

**FORM 51-101F1 STATEMENT
OF RESERVES DATA
AND OTHER OIL AND GAS INFORMATION
(As of September 30, 2007)**



Worldwide **Petroleum** *Consultants*

Copies: Pétrolia Inc. (4 copies)
Sproule Associates Limited (1 copy)
Electronic (1 copy)

Project No.: 3180.16912

Prepared For: Pétrolia Inc.

Authors: Douglas J. Carsted, P.Geol., Project Leader
John L. Chipperfield, P.Geol.

Exclusivity: This report has been prepared for the exclusive use of Pétrolia Inc. It may not be reproduced, distributed, or made available to any other company or person, regulatory body, or organization without the knowledge and written consent of Sproule Associates Limited, and without the complete contents of the report being made available to that party.

Table of Contents

Introduction

Introduction
Report Standards
Forward-Looking Statements
Exclusivity
Certification
Permit to Practice
Certificates

Discussion

Report Date
Reserves and Production
Properties Held by Pétrolia
 Exploration Permits
 Other Interests
Exploration Costs
Wells Drilled
Current and Future Exploration

Figure 1 Oil and gas properties held by Pétrolia Inc. in Quebec and New Brunswick

National Instrument 51-101

Form 51-101F2

Table 1 Summary of Oil and Gas Reserves
As of September 30, 2007
Forecast Prices and Costs

Table 2 Summary of Net Present Values
Of Future Net Revenue
As of September 30, 2007
Forecast Prices and Costs

Table 3	Total Future Net Revenue (Undiscounted) As of September 30, 2007 Forecast Prices and Costs
Table 4	Net Present Value of Future Net Revenue by Production Group As of September 30, 2007 Forecast Prices and Costs

Introduction

This report was prepared by Sproule Associates Limited ("Sproule") at the request of Mr. Pierre Houle, of Pétrolia Inc. Pétrolia Inc. is hereinafter referred to as "the Company." The effective date of this report is September 30, 2007, and it consists of the disclosure information required by NI 51-101 regarding the Statement of Reserves Data and Other Oil and Gas Information. This report was prepared in January 2008 for the purpose of reporting the Company's activities related to *other oil and gas information* in accordance with Items 6.1, 6.2, 6.6, and 6.7 of Form 51-101F1.

This report is included in one volume which consists of an Introduction and Discussion. The Introduction includes the summary of evaluation standards and procedures and pertinent author certificates, the Discussion includes general commentaries regarding the company's properties and activities as they pertain to the required sections of Form 51-101F1.

The Company provided all of the required information in December 2007 need to prepare this report.

Field Operations

In the preparation of this report, a field inspection of the properties was not performed. The relevant engineering data were made available by the Company or obtained from public sources and the non-confidential files at Sproule Associates Limited. No material information regarding the data included in this report would have been obtained by an on-site visit.

Historical Data, Interests and Burdens

1. Property descriptions, details of interests held, and well data, as supplied by the Company, were accepted as represented. No investigation was made into either the legal titles held or any operating agreements in place relating to the subject properties.
2. Lessor and overriding royalties and other burdens were obtained from the Company. No further investigation was undertaken by Sproule Associates Limited.

Report Standards

This report has been prepared by Sproule Associates Limited using current geological and engineering knowledge, techniques and computer software. It has been prepared within the Code of Ethics of the Association of Professional Engineers, Geologists and Geophysicists of Alberta (“APEGGA”). This report adheres in all material aspects to the “best practices” recommended in the COGE Handbook which are in accordance with principles and definitions established by the Calgary Chapter of the Society of Petroleum Evaluation Engineers. The COGE Handbook is incorporated by reference in National Instrument 51-101.

Forward-Looking Statements

This report may contain forward-looking statements including expectations of future production revenues and capital expenditures. Information concerning reserves may also be deemed to be forward-looking as estimates involve the implied assessment that the reserves described can be profitably produced in future. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause actual results to differ from those anticipated. These risks include, but are not limited to: the underlying risks of the oil and gas industry (i.e., corporate commitment, regulatory approval, operational risks in development, exploration and production; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserves estimations; the uncertainty of estimates and projections relating to production; costs and expenses, and health, safety and environmental factors), commodity price and exchange rate fluctuation.

Exclusivity

This report has been prepared for the exclusive use of Pétrolia Inc. It may not be reproduced, distributed, or made available to any other company or person, regulatory body, or organization without the knowledge and written consent of Sproule Associates Limited, and without the complete contents of the report being made available to that party.

Certification

Report Preparation

The report entitled "Form 51-101F1 Statement of Reserves Data and Other Oil and Gas Information (As of September 30, 2007)" was prepared by the following Sproule personnel:

Signed by Douglas J. Carsted, P.Geol.

Douglas J. Carsted, P.Geol.
Project Leader;
Vice-President, Geoscience
24 / 01 /2008 dd/mm/yr

Sproule Executive Endorsement

This report has been reviewed and endorsed by the following Executive of Sproule:

Signed by John L. Chipperfield, P.Geol.

John L. Chipperfield, P.Geol.
Senior Vice-President
24 / 01 /2008 dd/mm/yr

Permit to Practice

Sproule Associates Limited is a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta and our permit number is P417.

Certificate

Douglas J. Carsted, B.Sc., P.Geol.

I, Douglas J. Carsted, Vice-President, Geoscience, and Director at Sproule International Limited, 900, 140 Fourth Ave SW, Calgary, Alberta, declare the following:

1. I hold the following degrees:
 - a. B.Sc. (Honours) Geology (1982) University of Manitoba, Winnipeg MB, Canada
 - b. B.Sc. Chemistry (1979) University of Winnipeg, Winnipeg MB, Canada
2. I am a registered professional:
 - a. Professional Geologist (P.Geol.) Province of Alberta, Canada
3. I am a member of the following professional organizations:
 - a. Association of Professional Engineers, Geologists and Geophysicists of Alberta (APEGGA)
 - b. Canadian Society of Petroleum Geologists (CSPG)
 - c. American Association of Petroleum Geologists (AAPG)
 - d. Petroleum Society of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM)
 - e. Canadian Well Logging Society (CWLS)
 - f. Indonesian Petroleum Association, Professional Division (IPA)
4. I am a qualified reserves evaluator and reserves auditor as defined in National Instrument 51-101.
5. My contribution to the report entitled "Form 51-101F1 Statement of Reserves Data and Other Oil and Gas Information (As of September 30, 2007)" is based on my geological knowledge and the data provided to me by the Company, from public sources, and from the non-confidential files of Sproule International Limited. I did not undertake a field inspection of the properties.
6. I have no interest, direct or indirect, nor do I expect to receive any interest, direct or indirect, in the properties described in the above-named report or in the securities of Pétrolia Inc.

Signed by Douglas J. Carsted, P.Geol.

Douglas J. Carsted, P.Geol.

Certificate

John L. Chipperfield, B.Sc., P.Geol.

I, John L. Chipperfield, Senior Vice-President and Director of Sproule Associates Limited, 900, 140 Fourth Ave SW, Calgary, Alberta, declare the following:

1. I hold the following degree:
 - a. B.Sc. (Honours) Geology (1972) University of Alberta, Edmonton AB, Canada
2. I am a registered professional:
 - a. Professional Geologist (P.Geol.) Province of Alberta, Canada
3. I am a member of the following professional organizations:
 - a. Association of Professional Engineers, Geologists and Geophysicists of Alberta (APEGGA)
 - b. Canadian Society of Petroleum Geologists (CSPG)
 - c. American Association of Petroleum Geologists (AAPG)
 - d. Petroleum Society of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM)
 - e. Canadian Well Logging Society (CWLS)
 - f. Ontario Petroleum Institute (OPI)
4. I am a qualified reserves evaluator and reserves auditor as defined in National Instrument 51-101.
5. My contribution to the report entitled "Form 51-101F1 Statement of Reserves Data and Other Oil and Gas Information (As of September 30, 2007)" is based on my geological knowledge and the data provided to me by the Company, from public sources, and from the non-confidential files of Sproule Associates Limited. I did not undertake a field inspection of the properties.
6. I have no interest, direct or indirect, nor do I expect to receive any interest, direct or indirect, in the properties described in the above-named report or in the securities of Pétrolia Inc.

Signed by John L. Chipperfield, P.Geol.

John L. Chipperfield, P.Geol.

Discussion

Report Date

This report was completed on January 21, 2008. The data and information contained herein relate to Pétrolia's activities during the period October 1, 2006 through September 30, 2007. The effective date of this report is September 30, 2007. Where appropriate, notes have been included in the text to indicate where changes have occurred over the year. The Company's land holdings are located in the provinces of Quebec and New Brunswick, Canada.

Reserves and Production

As of September 30, 2007 no oil or natural gas reserves have been assigned to any of the properties in which Pétrolia has an interest.

Properties Held by Pétrolia

The Company's land holdings as of September 30, 2007, are located in the Provinces of Quebec and New Brunswick (Figure 1 and Table 1). These include lands held 100% under oil and gas exploration permits (PG) or by underground reservoir exploration permits (RS) issued by the Government of Quebec and by exploration licences issued by the Government of New Brunswick. In total, the 100% interest lands cover an area of 922,946 hectares.

In the Gaspé Peninsula, the 100% owned lands are divided into five blocks, Edgar, Gaspé, Gastonguay, Gaspésia and Marcel Tremblay covering 854,783 net hectares. In this reporting period, the Company relinquished 100,811 hectares of land representing five permits within the Gaspésia block. The Company also acquired two permits on the Gaspé Peninsula totaling 33,165 hectares, which comprise the Marcel Tremblay block.

On the Gaspé block and on the Gastonguay block, the Company has granted a 50% back-in option to Junex Inc. in the event hydrocarbons are discovered on the block. These two blocks cover an area of 633,388 hectares. The Junex back-in option is limited to 50% of Pétrolia's WI and is restricted to a specific area around each potential discovery well (the exact surface area is currently under negotiation).

Table1
Pétrolia Land Holdings

Quebec			
Block	Number of Permits	Interest (%)	Area (ha)
Gaspé ⁽¹⁾	21 RS ⁽²⁾	100	374,395
Gastonguay ⁽¹⁾	13 RS ⁽²⁾	100	258,993
Sub-Total			633,388
Gaspésia	7 PG ⁽³⁾	100	138,220
Edgar	3 PG ⁽³⁾	100	50,010
Marcel Tremblay	2 PG ⁽⁴⁾	100	33,165
Sub-Total			221,395
Total Quebec			854,783
New Brunswick			
Dalhousie Block 1	100 sections over 3 grids ⁽⁵⁾	100	34,614
Dalhousie Block 2	71 sections over 2 grids ⁽⁵⁾	100	24,569
Dalhousie Block 3	29 sections over 1 grid ⁽⁵⁾	100	8,981
Total New Brunswick			68,163
Total Pétrolia			922,946

Option Lands			
Blande taconique ⁽⁶⁾		100% Junex	175,734
Baie des Chaleurs ⁽⁶⁾		100% Junex	412,796
Sub-Total			588,530
Seismic Option Lands			
Matapédia Nord ⁽⁷⁾		100% Gastem Inc.	77,501
Total Option Lands			666,031

- (1) First right of refusal and 50% back-in option granted to Junex. This option is limited to 50% of Petrolia's WI and is restricted to a specific area around each potential discovery well.
- (2) Underground reservoir permits obtained November 21, 2005.
- (3) Oil and gas exploration permits obtained April 25, 2006.
- (4) Oil and gas exploration permits obtained July 19, 2007.
- (5) Licences to Search obtained August 15, 2006, expiry August 14, 2009.
- (6) First right of refusal granted to Pétrolia by Junex.
- (7) Seismic Option granted to Pétrolia by Gastem Inc.

In addition to the permits which are held 100%, the Company, in 2005, obtained a first right of refusal on two blocks of land held by Junex Inc. The two blocks Bande Taconique and Baie-des-Chaleurs cover an area totaling 588,530 hectares. The Baie-des-Chaleurs block is comprised of 22 exploration permits covering a total of 412,796 hectares. The Bande Taconique block is comprised of 8 exploration permits and covers an area of 175,734 hectares.

The Company has also negotiated a seismic option with Gastem Inc. on their Matapédia property which covers an area of 78,000 hectares.

The permits issued by the Government of Québec give Pétrolia the exclusive right to undertake oil and gas (and underground reservoir) exploration work for an initial five year period with the possibility of further annual renewals for another five years, provided certain obligations are fulfilled.

These obligations are an annual rental fee of \$0.10 per hectare and a minimum statutory exploration expenditure that must be met each year. The minimum required expenditure must be equivalent to \$0.50 per hectare the first year. The minimum expenditure increases by \$0.50 per hectare in each subsequent year, reaching \$2.50 per hectare in the fifth year. For each additional renewal, the rental fee is fixed at \$0.50 per hectare and the work obligations are equivalent to \$2.50 per hectare.

The properties held in northern New Brunswick are divided into three blocks totaling 68,163 hectares. These blocks are referred to as Dalhousie Block 1, Dalhousie Block 2 and Dalhousie Block 3 and consist of Licences to Search that were obtained on August 15, 2006, and which have an expiry date of August 14, 2009.

For the Quebec exploration permits, Pétrolia will have to expend \$1,362,224 in the next financial year (2007-2008) to fulfill the minimum work obligation expenditures based on the permit dates and the number of hectares in each permit. To keep its rights on the various properties. The exploration expenses already incurred over the permits are sufficient to meet the minimum work obligation for the next fiscal year.

The licenses to search issued by the Government of New Brunswick give Pétrolia the exclusive right to undertake oil and gas exploration work for an initial three year term. During this initial three year term the Company must spend a minimum of \$10.00 per hectare and pay an annual rental fee of \$0.15 per hectare. The required minimum work obligation expenditure over these New Brunswick permits during the next three calendar years is \$ 681,630. At the end of the initial term, Pétrolia will have the option to abandon the area and release it to the Crown, to renew the exploration licence for a further three year term under the same conditions or to convert it to a lease with an annual rent of \$4.00 per hectare.

The following sections present additional information regarding each of the blocks held by Pétrolia.

Exploration Permits

GASPÉSIA PROPERTY

This block is 100% owned by the Company and is the westernmost block located on the Gaspé Peninsula (Figure 1). It was acquired in 2002 and now covers 7 oil and gas exploration permits having a total surface area of 138,220 hectares (Table 2). Five permits in this block, totaling 100,811 hectares, were relinquished in 2007. The block covers a part of the Connecticut Valley – Gaspé Synclinorium showing important partly thrustured Silurian-Devonian sedimentary thicknesses lying over a highly deformed Cambrian-Ordovician substratum.

PERMITS	ACQUISITION DATE	AREA (ha)
2002PG632	01/05/2002	19,229
2002PG633	01/05/2002	18,746
2002PG634	01/05/2002	21,192
2002PG636	01/05/2002	17,706
2002PG637	01/05/2002	20,701
2002PG638	01/05/2002	20,748
2002PG642	01/05/2002	19,898
TOTAL		138,220

The Gaspésia Block is located in the center of the Connecticut Valley-Gaspé Synclinorium basin where important anticlinal structures and numerous fault traps are interpreted from surface geology and are also observed on existing seismic data within the Devonian, Silurian and Ordovician sections. Based on available geological and geophysical data, this property has interesting gas and oil potential worthy of further exploration work. Thermal maturity studies indicate that the sedimentary section of the general area is gas prone but, locally, in the north-central part, it could reach the oil window.

The 126 km high-resolution regional seismic program that was acquired over the Gaspésia property in December 2006, was processed in 2007.

The Company's exploration objective in the Gaspésia area is to build a sound 3-D geological model that will integrate existing field data (gravity and magnetic) with the regional seismic data and the surface geology. The 3-D model will help validate the geophysical data and develop a consistent geological understanding of the region. After a comprehensive evaluation of the property, a recommendation will be made to either acquire a detailed seismic survey over existing leads, or to continue the regional seismic survey program.

A study sponsored by the Company on the thermal maturity of the various formations indicates that the sandstones at the base of the Silurian sequence are of similar nature to the Silurian sandstones of the Appalachian Basin of the United States, which have been producing sizable volumes of natural gas for many years. The December 2006 seismic survey made it possible to evaluate the lateral extent and depth of these sandstones and of the overlying Silurian limestones. The 2007 field work also confirmed the presence of fracture porosity in these formations. This type of reservoir is especially interesting in view of its continuity and predictable porosity.

The Siluro-Devonian limestone reefs could also be a target if found at shallower depths.

EDGAR PROPERTY

This new property is owned 100% by Pétrolia and is composed of three oil and gas exploration permits (PG) acquired in April 2006 (Figure 1 and Table 3). It is located in the northeast extension of the Gaspésia Block. Because of the interesting results obtained from newly acquired government thermal maturation data over this area, the Company has requested posting of the exploration land over a large intrusive structure. The thermal maturation results indicate that the large dome structure (Lemieux) mapped in the central part of the Edgar property showed the potential for oil preservation.

Table 3
Edgar Block Permits

PERMITS	ACQUISITION DATE	AREA (ha)
2006PG874	25/04/2006	21,157
2006PG875	25/04/2006	14,128
2006PG876	25/04/2006	14,725
TOTAL		50,010

The detailed thermal maturation study was completed in 2007 and is now being evaluated by the Company. After a positive result is obtained from this more specific study, a detailed exploration program will then be developed to verify the local hydrocarbon potential.

GASPÉ PROPERTY

The Gaspé exploration permit block is located in the eastern-central part of the Gaspé Peninsula (Figure 1). Pétrolia initially acquired these permits from Junex Inc. in 2005 and has concentrated a large part of its exploration to date on this property. The block is composed of 21 underground reservoir exploration permits (RS) covering some 3,744 km² (Table 4). A royalty of 7.5% on future production encumbers the following 11 permits: 2005RS102, 2005RS104, 2005RS105, 2005RS108, 2005RS109, 2005RS110, 2005RS111, 2005RS112, 2005RS119, 2005RS120 and 2005RS122 on the Gaspé Block.

Note that the RS permit numbers replaced the previous Junex PG permits in 2005. The same outlines were kept but, due to a change in government permit size calculations, the new permits are somewhat reduced in size. The total area covered by the contract permits is now 179,781 hectares (the true area) instead of 181,198 hectares stated in the contract.

The Gaspé Property is characterized by the presence of oil shows (about 60 known sites) in the Devonian sandstones, which explains the interest in this region by explorers for more than a century. Most of the early work involved shallow drilling and was lacking either a geological description or petrophysical well logs. Since 1970, better knowledge was acquired from the results of 9 wells and more than 600 Km of seismic lines (including Pétrolia's 105 Km lines). The main exploration targets correspond to contact zones between the Devonian Gaspé sandstone

and limestone. Other potential targets over the property are Devonian reef features and Devonian or Silurian hydrothermal breccias in fracture zones near major faults.

The Pétrolia-Haldimand No. 1 (C131) well was spud on November 5th 2005. The well is located on permit 2005RS123. It drilled through the Battery Point and the York River Formations to a total depth of 1,436 mKB. The well produced through perforations between 950 and 1,150 m at a stabilized rate of 34 barrels of light oil per day and 34 mcf/d of gas during the production tests. The well was completed and the rig was released on March 31st 2006. Partners in the well were Gastem Inc. (10% farm-in) and Junex Inc. (45% after discovery).

Since the drafting of a JOA between the Company and Junex is only now in the final stage of completion, there were no field operations during the last year. In the meantime, however, the Company has pursued its internal evaluation of the Haldimand property, commissioning additional studies pertaining to the petrographic analysis of cuttings, the thermal maturation of the source rocks and well performance analysis and recommendations for future drilling programs. This should lead to new field work in 2008, including the carrying out of a detailed seismic program.

The “Bourque Project” was initiated in 2007 and is located in the northwest portion of the Gaspé Property. Its main objectives are the limestone reefs of the West Point Formation. The Company has purchased 2-D seismic lines from the public domain; and these lines should be reprocessed in 2008. New seismic should also be acquired to better define the underground distribution of the reefs. A new thermal maturation study will also be undertaken in 2008 to better define the hydrocarbon potential of the property.

**Table 4
Gaspé Block Permits**

PERMITS	ACQUISITION DATE	AREA (ha)
2005RS102	21/11/2005	17 898 Ha
2005RS103	21/11/2005	24 120 Ha
2005RS104	21/11/2005	13 419 Ha
2005RS105	21/11/2005	10 634 Ha
2005RS108	21/11/2005	17 395 Ha
2005RS109	21/11/2005	22 901 Ha
2005RS110	21/11/2005	18 830 Ha
2005RS111	21/11/2005	12 676 Ha
2005RS112	21/11/2005	20 838 Ha
2005RS113	21/11/2005	12 533 Ha
2005RS118	21/11/2005	21 595 Ha
2005RS119	21/11/2005	14 842 Ha
2005RS120	21/11/2005	10 110 Ha
2005RS121	21/11/2005	24 873 Ha
2005RS122	21/11/2005	20 238 Ha
2005RS123	21/11/2005	23 943 Ha
2005RS129	21/11/2005	14 448 Ha
2005RS130	21/11/2005	18 962 Ha
2005RS131	21/11/2005	16 124 Ha
2005RS132	21/11/2005	17 374 Ha
2005RS133	21/11/2005	20 642 Ha
TOTAL		374 395 Ha

GASTONGUAY PROPERTY

The Gastonguay Block is located in the eastern-central part of the Gaspé Peninsula (Figure 1). It is subdivided in 13 underground reservoir exploration permits (RS) covering an area of 2 590 km² (Table 5).

On this block, which is located over the largest anticlinal structure seen in the Gaspé Peninsula, very little exploration has been done to date but the presence of oil and gas in fractures has been shown in the Murdochville skarn area in mining cores. Various exploration targets in Devonian limestone (reefs) and sandstone as well as in Silurian and Ordovician carbonates at depths ranging from 1 000 to 4 000 meters are expected. Only one well, drilled in the eighties, was drilled to a depth of 1,800 metres on the anticline, however the deeper targeted Silurian and Ordovician was not reached.

Table 5
Gastonguay Block Permits

PERMITS	ACQUISITION DATE	AREA (ha)
2005RS100	21/11/2005	21 977 Ha
2005RS101	21/11/2005	23 278 Ha
2005RS106	21/11/2005	22 645 Ha
2005RS107	21/11/2005	21 309 Ha
2005RS114	21/11/2005	15 186 Ha
2005RS115	21/11/2005	18 496 Ha
2005RS116	21/11/2005	24 174 Ha
2005RS117	21/11/2005	21 596 Ha
2005RS124	21/11/2005	17 483 Ha
2005RS125	21/11/2005	16 374 Ha
2005RS126	21/11/2005	18 057 Ha
2005RS127	21/11/2005	15 800 Ha
2005RS128	21/11/2005	22 618 Ha
TOTAL		258 993 Ha

DALHOUSIE PROPERTY (NEW BRUNSWICK)

This property was acquired by Pétrolia in late August 2006 in the northern part of New Brunswick (Figure 1). It covers an area of 68 163 hectares subdivided in three (3) licences blocks (Table 6). Pétrolia was awarded the Dalhousie Property after requesting this acreage from the New-Brunswick department of natural resources. The license area was selected on the basis of the interesting results of a regional thermal maturation study, performed by the Geological Survey of Canada, which indicated that the area had potential for oil preservation.

A compilation of geo-scientific data will be undertaken in the coming two years as part of the detailed study needed to bring forward prospects. A petrophysical analysis, as well as thermal maturation studies, are also envisioned, which could lead to a 40 – 50 km seismic survey in the following year

PERMITS	ACQUISITION DATE	AREA (ha)
LICENCE 01 Grid 1119 (39 sections) Grid 1120 (58 sections) Grid 1020 (3 sections)	August 2006	34,614
LICENCE 02 Grid 1021 (14 sections) Grid 1121 (57 sections)	August 2006	24,569
LICENCE 03 Grid 1222 (29 sections)	August 2006	8,981
TOTAL		68,163

Other Interests

SAINT-SIMON PROPERTY

Following an earn-in agreement signed in August 2005 with Junex Inc., the Company acquired a 10% interest in the Shell Saint-Simon No.1 (A152) well. Junex re-entered the well on its property (permits 2003PG761) located in the St-Lawrence Lowlands, to the south-east of the city of Montréal.

Through the same agreement, in the case of positive results, the Company also has the option to earn 10% over the entire Saint-Simon structure by paying 10% of development, production and transportation costs. The 140 mm casing in the previous Shell well was cut open at a depth of 2,382 meters and the well was sidetracked to a new total depth (TD) of 2,580 meters and prepared for testing. The well was still suspended at the end of September 2006, waiting the decision of the operator for formation testing. Gastem Inc. also has a 10% interest in this partnership with Junex Inc. in this project.

MATAPÉDIA NORD PROPERTY

The Company negotiated a farm-in agreement with Gastem Inc. in 2004 which gives them the exclusive exploration rights over an area of 780 km² on permits 2002PG616, 2002PG617, 2002PG618 and 2002PG619 of the Matapédia Nord Property for three years. The Property is adjacent to the Gaspésia Property in the central Gaspé Peninsula.

Pétrolia is currently evaluating the results of its December 2006 seismic campaign to determine whether or not it will exercise its option to drill a well in 2008.

BANDE TACONIQUE PROPERTY

Pétrolia obtained from Junex Inc. a first right of refusal on the Bande Taconique Property. The Property is composed of eight exploration permits covering an area of 1,757 km² on the north shore of the Gaspé Peninsula (Figure 1). The existing exploration data over this area is very limited. The data does indicate good hydrocarbon potential within the Cambrian-Ordovician section, which is similar to that in the Saint-Flavien Field in the St-Lawrence Lowlands (allochthonous zone) and also in the overlying Silurian strata.

BAIE-DES-CHALEURS PROPERTY

Pétrolia obtained from Junex Inc. a first right of refusal on the Baie-des-Chaleurs Property. The property is composed of twenty-two (22) exploration permits covering a large area of 4,128 km² on the south side of the Gaspé Peninsula (Figure 1). The Baie-des-Chaleurs basin is a relatively unexplored region located between two regional faults. Outcropping rocks are mainly Silurian but most of the basin is filled with sediments ranging in ages from Ordovician to Carboniferous. The sequences are relatively undeformed and there is the potential that more primary porosity has been preserved. Structures and stratigraphic wedges are indicated on the seismic.

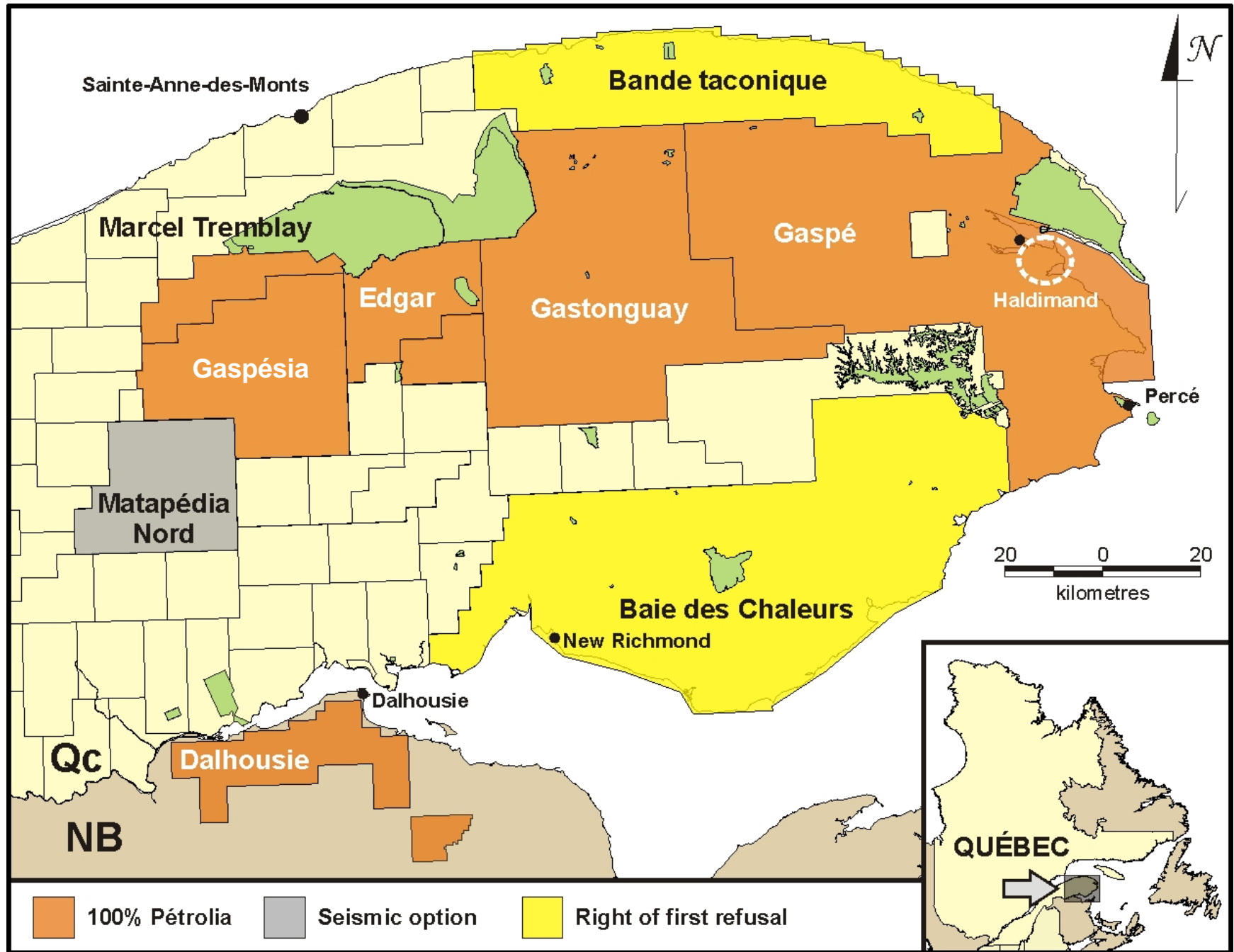
Exploration Costs

In the last fiscal year, the Company expended \$1,627,411 on exploration activities on their permits. As of September 30, 2007, the Company had cumulative exploration expenditures on its oil and gas properties of \$7,066,177.

The Company has informed us that they have met all of their current financial obligations on all required permits.

Wells Drilled In 2007

No wells were drilled by the Company during the last year.



National Instrument 51-101

This report was prepared for the purpose of evaluating the Company's P&NG reserves according to Canadian Oil and Gas Evaluation Handbook (COGEH) reserve definitions and standards and consistent with National Instrument 51-101 (NI 51-101). In accordance with these standards, and by reference in NI 51-101, certain tables are presented for both forecast and constant prices and costs, which summarize the reserves and net present values, as of September 30, 2007.

Form 51-101F2, which follows, presents a Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor.

Forecast Prices and Costs

Table 1 presents a summary of the various reserves categories. Table 2 presents a summary of net present values of future net revenue, before and after income taxes. Table 3 presents the total future net revenue (undiscounted) for the total proved and total proved plus probable reserves categories. Table 4 presents the net present value of future net revenue by production group for the total proved and total proved plus probable reserves categories. As shown in these tables, no reserves have been assigned to the properties in which the Company holds an interest.

Constant Prices and Costs

Constant Prices and Costs are defined in National Instrument 51-101 as the reporting issuer's prices and costs as at the evaluation effective date. The reporting issuer's prices and costs are defined as the actual posted price for oil, natural gas and natural gas by-products, after historical adjustments for transportation, gravity and other factors.

No tables have been included for the constant price case because no reserves have been assigned to the properties in which the Company holds an interest.

Form 51-101F2

Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor

Report on Reserves Data

To the Board of Directors of Pétrolia Inc. (the "Company"):

1. We have evaluated the Company's Reserves Data as at September 30, 2007. The reserves data consist of the following:

There are no reserves assigned to the properties held by the Company.

2. The Reserves Data are the responsibility of the Company's management. Our responsibility is to express an opinion on the Reserves Data based on our evaluation.

We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook"), prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
4. The following table sets forth the estimated future net revenue attributed to proved plus probable reserves, estimated using forecast prices and costs on a before tax basis and calculated using a discount rate of 10%, included in the reserves data of the Company evaluated by us as of September 30, 2007, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company's management and Board of Directors:

Independent Qualified Reserves Evaluator or Auditor	Description and Preparation Date of Evaluation Report	Location of Reserves (Country)	Net Present Value of Future Net Revenue (10% Discount Rate)			
			Audited (M\$)	Evaluated (M\$)	Reviewed (M\$)	Total (M\$)
Sproule	"Form 51-101F1 Statement of Reserves Data and Other Oil and Gas Information (As of September 30, 2007)", prepared January 2008	Canada	Nil	Nil	Nil	Nil
Total			Nil	Nil	Nil	Nil

5. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are presented in accordance with the COGE Handbook.
6. We have no responsibility to update the report referred to in paragraph 4 for events and circumstances occurring after its preparation date.
7. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

Sproule Associates Limited
Calgary, Alberta
January 24, 2008

Signed by Douglas J. Carsted, P.Geol.

Douglas J. Carsted, P.Geol.
Vice-President

Signed by John L. Chipperfield, P.Geol.

John L. Chipperfield, P.Geol.
Senior Vice-President

Table 1
NI 51-101
Summary of Oil and Gas Reserves
As of September 30, 2007
Forecast Prices and Costs

Reserves

Reserve Category	Light and Medium Oil		Heavy Oil		Coalbed Methane		Natural Gas (non-associated & associated)		Natural Gas (solution)		Natural Gas Liquids	
	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (MMcf)	Net (MMcf)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)
Proved												
Developed Producing	0	0	0	0	0	0	0	0	0	0	0	0
Developed Non-Producing	0	0	0	0	0	0	0	0	0	0	0	0
Undeveloped	0	0	0	0	0	0	0	0	0	0	0	0
Total Proved	0	0	0	0	0	0	0	0	0	0	0	0
Probable	0	0	0	0	0	0	0	0	0	0	0	0
Total Proved Plus Probable	0	0	0	0	0	0	0	0	0	0	0	0

Reference: Item 2.2(1) of Form 51-101F1

Table 2
NI 51-101
Summary of Net Present Values of
Future Net Revenue
As of September 30, 2007
Forecast Prices and Costs

	Net Present Values of Future Net Revenue									
	Before Income Taxes Discounted at (%/Year)					After Income Taxes Discounted at (%/Year)				
Reserves Category	0 (M\$)	5 (M\$)	10 (M\$)	15 (M\$)	20 (M\$)	0 (M\$)	5 (M\$)	10 (M\$)	15 (M\$)	20 (M\$)
Proved	0	0	0	0	0	0	0	0	0	0
Developed Producing	0	0	0	0	0	0	0	0	0	0
Developed Non-Producing	0	0	0	0	0	0	0	0	0	0
Undeveloped	0	0	0	0	0	0	0	0	0	0
Total Proved	0	0	0	0	0	0	0	0	0	0
Probable	0	0	0	0	0	0	0	0	0	0
Total Proved Plus Probable	0	0	0	0	0	0	0	0	0	0

Reference Item 2.2(2) of Form 51-101F1

Notes:

- NPV of FNR include all resource income:
 - Sale of oil, gas, by-product reserves
 - Processing third party reserves
 - Other income
- Income Taxes
 - Includes all resource income
 - Apply appropriate income tax calculations
 - Include prior tax pools

Table 3
NI 51-101
Total Future Net Revenue
(Undiscounted)
As of September 30, 2007
Forecast Prices and Costs

Reserves Category	Revenue (M\$)	Royalties (M\$)	Operating Costs (M\$)	Develop- ment Costs (M\$)	Well Abandon- ment Costs (M\$)	Future Net Revenue Before Income Taxes (M\$)	Income Taxes (M\$)	Future Net Revenue After Income Taxes (M\$)
Proved	0	0	0	0	0	0	0	0
Proved Plus Probable	0	0	0	0	0	0	0	0

Reference Item 2.2(3)(b) of Form 51-101F1

Table 4
NI 51-101
Net Present Value of Future Net Revenue
by Production Group
As of September 30, 2007
Forecast Prices and Costs

Reserves Category	Production Group	Future Net Revenue Before Income Taxes (Discounted at 10%/Year) (M\$)
Proved	Light and Medium Crude Oil (including solution gas and associated by-products)	0
	Heavy Oil (including solution gas and associated by-products)	0
	Coalbed Methane	0
	Natural Gas (including associated by-products)	0
		0
Proved Plus		0
Probable	Light and Medium Crude Oil (including solution gas and associated by-products)	0
	Heavy Oil (including solution gas and associated by-products)	0
	Coalbed Methane	0
	Natural Gas (including associated by-products)	0
		0

Reference Item 2.2(3)(c) of Form 51-101F1