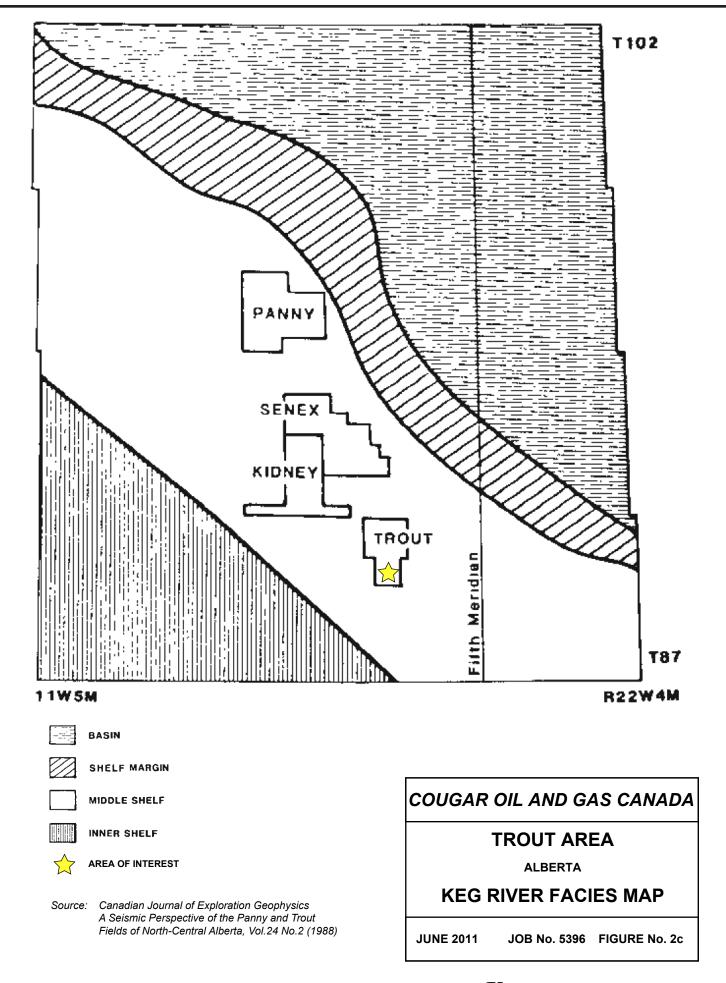
[B] P&NG Surface to base Keg River

[C] P&NG surface to base of Granite Wash

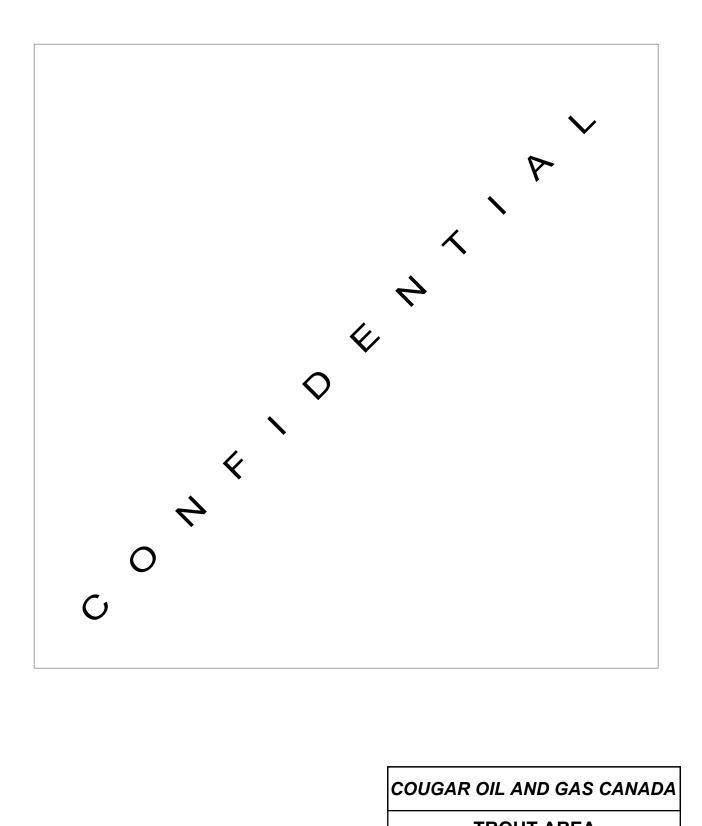
4,800







## Chapman Petroleum Engineering Ltd.,



TROUT AREA ALBERTA STRUCTURE ON KEG RIVER

C.I. = 2m

JUNE 2011 JOB No. 5396 FIGURE No. 2d

#### Table 2

#### Summary of Gross Reserves June 1, 2011

#### Trout, Alberta

		Current	or					
		Initial		API	Ultimate	Cumulative	Remaining	
		Rate		Gravity	ROIP	Production	ROIP	
Description	<u></u>	STB/d		(Deg)	(MSTB)	(MSTB)	(MSTB)	Reference
LIGHT & MEDIUM OIL								
Proved Undeveloped								
Loc16-16-089-03W5M	Upper Keg River	70	Apr-12	39	61	0	61	Appendix A
Loc 01-21-089-03W5M	Upper Keg River	70	Apr-12	39	61	0	61	Appendix A
Loc 04-22-089-03W5M	Up. Keg River & Granite Wash	70	Aug-12	39	61	0	61	Appendix A
	Total Proved Undeveloped				183	0	183	
	Total Proved				183	0	183	
<u>Probable</u>								
Probable Undeveloped								
Loc16-16-089-03W5M	Upper Keg River (Incr)	70	Apr-12	39	61	0	61	Appendix A
Loc 01-21-089-03W5M	Upper Keg River (Incr)	70	Apr-12	39	61	0	61	Appendix A
Loc 04-22-089-03W5M	Up. KR & Granite Wash (Incr)	70	Aug-12	39	61	0	61	Appendix A
Loc 02-08-089-03W5M	Upper Keg River	70	Jan-12	39	133	0	133	Appendix B
Loc 12-08-089-03W5M	Upper Keg River	70	Jan-12	39	133	0	133	Appendix B
Loc 15-08-089-03W5M	Up. Keg River & Granite Wash	70	Jan-12	39	133	0	133	Appendix B
Loc 13-20-089-03W5M	Upper Keg River	70	Apr-12	39	133	0	133	Appendix B
	Total Probable				715	0	715	
	Total Proved Plus Probable				898	0	898	
Possible								
Possible Undeveloped								
Loc 06-07-089-03 W5M	Upper Keg River	140	Aug-12	39	240	0	240	Appendix C
Loc 02-09-089-03 W5M	Up. Keg River & Granite Wash	140	Aug-12	39	240	0	240	Appendix C
Loc 03-09-089-03 W5M	Up. Keg River & Granite Wash	140	Oct-11	39	240	0	240	Appendix C
Loc 11-09- 089-03 W5M	Upper Keg River	140	Nov-12	39	240	0	240	Appendix C
Loc 15-09- 089-03 W5M	Upper Keg River	140	Oct-11	39	201	0	201	Appendix D
Loc 03-18- 089-03 W5M	Up. Keg River & Granite Wash	140	Oct-11	39	240	0	240	Appendix C
Loc 03-19- 089-03 W5M	Upper Keg River	140	Oct-11		201	0	201	Appendix D
Loc 06-19- 089-03 W5M	Upper Keg River	140	Nov-12	39	201	0	201	Appendix D
	Total Possible				1,803	0	1,803	
Total Pro	ved Plus Probable Plus Possible				2,701	0	2,701	

....

#### Table 3a

#### Summary of Anticipated Capital Expenditures

#### Development

#### June 1, 2011

#### Cougar Oil and Gas Canada Inc.

#### Trout, Alberta

			Capital Interest	Gross Capital	Net Capital
Description	Date	Operation	%	M\$	M\$
Proved Undeveloped					
Loc16-16-089-03W5M	Mar-12	Drill, Complete and Equip Pumping Keg River Oil Well	100.0000	1,500	1,500
Well16-16-089-03W5M	Jan-14	Tie-in well to central facilities	100.0000	75	75
Loc 01-21-089-03W5M	Mar-12	Drill, Complete and Equip Pumping Keg River Oil Well	85,0000	1,500	1,275
Well 01-21-089-03W5M	Jan-14	Tie-in well to central facilities	85.0000	75	64
Loc 04-22-089-03W5M	Jul-12	Drill, Complete and Equip Pumping Keg River Oil Well	85.0000	1,500	1,275
Well 04-22-089-03W5M	Jan-14	Tie-in well to central facilities	85.0000	75	64
	•••••	Total Proved		4,725	4,253
Probable					
Loc 02-08-089-03W5M	Dec-11	Drill, Complete and Equip Pumping Keg River Oil Well	100.0000	1,500	1,500
Well 02-08-089-03W5M	Jan-14	Tie-in well to central facilities	100.0000	100	100
Loc 12-08-089-03W5M	Dec-11	Drill, Complete and Equip Pumping Keg River Oil Well	100.0000	1,500	1,500
Well 12-08-089-03W5M	Jan-14	Tie-in well to central facilities	100.0000	100	100
Loc 15-08-089-03W5M	Dec-11	Drill, Complete and Equip Pumping Keg River Oil Well	100.0000	1,500	1,500
Well 15-08-089-03W5M	Jan-14	Tie-in well to central facilities	100.0000	100	100
Loc 13-20-089-03W5M	Mar-12	Drill, Complete and Equip Pumping Keg River Oil Well?	100.0000	1,500	1,500
Well 13-20-089-03W5M	Jan-14	Tie-in well to central facilities	100.0000	100	100
		Total Probable		6,400	6,400
Probable					
Loc 06-07-089-03 W5M	Jul-12	Drill, Complete and Equip Pumping Keg River Oil Well	100.0000	1,500	1,500
Well 06-07-089-03 W5M	Jan-14	Tie-in well to central facilities	100.0000	175	175
Loc 02-09-089-03 W5M	Jul-12	Drill, Complete and Equip Pumping Keg River Oil Well	100.0000	1,500	1,500
Well 02-09-089-03 W5M	Jan-14	Tie-in well to central facilities	100.0000	150	150
Loc 03-09-089-03 W5M	Sep-11	Drill, Complete and Equip Pumping Keg River Oil Well	100.0000	1,500	1,500
Well 03-09-089-03 W5M	Jan-14	Tie-in well to central facilities	100.0000	100	100
Loc 11-09- 089-03 W5M	Oct-12	Drill, Complete and Equip Pumping Keg River Oil Well	100.0000	1,500	1,500
Well 11-09- 089-03 W5M	Jan-14	Tie-in well to central facilities	100.0000	175	175
Loc 15-09- 089-03 W5M	Sep-11	Drill, Complete and Equip Pumping Keg River Oil Well	100.0000	1,500	1,500
Well 15-09- 089-03 W5M	Jan-14	Tie-in well to central facilities	100.0000	100	100
Loc 03-18- 089-03 W5M	Sep-11	Drill, Complete and Equip Pumping Keg River Oil Well	100.0000	1,500	1,500
Well 03-18- 089-03 W5M	Jan-14	Tie-in well to central facilities	100,0000	100	100
Loc 03-19- 089-03 W5M	Sep-11	Drill, Complete and Equip Pumping Keg River Oil Well	100.0000	1,500	1,500
Well 03-19- 089-03 W5M	Jan-14	Tie-in well to central facilities	100.0000	75	75
Loc 06-19- 089-03 W5M	Oct-12	Drill, Complete and Equip Pumping Keg River Oil Well	100.0000	1,500	1,500
Weil 06-19- 089-03 W5M	Jan-14	Tie-in well to central facilities	100.0000	100	100
		Total Probable		12,975	12,975
		Total Probable Plus Possible		24,100	23,628

Note: M\$ means thousands of dollars.

The above capital values are expressed in terms of current dollar values without escalation.

Unless details are known, drilling costs have been split 70% Intangible and 30% Tangible for tax purposes

#### Table 3b

#### Summary of Anticipated Capital Expenditures Abandonment and Restoration

#### June 1, 2011

#### Cougar Oil and Gas Canada Inc.

#### Trout, Alberta

		Capital Interest	Gross Capital	Net Capital
Description	Well Parameters	%	M\$	M\$
Loc 02-08-089-03W5M	Single Completion Pumping Oil Well	100.0000	45	45
Loc 12-08-089-03W5M	Single Completion Pumping Oil Well	100.0000	45	45
Loc 15-08-089-03W5M	Single Completion Pumping Oil Well	100.0000	45	45
Loc 13-20-089-03W5M	Single Completion Pumping Oil Well	100.0000	45	45
Loc16-16-089-03W5M	Single Completion Pumping Oil Well	100.0000	45	45
Loc 01-21-089-03W5M	Single Completion Pumping Oil Well	85.0000	45	38
Loc 04-22-089-03W5M	Single Completion Pumping Oil Well	85.0000	45	38
Loc 06-07-089-03 W5M	Single Completion Pumping Oil Well	100.0000	45	45
Loc 02-09-089-03 W5M	Single Completion Pumping Oil Well	100.0000	45	45
Loc 03-09-089-03 W5M	Single Completion Pumping Oil Well	100.0000	45	45
Loc 11-09- 089-03 W5M	Single Completion Pumping Oil Well	100.0000	45	45
Loc 15-09- 089-03 W5M	Single Completion Pumping Oil Well	100.0000	45	45
Loc 03-18- 089-03 W5M	Single Completion Pumping Oil Well	100.0000	45	45
Loc 03-19- 089-03 W5M	Single Completion Pumping Oil Well	100.0000	45	45
Loc 06-19- 089-03 W5M	Single Completion Pumping Oil Well	100.0000	45	45
	Total Abandonment and Resto	ration	675	662

Note:

#### M\$ means thousands of dollars.

The above capital values are expressed in terms of current dollar values without escalation.

Forecast Prices & Costs

#### Table 4 Summary of Company Reserves and Economics Before Income Tax June 1, 2011

#### Cougar Oil and Gas Canada Inc.

Trout, Alberta

		Net To Appraised Int Reserves Light and Medium Sales Gas NGL							u intere		e Cash Flow	(BIT) - MS	
					Sales	Gas	NG						
Description			Gross	Net	MM: Gross	Net	Gross	Net	Undisc.	5%/year	iscounted at 10%/year	: 15%/year	20%/year
Proved Undeveloped		_									·•		
Loc. 06-16-089-03 W5M	Upper Keg River		61	49	0	0	0	0	1,690	1,276	973	747	576
Loc. 01-21-089-03 W5M	Upper Keg River		61	49	0	0	0	0	1,690	1,276	973	747	576
Loc. 04-22-089-03 W5M	Up. Keg River & Granite Wash		61	49	0	0	0	0	1,674	1,216	885	641	457
Total Proved Undeveloped			183	147	0	0	0	0	5,054	3,767	2,831	2,136	1,609
Probable		,											
Probable Undeveloped													
Loc. 06-16-089-03 W5M	Upper Keg River	incr.	61	41	0	0	0	0	3,140	2,602	2,218	1,932	1,712
Loc. 01-21-089-03 W5M	Upper Keg River	Incr.	61	41	0	0	0	0	3,140	2,602	2,218	1,932	1,712
Loc. 04-22-089-03 W5M	Up. Keg River & Granite Wash	Incr.	61	41	0	0	0	0	3,133	2,557	2,146	1,842	1,610
Loc. 02-08-089-03 W5M	Upper Keg River		133	102	0	0	0	0	6,043	5,310	4,715	4,222	3,808
Loc. 12-08-089-03 W5M	Upper Keg River		133	102	0	0	0	0	6,043	5,310	4,715	4,222	3,808
Loc. 15-08-089-03 W5M	Up. Keg River & Granite Wash		133	102	0	0	0	0	6,043	5,310	4,715	4,222	3,808
Loc. 13-20-089-03 W5M	Upper Keg River			102	0	0	0	0	5,937	5,142	4,519	4,022	3,616
Total Probable Undevelop	ed		715	530	0	0	0	0	33,477	28,833	25,244	22,392	20,075
Total Proved Plus Probabl	e		898	677	0	0	0	0	38,530	32,600	28,075	24,528	21,684
Possible													
Loc. 06-07-089-03 W5M	Upper Keg River		201	144	0	0	0	0	8,851	6,794	5,425	4,467	3,767
Loc. 02-09-089-03 W5M	Up. Keg River & Granite Wash		240	169	0	0	0	0	10,812	8,145	6,428	5,255	4,412
Loc. 03-09-089-03 W5M	Up. Keg River & Granite Wash		240	169	0	0	0	0	10,856	8,508	6,968	5,895	5,111
Loc. 11-09-089-03 W5M	Upper Keg River		240	168	0	0	0	0	10,627	7,768	5,954	4,731	3,863
Loc. 15-09-089-03 W5M	Upper Keg River		240	169	0	0	0	0	10,856	8,508	6,968	5,895	5,111
Loc. 03-18-089-03 W5M	Up. Keg River & Granite Wash		240	169	0	0	0	0	10,856	8,508	6,968	5,895	5,111
Loc. 03-19-089-03 W5M	Upper Keg River		201	144	0	0	0	0	8,927	7,049	5,789	4,899	4,243
Loc. 06-19-089-03 W5M	Upper Keg River		201	143	0	0	0	0	8,751	6,437	4,943	3,922	3,193
Total Possible			1,803	1,274	0	0	0	0	80,537	61,717	49,442	40,960	34,811
Total Proved Plus Probab	le Plus Possible Undeveloped		2,701	1,951	0	0	0	0	119,067	94,317	77,517	65,488	56,495

#### M\$ means thousands of dollars.

Gross reserves are the total of the Company's working and/or royalty interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Cumulative cash flow values shown as "0" reflect a value of less than \$500.

Reserves shown as "0" reflect a value of less than 0.5(MSTB/MMscf/Mbbl).

Forecast Prices & Costs

#### Table 47 Summary of Company Reserves and Economics After Income Tax June 1, 2011

#### Cougar Oil and Gas Canada Inc.

			Reserve		о Арр	. 4130	ed Inter		ative Cash FI	ow - M\$	
	Light and	Medium	Sales		NG	SL.					
		ISTB	MM	scf	Mb	bls			Discounted a	t:	
Description	Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Proved Undeveloped											
Total Proved Undeveloped (BIT)	183	147	0	0	0	0	5,054	3,767	2,831	2,136	1,609
Company Income Tax	<u> </u>			-	-	-	(1,333)	(1,109)	(942)	(815)	(715)
Total Proved Undeveloped (AIT)	183	147	0	0	0	0	3,721	2,658	1,889	1,321	894
Probable											
Total Probable Undeveloped (BIT)	715	530	0	0	0	0	33,477	28,833	25,244	22,392	20,075
Company Income Tax	<u></u>	-			·	<u> </u>	(8,372)	(7,414)	(6,661)	(6,053)	(5,552)
Total Probable Undeveloped (AIT)	715	530	0	0	0	0	25,105	21,419	18,583	16,339	14,523
Total Proved Plus Probable(AIT)	898	677	0	0	0	0	28,825	24,077	20,472	17,660	15,417
Possible											
Total Possible (BIT)	1,803	1,274	0	0	0	0	80,537	61,717	49,442	40,960	34,811
Company Income Tax		-			-	-	(20,125)	(15,752)	(12,901)	(10,927)	(9,492)
Total Possible (AIT)	1,803	1,274	0	0	0	0	60,412	45,965	36,541	30,033	25,319
Total Proved Plus Probable Plus Possible (AIT)	2,701	1,951	0	0	0	0	89,237	70,042	57,013	47,692	40,735

M\$ means thousands of dollars

Gross reserves are the total of the Company's working and/or royalty interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Reserves shown as "0" reflect a value of less than 0.5(MSTB/MMscf/Mbbl).

	Table 4a																		
EVALU	ATION OF:	: Cougar = Total I	RGO v7.41 LOBAL : FF:01-JUN UN DATE: 1LE:	20-JUN- -2011 D	2011 539 1SC:01-0	96 JUN-201	1	TOTAL											
	ATED BY	-	Nugar Oil	and Car C	annda Tr	10													
	ISAL FOR		DRECAST PR			10.													
													OTAL CAPI OTAL ABAN				9 -MS- 5 -MS-		
									Oil STB										
								F	001	Compa	ny Shar	re.							
							ls \$/S	Ce TB STB/	D Vol	Gros	s Ne	et							
					20 20 20	11 12 13	0 , 3 96, 3 94,	00 08 78 04 102	0 9 2881 5 3740	0 4 2881 4 3740	0 4 2731 4 2859	0 73 90							
					20 20		3 92. 3 90.												
					20 20 20 20 20	17 18 19	3 94 3 96 3 98 3 100 3 102	08 39 12 31 16 24	6 1446 3 1140 6 899	5 1446 7 1140 6 899	5 1186 7 973 6 788	69 22 85							
					20		3 104.	53 10.	2 371	9 371									
					SU: RE TO	м				Ô	HD 1468 0 10 1468	94							
	= P/T		00 00 07 19 79 70 70 70 80 80 8			60 00 07 04 04 09		- COMPAN	Y SHARE	FUTURI	NET R	EVENOE	02000707	11 H H H H H H H H H	1 <b>11</b> 111 111 112 113 114 114 115	ne on he ov ne ste et		e on 12 on 12 02 02 02 02 02	*******
	Capital &Aband		ure Reven				Royalt				ing Co		FR After	Not	Proc&	Cap'l	Aband	Future	
Year	Costs -M\$-	0i1 -M\$-	SaleGas	Products -M\$-	Total -M\$-	Crown -M\$-	Other -M\$-			Fixed ' -M\$-	/ariabl -M\$-	e \$/BOE	Roy&Oper -M\$-	back \$/BOE	Income -M\$-		Costs -M\$-	Undise -M\$-	10.0% -M\$-
2011 2012 2013 2014 2015	0 4590 0 239 0	0 2768 3518 2714 2116	0	0 0 0 0	0 2768 3518 2714 2116	0 138 829 829 572	0 0 0 0	0 0 0 0	.0 5.0 23.6 30.6 27.1	0 123 196 200 204	0 294 389 313 252	.00 14.45 15.64 17.38 19.58	0 2214 2104 1371 1088	.00 76.82 56.24 46.49 46.79	0 0 0 0	0 4590 239 0	0 0 0 0	0 -2376 2104 1133 1088	0 -2143 1724 844 737
2016 2017 2018 2019 2020	0 0 0 0	1725 1390 1119 901 726	0 0 0	0 0 0 0	1725 1390 1119 901 726	381 249 165 111 77	0 0 0 0	0 0 0 0	22.1 17.9 14.8 12.3 10.5	208 212 216 221 225	203 163 131 105 85	22.37 25.92 30.44 36.23 43.66	934 766 607 464 340	50.91 52.92 53.19 51.56 47.88	0 0 0 0	0 0 0 0	0 0 0 0	934 766 607 464 340	575 429 309 215 143
2021	165	389		0	389	37	0	0	9.5	146		51.36	161	43.23	0	0	165	- 4	- 1
SUB REM TOT	4993 0 4993	17366 0 17366	0	0 0 0	17366 0 17366	3390 0 3390	0 0 0	0 0 0	19.5 .0 19.5	1949 0 1949	1980 0 1980		10047 0 10047		0 0 0	4829 0 4829	165 0 165	5054 0 5054	2831 0 2831
27 26 47 27 27 26		****	рацианта ]	NET PRESE	NT VALUE	(-M\$-	)			i ha ba ba an na bh	a. 7.8		15 m 10 m 74 f	1 50 62 62 VA 63 62 1	ness Pl	ofi tabi	LITY -		Before
			.0%		10.03		.0%	20.0%	25.0%		~								Tax
Proc Capit Aband	ter Roy & Other al Costs Conment C Te Net Re	Income.	10047 0 4829 165 5054	8426 0 4558 101 3767	7211 0 4316 63 2831	) 5 4	0274 01099 40 2136	5537 0 3901 26 1609	4944 0 3722 17 1204	35	0		Profi First	t Index Payout		(0) (0) (0) (0) (0) (0) (0) (0)	\$) . 8) .		57.3 1.0 .6 .8 2.8 3.1
			1st y	ear Aver	age Roy	alties	Oper Cost	FR Af s Roy&O	ter Cap per Co	oital osts		2	Cost o NPV @	of Find 10.0%	ing (\$/I (\$/BOE (\$/BOE	30E)	 		27.29 15.47 20.59
% Int	erest Future R			0.0 10	0.0	19.5	22.			27.8	29.1								

Table 4a

FUTURE NET REVENUE & INCOME TAX SUMMARY:

EVALUATION BY	-
COMPANY EVALUATED	- Cougar Oil and Gas Canada Inc.
APPRAISAL FOR	
PROJECT	- FORECAST PRICES & COSTS

		Capital	Aband	Admin + Oth Income/	Future Befor	e Tax		e Income After	Incom	e Tax	λf	re Net R ter Tax			
Year	Roy&Oper -M\$-	Royalties -M\$-	Тах -M\$-	Costs -M\$-	Costs -M\$-	Expense -M\$-	Annual -M\$-	Cum -M\$	Deduct -M\$-	Deduct -M\$-	Fed -M\$-	Prov -M\$-	Undisc -M\$-	10.0% -M\$-	Cuin -M\$-
2011	0	0	0	0	0	0	0	0	0	Ð	0	0	0	о 0	0
2012	2214	138	0	4590	0	Û	-2376	-2376	2352	1078	162	108	~2646	-2386	-2386
2013	2104	829	0	0	0	0	2104	-273	2933	1128	169	113	1822	1493	-892
2014	1371	829	0	239	0	0	1133	860	2201	614	92	61	979	730	-163
2015	1088	572	0	0	0	0	1088	1948	1661	537	81	54	954	646	483
2016	934	381	0	0	0	0	934	2882	1315	539	81	54	799	492	976
2017	766	249	0	0	0	0	766	3647	1015	482	72	48	645	361	1337
2018	607	165	0	0	0	0	607	\$254	772	403	60	40	506	257	1594
2019	464	111	0	0	0	0	464	4718	575	317	48	32	384	178	1772
2020	340	77	0	0	0	0	340	5058	416	234	35	23	281	118	1890
2021	161	37	0	0	165	0	- 4	\$054	198	0	0	0	4	-1	1889
SUB	10047	3390	0	4829	165	0	5054		13437	5333	800	533	3721	1889	
REM	0	0	0	0	0	0	0		Û	0	0	0	0	0	
TOT	10047	3390	0	4829	165	0	5054		13437	5333	800	533	3721	1889	
560,0	*****	2 U W W M M M M M M M M		*=4=77220	12 12 12 10 m m m m	A M A A TO TA TA 22 22 1		****	1 <b>24 1</b> 2 41 17 49 49 49 1			********	********	12 14 16 19 19 18 16 A	1 10 <i>1</i> 7 21 21 22 27
NET	PRESENT V	/ALUE (-M\$	- }			.0%	5.0%	10	).0%	15.0%	20	.0%	25.0%	30	1.0%
Fed	eral & pro	evenue bef ovincial i evenue aft	ncome ta	)x	1	054 333 721	3767 1109 2658		2831 942 889	2136 815 1321		609 715 894	1204 635 569		888 570 318

	Table 4b       EVALUATION OF: Cougar Oil and Gas Canada Inc.     ERGO v7.41 P2 ENERGY SOLUTIONS TOTAL																		
		: Cougar ( = Total P				olidati	on						ERGO v7.41 GLOBAL : EFF:01-JUN RUN DATE: FILE:	20-JUN- -2011 D	2011 53 DISC:01-	96 JUN-201	1	TOTAL	
СОМРА	ATED BY NY EVALU	- ATED - Co	ugar Oil	and Gas	Canada	Inc,													
PROJE	ISAL FOR CT		RECAST PI	RICES & C	OSTS								TOTAL CAPI				7 -M\$-		
									0il				TOTAL ABAN	DONMENT	2 -	38	5 -M\$-		
								p	ool	Compa	iny Sha	re							
						'ear Wel	f Price ls \$/STI	3 STB/	D Vol	Gros	s N	et							
					2	2011 2012 2013 2014 2015	0 .01 7 96.04 7 94.04 7 92.01 7 92.01 7 90.94	3 712. 3 524. 3 369.	3 26000 2 19133 4 13481	0 26000 8 19133 7 13481 9 9565	8 1269 7 808	00 90							
						2016 2017 2018 2019 2020	7 94.04 7 96.04 7 98.11 7 100.16 4 102.33	3 134, 2 97. 5 70.	3 6835 8 4918 6 3563 0 2556 7 1483	34 4918 34 3563 30 2556	4 364 4 280	19 85 84							
					4	2021 2022 2023 2024	4 104.5 3 106.7 3 109.0 1 111.4	3 20. 3 13. 2	8 760 6 497 3 10	00 760 73 497 01 10	10 66 13 44	90 46 91							
					F	GUB REM FOT				0 89800 0 0 89600	0	0							
	- P/T = : Capital		re Reven		70 67 <b>13 14 15 1</b> 5 15	5 37. 25 A3 ek ek es pê			Y SHARE							ha ne ne na an an an	- 4% (% 10 <sup>-</sup> 10 <sup>-</sup> 10 <sup>-</sup> 10 <sup>-</sup> 10 <sup>-</sup> 10 <sup>-</sup>		
Year	&Aband	Oil : M\$-	SaleGas -M\$~	Products -M\$-	Total -M\$-	Crown -M\$-	Other 1 ~M\$-	ineral -M\$-	- 8	Fixed \ -M\$-	ariabl -M\$-	e \$/BOE	Roy&Oper	back \$7BOE	Income -M\$-	Costs -M\$-	Costs -M\$-	Future Undisc -M\$-	10.0% -M\$-
2011 2012 2013 2014 2015	4500 6120 312 345 0	0 24981 17993 12403 8703	0 0 0 0	0 0 0 0	0 24981 17993 12403 8703	0 1650 6060 4961 3098	0 0 0 0	0 0 0 0	.0 6.6 33.7 40.0 35.6	0 362 457 466 475	1991 1431	.00 11.59 12.79 14.07 15.79	20316 9486 5545	.00 78.14 49.58 41.13 42.80	0 0 0 0	4500 6120 312 345 0	0 0 0 0	-4500 14196 9174 5200 4094	-4376 12800 7520 3875 2774
2016 2017 2018 2019 2020	0 0 158 0	6428 4726 3496 2560 1518	0 0 0 0	0 0 0 0	6428 4726 3496 2560 1518	2007 1226 741 438 242	0 0 0	0 0 0 0	31.2 26.0 21.2 17.1 15.9	485 495 505 497 300	554 409 299	18.14 21.32 25.69 31.16 32.16	2451 5 1842 5 1325	46.54 49.83 51.69 51.86 53.89	0 0 0 0	0 0 0 0	0 0 158 0	3181 2451 1842 1167 800	1959 1372 937 540 336
2021 2022 2023 2024	55 0 114 58	1039 812 562 11	0 0 0	0 0 0	1039 812 542 11	146 97 57 1	0 0 0	0 0 0	14.0 12.0 10.6 10.3	236 234 196 5	94	35.95 43.23 52.12 57.70	386 226	53.94 50.77 45.40 42.22	0 0 0	0 0 0 0	55 0 114 58	481 386 112 ~54	184 134 35 -15
SUB REM TOT	11662 0 11662	85213 0 85213	0 0 0	0 0 0	85213 0 85213	20725 0 20725	0 0 0	0 0	24.3 .0 24.3	4713 0 4713	9584 0 9584		50193 0 50193		0 0 0	11277 0 11277	385 0 385	38530 0 38530	28075 0 28075
	unt Rate		.08	NET PRESE S.0%	NT VALU			0.08	25.0%							OFITABI	LITY ~~		Before
FR Af Proc Capit Aband Futur	ter Roy & & Other 1 al Costs onment Co e Net Rev	& Oper. Income. osts Venue .	50193 0 11277 385 38530	43653 0 10819 234 32600	3862 1040 14 2805	29 34 0 07 10 17 75 24	658 3 0 035 95 528 2	1443 0 9696 63 1684	28788 0 9387 43 19358	2655 910 1742	56 0 13 10 24		Rate c Profit	f Retur Index	<pre>cn (%) .   (undisc   (disc.   (disc.   (years)   (years)</pre>	.) @ 10.0% @ 5.0%	) . ) .		Tax 404.9 3.3 2.7 2.9 .9 1.2
 % Int	erest Future Ro		lst Y	ear Aver			Oper	FR Aft	er Cap er Co	oital	Future NetRev 45.2	2	Cost o RPV @	f Findi 10.0%	(years) ing (\$/B (\$/BOE ) (\$/BOE )	OE)			12.99 31.26 36.30

. Chapman Petroleum Engineering Ltd. \_\_\_\_

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Table 4b

FUTURE NET REVENUE & INCOME TAX SUMMARY:

ERGO v7.41 P2 ENERGY SOLUTIONS TOTAL GLOBAL : 20-JUN-2011 5396 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-JAN-2011 RUN DATE: 7-JUL-2011 TIME: 14:35 FILE:

EVALUATION BY	-	
COMPARY EVALUATED	-	Cougar Oil and Gas Canada Inc.
APPRAISAL FOR	••	
PROJECT	-	FORECAST PRICES & COSTS

	FR After	Grown	Nin (Con	Capital	Aband	Admin + Oth Income/		e Tax		Income	Incom			re Net R ter Tax	ev
Year		Royalties -M\$-	-M\$-	Costs -M\$-	Costs -M\$-	Expense -M\$-		Cum -M\$-	Before Deduct -M\$-	After Deduct -M\$-	Fed -M\$-	Prov -M\$-	Undisc -M\$-	10.0% -M\$-	Cum -M\$-
2011 2012 2013 2014	0 20316 9486 5545	0 1650 6060 4961	0 0 0	4500 6120 312 345	0 0 0 0	0 0 0 0	-4500 14196 9174 5200	-4500 9696 18870 24070	0 21966 15546 10506	0 17519 7193 3809	0 2628 1079 571	0 1752 719 381	~4500 9816 7376 4248	-4376 8851 6046 3165	-4376 4475 10520 13686
2015 2016 2017		3098 2007 1226	0 0	0 0	0 0 0	0 0	4094 3181 2451	28164 31346 33796	7192 5188 3677	2840 2283 1807	426 342 271	284 228 181	3384 2611 1999	2293 1608 1119	15978 17586 18705
2018 2019 2020		741 438 242	0 0 0	0 0 0	0 158 0	0 0	1842 1167 800	35638 36805 37605	2583 1764 1041	1380 835 561	207 125 84	138 84 56	1497 958 659	762 443 277	19467 19910 20188
2021 2022 2023 2024	226	146 97 57 1	0 0 0	0 0 0	55 0 114 58	0 0 0 0	481 386 112 -54	38087 38472 38584 38530	682 483 283 5	309 262 22 0	46 39 3 0	31 26 2 0	404 320 106 - 54	155 111 34 15	20342 20454 20487 20472
SUB REM TOT	50193 0 50193	20725 0 20725	0 0 0	11277 0 11277	385 0 385	0 0 0	38530 0 38530		70917 0 70917	38820 0 38820	5823 0 5823	3882 0 3882	28825 0 28825	20472 0 20472	
NET	PRESENT '	VALUE (-MS	5-)	******		.08	5.0%	1(	).0%	15.0%		.0%	25.0%	30	
Fed	eral & pr	evenue bef ovincial i evenue aft	ncome t		9	530 705 825	32600 8523 24077		3075 7603 0472	24528 6868 17660	6	684 267 417	19358 5767 13591	ç	/424 3343 2080

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								T	able 4	c									
		: Cougar ≂ Total P			a Inc. le Plus Po	ssible	e Consol:	idatio	n			1	ERGO v7.41 JLOBAL : J EFF:01-JUN RUN DATE: FILE:	20-JUN- -2011 D	2011 539 ISC:01	96 JUN-201	1	TOTAL	
COMPA	ATED BY NY EVALU ISAL FOR		ugar Oil	and Gas	Canada Inc														
PROJE			RECAST P	RICES & C	OSTS								FOTAL CAPI FOTAL ABAN				2 -148- 0 -148-		
									Dil MSTB				IOIND NDNN	JONFALNI		0,	0 -149-		
							Price	p	 001	Comp	any Sha	ire							
					Year	Well:	s \$/STB	STB/	D Vo	l Gro	ss N	let							
					2011 2012 2013 2014 2014 2015	1 1 1	5 96.08 5 94.04 5 92.00	299. 1307. 1244. 971. 765.	54 04 03	77 4 54 4 54 3	77 4 54 3 54 2	61 136 319 213 72							
					2016 2017 2018 2019 2020	1	5 96.08	486. 391, 315.	2 1 4 1 6 1	77 1 43 1 15 1	77 1 43 15	39 15 96 80 63							
					2021 2022 2023 2024 2026	1	53 45 38 29 25												
					SUB REM TOT	386 65 951													
	= P/T = Capital		re Reven				Royaltie		Y SHAR		E NET F				Proc&	n. 27 að sá ða að s		Future	
Year			SaleGas -M\$-	Products -M\$-	Total Cr -M\$-	ʻown M\$~	Other M -M\$-	ineral -M\$-	- 8;	Fixed -M\$-	Variabl	le \$/BOE	Roy&Oper -M\$-		Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Undisc -M\$-	*******
2011 2012 2013 2014 2015	10500 12240 312 1380 0	6159 45853 42701 32607 25403	0 0 0 0	0 0 0 0	45853 3 42701 12 32607 13	308 927 670 1043 9778	0 0 0 0	0 0 0	5.0 8.6 29.7 40.0 38.5	63 693 979 999 1019	4868 4724 3761	10.98 11.65 12.56 13.43 14.47	36365 24327 14804	80.22 76.20 53.58 41.77 41.49	0 0 0 0	10500 12240 312 1380 0	0 0 0 0	-5354 24125 24015 13424 11584	~5206 21752 19685 10003 7847
2016 2017 2018 2019 2020	0 0 158 0	20857 17049 14017 11538 9187	0 0 0 0	0 0 0 0	17049 6 14017 4 11538 3	756 6008 1592 1502 1693	0 0 0 0	0 0 0 0	37.2 35.2 32.8 30.3 29.3	1039 1060 1081 1085 900	2449 1998 1641 1350 1073	19.05 21.14	7983 6703 5602	43.34 44.99 46.92 48.63 50.36	0 0 0 0	0 0 0 0	0 0 158 0	9613 7983 6703 5444 4521	5920 4469 3411 2519 1902
2021 2022 2023 2024 2025	55 0 114 58 0	7588 6405 5320 4091 3485	0 0 0 0	0 0 0 0	6405 1 5320 1	8085 568 155 828 629	0 0 0 0	0 0 0 0	27.5 24.5 21.7 20.2 18.1	848 858 833 654 662		23.87 26.74 29.76 30.74 34.83	3233 2713 2135	S1.94 53.90 55.64 58.14 58.43	0 0 0 0	0 0 0 0 0	55 0 114 58 0	3716 3233 2599 2077 1789	1421 1124 821 597 467
SUB REM TOT	24817 485 25302	252260 8852 261112	0 0 0	0 0 0		)541  274  815	0 0 0	0 0 0	14.4	12773 2475 15248	28656 1025 29681		140290 4079 144369		0 0 0	24432 0 24432	385 485 870	115473 3594 119067	76733 784 77517
					NT VALUE											OFITAB	ILITY ==		Before
FR Af Proc Capit Aband	Abandonment Costs 870 434 233 133 81 51 34 (disc														n (%) . (undísc (dísc. (dísc.	@ 10.04 @ 5.01	2) . 2) .		Tax 684.6 4.7 3.4 4.0
	e Net Re				77517 MPANY SHAN age Royal		Oper	FR Aft	er Ca			e v	Total Cost c NPV @	Payout of Findi 10.0%	(years) (years) ing (\$/B (\$/BOE ) (\$/BOE )	OE}	 <i></i> 		.8 1.1 9.37 28.70 34.92
	erest Future R		10	0.0 10	21	1,5	17.2	55.	3	9.4	45.6								

FUTURE NET REVENUE & INCOME TAX SUMMARY:

ERGO v7.41 P2 ENERGY SOLUTIONS 'TOTAL GLOBAL : 20-JUN-2011 5396 EFF:01-JUN-2011 D1SC:01-JUN-2011 PROD:01-JAN-2011 RUN DATE: 7-JUL-2011 TIME: 14:36 FTLE:

												FILE:			
COMP	AISAL FOR			and Gas RICES & C		Inc.									
	NIX . M	<u>.</u>				Adman + Oth	Befo	Net Rev re Tax		e Income		ne Tax	Λf	re Net H ter Tax	
Year	FR After Roy&Oper -M\$-	Crown Royalties -M\$-		Capital Costs -M\$-	Aband Costs -M\$-	Income/ Expense -M\$-		Cum	Before Deduct -M\$-		Fed -M\$-	Prov -H\$-	Undisc -M\$-	10.0% -M\$-	Cum M\$
2011 2012 2013 2014 2015 2016 2017	5146 36365 24327 14804 11584 9613 7983	308 3927 12670 13043 9778 7756 6008	0 0 0 0 0 0	10500 12240 312 1380 0 0	0 0 0 0 0	0 0 0 0 0 0	-5354 24125 24015 13424 11584 9613 7983	-5354 18771 42786 56211 67795 77408 85392	5454 40292 36998 27847 21362 17369 13991	2548 31103 20050 11390 9090 7825 6699	420 4665 3008 1709 1363 1174 1005	255 3110 2005 1139 909 782 670	-6029 16349 19003 10577 9312 7657 6308	-5863 14741 15576 7882 6308 4715 3532	-5863 8878 24454 32336 38644 43359 46891
2018 2019 2020	6703 5602 4521	4592 3502 2693	0 0 0	0 0 0	0 158 0	0 0 0	6703 5444 4521	92094 97538 102059	11295 9103 7214	5780 4780 4043	867 717 607	578 478 404	5258 4249 3511	2676 1966 1477	49567 51533 53009
2021 2022 2023 2024 2025	3770 3233 2713 2135 1789	2085 1568 1155 828 629	0 0 0 0	0 0 0 0	55 0 114 58 0	0 0 0 0	3716 3233 2599 2077 1789	105775 109008 111607 113684 115473	\$855 4801 3868 2962 2418	3371 2984 2419 1947 1695	506 448 363 292 254	337 298 242 195 169	2873 2487 1994 1590 1365	1099 865 630 457 357	54108 54972 55603 56060 56416
SUB REM TOT	140290 4079 144369	70541 1274 71815	0 0 0	24432 0 24432	385 485 870	0 0	115473 3594 119067		210831 5353 216184	115725 3444 119168	17397 517 17913	11572 344 11917	86503 2733 89237	56416 597 57013	
		VALUE (-MS		23 TO THE SEC OF SEC 10, 10, 10, 10, 10, 10, 10, 10, 10, 10,	ri 33 da, 64 44 pri 77 r.	.0%	5.0%		.03	15.0%		.0%	25.0%		unarnan D. O%
Fut Fed	ure net r eral & pr	evenue bef ovincial i evenue aft	fore tax	ax		9067 9830	94317 24275 70042	7	7517 0504 7013		50 1		49534 14172 35362	4	3993 2898 1095

								T	able 4d										
	TION OF:	Trout, A	alberta -	Proved (	Undevel	oped						( 1 1	RGO v7.41 SLOBAL : 2 SFF:01-JUN- RUN DATE: FILE: OtrPS	20~JON- 2011 D 7-JUL-	2011 53 ISC:01~	96 JUN-201	1 PROD:		1 )12
WELL/L EVALUA	OCATION TED BY	. Loc	:.06-16-08	39-03 W5N	M (Uppe:	r Keg R	iver)						TRACT FACTO			100.000	0 % 0 STB		
COMPAN APPRAI	Y EVALUA' SAL FOR	FED - Cot	igar Oil a	and Gas (	Canada	Inc.						1	PRODUCTION	TO DAT	'Е -	N/ EXPONEN	A		
PROJEC	T	- FOF	RECAST PRE	CES & C	OSTS								FOTAL CAPIT		TS -	161		(2021)	
I	NTEREST						ROYALTIES	/TAXES											
λ	VG WI 10	0.0000%					ALBERTA (	CROWN	ARF, NWRB	COIP DV	R=LTE	,GAS P/	AR, DEPTH 0	)					
									Oil STB										
						 # 0	f Price	$\mathbf{p}$	001	Compan	y Shar	re							
					Y		ls \$/STB												
					2 2 2	011 012 013 014 015	0 96.00 1 96.08 1 94.04 1 92.00 1 90.98	41. 33. 26.	2 11172 7 12133 6 9569	2 11172 3 12133 9 9569	106 881 661	86 80							
					2 2 2	016 017 018 019 020	1 94.04 1 96.08 1 98.12 1 100.16 1 102.33	13. 10. 8.	0 4694 3 3702 1 2920	4694 2 3702 ) 2920	38 31 25	74 69 68							
						021	1 104,53				9.	15							
						UB			61000		489								
						em ot			6100(	) ( ) 6100(		0 91							
72	₽/¶ œ ≈	E V. E V. N. M. M. M. M.			Nevener	****	maxnoune	COMPAN	Y SHARE	FUTURE	NET R	EVENUE	********		3 FO 20 17 CO CO CO CO				
c	apital	Futu	re Revenue	e (FR)			Royaltie	s		Operati	ng Co	sts			Procá			Future	Net Rev
Year	Costs -M\$-	Oil S	SaleGas I -M\$-	Products	Total -M\$-	Crown	Other M -M\$-	ineral -M\$-	- 8 -	lixed Va -M\$~	riabl	e	FR After Roy&Oper -M\$-		Income	Cap'l Costs -M\$-		Undisc -M\$-	
2011	0		0			0	0		.0	0	0						 0		
2012 2013 2014 2015	1530 0 80 0	1073 1141 880 687	00000	0 0 0	1073 1141 880 687	54 305 266 182	0 0 0 0	0 0 0	5.0 26.8 30.2 26.5	48 65 67 68	114 126 102	.00 14.49 15.78 17.57 19.82	858 644 446	,00 76.79 53.09 46.65 47.07	0 0 0	1530 0 80 0	0 0 0 0	0 -672 644 367 355	0 -606 528 273 241
2016 2017	0	560 451	0 0	0 0	560 451	120 79	0		21.5 17.5	69 71		22.68 26.32		51.16 52.97	0	0 0	0 0	304 249	188 139
2018 2019 2020	0 0	363 292 236	0 0 0	0 0 0	363 292 236	52 35	0 0	0	14.4	72	34	30.96	149	53.03 51.19	0	0	0	196 149	100 69
2021	55	105	0	0	105	24 10	0	0 0	10.3 9.4	75 40		44.52		47.26		0	0 55	109 ~12	46 - 5
	3664	5789	^^																
SUB REM TOT	1664 0 1664	5789 0 5789	0 0	0	5789 0 5789	1127 0 1127	0 0 0	0 0 0	19.5 .0 19.5	648 0 648	659 0 659		3354 0 3354		0 0 0	1610 0 1610	55 0 55	1690 0 1690	973 0 973
			-	-			-												
	int Rate	P. C. C. W. M. L. N. N. W.	.0%	ET PRESE 5.0%	NT VALU 10.0				25.0%	30.04					E BASIS		[],]TY	1 TH IN TO THE LAST 12 13	Before
FR Aft	er Roy &	Oper.	3354	2829	243	3 2	127 1	885	1690	1530	}		Rate o	f Retur	rn (%) .				Tax 66.3
Capita	l Öther I 11 Costs onment Co		0 1610 55	0 1519 34	143	9 1		0 300 9	0 1241	118	5				(undisc (disc.				1.0
Future	e Net Rev	enue .	1690	1276	97	3	747	576	6 444	34	ò				(d)se. (years) (years)	)			.8 2.7 2.9
				ar Aver	age Ro	yalties	Oper Costs	FR Aft Roy&Op	er Cap	ital I sts I		; ,	Cost o NPV @	f Find: 10.0%	(\$/STB ) (\$/STB ) (\$/STB )	30E) )	. <i></i>		27.29 15.95 20.91
	rest future Re		100	.0 10	0.0	19.5	22.6	57.	9 2	7.8	29.2								

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								Та	ble 4e										
	ATION OF:		Alberta	Proved	Undevelop	ed						( 1 1	ERGO v7.41 SLOBAL : EFF:01-JUN RUN DATE: FILE: OtrPI	20-JUN- -2011 D 7-JUL-	2011 53 (ISC:01-	96 JUN-201	1 PROD:	PAGE 01-APR-2	1 012
	LOCATION ATED BY	- 10	c.01-21-	089-03 W5	M (Upper	Keg Riv	ver)						FRACT FACTO			100.000	0 % 0 STB		
APPRA	ISAL FOR			and Gas		c.						1	PRODUCTION DECLINE IN	TO DAT	Е -	N/ EXPONEN	A		
PROJE	CT	FO	RECAST P	RICES & O	OSTS								FOTAL CAPI' FOTAL ABAN				0 ~M\$~ 5 -M\$-	(2021)	
	INTEREST					Ŕ	OYALTIES.	TAXES											
	AVG WI 1(	00.0000%				A)	LBERTA (	CROWN A	RF, NWRI	R,OIL PA	R=LTE	GAS PI	AR, DEPTH 0	)					
								S	i). TB										
						f of	Price	Po	o].		y Sha	re							
						r Well:	s \$/STB	STB/D	Vol	Gross	N	et							
					201 201 201 201 201 201	2 3 4	0 96.00 1 96.08 1 94.04 1 92.00 1 90.98	.0 41.2 33.7 26.6 21.0	11177 12133 9569	2 11172 3 12133 9 9569	106 88-	86 80							
					201 201 201 201	7 8 9	1 94.04 1 96.08 1 98.12 1 100.16	16.5 13.0 10.3 8.1	4694 3702 2920	4694 3702 2920	38 31- 25-	74 69 68							
					202		1 102.33 1 104.53	6.4 2.8				65 15							
					SUE REM TO1					) 0 0 61000	489	0 91							
	= P/T = = Capital		re Reven		tel del los de normas por ac ac				SHARE				NO 10 10 10 10 10 10 10 10	2 * 12 * 4 * *		******	17 12 25 26 27 28 29		
Year	&Aband - Costs	Oil	SaleGas	Products			Royaltie Other M			Operati lixed Va			FR After Roy&Oper		Proc& Other Income	Cap'l Costs	Aband Cost s	Future Undisc	
	-148 -	-M\$-	M\$ -		~M\$-		M\$ -					\$/STB	- 115	\$/STB	-14\$	-14\$	-14\$	14\$	-M\$ -
2011 2012 2013 2014 2015	0 1530 0 80 0	0 1073 1141 880 687	0 0 0 0	0 0 0 0	0 1073 1141 880 687	0 54 305 266 182	0 0 0 0	0	.0 5.0 26.8 30.2 26.5	0 48 65 67 68	126 102	.00 14.49 15.78 17.57 19.82	858 644 446	.00 76.79 53.09 46.65 47.07	0 0 0 0	0 1530 0 80 0	0 0 0 0	0 -672 644 367 355	0 -606 528 273 241
2016 2017	0	560 451	0 0	0	560 451	120 79	0		21.5 17.5	69 71	66 53	22.68		51.16 52.97	0	0	0	304 249	188 139
2018 2019	0	363 292	0 0	0	363 292	52 35	ů 0	0	14.4 12.1	72 74	43 34	30.96	196	53.03 51.19	000	ő	0	196 149	100
2020 2021	0 55	236 105	0 0	0	236 105	24 10	0 0		10.3	75		44.52		47.26	0	0	0	109	46
								0	9.4	40	12	52.07	43	42.65	0	0	55	- 12	5
SUB REM TOT	1664 0 1664	5789 0 5789	0 0 0	0 0 0	0	1127 0 1127	0 0 0	0	19.5 .0 19.5	648 0 648	659 0 659		3354 0 3354		0 0 0	1610 0 1610	55 0 55	1690 0 1690	973 0 973
				NET PRESE		(-14\$-)	NC 10 3.1 PC 95, 10 CC 32	NA 81. 89 10 10 10 10 10	nd 19 10 10 10 10 10	* * * * * * * * *			14 40 70 70 er er	CT 1V 55 52 72 52 5	runce PR	OFITABI	LITY	17 17 17 15 16 17 17 17	Before
	unt Rate		,0%	5.0%	10.0%	15.		.0%	25.0%	30.0%				Y SHARE					Tax
Proc	ter Roy { & Other 1 al Cost <i>s</i>	lncome.	3354 0 1610	2829 0 1519	2433 0 1439	21 13-	0	885 0 300	1690 0 1241	1530 0 1186			Rate o Profit	r Retur Index	n (%) . (undisc (disc.	.)			66.3 1.0 .7
Aband	onment Co e Net Rev	osts	55 1690	34 1276	21 973		13	9 576	6 444	4 340			First	Payout	(disc. (years)	@ 5.0%	).		.8 2.7
				ear Aver			Oper	FR Afte	r Cap	ital F sts N	uture etRev		Total Cost o NPV @	Payout £ Findi 10.0%	(years) ing (\$/8 (\$/STB ) (\$/STB )	ое)	•••		2.9 27.29 15.95 20.91
	erest Future Re		10	0.0 10	0.0	9,5	22.6	57.9	2		29.2								

Chapman Petroleum Engineering Ltd.

								T	able 4f										
	ATION OF:	Trout, A	lberta -	Proved	Undevelo	ped							ERGO v7.41 GLOHAL : EFF:01-JUN RUN DATE: FILE: OtrP	20-JUN- -2011 D 7-JUL-	2011 53 01SC:01-	96 JUN-201	1 PROD:	PAGE 01-AUG-2	1
EVALU. COMPAI	LOCATION ATED BY NY EVALUA ISAL FOR CT	TED - Cou	.04-22-0 gar Oil ECAST PR	and Gas	Canada I	-	er & Grai	nite Wa	sh)				TRACT FACT ULT POOL R PRODUCTION DECLINE IN TOTAL CAPI TOTAL ABAN	ESERVES TO DAT DICATOR TAL COS	 TE STS	N/ EXPONEN 161	0 STB A	(2021)	
	INTEREST					I	ROYALTIES	5/TAXES	5									(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
i	AVG WI 10	0.0000%				1	LBERTA	CROWN	ARF, NWRI	R,OIL PA	R≃LTE	,GAS P	AR,DEPTH 0	)					
									Oil STB										
								F	Pool	Compan	y Sha	re							
					Ye	# oj ar Well	f Price ls \$/STN	stb/		Gross	N	let							
					20 20 20 20 20	12 13 14	0 96.00 1 96.08 1 94.04 1 92.00 1 90.98	42. 1 36. 28.	5 13138 8 10359	9 6469 8 13138 9 10359	108 71	119 21							
					20 20 20 20 20	17 18 19	1 94.04 1 96.08 1 98.12 1 100.10 1 102.33	14. 11. 11.	1 507 1 400 8 3150	7 5077 3 4003 5 3156	41 33 27	22 85							
					20	21	1 104.53	3 4.	7 1700	0 1700	15	36							
					SU.				61000	0 61000	489	12							
					RE TO				6100			0							
	- P/T	Lf with the last tau and the CC	92 10 42 17 19 29 14 19	14 MF IF IF 14 15 EV 12 20	10 No 12 No No 12 12 20	44 FE 12 70 FE 12 3	5 21 07 05 12 07 05 <del>1</del> 2	COMPAN	Y SHARE	FUTURE	NET R	EVENUE	pg po 16 de us te as 12	n 12 12 12 12 12 12 12 12 12 12 12 12 12				. 71 77 17 70 18 et al .	
c	Capital &Aband -		e Revenu				Royaltie	is		Operati			FR After	Mat	Procé	Canlu	thend		Net Rev
Year	Costs -M\$-	0il S -M\$-	aleGas -M\$-	Products ~M\$-	Total -M\$-	Crown -M\$-	Other N -M\$-	ineral -M\$-		Fixed Va	riabl		Roy&Oper	back \$/STB	Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Undisc -M\$-	
2011 2012 2013 2014 2015	0 1530 0 80 0	0 622 1236 953 743	0 0 0 0 0	0 0 0 0 0	0 622 1236 953 743	0 31 218 298 209	0 0 0 0	0 0 0 0 0	.0 5.0 17.7 31.3 28.1	0 27 65 67 68	0 66 137 110 88	.00 14.32 15.37 17.04 19.14	498 815 479	.00 76.95 62.07 46.21 46.26	0 0 0 0 0	0 1530 0 80 0	0 0 0 0	0 -1032 815 399 378	0 -931 668 297 256
2016 2017 2018 2019 2020	0 0 0	606 488 393 316 255	0 0 0 0	0 0 0 0	606 488 393 316 255	140 92 61 41 28	0 0 0 0	0 0 0 0	23.2 18.8 15.5 12.9 11.0	69 71 72 74 75	71 57 46 37 30	21.80 25.18 29.49 35.01 42.08	325 268 214 165	50.44 52.82 53.47 52.25	0 0 0 0	0 0 0	0 0 0 0	325 268 214 165	200 150 109 76
2021	55	178	Û	0	178	17	0	õ	9.7	65	21			49.03 43.92	0 0	0 0	0 55	122 20	51
SUB REM TOT	1664 0 1664	5788 0 5788	0 0 0	0 0 0	5788 0 5788	1135 0 1135	0 0 0	0 0 0	19.6 .0 19.6	652 0 652	663 0 663		3338 0 3338		0 0 0	1610 0 1610	55 0 55	1674 0 1674	885 0 885
		er 19 m ez 17 ez 18 m ez		ET PRESE	NT VALUE	(-M\$-)	)	: 10 m m m m m		17 D4 B9 B9 B9 B9 C4 B0			15 al 0, 44 au 34	14 (14 14 14 (17 17 ))	raara PB	OFITABI	TILA	, 10 VI 11 VI 12 12 13 14	Before
	unt Rate		.0%	5.0%	10.0%			0.08	25.0%	30.0%					BASIS				Tax
Proc a Capita Abando Futuro	ter Roy & & Other 1 al Costs onment Co e Net Rev-	ncome. sts enue .	3338 0 1610 55 1674	2769 0 1519 34 1216	2345 0 1439 21 885	13	0 13 541	766 0 300 9 457	1563 0 1241 6 317	1398 0 1186 4 208			Profit Pirst	Index Payout	(disc. (years)	:.) @ 10.0% @ 5.0%	s) . s) .		45.1 1.0 .6 3.1
80 K A V J	*********	91. CA 64. se ve ve ve po sy			MPANY SH. age Roy.		Oper	FR Aft	er Cap;	ital F	uture etRev	}	Cost o NPV @	f Findi 10.0% (	(years) ing (\$/E (\$/STB )	BOE)	 		3.3 27.29 14.51
	erest Future Re		100		0.0	19.6	22.7	коуаор 57.			28.9		ињА б	5.0% (	(\$/STB )	• • • • • • •	•••		19.94
						-													

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Table 4q EVALUATION OF: Trout, Alberta - Proved Plus Probable Undeveloped ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1 GLOBAL : 20-JUN-2011 5396 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-APR-2012 RUN DATE: 7-JUL-2011 TIME: 11:46 FILE: OtrRD4.DAX WELL/LOCATION - Loc.06-16-089-03 W5M (Upper Keg River) 100.0000 % 122000 STB N/A TRACT FACTOR EVALUATED BY - Cougar Oil and Gas Canada Inc. APPRAISAL FOR -ULT POOL RESERVES -PRODUCTION TO DATE -DECLINE INDICATOR -EXPONENTIAL - FORECAST PRICES & COSTS PROJECT 1610 -H\$-57 -M\$- (2023) TOTAL CAPITAL COSTS -TOTAL ABANDONMENT INTEREST ROYALTIES/TAXES AVG WI 100.0000% ALBERTA (CROWN ARF, NWRR, OIL PAR=LTE, GAS PAR, DEPTH 0 ) Oil STB Pool Company Share # of Price Year Wells \$/STB STB/D Vol Gross Net 96.00 96.08 94.04 92.00 2011 0 1 .0 0 0 Û 82.0 66.2 51.4 22225 23830 18519 22225 23830 18519 2012 21114 2013 2014 î 11111 1 2015 90.98 40.0 14391 14391 9142 2016 2017 1 94.04 31.1 11183 11183 7521 6102 5062 96.08 24.1 8691 8691 98.12 100.16 18.8 14.6 11.3 6754 5248 6754 5248 2018 2010 4189 2020 1 102.33 4079 4079 3405 1 104.53 1 106.78 1 109.08 8.8 6.8 4.0 2021 3170 3170 2734 2022 2023 2463 2463 2175 1448 1448 1296 .... SUB 122000 122000 90234 REM TOT 122000 122000 90234 Capital Future Revenue (FR) Royalties Operating Costs Proc& Future Net Rev &Aband -----Costs C ~ - - - - - -FR After Net Roy&Oper back -M\$- \$/STB Other Cap'l Aband Income Costs Costs - - - - -Year Undisc 10.0% Fixed Variable -M\$- -M\$- \$/STB -MS-- M\$ ---148 --MS--M\$--M\$-2011 0 .00 78.92 51.51 40.99 0 0 0 0 0 0 n . 0 Ô 0 .00 0 Ô Ð 0 Ð 2135 2135 2241 1704 227 12.36 248 13.14 197 14.21 156 15.54 2012 107 700 0000 5.0 31.3 1530 00000 0 1754 1227 759 608 224 1227 680 48 õ 202 1006 1530 n 2241 2013 0 n 65 67 68 0 0 ŏ 0 2014 80 681 Ó 40.0 80 506 2015 0 1309 - Û 1309 478 õ ŏ 42.25 0 Ō 0 608 412 2016 2017 0 1052 0 0 1052 344 ð 000 32.7 69 71 72 123 98 78 17.24 19.39 22.16 25.72 515 418 46.01 48.07 Û 0 000 515 317 29.8 25.1 20.2 249 166 0 835 Ð Û 835 Ō 0 0 0 418 234 177 2018 Ø 663 ń 0 0 663 526 347 285 347 51.38 0 526 417 2019 ñ 0 106 0 0 0 0 0 74 61 285 54.22 ò ò 132 2020 ŏ 0 417 69 16.5 75 49 30.34 225 55.10 ö 225 95 2021 0 331 n 0 331 46 0 39 36.32 31 44.11 18 52.93 13.8 26 171 53.83 0 ຄ Ω 172 65 43 2 2022 č 263 Û 124 65 50.17 263 31 Õ 0 11.7 78 124 0 2023 57 158 0 0 158 17 ō ň 10.5 58 õ -57 8 ... .... SHB 1667 11634 0 0 0 0 11634 2993 0 0 25.7 821 1324 6496 0 0 1610 57 4830 3191 REM 0 0 0 Ó 0 0 . 0 ¢ 11634 25.7 1667 TOT ě 11634 2993 821 1324 6496 0 1610 57 4830 3191 THERE THE ADDRESS AND ADDRESS NET PRESENT VALUE (-M\$-) ADDRESS TERRETARIANCE PROFITABILITY STREETENSING Before Discount Rate .0% 5.0% 10.0% 15.0% 20.0% 25.0% 30 08 COMPANY SHARE BASIS COMPARY SHARE BASIS Rate of Return (%) ..... (disc. 0 10.0%) . (disc. 0 5.0%) First Payout (years) .... Cost of Finding (\$/BOE) NPV 0 10.0% (\$/STB ) ..... FR After Roy & Oper. Proc & Other Income. Capital Costs ...... Abandonment Costs ..... 'fax 6496 5429 4647 4056 3594 3226 2926 999.9 2.9 2.2 0 1610 0429 0 1519 32 0 1439 18 0 0 0 0 1366 1300 1241 1186 57 11 Ā 2.5 Future Net Revenue . 4830 3878 3191 2679 2288 1981 1737 6 1.5 PRENERRE PRENERRE PRENERRE COMPANY SHARE PRENERRE PRENERPRENERRE PRENERRE PRENER 13.66 Oper 1st Year Average Royalties Costs FR After Capital Future 26 19 Roy&Oper Costs NetRev 31.79 100.0 100.0 ----% Interest ..... % of Future Revenue. 25.7 18.4 55.8 13.8 41.5

								Т	able 4h										
	ATION OF:		Alberta	- Proved	Plus Pr	obable	Undevelop	ed				C F F	ERGO v7.41 SLOBAL : EFF:01-JUN RUN DATE: FILE: OtrR	20-JUN- -2011 D 7-JUL-	2011 53 ISC:01-	96 JUN~201	1 PROD:		1 012
EVALU COMPA	LOCATION ATED BY NY EVALUA ISAL FOR CT	VTED - Co	bc.01-21-) bugar Oil DRECAST PI	and Gas	Canada		(iver)					1) L F C 1)	TRACT FACT JLT POOL R PRODUCTION DECLINE IN POTAL CAPI POTAL ABAN	OR ESERVES TO DAT DICATOR TAL COS	н Е ~ ТS -		0 STB A	(2023)	
	INTEREST						ROYALTIES	/TAXES											
	AVG W1 10	00.0000\$					ALBERTA (	CROWN .	ARF, NWR	R,OIL PA	AR=LTE	,GAS PA	R,DEPTH 0	)					
									Dil STB										
						# c	ef Price	p	001	Сощрат	iy Sha	re							
						ear Wel	ls \$/STE	STB/I	D Vol	Gross	3 Ne	et							
					2) 2) 2)	011 012 013 014 015	0 96.00 1 96.08 1 94.04 1 92.00 1 90.98	82. 66. 51.	0 2222	0 23830 9 18519	5 211 0 163 9 111	83 11							
			3 75. 1 61. 1 50. 3 41. 9 34.	02 62 89															
					2	021 022 023	1 104.53 1 106.78 1 109.08	6. 4.	8 246 0 144	3 2463 8 1448	3 21	75							
					R	UB EM DT				0 122000 0 0 0 122000	)	Û							
	⇒ P/T ≈ a	V 14 28 28 88 89 69 fu fu	A 100 TH 11 40 10 10 10 10 10	20241L488	0 h 0 h 1 h 1 h 2	0 13 13 <b>11 1</b> 1 10 10 A	fo er in er tv ic er tr	COMPAN	Y SHARE	FUTURE	NET R	EVENUE	88. 89 20 88. 84 02 02 14	14 IP 16 17 18 19 10	N FE 14 EE M FC 25	w to 23 A 44 A 45 A	11 M 10 W 14 W V		12 13 25 W X 41 X
Year	Capital &Aband Costs -M\$-	0il -M\$~	-MS-	Products ~M\$~	Total -M\$-	-M\$-	Royaltie Other } -M\$-	ineral -M\$-	·· %	Operat: Fixed Va -M\$-	ariab) -M\$-	e \$/STB	FR After Roy&Oper ~M\$~	back \$/STB	lncome -M\$-	Costs -M\$-	Aband Costs -M\$-	M\$	
2011 2012 2013 2014 2015	0 1530 0 80 0	0 2135 2241 1704 1309	0 0 0 0	0 0 0 0	0 2135 2241 1704 1309	0 107 700 681 478	0 0 0 0	0 0 0 0	.0 5.0 31.3 40.0 36.5	0 48 65 67 68	248 197	.00 12.36 13.14 14.21 15.54	0 1754 1227 759 608	.00 78.92 51.51 40.99 42.25	0 0 0 0	0 1530 0 80 0	0 0 0 0 0	0 224 1227 680 608	0 202 1006 506 412
2016 2017 2018 2019 2020	0 0 0 0	1052 835 663 526 417	0 0 0 0	0 0 0 0	1052 835 663 526 417	344 249 166 106 69	0 0 0 0	0 0 0 0	32.7 29.8 25.1 20.2 16.5	69 71 72 74 75	123 98 78 61 49	17.24 19.39 22.16 25.72 30.34	515 418 347 285 225	46.01 48.07 51.38 54.22 55.10	0 0 0 0	0 0 0 0	0 0 0 0	\$15 418 347 285 225	317 234 177 132 95
2021 2022 2023	0 0 57	331 263 158	0 0 0	0 0 0	331 263 158	46 31 17	0 0 0	0 0 0	13.8 11.7 10.5	76 78 58	39 31 18	36.32 44.11 52.93	171 124 65	53.83 50.17 44.75	0 0 0	000	0 0 57	171 124 8	65 43 2
SUB REM TOT	1667 0 1667	11634 0 11634	0 0 0	0 0 0	11634 0 11634	2993 0 2993	0 0 0	0 0 0	25.7 .0 25.7	821 0 821	1324 0 1324		6496 0 6496		0 0 0	1610 0 1610	57 0 57	4830 0 4830	3191 0 3191
====				MET PRESE	NT VALU	i6 (-M\$-	)	e Un all All for La ser	*****	ю м гараа а ла			****	1 12 13 20 19 14 14 14	ana PR	OFITABI	(L]TY		Before
• • • • •	unt Rate		.0%	5.0%	10.0			0.0%	25.0%	30.0	-								Tax
Proc Capit Aband	After Roy & Oper.         6496         5429         4647         4056         3594         3226         2926           c & Other Income.         0												Profit First	Index Payout	(disc. (years)	() () 10.09 () 5.09	5) . 5) .		999.9 2.9 2.2 2.5 .6
	Oper FR After Capital Puture Ist Year Average Royalties Costs Roy&Oper Costs NetRes												Total Cost c NPV @	Payout f Findi 10.0% (	(years) ng (\$/E \$/STB ) [\$/STB )	юе)	· · · · ·		1.5 13.66 26.15 31.79
	erest Future Ro		10	0.0 10	0.0	25.7	18.4	55.	8 1	3.8	41.5								

Table 4i ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1 GLOBAL : 20-JUN-2011 5396 EPF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-AUG-2012 RUN DATE: 7-JUL-2011 TIME: 11:48 EVALUATION OF: Trout, Alberta - Proved Plus Probable Undeveloped FILE: OURRDG.DAX TRACT FACTOR -ULT POOL RESERVES -PRODUCTION TO DATE -WELL/LOCATION - Loc.04-22-089-03 WSM (U&L Keg River & Granite Wash) 100.0000 % 122000 STB EVALUATED BY COMPANY EVALUATED - Cougar Oil and Gas Canada Inc. N/A APPRAISAL FOR PROJECT EXPONENTIAL 1610 -M\$-58 -M\$- (2024) DECLINE INDICATOR TOTAL CAPITAL COSTS TOTAL ABANDONMENT - FORECAST PRICES & COSTS INTEREST ROYALTIES/TAXES AVG WI 100.0000% ALBERTA (CROWN ARF, NWRR, OIL PAR=LTE, GAS PAR, DEPTH 0 ) 011 STB Pool Company Share # of Price ----Year Wells \$/STB STB/D Vol. Gross Net ........ .0 85.4 72.0 56.0 43.5 2011 2012 0 1 96.00 96.08 12899 12899 12254 25931 20146 15652 25931 20146 2013 1 94.04 20853 2014 92 00 12088 2015 90.98 1 15652 9737 33.8 26.2 20.4 15.8 2016 1 94.04 12160 12160 8019 2017 2018 96.08 98.12 100.16 9447 7339 5702 9447 7339 6537 5351 2019 \$702 4461 2020 1 102.33 12.3 4430 4430 3644 9.6 7.4 5.8 2021 3442 1 104.53 3442 2936 2674 2077 101 2022 î 106.78 2674 2077 2341 1 109.08 2023 1853 2024 101 .3 91 SHB 122000 122000 90364 REM 122000 122000 90164 TOT Capital Future Revenue (FR) Royalties Operating Costs Proc& Future Net Rev & Ahand Other Mineral Fixed Variable -M\$- -M\$- -%- -M\$- -M\$- -FR After Net - - - - - - - - -Other Cap'l Aband SaleGas Products Total Crown Year Costs oil Roy&Oper -M\$back \$/STB Income -M\$-Costs -M\$-10.0% Costs -M\$-Undisc -MS- -MS- -MS- -MS- -MS--M\$--MS-\$/STB - J. S. ---MS -\_ \_ \_ . . . . . . . . . . 2011 0 0 0 0 0 0 . 0 -0 n . 0.0 ۵ 66 0 0 0 .00 79.01 62.70 41.28 41.43 2012 ō 62 478 5.0 19.6 27 65 132 1530 1239 0 1239 0 0 0 0 12.27 1019 1530 -511 -461 2439 1853 2013 ß 0 0 2439 1333 560 439 1626 0 Ó 0 1626 2014 80 1853 741 0 0 40.0 67 214 169 13.92 832 ō ิสอั 0 0 752 0 1424 0 0 1424 538 õ 37.8 68 648 õ ŏ 2016 2017 2018 0 0 1143 0 0 0 0 1143 389 Ð 69 71 72 74 45.27 47.75 50.23 0 34.1 134 16.74 339 253 188 551 551 0 0 0 908 720 908 720 571 453 30.8 27.1 21.8 0 280 0 0 106 18.74 21.31 451 369 ő o 451 0 0 0 84 67 0 Ó 199 0 0 369 2010 ÷. 671 0 0 24.61 306 53,75 0 Û 0 306 142 2020 ŏ 453 õ 80 0 37.7 75 53 28.88 245 55.30 0 0 0 245 103 2021 0 Ď 34.41 41.61 50.99 57.70 360 0 53 36 76 78 360 Δ 0 14.7 42 188 54.75 0 0 188 72 Ð 286 286 2022 Ó 0 0 48 30 -15 Ð 12.4 33 139 51.88 6 0 -A 139 2023 24 96 4 46.31 96 -54 0 227 0 0 10.8 80 26 ŏ 2024 58 11 0 Ó 11 1 ő ŏ 10.3 58 ...... . . . . . . . . . . SUB 1668 11634 0 0 0 0 0 11634 3002 0 a 25.8 826 1332 6475 0 1610 58 4807 3031 REM 0 0 ß n ň ň 1668 11634 TOT Ō 11634 3002 ŏ 826 25.8 1332 6475 0 0 1610 -58 4807 3031 NEEDEZZEGERENNENNENNENNENNEN NET PRESENT VALUE (-M\$-) KEEDERENNINNENNENNENNENNENNENNEN MAGNERSON MERSON PROFILITY AND PROFILITY Before 5.0% Discount Rate .0% 10.0% 15.0% 20.0% 25.0% 30.0% COMPANY SHARE BASIS Tax FR After Roy & Oper. Proc & Other Income. Capital Costs ..... Abandonment Costs ..... Rate of Return (%) ..... Profit Index (undisc.) ..... (disc. @ 10.0%) . (disc. @ 5.0%) . 6475 5323 4487 3859 3373 2989 2677 270.1 0 1519 0 0 2.9 1610 1439 1366 1300 1241 1186 58 31 2.4 
 (disc. @ 5.0%).

 First Payout (years)

 Total Payout (years)

 Cost of Finding (\$/BOE)

 NPV @ 10.0% (\$/STB)

 NPV @ 5.0% (\$/STB)
 Future Net Revenue . 4807 3773 3031 2483 2067 1745 1489 1.9 2.0 SEALLONGERSKANVERRAUMANNERRANDE COMPANY SHARE CREASERERAUMANDERR FR After Capital Future 24.84 Roy&Oper Costs NetRev 30.92 

18.5 55,7 13.8 41.3

	Table 4j		
EVALUATION OF: Trout, Alberta - Probable Un		ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1 GLOBAL : 20-JUN-2011 5396 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-JAN-2012 RUN DATE: 7-JUL-2011 TIME: 11:49 FILE: 0CHRLI DAX	
WELL/LOCATION - Loc.02-08-089-03 W5M (U) EVALUATED BY -	pper Keg River)	TRACT FACTOR - 100.0000 %	
COMPANY EVALUATED - Cougar Oil and Gas Cana- APPRAISAL FOR -	da Inc.	ULT FOOL RESERVES - 133000 STB PRODUCTION TO DATE - N/A DECLINE INDICATOR - EXFORENTIAL	
PROJECT - FORECAST PRICES & COSTS		TOTAL ABANDONMENT - 53 -M\$- (2019)	
INTEREST	ROYALTIES/TAXES		
AVG WI 100.0000%	ALBERTA (CROWN ARF, NWRR, OIL PAR=LTE, GAS F	PAR, DEPTH 0 )	
	Oil STB		
	Pool Company Share # of Price		
	Year Wells \$/STE STE/D Vol Gross Net		
	2011         0         96.00         0 <th0< th="">         0<!--</td--><td></td><td></td></th0<>		
	2016         1         94.04         22.1         7974         7974         5706           2017         1         96.08         14.4         5172         5172         4182           2018         1         98.12         9.3         3355         3355         2912           2019         1         100.16         5.6         2033         2033         1838		
	SUB 133000 133000 101606 REM 0 0 0 TOT 133000 133000 101606		
ж р/т а шаракаранталарыстекенал	COMPANY SHARE FUTURE NET REVENUE	8 презниката правичение и какачала с со с	
Capital Future Revenue (FR)	Royalties Operating Costs	Prock Future Net B	Rev
Year Costs Oil SaleGas Products Tot -M\$M\$M\$M\$M\$- -	al Crown Other Mineral Fixed Variable 	Roy&Oper back Income Costs Costs Undisc 10.0 B -M\$- \$/STB -M\$M\$M\$M\$M\$-	0%
$\begin{array}{cccccccccccccccccccccccccccccccccccc$	48         1099         0         0         40.0         65         304         12.66           44         697         0         0         40.0         67         201         14.13	19 4180 77.41 0 0 0 4180 37 4 1279 43.79 0 104 0 1175 9 3 778 41.07 0 0 0 778 9	459 769 963 580 366
2017 0 497 0 0 4 2018 0 329 0 0 3	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	2 273 52.76 0 0 0 273 1 7 175 52.21 0 0 0 175	234 153 89 19
SUB 1657 12578 0 0 125 REM 0 0 0 0 TOT 1657 12578 0 0 125	0 0 0 0 ,0 0 0	0 0 0 0	715 0 715
NERGER V. PRESENT V	NLUE ("M\$") "~~~	NUMBERSESSESSESSESSESSESSESSESSESSESSESSESSE	
	0.0% 15.0% 20.0% 25.0% 30.0%	Befor COMPANY SHARE BASIS Tax	x
Proc & Other Income. 0 0 Capital Costs 1604 1573 Abandonment Costs 53 36	$\begin{array}{cccccccccccccccccccccccccccccccccccc$	Rate of Return (%)       302.         Profit Index (undisc.)       3.         (disc. @ 10.0%)       3.         (disc. @ 5.0%)       3.         First Payout (years)       3.	.6 .0 .3
nnnunnussassassassassassassa COMPAN	Y SHARE PROFESSIONAL STREET, SHARE PROFESSION OPER FR After Capital Future	Total Payout (years)         1           Cost of Finding (\$/BOE)         12.0           NPV @ 10.0% (\$/STB)         35.0	46
	Royalties Costs RoyAOper Costs NetRev 23.4 15.4 61.2 12.8 48.0	NPV @ 5.0% (\$/STB ) 39.9	

								Та	able 4k										
	ATION OF		Alberta -	Probabl	a Undeve	Loped						1	ERGO V7.41 SLOBAL : S EFF:01-JUN RUN DATE: FILE: OtrR	20-JUN- -2011 E 7-JUL-	2011 539 MSC:01-4 2011 TI	96 JUN-201	1 PROD:		1
	LOCATION ATED BY	- Lo	pc.12-08-0	89~03 W5	(Upper	Keg R	iver)						FRACT FACT			100.000			
СОМРА			ougar Oil	and Gas (	Canada I	nc.						I	JLT POOL RI PRODUCTION	TO DAT	ЧЕ ~	13300 N/ EXPONEN	λ		
PROJE			DRECAST PR	ICES & C	OSTS							1	DECLINE IN FOTAL CAPI FOTAL ABAN	LYPE CO2	STS -	160	1 -M\$- 3 -M\$-	(2010)	
	INTEREST						ROYALTIE	S/TAXES						201111111			0	(2019)	
	AVG WI 1	00.0000%					ALBERTA	(CROWN )	NRF, NWR	R,OIL PA	AR=LTE	, GAS PI	AR,DEPTH Ö	)					
									011										
										0000000									
					Ve	# o ar Wel	f Pric	e B STB/1			ny Sha M	•••							
					20 20	11 12 13 14 15	0 96.0 1 96.0 1 94.0 1 92.0 1 92.0	8 150.0 4 81.1 0 52.0	5400	0 5400 0 2922 3 1895	0 0 499 0 175 3 113 3 81	32 72							
					20 20	16 17 18 19	1 94.0 1 96.0 1 98.1 1 100.1	8 14. 2 9.	4 517 3 335	2 517 5 335	2 41 5 29	82 12							
					SU RE TC	B M			13300		0 1016 0	 06 0							
	capital		are Revenu		*******	000000			Y SHARE				*****			10 KI 10 KI 10 KI 10 KI	C.N.E.O.K.HU		
Year	&Aband Costs		SaleGas							Operat Fixed V								Undisc	
	-M\$-	M\$ -	-M\$-	M\$	-M\$-	MS	-M\$-	-M\$ -	- & -	-14\$ -	M\$ -	\$/STB	M\$	\$/STB	M\$-	-14\$	- M\$ -	- MS	-M\$-
2011 2012 2013 2014 2015	1500 0 104 0 0	0 5188 2748 1744 1118	0	0 0 0 0	0 5188 2748 1744	0 393 1099 697	0000	0 0 0	.0 7.6 40.0 40.0	0 64 65 67	304 201	.00 11.39 12.64 14.13	4180 1279 778	.00 77.41 43.79 41.07	0	1500 0 104 0	0000	-1500 4180 1175 778	-1459 3769 963 580
2015	0	750		0	1118 750	376 213	0	0 0	33.7 28.4	68 69		16.35		44.01	0 0	0 0	0	541 379	366
2017 2018 2019	0 0 53	497 329 204	0	0 0 0	497 329 204	95 43 20	0 0 0	0 0 0	19.1 13.2 9.6	71 72 68	58 39 24	24.92 32.97 44.96	273 175	52.76 52.21 45.60	0 0 0	0 0 0	0 0 53	273 175 40	234 153 89 19
SUB REM TOT	1657 0 1657	12578 0 12578	0 0 0	0 0	12578 0 12578	2938 0 2938	0 0 0	0 0 0	23.4 .0 23.4	543 0 543	1398 0 1398		7699 0 7699		0 0 0	1604 0 1604	53 0 53	6043 0 6043	4715 0 4715
er 20 m ez ez	17 17 18 18 18 <b>1</b> 0 19 10 1		e u w es es se se se 🗴	NET PRESE	NT VALUE	(-MS-	) ~~~~~~	4 44 94 96 05 55 17 75	0 0 M D D D M D	. 22 28 63 68 20 32 90	20				nuens PR	OFITABI	LITY		5 12 44 14 12 10 11
	unt Rate		.0%	5.0%	10.0%			20.0%	25.0%	30.0					E BASIS				Before Tax
FR Af	ter Roy & Other	& Oper.	7699 0	6918 0	6283 C	5	757	5314 0	4935 0	460			Rate o	f Retu	rn (%) . (undisc				302.9 3.6
Capit Aband	al Costa lonment (	osts	1604 53	1573 36	1544 24	1	518 17	1493 12	1470 9	144					(disc. (disc.	0 10.01 0 5.01	s) .		3.0 3.3
	e Net Re		6043	5310	4715	• 4	222	3808	3456	315	3		Total	Payout	(years) (years)	 			.9 1.0
				ar Aver	age Roy		Ópér	FR Aft	er Cap er Co	oital Asts	Future NetRev		Cost c NPV @	f Find. 10.0%	ing (\$/B (\$/STB ) (\$/STB )	OE)			12.46 35.45 39.92
	erest Future i		100	).0 10	0.0	23.4	15.4	61.	2 1	2.8	48.0								

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EVALU	TION OF	: Trout,	Alberta -	Probable	e Undev	eloped						1 ] ]	ERGO v7.41 GLOBAL : EFF:01-JUN RUN DATE: FILE: OtrR	20-JUN- -2011 E 7-JUL-	ISC:01-4	96 JUN-201	1 PROD:	раде 01-јан-7	1 2012
EVALUA COMPAN	SAL FOR	IATED - CO	oc.15-08-08 ougar Oil a DRECAST PRI	ind Gas (	Canada	-	ver and	Granite	Wash				TRACT FACT ULT POOL R PRODUCTION DECLINE IN TOTAL CAPI TOTAL ABAN	ESERVES TO DAT DICATOR TAL COS		N/ EXPONEN 160	0 STB A TIAL 4 -M\$-	(2010)	
ľ	NTEREST						ROYALTI	ES/TAXE:	\$				IOINS ABAN	DOMMENT	-	5	3 -M\$-	(2019)	
P	VG WI 1	00.0000%					ALBERTA	(CROWN	ARF, RWI	RR,OIL P	AR~LTE	,GAS P	AR,DEPTH 0	)					
									Oíl STB										
									2001	Сопра	ny Sha	re							
					Y		of Pri- ils \$/S	PB STB.		l Gros		let							
					2) 2) 2)	011 012 013 014 015	0 96. 1 96. 1 94. 1 92. 1 90.	08 150 04 81 00 52	2 2922 6 1695	00 5400 20 2922 53 1895	0 175 3 113	32							
					2) 2) 2)	016 017 018 019	1 94. 1 96. 1 98. 1 100.	08 14 12 9	4 515	72 517 55 335	2 41 5 29	06 82 12 38							
					R	ub Em DT				00 13300 0 00 13300	0	0							
5	P/T =	0.0.00000000000000000000000000000000000	1 27 22 14 10 14 20 <del>10</del> 70 77 70 70			17 La 22 Co 26 An 1.	* An all ta an an 10 cc cc i	» СОМРАІ	VY SHARI	E FUTURE	NET R	EVENUE	Ltransag			p, pa pa co te ce tr	- TR XX 40 10 00 00 10	1 Maria ara 19 m	
	apital &Aband	Futu	are Revenue	(FR)			Royalt	ies		Operat			EP Afron	Not	Proc&	Conli	م بر مار م		Net Rev
Year -	Costs -M\$-	Oil -M\$-	SaleGas P -M\$-	roducts -M\$-	Total -M\$-	Crown -M\$-	Other -M\$-	Minera -M\$-	- %-	Fixed V	ariabl		FR After Roy&Oper -M\$-		Other Income -M\$-		Aband Costs -M\$-	Undisc -M\$-	10.0% -M\$-
2011 2012 2013 2014 2015	1500 0 104 0 0	0 5188 2748 1744 1118	0 0 0 0	0 0 0 0	0 5188 2748 1744 1118	0 393 1099 697 376	0 0 0	0 0 0	.0 7.6 40.0 40.0 33.7	0 64 65 67 68	201	.00 11.39 12.64 14.13 16.35	0 4180 1279 778 541	.00 77.41 43.79 41.07 44.01	0 0 0 0	1500 0 104 0 0	0 0 0 0	~1500 4180 1175 778 541	-1459 3769 963 580 366
2016 2017 2018 2019	0 0 53	750 497 329 204	0 0 0	0 0 0	750 497 329 204	213 95 43 20	0 0 0 0	0 0 0	28.4 19.1 13.2 9.6	69 71 72 68	88 58 39 24	19.73 24.92 32.97 44.96	379 273 175 93	47,57 52,76 52,21 45,60	0 0 0	0 0 0	0 0 53	379 273 175 40	234 153 89 19
SUB REM TOT	1657 0 1657	12578 0 12578	0 0 0	0 0 0	12578 0 12578	2938 0 2938	0 0 0	0 0 0	23.4 .0 23.4	543 0 543	1398 0 1398		7699 0 7699		0 0 0	1604 0 1604	53 0 53	6043 0 6043	4715 0 4715
			erenes NE	T PRESEN	AL AVIO	E (-M\$-	-)	17 12 12 15 16 16 16 16 1	5 an an at color volo	17 17 DC 21 CA 14 DA 14	41		62 of 22 m on 14	ere for ere op at an er	nuna PR	OFITABI	LITY	. an Dr. Ma Jor 17 art 22 Ci	Before
	nt Rate		.0%	5.0%				20.0%	25.0%	30.0	-				BASIS				Tax
Proc & Capita Abando	Other 1 Costs nment C	& Oper. Income. osts venue .	1699 0 1604 53 6043	6918 0 1573 36 5310	628 154 2 471	ຽ ຊ໌ 1 ຊ	5757 0 1518 17 1222	5314 0 1493 12 3808	4935 0 1470 9 3456	144	0 9 6		Profit First	Index Payout	n (%) . (undisc (disc.) (disc.) (years)	.) @ 10.0% @ 5.0%	s) .		302.9 3.6 3.0 3.3
			1st Yea 100.	r Avera	ige Ro		Oper	FR Af	ter Car	oital	Future NetRev		Cost o NPV @	f Findi 10.0% (	(years) ng (\$/B \$/STB ) \$/STB )	OE)			1.0 12.46 35.45 39.92
		evenue.				23.4	15.4	61	.2 1	12.8	48.0								

								0	able 4m										
EVALL	ATION OF	: Trout, /	alberta -	Probabl	Le Undevo	loped							ERGO v7.41 GLOBAL ; EFF:01-JUN RUN DATE: FILE: OTFR	20-JUN- -2011 E 7-JUL-	2011 53 DISC:01- 2011 TI	96 JUN-201	1 PROD:	PAGE 01-APR-2	1 2012
EVALC COMP/	AISAL FOR	ATED - Cou	:.13-20-08 Igar Oil a NECAST PRI	and Gas	Canada 1		liver)						TRACT FACT ULT POOL R PRODUCTION DECLINE IN TOTAL CAPI	ESERVES TO DAT DICATOR	3 - 'E - R -	N/ EXPONEN	00 STB 'A		
	INTEREST						ROYALTTE	e let yer					TOTAL ABAN				55 -M\$-	(2021)	
	AVG WI 10	00.0000%								R.OIL B	×AR≖ET#	C.GAS P	AR,DEPTH 0	١					
									Oil			<i>.</i> ,		,					
									STB Pool		iny Sha								
							f Pric ls \$/ST	e B STB/	D Vol	Gros		let.							
					20 20 20 20	11 12 13 14	0 96.0 1 96.0 1 94.0 1 94.0 1 92.0 1 90.9	0 . 8 150. 4 83. 0 57.	0 0 4065 6 3008 7 2077	0 0 4065 6 3008 5 2073	0 50 386 36 206 75 124	0 518 584							
					20 20 20	16 17 18 19 20	1 94.0 1 96.0 1 98.1 1 100.1 1 102.3	4 27. 8 19. 2 13. 6 9.	5 990 0 684 1 472 1 326	5 990 0 684 3 477 1 320	05 68 10 51 23 38 51 28	332 132 375 329 )24							
						21	1 104.5		5 16			48							
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					RE TC					0 0 13300	0 )0 1017	0 127							
	= P/T	- 14 15 PC IC 77 IC 12 W 14	12 23 77 77 99 99 90 90 10 10 10	C (2) (2) (2) (2) (2) (2) (2)	**********	201 201 <b>20</b> 1 201 201 201 201		COMPAN	Y SHARE	FUTURI	E NET F	REVENUE		10 10 10 10 10 10 10 10 10 10 10 10 10 1				- 27 <b>3</b> 2 10 11 30 01 <del>17</del> 0	*******
							Royalti						FR After	Net	Proc& Other	Cap'1	Aband		Net Rev
Year	Costs -M\$-	0il 8 -M\$-	aleGas F -M\$-	-M\$-	-M\$-	- M\$ -		-MS		Fixed \ -M\$-		le \$/STB	Roy&Oper -M\$-	back \$/STB	-14\$ -	Costs -M\$-	Costs -M\$-	Undisc -M\$-	10.0% -M\$-
2011 2012 2013 2014 2015	0 1530 0 106 0	0 3906 2829 1911 1305	0 0 0 0	0 0 0 0	0 3906 2829 1911 1305	0 195 884 765 475	0 0 0 0	0 0 0 0	.0 5.0 31.3 40.0 36.4	0 48 65 67 68	313	.00 11.38 12.57 13.82 15.56	3248 1567 860	.00 79.90 52.08 41.38 42.29	0 0 0 0	0 1530 0 106 0	0 0 0 0	0 1718 1567 754 607	0 1549 1284 562 411
2016 2017 2018 2019 2020	0 0 0 0	932 657 463 327 230	0 0 0 0	0 0 0 0	932 657 463 327 230	289 164 83 43 23	0 0 0 0	0 0 0 0	31.0 25.0 18.0 13.2 10.1	69 71 72 74 75	109 77 54 38 27	18.03 21.59 26.75 34.26 45.25	345 254 172	46.82 50.50 53.75 52.63 46.71	0 0 0 0	0 0 0 0	0 0 0 0	464 345 254 172 105	286 193 129 79 44
2021	55	17	0	0	17	2	0	0	9.1	7	2	53.98	7	41.06	0	0	55	-48	-18
SUB REM TOT	1691 0 1691	12578 0 12578	0 0 0	0 0 0	12578 0 12578	2924 0 2924	0 0 0	0 0 0	23.2 .0 23.2	615 0 615	1411 0 1411		7628 0 7628		0 0 0	1636 0 1636	\$5 0 55	5937 0 5937	4519 0 4519
		: 42 48 46 46 to to the op on op														OFITABI	LITY ="	21 be to as as as y, y	Before
FR Af	unt Rate ter Roy 8	Oper.	.0% 7628	5.0%	10.01			0.0%	25.0% 	30.0					BASIS				Tax
Proc Capit Aband	& Other I al Costs onment Co e Net Rev	ncome. 	1636 55 5937	0 1542 34 5142	0995 0 1459 21 4519	1	0 383 13	0 1316 9 3616	4341 0 1254 6 3281	119	0 18 4		Profit First	Index Payout	n (%) . (undisc (disc. (disc. (years)	0 10.0% 0 5.0%	s) . s) .		999.9 3.5 3.1 3.3
			îst Yea	r Aver		alties	Oper Costs	FR Aft	er Cap er Co.	ital		9	Cost o NPV @	f Findi 10.0% (	(years) ng (\$/B (\$/STB ) (\$/STB )	ΟΕ)			1.1 12.71 33.98 38.66
	erest Future Re		100.	0 10	0.0	23.2	16.1	60.	6 1	3.0	47.2								

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EVALUATION OF: Trout, Alberta - Possible Undeveloped ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1 GLOBAL : 20-JUN-2011 5396 EPF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-AUG-2012 RUN DATE: 7-JUL-2011 TIME: 11:54 FILE: OURPSU2.DAX N 15 FY 3 TRACT FACTOR -ULT POOL RESERVES -PRODUCTION TO DATE -DECLINE INDICATOR -TOTAL CAPITAL COSTS -TOTAL ABANDONMENT -WELL/LOCATION - Loc.06-07-089-03 W5M (Upper Keg River) PROJECT - FORECAST PRICES & COSTS - FORECAST PRICES & COSTS

INTEREST

ROYALTIES/TAXES

AVG WI 100.0000%

ALBERTA (CROWN ARF, NWRR, OIL PAR=LTE, GAS PAR, DEPTH 0 )

			Oi S1			
			Poo	<b>51</b>	Company	Share
Year	∦ of Wells		STB/D		Gross	
			**			
2011	0	96.00	.0	0	0	0
2012	1	96.08	160.0			22952
2013	1	94.04	90.9			26323
2014	î		74.9	26977	26977	16186
2015	1	90.98	61.8	22233	22233	13340
2016		94.04	50.9	18324	18324	10994
2017	1	96.08	41.9	15102	15102	9327
2018		98.12	34.6	12446	12446	8064
2019		100.16	28.5	10258	10258	6908
2020	1	102.33	23.5	8454	8454	5863
2021	1	104.53	19.4	6967	6967	5086
2022	1	106.78	16.0	5742	5742	4413
2023	1	109.08	13.1	4733	4733	3783
2024	1	111.42	10.8			3214
2025	1	113.81	8.9	3214	3214	2711
				• •		
SUB				195244	195244	139163
REM				5756	5756	5002
TOT				201000	201000	144164

	≈ P/T ≈ a	r 16 ter 28 al 19 an Ad 1	he has not per stat the bost of the	De la 20 mil 44 85 35 50 50	r w w w ti e ti e	17 M FY FY FX FX FX	27 28 29 19 at up at	- COMPAN	Y SHAR	E FUTUR	RE NET R	EVENUE	N N N N 70 70 70 10 10	00 77 00 91 <b>9</b> 7 96 90	M 82 95 15 86 15 97		en m ex re to 14 20		10 17 22 VF 27 VC 22
	Capital &Aband -	Fut	are Reven				Royalt	ies			ating Co				Procá	a. 11			Net Rev
Year	Costs -M\$-	0il M\$	SaleGas -M\$-	Products -M\$-		Crown -M\$-		Mineral -M\$-			Variabl		FR After Roy&Oper -M\$-		Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Undisc -M\$-	10.0% -M\$-
2011 2012 2013 2014 2015	0 1530 0 186 0	0 2321 3078 2482 2023	0 0 0 0	0 0 0 0	0 2321 3078 2482 2023	0 116 603 993 809	0 0 0 0	0 0 0 0	.0 5.0 19.6 40.0 40.0	0 27 65 67 68	0 246 341 286 241	.00 11.30 12.40 13.08 13.88	0 1932 2070 1136 905	.00 79.97 63.23 42.12 40.71	0 0 0 0	0 1530 0 186 0	0 0 0 0	0 402 2070 951 905	0 363 1696 708 613
2016 2017 2018 2019 2020	0 0 0 0	1723 1451 1221 1027 865	0 0 0 0	0 0 0 0	1723 1451 1221 1027 865	689 555 430 336 265	0 0 0 0	0 0 0 0	40.0 38.2 35.2 32.7 30.6	69 71 72 74 75	202 170 143 120 101	14.82 15.94 17.28 18.88 20.82	762 655 576 498 424	41.60 43.40 46.29 48.57 50.15	0 0 0 0	0 0 0 0	0 0 0 0	762 655 576 498 424	469 367 293 230 178
2021 2022 2023 2024 2025	0 0 0 0	728 613 516 435 366	0 0 0 0	0 0 0 0	728 613 516 435 366	197 142 104 77 57	0 0 0 0	0 0 0 0	27.0 23.2 20.1 17.6 15.7	76 78 80 81 83	85 71 60 50 42	23.17 26.02 29.50 33.75 38.95	370 322 273 226 183	53.13 56.03 57.69 58.06 57.04	0 0 0 0	0 0 0 0	0 0 0 0	370 322 273 226 183	142 112 86 65 48
SUB REM TOT	1716 61 1776	18850 669 19519	0 0 0	0 0 0	18850 669 19519	5372 88 5459	0 0 0	0 0 0	28.5 13.1 28.0	985 210 1195	2160 77 2237		10334 294 10628		0 0 0	1716 0 1716	0 61 61	8618 233 8851	\$371 54 5425
Disco	ount Rate		.0%	NET PRESE	NT VALU	\$ 15	).0%	20.0%	25.0%	30	.0%		COMPAN	Y SHARE	BASIS			) (1 al 11 în 14 an al 17	Before Tax
Proc Capit Abaac Futu	ter Roy & & Other I al Costs lonment Co e Net Rev	ncome. Sts enue .	1st Y	ear Aver	151: 1: 542: NPANY SI age Ro	5 5 0 1 2 5 4 HARE === yalties	908 0 435 6 467 Oper Costs	FR Aft	er Ca er C	41 1 2 pital Costs	060 0 233 1 326 Future NetRev		Rate o Profit First Total Cost o NPV @	f Retur Index Payout Payout f Findi 10.0%	n (%) , (undisc (disc. (years) (years) ng (\$/B (\$/STB ) \$/STB )	0 10.09 0 5.09	· · · · · · · · · · · · · · · · · · ·		999.9 5.0 3.5 4.2 .6 1.5 8.84 26.99 33.80
	erest Future Re		10	0.0 10	0.0	28.0	17.6	54.	4	8.8	45.3								

100.0000 % 201000 STB N/A EXPONENTIAL 1716 -M\$-61 -M\$- (2028)

EVALUATION OF: Trout, Alberta - Possible Undeveloped " Loc.02-09-089-03 W5M (U&L Keg River & Granite Wash) WELL/LOCATION 3 COMPANY EVALUATED - Cougar Oil and Gas Canada Inc. APPRAISAL FOR -PROJECT - FORECAST PRICES & COSTS 3 - FORECAST PRICES & COSTS D T T

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1 GLOBAL : 20-JUN-2011 5396 EFF:01-JUN-2011 D1SC:01-JUN-2011 PROD:01-AUG-2012 RUN DATE: 7-JUL-2011 TIME: 11:54 FILE: OtrPSU7.DAX

FRACT FACTOR	-	100.0000 %	
ULT POOL RESERVES	••	240000 STB	
PRODUCTION TO DATE	-	N/A	
DECLINE INDICATOR	-	EXPONENTIAL	
FOTAL CAPITAL COSTS	~	1689 -M\$-	
FOTAL ABANDONMENT	-	61 -M\$- (2030)	

#### INTEREST

AVG WI 100.0000%

ALBERTA (CROWN ARF, NWRR, OIL PAR=LTE, GAS PAR, DEPTH 0 )

			0: 5:			
			Poo	>1	Company	Share
	# of				~~~~~	
Year	Wells	\$/STB	STB/D	Vol	Gross	Net
2011	0	96.00	.0	0	0	0
2012	1	96.08	170.0	25670	25670	24386
2013	1	94.04	100.8	36305	36305	29195
2014	1	92.00	84.5	30435	30435	18261
2015	1	90.98	70.9	25514	25514	15308
2016	•	04.04	co (			
2016	1	94.04	59.4	21389	21389	12833
	1	96.08	49.8	17930	17930	10758
2018		98.12	41.8			
2019	1		35.0		12601	8089
2020	1	102.33	29.3	10564	10564	7027
2021	1	104.53	24.6	8856	8856	6057
2022		106.78	20.6	7424		5269
2023		109.08	17.3	6223		
2024		111.42	14.5			
2025		113.81	12.1	4374	4374	3512
SUB				227532	227532	158642
REM					12468	10598
TOT				240000		169240
				210000	740000	102230

ROYALTIES/TAXES

	Capital		ure Reven	ue (FR)			Royal				ting Co		05 02 00 00 10 10 10 10 10		Proc&		10 15 10 10 M M B		Net Rev
Year	&Aband - Costs												FR After		Other	Cap'l	Aband		NGT KGV
1001	-14\$-	Oil -M\$-	SaleGas -M\$-	Products -M\$-	-M\$-	Crown -M\$-	Other -M\$-	Minera. -M\$-	1 ~%	Fixed -M\$-	Variabl -M\$-	e \$/STB	Roy&Oper -M\$-	back \$/STB	1ncome -M\$-	Costs -M\$-	Costs -M\$-	Undisc ~M\$-	10.0% -M\$-
2011	o	0	0	0	0	0	0	0	.0	0	0	0.0							
2012	1530	2466	ŏ	ŏ	2466	123	ő	0	5.0	0 27	0 262	.00	2055	.00 80.04	0	0 1530	0	0	0
2013	0	3414	0	0	3414	669	ŏ	õ	19.6	65	378	12.20	2302	63.42	0	1550	0	525 2302	473 1887
2014	159	2800	0	0	2800	1120	0	ō	40.0	67	323	12.80	1290	42.40	ŏ	159	0	1131	843
2015	0	2321	0	0	2321	929	0	0	40.0	68	276	13.49	1049	41.10	ő	ő	0	1049	710
2016	0	2011	0	0	2011	805	0	0	40.0	69	236	14.28	901	42.14	0	a	0	901	555
2017	0	1723	0	0	1723	689	0	0	40.0	71	202	15.20	761	42.45	õ	ő	õ	761	426
2018	0	1475	0	0	1475	569	0	0	38.6	72	173	16.28	661	44.01	õ	õ	õ	661	337
2019 2020	0	1262	0	0	1262	452	0	0	35.8	74	148	17.55	589	46.75	Ó	Ö	Ū	589	273
2020	Ų	1081	0	0	1081	362	0	Û	33.5	75	126	19.05	518	49.02	0	0	0	518	218
2021	0	926	0	0	926	293	0	0	31.6	76	108	20.83	449	50.67	0	0	0	449	172
2022	0	793	0	0	793	230	0		29.0	78	92	22.94	392	52.84	0	ò	õ	392	136
2023	0	679 581	0	0 0	679	172	0	0	25.3	80	79	25.47	349	56.05	0	0	0	349	110
2025	ő	498	0	0	581 498	129	0	0	22.2	81	67	28.49	304	58.19	0	0	0	304	87
6045					498	98	0	0	19.7	83	58	32.12	259	59.26	0	0	0	259	68
SUB	1689	22030	0	0	22030	6638	0	0	30.1	985	2528		11880		0	1689	0	10100	
REM	61	1449	0	Ó	1449	217	ŏ		15.0	382	168		682		0	000	61	10190 621	6295
TOT	1750	23480	0	0	23480	6855	0		29.2	1367	2696		12562		õ	1689	61	10812	133 6428
		7 IA 46 24 76 76 76 67 69 67		NET PRESE	NI. AVI'O	s (~M\$-	)	00 42 Pa 14 14 06 27 77 1	T 12 M 27 17 42 M	10 20 10 W 17 77 75	5 K		PD 22 20 32 32 30	12 II II II II II II II I	COMPACE PR	OFITABI	LITY	1 52 67 66 64 W 46 75 T	
Disco	ount Rate		.0%	5.0%	10.04	8 15	.0%	20.0%	25.0%	30.	0%		COMPAN		BASIS				Sefore Tax
FR Af	ter Roy &	Oper.	12562	9756	793(	5 6	 677	5760	5063	45			Pata A		cn (%) .				
	& Other J		0	0	(		0	ŏ	0	-10	ó				(undisc				999.9 6.2
	al Costs		1689	1588	1498	B 1	418	1346	1281	12	21			AUGOR	(disc.				4.3
	lonment Co		61	24	1(		4	2	1		0				(disc.				5.1
rutur	e Net Rev	enue .	10812	8145	6428	8 5	255	4412	3782	32	95		First	Payout	(years)				.6
													fot al	Payout	(years)				1.4
				**** CO	MPANY SI	1ARE ===	20 50 40 40 50 50 FC		********	CT 10 10 11 14 14 14	10 TO TO TO AN CO TO	:	Cost o	f Findi	ing (\$/B	OE)			7,29

		** CONFAN	T SHAKE """	*****	12.12 12 12 12 12 12 12 12 12 12 12 12 12 1	***	ed 10 m m m m As er m
	1st Year		-	Oper Costs	FR After Roy&Oper	Capital Costs	Future NetRev
<pre>% Interest % of Future Revenue.</pre>	100.0	100.0	29.2	17.3	53,5	7.2	46.0

201101010 011000 01 6- 0	Sefore
COMPANY SHARE BASIS	Tax
Rate of Return (%)	999.9
Profit Index (undisc.)	6.2
(disc. @ 10.0%) .	4.3
(disc. 0 5.0%) .	5.1
First Payout (years)	.6
Total Payout (years)	1.4
Cost of Finding (\$/BOE)	7,29
NPV @ 10.0% (\$/STB )	26.78
NPV @ 5.0% (\$/STB )	33.94

Table 4p

EVALUATION OF: Trout, Alberta - Possible Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1 GLOBAL : 20-JUN-2011 5396 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-OCT-2011 RUN DATE: 7-JUL-2011 TIME: 11:55 FILE: OtrPSU8.DAX

100.0000 % 240000 STB N/A EXPONENTIAL 1606 -M\$-61 -M\$- (2029)

TRACT FACTOR -ULT POOL RESERVES -PRODUCTION TO DATE -DECLINE INDICATOR -TOTAL CAPITAL COSTS -TOTAL ABANDONMENT -

COMPANY EVALUATED	-	Loc.03-09-089-03 W5W (U&L Keg River & Granite Wash)
APPRAISAL FOR	-	Cougar Oil and Gas Canada Inc.
PROJECT	-	FORECAST PRICES & COSTS

#### INTEREST

AVG WI 100.0000%

ALBERTA (CROWN ARF, NWRR, OIL PAR=LTE, GAS PAR, DEPTH 0 )

			O S'			
			Po	<b>51</b>	Company	Share
	# of	Price				
Year	Wells	\$/STB	STB/D	Vol	Gross	Net
2011	1		180.0	16380	16380	15561
2012	1	96,08	105.4	37941	37941	32725
2013	1	94.04	88.3	31784		
2014	1	92.00	74.0	26626		
2015	1		62.0		22305	
2016	1	94.04	51.9	18685	18685	11211
2017		96.08	43.5	15652	15652	9586
2018		98.12	36.4	13112	13112	8378
2019	1	100.16	30.5	10984	10984	7290
2020	1	102.33	25.6	9202	9202	
2021		104.53				5427
2022	1	106.78	17.9	6457	6457	4801
2023	1	109.08	15.0	5409	5409	4196
2024		111.42	12.6	4531	4531	3634
2025	٦	113.81	10.5	3796	3796	3124
*****				• •		
SUB				230573	230573	160651
REM					9427	8100
TOT					240000	

ROYALTIES/TAXES

	" P/T ≏	w 70.04 Te 65 70 75 75 5	5 50 for the ga are write to	775 Ja 119 Ja 119 01 37 02 20	WG M M M M M M	19 10 10 11 10 10 10 10	n  44 TE 27 17 18 1	- COMPAN	Y SHAR	E FUTU	E NET R	EVENUE	11 15 10 15 17 17 18 18	а. н II II II II II II	10 10 10 10 10 10 ps -		11 14 14 14 17 57 13	2 K 0 D N <del>0</del> A P	
	Capital &Aband	Futu	re Reven	ue (FR)			Royalt	ies			ting Co				Procå				Net Rev
Year	Costs -M\$-	0il -M\$-	SaleGas -M\$-	Products -M\$-	Total -M\$-	Crown -M\$-	Other -M\$-	Mineral -M\$-	- 8		Variabl		FR After Roy&Oper -M\$~		Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs ~M\$-	Undisc -M\$-	10.0% -M\$-
2011 2012 2013 2014 2015	1500 0 106 0	1572 3645 2989 2450 2029	0 0 0 0	0 0 0 0	1572 3645 2989 2450 2029	79 501 1196 980 812	0 0 0 0 0	0 0 0	5.0 13.7 40.0 40.0 40.0	16 64 65 67 68	164 387 331 283 241	10.96 11.89 12.46 13.11	1314 2693 1397 1121	80.24 70.98 43.97 42.09	0 0 0 0	1500 0 106	0 0 0 0	-186 2693 1397 1014	-181 2428 1145 756
2016 2017 2018 2019 2020	0 0 0 0 0	1757 1504 1287 1100 942	0 0 0 0 0	000000000000000000000000000000000000000	1757 1504 1287 1100 942	703 583 465 370 298	0 0 0 0 0	0 0 0 0	40.0 38.8 36.1 33.6 31.7	69 71 72 74 75	206 176 151 129 110	13.87 14.75 15.78 16.98 18.41 20.10	908 779 674 599 528 459	40.72 41.68 43.07 45.71 48.06 49.84	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	908 779 674 599 528 459	615 480 377 305 244 193
2021 2022 2023 2024 2025	0 0 0 0	806 690 590 505 432	0 0 0 0	0 0 0 0 0	806 690 590 505 432	238 177 132 100 76	0 0 0 0	0 0 0 0	29.6 25.7 22.4 19.8 17.7	76 78 80 81 83	94 80 69 59 50	22.11 24.52 27.39 30.85 35.00	397 354 310 265 223	51.48 54.87 57.22 58.50 58.67	0 0 0 0	0 0 0 0	0 0 0 0 0	397 354 310 265 223	152 123 98 76 58
SUB REM TOT	1606 61 1667	22297 1096 23393	0 0 0	0 0 0	22297 1096 23393	6709 154 6864	0 0 0	0	30.1 14.1 29.3	1038 313 1351	2529 327 2656		12021 502 12523		0 0 0	1606 0 1606	0 61 61	10415 441 10856	6871 97 6968
25 10 02 No. 8	* ## ## ## ## ## ## ## ## ## ##	4 28 28 19 19 19 18 19 19 19	A. 17. 17. 15. 14. 14. 14.	NET PRESE	NT VALU	s (-14\$-	)	AG 472 33 547 32 56 45 49	11 FF FF FF FC FC FC FC	12 (2 10 10 m m p			10 15 19 10 11 10	er 17 10 10 10 10 10 10	nnun PR	) FITABL	LITY =	er 77 et 11 fe 12 22 64	****
Disco	unt Rate		.0%	\$.0%	10.0	L 15	.0%	20.0%	25.0%	30,	0%			Y SHARE					Before Tax
Proc Capit Aband Futur * Int	ter Roy & & Other 1 al Costs Honment Co re Net Rev Herest Future Ro	ncome, osts enue .	1st Y	10103 0 1570 25 8508 ear Aver 0.0 10		) 3 1 3 5 1ARE	409 0 509 895 Oper Costs	FR Aft	er Cap er Co	14 40	83 0 36 1 46 Future NetRev 46.4		Rate o Profit First F Total F Cost o NPV @	f Retur Index Payout Payout f Findi 10.0% (	n (%) . (undisc (disc. ( (years) (years) ng (%/BG \$/STB ) \$/STB )	) 3 10.0% 3 5.0%	· · · · · · · · · · · · · · · · · · ·		999.9 6.5 5.3 .7 .7 6.94 29.03 35.45

EVALUATION OF: Trout, Alberta - Possible Undeveloped

WELL/LOCATION - Loc.11-09-089-03 W5M (Upper Keg River) EVALUATED BY - Cougar Oil and Gas Canada Inc. APPRAISAL FOR -PROJECT - FORECAST PRICES & COSTS

#### INTEREST

AVG WI 100.0000%

ROYALTIES/TAXES

ALBERTA (CROWN ARF, NWRR, OIL PAR=LTE, GAS PAR, DEPTH 0 )

			03 51			
			Poe	)]	Company	Share
		Price				
Year	Wells	\$/STB	STB/D	Vol	Gross	
2011	0		.0		0	0
2012	1	96.08	180.0	10800	10800	10260
2013	1	94.04	105.6	38021	38021	33902
2014	1	92.00	88.9	31988	31988	19193
2015	1	90.98	74.8	26913	26913	16148
2016	1	94.04	62.9	22642	22642	13585
2017	1	96.08	52.9	19050	19050	11430
2018		98.12		16027		9698
2019	1				13484	
2020	1	102.33	31.5	11344	11344	
2021	1	104.53	26.5	9544	9544	6440
2022		106.78				
2023		109.08				4923
2024		111.42		5684		4330
2025		113.81	13.3		4782	
SUB				225065	225065	155150
REM				14935	14935	12596
TOT				240000	240000	167746

	a P∕? e c	. 10 m /s /n m n/ sq 13		10 fe 16 w w w to 10 cc 15		en 10 10 10 10 10 10 10	en 10 10 10 10 10 10 10	= COMPAN	Y SHAR	E FOTO	RE NET R	EVENUE	10 11 TE 10 17 10 TY 71	U 10 W 10 10 10 M	no en re ao 20 30 ou	11 DC 10 JA JA 14 19	an da da eo ad es po	10 FE FE IS 10 IS 10 IS	pet us, the tor our per us,
	Capital &Aband -	Fut	ure Reven				Royalt				nting Co				Procå				Net Rev
Year	Costs -M\$-	Oil -M\$-	SaleGas -M\$-	Products -M\$-		Crown -M\$-		Mineral -M\$-			Variabl		FR After Roy&Oper -M\$-		Other Income -M\$-		Aband Costs -M\$-		10.0% -M\$-
2011 2012 2013 2014 2015	0 1530 0 186 0	0 1038 3575 2943 2449	0 0 0 0	0 0 0 0	0 1038 3575 2943 2449	0 52 387 1177 979	0 0 0 0	0 0 0 0	.0 5.0 10.8 40.0 40.0	0 11 65 67 68	0 110 396 339 291	.00 11.18 12.12 12.69 13.35	0 865 2727 1360 1110	.00 80.09 71.73 42.51 41.24	0 0 0 0	0 1530 0 186 0	0 0 0 0	0 ~665 2727 1174 1110	0 -600 2236 875 752
2016 2017 2018 2019 2020	0 0 0 0	2129 1830 1573 1351 1161	0 0 0 0	0 0 0 0 0	2129 1830 1573 1351 1161	852 732 621 500 401	0 0 0 0	0 0 0 0	40.0 40.0 39.5 37.0 34.5	69 71 72 74 75	250 215 184 158 136	14.10 14.97 15.98 17.17 18.56	958 813 695 619 549	42.32 42.68 43.39 45.94 48.44	0 0 0 0	0 0 0 0	0 0 0 0	958 813 695 619 549	590 455 354 287 231
2021 2022 2023 2024 2025	0 0 0 0	998 857 737 633 544	0 0 0 0 0	0 0 0 0	998 857 737 633 544	325 265 200 151 115	0 0 0 0	0 0 0 0	32.5 30.9 27.1 23.8 21.1	76 78 80 81 83	116 100 86 74 63	20.20 22.15 24.46 27.22 30.51	480 414 372 328 283	50.33 51.62 55.03 57.65 59.25	0 0 0 0	0 0 0 0	0 0 0 0	480 414 372 328 283	184 144 117 94 74
SUB REM TOT	1716 61 1776	21818 1736 23554	0 0 0	0 0 0	21818 1736 23554	6757 272 7028	0 0 0	0 0 0	31.0 15.7 29.8	969 435 1404	2517 201 2718		11575 829 12404		0 0 0	1716 0 1716	0 61 61	9859 768 10627	5793 161 5954
17 14 17 17 17 17 17 17 17 17 17 17 17 17 17		. F.C. F.C. 13, 191 45, 451 44.	10 15 61 10 04 W 81 W	NET PRESE	NT VALU	е (-мs-	)			nà far ar va sa re y	× 02 77			****	nnam PR	OFITABI	LITY	1 MT 750 KB 377 777 277 26 FS	. 10 L7 12 12 12 12 12
Disco	ount Rate		.0%	5.0%	10.0	s 15	.0%	20.0%	25.0%		.0%			Y SHARE					Before Tax
Proc Capit Abanc Futur	ter Roy & & Other 3 al Costs Nonment Co re Net Rev	ncome. osts		9401 0 1611 23 7758	151 595 MPANY S	0 1 9 4 4 HARE	0170 435 4 1731 Oper	FR Aft	4516 0 1294 1 3221 er Ca	3 1: 2 pital	Future	3	Rate o Profit First Total Cost o NPV @	f Retur Index Payout Payout f Findi 10.0%	n (%) . (undisc (disc. (disc. (years) (years) ng (\$/B (\$/STB )	0E)	· · · · · · · · · · · · · · · · · · ·		358.4 6.0 3.9 4.8 1.8 1.9 7.40 24,81
	erest Future Re			ear Aver 0.0 10	age Ro 0.0	29.8	Costs			osts 7.3	NetRev 45.1		NPV @	5.0% (	(\$/STB )		•••		32.37

### \_\_\_\_\_

69

# . Chapman Petroleum Engineering Ltd.

Table 4q

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1 GLOBAL : 20-JUN-2011 5396 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-NOV-2012 RUN DATE: 7-JUL-2011 TIME: 11:56 FILE: OtrPSU9.DAX

TRACT FACTOR		100.0000 %
ULT POOL RESERVES		240000 STB
PRODUCTION TO DATE		N/A
DECLINE INDICATOR	-*	EXPONENTIAL
TOTAL CAPITAL COSTS	••	1716 -M\$-
TOTAL ABANDONMENT	•	61 ~M\$~ (2031)

Table 4r

EVALUATION OF: Trout, Alberta - Possible Undeveloped

WELL/LOCATION - Loc.15-09-089-03 W5M (Upper Keg River) COMPANY EVALUATED AY - Cougar Oil and Gas Canada Inc. PROJECT - FORECAST PRICES & COSTS

#### INTEREST

ROYALTIES/TAXES ALBERTA (CROWN ARF, NWRR, OIL PAR=LTE, GAS PAR, DEPTH 0 )

AVG WI 100.0000%

10	P/T w	10 M M M K KI K	COMPANY COMPANY	SHARE FUTURE DET REVENUE
Ca	oital	Future Revenue (FR)	Royalties	Operating Costs

	Capital &Aband -	Futu	re Reven	ue (FR)			Royalt				iting Co		1222 - b. <i>C.</i> (		Proc&	0	3 ha a a 2		Net Rev
Year	Costs -M\$-	Oil -M\$-	SaleGas -M\$-	Products -M\$-	Total -M\$-	Crown -M\$-		Mineral -M\$-			Variabl		FR After Roy&Oper -14\$-		Other Income -M\$-	Cap'i Costs -M\$-	Aband Costs -M\$-	Undisc -M\$-	
2011 2012 2013 2014 2015	1500 0 106 0	1572 3645 2989 2450 2029	0 0 0 0	0 0 0 0	1572 3645 2989 2450 2029	79 501 1196 980 812	0 0 0 0	0 0 0 0	5.0 13.7 40.0 40.0 40.0	16 64 65 67 68	164 387 331 283 241	10.96 11.89 12.46 13.11 13.87	1314 2693 1397 1121 908	80.24 70.98 43.97 42.09 40.72	0 0 0 0	1500 0 106 0	0 0 0 0	-186 2693 1397 1014 908	181 2428 1145 756 615
2016 2017 2018 2019 2020	0 0 0 0	1757 1504 1287 1100 942	0 0 0 0	0 0 0 0	1757 1504 1287 1100 942	703 583 465 370 298	0 0 0 0	0 0 0 0	40.0 38.8 36.1 33.6 31.7	69 71 72 74 75	206 176 151 129 110	14.75 15.78 16.98 18.41 20.10	779 674 599 528 459	41.68 43.07 45.71 48.06 49.84	0 0 0 0	0 0 0 0	0 0 0 0	779 674 599 528 459	480 377 305 244 193
2021 2022 2023 2024 2025	0 0 0 0	806 690 590 505 432	0 0 0 0 0	0 0 0 0	806 690 590 505 432	238 177 132 100 76	0 0 0 0	0 0 0 0	29.6 25.7 22.4 19.8 17.7	76 78 80 81 83	94 80 69 59 50	22.11 24.52 27.39 30.85 35.00	397 354 310 265 223	51.48 54.87 57.22 58.50 58.67	0 0 0 0	0 0 0 0	0 0 0 0	397 354 310 265 223	152 123 98 76 58
SUB REM TOT	1606 61 1667	22297 1096 23393	0 0 0	0 0 0	22297 1096 23393	6709 154 6864	0 0 0	0 0 0	30.1 14.1 29.3	1038 313 1351	2529 127 2656		12021 502 12523		0 0 0	1606 0 1606	0 61 61	10415 441 10856	6871 97 6968
40.42 88 1014	1 10 19 10 C et 10 15 10 15	. 60 M IS 55 (% 19 SI J)	45 57 10 10 77 77 77	NET PRESE	NT VALU	E (-M\$-	)	and the second	NS 111 127 127 128 128 128	70 TR 44 60 FF 60 :	י מ אי		en an an an an an an	30 X6 35 74 60 14 4	erence PR	OFITABI	LITY	10 PE 10 SE 17 PE 17 P	
	ount Rate		.0%	5.0%	10.0		.0%	20.0%	25.0%		.0%			Y SHAR					Before Tax
FR Ai Proc Capil Aband Futur	fter Roy & & Other I tal Costs donment Co re Net Rev	Oper. ncome. ssts	12523 0 1606 61 10856	10103 0 1570 25 8508	851 153 1 696 MPARY S	6 7 0 8 1 1 8 5 HARE	409 0 509 5 895 Oper	FR Aft	5974 0 1458 1 4515 er Ca	5. 1. 4.	183 0 436 1 046 Future NetRey	9	Rate o Profit First Total Cost o	F Return Index Payout Payout of Find: 10.0%	<pre>(%) .  (undisc  (disc.  (disc.  (years)  (years) ing (\$/B  (\$/STB )  (\$/STB )</pre>	.) @ 10.0% @ 5.0% OE)	· · · · · · · · · · · · · · · · · · ·		999.9 6.5 4.5 5.3 .7 .7 6.94 29.03 35.45
	terest Future Re				0.0						46.4				(*,				05.15

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1 GLOBAL : 20-JUN-2011 5396 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-OCT-2011 RUN DATE: 7-JUL-2011 TIME: 11:57 FILE: OtrPSU10.DAX

100.0000 % 240000 STB

N/A EXPONENTIAL 1606 -M\$-61 -M\$- (2029)

TRACT FACTOR -ULT POOL RESERVES -PRODUCTION TO DATE -DECLINE INDICATOR -TOTAL CAPITAL COSTS -TOTAL ABANDONMENT -

Table 4s

EVALUATION OF: Trout, Alberta - Possible Undeveloped

3-18-089-03 W5M (U&L Keg River & Granite Wash)
r Oil and Gas Canada Inc.
tora and ous canada inc.
AST PRICES & COSTS

# ERGO v7.41 P2 ENERCY SOLUTIONS PAGE 1 GLOBAL : 20-JUN-2011 5396 EFF:01-JUN-2011 D1SC:01-JUN-2011 PROD:01-OCT-2011 RUN DATE: 7-JUL-2011 TIME: 11:57 FILE: OtrPSU11.DAX

TRACT FACTOR		100.0000 %
ULT POOL RESERVES	-	240000 STB
PRODUCTION TO DATE	-	N/A
DECLINE INDICATOR	-	EXPONENTIAL
TOTAL CAPITAL COSTS	**	1606 -MS-
TOTAL ABANDONMENT		61 -M\$- (2029)

#### INTEREST

ROYALTIES/TAXES

AVG WI 100.0000%

% Interest ...... % of Future Revenue.

ALBERTA (CROWN ARF, NWRR, OIL PAR=LTE, GAS PAR, DEPTH 0 )

			0: 51			
	# of	Prico	Poo	<b>51</b>	Company	Share
Year					Gross	
2011	1 1	96.00	180.0	16380	16380	15561
2012 2013	1 1	96.08	105.4	37941	37941	32725
2013	1 1	94.04 92.00	88.3 74.0	31784 26626	31784 26626	
2015	1		62.0	22305	22305	
2016		94.04	51.9	18685	18685	11211
2017	1	96.08	43.5	15652	15652	9586
2018		98.12	36.4	13112	13112	
2019 2020	1 1	100.16 102.33	30.5 25.6	10984 9202	10984 9202	
2021		104.53	21.4	7708	7708	5427
2022		106.78			6457	4801
2023		109.08				
2024		111.42			4531	
2025	1	113.81	10.5	3796	3796	3124
SUB				220//112	222/02	
REM					230573	160651
TOT				240000	9427 240000	8100 168750

	- P/T	17 12 42 12 16 A A A A A	W VC 10 72 70 10 10 fc fe fe	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		20 10 12 13 16 40 A		·= COMPAN	Y SHAR	E FUTUR	e net r	EVENUE	N 75 16 75 19 26 19 19	10 IN CA 14 PT PT 10	- FR - FR - FR - TZ - TZ - ZZ	nt oo ah 11 wa 14 tu	- 15 F# HF HF 44 07 50 50	VC 10 07 85 80 10 18 19	er w et et te te te
	Capital &Aband		ure Reven				Royalt	ies		Opera	ting Co				Proc&			Future	Net Rev
Year		011 -M\$-	SaleGas -M\$-	Products -M\$-	Total -M\$-	Crown -M\$-	Other -M\$-	Minera) -M\$-		Fixed -M\$-	Variabl -M\$-	e \$/STB	FR After Roy&Oper -M\$-		Other Income -M\$-	Cap'l Costs -X\$-	Aband Costs -M\$~	Undisc -M\$-	10.0% -м\$-
2011 2012 2013 2014 2015	00106	1572 3645 2989 2450 2029	0 0 0 0	0 0 0 0	1572 3645 2989 2450 2029	79 501 1196 980 812	0 0 0 0	0 0 0 0	5.0 13.7 40.0 40.0 40.0	16 64 65 67 68	164 387 331 283 241	10.96 11.89 12.46 13.11 13.87	1314 2693 1397 1121 908	80.24 70.98 43.97 42.09 40.72	0 0 0 0	1500 0 106 0	0 0 0 0	-186 2693 1397 1014 908	181 2428 1145 756 615
2016 2017 2018 2019 2020	000	1757 1504 1287 1100 942	0 0 0 0	0 0 0 0	1757 1504 1287 1100 942	703 583 465 370 298	0 0 0 0	0 0 0 0	40.0 38.8 36.1 33.6 31.7	69 71 72 74 75	206 176 151 129 110	14.75 15.78 16.98 18.41 20.10	779 674 599 528 459	41.68 43.07 45.71 48.06 49.84	0 0 0 0	0 0 0 0	0 0 0 0	779 674 599 528 459	480 377 305 244 193
2021 2022 2023 2024 2025	Ö	806 690 590 505 432	0 0 0 0	0 0 0 0	806 690 590 505 432	238 177 132 100 76	0 0 0 0	0 0 0 0	29.6 25.7 22.4 19.8 17.7	76 78 80 81 83	94 80 69 59 50	22.11 24.52 27.39 30.85 35.00	397 354 310 265 223	51.48 54.87 57.22 58.50 58.67	0 0 0 0	0 0 0 0	0 0 0 0	397 354 310 265 223	152 123 98 76 58
SUB REM TOT	1606 61 1667	22297 1096 23393	0 0 0	0 0 0	22297 1096 23393	6709 154 6864	0 0 0	0 0 0	30.1 14.1 29.3	1038 313 1351	2529 127 2656		12021 502 12523		0 0 0	1606 0 1606	0 61 61	10415 441 10856	6871 97 6968
11 <b>1</b> 2 12 12	ими и и и и е на на н	/ N == 61 == 10 / 10   10	72 25 92 th Gr of ro Ja	NET PRESE	NT VALU	E (-MS-	.)	r 65 m na m na 13 (a 24 p)	N 12 M TE 27 M I	77 79 69 89 17 67 TC	es es		W ki iv in in in		rene PR	OFITABI	LITY as	LUBBONNE	11 In 42 41 47 17
	ount Rate		.0%	5.0%	10.0	£ 1 <u>9</u>	5.0%	20.0%	25.0%				COMPAN	y share	BASIS				Before Tax
FR A Proc Capi Aban Futu	fter Roy & & Other 1 tal Costs donment Co re Net Rev	Oper. Income. Osts Venue .		10103 0 1570 25 8508 ===== CO ear Aver	153) 1 696) MPANY SI	0 8 1 1 8 5 HARE ==	Oper	FR Aft	er Caj	54 14 40	83 0 36 1 46		Profit First : Total : Cost o NPV @	1ndex Payout Payout f Findi 10.0% (	n (%) . (undisc (disc. (years) (years) ng (\$/B \$/STB ) \$/STB )	.) @ 10.0% @ 5.0% OE}	····		999.9 6.5 4.5 5.3 .7 6.94 29.03 35.45

100.0	100.0	29.3	17.1	53.5	6.9	46.4	

Table 4t

EVALUATION OF: Trout, Alberta - Possible Undeveloped

 WELL/LOCATION
 Loc.03-19-089-03 W5M (Upper Keg River)

 EVALUATED BY
 Coupar Oil and Gas Canada Inc.

 COMPANY EVALUATED
 Coupar Oil and Gas Canada Inc.

 APPRAISAL FOR
 FORECAST PRICES & COSTS

#### INTEREST

AVG WI 100.0000%

ALBERTA (CROWN ARF, NWRR, OIL PAR=LTE, GAS PAR, DEPTH 0 )

			Oi ST			
			Poc	) )	Company	, Share
	# of	Price				
Year	Wells	\$/STB	STB/D	Vol	Gross	Net
2011	1	96.00	165.0		15015	14264
2012	1	96.08	91.3		32884	28362
2013	1	94.04	76.0			
2014	3	92.00	63.2	22765	22765	13659
2015	ĩ	90.98	52.6	18941	18941	11365
2011		04 0 <i>4</i>	42.0			0.000
2016		94.04	43.8	15760	15760	9697
2017	1	96.08	36.4	13113		
2018		98.12	30.3		10910	
2019		100.16	25.2		9078	
2020	1	102.33	21,0	7553	7553	5390
2021	1	104.53	17.5	6284	6284	4737
2022		106.78				
2023		109.08				
2024		111.42		3620		
2025			8.4		3012	
SUB				195873	195873	139095
REM					5127	
TOT				201000		143566

(	Capital &Aband -	Fut	ure Revenue (FR)			Royalties Operating					-		FR After	Nat	Proc&	0		future	
ar	Costs -M\$-	0il -M\$-	SaleGas -M\$-	Products -M\$-	Total -M\$-	Crown -M\$-	Other -M\$-	Minera) -M\$-	-8-	Fixed -M\$-	Variabl	e \$/STB	Roy&Oper -M\$-	Net back \$/STB	Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Undisc -M\$-	10.0% -M\$
11	1500	1441	0	0	1443	72	0	0	5.0	16	150	11.05	1203	80,15	0	1500	0	- 297	- 28
12	0	3159	0	0	3159	434	ō	ō	13.8	64	335	12.15	2326	70.72	ō	Ő	õ	2326	209
13	0	2573	0	0	2573	1029	0	0	40.0	65	285	12.79	1194	43.63	0	0	0	1194	9
14	80	2094	0	0	2094	838	0	0	40.0	67	242	13.54	948	41.66	0	80	0	869	6
15	0	1723	0	0	1723	689	0	0	40.0	68	205	14.41	761	40.18	0	0	0	761	5
16	0	1482	0	0	1482	570	0	0	38.5	69	174	15.44	669	42.43	0	0	0	669	4
117	0	1260	0	0	1260	450	0	0	35.7	71	148	16.65	591	45.11	0	0	0	591	3
18	0	1070	0	0	1070 909	355	0	0	33.1	72	125	18.09	518	47.50	0	0	0	518	2
20	ŏ	773	0	ő	773	283 221	0	0	31.1 28.6	74 75	106	19.82 21.88	447 386	49.22	0	0	0	447 386	2
	-			·		201	Ū	v	20.0	15	20	21.00	300	31.13	U	U	U	200	
21	o	657	0	0	657	162	0	0	24.6	76	77	24.36	342	54.43	0	0	0	342	
22	0	558	0	0	558	119	0	0	21.4	78	65	27.35	296	56.61	0	0	0	296	1
24	0	475 403	0	0	475 403	89 67	0 0	0	18.7 16.6	80 81	55 47	30.97 35.36	251 208	57.67 57.54	0 0	0	0	251 208	
25	0	343	õ	õ	343	51	0	0	15.0	83	40	40.68	169	56.11	0	ő	ő	169	
B	1580	18922		0	18922	5430	0	0	28.7	1038	2144		10310		0	1580	0	8731	57
M	61	596		0	596	76	0	0	12.8	193	69		257		0	0	61	197	
γr	1640	19518	0	0	19518	5506	0	0	28.2	1231	2213		10567		0	1580	61	8927	57
10 W 85	vu na va tv zv iz ne os v		10 10 FK 14 16 10 10 W	NET PRESE	NT VALU	E (~M\$~	)		9 14 17 22 IN P. 19	10 FD 79 89 FL FX F	1 IN 10		12 14 15 15 15 16 16	E H & G & H & L L	innen PF	OFITABI	LITY		a to: ta te fe to
	unt Rate		.0%	5.0%	10.0	\$ 15	.0%	20.0%	25.0%	30.	0%		COMPAN	y shari	BASIS				Befor Tax
	ter Roy &		10567	8622	731	9 6	396	5713	5186	47	68		Rate o	f Retur	n (%) .				999.
	& Other 1		0	0		ō Ĩ	0	0	0		ŏ				(undisc				5.
	al Costs		1580	1547	151		491	1467	1445	14	124					@ 10.09			3
	onment Co		61	26	1.		6	3	1		1					@ 5.09			4
tur	e Net Rev	venue .	8927	7049	578	94	899	4243	3740	33	143				(years)				
	14 of 14 or 15 to 14 b <sup>*</sup> ** *			seece CC	MDANY CI	HADE									(years) ing (\$/i				8,
				00	CALINCE OF		Oper		ter Ca		Future				(\$/STB)				28.
			1	ear Aver						osts	NetRey				(\$/STB )				35.

		-	Royalties	Costs	· ·	Costs	Future NetRev
<pre>% Interest % of Future Revenue.</pre>	100.0	100.0	28.2	17.6		8.1	45.7

Chapman Petroleum Engineering Ltd.

-089-03 W5M (Upper Keg River) 1 and Gas Canada Inc.

ROYALTIES/TAXES

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1 GLOBAL : 20-JUN-2011 5396 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-OCT-2011 RUN DATE: 7-JUL-2011 TIME: 13:11 FILE: OtrPSU12.DAX

TRACT FACTOR	-	100.0000 %
ULT POOL RESERVES	~	201000 STB
PRODUCTION TO DATE	.,	N/A
DECLINE INDICATOR	••	EXPONENTIAL
TOTAL CAPITAL COSTS	-	1580 -M\$-
TOTAL ABANDONMENT	••	61 -M\$- (2028)

EVALUATION OF: Trout, Alberta - Possible Undeveloped

WELL/LOCATION - Loc.06-19-089-03 W5M (Upper Keg River) VELD/DCATION - LOC.DE-19-089-03 W5M (Upper Ke EVALUATED BY COMPANY EVALUATED - Cougar Oil and Gas Canada Inc. APPRAISAL FOR PROJECT - FORECAST PRICES & COSTS - FORECAST PRICES & COSTS

#### ROYALTIES/TAXES

AVG W1 100.0000%

INTEREST

~ 10

ALBERTA (CROWN ARF, NWRR, OIL PAR=LTE, GAS PAR, DEPTH 0 )

			0: S'			
			Poe	21	Company	/ Share
Vone		Price				
iear	werrs	\$/STB	51370	101	Gross	Net
2011	0	96.00	.0	0	0	0
2012	1	96.08	165.0	9900	9900	9405
2013	1	94.04	91.6	32963	32963	29392
2014	1	92.00	76.6	27561	27561	16537
2015	1	90.98	64.0	23045	23045	13827
2016	1	94.04	53.5	19269		
2017	)	96.08				
2018		98.12		13471		8542
2019	1		31.3			
2020	1	102.33	26.2	9418	9418	6410
2021		104 00	~ ~ ~	0005		
2021		104.53		7875		
		106.78				
2023 2024		109.08				4252
2024	1	111.42				
2025	. 1	113.81	10.7	3849	3849	3161
SUB				191420	191420	134363
REM				9580		8224
TOT				201000		142587

	а P/T и л		0 20 30 20 10 M 10 M 10	*** *** T* T* V1 T7 17 17 19 49	20. 10. 10 <sup>.</sup> et ne 10. 92	7: 93 N W W 15 25 M	t 25 AA on 64 our on pr	- COMPAN	Y SHAR	E FUTUR	E NET R	EVENUE	nantonic	te ut to as to point		57 27 18 22 25 57 M	U. 1.0 DE PE RE 10 E.	to be as an extension of	
	Capital &Aband -	Futu	nre Reven	ue (FR)			Royalt				ting Co				Proc&			Future	Net Rev
Year	Costs -M\$-	Oil -M\$-	SaleGas -M\$-	Products -M\$-		Crown -M\$-		Mineral -M\$-	- &-		Variabl		FR After Roy&Oper ~M\$-		Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-		10.0% -M\$-
2011 2012 2013 2014 2015 2016 2017 2018 2019 2020	0 1530 0 106 0 0 0 0 0 0	0 951 3100 2536 2097 1812 1548 1322 1128 964	0 0 0 0 0 0 0 0 0 0		0 951 3100 2536 2097 1812 1548 1322 1128 964	0 48 336 1014 839 725 607 484 384 308		0 0 0 0 0 0 0 0 0 0 0 0	.0 5.0 10.8 40.0 40.0 39.2 36.6 34.0 31.9	0 11 65 67 68 69 71 72 74 75	0 101 343 292 249 213 181 155 132 113	.00 11.27 12.38 13.03 13.77 14.64 15.65 16.84 18.24 19.91	0 792 2356 1162 941 805 689 611 539 468	.00 80.00 71.47 42.17 40.82 41.79 42.78 45.38 47.85 49.73	0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 1530 106 0 0 0 0 0 0 0		0 -738 2356 1056 941 805 689 611 539 468	0 -665 1931 787 637 496 386 311 249 197
2021 2022 2023 2024 2025	0 0 0 0	823 703 601 513 438	0 0 0 0	0 0 0 0	823 703 601 513 438	248 183 137 103 78	0 0 0 0	0 0 0 0	30.2 26.1 22.8 20.1 17.9	76 78 80 81 83	96 82 70 60 51	21.90 24.28 27.14 30.57 34.70	402 360 314 269 226	51.09 54.63 57.11 58.50 58.76	0 0 0 0	0 0 0 0	0 0 0 0	402 360 314 269 226	154 125 99 77 59
SUB REM TOT	1636 61 1697	18535 1114 19649	0 0 0	0 0 0	18535 1114 19649	5493 158 5650	0 0 0	0 0	29.6 14.2 28.8	969 316 1285	2137 129 2266		9936 511 10447		0 0 0	1636 0 1636	0 61 61	8300 451 8751	4844 99 4943
FF 10 TT (). F	* 117 73 5# 37 36 89 59 58 54	(1, et. 22 (cr. m. cr. pr. j	45 AT 12 TE 1A 42 M	NET PRESE	NT VALU	Е (-М\$	)	· ··· ·· ·· ·· ·· ·· ·· ·· ·· ·· ·· ··	lat we bu hit na me				(* 15 T/ 15 13 P/	10 /C 18 12 12 16 N	Incha PR	OFITABI	Lity ou		2 29 10 20 <b>15</b> 16 16 20
Disco	ount Rate		.0%	5.0%	10.0	\$ 15	.0%	20.0%	25.0%	30.	0%			Y SHARE	BASIS				Before Tax
Proc Capit Aband Futur % Int	ter Rey & & Other I al Costs Jonment Co re Net Rev Everest Future Re	ncome. sts ., enue .	1st Y	ear Aver	145 1 494 MPANY S	0 9 1 3 3 HARE == yalties	Oper Costs	FR Aft Roy&Op	er Ca er C	11 22 pital osts	Future NetRev		Profit First Total Cost o NPV @	Index Payout Payout f Findi 10.0% (	n (%). (undisc (disc. (disc. (years) (years) ng (\$/B (\$/STB ) (\$/STB )	0 10.0% 0 5.0%	) . ) . 		270.0 5.2 3.4 4.1 1.9 2.0 8.44 24.59 32.03

TRACT FACTOR		100.0
ULT POOL RESERVES		20
PRODUCTION TO DATE	-	
DECLINE INDICATOR		EXPO
TOTAL CAPITAL COSTS		
TOTAL ABANDONMENT	-	

100.0000 % 201000 STB N/A EXPONENTIAL 1636 -14\$-61 -14\$- (2029)

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**Constant Prices & Costs** 

#### Table 5 Summary of Company Reserves and Economics Before Income Tax June 1, 2011

#### Cougar Oil and Gas Canada Inc.

Trout, Alberta

					Reserv		•	14100	d Intere		e Cash Flow	(BIT) - M\$	
			Light and	Medium ISTB		Gas	NO Mbi				iscounted at		
Description			Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Proved Undeveloped													
Loc. 06-16-089-03 W5M	Upper Keg River		61	49	0	0	0	0	1,146	819	582	407	275
Loc. 01-21-089-03 W5M	Upper Keg River		61	49	0	0	0	0	1,146	819	582	407	275
Loc. 04-22-089-03 W5M	Up. Keg River & Granite Wash		61	49	0	_0	0	0	1,141	779	518	327	185
Total Proved Undeveloped			183	148	0	0	0	0	3,434	2,417	1,683	1,141	734
Probable													
Probable Undeveloped													
Loc. 06-16-089-03 W5M	Upper Keg River	Incr.	61	42	0	0	0	0	2,586	2,147	1,832	1,596	1,415
Loc. 01-21-089-03 W5M	Upper Keg River	Incr.	61	42	0	0	0	0	2,586	2,147	1,832	1,596	1,415
Loc. 04-22-089-03 W5M	Up. Keg River & Granite Wash	incr.	61	42	0	0	0	0	2,591	2,119	1,782	1,531	1,339
Loc. 02-08-089-03 W5M	Upper Keg River		133	102	0	0	0	0	4,697	4,095	3,607	3,203	2,865
Loc. 12-08-089-03 W5M	Upper Keg River		133	102	0	0	0	0	4,697	4,095	3,607	3,203	2,865
Loc. 15-08-089-03 W5M	Up. Keg River & Granite Wash		133	102	0	0	0	0	4,697	4,095	3,607	3,203	2,865
Loc. 13-20-089-03 W5M	Upper Keg River			102		0	0	0	4,659	4,013	3,509	3,107	2,781
Total Probable Undevelop	ed		715	532	0	0	0	0	26,511	22,712	19,774	17,440	15,544
Total Proved Plus Probab	le		8 <del>9</del> 8	680	0	0	0	0	29,945	25,130	21,457	18,581	16,278
Possible													
Loc. 06-07-089-03 W5M	Upper Keg River		201	146	0	0	0	0	6,983	5,347	4,252	3,482	2,919
Loc. 02-09-089-03 W5M	Up. Keg River & Granite Wash		240	172	0	0	0	0	8,547	6,440	5,072	4,131	3,452
Loc. 03-09-089-03 W5M	Up. Keg River & Granite Wash		240	171	0	0	0	0	8,539	6,673	5,438	4,572	3,936
Loc. 11-09-089-03 W5M	Upper Keg River		240	170	0	0	0	0	8,398	6,142	4,697	3,716	3,016
Loc. 15-09-089-03 W5M	Upper Keg River		240	171	0	0	0	0	8,539	6,673	5,438	4,572	3,936
Loc. 03-18-089-03 W5M	Up. Keg River & Granite Wash		240	171	0	0	0	0	8,539	6,673	5,438	4,572	3,936
Loc. 03-19-089-03 W5M	Upper Keg River		201	145	0	0	0	0	6,988	5,489	4,476	3,756	3,223
Loc. 06-19-089-03 W5M	Upper Keg River		201	145	0	0	0	0	6,898	5,066	3,873	3,053	2,465
Total Possible			1,803	1,290	0	0	0	0	63,431	48,504	38,683	31,853	26,881
Total Proved Plus Probat	ble Plus Possible Undeveloped		2,701	1,970	0	0	0	0	93,376	73,634	60,140	50,434	43,158

M\$ means thousands of dollars.

Gross reserves are the total of the Company's working and/or royalty interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royally interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Cumulative cash flow values shown as "0" reflect a value of less than \$500.

Reserves shown as "0" reflect a value of less than 0.5(MSTB/MMscf/Mbbl).

**Constant Prices & Costs** 

#### Table 5T Summary of Company Reserves and Economics After Income Tax June 1, 2011

#### Cougar Oil and Gas Canada Inc.

					о Арр	rais	ed Inter				
			Reserve					Cumul	ative Cash Fl	ow - M\$	
	Light and	Medium NSTB	Sales MM:	s Gas	NC Mb				Discounted a		
Description	Gross	Net	Gross	Net	Gross	Net	Undisc.	5%/year	10%/year	15%/year	20%/year
Proved Undeveloped											
Total Proved Undeveloped (BIT)	183	148	0	0	0	0	3,434	2,417	1,683	1,141	734
Company Income Tax			*	-	<u> </u>		(929)	(770)	(651)	(561)	(490)
Total Proved Undeveloped (AIT)	183	148	0	0	0	0	2,505	1,648	1,031	580	244
Probable											
Total Probable Undeveloped (BIT)	715	532	0	0	0	0	26,511	22,712	19,774	17,440	15,544
Company Income Tax		-		-		<u> </u>	(6,629)	(5,881)	(5,291)	(4,812)	(4,416)
Total Probable Undeveloped (AIT)	715	532	0	0	0	0	19,882	16,831	14,483	12,628	11,128
Total Proved Plus Probable (AIT)	898	680	0	0	0	0	22,387	18,479	15,515	13,208	11,371
Possible											
Total Possible (BIT)	1,803	1,290	0	0	0	0	63,431	48,504	38,683	31,853	26,881
Company Income Tax						-	(15,832)	(12,429)	(10,189)	(8,627)	(7,486)
Total Possible (AIT)	1,803	1,290	0	0	0	0	47,599	36,075	28,494	23,226	19,395
Total Proved Plus Probable Plus Possible (AIT)	2,701	1,970	0	0	0	0	69,986	54,553	44,009	36,433	30,766

M\$ means thousands of dollars

Gross reserves are the total of the Company's working and/or royalty interest share before deduction of royalties owned by others.

Net reserves are the total of the Company's working and/or royalty interest share after deducting the amounts attributable to royalties owned by others.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Reserves shown as "0" reflect a value of less than 0.5(MSTB/MMscf/Mbbl).

			Oil and Ga Proved Unde			dation			able 5a			E	ergo v7.41 Slobal : J	P2 E	NERGY S0 2011 534	DLUTION 96 C\$	S	TOTAL	
				101.002.00		000100						E F	SFF:01-JUN- SUN DATE: FILE:	-2011 D	1SC:01	JON - 201	1 05		
	TED BY	- VTED - C	ougar Oil a	nd Gas (	Canada I	nc.													
PPRAI	SAL FOR	- - C	ONSTANT PRI	CES & CO	OSTS							1	TOTAL CAPI	PAL COS	TS -	472	5 -M\$-		
									0il			ŋ	FOTAL ABANI	DONMENT	**	13	5 -14\$ -		
									STB  001		ny Sha								
					Ye	# of ar Well		e B STB/											
					20 20	11 12 113	0 .0 3 80.2 3 80.2 3 80.2 3 80.2	6 78. 6 102.	9 2881 5 3740	4 2881 4 3740	4 287	26							
					20	115	3 80.2 3 80.2	6 63.	7 2326	1 2326	1 169	68							
					20 20 20	117 118 119 120	3 80.2 3 80.2 3 80.2 3 80.2 3 80.2	6 39. 6 31. 6 24.	6 1446 3 1140 6 899	5 1446 7 1140 6 899	5 120 7 98 6 80	08 76 41							
					20	21	3 80.2	6 10.	2 371	9 371	9 34	60 							
					SU RE TC	CM				0 18300 0 0 18300	0	0							
			an an ar ar ar ar a' ar <sup>g</sup> a M at		171 TS 155 ER 165 ER 427 IS	) da da da as da wa a			Y SHARE				*******				w w m m m m m m		
'ear	Capital &Aband · Costs -M\$-	Oil -M\$-	ure Revenue SaleGas F -M\$-		Total -M\$-	Crown -M\$-	Royalti Other -M\$-	es Mineral ~M\$~	 ~B-	Operat Fixed V -M\$-	ariabl		FR After Roy&Oper -M\$-		Proc& Other Income ~M\$~	Cap'l Costs -M\$-	Aband Costs -M\$-	Future Undisc ~M\$-	
011 012 013 014 015	0 4500 0 225 0	0 2313 3002 2367 1867	0 0 0	0 0 0 0	0 2313 3002 2367 1867	0 116 697 719 505	0 0 0 0	0 0 0 0	.0 5.0 23.2 30.4 27.1	0 120 188 188 188	0 288 374 295 233	.00 14.17 15.03 16.38 18.09	1789 1743 1165	.00 62.08 46.61 39.50 40.45	0 0 0 0	0 4500 0 225 0	0 0 0 0	0 - 2711 1743 940 941	-244 142 70 63
2016 2017 2018 2019 2019	0 0 0 0	1472 1161 916 722 569	0 0 0	0 0 0 0	1472 1161 916 722 569	317 197 123 77 48	00000	0 0 0 0	21.5 17.0 13.4 10.6 8.4	188 188 188 188 188	183 145 114 90 71	20.26 23.01 26.50 30.93 36.53	631 490 367	42.74 43.61 42.98 40.81 36.98	0 0 0 0	0 0 0 0	0 0 0 0	784 631 490 367 262	48 35 25 17 11
2021	135	298		0	298	21	0	0	7.0	119	37	42.13		32.55	0	0	135	- 14	-
SUB REM FOT	4860 0 4860	14688 0 14688	0	0 0 0	14688 0 14688	2818 0 2818	0 0 0	0 0 0	19.2 .0 19.2	1746 0 1746	1830 0 1830		8294 0 8294		0 0 0	4725 0 4725	135 0 135	3434 0 3434	168 168
y en te se te s		*******	unneesse NF	T PRESE	NT VALU	E (-M\$-	) =======	1 TR 107 FF FF 70 FF F		1 - 1 - <b>1</b> - <b>1</b> - <b>1</b>	74		75.776.66		anne PF	OF1TAB	LITY =	9 M M W 15 M W W W	Before
	ant Rate		.0\$	5.0%				20.0%	25.0%	30.0					E BASIS				Tax
Proc a Capita Abando	ter Roy & Other S al Costs onment C e Net Re	osts	8294 0 4725 135 3434	6961 0 4461 83 2417	5955 ( 4225 52 1683	) 5 4) 2	186 0 012 33 141	4576 0 3820 21 734	4084 0 3644 14 425	348	0 14 0		Profit First	Index Payout		0.) @ 10.0 @ 5.0	2) . 2) . 3) .		35.1 .7 .4 .5 3.6 3.8
	erest		lst Yea	ar Aver	age Roy		Oper	FR Aft	er Cap	nital	Future	9 7	Cost c NPV @	of Find: 10.0%	(\$/BOE ) (\$/BOE )	30E)			26.56 9.19 13.21
	erest Future R		100.	.u 10	0.0	19.2	24.3	56.	.5 3	2.2	23.4								

FUTURE NET REVENUE & INCOME TAX SUMMARY:

EVALUATION BY	*
COMPANY EVALUATED	- Cougar Oil and Gas Canada Inc.
APPRAISAL FOR	-
PROJECT	- CONSTANT PRICES & COSTS

	FR After	Crown	Min/Can	Capital	Aband	Admin + Oth		Net Rev e Tax		After		e Tax		re Net F ter Tax	lev
Year		Royalties -M\$-		Costs -M\$-	Costs -M\$-	Expense -M\$-		Cum -M\$-	Deduct -M\$-	Deduct ~M\$~	Fed -M\$-	Prov -M\$-	Undisc -M\$-	10.0% -M\$-	Cum M\$
2011	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2012	1789	116	0	4500	0	0	~2711	-2711	1904	675	101	67	- 2880	-2597	-2597
2013	1743	697	0	0	0	0	1743	-968	2440	786	118	79	1547	1268	-1329
2014	1165 941	719 505	0	225	0	0	940	-28	1884	425	64	42	834	621	-708
2013	994	505	U	0	0	0	941	913	1446	403	60	40	840	569	-138
2016	784	317	0	0	0	0	784	1697	1101	398	60	40	684	421	283
2017	631	197	ō	ŏ	õ	ŏ	631	2328	828	354	53	35	542	304	587
2018	490	123	0	Ó	ō	ō	490	2818	613	292	44	29	417	212	799
2019	367	77	0	0	0	0	367	3185	444	224	34	22	311	144	943
2020	262	48	0	0	0	0	262	3448	310	159	24	16	222	94	1037
2021	121	21	0	0	135	0	14	3434	142	0	0	0	-14	- 5	1031
SUB	8294	2818	0	4725	135	0	3434		11112	3716	557	372	2505	1031	
REM	0	0	0	0	0	0	0		0	0	0	0	0	0	
TOT	8294	2818	0	4725	135	0	3434		11112	3716	557	372	2505	1031	
	********			********		*********	*******		2 Au au au au ar ar 11 Tri 77 P		*=*****				
NET	PRESENT	VALUE (-MS	\$-)			.0%	5.0%	1(	0.0%	15.0%	20	.0%	25.0%	30	08
Fed	eral & pre	evenue bef ovincial i evenue aft	income t			929 9505	2417 770 1648		683 651 1031	1141 561 580		734 490 244	425 434 -8		188 388 201

								T.	able 5b										
EVALU.	ATION OF:	: Cougar = Total P	Oil and roved Pl	Gas Canad us Probab	a Inc. le Conse	olidatı	.on					G E R	RGO V7.41 ELOBAL : EFF:01-JUN UN DATE: TLE:	27-JUN- -2011 ย	2011 53 ISC:01-	របសិ- 201	1	тотаї,	
	ATED BY NY EVALUA	- ATED - Co	ugar Oil	and Gas	Canada :	Inc.													
PPRA	ISAL FOR CT		NSTANT P	RICES & C	OSTS														
													OTAL CAPI OTAL ABAN				5 -M\$- 5 -M\$-		
									Oil STB										
								р се	001	Compar	ny Shai	re							
					Ye	ear Wel	ls \$/8	TB STB/	D Vol	Gros	s No								
					21 21 21	011 012 013 014 015	0 . 7 80. 7 80. 7 80. 7 80. 7 80.	26 712. 26 524. 26 369.	3 26000 2 19133 4 13481	0 0 26000 8 19133 7 13481 9 9565	8 12690 7 8089	00 90							
					21 21 21	016 017 018 019 020	7 80. 7 80. 7 80. 7 80. 4 80.	26 134. 26 97. 26 70.	8 4918 6 3563 0 2556	4 4918 4 3563 0 2556	4 3689 4 2856 0 2163	90 64 26							
					21 21 21	021 022 023 024	4 80. 3 80. 3 80. 1 80.	26 20. 26 13. 26 ,	8 760 6 497	0 760 3 497	0 69 3 46	17 15							
					RI TO	UB EM OT			89800	0 89800	0 0 6799:	0 29							
	≈ P/T ≈ s Capital		re Reven		45 W 10 M II II II II I	8796999 8796999	Royalt		Y SHARE	FUTURE Operat			17 20 12 65 12 14 66 14	An 12 <sup>1</sup> 12 12 <sup>1</sup> 12 12 12	Procå	- 20 IV 24 DE DE DE DE T	****	Future	
ear	Costs -M\$-	Oil M\$-	SaleGas -M\$-	Products	Total -M\$-	M\$ -	Other -M\$-		- 8-	Fixed V -M\$-	ariable -M\$-	e \$/BOE	FR After Roy&Oper -M\$-	back \$/BOE	Other Income -M\$-	e Costs -M\$-	Aband Costs -M\$-	Undisc -M\$-	10.0 -M\$
011 012 013 014 015	4500 6000 300 325 0	0 20868 15357 10820 7678	0 0 0 0	0 0 0 0	0 20868 15357 10820 7678	0 1379 5172 4328 2733	0 0 0 0	0 0 0 0	.0 6.6 33.7 40.0 35.6	0 355 439 439 439	1913 1348	.00 11.37 12.30 13.26 14.59	0 16534 7832 4705 3549	.00 63.59 40.93 34.90 37.10	0 0 0 0	4500 6000 300 325 0	0 0 0 0	~4500 10534 7532 4380 3549	-43 94 61 32 24
016 017 018 019 020	0 0 135 0	5486 3948 2860 2051 1191	0 0 0 0	0 0 0 0	5486 3948 2860 2051 1191	1681 987 567 316 164	0 0 0 0	0 0 0 0	30.6 25.0 19.8 15.4 13.8	439 439 439 424 251	492 356 256	16.43 18.93 22.33 26.59 26.91	2682 2030 1497 1056 628	39.24 41.27 42.01 41.32 42.29	0 0 0 0	0 0 0 0	0 0 135 0	2682 2030 1497 921 628	16 11 7 4 2
021 022 023 024	45 0 90 45	798 610 399 8	0 0 0	0 0 0	798 610 399 8	91 55 29 1	0 0 0	0 0 0 0	11.5 9.0 7.2 6.5	194 188 155 4		29.49 34.77 41.09 44.60	413 291 166 3	41.58 38.28 33.40 30.47	0 0 0	0 0 0	45 0 90 45	368 291 76 -42	1
UB EM OT	11440 0 11440	72073 0 72073	0 0 0	0 0 0	72073 0 72073	0	0 0 0	0 0 0	24.3 .0 24.3	4206 0 4206	8980 0 8980		41385 0 41385		0 0 0	11125 0 11125	315 0 315	29945 0 29945	214 214
				NET PRESE						Va ka ele ter de de se	-					ROFITABI	LITY =>		Befor
~ ~	unt Rate ter Roy (		.0%	5.0% 35999	3185		5.0% 3569	20.0%	25.0%	30.0	-								
roc apit band	& Other 1 al Costs onment Co e Net Rev	Income.	0 11125 315 29945	10677 192 25130		0 4 <u>9</u> 1	0 9909 78 3581	23508 0 9578 52 16278	23708 0 9275 35 14398	899 2 1283	0 7 5		Profit First	Index Payout	(undisc (disc. (disc. (years)	@ 10.09 @ 5.04			277. 2. 2. 2. 1.
	*******	17 IV TO DO VI KO VI. PO 24	53 53 52 68 55 70 pe pe pr	enance CO	MPANY S	HARE =:		FR Aft					Cost o		ing (\$/I	3OE)			12.7

. Chapman Petroleum Engineering Ltd. \_

FUTURE NET REVENUE & INCOME TAX SUMMARY:

EVALUATION BY COMPARY EVALUATED APPRAISAL FOR PROJECT	- Cougar Oil and Gas Canada : CONSTANT PRICES & COSTS	Inc.	
PD A Show (2)		+ Oth Before Tax	Taxable Income

	FR After	Crown	Min/Can	Capital	Aband	Admin + Oth	Future Befor	e Tax	Taxable Before	After	Incom	e Tax		re Net R ter Tax	ev
Year		Royalties -M\$-		Costs -M\$-	Costs -M\$-	Expense -M\$-		Cum -M\$-	Deduct -M\$-	Deduct -M\$-	Fed -M\$-	Prov -M\$-	Undisc -M\$-	10.0% -M\$-	Cum M\$-
2000															
2011 2012	0 16534	0 1379	0	4500 6000	0	0	-4500 10534	-4500 6034	0	0	0	0	-4500	-4376	-4376
2012	7832	5172	ő	300	0	0	7532	13566	17912 13004	13766 5568	2065 835	1377 557	7092 6140	6395 5033	2019 7052
2014	4705	4328	ő	325	0	0	4380	17946	9033	2995	635 449	299	3631	2706	9757
2015	3549	2733	ŏ	0	0	ő	3549	21494	6282	2314	347	239	2970	2012	11770
2016	2682	1681	0	0	0	0	2682	24176	4363	1797	270	180	2232	1375	13144
2017	2030	987	õ	ŏ	õ	ŏ	2030	26206	3016	1396	209	140	1681	941	14085
2018	1497	567	ō	õ	ŏ	ő	1497	27703	2064	1042	156	104	1237	629	14715
2019	1056	316	0	õ	135	ō	921	28624	1372	594	89	59	773	357	15072
2020	628	164	0	Ó	0	Ō	628	29252	792	392	59	39	530	223	15295
2021	613	91	0	0	45	0	368	29620	505	199	30	20	319	122	15417
2022	291	55	0	0	0	0	291	29911	346	169	25	17	249	86	15503
2023	166	29	0	0	90	0	76	29987	195	0	0	0	76	24	15527
2024	3	1	0	0	45	0	-42	29945	4	0	0	0	-42	-12	15515
0000	41.201	10000	0	11100											
SUB REM	41385 0	17502	0	11125	315	0	29945 0		58888	30232	4535	3023	22387	15515 0	
TOT	41385	17502	0	11125	0 315	0	29945		0 58888	0 30232	0 4535	0 3023	0 22387	15515	
101	41202	1750%	0	11125	315	U	29945		29999	30232	4232	3023	22381	(5515	
N 12 10 W	N W CO TO DO		5 (2 15 (2 15 (2 16 )))))))))))))))))))))))))))))))))))	9 (5 (2 (2 (2 (2 (2 (2 (2 (2 (2 (2 (2 (2 (2	, a k a k k k a a									1 b a 1 a a a a b o	weeree
NET	PRESENT	VALUE (-MS	5 }			.0%	5.0%	14	0.0%	15.0%	20	.0%	25.0%	30	).0%
		evenue bef				945	25130		1457	18581	16	278	14398	12	2838
		ovíncial i		ax		558	6651		5942	5373		906	4517		187
Fut	ure net r	evenue aft	er tax		22	:387	18479	1	5515	13208	11	371	9881	8	3651

Akband Year         Costs -M\$-         Clip SaleGas -M\$-         Products Total -M\$-         Crown M\$-         Other M\$-         Mineral -M\$-         Fixed Variable -M\$-         FR After Net -M\$-         Net -M\$-         Chip Costs M\$-         Mather M\$-         Mather M\$-         Mineral -M\$-         Fixed Variable -M\$-         FR After Net -M\$-         Other Costs -M\$-         One Costs -M\$-         Mather -M\$-         Mather								Tz	able 5c	:									
NUMBER       PERSONATION       CONSIGNATION       CONSI	LUATION (	DF: Couga *** Total	ar Oil ar 1 Proved	d Gas Cana Plus Proba	da Inc. ble Plus	Possib	le Consol	idatior	1			C E F	GLOBAL : C SFF:01-JUN RUN DATE:	27-JUN-1 -2011 D	2011 539 1SC:01-4	96_C\$ JUN-201	1	TOTAL	
PREMART       - CONSTANT PRICE & COSTS       Dit       DIT <thdit< th="">       DIT       DIT</thdit<>	PARY EVA	LUATED	Cougar C	)il and Gae	Canada	Inc.													
ULL Ver Vells V/515 515/0/D Vol Cross Net Ver Vells V/515 515/0/D Vol Cross Net 2011 15 6 60.26 1307.5 421 401 401 2014 15 60.26 1307.5 421 401 401 2014 15 60.26 1307.5 421 401 401 2014 15 60.26 1307.5 421 401 401 2015 15 80.26 406.2 129 279 172 1001 15 80.26 406.2 129 279 172 1001 15 80.26 406.2 129 279 172 1001 15 80.26 406.2 129 279 172 1002 11 2 80.26 406.2 129 279 172 1002 11 2 80.26 146.1 135 6 40 40 40 2021 11 80.26 1413 143 189 2022 11 80.26 146.1 135 6 40 40 40 2022 11 80.26 146.1 1970           Ver Vells Vision Net Visi			CONSTANT	PRICES &	COSTS														
Vert         Used Vert         Used Vert         Vert         Company (61)s         Stare Vert         Vert         Company (61)s         Stare Vert           2011         1         4         00.24         397.8         6         7         6         7         6         7         6         7         6         7         6         7         6         7         6         7         6         7         6         7         6         7         6         7         7         6         7         7         6         7         7         6         7																			
2012       15       80.26       1307.5       477       477       436         2013       15       80.26       1307.6       477       476       436         2015       15       80.26       160.26       1279       279       172         2015       15       80.26       667.6       227       227       171         2016       15       80.26       667.5       227       277       110         2018       15       80.26       667.5       227       277       110         2019       15       80.26       607.5       115       15       50         2022       11       80.26       135.6       115       15       50         2022       19       80.26       100.6       37       37       33       50         2022       19       80.26       100.6       80.26       100.6       437       137       30         Year       700       2701       12701       12701       12701       12701       12701       12701       12701       12701       12701       12701       100.20       100.00       100.00       100.00       100.00       100.00 <t< td=""><td></td><td></td><td></td><td></td><td></td><td>'ear Wel</td><td>ls \$/STE</td><td>PC STB/I</td><td>ool O Vol</td><td>Gro</td><td>ss No</td><td>et</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>						'ear Wel	ls \$/STE	PC STB/I	ool O Vol	Gro	ss No	et							
2017       15       80.26       466.2       177       177       177       177       178       143       98         2010       15       80.26       314.6       143       143       98       202       202       15       80.26       15       15       80.26       15       80.26       15       80.26       15       80.26       16       15       82       202       15       80.26       166.4       16       16       90       65         20224       11       80.26       164.3       60       60       47       2025       15       80.26       83.9       31       12       25       222       19       80.26       83.9       31       31       25       25       76       76       66       57       37       31       31       25       25       700       170<					2 2 2 2	012 013 014	15 80.26 15 80.26 15 80.26	1307.1 1244.0 971.0	5 40 0 45 0 39	17 41 54 41 54 31	17 41 54 3 54 2	36 19 13							
2022       11       80.26       164.3       60       60       47         2023       9       80.26       13.6       60       67       31       31         2026       80.26       10.6       37       31       31       26         2026       80.26       10.6       37       31       26       26       37       37 </td <td></td> <td></td> <td></td> <td></td> <td>2 2 2</td> <td>2017 2018 2019</td> <td>15 80.26 15 80.26 15 80.26</td> <td>486.2 391. 315.0</td> <td>2 11 4 14 5 11</td> <td>77 11 13 1- 15 11</td> <td>17 1 43 15 :</td> <td>16 98 82</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>					2 2 2	2017 2018 2019	15 80.26 15 80.26 15 80.26	486.2 391. 315.0	2 11 4 14 5 11	77 11 13 1- 15 11	17 1 43 15 :	16 98 82							
$ \begin{array}{c c c c c c c c c c c c c c c c c c c $					2 2 2	2022 2023 2024	11 80.26 11 80.26 9 80.26	164. 133. 100.	364 653	50 19 37	50 49 37	47 40 31							
Capital Aband Year         Future Revenue (FR)         Royalties         Operating Costs         FR After Net -MS         Procé -MS         Future Aband Income Costs         Future Costs         Procé -MS         Future Aband Income Costs         Future -MS         Procé -MS         Future Aband Income Costs         Future Aband Income Costs         Future -MS					S F	SUB REM				76	76	69							
éAband					*******			сомрак	Y SHARI	E FUTUR	e net r	EVENUE	ususaa			*******	. 21 12 12 12 12 13		
2012       12000       38303       0       0       38.6       680       4772       11.42       29571       61.96       0       12000       0       17571         2013       300       36444       0       0       3644       10.376       0       44.37       0       0       0       17571         2015       0       22410       0       0       22410       66       1376       0       10051       36.00       0       0       10051         2016       0       17801       0       0       12424       4909       0       37.0       941       2218       14.24       8061       36.35       0 <t< td=""><td>&amp;Aban r Cost -M\$-</td><td>d s Oil -M\$-</td><td>SaleG M\$</td><td>as Produc M\$-</td><td>ts Total -M\$-</td><td>Crown -M\$-</td><td>Other 1</td><td>fineral</td><td></td><td>Fixed</td><td>Variabl</td><td>e</td><td>Roy&amp;Oper</td><td>back</td><td>Other Income</td><td>Costs</td><td>Costs</td><td>Undisc</td><td>Net Rev 10.0% -M\$-</td></t<>	&Aban r Cost -M\$-	d s Oil -M\$-	SaleG M\$	as Produc M\$-	ts Total -M\$-	Crown -M\$-	Other 1	fineral		Fixed	Variabl	e	Roy&Oper	back	Other Income	Costs	Costs	Undisc	Net Rev 10.0% -M\$-
2017       0       14242       0       0       14242       4909       0       34.5       941       1774       15.30       6617       37.29       0       0       6617         2018       0       11466       0       0       1466       0       0       31.4       941       1429       16.59       5944       38.45       0       0       5434         2019       135       9246       2646       0       0       28.6       926       1152       18.04       4522       39.25       0       0       33.97         2021       45       5826       0       5826       1452       0       24.9       696       726       19.58       2953       40.668       0       0       2489         2022       0       4814       0       0       3914       716       0       21.5       690       600       21.51       2489       41.50       0       0       2449       2024       42.11       0       90       1964         2023       90       3914       0       0       18.3       657       488       23.46       2054       42.11       0       90       1964	2 1200 3 30 4 130	0 3830 0 3644 0 2844	03 44 46	0 0 0 0 0 0	38303 36444 28446	3281 10814 11378	0 0	0 0 0	8.6 29.7 40.0	680 941 941	4772 4541 3544	11.42 12.07 12.66	29571 20148 12582	61.96 44.37 35.50	0 0 0	12000 300 1300	0 0 0	17571 19848 11282	-6139 1584 16269 840 6808
2022       0       4814       0       0       4814       1035       0       0       21.5       690       600       21.51       2489       41.50       0       0       2489         2023       90       3914       0       3914       716       0       0       18.3       657       488       23.46       2054       42.11       0       0       90       1964         2024       45       2947       0       2497       483       0       0       16.4       505       367       23.77       1592       43.35       0       0       1547         2025       0       2457       0       0       2457       338       0       0       13.8       502       306       26.39       1311       42.83       0       0       1311         SUB 24415       216671       0       0       21678       588       0       9.6       1839       761       2923       0       0       360       2563         TOT       24775       216782       0       0       216782       58664       0       0       27.1       12957       27010       118151       0	7 8 9 13	0 1424 0 1146 5 924	42 66 46	0 0 0 0 0 0	14242 11466 9246	4909 3602 2646	0 0 0	0 0	34.5 31.4 28.6	941 941 926	1774 1429 1152	15.30 16.59 18.04	6617 5494 4522	37.29 38.45 39.25	0 0 0	0 0 0	0 0 135	6617 5494 4387	496/ 370/ 279/ 2030 1512
REM         360         6112         0         0         6112         588         0         9.6         1839         761         2923         0         0         360         2563           TOT         24775         216782         0         0         216782         58664         0         0         27.1         12957         27010         118151         0         24100         675         93376           Discount Rate         .0%         5.0%         10.0%         15.0%         20.0%         25.0%         30.0%         COMPANY SHARE BASIS           FR After Roy & Oper.         118151         97095         82570         71998         63967         57655         52559         Rate of Return (%)	2 3 9 4 4	0 481 0 391 5 294	14 14 47	0 0 0 0 0 0	4814 3914 2947	1035 716 483	0	0 0 0	21.5 18.3 16.4	690 657 505	600 488 367	21.51 23.46 23.77	2489 2054 1592	41.50 42.11 43.35	0	0 0 0	0 90 45	2489 1964 1547	1111 86 62 44 34
Discount Rate         .0%         5.0%         10.0%         15.0%         20.0%         25.0%         30.0%         COMPANY SHARE BASIS           FR After Roy & Oper.         118151         97095         82570         71998         63967         57655         52559         Rate of Return (%)	36	0 611	12	0 0	6112	588	0	0	9.6	1839	761		2923		0	0	360	2563	
FR After Roy & Oper. 118151 97095 82570 71998 63967 57655 52559 Rate of Return (%)							-									ROFITABI	LITY a		Before
Capital Costs         Capital	After Ro c & Othe ital Cos	y & Oper. r Income. ts Costs	. 1181 . 241 . 6	51 9709 0 00 2312 75 34	5 825 0 1 2224 0 14	70 71 0 45 21 85	998 6 0 457 2 107	3967 0 0743 65	57655 0 20093 42	525 194	 59 0 99 28		Rate o Profit	of Retur Index	(undisc (disc. (disc.	e 10.05	 2) . 2) .		388.4 3.8 2.7 3.1 .9
Annowsenses       COMPANY SHARE sesses       Story       Story       Total Payout (years)         Annowsenses       Oper FR After Capital Future       NPV @ 10.0% (\$/BOE)       Cost of Finding (\$/BOE)         1st Year Average Royalties Costs Roy&Oper Costs NetRev       NPV @ 5.0% (\$/BOE)       NPV @ 5.0% (\$/BOE)			ek en 10 m m m m te se		сомрану :	SHARE	Oper	FR Aft	er Ca	pital	Future NetRev	9 7	Total Cost o NPV @	Payout of Findi 10.0%	(years) ing (\$/H (\$/BOE )	) BOE)	  		1.3 9.17 22.27 27.26

FUTURE NET REVENUE & INCOME TAX SUMMARY: 10 10 00 00 00 00 00 00 m 10 00 00 10 10

EVALUATION BY -CCMPANY EVALUATED - Cougar Oil and Gas Canada Inc. APPRAISAL FOR -PROJECT - CONSTANT PRICES & COSTS

	FR After	Crown		Capital		Admin + Oth		e Tax		Income	Incom			re Net B ter Tax	lev
Year		Royalties -M\$-		Costs -M\$-	Aband Costs -M\$-	Income/ Expense -M\$-		Cum -M\$-	Before Deduct -M\$-	After Deduct -M\$~	Fed M\$	Prov -M\$-	Undisc -M\$-	10.0% -MS-	Cum -M\$-
2013	4187	257	0	10500	0	0	-6313	( ) ( )	,,,,,,	1000					
2012		3281	õ	12000	0	0	17571	-6313 11258	4445 32851	1588 24368	262	159	-6734	-6548	-6548
2013		10814	ŏ	300	ŏ	ő	19848	31106	30962	15925	3655	2437	11479	10350	3801
2014		11378	ŏ	1300	ŏ	0	11282	42388	23960	9227	2389 1384	1593 923	15867 8975	13006 6688	16807
2015		8626	ŏ	0	õ	ŏ	10051	52439	18677	7601	1140	760	8150	5521	23495 29016
2016		6581	0	0	0	0	8061	60500	14642	6305	946	630	6485	3994	33010
2017		4909	0	0	0	0	6617	67116	11526	5356	803	536	5278	2955	35965
2018		3602	0	0	0	0	5494	72610	9096	4588	688	459	4347	2212	38177
2019		2646	0	0	135	0	4387	76997	7168	3735	560	373	3453	1598	39775
2020	3597	1958	0	0	0	0	3597	80594	5555	3128	469	313	2815	1184	40959
2021		1452	0	0	45	0	2908	83501	4405	2569	385	257	2265	866	41825
2022		1035	0	0	0	0	2489	85991	3524	2245	337	224	1928	670	42495
2023	2054 1592	716	0	0	90	0	1964	87954	2770	1787	268	179	1517	479	42974
2025		483	0	0	45	0	1547	89501	2074	1419	213	142	1192	343	43317
2025		338	0	0	0	0	1311	90812	1649	1219	183	122	1007	263	43580
SUB	115227	58076	0	24100	315	0	90812		173304	91060	13683	9106	68024	43580	
REM	2923	588	õ	0	360	ŏ	2563		3511	2404	361	240	1962	429	
TOT	118151	58664	ŏ	24100	675	õ	93376		176815	93464	14043	9346	69986	44009	
10 A 25 92	55 25 24 16 10 17 12 12 13 16	ю ти ех на го ца ил 10 da из	10 10 10 10 10 10 10 10 10	10 30 W 77 17 18 19 19 19	2 64 60 10 14 PL 13 72	14 IN 13 IN 15 M IN 16	to to the present of the re-	47 CR CV CO 20 27 CE C	t to sea sear to se a	2 00 02 07 82 06 44 47 10	VU 300 TX TX 97 77 17 17		n 19 11 11 10 17 16 17 1		e ka ka ne ya 10 pp
NET	PRESENT	VALUE (-M\$	- )			.0%	5.0%	1 (	0.0%	15.0%	20	.0%	25.0%	30	).0%
Fut	ure net r	evenue bef	ore tax		03	376	73634	61	0140	50434		158	37520	 -> -	3032
		ovincial i				390	19080		5131	14000		392	11134		3032 3123
		evenue aft				986	54553		1009	36433		766	26386		2909
					0,		5. 555			20122	50	.00	20200	64	

								3	able 5d										
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Table 5g ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1 GLOBAL : 27-JUN-2011 5396\_C\$ EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-APR-2012 RUN DATE: 8-JUL-2011 TIME: 13:59 FILE: OtrRD4.DAX EVALUATION OF: Trout, Alberta - Proved Plus Probable Undeveloped ~ Loc.06-16-089~03 W5M (Upper Keg River) WELL/LOCATION TRACT FACTOR ULT POOL RESERVES 100.0000 % 122000 STB EVALUATED BY -COMPANY EVALUATED - Cougar Oil and Gas Canada Inc. APPRAISAL FOR ONT POOL RESERVES -PRODUCTION TO DATE -DECLINE INDICATOR N/A EXPONENTIAL 1575 -M\$-45 -M\$- (2023) DECLINE INDICATOR -TOTAL CAPITAL COSTS -- CONSTANT PRICES & COSTS PROJECT TOTAL ABANDONMENT INTEREST ROYALTIES/TAXES AVG WI 100.0000% ALBERTA (CROWN ARF. NWRR. OIL PARELTE, GAS PAR. DEPTH 0 ) Oil STB . . . . . . Pool Company Share # of Price ------Year Wells \$/STB STB/D Vol Gross Net -----2011 2012 0 80.26 82.0 66.2 51.4 40.0 22225 23830 18519 1 1 1 22225 21114 80.26 80.26 23830 18519 16383 2013 2014 80.26 1 80.26 14391 14391 9141 2016 2017 2018 31.1 24.1 18.8 1 80.26 80.26 11183 11183 7585 8691 8691 6186 1 80.26 6754 6754 5153 2019 1 80.26 14.6 5248 5248 4280 2020 1 80.26 4079 4079 3492 2021 3170 80.26 8.8 3170 1 2815 80.26 6.8 2463 1448 2463 1448 2022 1 2248 1346 2023 SHR 122000 122000 90854 REM 0 TOT 122000 122000 90854 P P/T N TERRETERED BULGERED BULG Capital Future Revenue (FR) Royalties Operating Costs Proc& Future Net Rev Aband Oil SaleGas Products Total Crown Other Mineral FR After Net Cap'l Other Aband Costs Year Fixed Variable Undisc 10.0% -M\$- -M\$-Roy&Oper back -M\$- \$/STB Costs -M\$-Income Costs -M\$- ~N\$- -M\$- -M\$- -M\$- -M\$- -M\$--M\$- -M\$--M\$-\$/STB -M\$--M\$-. . . . . . . . . . . . . . ----2011 0 0 0 Û . 0 0 Ô Û. . 60 0 00 0 n 0 0000 0000 Ω 5.0 31.3 40.0 222 238 185 12.11 12.63 13.39 64.13 42.55 34.77 2012 1500 1784 â Ð 1784 89 0 0 47 1425 1014 1500 -75 1014 -67 0000 598 595 421 0000 2013 ò 1913 0 1913 63 0 831 2014 75 0 1486 1486 0 0 75 63 644 569 424 0 1155 ō 36.5 63 144 14.36 527 36.62 ō Ö Ō 527 357 2016 2017 2018 A 898 00000 0 0 898 289 0 0 32.2 63 112 15.61 38.83 0 0 0 267 434 434 ŏ 698 542 39.90 41.94 43.49 194 144 106 698 201 0 0 28.8 63 87 17.22 347 0 0 347 000 68 52 41 0 23.7 19.29 21.96 283 228 0 542 129 63 63 283 n 0 0 0 0 421 2019 G 421 Ð 78 47 0 228 2020 Ó 327 õ 63 25.38 ō 177 14.4 127 43.34 0 0 74 2021 0 254 0 11.2 8.7 7.0 0 254 63 63 32 25 131 93 28 Ô 0 29.80 41.48 0 0 0 0 131 50 32 2022 ń 198 198 35.47 0 0 37.78 Ð 93 2023 116 45 116 8 0 0 14 41.73 46 48 32.88 0 0 45 3 SHR 1620 9792 0 0 0 0 9792 2500 0 0 25.5 720 1220 \$352 0 1575 45 3732 2414 REM Û 0 0 ۰. 0 ō ō ō õ 0 0 Û 9792 1620 TOT 0 0 9792 2500 ō ŏ 25.5 720 1220 5352 ŏ 1575 4Š 3732 2414 PROFITABILITY SERVICES Before 5.0% Discount Rate .0% 10.0% 15.0% 20.0% 25.0% 30.0% COMPANY SHARE BASIS Tax FR After Roy & Oper, Proc & Other Income. Capital Costs ..... Abandonment Costs ... Future Net Revenue . -----4478 5352 3836 3349 2968 2663 2414 999.9 0 à £ 0 2.3 1575 45 3732 1487 1408 1337 1273 1215 1161

	77 20 77 70 11 12 15 20 50 10 10	~= COMPAN	Y SHARE	100 th 60, 64 per pr 64		27 22 CL C/ 10 83 69 67 68 1	rd by he of or so or so
	1st Year	Average	Royalties		FR After Roy&Oper	Capital Costs	Future NetRev
% Interest % of Future Revenue.	100.0	100.0	25.5	19.8	54.7	16.1	38.1

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Rate of Return (%) ..... Profit Index (undisc.) .... (disc. @ 10.0%) ... (first Payout (years) ..... Total Payout (years) ..... Cost of Finding (%/BOE) .... NPV @ 10.0% (\$/STB ) ..... 1 7 2.0 1.7 1.8 13,28 19,79 24,31

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Table 5h EVALUATION OF: Trout, Alberta - Proved Plus Probable Undeveloped ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1 GLOBAL : 27-JUN-2011 5396 C\$ EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-APR-2012 RUN DATE: 8-JUL-2011 TIME: 13:59 FILE: OUTRD5.DAX WELL/LOCATION - Loc.01-21-089-03 W5M (Upper Keg River) 100.0000 % EVALUATED BY - Cougar Oil and Gas Canada Inc. 122000 STB N/A APPRAISAL FOR EXPONENTIAL PROJECT - CONSTANT PRICES & COSTS TOTAL CAPITAL COSTS -1575 -M\$-45 -M\$- (2023) TOTAL ABANDONMENT INTEREST ROYALTIES/TAXES AVG WI 100.0000% ALBERTA (CROWN ARF, NWRR, OIL PAR=LTE, GAS PAR, DEPTH 0 ) Oil STB Pool Company Share Price -# of ----Year Wells \$/STB STB/D Vol Gross Net 2011 0 1 1 80.26 . 0 n n 2012 2013 80.26 82.0 66.2 51.4 22225 23830 18519 22225 23830 18519 21114 16383 11111 2014 80.26 2015 80.26 40.0 14391 14391 9141 2016 80.26 31.1 11183 11183 1 1 7585 2017 80.26 24.1 8691 6754 5248 8691 6754 6186 5153 2018 80.26 18.8 2019 2020 80.26 5248 4280 80.26 11.3 4079 4079 3492 80.26 80.26 3170 2021 8.8 3170 2815 2022 6.8 4.0 2463 2463 2248 2023 80.26 1448 1448 1346 SUB 122000 122000 90854 REM TOT 122000 122000 90854 » P/T « споловонивалисторование сопракт COMPANY SHARE FUTURE NET REVENUE измовляется соправляется в соправляется в сопракт в соправляется с сопракт с соправляется с сопракт с с Capital Future Revenue (FR) Royalties Future Net Rev **Operating Costs** Proca &Aband FR After Net Roy&Oper back -M\$- \$/STB Oil -----. . . . Other Cap'l Aband Year Costs Undisc 10.0% Income Costs Costs -MS---MS-~MS--M\$--14\$ --~MS.--M\$-2011 .0 5.0 31.3 0 0 n £ Δ 0 0 0 222 0 0 47 .00 12.11 0 .00 0 0 0 0 0 2012 1500 1784 0 0 ŏ 1784 1913 89́ 00 1425 1014 644 64.13 -75 1014 -67 831 1500 2013 1913 0 ò 63 63 63 238 185 12.63 13.39 42.55 000 598 0 ŏ 2014 75 1486 0 1486 595 0 ō 40.0 75 0 569 527 424 2015 Ð 1155 ò Ō 1155 421 õ ŏ 36.5 144 14.36 527 36.62 0 357 2016 0 898 0 0 898 434 347 283 38.83 39.90 41.94 434 347 283 228 177 289 0 0 63 63 112 87 32.2 15.61 0 0 0 0 267 698 542 421 28.8 23.7 18.5 2017 Û 698 0 0 201 0 17.22 000 0 194 0 2018 0 542 0 õ 129 63 68 19.29 0 n £ 144 106 2019 0 0 421 228 43.49 43.34 0 78 0 63 52 21 96 ō õ 0 0 2020 327 0 0 327 47 ō õ 14.4 63 41 25.38 õ ŏ 74 2025 0 254 0 0 254 28 0 0 11.2 63 131 32 29.80 41.48 50 32 0 Ô £ 131 198 8.7 25 14 35.47 93 48 0 0 198 17 0 Ô 63 37.78 ō 93 2023 45 116 0 0 116 8 ō ō 46 32.88 0 45 0 3 1 ..... . .. .. .. . SUB 1620 9792 0 0 9792 2500 0 0 25.5 720 1220 5352 1575 0 0 45 3732 2414 REM 0 00 ů 0 .0 25.5 0 0 ň 0 0 0 'TO'I 1620 9792 ŏ ŏ 9792 2500 720 1220 5352 ŏ 1575 45 3732 2414 DEDURATION PROFITABILITY PRODUCEDES. -----Before Discount Rate .0% 5.0% 10.0% 15.0% 20.0% 25.0% 30.0% COMPANY SHARE BASIS Rate of Return (%) ..... Profit Inder (%) Tax FR After Roy & Oper. Proc & Other Income. Capital Costs ..... Abandonment Costs ... 4478 0 1487 5352 3836 3349 2414 2968 2663 Rate of Return (%) ..... Profit Index (undisc.) ...... (disc. @ 10.0%) . (disc. @ 5.0%) . 999.9 0 0 1408 2.3 0 0 0 0 1575 45 1215 1337 1273 1161 25 14 2.0 Future Net Revenue . 3732 2966 2414 2003 
 First Payout (years)
 Total Payout (years)

 Total Payout (years)
 Nov (s/STB)

 NPV @ 10.0% (s/STB)
 Nov (s/STB)
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# Chapman Petroleum Engineering Ltd. -

Table 5i ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1 GLOBAL : 27-JUN-2011 5396 C\$ EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-AUG-2012 RUN DAYE: 8-JUL-2011 TIME: 13:59 FILE: OtrRD6.DAX EVALUATION OF: Trout, Alberta - Proved Plus Probable Undeveloped TRACT FACTOR -ULT POOL RESERVES -PRODUCTION TO DATE -WELL/LOCATION 100.0000 % 122000 STB Loc.04-22-089-03 W5M (U&L Keg River & Granite Wash) EVALUATED BY COMPANY EVALUA EVALUATED - Cougar Oil and Gas Canada Inc. N/A EXPONENTIAL 1575 -M\$-45 -M\$- (2024) - CONSTANT PRICES & COSTS TOTAL CAPITAL COSTS TOTAL ABANDONMENT PROJECT INTEREST ROYALTIES/TAXES AVG WI 100.0000% ALBERTA (CROWN ARF, NWRR, OIL PAR=LTE, GAS PAR, DEPTH 0 ) 011 STB Pool Company Share # of Price ----Year Wells \$/STB STB/D Vol Gross Net -----. . . . . ----.0 85.4 72.0 56.0 43.5 2011 2012 80.26 80.26 80.26 0 1 0 12899 12899 12254 25931 20146 15652 25931 20146 15652 1 2013 80.26 12088 2014 2015 1 33.8 26.2 20.4 2016 1 80.26 12160 12160 8088 2017 2018 80.26 9447 7339 9447 7339 6628 80.26 5449 80.26 2019 15.8 5702 5702 4559 2020 1 80.26 12.3 4430 4430 3739 2021 80.26 9.6 3442 3442 1 1 3023 80.26 80.26 80.26 2022 7.4 2674 2077 2674 2077 2421 2023 2024 .3 101 101 95 . . . . . SUB 122000 122000 90858 REM 0 122000 122000 90858 TOT Capital Future Revenue (FR) Royalties **Operating Costs** Future Net Rev Proc& Oil &Aband SaleGas Products Total Crown Other Mineral ---- FR After Net Cap'l Aband Other Fixed Variable Year Roy&Oper back Income Costs -M\$- \$/STB M\$- -M\$-Costs -M\$-10.0% Costs Unduse -M\$--M\$--M\$--14\$--M\$--MS--M\$-\$/STB -14\$--148-2011 0 0 0 0 0 Ô 0 . 0 0 0 .00 0 .00 Ó A a Ð  $\alpha$ 2012 2013 2014 1035 52 408 000 5.0 19.6 129 259 12.03 64.22 52.12 1500 1500 1035 0 ń 0 26 63 828 0 õ -672 606 2081 0000 0 0 1352 0 0 0 1352 1108 75 1617 647 0 40.0 63 201 13.11 706 35.04 ò 75 631 470 2015 1256 0 1256 475 ō õ 37.8 63 157 14.01 562 35.92 ŏ ő ŏ 562 381 2016 0 976 0 0 976 327 33.5 29.8 38.23 0 0 0 0 63 122 15.16 0 465 465 0 0 286 16.64 18.55 21.00 210 153 114 2017 0 758 0 0 758 226 63 94 375 39.67 41.04 ó ĥ. 375 301 589 458 152 25.8 73 57 2018 Ó 589 0 ò 0 0 63 63 301 0 ň 2010 Ũ 0 458 0 0 0 0 43.17 246 0 0 0 246 193 2020 356 356 -55 0 0 15.6 63 44 24.16 193 43.58 ò 0 81 2021 A 276 0 0 276 34 o 0 12.1 63 34 27 28.23 146 42.28 0 0 0 146 56 2022 õ 215 167 36 22 -12 0 215 20 0 9.5 63 33.47 105 39.19 0 Ô 0 105 2023 0 0 0 12 0 Ó 63 21 71 34.13 ò ò 0 71 2024 45 ō ō õ ŏ 6.5 44.60 30.47 ŏ -42 8 8 ō 45 . .. .. . . . . 9792 SUB 1620 0 9792 25.5 .0 45 0 0 2499 ñ n 720 1220 5352 0 0 1575 3732 2300 REM 0 0 0 0 TOT 1620 9792 9792 2499 25.5 1220 1575 720 5352 0 45 3732 2300 0 FROMERENCE PROFITABLE TY AMARGANEER Before Discount Rate .0% 5.0% 10.0% 15.0% 20.0% 25.08 30 08 COMPANY SHARE BASIS Tax 
 Rate of Return (%)

 Profit Index (undisc.)

 (disc. @ 10.0%)

 (disc. @ 5.0%)

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 Total Payout (years)

 Cost of Finding (\$/BOE)

 NPV @ 10.0% (\$/STB)
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2016 2017 2018 2019 2020	0 0 0 0	795 549 379 262 181	0 0 0 0	0 0 0 0	795 549 379 262 181	242 132 63 30 14	0 0 0 0	0 0 0 0	30.5 24.0 16.6 11.5 8.0	63 63 63 63 63	99 68 47 33 23	16.33 19.17 23.29 29.24 37.86	286 206 136	39.48 41.82 43.64 41.78 35.98	0 0 0 0	0 0 0 0	0 0 0 0	391 286 206 136 81	241 160 105 63 34
2021	45	13	0	0	13	1	0	0	6.5	6		44.28		30.74	Û.	0	45	-40	-15
SUB REM TOT	1645 0 1645	10675 0 10675	0 0 0	0 0 0	10675 0 10675	2486 0 2486	0 0 0	0 0 0	23.3 .0 23.3	555 0 555	1330 0 1330		6304 0 6304		0 0 0	1600 0 1600	45 0 45	4659 0 4659	3509 0 3509
		2626.veveq	essense NE	T PRESE	NT VALU	Е (~M\$-	)	******	an ar ny ar ag ar ag a				97 NO 10 10 10 10	11 M K 10 10 FT F	na an a	ROFITABI	LITY as	w ~ w ~ ~ ~ ~ ~ ~ ~ ~ ~	
<b>.</b>			.0%	5.0%	10.0			0.0%	25.0%	30.			COMPAN	Y SHARE	E BASIS				Before Tax
Proc Capit Aband	ter Roy & Other al Costs onment C e Net Re	Income. osts	6304 0 1600 45 4659	5550 1509 28 4013	495 142 1 350	3 4 0 7 1 7	472 0 354 11	4075 0 1287 7 2781	3743 0 1227 5 2511	34) 11 22)	2 0 3 3		Rate o Profit First	f Retur Index Payout	n (%) . (undisc (disc. (disc. (years)	0 10.04 0 5.08	· · · · · · · · · · · · · · · · · · ·		999.9 2.8 2.4 2.6 .6
			ist Yea					FR Aft	er Cap	ital Sts		? 7	Cost c NPV 0	f Findi 10.0% (	lng (\$/8 (\$/STB )	) 30E) )			1.2 12.37 26.39 30.16
	erest ,, Future R		100.	0 10	0.0	23.3	17.7	59.	1 1!	5.0	43.6	-							

EVALUATION OF: Trout, Alberta - Possible Undeveloped

WELL/LOCATION - Loc.06-07-089-03 W5M (Upper Keg River) EVALUATED BY - COUGAR OIL and Gas Canada Inc. PROJECT - CONSTANT PRICES & COSTS -- CONSTANT PRICES & COSTS

#### INTEREST AVG WI 100.0000%

ALBERTA (CROWN ARF, NWRR, OIL PAR=LTE, GAS PAR, DEPTH 0 )

Table 5n

			0: S	il fB		
	# of	Price	Poe	21	Company	Share
Year	Wells	\$/STB	STB/D	Vol	Gross	Net
2011	0	80.26	.0	0	0	0
2012	1	80.26	160.0	24160	24160	22952
2013	1	80.26	90.9	32733		
2014	1	80.26		26977	26977	
2015	1	80.26	61.8	22233	22233	13340
2016	1	80.26	50.9	18324	18324	10994
2017	1	80.26	41.9	15102	15102	9472
2018	1	80,26	34.6	12446	12446	8231
2019	1	80.26	28.5	10258	10258	7085
2020	1	80.26	23.5	8454	8454	6044
2021	1	80.26	19.4	6967	6967	5264
2022	1	80.26	16.0	5742	5742	4584
2023	1	80.26	13.1	4733	4733	3944
2024	1	80.26	10.8	3900	3900	3364
2025	1	80.26	8.9	3214	3214	2849
SUB				195244	195244	140632
REM				5756	5756	5276
TOT				201000	201000	145908

ROYALTIES/TAXES

	Capital &Aband -		re Reven				Royalt	ies		Opera	ting Co	sts			Procå			Future	
fear	Costs -M\$-	Oil ~M\$-	SaleGas -M\$-	Products -M\$-	Total -M\$-	Crown -M\$-	Other -M\$-	Minera) -M\$-	- % -	Fixed -M\$-	Variabl -M\$-	e	FR After Roy&Oper -M\$-	Net back \$/STB	Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Undisc -M\$-	10.0% -M\$
2011	0	0	0	0	0	0	0	0	.0	0	0	.00	0	.00	0	0	 ຄ	0	
2012	1500	1939	0	0	1939	97	0	Ó	5.0	26	242	11.08	1574	65.16	ŏ	1500	0	74	(
2014	175	2627 2165	0	0	2627	514	0	0	19.6	63	327	11.92	1723	52.63	õ	0	õ	1723	14
015	0	1784	0 0	0	2165	866	0	0	40.0	63	270	12.33	967	35.83	Ó	375	õ	792	5
	Ū	, /04	U	U	1784	714	0	0	40.0	63	222	12.82	786	35.33	0	0	0	786	53
016	0	1471	0	0	1471	588	0	0	40.0	63	183	13.42	636	34.73	0	0	0	636	35
018	0	1212 999	0	0	1212	452	0	0	37.3	63	151	14.15	546	36.19	õ	ő	ő	546	3
019	0	823	0	0	999	338	0	0	33.9	63	124	15.04	473	38.04	Ō	õ	õ	473	24
020	ũ	679	0	0	823 679	255 193	0	0	30.9	63	103	16.12	403	39.32	0	0	0	403	34
	-		v	U	0/9	193	0	0	28.5	63	85	17.42	338	39.96	0	0	0	338	1.
021	0	559	0	0	559	137	0	0	24.5	63	70	19.01	290	41,63	0	Û	0	290	1
022	0	461	0	0	461	93	0	0	20.2	63	57	20.93	248	43.14	ŏ	ŏ	6	248	,
024	0	380 313	0	0	380	63	0	0	16.7	63	47	23.26	207	43.64	ö	õ	ŏ	207	
025	ő	258	0	0	313 258	43	0	0	13.7	63	39	26.09	168	43.14	0	Ó	õ	168	
					498 	29		0	11.4	63	32	29.52	134	41.63	0	0	0	134	3
UB	1675	15670	0	0	15670	4383	o												
ЕM	45	462	ŏ	ŏ	462	39	ő	0	28.0	842	1952		8493		0	1675	0	6818	421
OT	1720	16132	õ	ŏ	16132	4422	0	0	8.3 27.4	156 998	58 2010		210		0	0	45	165	
				Ť			Ŭ	U	27.9	998	2010		8703		0	1675	45	6983	425
av av av av	a 10 de 10 de 12 de 15 de 16 de	N 17 47 17 18 18 18 19 24	AGGUBEN	NET PRESE	T VALUE	е (-м\$-	) = = = = = = =	50 82 84 99 FF FF CT EX	12 16 18 18 19 94	TH OT ES 42" DA ES 54	u .m		72 33 ko ba as ey -	e ve 14 ec 21 iz 12	onate PRO	DETTABT	1.1 TY		/~ ~ ~
isco	unt Rate		.0%	5.0%	10.0%	k 15	.08	20.0%	25.0%	30.	0.6								Before
													COMPAN	r Shake				~~	Tax
	ter Roy & & Other I:		8703	6940	5744		889	4251	3758		66		Rate o	E Retur	n (%) .				999.9
	al Costs		0 1675	0 1573	0		0	0	0		0		Profit	Index	(undisc.	.)			4.
	lonment Co		45	20	1483		402	1330	1265						(disc. (				2.9
	e Net Rev		6983	5347	4252		4 482	2 2919	1		1				(disc. (				3.4
						-			2492	-			First 1 Total 3	ayout	(years) (years)	• • • • • •	• • •		. 6
N 74 TC 23	CC 12 34 57 67 67 12 57 77 72	0 (1 h) (1 h) (1 h) (1 h)		veces COl	ANY SH	IARE	1.4 UT 12 425 586 748 mm	*****	~ = = = = = =	10 10 10 10 rs 10 ry	7 EF 12 22 15 as as		Cost o	Fayout F Findi	(years) ng (\$/BC	•••••	• • •		1.1
							Oper	FR Aft.	er Ca	pital	Future		NPV @	10.0% (	\$/STB )				- 8.50 - 21,1€
			ist Ye	ear Avera	sge Roy	alties	Costs	Roy&Op	er C	osts	NetRev				\$/STB )				26.60

92

ERCO v7.41 F2 ENERGY SOLUTIONS PAGE 1 GLOBAL : 27-JUN-2011 5396 CS EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-AUG-2012 RUN DATE: 8-JUL-2011 TIME: 13:56 FILE: OUTPSU2.DAX

100.0000 % 201000 STB N/A EXPONENTIAL 1675 -M\$-45 -M\$- (2028)

TRACT FACTOR -ULT POOL RESERVES -PRODUCTION TO DATE -DECLINE INDICATOR -TOTAL CAPITAL COSTS -TOTAL ABANDONMENT -

EVALUATION OF: Trout, Alberta - Possible Undeveloped

WELL/LOCATION	-	Loc.02-09-089-03 W5M (U&L Keg River & Granite Wash)
EVALUATED BY	••	· · · · · · · · · · · · · · · · · · ·
COMPANY EVALUATED		Cougar Oil and Gas Canada Inc.
APPRAISAL FOR		
PROJECT		CONSTANT PRICES & COSTS

#### INTEREST

AVG WI 100.0000%

ALBERTA (CROWN ARF, NWRR, OIL PAR=LTE, GAS PAR, DEPTH 0 )

			O: S <sup>r</sup>	i ) PB		
	# of	15 . Z	Pod	51	Company	Share
Year	Wells	Price \$/STB		Vol	Gross	Net
2011	0	80.26		0	0	0
2012	1	80.26	170.0	25670	25670	24386
2013	1	80,26	100.8		36305	29195
2014	1	80.26		30435		18261
2015	1	80.26	70.9	25514	25514	15308
2016	1	80.26	59.4	21389	21389	12833
2017	1	80.26	49.8	17930		10770
2018	1	80.26	41.8			9438
2019	1	80.26	35.0	12601	12601	8307
2020	1	80.26	29.3	10564	10564	7253
2021	1	80.26	24.6	8856	8856	6283
2022	1	80.26	20.6			5490
2023	1	80.26	17.3			
2024	i	80.26	14.5		5217	4260
2025	1	80.26	12.1	4374	4374	3700
	~ ~ ~ ~ ~ ~ ~		····	••••		
SUB				227532	227532	160348
REM				12468	12468	11192
TOT				240000	240000	171540

ROYALTIES/TAXES

	Capital &Aband -		re Rever	ue (FR)			Royalt	ies		Opera	ting Co				Proc&			Future	Net 1
bar	Costs -M\$-		SaleGas -M\$-	Products -M\$-		Crown -M\$-	Other -M\$-	Mineral -M\$-	-8-	Fixed -M\$-	Variable	e \$/STB	FR After Roy&Oper -M\$-		Other Income -M\$-		Aband Costs -M\$-	Undisc M\$	10.4 -M
011	0	0	0	0	0	0	0	0	.0	0	0	.00	0	.00	0	0	0	0	
012	1500	2060	0	0	2060	103	0	ō	5.0	26		11.02	1674	65.23	ŏ	1500	0	174	
013	0	2914	0	0	2914	571	0	0	19.6	63		11.73	1917	52.81	ŏ	0	ő	1917	i
014	150	2443	0	0	2443	977	0	0	40.0	63	304	12.06	1099	36.09	ŏ	150	ŏ	949	'
015	0	2048	0	0	2048	819	0	0	40.0	63	255	12.46	911	35.70	ō	0	õ	911	
016	0	1717	0	0	1717	687	0	0	40.0	63	214	12.93	753	35.22	0	0	0	753	
17	0	1439	0	0	1439	575	0	0	39.9	63	179	13.50	622	34.71	ő	ŏ	0	622	
018	0	1206	0	0	1206	449	0	Ð	37.2	63	150	14.17	544	36.22	ŏ	ŏ	ŏ	544	
019 020	0 0	1011	0	0	1011	345	0	0	34.1	63	126	14.98	478	37.93	ò	Ō	õ	478	
120	U	848	0	0	848	266	0	0	31.3	63	106	15.94	414	39.17	0	0	Ó	414	
221	0	211	0	0	711	206	0	0	29.0	63	89	17.09	353	39.86	0	0	0	353	
22	0	596	0	0	596	155	Ó	0	26.0	63	74	18.45	304	40.90	ő	Ő	0	304	
223	0	499	0	0	499	109	0	0	21.9	63	62	20.08	265	42.64	ŏ	ŏ	ŏ	265	
)24 )25	0	419 351	0	0	419	77	0	0	18.3	63	52	22.03	2.27	43.51	ŏ	Ũ	õ	227	
16.3				0	351	54		0	15.4	63	44	24.35	190	43.55	0	0	0	190	
зв	1650	18262	0	0	18262	5392	0	0	29.5	0.40	0.000		0.000						
SM	45	1001	ö	ŏ	1001	102	0	Ċ	10.2	842 284	2275 125		9752		0	1650	0	8102	
)T	1695	19262	Ó		19262	5495	ŏ	õ	28.5	1126	2400		490 10242		0	0	45	445	
								-					10242		U	1650	45	8547	5
10 IN O	* <b>W W EL EL LE EL I</b> L IL IL	45 pa 64 pa 55 pa 65 pa 65	10 IS 47 55 53 12 23	NET PRESEN	T VALU	Е (-М\$-	) or to in to be a	AN 201 10 20 20 20 20 20 20	2010/07/07/07	10 M C C C L 11 L .			75 75 75 55 55 56 10 s	10 00 00 10 00 00 10	www.PR	OFITABI	LITY =~	0 11 10 10 10 10 10 10 10	
sco	ount Rate		.0%	5.0%	10.0	\$ 15	.0%	20.0%	25.0%	30.0	<i>3</i> 0		COMPAN	Y SHARE	BASIS				Befo Ta
	ter Roy &		10242	8009	654	3 5	520	4770	4197	37				e Dotur	n (%) .				
	& Other I		0	Û		0	0	Ó	0		0		Profit	Index	(undisc	· · · · · · · · ·	• • •		999 9
	al Costs		1650	1552	146		386	1316	1252	111	95				(disc. a				
	lonment Co 'e Net Rev		45	18		7	3	1	1		0				(disc. )				4
ιu,	e net kev	enue .	8547	6440	507	24	131	3452	2944	25	50		First 1	Payout	(years)				-
			- KEE DOOLO	CON	IDANV C								Total	Payout	(years)				1
					orman of	nARE ==	Oper	FR Aft		bital			Cost o	f Findi	ng (\$/B	DE}			7,
			1st Y	ear Avera	age Ro	valties	Costs	Roy&Op		osts	Future NetRev		NPV @	10.0% (	\$/STB )	• • • • • •	• • •		21.
	erest												111.0 6	J. US (	\$/STB )				26.

#### ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1 GLOBAL : 27-JUN-2011 5396 C\$ EFF:01-JUN-2011 D1SC:01-JUN-2011 PROD:01-AUG-2012 RUN DATE: 8-JUL-2011 TIME: 13:56 F1LE: OLTPSU7.DAX

TRACT FACTOR		100.0000 %
0000 x 0000 x 0000x 000		240000 STB
PRODUCTION TO DATE	••	N/A
DECLINE INDICATOR	••	EXPONENTIAL
TOTAL CAPITAL COSTS	••	1650 -M\$-
TOTAL ABANDONMENT	-	45 -M\$~ (2030)

Table 5p

EVALUATION OF: Trout, Alberta - Possible Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1 GLOBAL : 27-JUN-2011 5396\_CS EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-OCT-2011 RUN DATE: 8-JUL-2011 TIME: 13:56 FILE: OtrPSU8.DAX

100.0000 % 240000 STB N/A EXPONENTIAL 1600 -M\$-45 -M\$- (2029)

TRACT FACTOR -ULT POOL RESERVES -PRODUCTION TO DATE -DECLINE INDICATOR -TOTAL CAPITAL COSTS -TOTAL ABANDONMENT -

WELL/LOCATION	••	Loc.03-09-089-03 W5M (U&L Keg River & Granite Wash)
SANDOWIED DI		
COMPANY EVALUATED		Cougar Oil and Gas Canada Inc.
APPRAISAL FOR		
PROJECT		CONSTANT PRICES & COSTS

#### INTEREST

ROYALTIES/TAXES

AVG WI 100.0000%

			1000			
	ALB	BERTA (C	CROWN A	RF,NWRR	OIL PAR	≀∝LTE,G
				il		
			S'	TB		
	# of	Price	Po	01	Company	
Year	Wells	\$/STB	STE/D	Vol	Gross	Net
2011		80.26	180.0	16380	16380	15561
2012	1	80.26	105.4	37941	37941	32725
2013	1	80.26	88.3	31784	31784	19070
2014	1	80.26	74.0	26626	26626	15975
2015	1 1	80.26	62.0	22305	22305	13383
016	1	80,26	51.9	18685	18685	11211
2017	1	80.26	43.5	15652	15652	9736
2018	1	80.26	36.4	13112	13112	8554
019	1	80.26	30.5	10984	10984	7480
2020	1				9202	
021	1	80.26	21.4	7708	7708	5624
2022	1	20 26	17 0	6467	6267	4000
2023	1	80.26	15.0	5409	5409	4381
2024	1	80.26	12.6	4531	4531	3809
2025	1	80.26		3796	5409 4531 3796	3288
SUB					230573	
REM					9427	
TOT				240000	240000	170825

		Futu	re Reven				Royalt			Opera	ating Co	sts			Proc&			Future	
'ear	Costs M\$-	Oil M\$	SaleGas ~M\$-	Products -M\$-	Total -M\$-	Crown -M\$-	Other -M\$-	Mineral -M\$-		Fixed -M\$-	Variabl -M\$-	e \$/STB	FR After Roy&Oper -M\$-		Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Undisc -M\$-	10.0 -M\$
011	1500	1315	Û	0	1315	66	0	0	5.0	16	164	10.00							
012	0	3045	0	Ō	3045	419	ŏ	ŏ	13.7	63	379	10,96	1069 2184	65.29 57.57	0	1500	0	-431	-4
013	0	2551	0	0	2551	1020	ŏ	ŏ	40.0	63	318	11.97	1150	36.18	0	0 0	0	2184	19
014	100	2137	0	0	2137	855	Ó	ō	40.0	63	266	12.36	953	35.80	ő	100	0	1150	S
015	0	1790	0	0	1790	716	0	Ō	40.0	63	223	12.81	788	35.34	0	100	0	853 788	6 5
016	0	1500	0	0	1500	600	0	0	40.0	63	187	13.36	650	34.80	0	0	â		
017	0	1256	0	0	1256	475	0	Ó	37.8	63	157	14.01	562	35.92	0	0	0	650 562	4
018	0	1052	0	0	1052	366	0	Û	34.8	63	131	14.79	493	37.58	0	ŏ	0	493	3
019 020	0	882	0	0	882	281	0	0	31.9	63	110	15.71	428	38,94	ŏ	ŏ	0	428	1
	U	739	0	0	739	218	0	0	29.5	63	92	16.82	366	39.75	õ	ŏ	0	366	i
021 022	0	619 518	0	0	619	167	0	0	27.0	63	77	18.14	312	40.42	0	0	0	312	1
023	0	434	0	0	518	118	0	0	22.7	63	65	19.72	273	42.35	ŏ	ő	0	273	
024	ŏ	364	0	0	434	83	0	0	19.0	63	54	21.60	235	43.40	õ	õ	õ	235	
025	õ	305	0	0	364 305	58	0	0	16.0	63	45	23.85	198	43.61	0	0	ō	198	
						41 	0	0	13.4	63 	38	26,53	163	42.99	0	0	0	163	
UB	1600	18506	0	Đ	18506	5482	0	0	29.6	894	2306		0001						
EM	45	757	Ð	0	757	70	ŏ	ŭ	9.3	232	2300		9824 359		0	1600	0	8224	53
OT	1645	19262	0	0	19262	5552	ō	õ	28.8	1127	2400		10184		0	0 1600	45 45	314	
10 TO 17 TO		72 75 16 16 <b>16 16 16 16</b> 10		NET DESCE	NTC 178778								10104		0	1000	45	8539	54
				NET PRESE	NT VALU	E (-M\$"	) of 15 40 pr 10 pr	th 12 TV /2 Pa by its re	n trans a pr	44 P3 87 93 99 51 51	er. 24		17 22 34 in 17 14 1	9 17 11 12 12 14 14 14	usan PRO	<b>DFITABI</b>	LITY ∷∵≎	77 OS DA DA LO PO 49 RO	
	unt Rate		.0%	5.0%	10.0	\$ 15	.0%	20.0%	25.0%	30.			COMPANY	SHARE	BASIS				Befor Tax
R Af	ter Roy &	Oper.	10184	8257	697		080	5416	4906	49	01		Rate of		n (%) .				
	& Other I:		0	0		0	0	D	0		0		Profit	Index	(undisc		•••		742.
apu.u baava	al Costs onment Co.	* * * * * * *	1600	1565	153		505	1479	1455	14	33				(disc. (				3.
	e Net Rev		45 8539	19 6673		8	4	2	1		0				(disc. (				4.
	e net nev	conder .	0339	6673	543	8 9	572	3936	3450	30	68		First 1	Payout	(years)				
	14 44 77 67 77 77 78 99 19 19 19		~ # # 11 32 11 32 W I	CO	MPANY S	HARE ==	*******	*****					Total 1	ayout	(years)				
							Oper	FR Aft	er Ca	oital	Future		NOV A 1	: Findi	ng (\$/B0 \$/STB )	)E)			6.8
			ist Ye	ear Avera	age Ro	yalties	Costs	Roy&Op		osts	NetRev				\$/STB )				22.6

EVALUATION OF: Trout, Alberta - Possible Undeveloped

WELL/LOCATION - Loc.11-09-089-03 W5M (Upper Keg River) EVALUATED BY - Cougar Oil and Gas Canada Inc. APPRAISAL FOR -PROJECT - CONSTANT PRICES & COSTS

#### ROYALTIES/TAXES

AVG WI 100.0000%

INTEREST

ALBERTA (CROWN ARF, NWRR, OII, PAR=LTE, GAS PAR, DEPTH 0 )

Table 5q

			0: S'	rΒ		
			Poe	oi –	Company	Share
Year	∦ of Wells		STB/D	Vol	Gross	
2011	0	80.26	.0	0	0	0
2012	1	80.26		10800	10800	10260
2013	1	80.26	105.6		38021	33902
2014	1			31988	31988	19193
2015	1	80.26	74.8	26913	26913	16148
2016	1	80.26	62.9	22642	22642	13585
2017	1	80.26	52.9	19050	19050	11430
2018	1	80.26	44.5	16027	16027	9913
2019	1	80.26	37.5	13484	13484	8729
2020	1	80.26	31.5	11344	11344	7670
2021	1	80.26	26.5	9544	9544	6684
2022	1	80.26	22.3	8030	8030	
2023	1		18.8		6756	
2024	1	80.26	15.8	5684	5684	
2025	1	80.26	13.3	4782	4782	
SUB				225065	225065	156980
REM					14935	
TOT				240000	240000	170288

	≈ P/T ≈ =	*********	15 18 38 Ja ba an an 20 39	**********	20 68 68 69 69 69 79 72	VE 23 26 13 24 86 17		- COMPAN	Y SHAR	E FUTU	RE NET R	EVENUE	W 15 63 10 13 12 14 14	55. 34 M. PL IV IV 1	1 77 37 77 70 70 W L3 L4	to to to to poler to	13 14 17 17 <b>14 16 1</b> 4	00 PR 80 PT PT DC 12 P	e ba un en 25 in 22 W
	Capital &Aband -	Futu	ure Reven	ue (FR)			Royalt	ies			ating Co		FR After	Net	Proc&	0	• 1 A		Net Rev
Year	Costs -M\$-	Oil -M\$-	SaleGas -M\$-	Products -M\$-	Total -M\$-	Crown -M\$-	Other -M\$-	Mineral -M\$-	- 8-		Variabl -M\$-	е	Roy&Oper -M\$-	back \$/STB	Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-		10.0% -M\$-
2011	Q	0	0	0	0	0	0	0	.0	0	0	.00	0						
2012	1500	867	0	ō	867	43	ŏ	õ	5.0	10	108	10.97	705	.00	0	0 1500	0	0	0
2013	0	3052	0	0	3052	331	ō	õ	10.8	63	380	11.65	2278	59.91	0	1500	0	- 795	-717
2014	175	2567	0	0	2567	1027	ō	õ	40.0	63	320	11 96	1158	36.19	0	175	0	2278	1867
2015	0	2160	0	0	2160	864	0	0	40.0	63	269	12.33	964	35.82	ŏ	0	0	983 964	732
2016	0	1817	0	0	1817	727	0	0	40.0	63	226	12,77	801	35.38	0	0	0	801	493
2017	0	1529	0	0	1529	612	0	0	40.0	63	190	13.29	664	34.86	ő	0	ŏ	664	372
2018	0	1286	0	0	1286	491	0	0	38.1	63	160	13.91	573	35.73	ŏ	0	0	573	291
2019	0	1082	0	0	1082	382	0	0	35.3	63	135	14.65	503	37.31	ŏ	ŏ	õ	503	233
2020	0	911	0	0	911	295	0	0	32.4	63	113	15.53	439	38.73	õ	õ	õ	439	185
2021	0	766	0	0	766	230	0	0	30.0	63	95	16,57	378	39.63	0	0	Ð	378	145
2022	0	644	0	0	644	180	0	0	27.9	63	80	17.81	321	40.02	ŏ	ñ	ő	321	112
2023	0	542	0	0	542	129	0	0	23.7	63	68	19.29	283	41.94	ŏ	ő	õ	283	90
2024	0	456	0	0	456	91	0	0	20.0	63	57	21.04	245	43.19	ō	õ	õ	245	71
2020		384		0	384	65	0	0	16.8	63	48	23.12	209	43.63	0	0	Ō	209	54
SUB	1675	18064	0	ß	18064	5465	0	Û	30.3	826	2251		2522						
REM	45	1199	õ	õ	1199	131	ŏ	0	10.9	323	149		9522 596		0	1675	0	7847	4581
TOT	1720	19262	0	ō	19262	5595	ŏ	ő	29.0	1149	2400		10118		0	0 1675	45 45	551 8398	116 4697
50 E E E	12:04:04:05:05:05	C IS 10 M Pd Pd 14 mm		159 00000		P ( 14	,												
				1.	NI YADO	r: (-rip-	1000000		n m m m m m m	44 43 43 44 44 44 44 4	/ Wite		10 H L L L C .	- 44 FF EF 17 17 C	aces PR	OFITABI	LITY ww	****	
	unt Rate		.0%	5.0%	10.0	\$ 15	.0%	20.0%	25.0%				COMPARY	SHARE	BASIS				Before Tax
FR Af	ter Roy &	Oper.	10118	7732	618	7 5	121	4347	3762		305		Rate of	E Rotur	n (%) .				
	& Other I		0	0		0	0	0	0		0				(undisc				237.4
	al Costs		1675	1573	148		402	1330	1265	12	06			xmaon	(disc.				3.2
	onment Co		45	17		7	3	1	1		0				(disc.				3.9
rucur	e Net Rev	enue .	8398	6142	469	73	716	3016	2497	23	00		First )	Payout	(years)		· ·		1.9
													Total	Payout	(years)				2.0
	35 (1) (2 (1) (1) (2 (2 (2 (2 (2 (2 (2 (2 (2 (2 (2 (2 (2		- ** == 10 10 10 10 10 10 10 10 10 10 10 10 10	essence CON	APANY S	HARE ==							Cost of	E Findi	ng (\$/B	DE)			7,17
			lst Ye	ear Avera	age Ro	yalties	Oper Costs	FR Aft Roy&Op		pital osts	Future NetRev				\$/STB } \$/STB }				19.57
\$ Int	erest		10(	).0 100	1 0		•••												//
	Future Re					29.0	18.4	52.	5	8.7	43.6								

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1 GLOBAL : 27-JUN-2011 5396\_C\$ EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-NOV-2012 RUN DATE: 8-JUL-2011 TIME: 13:57 FILE: OtrPSU9.DAX

TRACT FACTOR - 100.0000 % ULT POOL RESERVES - 240000 STB PRODUCTION TO DATE - N/A DECLINE INDICATOR - EXPONENTIAL TOTAL CAPITAL COSTS - 1675 - M\$-TOTAL ABANDONMENT - 45 - M\$- (2031)

. Chapman Petroleum Engineering Ltd. .

Table 5r

EVALUATION OF: Trout, Alberta - Possible Undeveloped

WELL/LOCATION - Loc.15-09-089-03 W5M (Upper Keg River) EVALUATED BY -COMPANY EVALUATED - Cougar Oil and Gas Canada Inc. APPRAISAL FOR -PROJECT - CONSTANT PRICES & COSTS

#### INTEREST

ROYALTIES/TAXES

AVG W1 100.0000%

ALBERTA (CROWN ARF, NWRR, OIL PAR=LTE, GAS PAR, DEPTH 0 )

			o Sʻ	il FB		
			Po	ol	Company	
Year	# of Wells	Price \$/STB	STB/D	Vol	Gross	
2011	1	80.26	180.0	16380	16380	15561
2012	1	80.26	105.4	37941	37941	32725
2013	1	80.26	88.3	31784	31784	19070
2014	1	80.26	74.0	26626	26626	15975
2015	1	80.26	62.0	22305	22305	13383
2016	1	80.26	51.9	18685	18685	11211
2017	1	80.26	43.5	15652	15652	9736
2018	1	80.26	36.4	13112	13112	
2019	1	80.26	30.5	10984	10984	
2020	1	80.26	25.6	9202	9202	6486
2021	1	80.26	21.4	7708	7708	5624
2022	1 1	80.26	17.9			
2023	1	80.26	15.0	5409	5409	
2024	1	80.26	12.6	4531	4531	
2025	1	80.26	10.5		3796	
•••••						
SUB					230573	162276
REM				9427	9427	8549
TOT				240000	240000	170825

	Capital &Aband -		re Reven	ue (FR)			Royali			Opera	ting Co	sts	700 A C1 -		Proc&			Future	
ear	Costs -M\$-	0il -M\$-	SaleGas -M\$-	Products -M\$-	Total -M\$-	Crown -M\$-	Other -M\$-	Mineral -M\$-		Fixed -M\$-	/ariabl		FR After Roy&Oper -M\$-		Other Income -M\$-		Aband Costs -M\$-	Undisc -M\$-	
011	1500	1315	0	0	1315	66	0	0	5.0	16	164	10.96	1069	65.29	0	1500	0	-431	- 4
012	0	3045	0	0	3045	619	0	0	13.7	63	379	11.65	2184	57.57	õ	0	ő	2184	19
013	0 100	2551	0	0	2551	1020	0	Û	40.0	63	318	11.97	1150	36.18	ŏ	ō	ŏ	1150	Ś
015	100	2137 1790	0	0	2137	855	0	0	40.0	63	266	12.36	953	35.80	0	100	Ō	853	é
015	U	1790	0	G	1790	716	0	0	40.0	63	223	12,81	788	35.34	0	0	0	788	9
016	0	1500	0	0	1500	600	0	0	40.0	63	187	13.36	650	34.80	0	0	0	650	4
017	0	1256	0	0	1256	475	0	0	37.8	63	157	14.01	562	35.92	ŏ	õ	ŏ	562	3
018	0	1052	0	0	1052	366	0	0	34.8	63	131	14.79	493	37.58	õ	õ	ŏ	493	2
019 020	0	882 739	0	0	882	281	0	0	31.9	63	110	15.71	428	38.94	0	Ó	Ō	428	
020	U	139	0	0	739	218	0	0	29.5	63	92	16.82	366	39.75	0	0	0	366	1
021	0	619	0	0	619	167	0	0	27.0	63	77	18.14	312	40.42	0	0	0	312	
222	0	518	0	0	518	118	0	0	22.7	63	65	19.72	273	42.35	ő	ő	ŏ	273	
023	0	434	0	0	434	83	Ö	0	19.0	63	54	21.60	235	43.40	ō	õ	ě	235	
024 025	0 0	364 305	0	0	364	58	0	0	16.0	63	45	23.85	198	43.61	0	Ó	Ő	198	
025					305	41	0	0	13.4	63	38	26.53	163	42.99	0	0	0	163	
UB	1600	18506	0	0	18506	5482	0	0	29.6	894	2306		9824		0	1600			
EM	45	757	0	0	757	70	ŏ	õ	9.3	232	2300		359		0	1600 0	0 45	8224 314	53
0'P	1645	19262	0	0	19262	5552	0	Ō	28.8	1127	2400		10184		ő	1600	45	8539	54
** TO T= EX	12 67 89 89 84 du 14 ar gu	44 64 05 PR PP 23 15 FM	** =* ** ** 10 % 50	NET PRESEN	IT VALU	C (-MS-	)												
	unt Rate		.0%	5,0%	10.0		.08	20.0%								JFITABI	LITY we	añ stê (fi, sy ce 22 pe 1)	Befor
								20.08	25.0%	30.0	J 16 		COMPAN		BASIS				Tax
	ter Roy & & Other I		10184	8257	6979		080	5416	4906	450			Rate o	f Retur	n (%) .				742.
	a Other I al Costs		0 1600	1000	10.0		0	0	0		0		Profit	Index	(undisc				5.
	onment Co		45	1565 19	1533		505	1479	1455	14.					(disc. (				3.
	e Net Rev		8539	6673	543		4 572	2 3936	1 3450	50	0				(disc. (				4.
			0000	0075	5456	, <b>1</b>	512	39.50	3450	306	58		First	Payout	(years)	• • • • • •	• • •		
2 10 10 14		C 22 C A M A A A A A		aunaan COM	IPANY SE	IARE ==	21.23 M M M M W 71			20 21 21 25 26 24 er ut ;			Cost o	Fayout f Findi	(years) ng (\$/B0	)E)	• • •		6.8
							Open	FR Aft		pital	Future		NPV @	10 0% (	\$/STB )				22.0
			ist Y	ear Avera	ige Roj	yalties	Costs	: Roy&Op	er C	osts	NetRev		NPV @	5.0% (	\$/STB )				27.8

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1 GLOBAL : 27-JUN-2011 5396 C3 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-OCT-2011 RUN DATE: 8-JUL-2011 TIME: 13:57 FILE: OtrPSU10.DAX

100.0000 % 240000 STB N/A EXPONENTIAL 1600 -M\$-45 -M\$- (2029)

TRACT FACTOR -ULT POOL RESERVES -PRODUCTION TO DATE -DECLINE INDICATOR -TOTAL CAPITAL COSTS -TOTAL ABANDONMENT -

Table 5s

EVALUATION OF: Trout, Alberta - Possible Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE : GLOBAL : 27-JUN-2011 5396\_C\$ EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-OCT-2011 RUN DATE: 8-JUL-2011 TIME: 13:58 FILE: OtrPSU11.DAX

100.0000 % 240000 STB N/A EXPONENTIAL 1600 -M\$-45 -M\$- (2029)

TRACT FACTOR -ULT POOL RESERVES -PRODUCTION TO DATE -DECLINE INDICATOR -TOTAL CAPITAL COSTS -TOTAL ABANDONMENT -

EVALUATED BY COMPANY EVALUATED APPRAISAL FOR		Loc.03-18-089-03 W5M (U&L Keg River & Granite Wash) Cougar Oil and Gas Canada Inc.
PROJECT	••	CONSTANT PRICES & COSTS

#### INTEREST

AVG W1 100.0000%

ALBERTA (CROWN ARF, NWRR, OIL PAR=LTE, GAS PAR, DEPTH 0 )

	Oil STB											
	# of	Price	51	Company	Share							
Year	Wells			Vol		Net						
2011	1	80.26	180.0			15561						
2012	1	80.26	105.4	37941	37941	32725						
2013	1	80.26	88.3	31784	31784	19070						
2014	1	80.26	74.0	26626	26626	15975						
2015	1	80.26	62.0	22305	22305	13383						
2016	1	80.26	51.9	18685	18685	11211						
2017	1	80.26	43.5	15652	15652	9736						
2018	1	80.26	36.4	13112	13112	8554						
2019	1	80.26	30.5	10984	10984	7480						
2020	1	80.26	25.6	9202	9202	6486						
2021	1	80.26	21.4	7708	7708	5624						
2022	1	80.26	17.9		6457	4993						
2023	1	80.26	15.0	5409								
2024	1	80.26	12.6	4531	4531	3809						
2025	1	80.26	10.5	3796	3796	3288						
					· • • •							
SUB				230573	230573	162276						
REM					9427							
TOT				240000	240000	170825						

ROYALTIES/TAXES

	= P/T = =	12 - 21 - 21 - 27 - 27 - 27	. 22 28 19 58 58 58 50 57 77	20 fil 12 av en ne pe po po pr	14 LA 14 19 19 19 70	TS 67 25 17 15 18 10		··· COMPAN	Y SHAR	E FUTUR	e net r	EVENUE		17 71 82 80 <b>80 89</b> 86 8	10 10 10 10 10 10 10 10 10	10 26 26 00 00 00 00 95	NO TO DE DE 20 20 20	de la pelación 72.25.1	
	Capital &Aband ~		re Reven	ue (FR)			Royalt			Opera	ting Co				Proc&				Net Rev
Year	Costs -M\$-		SaleGas M\$-	Products -M\$-		Crown -M\$-	Other -M\$-			Fixed -M\$-	Variabl	e \$/STB	FR After Roy&Oper -M\$-		Other Income -M\$-		Aband Costs ~H\$-	Undisc -M\$-	10.0% -M\$-
2011 2012 2013 2014 2014	1500 0 100 0	1315 3045 2551 2137 1790	0 0 0 0	0 0 0 0	1315 3045 2551 2137 1790	66 419 1020 855 716	0 0 0	0 0 0 0	5.0 13.7 40.0 40.0 40.0	16 63 63 63	164 379 318 266 223	10.96 11.65 11.97 12.36 12.81	1069 2184 1150 953 788	65.29 57.57 36.18 35.80 35.34	0 0 0 0	1500 0 100 0	0 0 0 0	-431 2184 1150 853	-419 1969 943 636
2016 2017 2018 2019 2020	0 0 0 0	1500 1256 1052 882 739	0 0 0 0	0 0 0 0	1500 1256 1052 882 739	600 475 366 281 218	0 0 0 0	0 0 0 0	40.0 37.8 34.8 31.9 29.5	63 63 63 63 63	187 157 131 110 92	13.36 14.01 14.79 15.71 16.82	650 562 493 428 366	34.80 35.92 37.58 38.94 39.75	0 0 0 0	000000	0 0 0 0 0 0	788 562 493 428 366	534 400 315 251 198 154
2021 2022 2023 2024 2025	0 0 0 0	619 518 434 364 305	0 0 0 0	0 0 0 0	619 518 434 364 305	167 118 83 58 41	0 0 0 0	0 0 0 0	27.0 22.7 19.0 16.0 13.4	63 63 63 63 63	77 65 54 45 38	18,14 19.72 21.60 23.85 26.53	312 273 235 198 163	40.42 42.35 43.40 43.61 42.99	0 0 0 0	0 0 0 0	0 0 0 0 0	312 273 235 198 163	119 95 74 57 43
SUB REM TOT	1600 45 1645	18506 757 19262	0 0 0	0 0 0	18506 757 19262	5482 70 5552	0 0 0	0 0 0	29.6 9.3 28.8	894 232 1127	2306 94 2400		9824 359 10184		0 0 0	1600 0 1600	0 45 45	8224 314 8539	5369 69 5438
17 FF (26.29)	N 12 M Is 14 N 16 16 77 77 77	70 70 10 to to to se av	$\pi \equiv u \equiv w \ltimes \mapsto$	NET PRESE	NT VALU	E (-M\$~	) <u>in a ci n ci ci</u>	10 E3 15 IA 30 10 IA 10	76 97 <del>17</del> 27 28 29	0 0 0 0 0 0 0 0 0 0	v 24		ba an an go go w	18 27 22 42 46 46 26 20	Done PR	OFITABI	LITY ===	or to be be we ay no r	1 TT 10 12, 65 10 10
Disc	ount Rate		.0%	5.0%	10.0	& 15	.0%	20.0%	25.0%				COMPAN	Y SHARE	BASIS				Before Tax
Proc Capi Aband Futu Santa	fter Roy & & Other I tal Costs donment Co re Net Rev terest Future Re	ncome, sts ,, enue .	ist Y	ear Avera	153 543 MPANY SI	0 3 1 8 8 4 HARE ==	Oper	FR Aft Roy&Op	er Caj er C	14 30	0 0 33 0 58		Rate o Profit First 1 Total 1 Cost o NPV 0	f Retur Index Payout Payout f Findi 10.0% (	n (%) . (undisc. ( (disc. ( (years) (years) ng (%/BG \$/STB ) \$/STB )	), 10.0% 5.0% 	···· ) ··· ····		742.4 5.2 3.5 4.2 .8 6.85 22.66 27.81

Table 5t

EVALUATION OF: Trout, Alberta - Possible Undeveloped

- Loc.03-19-089-03 W5M (Upper Keg River) WELL/LOCATION COMPANY EVALUATED BY - COugar Oil and Gas Canada Inc. APPRAISAL FOR - CONSTANT PRICES & COSTS

#### INTEREST

AVG WI 100.0000%

ALBERTA (CROWN ARF, NWRR, OIL PAR=LTE, GAS PAR, DEPTH 0 )

			0: S1			
			Pot	51	Company	Share
Year	Wells	\$/STB	STB/D	Vol	Gross	Net
2011	1	80.26	165.0	15015	15015	14264
2012	1	80.26	91.3	32884		28362
2013	1		76.0		27361	16416
2014	1	80.26			22765	13659
2015	1	80.26	52.6	18941	18941	11365
2016	1	80.26	43.8	15760	15760	9787
2017	1 1	80.26		13113		
2018	1	80.26				
2019	1 1	80.26	25.2		9078	
2020	1	80.26			7553	
2021	1	80.26	17.5	6284	6284	4897
2022	,	80.26		5229		
2023	1	80.26		4350		3684
2024	i	80.26		3620		
2025	i	80.26	8.4		3012	2691
						2091
SUB				100000		
REM					195873	
TOT					5127	
101				201000	201000	145225

ROYALTIES/TAXES

	Capital &Aband	Futu	ire Reven	ue (FR)			Royali				ting Co				Proc&			Future	
ear	Costs -M\$-	Oil -M\$-	SaleCas -M\$-	Products -M\$-	Total -M\$-	Crown -M\$-		Mineral -M\$~			Variab) -M\$-		FR After Roy&Oper -M\$-		Other Income -M\$-	Cap'l Costs -M\$-	Aband Costs -M\$-	Undisc -M\$-	10.01 -M\$-
011	1500	1205	0	0	1205	60	0	0	5.0	16	150	11.05	979	65.20	0	1500	0	6.0.1	-5(
012	0	2639 2196	0	0	2639	363	0	0	13.7	63	329	11.91	1885	57.32	ŏ	0	ŏ	-521 1885	169
014	75	1827	0	0	2196 1827	878 731	0	0	40.0	63	274	12,29	981	35.86	0	0	0	981	8
015	õ	1520	õ	ŏ	1520	608	0	0 0	$40.0 \\ 40.0$	63 63	228 189	12.76 13.31	806 660	35.40 34.84	0	75 0	0	731 660	5- 4-
016	0	1265	0	0	1265	479	0	0	37.9	63	158	13,98	565	35.86	0	0	0	565	34
018	0	1052 876	0	0	1052 876	366	0	0	34.8	63	131	14.79	493	37.57	Ó	0	0	493	2:
019	ŏ	729	ő	ő	729	279 214	0	0	31.8 29.3	63 63	109 91	15.75 16.91	425 361	38.98	0	0	0	425	21
020	0	606	Ō	õ	606	161	ŏ	ŏ	26.5	63	76	18.31	307	39.79 40.69	0 0	0 0	0	361 307	16
021 022	0	504 420	0	0	504	111 לל	0	0	22.1	63	63	19.98	267	42.56	0	0	0	267	1 (
023	Ô	349	ŏ	0	420 349	53	0	0	18.4 15.3	63 63	52 44	22.00 24.42	227 189	43.50	0	0	0	227	
024	0	291	0	Ó	291	37	ŏ	ŏ	12.8	63	36	27.33	154	43.54	0	0	0	189 154	(
025		242	0	0	242	26		0	10.6	63	30	30.83	123	40.88	ö	0	ŏ	323	3
UB	1575	15721	0	0	15721	4443	0	0	28.3	894	1959		8425		0	1575	0	6850	444
EM OT	45	412 16132	0	0	412	33	0	0	8.0	144	51		183		õ	0	45	138	444
01	1620	10132	0	0	16132	4476	0	0	27.7	1038	2010		8608		0	1575	45	6988	44
10 20 15 <i>(</i> /)	20 20 28 an 26 an 29 70 .	******************	w 10 x7 25 62 12 54	NET PRESER	VALUI	e (-M\$-	)	44 TH 15 TO 10 PC PT 12 BY	. 22 28 18 of 18 to	19 10 10 12 17 13 74	50 Ku		M 62 to of 10 to 1	en de 17 32 22 22 23 2	inine PR	OFITABL	LITY ~~	FT 175 115 115 115 115 116 11	
isco	unt Rate		.0%	5.0%	10.0	1 5	.0%	20.0%	25.0%	30.	0%		COMPAN	Y SHARE	BASIS				Before Tax
	ter Roy		8608	7052	5999		249	4689	4257	39	13		Rate of	f Retur	n (%) .				
	& Other : al Costs		0 1575	0 1543	1010		0	0	0		0				(undisc	.),			4.3
	onment C		45	20	1519		489	1465 2	1443	14	22				(disc.				2.9
utur	e Net Re	venue .	6988	5489	4476		756	3223	2813	24	90		First 1	Payout	(disc. (years)				3.8 .9
en en en en e	en ou ce ou	94020 <u>0</u> 222	00 at 10 at 10 at 10 at 10	Decasa CO	APANY SH	IARE ==		40.07 64 60 to to 10 an ay	N IZ 10 10 10 10 10		70 77 70 22 IA CO LA		Total I Cost of	Payout f Rindi	(years) ng (\$/B		• • •		
				ear Avera			Oper	FR Aft	er Ca		Future NetRev		NPV @	10.0% (	(\$/STB ) (\$/STB )				8.06 22.23 27.31

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1 GLOBAL : 27-JUN-2011 5396\_CS EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-OCT-2011 RUN DATE: 8-JUL-2011 TIME: 13:58 File: OtrPSU12.DAX

100.0000 % 201000 STB N/A EXPONENTIAL 1575 -M\$-45 -M\$- (2028)

TRACT FACTOR -ULT POOL RESERVES -PRODUCTION TO DATE -DECLINE INDICATOR -TOTAL CAPITAL COSTS -TOTAL ABANDONMENT -

98

 Table 5u

 EVALUATION OF: Trout, Alberta - Possible Undeveloped
 ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1 GLOBAL : 27-JUN-2011 DISC:01-JUN-2011 DISC:01-JUN-2011 DISC:01-JUN-2012 RUN DATE: 8-JUL-2011 DISC:01-JUN-2012 RUN DATE: 8-JUL-2011 TIME: 13:58 FILE: OLFSUIJ.BAD

 WELL/LOCATION EVALUATED BY AUMAGENERATE VALUATED BY FOLD: Cougar Oil and Gas Canada Inc.
 TRACT FACTOR - 100,0000 % ULT POOL RESERVES - 201000 STB NCAL CAPITAL COSTS - 1600 -MS-1007AL CAPITAL COSTS - 1600 -MS-45 -MS- (2029)

 INTEREST
 ROYALTIES/TAXES

 AVG W1 100.0000 K
 ALBERTA (CROWN ARF,NWRR,OIL PAR=LTE, GAS PAR, DEPTH 0 )

 Oill STB
 Oill

			J.			
	H	Price	Poe	5)	Company	
Year					Gross	Net
	*****					
2011	0	80.26	.0	0	0	0
2012	1	80.26	165.0	9900	9900	9405
2013	1	80.26				
2014	1	80.26	76.6	27561	27561	
2015	1	80.26	64.0	23045	23045	
2016	1	80.26	53.5	19269	19269	11561
2017	1	80.26	44.8	16111	16111	9952
2018	1	80.26	37.4	13471	13471	8724
2019	1	80.26	31.3	11264	11264	7628
2020	1	80.26	26.2	9418	9418	6611
2021	1	80.26	21.9	7875	7875	5700
2022	1	80.26	18.3	6585	6585	5062
2023	1	80.26	15.3	5506	5506	4440
2024	1	80.26	12.8	4603	4603	3858
2025	1	80.26	10.7	3849	3849	3327
SUB				191420	191420	136023
REM					9580	8681
TOT				201000		

	Capital &Aband -	Futi	ure Reven	ue (FR)			Royalt	ies		Opera	ting Co	sts	DD ACLASS	••- •	Proc&	0		Future	
ear	Costs -M\$-	0il -M\$-	SaleGas -M\$-	Products -M\$-	Total -M\$-	Crown -M\$-	Other -M\$-	Mineral -M\$-	-8-	Fixed -M\$-	Variabl -M\$-		FR After Roy&Oper -M\$-		Other Income -M\$-		Aband Costs -M\$-	Undisc -M\$-	10.0 -M\$
011	0	0	0	0	0	0	0	0	.0	0	0	.00	0	.00	0	0	0	0	
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020	0	756	0	Õ	756	225	ŏ	õ	29.8	63	94	16.66	374	39.68	0	0	0	374	2
021 022	0	632 528	0	0	632	175	0	0	27.6	63	79	17.97	316	40.12	0	0	G	316	1
023	ů.	442	ő	0	528 442	122 86	0	0	23.1 19.4	63 63	66 55	19.53 21.40	278	42.18	0	0	0	278	
024	ō	369	ŏ	õ	369	60	ő	ő	16.2	63		23.63	239 201	43.33	0	0	0	239 201	
025	0	309		0	309	42	0	0	13.6	63	38	26.30	166	43.07	ŏ	ŏ	Ő	166	
0B	1600	15363	0	0	15363	4446	0	Ō	28.9	826	1914		8177		0	1600	0	6577	38
EМ	45	769	0	0	769	72	õ	ŏ	9.4	235	96		366		ŏ	0001	45	321	.52
OT	1645	16132	0	0	16132	4518	0	0	28.0	1061	2010		8543		0	1600	45	6898	38
10 14 11 11	1.4 1.5 1.5 1.5 1.5 1.5 1. He He	or 140 W DV DV DV D1 D1 1	2 11 14 de qui per la pa	NET PRESE	NT VALU	Е (-М\$-	)		10 AM IN 19 19 19 19	W 14 65 76 76 27 52	10 54		67 10 10 Ve 40 13	ha ah, wa an ka ya n	ners PR	OFITABI	LITY ==	1 DE 111 DE 111 DE 114 AN 112 AN	
isco	unt Rate		.0%	5.0%	10.0	\$ 15	.0%	20.0%	25.0%	30.	0%		COMPAN	Y SHARE	BASIS				Befor Tax
	ter Roy &		8543	6593	530	8 4	410	3754	3255	28			Rate o	f Retur	n (%) .				183.
	& Other I al Costs		1600	1600		0	0	0	0		0		Profit	Index	(undisc	.)	• • •		4
	ai costs onment Co		1600 45	1509 19	142	718	354	1287	1227		73				(disc				2
	e Net Rev		6898	5066	387		053	2465	2027		0 92		First	Pavout	(disc. ) (years)				3
		10 të ët ka ka ev vju											Total	Payout	(years)				2

			Royalties				NetRev
% Interest	100.0	100.0	28.0	19.0	53.0	9.9	42.8

## Appendix A Summary of Analog Analysis

June 1, 2011

## Trout, Alberta

### Analog for

Well	Proved & Proved Plus Probable Locations
Zone	Keg River and Granite Wash

### **Analog Property**

Reference

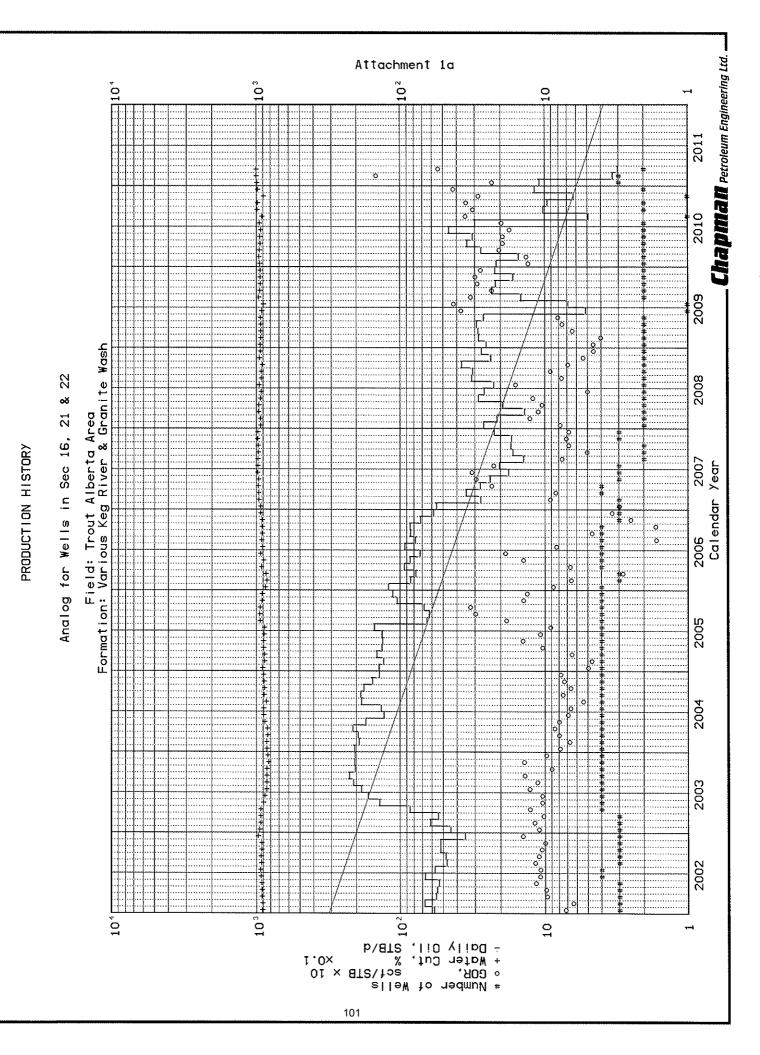
Field Trout

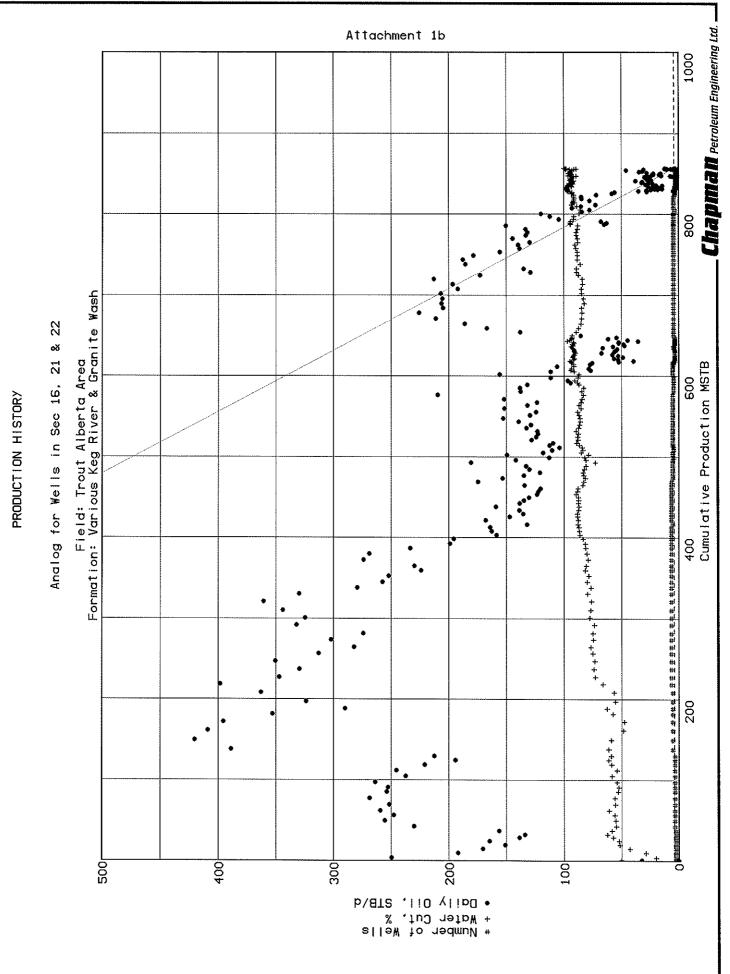
Pool Various Keg River & Granite Wash A & B

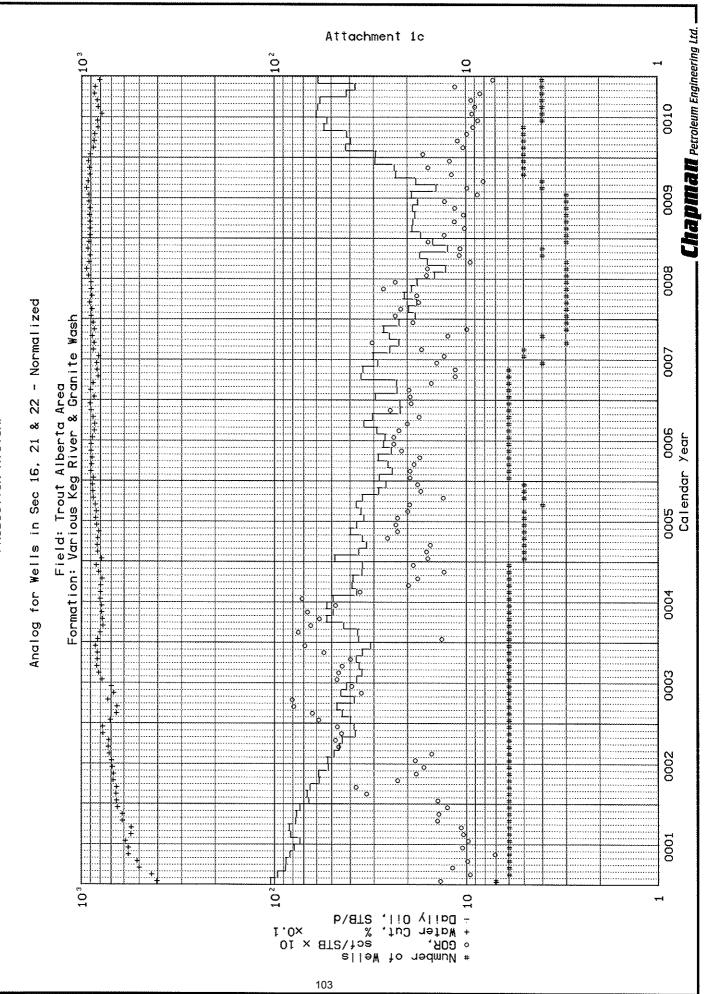
Ultimate reserves	856	MSTB	Attachment 1b
Number of Wells	7		Attachment 1d
Ave Reserves/well	122	MSTB	Calculated
Average Initial Rate	90	STB/d	Attachment 1c

#### Attachments

- 1a) Group Production Plot
- 1b) Group Rate vs. Cum. Plot
- 1c) Normalized Production Plot
- 1d) Well List Analog
- Notes:The above analog represents the Proved plus Probable (most likely) case.For the Proved Undeveloped case we have divided both the initial rate and the<br/>reserves by 2 to reflect the level of certainty required for Proved Reserves.Proved reserves can be assigned to certain locations based on the close proximity<br/>of the locations to successful wells and the reliable 3D seismic surveys over the area.







PRODUCTION HISTORY

Attachment 1d

Well List - Analog Wells

1 00/10-21-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH B
2 00/10-22-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH B
3 00/11-22-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH B
4 00/03-27-089-03 W5M/00 Field: TROUT Formation: KEG RIVER C
5 00/10-27-089-03 W5M/00 Field: TROUT Formation: KEG RIVER C
6 00/12-27-089-03 W5M/00 Field: TROUT Formation: KEG RIVER C
7 00/06-28-089-03 W5M/00 Field: TROUT Formation: KEG RIVER FF

## Appendix B Summary of Analog Analysis

June 1, 2011

Trout, Alberta

## Analog for

Well	Probable Locations on Western Trend
Zone	Keg River and Granite Wash

## **Analog Property**

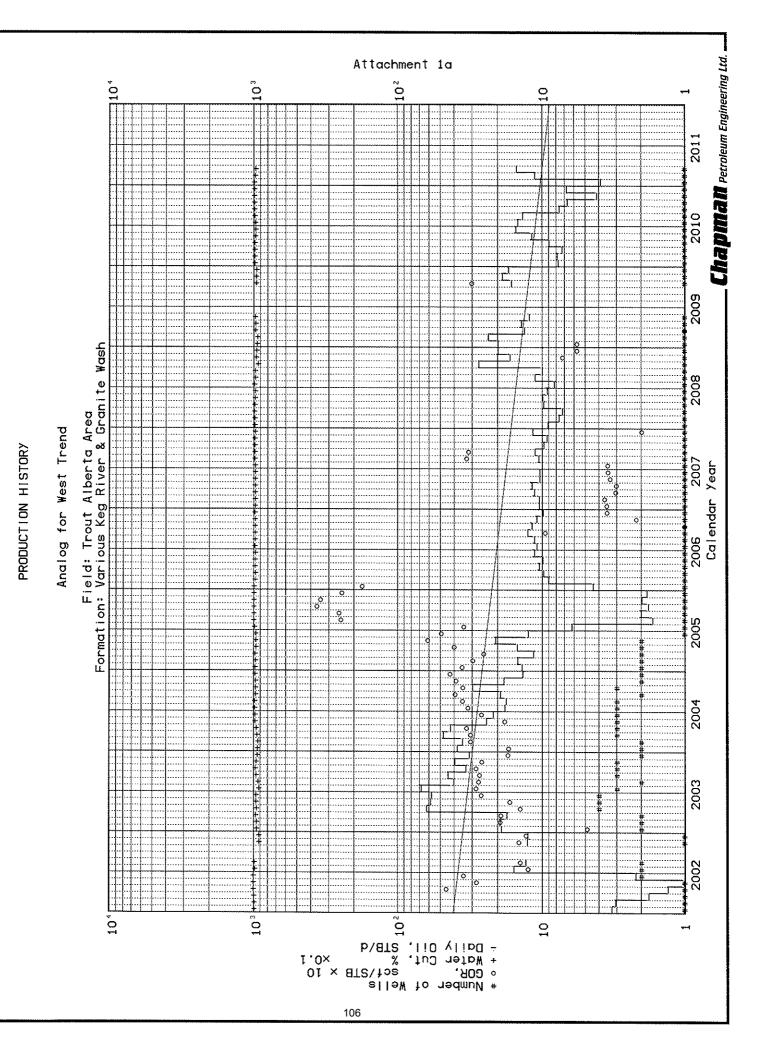
Reference

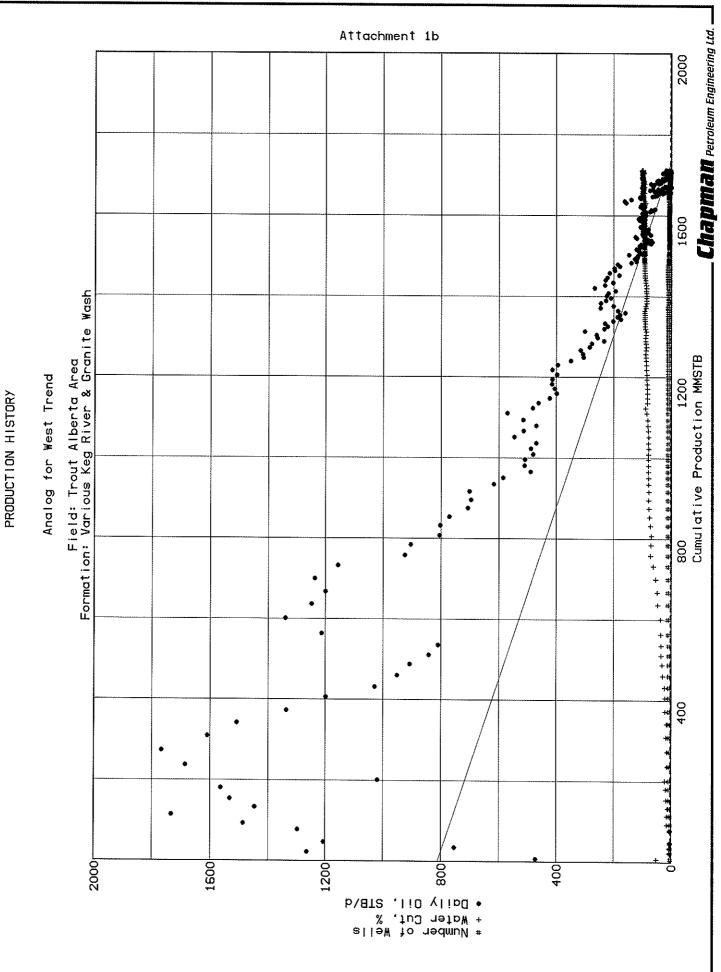
Field	Trout
Pool	Keg River N & Granite Wash A

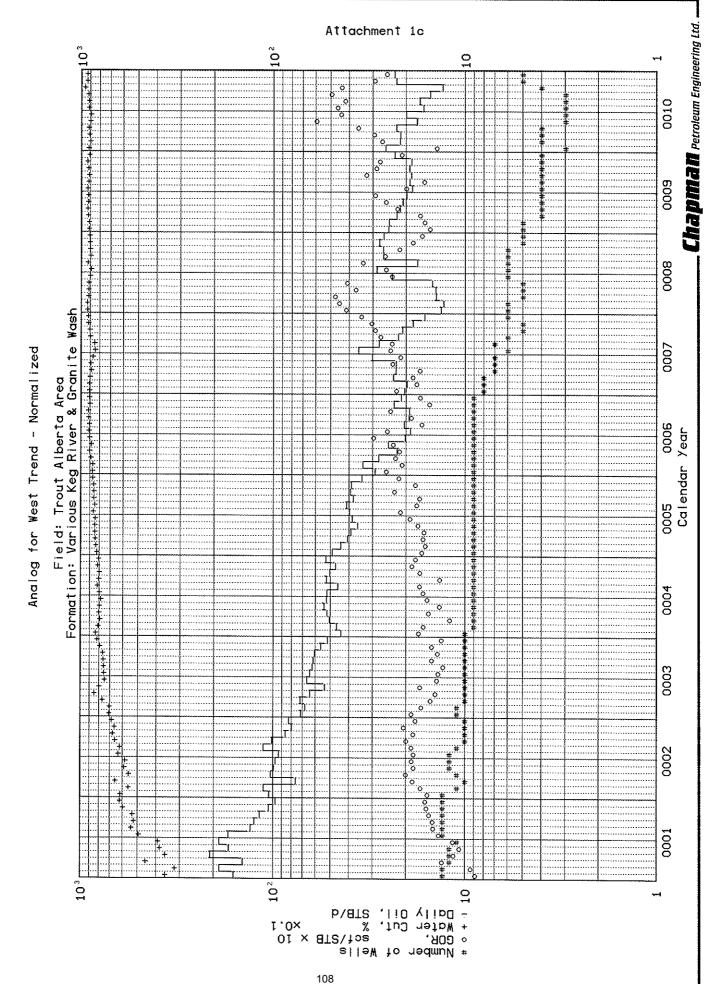
Ultimate reserves	1,728	MSTB	Attachment 1b
Number of Wells	13		Attachment 1d
Ave Reserves/well	133	MSTB	Calculated
Average Initial Rate	150	STB/d	Attachment 1c

## Attachments

- 1a) Group Production Plot
- 1b) Group Rate vs. Cum. Plot
- 1c) Normalized Production Plot
- 1d) Well List Analog







PRODUCTION HISTORY

#### Attachment 1d

Well List - Analog Wells

00/07-08-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH A 00/11-08-089-03 W5M/02 Field: TROUT Formation: KEG RIV-GRAN WASH A 02/13-08-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH A 02/13-08-089-03 W5M/02 Field: TROUT Formation: KEG RIV-GRAN WASH A 02/05-17-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH A 00/12-17-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH A 00/13-17-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH A 00/09-18-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH A 00/01-19-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH A 00/09-19-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH A 00/04-20-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH A 00/12-20-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH A 00/01-30-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH A

## Appendix C Summary of Analog Analysis

June 1, 2011

## Trout, Alberta

## Analog for

Well	Strong Possible Locations in Trout
Zone	Keg River and Granite Wash

## **Analog Property**

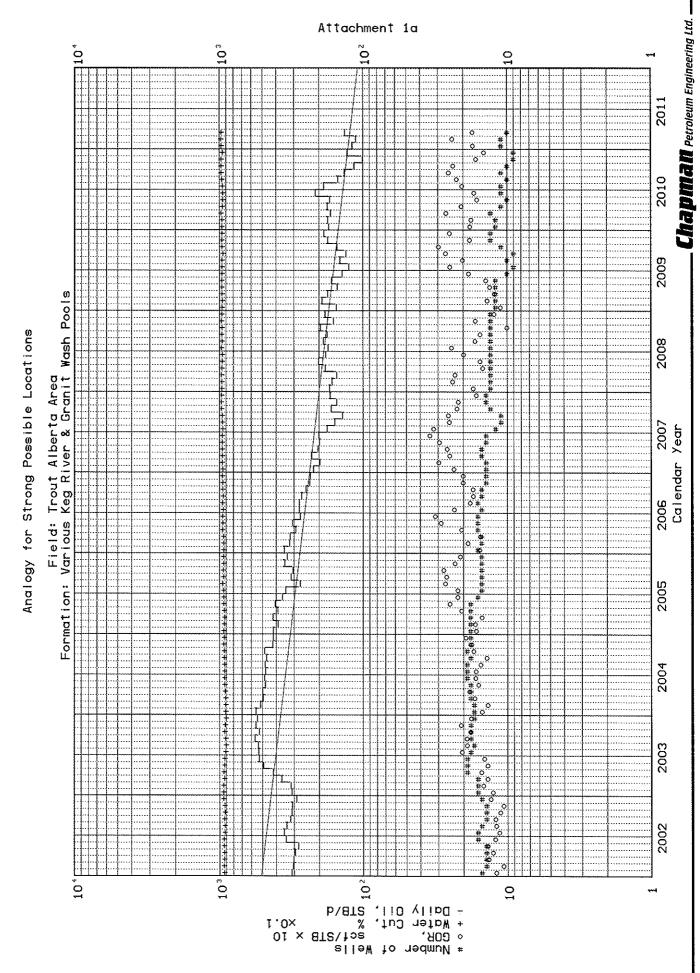
### Reference

Field	Trout
Pool	Various Keg River & Granite Wash A & B

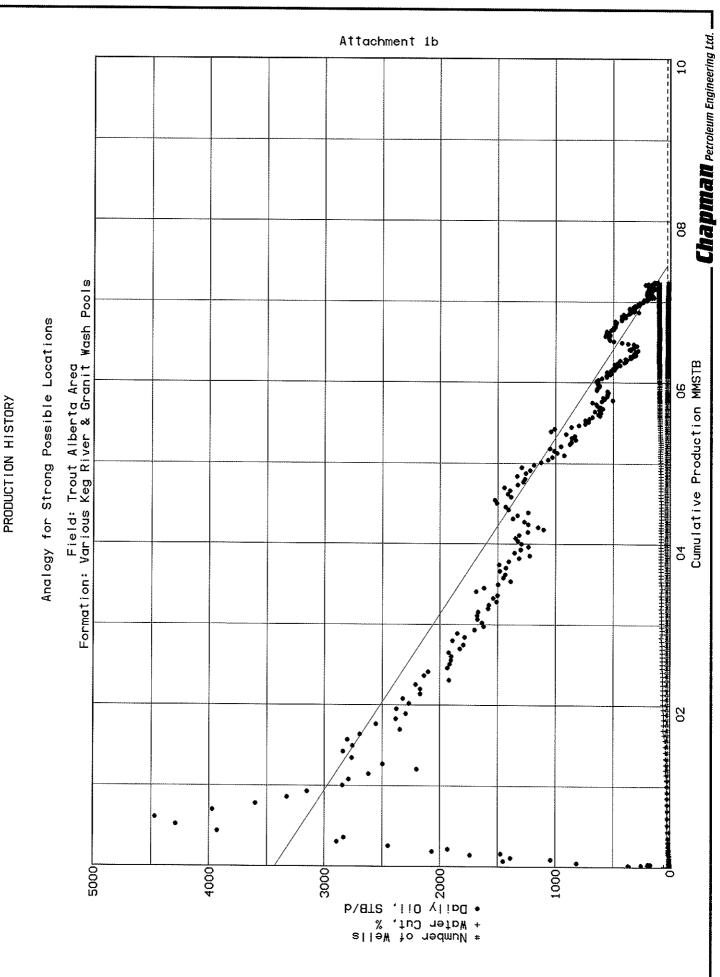
Ultimate reserves	7,454	MSTB	Attachment 1b
Number of Wells	31		Attachment 1d
Ave Reserves/well	240	MSTB	Calculated
Average Initial Rate	180	STB/d	Attachment 1c

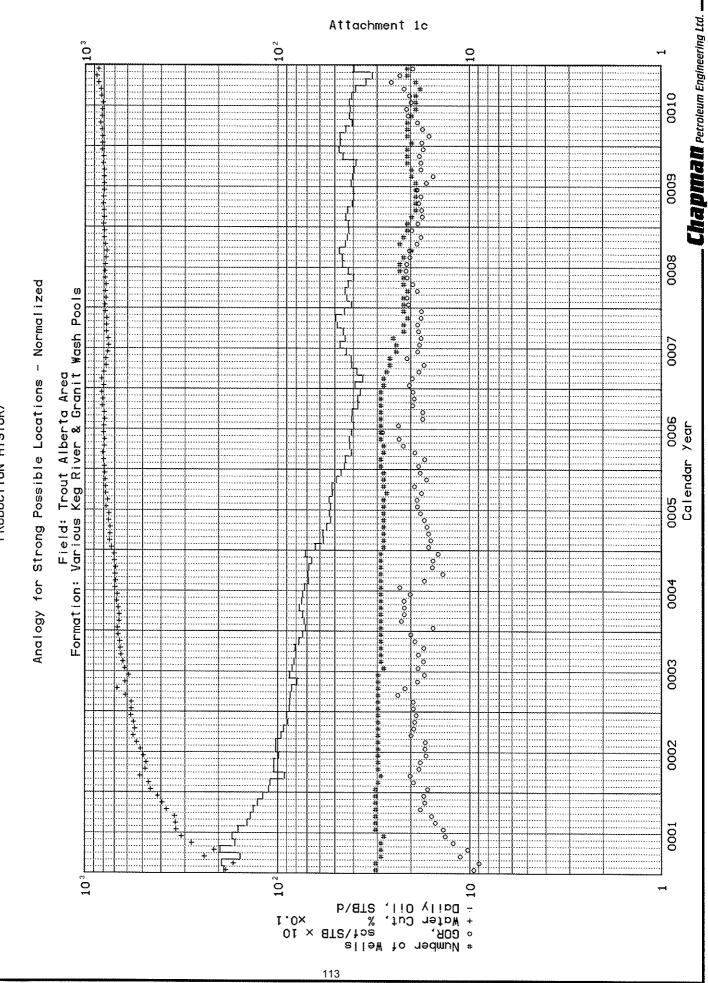
### Attachments

- 1a) Group Production Plot
- 1b) Group Rate vs. Cum. Plot
- 1c) Normalized Production Plot
- 1d) Well List Analog



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#### Attachment 1d

Well List - Analog Wells

1	00/07-08-089-03	W5M/00	Field:	TROUT	Formation:	KEG	RIV-GRAN	WASH	А
2	02/13-08-089-03	W5M/00	Field:	TROUT	Formation:	KEG	RIV-GRAN	WASH	А
3	02/13-08-089-03	W5M/02	Field:	TROUT	Formation:	KEG	RIV-GRAN	WASH	А
4	00/08-10-089-03			TROUT	Formation:	KEG	RIVER W		
5	00/11-10-089-03	W5M/02	Field:	TROUT	Formation:	KEG	RIVER V		
6	00/03-15-089-03			TROUT	Formation:	KEG	RIV-GRAN	WASH	в
7	00/11-15-089-03	W5M/00	Field:	TROUT	Formation:	KEG	RIV-GRAN	WASH	В
8	00/15-15-089-03			TROUT	Formation:	KEG	RIV-GRAN	WASH	в
	02/05-17-089-03			TROUT	Formation:	KEG	RIV-GRAN	WASH	А
	00/13-17-089-03				Formation:	KEG	RIV-GRAN	WASH	А
	00/09-18-089-03			TROUT	Formation:	KEG	RIV-GRAN	WASH	А
12	00/09-19-089-03			TROUT	Formation:	KEG	RIVER N		
13	00/04-20-089-03			TROUT	Formation:	KEG	RIV-GRAN	WASH	А
14	00/12-20-089-03			TROUT	Formation:	KEG	RIV-GRAN	WASH	А
15	00/08-21-089-03			TROUT	Formation:	KEG	RIV-GRAN	WASH	в
	00/10-21-089-03			TROUT	Formation:	KEG	RIV-GRAN	WASH	В
17	00/16-21-089-03			TROUT	Formation:	KEG	RIV-GRAN	WASH	В
18	00/01-22-089-03	•			Formation:	KEG	RIV-GRAN	WASH	В
19	00/05-22-089-03	,		TROUT	Formation:	KEG	RIV-GRAN	WASH	в
20	00/10-22-089-03				Formation:	KEG	RIV-GRAN	WASH	в
21	00/11-22-089-03				Formation:	KEG	RIV-GRAN	WASH	в
22	00/12-22-089-03			TROUT	Formation:	KEG	RIV-GRAN	WASH	в
23	00/15-22-089-03	•		TROUT	Formation:	KEG	RIV-GRAN	WASH	в
24	00/02-27-089-03			TROUT	Formation:	KEG	RIV-GRAN	WASH	В
25	00/10-27-089-03			TROUT	Formation:	KEG	RIVER C		
26	00/12-27-089-03			TROUT	Formation:	KEG	RIVER C		
27	00/01-28-089-03			TROUT	Formation:	KEG	RIV-GRAN	WASH	В
28	00/06-28-089-03			TROUT	Formation:	KEG	RIVER FF		
29	00/12-28-089-03				Formation:		RIVER EE		
30	00/01-30-089-03				Formation:		RIVER N		
31	00/15-30-089-03	W5M/00	Field:	TROUT	Formation:	KEG	RIVER N		

## Appendix D Summary of Analog Analysis

## June 1, 2011

# Trout, Alberta

# Analog for

Well	Average Possible Locations in Trout
Zone	Keg River and Granite Wash

## **Analog Property**

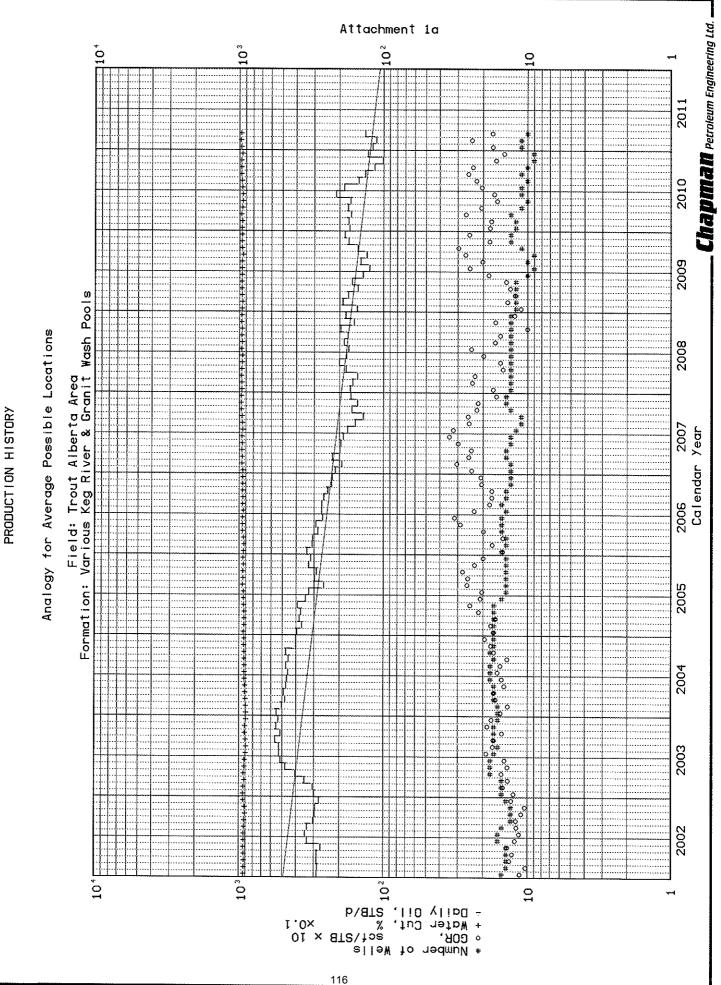
### Reference

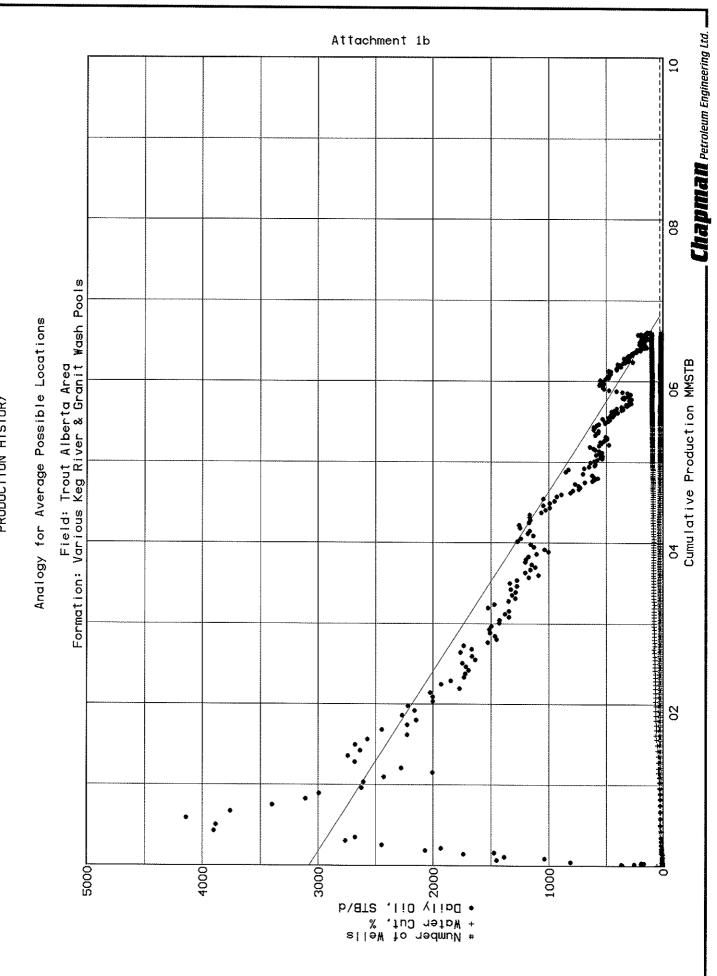
Field	Trout
Pool	Various Keg River & Granit Wash A & B

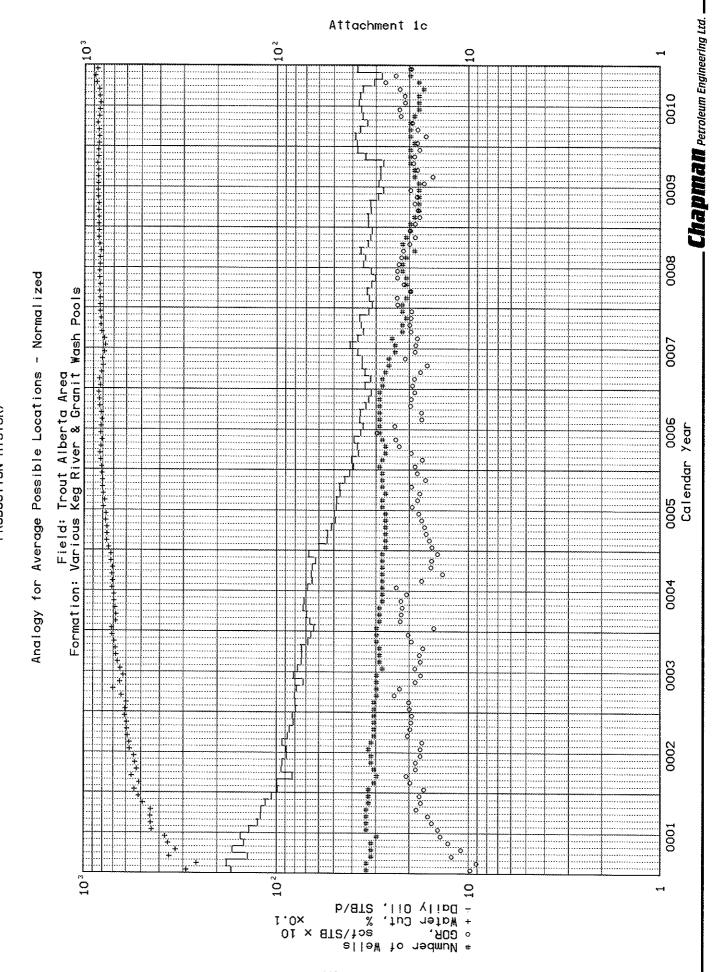
Ultimate reserves	6,817	MSTB	Attachment 1b
Number of Wells	34		Attachment 1d
Ave Reserves/well	201	MSTB	Calculated
Average Initial Rate	180	STB/d	Attachment 1c

## Attachments

- 1a) Group Production Plot
- 1b) Group Rate vs. Cum. Plot
- 1c) Normalized Production Plot
- 1d) Well List Analog







#### Attachment 1d

Well List - Analog Wells

1 00/07-08-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH A 2 00/11-08-089-03 W5M/02 Field: TROUT Formation: KEG RIV-GRAN WASH A 3 02/13-08-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH A 4 02/13-08-089-03 W5M/02 Field: TROUT Formation: KEG RIV-GRAN WASH A 5 00/08-10-089-03 W5M/00 Field: TROUT Formation: KEG RIVER W 6 00/11-10-089-03 W5M/02 Field: TROUT Formation: KEG RIVER V 7 00/04-11-089-03 W5M/00 Field: TROUT Formation: KEG RIVER U 8 00/03-15-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH B 9 00/11-15-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH B 10 00/15-15-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH B 11 02/05-17-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH A 12 00/12-17-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH A 13 00/13-17-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH A 14 00/09-18-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH A 15 00/01-19-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH A 16 00/09-19-089-03 W5M/00 Field: TROUT Formation: KEG RIVER N 17 00/04-20-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH A 18 00/12-20-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH A 19 00/08-21-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH B 20 00/10-21-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH B 21 00/16-21-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH B 22 00/01-22-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH B 23 00/05-22-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH B 24 00/10-22-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH B 25 00/11-22-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH B 26 00/12-22-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH B 27 00/15-22-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH B 28 00/02-27-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH B 29 00/10-27-089-03 W5M/00 Field: TROUT Formation: KEG RIVER C 30 00/12-27-089-03 W5M/00 Field: TROUT Formation: KEG RIVER C 31 00/01-28-089-03 W5M/00 Field: TROUT Formation: KEG RIV-GRAN WASH B 32 00/06-28-089-03 W5M/00 Field: TROUT Formation: KEG RIVER FF 33 00/12-28-089-03 W5M/00 Field: TROUT Formation: KEG RIVER EE 34 00/01-30-089-03 W5M/00 Field: TROUT Formation: KEG RIVER N

## GLOSSARY OF TERMS (Abbreviations & Definitions)

## <u>General</u>

BIT	-	Before Income Tax
AIT	-	After Income Tax
M\$	-	Thousands of Dollars
Effective Date	-	The date for which the Present Value of the future cash flows and reserve categories are established
\$US	-	United States Dollars
WTI	-	West Texas Intermediate – the common reference for crude oil used for oil price comparisons
ARTC	-	Alberta Royalty Tax Credit
GRP	-	Gas Reference Price
Interests and Royalties		
BPO	-	Before Payout
APO	-	After Payout
APPO	-	After Project Payout
Payout	-	The point at which a participant's original capital investment is recovered from its net revenue
GORR	-	Gross Overriding Royalty – percentage of revenue on gross revenue earned (can be an interest or a burden)
NC	-	New Crown – crown royalty on petroleum and natural gas discovered after April 30, 1974
SS 1/150 (5%-15%) Oil	-	Sliding Scale Royalty – a varying gross overriding royalty based on monthly production. Percentage is calculated as 1-150 <sup>th</sup> of monthly production with a minimum percentage of 5% and a maximum of 15%
FH	-	Freehold Royalty
P&NG	-	Petroleum and Natural Gas
Тwp	-	Township
Rge	-	Range
Sec	-	Section

# Technical Data

psia	-	Pounds per square inch absolute
MSTB	-	Thousands of Stock Tank Barrels of oil (oil volume at 60 F and 14.65 psia)
MMscf	-	Millions of standard cubic feet of gas (gas volume at 60 F and 14.65 psia)
Bbls	-	Barrels
Mbbls	-	Thousands of barrels
MMBTU	-	Millions of British Thermal Units – heating value of natural gas
STB/d	-	Stock Tank Barrels of oil per day – oil production rate
Mscf/d	-	Thousands of standard cubic feet of gas per day – gas production rate
GOR (scf/STB)	-	Gas-Oil Ratio (standard cubic feet of solution gas per stock tank barrel of oil)
mKB	-	Metres Kelly Bushing – depth of well in relation to the Kelly Bushing which is located on the floor of the drilling rig. The Kelly Bushing is the usual reference for all depth measurements during drilling operations.
EOR	-	Enhanced Oil Recovery
GJ	-	Gigajoules
Marketable or Sales Natural Gas	-	Natural gas that meets specifications for its sale, whether it occurs naturally or results from the processing of raw natural gas. Field and plant fuel and losses to the point of the sale must be excluded from the marketable quantity. The heating value of marketable natural gas may vary considerably, depending on its composition; therefore, quantities are usually expressed not only in volumes but also in terms of energy content. Reserves are always reported as marketable quantities.
NGLs	-	Natural Gas Liquids – Those hydrocarbon components that can be recovered from natural gas as liquids, including but not limited to ethane, propane, butanes, pentanes plus, condensate, and small quantities of non-hydrocarbons.
Raw Gas	-	Natural gas as it is produced from the reservoir prior to processing. It is gaseous at the conditions under which its Volume is measured or estimated and may include varying amounts of heavier hydrocarbons (that may liquefy at atmospheric conditions) and water vapour; may also contain sulphur and other non-hydrocarbon compounds. Raw natural gas is generally not suitable for end use.



COUGAR OIL AND GAS CANADA INC. Suite 1120, 833 – 4 Avenue S.W. Calgary, Alberta T2P 3T5 Phone: +1 403-262-8044 Fax: +1 403-513-2670 info@cougarenergyinc.com www.cougaroilandgascanadainc.com

June 22, 2011

Chapman Petroleum Engineering Ltd. 445, 708 - 11 Avenue SW Calgary, AB T2R 0E4

## Re: Cougar Oil and Gas Canada Inc. (Company) Representation Letter

Dear Sir:

Regarding the evaluation of our Company's oil and gas reserves and independent appraisal of the economic value of these reserves for the year ended May 31, 2011, (the effective date), we herein confirm to the best of our knowledge and belief as of the effective date of the reserves evaluation, and as applicable, as of today, the following representations and information made available to you during the conduct of the evaluation:

- 1. We, Cougar Oil and Gas Canada Inc., (the Client) have made available to you, Chapman Petroleum Engineering Ltd. (the Evaluator) certain records, information, and data relating to the evaluated properties that we confirm is, with the exception of immaterial items, complete and accurate as of the effective date of the reserves evaluation, including the following:
  - Accounting, financial, tax and contractual data
  - Asset ownership and related encumbrance information;
  - Details concerning product marketing, transportation and processing arrangements;
  - All technical information including geological, engineering and production and test data;
  - Estimates of future abandonment and reclamation costs.
- 2. We confirm that all financial and accounting information provided to you is, to the best of our knowledge, both on an individual entity basis and in total, entirely consistent with that reported by our Company for public disclosure and audit purposes.



- 3. We confirm that our Company has satisfactory title to all of the assets, whether tangible, intangible, or otherwise, for which accurate and current ownership information has been provided.
- 4. With respect to all information provided to you regarding product marketing, transportation, and processing arrangements, we confirm that we have disclosed to you all anticipated changes, terminations, and additions to these arrangements that could reasonably be expected to have a material effect on the evaluation of our Company's reserves and future net revenues.
- 5. With the possible exception of items of an immaterial nature, we confirm the following as of the effective date of the evaluation:
  - For all operated properties that you have evaluated, no changes have occurred or are reasonably expected to occur to the operating conditions or methods that have been used by our Company over the past twelve (12) months, except as disclosed to you. In the case of non-operated properties, we have advised you of any such changes of which we have been made aware.
  - All regulatory, permits, and licenses required to allow continuity of future operations and production from the evaluated properties are in place and, except as disclosed to you, there are no directives, orders, penalties, or regulatory rulings in effect or expected to come into effect relating to the evaluated properties.
  - Except as disclosed to you, the producing trend and status of each evaluated well or entity in effect throughout the three-month period preceding the effective date of the evaluation are consistent with those that existed for the same well or entity immediately prior to this three-month period.
  - Except as disclosed to you, we have no plans or intentions related to the ownership, development or operation of the evaluated properties that could reasonably be expected to



materially affect the production levels or recovery of reserves from the evaluated properties.

- If material changes of an adverse nature occur in the Company's operating performance subsequent to the effective date and prior to the report data, we will inform you of such material changes prior to requesting your approval for any public disclosure of reserves information.
- 6. We hereby confirm that our Company is in material compliance with all Environmental Laws and does not have any Environmental Claims pending.

Between the effective date of the report and the date of this letter, nothing has come to our attention that has materially affected or could affect our reserves and economic value of these reserves that has not been disclosed to you.

Yours very truly,

**Chief Executive Officer** 

Chall

President