

**TECHNICAL REVIEW OF
CERTAIN P&NG HOLDINGS OF
PÉTROLIA INC. IN QUEBEC
AND NEW BRUNSWICK
(As of September 30, 2010)**



Worldwide *Petroleum* Consultants

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

Project No.: 3180.18106

Prepared For: Pétrolia Inc.

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

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Introduction

This report was prepared by Sproule Associates Limited ("Sproule") at the request of Mr. Jean-Louis Teurlai, Director of Exploration, of Pétrolia Inc. Pétrolia Inc. is hereinafter referred to as "the Company." The effective date of this report is September 30, 2010, 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 December 2010 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 2010 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., in conjunction with its annual information filing. 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 "Technical Review of Certain P&NG Holdings of Pétrolia Inc. in Quebec and New Brunswick (As of September 30, 2010)" was prepared by the following Sproule personnel, whose Certificates are attached:

Original Signed by Douglas J. Carsted, P.Geol.

Douglas J. Carsted, P.Geol.
Project Leader;
Vice-President, Geoscience
23 / 12 /2010 dd/mm/yr

Sproule Executive Endorsement

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

Original Signed by John L. Chipperfield, P.Geol.

John L. Chipperfield, P.Geol.
Senior Vice-President
23 / 12 /2010 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 Associates 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. Society of Petroleum Engineers (SPE)
 - 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 "Technical Review of Certain P&NG Holdings of Pétrolia Inc. in Quebec and New Brunswick (As of September 30, 2010)" 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.

Original 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. Society of Petroleum Engineers (SPE)
 - 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 "Technical Review of Certain P&NG Holdings of Pétrolia Inc. in Quebec and New Brunswick (As of September 30, 2010)" 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.

Original Signed by John L. Chipperfield, P.Geol.

John L. Chipperfield, P.Geol.

Discussion

Report Date

This report was completed on December 20, 2010. The data and information contained herein relate to Pétrolia's activities during the period October 1, 2009 through September 30, 2010. The effective date of this report is September 30, 2010. Where appropriate, notes have been included in the text to indicate where changes have occurred over the year.

Reserves and Production

As of September 30, 2010 no oil or natural gas reserves have been assigned to any of the properties in which Pétrolia has an interest.

Resources

As of September 30, 2010 contingent oil resources have been assigned to the Haldimand Block Gaspé Peninsula, Québec.

Properties Held by Pétrolia

The Company's land holdings as of September 30, 2010 are located in the Provinces of Quebec and New Brunswick (Figure 1 and Table 1). These include lands held under oil and gas exploration permits (PG) or by underground reservoir exploration permits (RS) issued by the Government of Quebec and by exploration licences or leases issued by the Government of New Brunswick. In total, the interest lands cover an area of 1,458,091 hectares on a gross basis and 1,142,815 hectares on a net basis.

In the Gaspé Peninsula, the land is divided for the sake of convenience into five blocks, Gaspé, Gastonguay, Gaspésia, Marcel Tremblay and Edgar, covering 838,745 gross hectares. The majority of this land is owned 100 % by Petrolia. Partner Junex, has a working interest in 900 hectares of land within a single permit.

Table 1
Pétrolia Land Holdings
As of September 30, 2010

Quebec				
Block	Number of Permits	Working Interest (%)	Gross Area (ha)	Net Area (ha)
Gaspé	16 PG ⁽¹⁾ & 4 RS ⁽²⁾	99	358,655	354,942
Gaspé (JOA Haldimand)	Portion of 1 RS	64 ⁽³⁾	900	576
Gastonguay	13 PG ⁽¹⁾	100	259,015	259,015
Sub-Total			618,570	614,533
Gaspésia	7 RS ⁽⁴⁾	100	137,000	137,000
Edgar	3 RS ⁽⁴⁾	100	50,010	50,010
Marcel Tremblay	2 RS ⁽⁴⁾	100	33,165	33,165
Sub-Total			220,175	220,175
Anticosti (Operator)	23 RS ⁽⁴⁾	50	374,332	187,166
Anticosti (Non-Operated)	6 RS ⁽⁵⁾	50	90,273	45,137
Anticosti (Non-Operated)	6 RS ⁽⁵⁾	25	105,248	26,312
Sub-Total			569,853	258,615
Total Quebec			1,408,598	1,093,322
New Brunswick				
Dalhousie Block 1 (pending award)	27 sections over 1 grid ⁽⁶⁾	100	9,335	9,335
Dalhousie Block 2 (pending award)	43 sections over 1 grid ⁽⁶⁾	100	14,888	14,888
Dalhousie Block 3 (pending award)	29 sections over 1 grid ⁽⁶⁾	100	1,733	1,733
Dalhousie Block 4 (ONG 08-03)	65 sections over 1 grid	100	23,538	23,538
Total New Brunswick			49,493	49,493
Total Pétrolia			1,458,091	1,142,815

(1) Oil and gas exploration permits obtained April 28, 2009.

(2) Underground reservoir permits obtained November 21, 2005

(3) Effective October 1, 2009, Petrolia Inc acquired the 10% WI previously held by Gastem in the project, thus bringing its WI to 55%. As per an agreement dated July 22, 2009, Junex, on June 18, 2010, officially transferred to Petrolia a 9%WI on the same project, bringing Petrolia's working interest to 64%

(4) Underground reservoir permits obtained April 28, 2009.

(5) Underground reservoir permits obtained January 1, 2009.

(6) Licences to Search obtained August 15, 2006, expiry August 14, 2009. An application for conversion of the majority of the acreage to exploration leases has been filed with the New Brunswick Department of Natural Resources. The application is pending approval.

On July 30, 2009, the Company became the operator of the Haldimand Project, assuming control from Junex as per the July 22, 2010 Amendment to the Haldimand Joint Operating Agreement. As part of the agreement, the Company also acquired from Junex an additional 9 percent interest in the joint lands, after drilling the Haldimand N^o. 2 well and doing additional work on the Haldimand N^o1 well. As of October 1, 2009, Pétrolia also acquired Gastem's 10% working interest in the Haldimand JOA. The Company's interest in the Haldimand project has thus increased to 64%.

On June 6, 2010, a further agreement was concluded with partner Junex, whereby the limits of some jointly held permits in the Gaspé area were modified with the approval of the regulatory authorities and the joint lands divided equally amongst the partners. Junex kept the modified permit 2005RS120, adjacent to its Galt property while Petrolia kept the areas located closer to the Haldimand project.

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.

For the Quebec exploration permits, the Company expended \$11,933,331 in the reporting financial year (2009-2010) 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 majority of the minimum work obligation for the next fiscal year, save for an amount of \$135,398 to be spent on the Gaspesia block.

The properties held in northern New Brunswick are divided into four blocks totaling 49,493 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 had an expiry date of August 14, 2009. A fourth Block was requested in August 2008 and was awarded to the Company in November 2008. The licenses to search issued by the Government of New Brunswick give Pétrolia the exclusive right to undertake oil and gas exploration work for a three year term. During this 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 licences during the three calendar years was \$1,000,000. For the New Brunswick licenses, the Company expended \$26,405 in the reporting financial year (2009-2010) 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. At the end of the term, Pétrolia had the option to abandon the licences and release them to the Crown, or convert them to leases, with an annual rental of \$4.00 per hectare.

The license period has expired and the Company has elected to convert the license blocks to leases, with a reduction in area. The application for conversion from license to lease was filed with the New Brunswick Government on August 10, 2009, and was pending at the end of the reporting period.

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

Exploration Permits

GASPÉSIA PROPERTY

This block is owned 100% by the Company and is the western-most block located on the Gaspé Peninsula (Figures 1 and 2). It was acquired in 2002 as 7 oil and gas exploration permits having a total surface area of 137,000 hectares (Table 2). The permits were converted to underground storage exploration permits (RS) as of April 28, 2009, thus extending their life. The block covers a part of the Connecticut Valley – Gaspé Synclinorium, showing significant Silurian-Devonian sedimentary thicknesses lying over a highly deformed Cambrian-Ordovician substratum.

PERMITS	ACQUISITION DATE	GROSS AREA (ha)	WORKING INTEREST (%)	NET AREA (ha)
2009RS226	28/04/2009	19 061	100	19 061
2009RS228	28/04/2009	18 580	100	18 580
2009RS229	28/04/2009	21 004	100	21 004
2009RS230	28/04/2009	17 538	100	17 538
2009RS231	28/04/2009	20 517	100	20 517
2009RS232	28/04/2009	20 577	100	20 577
2009RS236	28/04/2009	19 723	100	19 723
TOTAL		137,000		137,000

The Gaspésia Block is located in the northern half of the Connecticut Valley - Gaspé Synclitorium 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 and Silurian 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 in the general area is gas prone but, locally, in the north-central part, it could still be in the oil window.

Save for geochemical sampling performed in September 2010, the Company has not conducted any major activities over the Gaspésia Block during the last fiscal year as it gave higher priority to projects in the eastern Gaspé region. The company is evaluating the existing data and making plans to resume active exploration on this property.

EDGAR PROPERTY

This property is owned 100% by Pétrolia and consists of three oil and gas exploration permits (PG) acquired in April 2006 (Figures 1 and 2). The permits were converted to underground storage exploration permits (RS) as of April 28, 2009, thus extending their life. The property is located in the northeastern extension of the Gaspésia Block. Because of the interesting results obtained from a 2007 government thermal maturation study over this area, the Company acquired 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 has potential for oil preservation. Table 3 lists the three permits, which cover a total area of 50,010 ha.

PERMITS	ACQUISITION DATE	GROSS AREA (ha)	WORKING INTEREST (%)	NET AREA (ha)
2009RS233	28/04/2009	21,157	100	21,157
2009RS234	28/04/2009	14,128	100	14,128
2009RS235	28/04/2009	14,725	100	14,725
TOTAL		50,010		50,010

Save for geochemical sampling performed in September 2010, the Company has not conducted any major activities over the Edgar Block during the last fiscal year as it has given higher priority to projects in the eastern Gaspé region. The company is evaluating the existing data and making plans to resume active exploration on this property.

MARCEL TREMBLAY PROPERTY

This property is owned 100% by Pétrolia and consists of two oil and gas exploration permits (PG) acquired in July 2007 (Figures 1 and 2). It is located directly to the north of the Gaspésia Block and has a total surface area of 33,165 hectares (Table 4). The permits were converted to underground storage exploration permits (RS) as of April 28, 2009, thus extending their life.

Table 4
Marcel Tremblay Block Permits

PERMITS	ACQUISITION DATE	GROSS AREA (ha)	WORKING INTEREST (%)	NET AREA (ha)
2009RS225	28/04/2009	19,563	100	19,563
2009RS227	28/04/2009	13,602	100	13,602
TOTAL		33,165		33,165

The Company has not conducted any major activities over the Marcel Tremblay Block during the last fiscal year as it had higher priority projects in the eastern Gaspé region. The company is evaluating the existing data and making plans to resume active exploration on this property.

GASPÉ PROPERTY

The Gaspé property is located in the east-central part of the Gaspé Peninsula (Figures 1 and 3). Pétrolia initially acquired these exploration permits from Junex Inc. in 2005 and has concentrated a large part of its exploration to date on this property. As a result of a June 8, 2010 asset exchange agreement with Junex and with the approval of the Ministère des Ressources Naturelles et de la Faune (MRNF) du Québec, Junex kept the totality of the revised permit 2005RS120 while Petrolia kept the totality of revised permits 2005RS111, 112 and 122 and within permit 2005RS123, all the area outside of the 900 ha Haldimand Joint Lands. The block is now comprised of 16 oil and gas (PG) and 4 underground reservoir (RS) exploration permits, covering some 3,587 km² (Table 5). A royalty of 7.5% on future production encumbers the following 11 permits: 2005RS111, 2005RS112, 2005RS122, 2009PG496, 2009PG497, 2009PG498, 2009PG499, 2009PG502, 2009PG503, 2009PG504, 2009PG505, on the Gaspé Block.

Table 5 Gaspé Block Permits				
PERMITS	ACQUISITION DATE	GROSS AREA (ha)	WORKING INTEREST (%)	NET AREA (ha)
2009PG496 ⁽¹⁾	04/28/2009	17,898	95	17,003
2009PG497 ⁽¹⁾	04/28/2009	24,120	95	22,914
2009PG498 ⁽¹⁾	04/28/2009	13,419	95	12,748
2009PG499 ⁽¹⁾	04/28/2009	10,634	100	10,634
2009PG502 ⁽¹⁾	04/28/2009	17,395	100	17,395
2009PG503 ⁽¹⁾	04/28/2009	22,901	100	22,901
2009PG504 ⁽¹⁾	04/28/2009	18,830	100	18,830
2005RS111 ⁽¹⁾	21/11/2005	9,415	100	9,415
2005RS112 ⁽¹⁾	21/11/2005	20,249	100	20,249
2009PG506	04/28/2009	12,369	100	12,369
2009PG511	04/28/2009	21,595	100	21,595
2009PG505 ⁽¹⁾	04/28/2009	14,842	100	14,842
2009PG512	04/28/2009	24,873	100	24,873
2005RS122 ⁽¹⁾	21/11/2005	19,538	100	19,538
2005RS123 ⁽²⁾	21/11/2005	23,943	98,6	23,619
2009PG518	04/28/2009	14,448	100	14,448
2009PG519	04/28/2009	18,962	100	18,962
2009PG520	04/28/2009	16,124	100	16,124
2009PG521	04/28/2009	17,358	100	17,358
2009PG522	04/28/2009	20,642	100	20,642
TOTAL		358,655		354,942

(1) Subject to a royalty of 5.0% to 7.5% on future production.

(2) Portions of lease subject to a JOA agreement with Junex.

As a result of these modifications, the total area covered by the contract permits is now 358,655 hectares.

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). 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 Company has identified and assigned different projects names to the various exploration areas within the Gaspé property.

Haldimand Project

The Haldimand discovery was made by Petrolia in 2006. Petrolia Haldimand N°1 was drilled on a single seismic line, hence the extension of the accumulation on either side of this line was unknown at the time of drilling. The productive sands were cased and the casing was perforated over only 22 of the 150 metres of potential productive interval.

Under a development agreement, signed in early May, 2008, Petrolia and its partners, Junex and Gastem, respectively agreed to take 45, 45, and 10 percent shares, respectively, in Petrolia's Haldimand N°1 well, in addition to the exploration rights for petroleum and natural gas within a 9 km² square, centered on the discovery well (Figure 3). Upon signature of the agreement, in May 2008, the partners undertook a new exploration program comprising four main activities:

1. the recovery of a downhole pressure recorder, left in 2006 in the Petrolia Haldimand N°1 well and the concurrent recovery of fluid samples from the bottom of the well, at reservoir conditions;
2. a three-dimensional seismic survey over a total area of 13 km², centered on the Petrolia Haldimand N° 1 well;
3. a 215-sample surface geochemical survey, consisting of measurements of the concentrations and composition of the hydrocarbons adsorbed by clays in the soils, carried out on the same grid as the 3D seismic survey;
4. the drilling of a second exploration well, Pétrolia Haldimand N°2, approximately one kilometer northwest of the Haldimand N°1 well, to a depth of 1200 m KB.

As a result of an agreement signed on July 22, 2009, Pétrolia acquired from Junex an additional 9% working interest in the Haldimand Lands and effective October 1, 2009, Petrolia also acquired the 10% working interest held by Gastem. As of September 30, 2010, Petrolia has a 64% share of the Haldimand property.

In early 2010, additional completion work was performed on both Haldimand N°1 and N°2 wells. In the Petrolia Haldimand N°1 well, additional tests were conducted on two deep zones which had been identified as water bearing in 2006 but where the possibility of deep invasion by drilling fluid had to be investigated. In final analysis, these zones proved to be

water bearing, but with traces of the same oil as found higher in the well. Additional zones were perforated within the top gross producing interval of 952,0 to 1081,5 m KB and initial pressure transient analysis indicates that the additional perforated intervals present similar characteristics than those of the 22 m of formation already perforated in 2006. The well is currently on production test with consideration being given to further large scale stimulation operations.

In the Petrolia Haldimand N°2, two zones totaling 93 m were perforated and acid washed. The well is currently shut-in as plans are being drawn to perform a larger stimulation work over on the zones of interest.

On July 6, 2010, in a press release, the company presented, on the basis of the data available as of December 30, 2009, a best estimate of 69.7 million barrels of petroleum initially in place within the single 9-km² Haldimand Lands, with a best estimate of contingent (potentially recoverable) resources of 7.7 million barrels.

Table 6 presents the range of resource estimates for the Haldimand Lands.

- Discovered Petroleum Initially-In-Place (equivalent to discovered resources) is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of discovered petroleum initially in place includes production, reserves, and contingent resources; the remainder is unrecoverable.
 - Production is the cumulative quantity of petroleum that has been recovered at a given date.
 - 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 the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable.
 - Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters, or a lack of markets.

- Unrecoverable is that portion of Discovered or Undiscovered PIIP quantities which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

The contingent resource estimates have not been risked for chance of development (technical, economic, regulatory, market and facility, corporate commitment or political risks). There is no certainty that any portion of the resources will be developed or, if developed, there is no certainty as to either the timing of such development or whether it will be commercially viable to produce any portion of the resources.

The resources have been reported in accordance with Canadian Oil and Gas Evaluation Handbook guidelines that recommend disclosure of low, best and high estimates to reflect the range of uncertainty associated with the resource estimates, as follows:

- Low Estimate: This is considered to be a conservative estimate of the quantity of oil actually in place. It is likely that the actual in-place quantity will exceed the low estimate. If probabilistic methods are used, there should be at least a 90 percent probability (P_{90}) that the quantity actually in place will equal or exceed the low estimate.
- Best Estimate: This is considered to be the best estimate of the quantity of oil actually in place. It is equally likely that the actual in-place quantity will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P_{50}) that the quantity actually in place will equal or exceed the best estimate.
- High Estimate: This is considered to be an optimistic estimate of the quantity of oil actually in place. It is unlikely that the actual in-place quantity will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability (P_{10}) that the quantity actually in place will equal or exceed the high estimate.

TABLE 6				
GROSS DISCOVERED¹ AND CONTINGENT OIL RESOURCES² (UNRISKED)				
AS ESTIMATED BY PETROLIA INC.				
HALDIMAND. PROPERTY, GASPÉ. BASIN,				
GASPÉ PENINSULA, QUEBEC				
AS OF DECEMBER 31, 2009				
YORK RIVER FORMATION				
PARAMETER		LOW	BEST	HIGH
Discovered Oil Resources (Oil Initially-In-Place)	MMbbls	21.9	69.7	198.1
Contingent Oil Resources	MMbbls	1.9	7.7	28.4

1. These are the gross in-place volumes estimated within the tested fault block within the Haldimand Property, without any adjustments for working interest or encumbrances.
2. These are contingent resources, interpreted to exist based on seismic data, well logs, and well tests are defined as those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. These estimates have not been risked for chance of development. There is no certainty that any portion of the resources will be developed and, if developed, there is no certainty as to either the timing of such development or whether it will be commercially viable to produce any portion of the resources.
3. "MMbbl" is millions of barrels.

Bourque Project

The Bourque Project (Figure 3) was initiated in 2007 and is located in the northwestern portion of the Gaspé property 30 km east of Murdochville and 70 km west of the town of Gaspé. This property consists of four permits, 95% owned by Petrolia. Its main objectives are the limestone reefs of the Silurian West Point Formation. During the Devonian, the present-day Gaspé region was a sea bottom located close to the equator, where the environment was favorable for the growth of reef complexes. The Devonian also saw the growth of the reef complexes of the Western Canadian Sedimentary Basin. In 1947, the discovery of the giant Leduc oilfield, whose production has since exceeded 100 million barrels of oil, was a turning point for oil exploration in Alberta. Since that time, numerous major oil and gas deposits have been discovered in these ancient reefs within Alberta.

On August 5, 2008, Petrolia signed a \$20 million farmout agreement with Pilatus Energy Canada (Pilatus). This sum was to be invested in exploration and development work for the project. The first phase of the work, a three-dimensional (3D) seismic survey over an area of 65 km², was carried out during the summer of 2008. The seismic data acquired was processed at the end of 2008, with the data quality being very good. The interpretation of this new data was performed in early winter 2009, with the Company and its partner identifying several potential drilling targets and building as a result a first drilling pad on the most promising site.

Unfortunately, the 2008-2009 global economic turmoil affected the partner's ability to assemble the capital required to go ahead with the drilling operations. Petrolia and Pilatus thus came to an accord to terminate the farmout agreement, with Pilatus keeping a 5% working interest in the Bourque Lands and maintaining its participation as shareholder of the Company.

The Company is thus actively pursuing a suitable partner to advance the exploration effort on a type of trap that has major potential for petroleum. The discovery of hydrocarbons in a Devonian reef would open the door to petroleum exploration in other areas of the Gaspé region. By joining forces with a partner to explore this property, Petrolia aims to share the risks associated with this type of investment, while, at the same time, benefiting from the expertise of its partners.

Haldimand Corridor Project:

The Haldimand Corridor Project was conceived during 2008. It includes the areas located to the northwest and southeast of the Haldimand Project, in which Pétrolia holds a 100% interest (Figure 3).

According to the Company these areas present geological characteristics resembling those observed in the Haldimand Field area. During the (2007-2008) fiscal year, Pétrolia invested \$1.2M in exploration work on this project to identify targets to be drilled. In December of 2008 the Company carried out an 83 kilometer 2D seismic program. As a result of this program the Company split the project area into two projects TAR POINT which is the Southern Haldimand Fairway and constitutes the natural extension of the Pétrolia-Haldimand N^o1 area to the southeast, and CORTE-REAL to the northwest.

TAR POINT (South)

In the Southern Haldimand Fairway, the results of the 2-D seismic, combined with the surface geology and an aeromagnetic survey acquired by Pétrolia in 2008, defined two drilling targets. This led to the selection of a site on a structure known as the Tar Point anticline, near Anse-à-Brillant, 18 km southeast of Gaspé. A well drilled on the anticline in

1950, about 2.0 km northwest of the proposed site, intersected traces of petroleum in the York River Formation (Devonian sandstones), with a strong gas show at the bottom, at a depth of about 2,155 m, in limestones of the Indian Cove Formation. Moreover, in a coastal section less than one kilometre from the proposed site, liquid petroleum has been observed in several open fractures and in amygdules in a Carboniferous dyke.

The well Pétrolia-Tar Point N°1, drilled from October 23 to December 7, 2009, reached a total depth of 2434 m, intersecting in the process 1536 m of York River Formation, 619 m of Indian Cove Formation and, after going through a fault, drilling through 150 m of Grès de Gaspé. The following information was gathered from this well:

1. the upper section of the York River Formation does not contain any hydrocarbons on account of its shallow burial depth
2. The lower section of the York River Formation contains indications of light oil with porosity and permeability characteristics similar to those found on the Haldimand project
3. In the Indian Cove Formation, two 100 m sections with open fractures have given numerous indications of hydrocarbons.

Following completion, the well is currently shut-in as plans are being drawn to perform a larger stimulation work over on the zones of interest.

CORTE-REAL (North)

In the Northern Haldimand Fairway, the seismic suggest the presence of reefs within the Chaleurs Group. The Northern Haldimand Corridor thus shows similarities to the Bourque Project. Reefal traps are very abundant in the Western Canadian Sedimentary Basin, and also in Ontario and Michigan, which further supports Pétrolia's interest in this region. The old seismic data, combined with the new data acquired by Pétrolia in 2008, should enable a drilling target to be identified in this area. The present estimate is that a well 2,000 metres deep would be necessary to reach the reef-bearing strata. The Company is looking for a partner to help explore this area.

GASTONGUAY PROPERTY

The Gastonguay property is located in the east-central part of the Gaspé Peninsula (Figures 1 and 3). It is subdivided into 13 oil and gas exploration permits (PG) covering an area of 259,015 ha (Table 7).

On this property, which is located over the largest anticlinal structure identified 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 limestones (reefs) and sandstones, as well as in Silurian carbonates and sandstones, at depths ranging from 1,000 to 4,000 meters, are expected. Only one well, drilled in the 1980s, was drilled to a depth of 1,800 metres on the anticline, however, the deeper targeted Silurian was not reached.

A field sampling program was completed in September 2010 to initiate thermal maturation and geochemistry studies. If the results are positive, the Company will proceed with a regional seismic program. Prior to this program the Company's exploration work on this property has been limited to evaluation of existing geological and geophysical data.

Table 7
Gastonguay Block Permits

PERMITS	ACQUISITION DATE	GROSS AREA (ha)	WORKING INTEREST (%)	NET AREA (ha)
2009PG494	2009-04-28	21 977	100	21 977
2009PG495	2009-04-28	23 278	100	23 278
2009PG500	2009-04-28	22 645	100	22 645
2009PG501	2009-04-28	21 284	100	21 284
2009PG507	2009-04-28	15 186	100	15 186
2009PG508	2009-04-28	18 496	100	18 496
2009PG509	2009-04-28	24 174	100	24 174
2009PG510	2009-04-28	21 596	100	21 596
2009PG513	2009-04-28	17 483	100	17 483
2009PG514	2009-04-28	16 374	100	16 374
2009PG515	2009-04-28	18 057	100	18 057
2009PG516	2009-04-28	15 800	100	15 800
2009PG517	2009-04-28	22 665	100	22 665
TOTAL		259 015		259 015

ANTICOSTI PROPERTY

The Anticosti property (Figures 1 and 4) is located on Anticosti Island. In the 2007-2008 reporting year, the Company obtained an interest in the mineral rights over an area of 569,853 hectares (gross) from Hydro-Quebec and assumed Hydro-Québec's obligations in the agreements with Corridor Resources Inc. The interests range from 25% to 50% in 35 permits on the island. Figure 1 shows the Company's working interest position on Anticosti Island. Figure 4 shows the location of the various permits, which are listed in Table 8. The exploration permits were all renewed in 2009, and now extend to 2014 with potential extensions to 2019.

Anticosti Island is part of the Siluro-Ordovician carbonate platform that occupies the northern portion of the Gulf of Saint Lawrence, off the Gaspé Peninsula. This platform extends eastward as far as Newfoundland. To the west, it meets the Saint Lawrence Lowlands platform, which extends as far as Texas.

Over the last fifty years, several world-class discoveries have been made in geological settings similar to that of Anticosti Island. Among the largest are the Albion and Scipio fields. These older fields have produced more than 200 million barrels of oil equivalent. More recently, Talisman Energy Inc. has discovered significant quantities of natural gas in similar rock formations in the New England area of the United States.

A number of oil companies have explored Anticosti Island over the last 50 years. In total, 20 wells have been drilled on the island. Approximately 850 line kilometers of modern 2D seismic data has also been acquired since the end of the 1990s. Eleven exploration wells have now been drilled on the modern 2D seismic: five drilled by Shell, three by Corridor Resources and Hydro-Québec, in 2004 and 2005 and three by Corridor and Petrolia in 2010.

The feature that makes Anticosti Island particularly attractive for oil exploration is the shallow depth of the potential reservoirs. Dividing the island in two along its length, the potential targets in the northern half of the island are shallow and have the potential for oil. The targets in the southern half of the island are much deeper and the area is primarily prospective for natural gas and condensate.

The analysis of modern seismic data has enabled the Company to identify a number of potential drilling targets. In order to select the best, it carried out a field survey in 2008 that combined a microbiological with a geochemical technique. This technique consisted of measuring the concentrations and composition of the hydrocarbons adsorbed on soil clays, and measuring the relative concentration of certain species of bacteria that metabolize hydrocarbons. About 1,700 samples were collected along seismic profiles. The results of this

survey have helped to prioritize the potential targets. The drilling campaign that was to follow this survey in 2009 had to be postponed until 2010 owing to logistical problems.

Initially four wells were to be drilled on the Island during the summer of 2010. Due to cost overruns, especially with respect to the mobilizations costs of the equipment to the Island the partners decided to limit the program to three wells.

The Corridor/Hydro-Québec Jupiter N°1 well was re-entered, with an objective of locating dolomitized and fractured carbonates within the Mingan and Romaine formations. Despite the presence of some oil shows in the Mingan Formation, no significant reservoir was encountered and the well was abandoned.

The Pétrolia-Corridor, Chaloupe N°1 well was drilled to investigate the presence of hydrothermal type dolomite in the Trenton/Black River Formation. The well only encountered slightly dolomitized limestones and no reservoir quality zone was encountered. A 27-m core was cut in the Macasty Formation, with an objective of developing a new exploration shale oil play on the Island.

The Corridor-Pétrolia, Saumon N°1 well was drilled with similar objectives as those of the Chaloupe well. Although few dolomitized limestones were encountered, a significant reservoir was found in fractured limestones of the Trenton/Black River Formation. The small interval penetrated produced 27 m³ (170 bbls) of salt water to surface over a 45 min period. In spite of the absence of hydrocarbons in that zone, the presence of a reservoir of such quality confirms that Anticosti Island holds all the elements of a petroleum system, namely, a mature source rock, excellent reservoirs and a cap rock to trap the hydrocarbons.

In view of the absence of reservoirs in the Pétrolia/Corridor, Chaloupe N°1 well, and the water production in the Corridor/Pétrolia, Saumon N°1 well, the partners decided to abandon the lower portion of the wells but to suspend their upper portion to allow future work on the Macasty Formation.

Following the recovery of a 27 m core in the Macasty in the Pétrolia/Corridor, Chaloupe N 1 well, the partners have commissioned a number of studies to evaluate the hydrocarbon potential of the sample. The available data suggests that the shales of the Macasty Formation, which are present across most of the Island, should be saturated with oil in the northern portion of the Island.

The 2010 drilling campaign, has thus confirmed the existence of excellent reservoirs on the Island and also opened the way for a new exploration play, the Macasty shales. To develop this new play, the participation of a new partner, experienced in shale oil production, appears essential to both Petrolia and Corridor. The Partners have already started to

promote this play. Some major exploration companies having already shown an interest in this play.

PERMITS	ACQUISITION DATE	GROSS AREA (ha)	WORKING INTEREST	NET AREA (ha)
2009RS264 ⁽³⁾	01/01/2009	22,094	25	5,524
2009RS237 ⁽¹⁾	28/04/2009	11,570	50	5,785
2009RS238 ⁽¹⁾	28/04/2009	17,129	50	8,565,
2009RS239 ⁽¹⁾	28/04/2009	11,919	50	5,960
2009RS240 ⁽¹⁾	28/04/2009	17,175	50	8,588
2009RS243 ⁽¹⁾	28/04/2009	14,744	50	7,372
2009RS244 ⁽¹⁾	28/04/2009	23,134	50	11,567
2009RS246 ⁽¹⁾	28/04/2009	12,141	50	6,071
2009RS245 ⁽¹⁾	28/04/2009	14,079	50	7,040
2009RS247 ⁽¹⁾	28/04/2009	17,609	50	8,805
2009RS252 ⁽¹⁾	28/04/2009	20,559	50	10,280
2009RS253 ⁽¹⁾	28/04/2009	20,005	50	10,003
2009RS254 ⁽¹⁾	28/04/2009	17,122	50	8,561
2009RS255 ⁽¹⁾	28/04/2009	17,815	50	8,908
2009RS256 ⁽¹⁾	28/04/2009	11,660	50	5,380
2009RS257 ⁽¹⁾	28/04/2009	9,253	50	4,627
2009RS258 ⁽¹⁾	28/04/2009	19,570	50	9,785
2009RS259 ⁽¹⁾	28/04/2009	10,198	50	5,099
2009RS260 ⁽³⁾	01/01/2009	18,901	25	4,725
2009RS261 ⁽³⁾	01/01/2009	14,854	25	3,714
2009RS262 ⁽³⁾	01/01/2009	14,316	25	3,579
2009RS267 ⁽³⁾	01/01/2009	18,275	25	4,569
2009RS268 ⁽³⁾	01/01/2009	16,808	25	4,202
2009RS241 ⁽¹⁾	28/04/2009	23,661	50	11,831
2009RS242 ⁽¹⁾	28/04/2009	12,528	50	6,264
2009RS269 ⁽²⁾	01/01/2009	10,007	50	5,004
2009RS270 ⁽²⁾	01/01/2009	17,791	50	8,896
2009RS271 ⁽²⁾	01/01/2009	17,824	50	8,912
2009RS272 ⁽²⁾	01/01/2009	15,596	50	7,798
2009RS273 ⁽²⁾	01/01/2009	13,819	50	6,910
2009RS274 ⁽²⁾	01/01/2009	15,236	50	7,618
2009RS248 ⁽¹⁾	01/01/2009	17,955	50	8,978
2009RS249 ⁽¹⁾	01/01/2009	18,314	50	9,157
2009RS251 ⁽¹⁾	01/01/2009	19,059	50	9,530
2009RS250 ⁽¹⁾	01/01/2009	17,133	50	8,567

Table 8				
Anticosti Island Permits				
PERMITS	ACQUISITION DATE	GROSS AREA (ha)	WORKING INTEREST	NET AREA (ha)
TOTAL		569,853		258,615

(1) Pétrolia Inc. operator (2) Corridor Resources Inc. operator (3) Corridor Resources Inc. operator

DALHOUSIE PROPERTY (NEW BRUNSWICK)

This property was acquired by Pétrolia in late August 2006 in the northern part of New Brunswick (Figure 5). It covers an area of 68,163 hectares and is subdivided into three (3) licence blocks (Table 9). 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 and gas preservation. The license blocks expired on August 15, 2009, and the Company made an application to the New Brunswick Government to convert the licenses to leases and at the same time relinquish some of the lands being held. The application is still pending at the end of the 2010 fiscal year.

The company had requested an additional block in August 2008, and was awarded that block in November 2008 bringing the area to 49,493.15 hectares (Table 10) after the expected reduction in the land base as a result of the conversion to leases and with the addition of the fourth block.

A compilation of geological data was initially undertaken as part of the detailed study needed to bring prospects forward. The Dalhousie property has potential for gas. It covers an extensive anticlinal structure called the Popelogan Anticline. During the 2008 fiscal year, the Company established the presence of a system of open fractures in the volcanic rocks occupying the core of the anticlinal structure. A fluid inclusion study indicated that these fractures had at one time contained natural gas. This system of open fractures could constitute a reservoir with exceptional production characteristics if it is present at depth in a large volume of rock.

The Company is exploring the extension of this giant structure towards the north. Within the borders of its permits, the surface expression of the structure remains poorly known, and subject to interpretation. The petrophysical analysis, as well as the thermal maturation study, led to a 39 km 2D seismic survey in the fall of 2008. During the summer of 2009, the Company carried out inversion studies of the gravimetric and magnetic data. The results of this study have enabled the construction of a model that suggests the extension of the

anticlinal structure at depth. The model indicates that this gravimetric high zone covers a large area, southeast of the town of Dalhousie. It also shows that the reservoir zone is buried deeply enough for the fractured rocks to act as a reservoir to potentially trap natural gas.

The interpretation of the 39 km 2D seismic survey carried out in 2008 led to the identification of several structures and caused the Company to record an additional 32 km of 2-D seismic to better define the structures already identified.

With these results, the next step would be the drilling of a well. The delays in the conversion of exploration licences to exploration lease, as well as the economical and political context for the natural gas market have, for the time being, put a hold on the exploration effort. The Company is following the project closely and is actively looking for partners to participate with them in the exploration of these blocks.

**Table 9
Dalhousie Block Permits (Original)**

PERMITS	ACQUISITION DATE	GROSS AREA (ha)	WORKING INTEREST	NET AREA (ha)
LICENCE 01 Grid 1119 (39 sections) Grid 1120 (58 sections) Grid 1020 (3 sections)	August 2006	34,614	100	34,614
LICENCE 02 Grid 1021 (14 sections) Grid 1121 (57 sections)	August 2006	24,569	100	24,569
LICENCE 03 Grid 1222 (29 sections)	August 2006	8,981	100	8,981
TOTAL		68,163		68,163

**Table 10
Dalhousie Lease application**

PERMITS	Application DATE	GROSS AREA (ha)	WORKING INTEREST	NET AREA (ha)
LICENCE ONG 06-02 Grid 1120 (27 sections)	August 2009	9334.8	100	9334.8
LICENCE ONG-06-03 Grid 1121 (43 sections)	August 2009	14887.5	100	14887.5
LICENCE ONG-06-04 Grid 1222 (4 sections)	August 2009	1733.2	100	1733.2
TOTAL		25,955.5		25,955.5
Licence ONG 08-03 Grid 1122 (65 Sections)	November 2008	23537.65	100	23537.65
		49,493.15	100	49,493.15

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. Through the same agreement, in the case of positive results, the Company also had the option to earn 10% over the entire Saint-Simon structure by paying 10% of development, production and transportation costs.

In 2006, 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. The 140 mm casing in the Shell Saint-Simon No.1 (A152) 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 is still suspended, until a decision of the operator regarding formation testing.

As part of the Asset Exchange Agreement with Junex Inc. dated June 8, 2010, concerning primarily the lands of mutual interest in the Gaspé area, the Company has now relinquished all its interests in the Saint Simon Property.

Exploration Costs

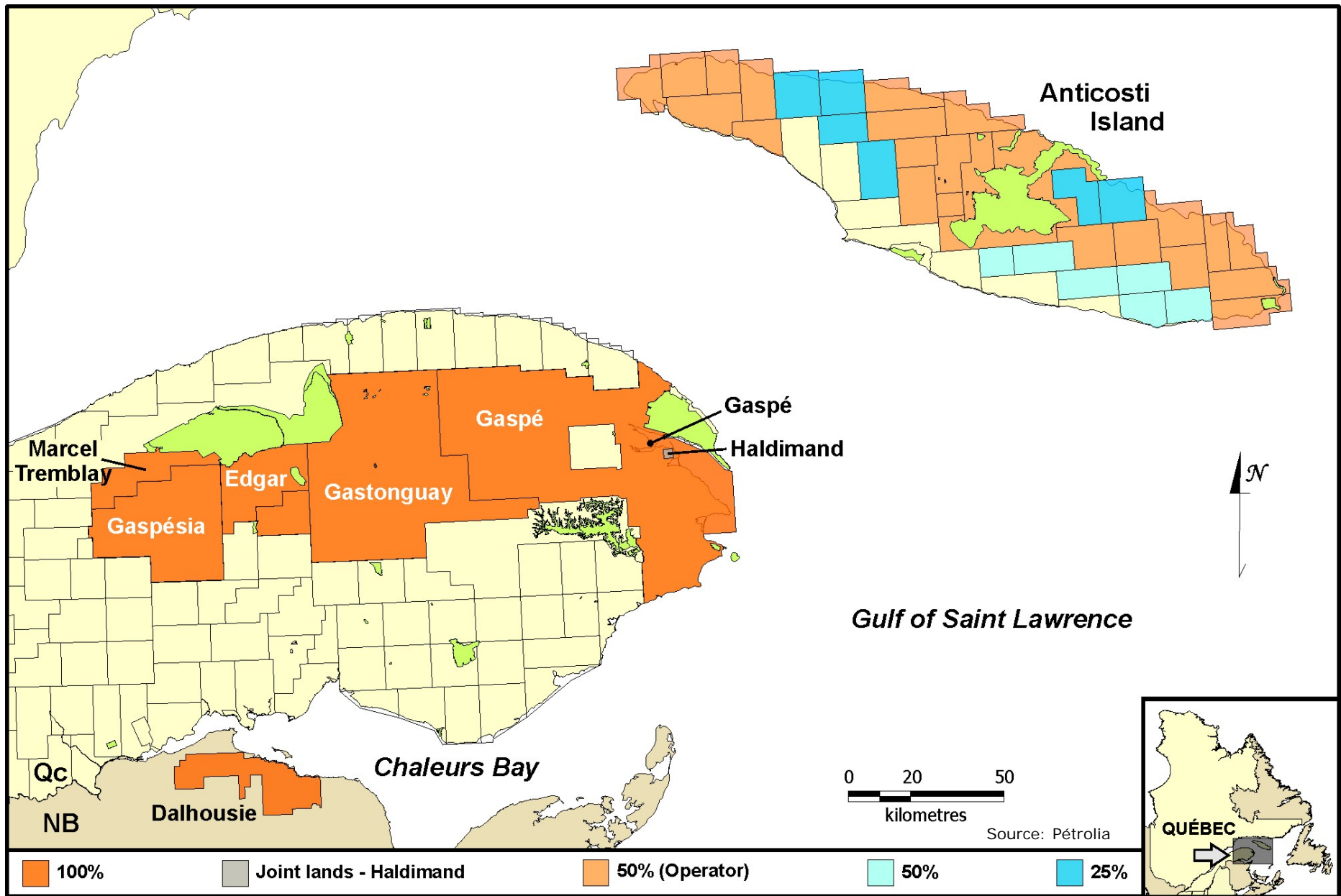
In the last fiscal year, the Company expended \$11,979,262 on exploration activities on its permits less allowable deductions of \$4,091,154. As of September 30, 2010, the Company had cumulative exploration expenditures on its oil and gas properties of \$21,234,411.

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

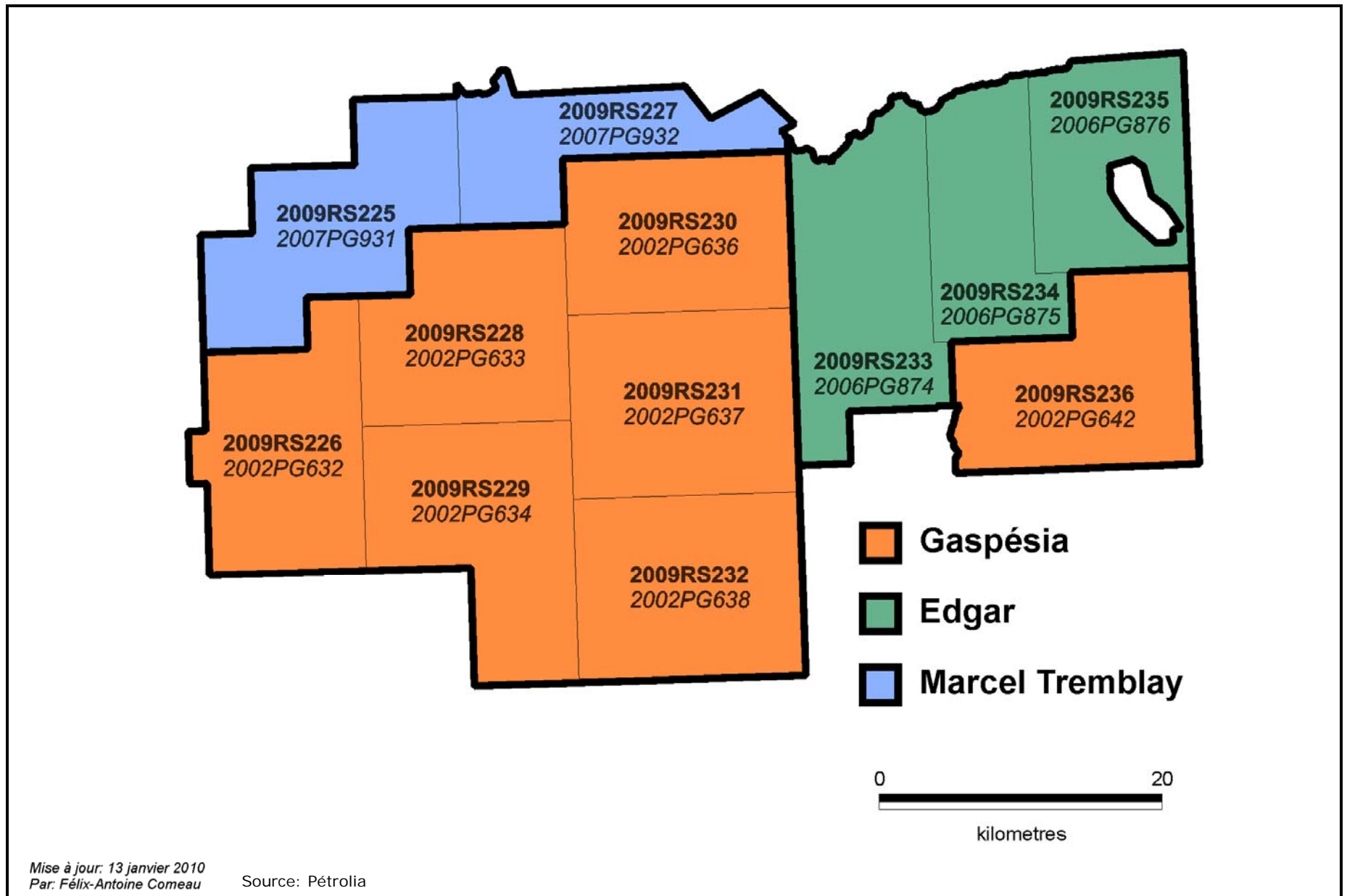
Wells Drilled In 2009-2010

The Company completed the drilling of the Pétrolia Haldimand N°2 well on October 15, 2009 and then proceeded to drill the well Pétrolia Tar Point N°1 from October 23 to December 7 2009.

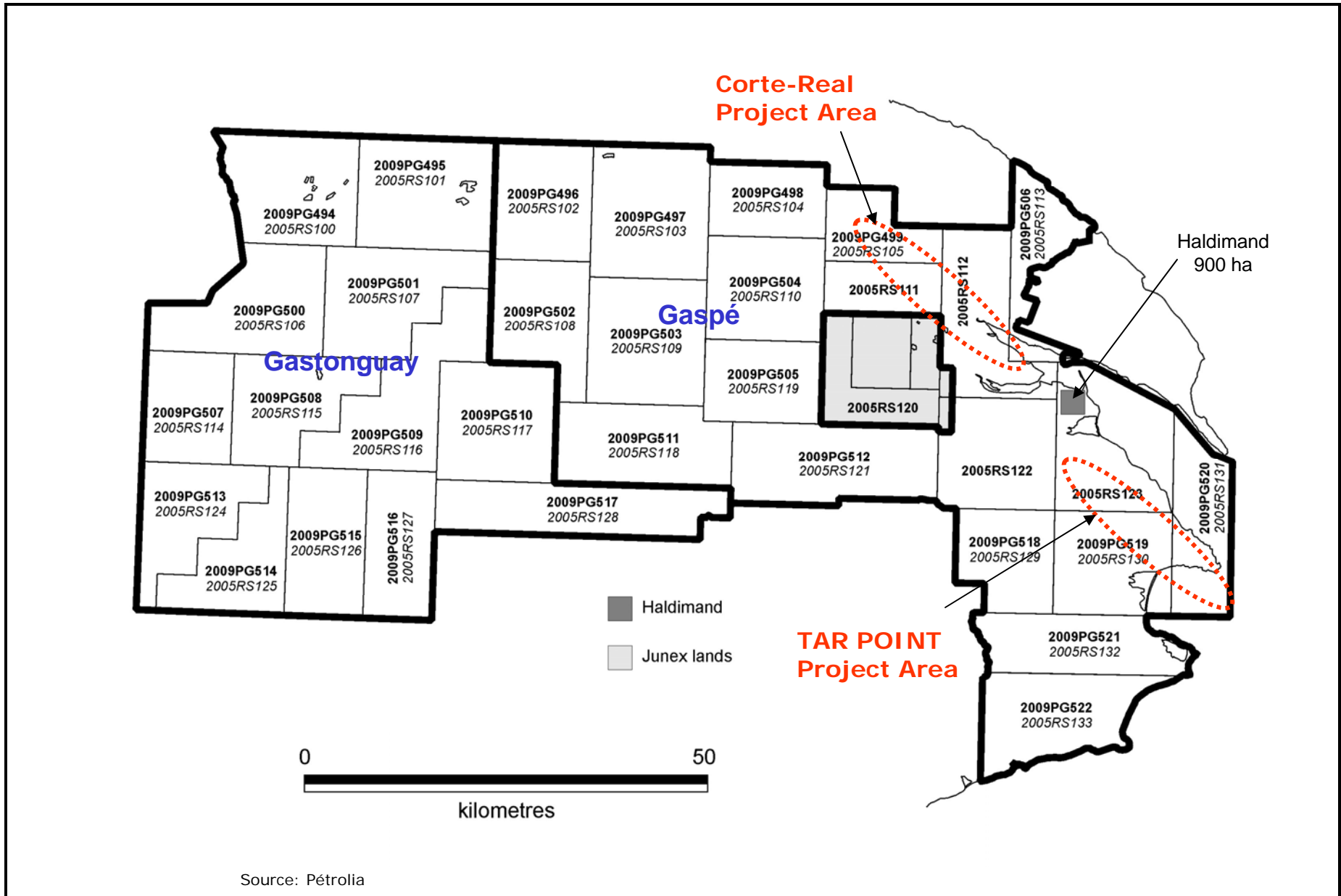
In partnership with Corridor Resources Inc. of Halifax (NS), Pétrolia re-entered the Corridor/HQ, Anticosti, Jupiter N°1 R1 well on July 3, 2010 and finished drilling on July 20, 2010. Two new wells were subsequently drilled in the East Central part of the island, Pétrolia/Corridor, Anticosti, Chaloupe N°1, and Corridor/Pétrolia, Saumon N°1, from 22 July to 1 September 2010.



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

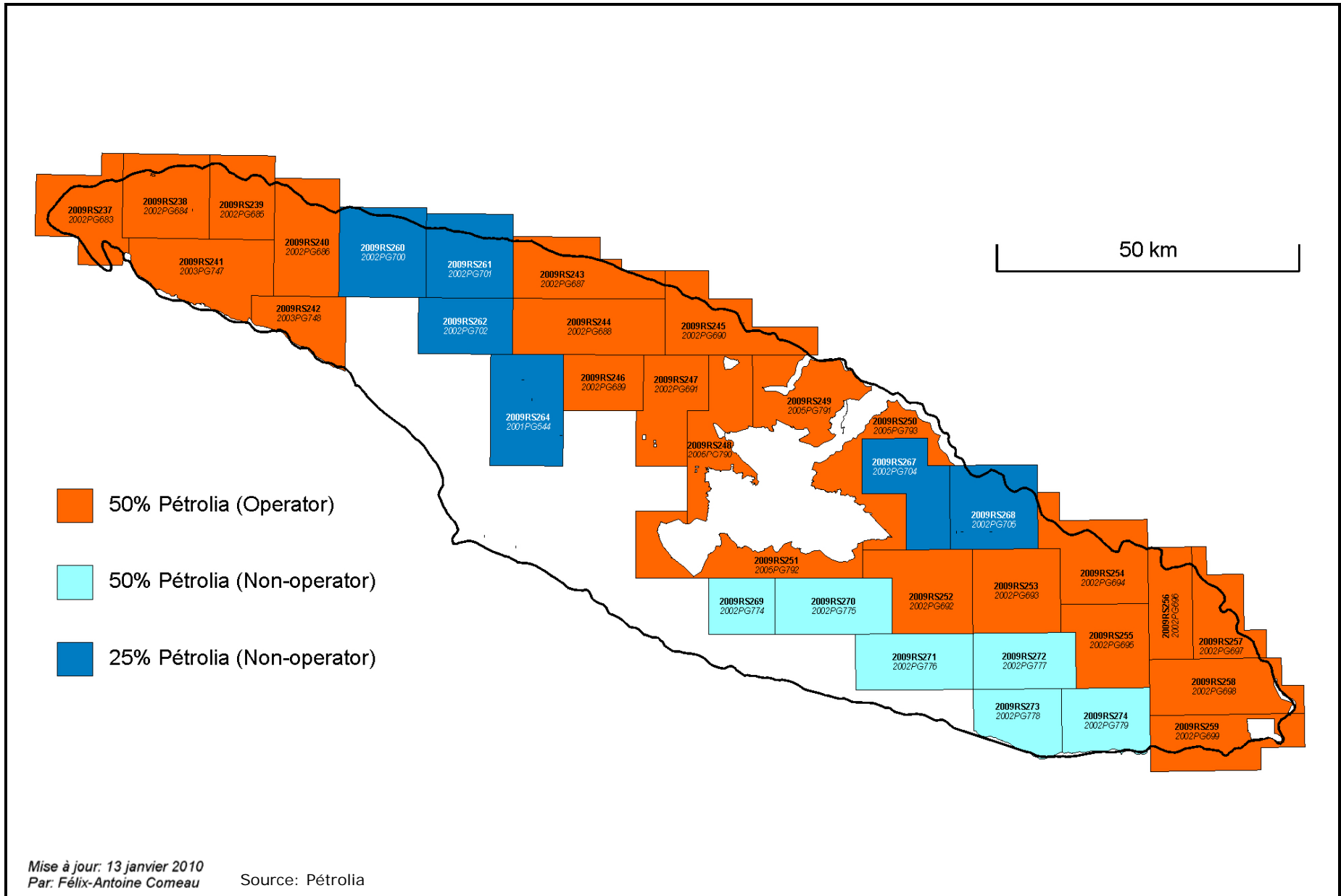


Pétrolia, Gaspésia, Edgar and Marcel Tremblay Lands

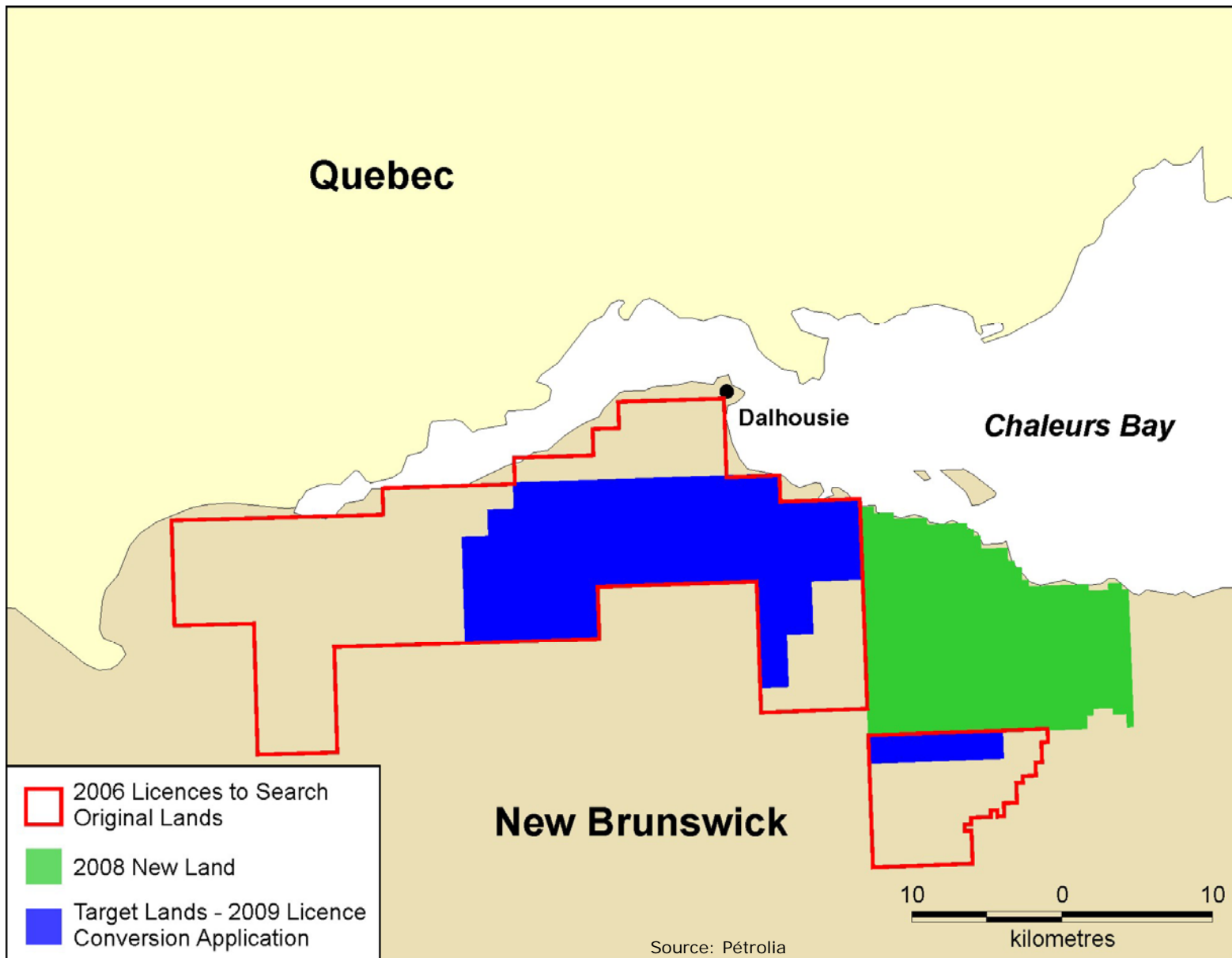


Source: Pétrolia

Pétrolia, Gaspé, Gastonguay, Gaspé and Haldimand JOA Lands



Pétrolia, Anticosti Island Interest Lands



Pétrolia, New Brunswick Interest Lands

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, tables are presented for forecast prices and costs, which summarize the reserves and net present values, as of September 30, 2010.

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

The Company has disclosed contingent oil resource volumes in a press release dated July 6, 2010. These volumes are disclosed in Form F1-101F2A, which presents a Report on Resource 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.

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, 2010. 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, 2010, 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	"Technical Review of Certain P&NG Holdings of Pétrolia Inc. in Quebec and New Brunswick (As of September 30, 2010)", prepared December 2010	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
December 21, 2010

Original Signed by Douglas J. Carsted, P.Geol.

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

Original 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, 2010
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, 2010
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, 2010
Forecast Prices and Costs

Reserves Category	Revenue (M\$)	Royalties (M\$)	Operating Costs (M\$)	Development Costs (M\$)	Well Abandonment 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, 2010
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

Form 51-101F2A

Report on Resource Data by Independent Qualified Reserves Evaluator or Auditor

Report on Resource Data

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

1. We have audited the Company's Resource Data as at September 30, 2010. The resource data consist of the following:

Contingent oil resources have been assigned to the Haldimand Block Gaspé Peninsula, Québec.

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

We carried out our audit 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).

Sproule Associates Limited

3. Those standards require that we plan and perform an audit to obtain reasonable assurance as to whether the resource data are free of material misstatement. An audit also includes assessing whether the resource data are in accordance with principles and definitions presented in the COGE Handbook.
4. The following table sets forth the estimated resource volumes of the Company audited by us as of September 30, 2010, 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)	Audited Contingent Oil Resources (Unrisked)		
			Low MMbbls	Best MMbbls	High MMbbls
Sproule	"Audit of Resource Assessment, Haldimand Block, Gaspé Peninsula, Quebec (As of December 31, 2009)", dated May 28, 2010	Canada	1.9	7.7	28.4
Total			1.9	7.7	28.4

5. In our opinion, the resource data audited 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 resources data are based on judgments regarding future events, actual results will vary and the variations may be material.

Sproule Associates Limited

Executed as to our report referred to above:

Sproule Associates Limited
Calgary, Alberta
December 21, 2010

Original Signed by Douglas J. Carsted, P.Geol.

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

Original Signed by John L. Chipperfield, P.Geol.

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

Appendix A — Resource Definitions

This discussion has been excerpted from Sections 5.2 and 5.3 of the Canadian Oil and Gas Evaluation Handbook, Second Edition, September 1, 2007.

The following definitions relate to the subdivisions in the SPE-PRMS resources classification framework and use the primary nomenclature and concepts contained in the 2007 SPE-PRMS, with direct excerpts shown in italics.

Total Petroleum Initially-In-Place (PIIP) is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered (equivalent to “total resources”).

Discovered Petroleum Initially-In-Place (equivalent to discovered resources) is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of discovered petroleum initially in place includes production, reserves, and contingent resources; the remainder is unrecoverable.

Production is the cumulative quantity of petroleum that has been recovered at a given date.

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 the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are further classified according to the level of certainty associated with the estimates and may be subclassified based on development and production status.

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more

contingencies. Contingencies may include factors such as economic, legal, environmental, political, and regulatory matters, or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage. *Contingent Resources are further classified in accordance with the level of certainty associated with the estimates and may be subclassified based on project maturity and/or characterized by their economic status.*

Unrecoverable is that portion of Discovered or Undiscovered PIIP quantities which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

Undiscovered Petroleum Initially-In-Place (equivalent to undiscovered resources) is that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The recoverable portion of undiscovered petroleum initially in place is referred to as "prospective resources," the remainder as "unrecoverable."

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be subclassified based on project maturity.

Resource Categories

Due to the high uncertainty in estimating resources, evaluations of these assets require some type of probabilistic methodology. Expected value concepts and decision tree analyses are routine; however, in high-risk, high-reward projects, Monte Carlo simulation can be used. In any event, three success cases plus a failure case should be included in the evaluation of the resources (see Section 9 of the Canadian Oil and Gas Evaluation Handbook for details on these methods).

a. Classification of Resources

When evaluating resources, in particular, contingent and prospective resources, the following mutually exclusive categories are recommended:

- **Low Estimate:** This is considered to be a conservative estimate of the quantity that will actually be recovered from the accumulation. If probabilistic methods are used, this term reflects a P₉₀ confidence level.
- **Best Estimate:** This is considered to be the best estimate of the quantity that will actually be recovered from the accumulation. If probabilistic methods are used, this term is a measure of central tendency of the uncertainty distribution (most likely/mode, P₅₀/median, or arithmetic average/mean).
- **High Estimate:** This is considered to be an optimistic estimate of the quantity that will actually be recovered from the accumulation. If probabilistic methods are used, this term reflects a P₁₀ confidence level.

Company Gross Contingent Resources are the Company's working interest share of the contingent resources, before deduction of any royalties.

Company Net Contingent Resources are the gross contingent resources of the properties in which the Company has an interest, less all Crown, freehold, and overriding royalties and interests owned by others.

Fair Market Value is defined as the price at which a purchaser seeking an economic and commercial return on investment would be willing to buy, and a vendor would be willing to sell, where neither is under compulsion to buy or sell and both are competent and have reasonable knowledge of the facts.

Appendix B — Abbreviations

This appendix contains a list of abbreviations that may be found in Sproule reports, as well as a table comparing Imperial and Metric units. Two conversion tables, used to prepare this report, are also provided.

AOF	absolute open flow
ARTC	Alberta Royalty Tax Credit
BOE	barrels of oil equivalent
bopd	barrels of oil per day
bwpd	barrels of water per day
Cr	Crown
DCQ	daily contract quantity
DSU	drilling spacing unit
FH	Freehold
GCA	gas cost allowance
GOR	gas-oil ratio
GORR	gross overriding royalty
LPG	liquid petroleum gas
McfGE	thousands of cubic feet of gas equivalent
Mcfpd	thousands of cubic feet per day
MPR	maximum permissive rate
MRL	maximum rate limitation
NC	'new' Crown
NCI	net carried interest
NGL	natural gas liquids
NORR	net overriding royalty
NPI	net profits interest
OC	'old' Crown
ORRI	overriding royalty interest
P&NG	petroleum and natural gas
PSU	production spacing unit
PVT	pressure-volume-temperature
TCGSL	TransCanada Gas Services Limited
UOCR	Unit Operating Cost Rates for operating gas cost allowance
WI	working interest

Imperial Units			Metric Units	
M (10 ³)	one thousand	Prefixes	k (10 ³)	one thousand
MM (10 ⁶)	million		M (10 ⁶)	million
B (10 ⁹)	one billion		G (10 ⁹)	one billion
T (10 ¹²)	one trillion		T (10 ¹²)	one trillion
			E (10 ¹⁸)	one milliard
in.	inches	Length	cm	centimetres
ft	feet		m	metres
mi	mile		km	kilometres
ft ²	square feet	Area	m ²	square metres
ac	acres		ha	hectares
cf or ft ³	cubic feet	Volume	m ³	cubic metres
scf	standard cubic feet			
gal	gallons		L	litres
Mcf	thousand cubic feet			
Mcfpd	thousand cubic feet per day			
MMcf	million cubic feet			
MMcfpd	million cubic feet per day			
Bcf	billion cubic feet (10 ⁹)			
bbl	barrels		m ³	cubic metre
Mbbl	thousand barrels			
stb	stock tank barrel		stm ³	stock tank cubic metres
bbl/d	barrels per day		m ³ /d	cubic metre per day
bbl/mo	barrels per month			
Btu	British thermal units	Energy	J	joules
			MJ/m ³	megajoules per cubic metre (10 ⁶)
			TJ/d	terajoule per day (10 ¹²)
oz	ounce	Mass	g	gram
lb	pounds		kg	kilograms
ton	ton		t	tonne
lt	long tons			
Mlt	thousand long tons			
psi	pounds per square inch	Pressure	Pa	pascals
psia	pounds per square inch absolute		kPa	kilopascals (10 ³)
psig	pounds per square inch gauge			
°F	degrees Fahrenheit	Temperature	°C	degrees Celsius
°R	degrees Rankine		K	Kelvin
M\$	thousand dollars	Dollars	k\$	thousand dollars

Imperial Units		Time	Metric Units	
sec	second		s	second
min	minute	min	minute	
hr	hour	h	hour	
day	day	d	day	
wk	week		week	
mo	month		month	
yr	year	a	annum	

Conversion Factors — Metric to Imperial		
cubic metres (m ³) (@ 15°C)	x 6.29010	= barrels (bbl) (@ 60°F), water
m ³ (@ 15°C)	x 6.3300	= bbl (@ 60°F), Ethane
m ³ (@ 15°C)	x 6.30001	= bbl (@ 60°F), Propane
m ³ (@ 15°C)	x 6.29683	= bbl (@ 60°F), Butanes
m ³ (@ 15°C)	x 6.29287	= bbl (@ 60°F), oil, Pentanes Plus
m ³ (@ 101.325 kPaa, 15°C)	x 0.0354937	= thousands of cubic feet (Mcf) (@ 14.65 psia, 60°F)
1,000 cubic metres (10 ³ m ³) (@ 101.325 kPaa, 15°C)	x 35.49373	= Mcf (@ 14.65 psia, 60°F)
hectares (ha)	x 2.4710541	= acres
1,000 square metres (10 ³ m ²)	x 0.2471054	= acres
10,000 cubic metres (ha·m)	x 8.107133	= acre feet (ac-ft)
m ³ /10 ³ m ³ (@ 101.325 kPaa, 15°C)	x 0.0437809	= Mcf/Ac.ft. (@ 14.65 psia, 60°F)
joules (j)	x 0.000948213	= Btu
megajoules per cubic metre (MJ/m ³) (@ 101.325 kPaa, 15°C)	x 26.714952	= British thermal units per standard cubic foot (Btu/scf) (@ 14.65 psia, 60°F)
dollars per gigajoule (\$/GJ)	x 1.054615	= \$/Mcf (1,000 Btu gas)
metres (m)	x 3.28084	= feet (ft)
kilometres (km)	x 0.6213712	= miles (mi)
dollars per 1,000 cubic metres (\$/10 ³ m ³) (\$/10 ³ m ³)	x 0.0288951 x 0.02817399	= dollars per thousand cubic feet (\$/Mcf) (@ 15.025 psia) B.C. = \$/Mcf (@ 14.65 psia) Alta.
dollars per cubic metre (\$/m ³)	x 0.158910	= dollars per barrel (\$/bbl)
gas/oil ratio (GOR) (m ³ /m ³)	x 5.640309	= GOR (scf/bbl)
kilowatts (kW)	x 1.341022	= horsepower
kilopascals (kPa)	x 0.145038	= psi
tonnes (t)	x 0.9842064	= long tons (LT)
kilograms (kg)	x 2.204624	= pounds (lb)
litres (L)	x 0.2199692	= gallons (Imperial)
litres (L)	x 0.264172	= gallons (U.S.)
cubic metres per million cubic metres (m ³ /10 ⁶ m ³) (C ₃)	x 0.177496	= barrels per million cubic feet (bbl/MMcf) (@ 14.65 psia)
m ³ /10 ⁶ m ³ (C ₄)	x 0.1774069	= bbl/MMcf (@ 14.65 psia)
m ³ /10 ⁶ m ³ (C ₅₊)	x 0.1772953	= bbl/MMcf (@ 14.65 psia)
tonnes per million cubic metres (t/10 ⁶ m ³) (sulphur)	x 0.0277290	= LT/MMcf (@ 14.65 psia)
millilitres per cubic meter (mL/m ³) (C ₅₊)	x 0.0061974	= gallons (Imperial) per thousand cubic feet (gal (Imp)/Mcf)
(mL/m ³) (C ₅₊)	x 0.0074428	= gallons (U.S.) per thousand cubic feet (gal (U.S.)/Mcf)
Kelvin (K)	x 1.8	= degrees Rankine (°R)
millipascal seconds (mPa·s)	x 1.0	= centipoise

Conversion Factors — Imperial to Metric		
barrels (bbl) (@ 60°F)	x 0.15898	= cubic metres (m ³) (@ 15°C), water
bbl (@ 60°F)	x 0.15798	= m ³ (@ 15°C), Ethane
bbl (@ 60°F)	x 0.15873	= m ³ (@ 15°C), Propane
bbl (@ 60°F)	x 0.15881	= m ³ (@ 15°C), Butanes
bbl (@ 60°F)	x 0.15891	= m ³ (@ 15°C), oil, Pentanes Plus
thousands of cubic feet (Mcf) (@ 14.65 psia, 60°F)	x 28.17399	= m ³ (@ 101.325 kPaa, 15°C)
Mcf (@ 14.65 psia, 60°F)	x 0.02817399	= 1,000 cubic metres (10 ³ m ³) (@ 101.325 kPaa, 15°C)
acres	x 0.4046856	= hectares (ha)
acres	x 4.046856	= 1,000 square metres (10 ³ m ²)
acre feet (ac-ft)	x 0.123348	= 10,000 cubic metres (10 ⁴ m ³) (ha·m)
Mcf/ac-ft (@ 14.65 psia, 60°F)	x 22.841028	= 10 ³ m ³ /m ³ (@ 101.325 kPaa, 15°C)
Btu	x 1054.615	= joules (J)
British thermal units per standard cubic foot (Btu/Scf) (@ 14.65 psia, 60°F)	x 0.03743222	= megajoules per cubic metre (MJ/m ³) (@ 101.325 kPaa, 15°C)
\$/Mcf (1,000 Btu gas)	x 0.9482133	= dollars per gigajoule (\$/GJ)
\$/Mcf (@ 14.65 psia, 60°F) Alta.	x 35.49373	= \$/10 ³ m ³ (@ 101.325 kPaa, 15°C)
\$/Mcf (@ 15.025 psia, 60°F), B.C.	x 34.607860	= \$/10 ³ m ³ (@ 101.325 kPaa, 15°C)
feet (ft)	x 0.3048	= metres (m)
miles (mi)	x 1.609344	= kilometres (km)
\$/bbl	x 6.29287	= \$/m ³ (average for 30°-50° API)
GOR (scf/bbl)	x 0.177295	= gas/oil ratio (GOR) (m ³ /m ³)
horsepower	x 0.7456999	= kilowatts (kW)
psi	x 6.894757	= kilopascals (kPa)
long tons (LT)	x 1.016047	= tonnes (t)
pounds (lb)	x 0.453592	= kilograms (kg)
gallons (Imperial)	x 4.54609	= litres (L) (.001 m ³)
gallons (U.S.)	x 3.785412	= litres (L) (.001 m ³)
barrels per million cubic feet (bbl/MMcf) (@ 14.65 psia) (C ₃)	x 5.6339198	= cubic metres per million cubic metres (m ³ /10 ⁶ m ³)
bbl/MMcf (C ₄)	x 5.6367593	= (m ³ /10 ⁶ m ³)
bbl/MMcf (C ₅₊)	x 5.6403087	= (m ³ /10 ⁶ m ³)
LT/MMcf (sulphur)	x 36.063298	= tonnes per million cubic metres (t/10 ⁶ m ³)
gallons (Imperial) per thousand cubic feet (gal (Imp)/Mcf) (C ₅₊)	x 161.3577	= millilitres per cubic meter (mL/m ³)
gallons (U.S.) per thousand cubic feet (gal (U.S.)/Mcf) (C ₅₊)	x 134.3584	= (mL/m ³)
degrees Rankine (°R)	x 0.555556	= Kelvin (K)
centipoises	x 1.0	= millipascal seconds (mPa·s)

Appendix C — National Instrument 51-101 Requirements

Other Oil and Gas Information

Item 5.9 – Disclosure of Resources

- (1) If a reporting issuer discloses anticipated results from resources which are not currently classified as reserves, the reporting issuer must also disclose in writing, in the same document or in a supporting filing:
- a. the reporting issuer's interest in the resources;
 - b. the location of the resources;
 - c. the product types reasonably expected;
 - d. the risks and the level of uncertainty associated with recovery of the resources; and
 - e. in the case of unproved property, if its value is disclosed,
 - i. the basis of the calculation of its value; and
 - ii. whether the value was prepared by an independent party.
- (2) If disclosure referred to in subsection (1) includes an estimate of a quantity of resources in which the reporting issuer has an interest or intends to acquire an interest, or an estimated value attributable to an estimated quantity, the estimate must
- a. have been prepared or audited by a qualified reserves evaluator or auditor;
 - b. relate to the most specific category of resources in which the resources can be classified, as set out in the COGE Handbook, and must identify what portion of the estimate is attributable to each category; and

- c. be accompanied by the following information:
- i. a definition of the resources category used for the estimate;
 - ii. the effective date of the estimate;
 - iii. the significant positive and negative factors relevant to the estimate;
 - iv. in respect of contingent resources, the specific contingencies which prevent the classification of the resources as reserves; and
 - v. a cautionary statement that is proximate to the estimate to the effect that:
 - A. in the case of discovered resources or a subcategory of discovered resources other than reserves:

“There is no certainty that it will be commercially viable to produce any portion of the resources.”; or
 - B. in the case of undiscovered resources or a subcategory of undiscovered resources:

“There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.”

- (3) Paragraphs 5.9(1)(d) and (e) and subparagraphs 5.9(2)(c)(iii) and (iv) do not apply if:
- a. the reporting issuer includes in the written disclosure a reference to the title and date of a previously filed document that complies with those requirements; and
 - b. the resources in the written disclosure, taking into account the specific properties and interests reflected in the resources estimate or other anticipated result, are materially the same resources addressed in the previously filed document.

Item 5.10 – Analogous Information

- (1) Sections 5.2, 5.3 and 5.9 do not apply to the disclosure of analogous information provided that the reporting issuer discloses the following:
- a. the source and date of the analogous information;
 - b. whether the source of the analogous information was independent;
 - c. if the reporting issuer is unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor or in accordance with the COGE Handbook, a cautionary statement to that effect proximate to the disclosure of the analogous information; and
 - d. the relevance of the analogous information to the reporting issuer's oil and gas activities.
- (2) For greater certainty, if a reporting issuer discloses information that is an anticipated result, an estimate of a quantity of reserves or resources, or an estimate of value attributable to an estimated quantity of reserves or resources for an area in which it has an interest or intends to acquire an interest, that is based on an extrapolation from analogous information, sections 5.2, 5.3 and 5.9 apply to the disclosure of the information.