

**RESERVE AND ECONOMIC EVALUATION
OIL PROPERTY**

**CERTAIN INTERESTS IN THE TROUT AREA
ALBERTA**

Owned by

COUGAR OIL AND GAS CANADA INC.

June 1, 2011
(May 31, 2011)

Chapman Petroleum Engineering Ltd.

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

July 11, 2011

Cougar Oil and Gas Canada Inc.

1120, 833 – 4th Avenue SW
Calgary, AB
T2P 3T5

Attention: Mr. Glenn Watt - President

Dear Sir:

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

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

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

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

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

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

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

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

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

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

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

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

Yours very truly,

Chapman Petroleum Engineering Ltd.

[Original Signed By:]

C.W. Chapman

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

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

[Original Signed By:]

Charles G.K. Moore

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

cgm/lml/5396

CERTIFICATE OF QUALIFICATION

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

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

[Original Signed By:]

C.W. Chapman

C. W. Chapman, P.Eng.
President

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

CERTIFICATE OF QUALIFICATION

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

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

[Original Signed By:]

Charles G.K. Moore

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

CERTIFICATE OF QUALIFICATION

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

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

[Original Signed By:]

D.J. Brière

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

CERTIFICATE OF QUALIFICATION

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

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

[Original Signed By:]

Harold J. Ryan

Harold J. Ryan, P. Geol.
Manager Geoscience

CERTIFICATE OF QUALIFICATION

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

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

[Original Signed By:]

Rebecca J. Howe

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

**RESERVE AND ECONOMIC EVALUATION
OIL PROPERTY**

**CERTAIN INTERESTS IN THE TROUT AREA
ALBERTA**

Owned by

COUGAR OIL AND GAS CANADA INC.

**June 1, 2011
(May 31, 2011)**

TABLE OF CONTENTS

Scope of Report

- Authorization
- Purpose
- Reserve Definitions
- Barrels of Oil Equivalent
- Sources of Information
- Product Prices
- Product Sales Arrangements
- Royalties
- Capital Expenditures and Operating Costs
- Income Tax Parameters
- Abandonment and Restoration
- Environmental Liabilities
- Economics
- Constant Price Parameters

Jurisdictional Map

Executive Summary

Discussion

- ALBERTA
 - Trout Area

Summary of Company Reserves and Economics

Glossary

Company Representation Letter

SCOPE OF REPORT

Authorization

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

Purpose

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

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

Reserve Definitions

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

5.4 Definitions of Reserves

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

The guidelines outline

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

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

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

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

5.4.1 Reserves Categories

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

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

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

- a. Proved Reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
- b. Probable Reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved + probable reserves.

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

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

5.4.2 Development and Production Status

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

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

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

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

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

In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to sub-divide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be

based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

5.4.3 Levels of Certainty for Reported Reserves

The qualitative certainty levels contained in the definitions in Section 5.4.1 are applicable to "individual reserves entities," which refers to the lowest level at which reserves calculations are performed, and to "reported reserves," which refers to the highest level sum of individual entity estimates for which reserves estimates are presented. Reported reserves should target the following levels of certainty under a specific set of economic conditions:

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

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

Additional clarification of certainty levels associated with reserves estimates and the effect of aggregation is provided in Section 5.5.3 of the Canadian Oil and Gas Evaluation Handbook, Volume 1 – Second Edition (COGEH-1).

Barrels of Oil Equivalent

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

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

Sources of Information

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

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

Product Prices

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

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

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

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

Product Sales Arrangements

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

Royalties

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

Alberta

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

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

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

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

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

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

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

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

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

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

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

Capital Expenditures and Operating Costs

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

| | |
|------------|-----------------|
| 2011 | - No Escalation |
| 2012-2026 | - 2.0% per year |
| Thereafter | - No Escalation |

Income Tax Parameters

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

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

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

Abandonment and Restoration

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

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

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

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

Environmental Liabilities

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

Economics

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

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

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

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

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

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

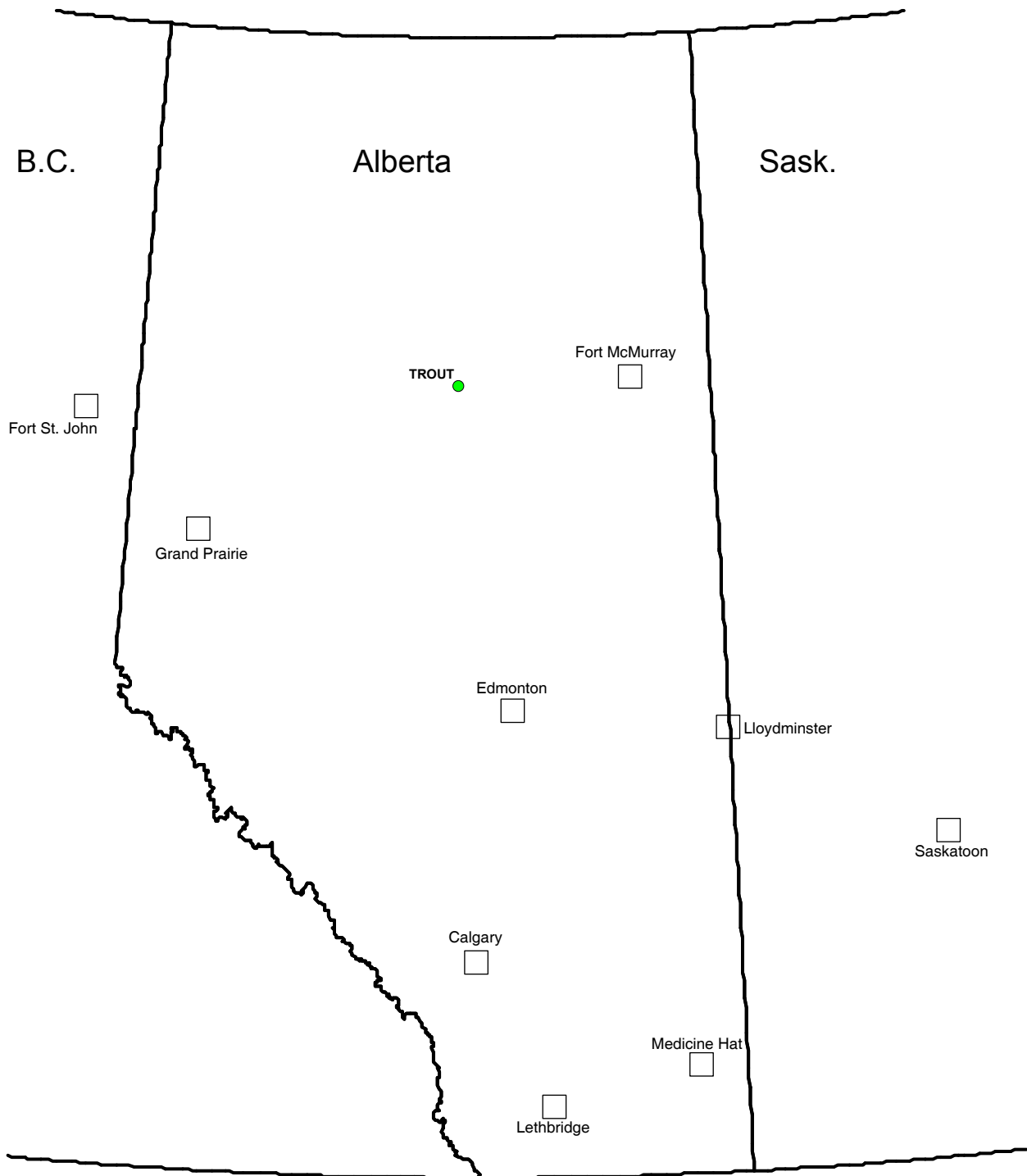
Constant Price Parameters

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

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

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

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



LEGEND

AREA OF INTEREST

- OIL
- GAS
- OIL & GAS

COUGAR OIL AND GAS CANADA

JURISDICTIONAL MAP

JUNE 2011 JOB No. 5396

EXECUTIVE SUMMARY

INDEX

Forecast Prices and Costs

- Table 1: Summary of Oil & Gas Reserves
- Table 2: Summary of Net Present Values
- Table 3: Total Future Net Revenue (Undiscounted)
- Table 4: Future Net Revenue – By Production Group
- Table 4A: Reserves and Net Present Values – By Production Group
- Table 5: Product Price Forecasts and Constant Prices

Constant Prices and Costs

- Table 6: Summary of Oil & Gas Reserves
- Table 7: Summary of Net Present Values
- Table 8: Total Future Net Revenue (Undiscounted)
- Table 9: Future Net Revenue – By Production Group
- Table 9A: Reserves and Net Present Values – By Production Group

Table 1

Cougar Oil and Gas Canada Inc.

Summary of Oil and Gas Reserves

June 1, 2011

(as of May 31, 2011)

Forecast Prices and Costs

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

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

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

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

Table 2
Cougar Oil and Gas Canada Inc.
Summary of Net Present Values
June 1, 2011
(as of May 31, 2011)

Forecast Prices and Costs

Before Income Tax

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

After Income Tax

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

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

M\$ means thousands of dollars

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

Table 3
 Cougar Oil and Gas Canada Inc.
 Total Future Net Revenue (Undiscounted)
 June 1, 2011
 (as of May 31, 2011)
 Forecast Prices and Costs

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

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

M\$ means thousands of dollars

Table 4

Cougar Oil and Gas Canada Inc.

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

Forecast Prices and Costs

| Reserve Category | Production Group | Future Net Revenue Before Income Taxes Discounted at 10%/yr. M\$ |
|---------------------------------------|--|---|
| Total Proved | Light and Medium Oil (including solution gas and other by-products) | 2,831 |
| | Heavy Oil (including solution gas and other by-products) | 0 |
| | Natural Gas (including by-products but not solution gas) | 0 |
| Proved Plus Probable | Light and Medium Oil (including solution gas and other by-products) | 28,075 |
| | Heavy Oil (including solution gas and other by-products) | 0 |
| | Natural Gas (including by-products but not solution gas) | 0 |
| Proved Plus Probable Plus Possible | Light and Medium Oil (including solution gas and other by-products) | 77,517 |
| | Heavy Oil (including solution gas and other by-products) | 0 |
| | Natural Gas (including by-products but not solution gas) | 0 |

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

M\$ means thousands of dollars

Table 4A

Cougar Oil and Gas Canada Inc.

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

Forecast Prices and Costs

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

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

M\$ means thousands of dollars

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

Notes: [1] Includes solution gas.

Table 5
CHAPMAN PETROLEUM ENGINEERING LTD.
CRUDE OIL
HISTORICAL, CONSTANT, CURRENT AND FUTURE PRICES
June 1, 2011

| Date | WTI [1] \$US/STB | Alberta Par Price [2] \$CDN/STB | Alberta Heavy [3] \$CDN/STB | Sask. Light [4] \$CDN/STB | Sask. Heavy [5] \$CDN/STB | B.C. Light [6] \$CDN/STB | Bank of Canada Average Noon Exchange rate \$US/\$CDN |
|------------------------------|---------------------|---------------------------------------|-----------------------------------|---------------------------------|---------------------------------|--------------------------------|---|
| HISTORICAL PRICES | | | | | | | |
| 2001 | 25.98 | 39.66 | 25.41 | 35.57 | 31.84 | n/a | 0.65 |
| 2002 | 26.09 | 40.63 | 32.20 | 37.67 | 34.57 | n/a | 0.64 |
| 2003 | 30.84 | 43.57 | 32.65 | 40.13 | 37.64 | n/a | 0.72 |
| 2004 | 41.48 | 52.89 | 37.52 | 48.96 | 45.74 | n/a | 0.77 |
| 2005 | 56.62 | 69.16 | 43.25 | 62.04 | 56.53 | n/a | 0.83 |
| 2006 | 65.91 | 72.88 | 50.40 | 66.77 | 61.23 | n/a | 0.88 |
| 2007 | 72.35 | 75.57 | 53.17 | 71.42 | 64.55 | n/a | 0.94 |
| 2008 | 99.70 | 102.98 | 83.88 | 98.02 | 92.45 | n/a | 0.94 |
| 2009 | 61.64 | 76.77 | 53.04 | 72.56 | 64.37 | n/a | 0.88 |
| 2010 | 79.42 | 80.56 | 66.58 | 77.02 | 72.79 | n/a | 0.97 |
| 2011(5mos) | 98.66 | 104.62 | 76.71 | 92.69 | 83.25 | n/a | 1.02 |
| CONSTANT PRICES | | | | | | | |
| May 31, 2011 [7] | 102.70 | 107.73 | 82.30 | 96.84 | 87.77 | 105.04 | 1.03 |
| CURRENT YEAR FORECAST | | | | | | | |
| 2011 (7 mos) | 104.00 | 103.00 | 85.49 | 97.85 | 92.96 | 100.43 | 1 |
| FUTURE FORECAST | | | | | | | |
| 2012 | 102.00 | 103.08 | 85.56 | 97.93 | 93.03 | 100.50 | 0.98 |
| 2013 | 100.00 | 101.04 | 83.86 | 95.99 | 91.19 | 98.51 | 0.98 |
| 2014 | 98.00 | 99.00 | 82.17 | 94.05 | 89.35 | 96.53 | 0.98 |
| 2015 | 97.00 | 97.98 | 81.32 | 93.08 | 88.43 | 95.53 | 0.98 |
| 2016 | 100.00 | 101.04 | 83.86 | 95.99 | 91.19 | 98.51 | 0.98 |
| 2017 | 102.00 | 103.08 | 85.56 | 97.93 | 93.03 | 100.50 | 0.98 |
| 2018 | 104.00 | 105.12 | 87.25 | 99.87 | 94.87 | 102.49 | 0.98 |
| 2019 | 106.00 | 107.16 | 88.95 | 101.81 | 96.71 | 104.48 | 0.98 |
| 2020 | 108.12 | 109.33 | 90.74 | 103.86 | 98.67 | 106.59 | 0.98 |
| 2021 | 110.28 | 111.53 | 92.57 | 105.96 | 100.66 | 108.74 | 0.98 |
| 2022 | 112.49 | 113.78 | 94.44 | 108.09 | 102.69 | 110.94 | 0.98 |
| 2023 | 114.74 | 116.08 | 96.35 | 110.28 | 104.76 | 113.18 | 0.98 |
| 2024 | 117.03 | 118.42 | 98.29 | 112.50 | 106.87 | 115.46 | 0.98 |
| 2025 | 119.37 | 120.81 | 100.27 | 114.77 | 109.03 | 117.79 | 0.98 |
| 2026 | 121.76 | 123.25 | 102.29 | 117.08 | 111.23 | 120.16 | 0.98 |
| Constant thereafter | | | | | | | |

- Notes:
- [1] West Texas Intermediate quality (D2/S2) crude landed in Cushing, Oklahoma.
 - [2] Equivalent price for Light Sweet Crude (D2/S2) landed in Edmonton, Alberta is estimated from WTI US\$ exchange to C\$ and transportation differential of \$1.00 CDN/STB.
 - [3] Bow River at Hardisty, Alberta (905 kg/m³, 2.1% sulphur).
 - [4] Light Sour Blend at Cromer, Saskatchewan (850 kg/m³, 1.2% sulphur).
 - [5] Midale at Cromer, Saskatchewan (880 kg/m³, 2.0% sulphur).
 - [6] B.C. Light at Taylor, British Columbia (825 kg/m³, 0.5% sulphur).
 - [7] May 31, 2011 is the last trading day of May 2011

Table 6

Cougar Oil and Gas Canada Inc.

Summary of Oil and Gas Reserves

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

Constant Prices and Costs

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

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

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

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

Table 7

Cougar Oil and Gas Canada Inc.

Summary of Net Present Values

June 1, 2011

(as of May 31, 2011)

Constant Prices and Costs

Before Income Tax

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

After Income Tax

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

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

M\$ means thousands of dollars

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

Table 8
Cougar Oil and Gas Canada Inc.
Total Future Net Revenue (Undiscounted)
June 1, 2011
(as of May 31, 2011)
Constant Prices and Costs

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

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

M\$ means thousands of dollars

Table 9

Cougar Oil and Gas Canada Inc.

**Future Net Revenue
By Production Group**

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

Constant Prices and Costs

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

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

M\$ means thousands of dollars

Table 9A

Cougar Oil and Gas Canada Inc.

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

Constant Prices and Costs

| Reserve Group by Category | Reserves | | | | | | Net Present | Unit |
|---|---------------|--------------|----------------|--------------|----------------|--------------|---------------|-------------------|
| | Oil | | Gas | | NGL | | Value (BIT) | Values @ |
| | Gross MSTB | Net MSTB | Gross MMscf | Net MMscf | Gross Mbbbl | Net Mbbbl | 10% M\$ | 10%/yr. \$/STB |
| Light and Medium Oil [1] | | | | | | | | |
| Proved | | | | | | | | |
| Developed Producing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| Developed Non-Producing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| Undeveloped | 183 | 148 | 0 | 0 | 0 | 0 | 1,683 | 11.38 |
| Total Proved | 183 | 148 | 0 | 0 | 0 | 0 | 1,683 | 11.38 |
| Probable | 715 | 532 | 0 | 0 | 0 | 0 | 19,774 | 37.17 |
| Proved Plus Probable | 898 | 680 | 0 | 0 | 0 | 0 | 21,457 | 31.56 |
| Possible | 1,803 | 1,290 | 0 | 0 | 0 | 0 | 38,683 | 29.98 |
| Proved Plus Probable Plus Possible | 2,701 | 1,970 | 0 | 0 | 0 | 0 | 60,140 | 30.53 |

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

M\$ means thousands of dollars

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

Notes: [1] Includes solution gas.

**TROUT AREA
ALBERTA
INDEX**

Discussion

Ownership
Geology
Reserves
Production
Product Prices
Capital Expenditures
Operating Costs
Economics

Attachments

Figure 1: Land and Well Map

Table 1: Schedule of Lands, Interests and Royalty Burdens

Figure 2: Geological Maps and Figures

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

Table 2: Summary of Reserves

Table 3: Summary of Anticipated Capital Expenditures

- a) Development
- b) Abandonment and Restoration

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

Consolidated Cash Flows

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

Individual Cash Flows

Proved Undeveloped

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

Proved Plus Probable Undeveloped

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

Probable Undeveloped

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

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

Possible Undeveloped

- n) Loc. 06-07-089-03 W3M, Upper Keg River
- o) Loc. 02-09-089-03 W3M, U&L Keg River & Granite Wash
- p) Loc. 03-09-089-03 W3M, U&L Keg River & Granite Wash
- q) Loc. 11-09-089-03 W3M, Upper Keg River
- r) Loc. 15-09-089-03 W3M, Upper Keg River
- s) Loc. 03-18-089-03 W3M, U&L Keg River & Granite Wash
- t) Loc. 03-19-089-03 W3M, Upper Keg River
- u) Loc. 06-19-089-03 W3M, Upper Keg River

Table 5: Summary of Company Reserves and Economics – Constant Prices and Costs

Consolidated Cash Flows

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

Individual Cash Flows

Proved Undeveloped

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

Proved Plus Probable Undeveloped

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

Probable Undeveloped

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

Possible Undeveloped

- n) Loc. 06-07-089-03 W3M, Upper Keg River
- o) Loc. 02-09-089-03 W3M, U&L Keg River & Granite Wash
- p) Loc. 03-09-089-03 W3M, U&L Keg River & Granite Wash
- q) Loc. 11-09-089-03 W3M, Upper Keg River
- r) Loc. 15-09-089-03 W3M, Upper Keg River
- s) Loc. 03-18-089-03 W3M, U&L Keg River & Granite Wash
- t) Loc. 03-19-089-03 W3M, Upper Keg River
- u) Loc. 06-19-089-03 W3M, Upper Keg River

Appendix A: Summary of Analog Analysis – Proved Plus Probable Locations

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

Appendix C: Summary of Analog Analysis – Strong Possible Locations

Appendix D: Summary of Analog Analysis – Average Possible Locations

TROUT AREA ALBERTA DISCUSSION

Ownership

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

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

Geology

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

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

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

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

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

Reserves

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

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

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

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

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

A summary of reserves is presented in Table 2.

Production

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

Product Prices

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

Capital Expenditures

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

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

Operating Costs

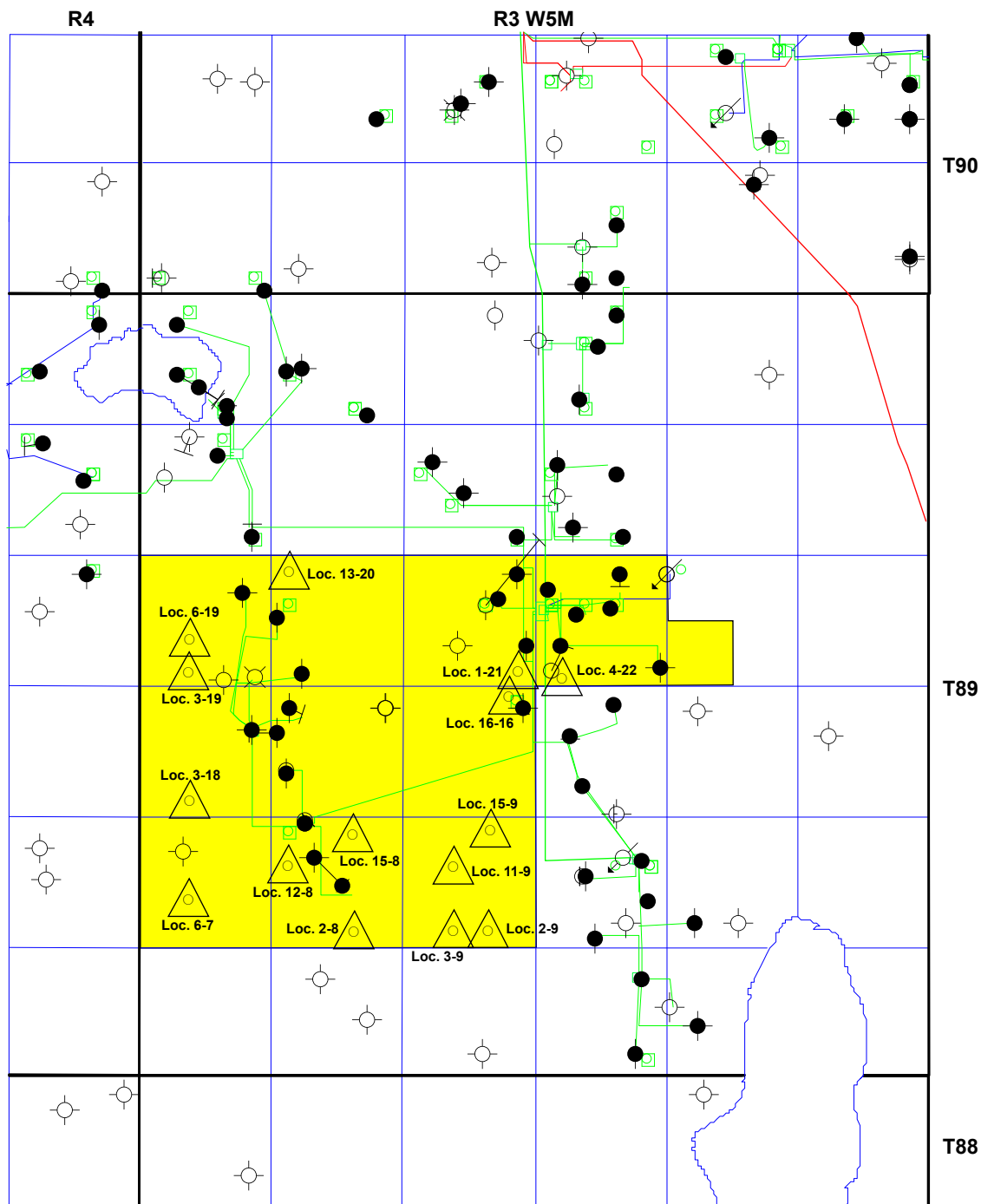
Operating costs of \$5,300 per well per month plus \$10.00/STB have been utilized based on the information provided by the operator for wells in the area and our own judgment and experience.

Economics

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

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

All monetary values are expressed in Canadian dollars.



LEGEND

WELL SYMBOLS

- LOCATION OR DRILLING
- ◇ SUSPENDED
- ⊕ DRY & ABANDONED
- OIL
- ✱ GAS
- ⊗ WATER SOURCE
- ⊗ WATER DISP
- ⊗ OBSERVATION
- ⊗ INJECTION
- ⊗ SUSPENDED OIL
- ⊗ SUSPENDED GAS
- ⊗ SUSP WATER DISP
- ⊗ SUSP INJECTION
- ⊗ SUSP WATER SOURCE
- ⊗ ABANDONED OIL
- ⊗ ABANDONED GAS
- ⊗ ABD WATER SOURCE
- ⊗ ABD WATER DISP
- ⊗ ABD INJECTION
- ⊗ INJ PREV GAS

PIPELINES

- Crude Oil
- Natural Gas
- Oil Well Effluent
- Sour Natural Gas
- Water
- Other Types

FACILITIES

- ✕ Compressor Stn
- ✕ Meter Stn
- ✕ Regular Stn
- ✕ Meter Reg. Stn
- ✕ Pump Stn

COMPANY OWNERSHIP

- △ Wells of Interest
- Company Lands

COUGAR OIL AND GAS CANADA

TROUT AREA

ALBERTA

LAND AND WELL MAP

JUNE 2011

JOB No. 5396 FIGURE No. 1

Table 1

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

Cougar Oil and Gas Canada Inc.

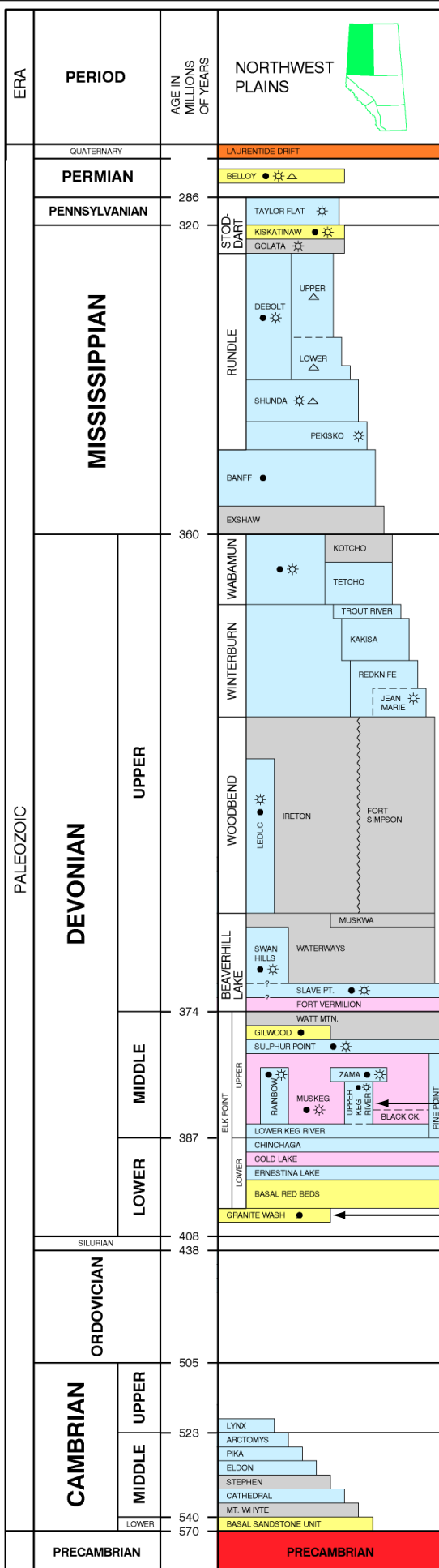
Trout, Alberta

| Description | Rights Owned | Gross Acres | Appraised Interest | | Royalty Burdens | |
|---|-----------------|----------------|--------------------|--------------|-----------------|-----------------|
| | | | Working % | Royalty % | Basic % | Overriding % |
| Twp 89 Rge 03 W5M | | | | | | |
| Sec 7 (Loc 06-07) | [A] | 640 | 100.0000 | - | ARF-2011 | - |
| S/2 & NE/4 Sec 8 (Loc 2-8, 12-08 15-08) | [A] | 480 | 100.0000 | - | ARF-2011 | - |
| Sec 9 (Loc 2-9, 3-9 11-9 & 15-9) | [A] | 640 | 100.0000 | - | ARF-2011 | - |
| Sec 16 (Loc 16-16) | [A] | 640 | 100.0000 | - | ARF-2011 | - |
| W/2 Sec 17 | [A] | 320 | 85.0000 | - | ARF-2011 | - |
| E/2 Sec 17 | [A] | 320 | 100.0000 | - | ARF-2011 | - |
| S/2 & NW/4 Sec 18 (Loc 3-18) | [A] | 480 | 100.0000 | - | ARF-2011 | - |
| W/2 Sec 19 (Loc 3-19 & 6-19) | [A] | 320 | 100.0000 | - | ARF-2011 | - |
| NW/4 Sec 20 (Loc 13-20) | [B] | 160 | 100.0000 | - | ARF-2011 | - |
| SE/4 Sec 21 (Loc 1-21) | [C] | 160 | 100.0000 | - | ARF-2011 | - |
| Sec 22 (Loc 4-22) | [C] | 640 | 100.0000 | - | ARF-2011 | - |
| Total | | 4,800 | | | | |

Rights Owned : [A] All P&NG.

[B] P&NG Surface to base Keg River

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



ZONE OF INTEREST

ZONE OF INTEREST

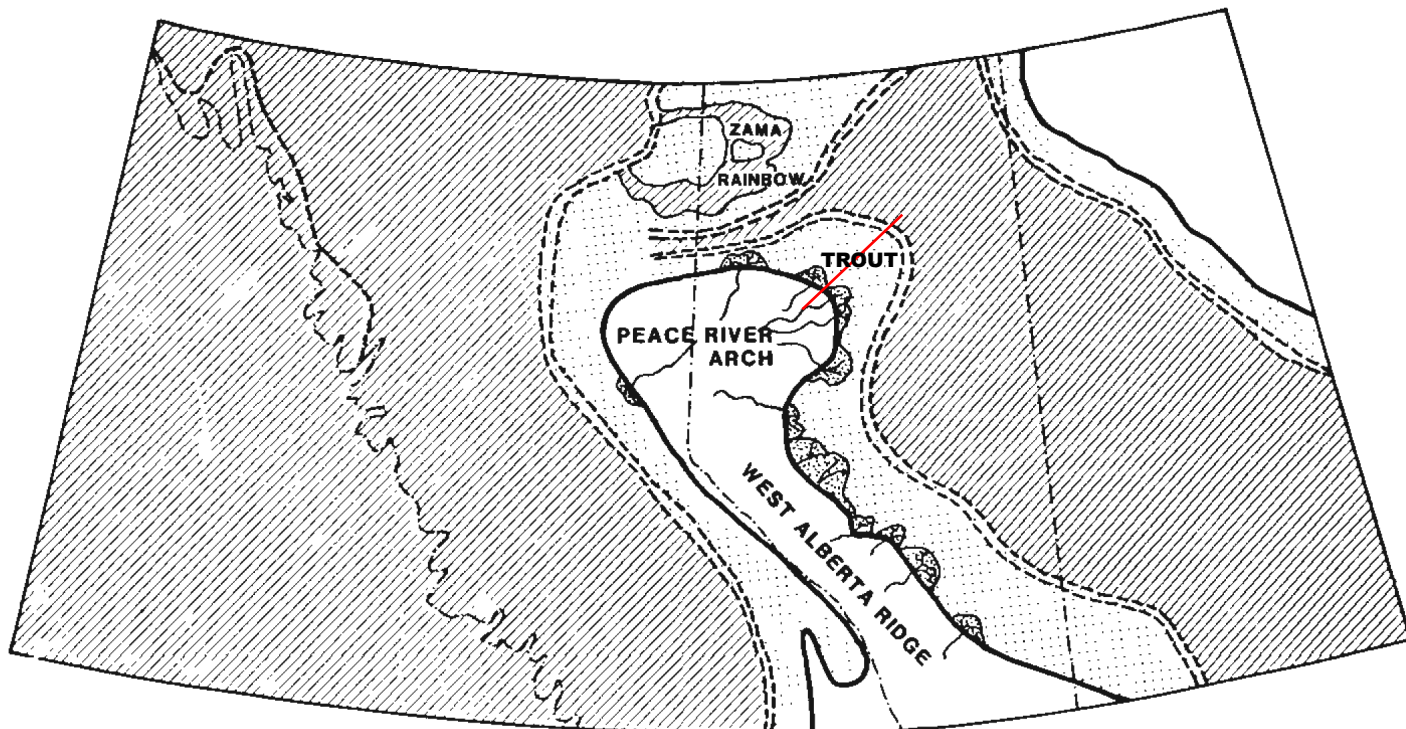
COUGAR OIL AND GAS CANADA





**NORTHERN ALBERTA
PALEOZOIC
TABLE OF FORMATIONS**

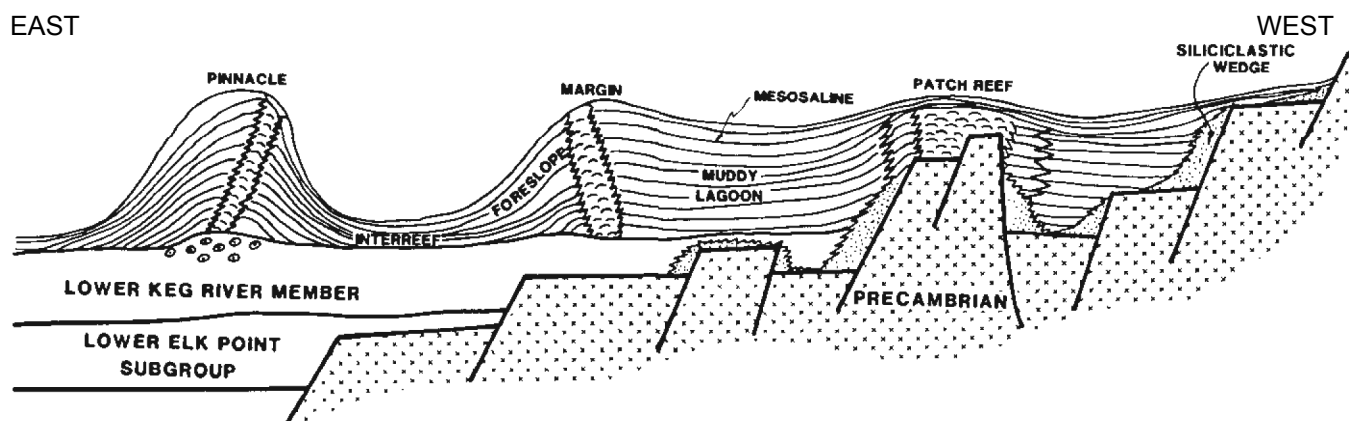
JUNE 2011

JOB No. 5396

FIGURE No. 2a



-  SHELF CARBONATE
-  SILICICLASTICS
-  INTERIOR BASIN
-  CROSS SECTION



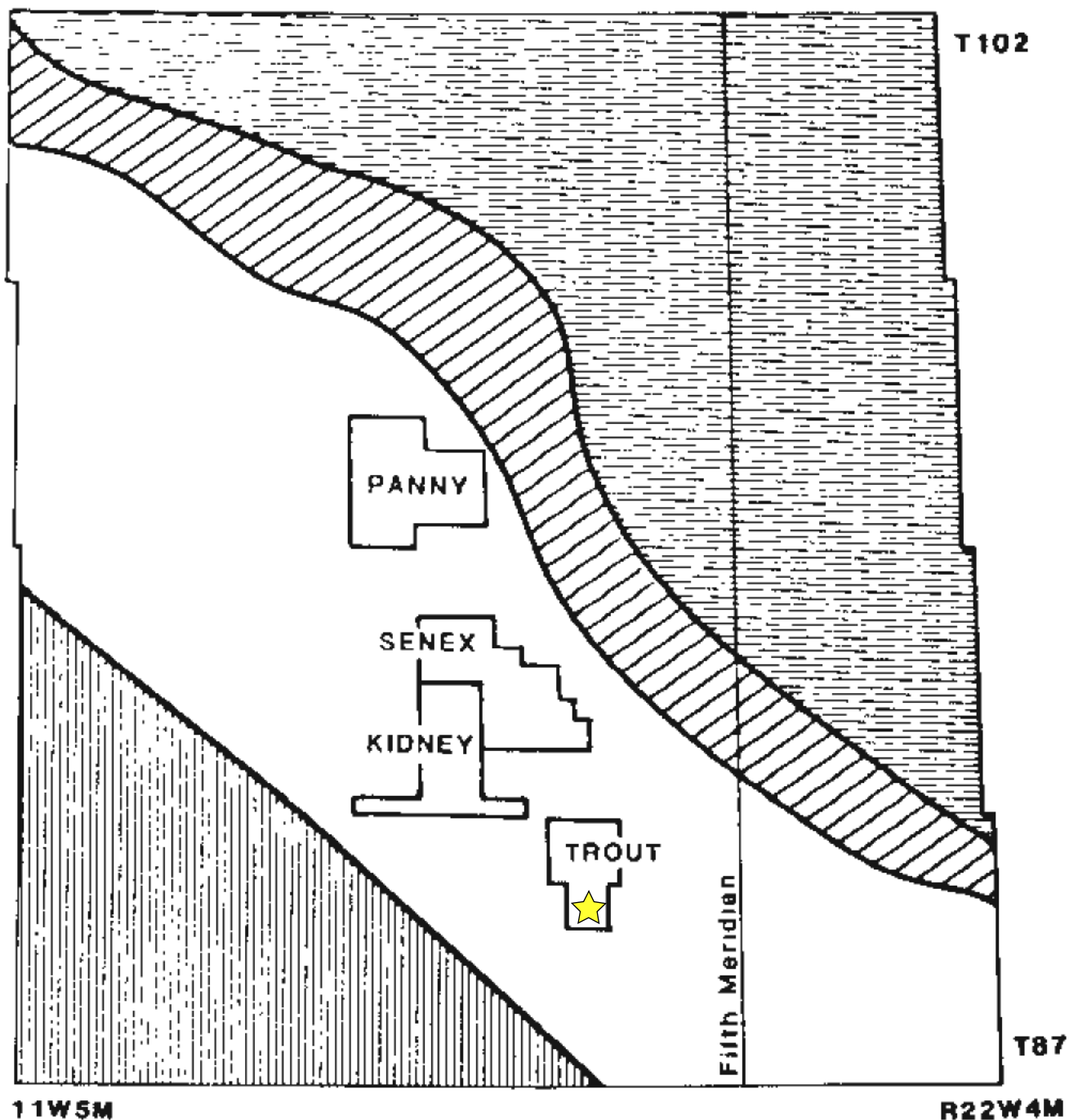
Source: Canadian Journal of Exploration Geophysics
A Seismic Perspective of the Panny and Trout
Fields of North-Central Alberta, Vol.24 No.2 (1988)






COUGAR OIL AND GAS CANADA

WESTERN CANADA

**KEG RIVER
PALEOGEOGRAPHY**

JUNE 2011 JOB No. 5396 FIGURE No. 2b



-  BASIN
-  SHELF MARGIN
-  MIDDLE SHELF
-  INNER SHELF
-  AREA OF INTEREST

Source: Canadian Journal of Exploration Geophysics
A Seismic Perspective of the Panny and Trout
Fields of North-Central Alberta, Vol. 24 No. 2 (1988)

COUGAR OIL AND GAS CANADA

TROUT AREA

ALBERTA

KEG RIVER FACIES MAP

JUNE 2011

JOB No. 5396 FIGURE No. 2c

C O N F I D E N T I A L

COUGAR OIL AND GAS CANADA

TROUT AREA

ALBERTA

STRUCTURE ON KEG RIVER

C.I. = 2m

JUNE 2011

JOB No. 5396 FIGURE No. 2d

Table 2

Summary of Gross Reserves
June 1, 2011

Trout, Alberta

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

Table 3a

**Summary of Anticipated Capital Expenditures
Development**

June 1, 2011

Cougar Oil and Gas Canada Inc.

Trout, Alberta

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

Note: M\$ means thousands of dollars.

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

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

Table 3b

Summary of Anticipated Capital Expenditures
Abandonment and Restoration

June 1, 2011

Cougar Oil and Gas Canada Inc.

Trout, Alberta

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

Note: M\$ means thousands of dollars.

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

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

Forecast Prices & Costs

Cougar Oil and Gas Canada Inc.

Trout, Alberta

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

M\$ means thousands of dollars.

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

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

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

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

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

Table 4T
Summary of Company Reserves and Economics
After Income Tax
June 1, 2011

Forecast Prices & Costs

Cougar Oil and Gas Canada Inc.

| Description | Net To Appraised Interest | | | | | | | | | | |
|--|---------------------------|-------|-----------------|-----|-----------|-----|----------------------------|----------|----------|----------|----------|
| | Reserves | | | | | | Cumulative Cash Flow - M\$ | | | | |
| | Light and Medium Oil MSTB | | Sales Gas MMscf | | NGL Mbbls | | Discounted at: | | | | |
| | Gross | Net | Gross | Net | Gross | Net | Undisc. | 5%/year | 10%/year | 15%/year | 20%/year |
| Proved Undeveloped | | | | | | | | | | | |
| Total Proved Undeveloped (BIT) | 183 | 147 | 0 | 0 | 0 | 0 | 5,054 | 3,767 | 2,831 | 2,136 | 1,609 |
| Company Income Tax | - | - | - | - | - | - | (1,333) | (1,109) | (942) | (815) | (715) |
| Total Proved Undeveloped (AIT) | 183 | 147 | 0 | 0 | 0 | 0 | 3,721 | 2,658 | 1,889 | 1,321 | 894 |
| Probable | | | | | | | | | | | |
| Total Probable Undeveloped (BIT) | 715 | 530 | 0 | 0 | 0 | 0 | 33,477 | 28,833 | 25,244 | 22,392 | 20,075 |
| Company Income Tax | - | - | - | - | - | - | (8,372) | (7,414) | (6,661) | (6,053) | (5,552) |
| Total Probable Undeveloped (AIT) | 715 | 530 | 0 | 0 | 0 | 0 | 25,105 | 21,419 | 18,583 | 16,339 | 14,523 |
| Total Proved Plus Probable(AIT) | 898 | 677 | 0 | 0 | 0 | 0 | 28,825 | 24,077 | 20,472 | 17,660 | 15,417 |
| Possible | | | | | | | | | | | |
| Total Possible (BIT) | 1,803 | 1,274 | 0 | 0 | 0 | 0 | 80,537 | 61,717 | 49,442 | 40,960 | 34,811 |
| Company Income Tax | - | - | - | - | - | - | (20,125) | (15,752) | (12,901) | (10,927) | (9,492) |
| Total Possible (AIT) | 1,803 | 1,274 | 0 | 0 | 0 | 0 | 60,412 | 45,965 | 36,541 | 30,033 | 25,319 |
| Total Proved Plus Probable Plus Possible (AIT) | 2,701 | 1,951 | 0 | 0 | 0 | 0 | 89,237 | 70,042 | 57,013 | 47,692 | 40,735 |

M\$ means thousands of dollars

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

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

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

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

Table 4a

EVALUATION OF: Cougar Oil and Gas Canada Inc.
 ***** Total Proved Undeveloped Consolidation

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

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

TOTAL CAPITAL COSTS - 4829 -M\$-
 TOTAL ABANDONMENT - 165 -M\$-

| Year | # of Wells | Price \$/STB | Oil STB | | Pool | | Company Share | |
|------|------------|--------------|---------|--------|--------|--------|---------------|-----|
| | | | STB/D | Vol | Gross | Net | Gross | Net |
| | | | | | | | | |
| 2011 | 0 | .00 | .0 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 3 | 96.08 | 78.9 | 28814 | 28814 | 27373 | | |
| 2013 | 3 | 94.04 | 102.5 | 37404 | 37404 | 28590 | | |
| 2014 | 3 | 92.00 | 80.8 | 29497 | 29497 | 20481 | | |
| 2015 | 3 | 90.98 | 63.7 | 23261 | 23261 | 16969 | | |
| 2016 | 3 | 94.04 | 50.3 | 18343 | 18343 | 14293 | | |
| 2017 | 3 | 96.08 | 39.6 | 14465 | 14465 | 11869 | | |
| 2018 | 3 | 98.12 | 31.3 | 11407 | 11407 | 9722 | | |
| 2019 | 3 | 100.16 | 24.6 | 8996 | 8996 | 7885 | | |
| 2020 | 3 | 102.33 | 19.4 | 7094 | 7094 | 6346 | | |
| 2021 | 3 | 104.53 | 10.2 | 3719 | 3719 | 3365 | | |
| SUB | | | | 183000 | 183000 | 146894 | | |
| REM | | | | 0 | 0 | 0 | | |
| TOT | | | | 183000 | 183000 | 146894 | | |

P/T COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy & Oper -M\$- | Net back \$/BOE | Proc & Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|----------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|---------------------------|-----------------|---------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | Sale Gas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | % | Fixed -M\$- | Variable -M\$- | \$/BOE | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 4590 | 2768 | 0 | 0 | 2768 | 138 | 0 | 0 | 5.0 | 123 | 294 | 14.45 | 2214 | 76.82 | 0 | 4590 | 0 | -2376 | -2143 |
| 2013 | 0 | 3518 | 0 | 0 | 3518 | 829 | 0 | 0 | 23.6 | 196 | 389 | 15.64 | 2104 | 56.24 | 0 | 0 | 0 | 2104 | 1724 |
| 2014 | 239 | 2714 | 0 | 0 | 2714 | 829 | 0 | 0 | 30.6 | 200 | 313 | 17.38 | 1371 | 46.49 | 0 | 239 | 0 | 1133 | 844 |
| 2015 | 0 | 2116 | 0 | 0 | 2116 | 572 | 0 | 0 | 27.1 | 204 | 252 | 19.58 | 1088 | 46.79 | 0 | 0 | 0 | 1088 | 737 |
| 2016 | 0 | 1725 | 0 | 0 | 1725 | 381 | 0 | 0 | 22.1 | 208 | 203 | 22.37 | 934 | 50.91 | 0 | 0 | 0 | 934 | 575 |
| 2017 | 0 | 1390 | 0 | 0 | 1390 | 249 | 0 | 0 | 17.9 | 212 | 163 | 25.92 | 766 | 52.92 | 0 | 0 | 0 | 766 | 429 |
| 2018 | 0 | 1119 | 0 | 0 | 1119 | 165 | 0 | 0 | 14.8 | 216 | 131 | 30.44 | 607 | 53.19 | 0 | 0 | 0 | 607 | 309 |
| 2019 | 0 | 901 | 0 | 0 | 901 | 111 | 0 | 0 | 12.3 | 221 | 105 | 36.23 | 464 | 51.56 | 0 | 0 | 0 | 464 | 215 |
| 2020 | 0 | 726 | 0 | 0 | 726 | 77 | 0 | 0 | 10.5 | 225 | 85 | 43.66 | 340 | 47.88 | 0 | 0 | 0 | 340 | 143 |
| 2021 | 165 | 389 | 0 | 0 | 389 | 37 | 0 | 0 | 9.5 | 146 | 45 | 51.36 | 161 | 43.23 | 0 | 0 | 165 | -4 | -1 |
| SUB | 4993 | 17366 | 0 | 0 | 17366 | 3390 | 0 | 0 | 19.5 | 1949 | 1980 | | 10047 | | 0 | 4829 | 165 | 5054 | 2831 |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | | 0 | | 0 | 0 | 0 | 0 | 0 |
| TOT | 4993 | 17366 | 0 | 0 | 17366 | 3390 | 0 | 0 | 19.5 | 1949 | 1980 | | 10047 | | 0 | 4829 | 165 | 5054 | 2831 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|-------|------|-------|-------|-------|-------|-------|
| FR After Roy & Oper. | 10047 | 8426 | 7211 | 6274 | 5537 | 4944 | 4458 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 4829 | 4558 | 4316 | 4099 | 3901 | 3722 | 3558 |
| Abandonment Costs | 165 | 101 | 63 | 40 | 26 | 17 | 12 |
| Future Net Revenue | 5054 | 3767 | 2831 | 2136 | 1609 | 1204 | 888 |

COMPANY SHARE

| | 1st Year | Average | Royalties | Oper Costs | FR After Roy & Oper | Capital Costs | Future Net Rev |
|---------------------|----------|---------|-----------|------------|---------------------|---------------|----------------|
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue | | | 19.5 | 22.6 | 57.9 | 27.8 | 29.1 |

PROFITABILITY

| COMPANY SHARE BASIS | Before Tax |
|--------------------------|------------|
| Rate of Return (%) | 57.3 |
| Profit Index (undisc.) | 1.0 |
| (disc. @ 10.0%) | .6 |
| (disc. @ 5.0%) | .8 |
| First Payout (years) | 2.6 |
| Total Payout (years) | 3.1 |
| Cost of Finding (\$/BOE) | 27.29 |
| NPV @ 10.0% (\$/BOE) | 15.47 |
| NPV @ 5.0% (\$/BOE) | 20.59 |

Table 4a

FUTURE NET REVENUE & INCOME TAX SUMMARY:

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

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

| Year | FR After Roy&Oper -M\$- | Crown Royalties -M\$- | Min/Cap Tax -M\$- | Capital Costs -M\$- | Aband Costs -M\$- | Admin + Oth Income/ Expense -M\$- | Future Net Rev | | Taxable Income | | Income Tax | | Future Net Rev After Tax | | |
|---------------------------------|-------------------------------|-----------------------------|-------------------------|---------------------------|-------------------------|---|----------------------|-------------------|---------------------------|--------------------------|--------------|---------------|-----------------------------|----------------|--------------|
| | | | | | | | Before Tax Annual | Before Tax Cum | Before Deduct -M\$- | After Deduct -M\$- | Fed -M\$- | Prov -M\$- | Undisc -M\$- | 10.0% -M\$- | Cum -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 2214 | 138 | 0 | 4590 | 0 | 0 | -2376 | -2376 | 2352 | 1078 | 162 | 108 | -2646 | -2386 | -2386 |
| 2013 | 2104 | 829 | 0 | 0 | 0 | 0 | 2104 | -273 | 2933 | 1128 | 169 | 113 | 1822 | 1493 | -892 |
| 2014 | 1371 | 829 | 0 | 239 | 0 | 0 | 1133 | 860 | 2201 | 614 | 92 | 61 | 979 | 730 | -163 |
| 2015 | 1088 | 572 | 0 | 0 | 0 | 0 | 1088 | 1948 | 1661 | 537 | 81 | 54 | 954 | 646 | 483 |
| 2016 | 934 | 381 | 0 | 0 | 0 | 0 | 934 | 2882 | 1315 | 539 | 81 | 54 | 799 | 492 | 976 |
| 2017 | 766 | 249 | 0 | 0 | 0 | 0 | 766 | 3647 | 1015 | 482 | 72 | 48 | 645 | 361 | 1337 |
| 2018 | 607 | 165 | 0 | 0 | 0 | 0 | 607 | 4254 | 772 | 403 | 60 | 40 | 506 | 257 | 1594 |
| 2019 | 464 | 111 | 0 | 0 | 0 | 0 | 464 | 4718 | 575 | 317 | 48 | 32 | 384 | 178 | 1772 |
| 2020 | 340 | 77 | 0 | 0 | 0 | 0 | 340 | 5058 | 416 | 234 | 35 | 23 | 281 | 118 | 1890 |
| 2021 | 161 | 37 | 0 | 0 | 165 | 0 | -4 | 5054 | 198 | 0 | 0 | 0 | -4 | -1 | 1889 |
| SUB | 10047 | 3390 | 0 | 4829 | 165 | 0 | 5054 | | 13437 | 5333 | 800 | 533 | 3721 | 1889 | |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOT | 10047 | 3390 | 0 | 4829 | 165 | 0 | 5054 | | 13437 | 5333 | 800 | 533 | 3721 | 1889 | |
| NET PRESENT VALUE (-M\$-) | | | | | | | | | | | | | | | |
| | | | | | | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% | | | |
| Future net revenue before tax | | | | | | | 5054 | 3767 | 2831 | 2136 | 1609 | 1204 | 888 | | |
| Federal & provincial income tax | | | | | | | 1333 | 1109 | 942 | 815 | 715 | 635 | 570 | | |
| Future net revenue after tax | | | | | | | 3721 | 2658 | 1889 | 1321 | 894 | 569 | 318 | | |

Table 4b

EVALUATION OF: Cougar Oil and Gas Canada Inc.
 ===== Total Proved Plus Probable Consolidation

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

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

TOTAL CAPITAL COSTS - 11277 -M\$-
 TOTAL ABANDONMENT - 385 -M\$-

| Year | # of Wells | Price \$/STB | Oil STB | | Pool | | Company Share | |
|------|------------|--------------|---------|--------|--------|--------|---------------|--|
| | | | STB/D | Vol | Gross | Net | | |
| | | | | | | | | |
| 2011 | 0 | .00 | .0 | 0 | 0 | 0 | | |
| 2012 | 7 | 96.08 | 712.3 | 260000 | 260000 | 242823 | | |
| 2013 | 7 | 94.04 | 524.2 | 191338 | 191338 | 126900 | | |
| 2014 | 7 | 92.00 | 369.4 | 134817 | 134817 | 80890 | | |
| 2015 | 7 | 90.98 | 262.1 | 95659 | 95659 | 61609 | | |
| 2016 | 7 | 94.04 | 187.3 | 68353 | 68353 | 47011 | | |
| 2017 | 7 | 96.08 | 134.8 | 49184 | 49184 | 36419 | | |
| 2018 | 7 | 98.12 | 97.6 | 35634 | 35634 | 28085 | | |
| 2019 | 7 | 100.16 | 70.0 | 25560 | 25560 | 21184 | | |
| 2020 | 4 | 102.33 | 40.7 | 14839 | 14839 | 12478 | | |
| 2021 | 4 | 104.53 | 27.2 | 9943 | 9943 | 8551 | | |
| 2022 | 3 | 106.78 | 20.8 | 7600 | 7600 | 6690 | | |
| 2023 | 3 | 109.08 | 13.6 | 4973 | 4973 | 4446 | | |
| 2024 | 1 | 111.42 | .3 | 101 | 101 | 91 | | |
| SUB | | | | 898000 | 898000 | 677177 | | |
| REM | | | | 0 | 0 | 0 | | |
| TOT | | | | 898000 | 898000 | 677177 | | |

-- P/T 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 COMPANY SHARE FUTURE NET REVENUE 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | | FR After Roy & Oper -M\$- | Net back \$/BOE | Proc & Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|----------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|-------|---------------------------|-----------------|---------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | Sale Gas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | %- | Fixed -M\$- | Variable -M\$- | \$/BOE | | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 4500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 4500 | 0 | -4500 | -4376 | |
| 2012 | 6120 | 24981 | 0 | 0 | 24981 | 16500 | 0 | 0 | 6.6 | 362 | 2652 | 11.59 | 20316 | 78.14 | 0 | 6120 | 0 | 14196 | 12800 | |
| 2013 | 312 | 17993 | 0 | 0 | 17993 | 6060 | 0 | 0 | 33.7 | 457 | 1991 | 12.79 | 9486 | 49.58 | 0 | 312 | 0 | 9174 | 7520 | |
| 2014 | 345 | 12403 | 0 | 0 | 12403 | 4961 | 0 | 0 | 40.0 | 466 | 1431 | 14.07 | 5545 | 41.13 | 0 | 345 | 0 | 5200 | 3875 | |
| 2015 | 0 | 8703 | 0 | 0 | 8703 | 3098 | 0 | 0 | 35.6 | 475 | 1035 | 15.79 | 4094 | 42.80 | 0 | 0 | 0 | 4094 | 2774 | |
| 2016 | 0 | 6428 | 0 | 0 | 6428 | 2007 | 0 | 0 | 31.2 | 485 | 755 | 18.14 | 3181 | 46.54 | 0 | 0 | 0 | 3181 | 1959 | |
| 2017 | 0 | 4726 | 0 | 0 | 4726 | 1226 | 0 | 0 | 26.0 | 495 | 554 | 21.32 | 2451 | 49.83 | 0 | 0 | 0 | 2451 | 1372 | |
| 2018 | 0 | 3496 | 0 | 0 | 3496 | 741 | 0 | 0 | 21.2 | 505 | 409 | 25.65 | 1842 | 51.69 | 0 | 0 | 0 | 1842 | 937 | |
| 2019 | 158 | 2560 | 0 | 0 | 2560 | 438 | 0 | 0 | 17.1 | 497 | 299 | 31.16 | 1325 | 51.86 | 0 | 0 | 158 | 1167 | 540 | |
| 2020 | 0 | 1518 | 0 | 0 | 1518 | 242 | 0 | 0 | 15.9 | 300 | 177 | 32.16 | 800 | 53.89 | 0 | 0 | 0 | 800 | 336 | |
| 2021 | 55 | 1039 | 0 | 0 | 1039 | 146 | 0 | 0 | 14.0 | 236 | 121 | 35.95 | 536 | 53.94 | 0 | 0 | 55 | 481 | 184 | |
| 2022 | 0 | 812 | 0 | 0 | 812 | 97 | 0 | 0 | 12.0 | 234 | 94 | 43.23 | 386 | 50.77 | 0 | 0 | 0 | 386 | 134 | |
| 2023 | 114 | 562 | 0 | 0 | 542 | 57 | 0 | 0 | 10.6 | 196 | 63 | 52.12 | 226 | 45.40 | 0 | 0 | 114 | 112 | 35 | |
| 2024 | 58 | 11 | 0 | 0 | 11 | 1 | 0 | 0 | 10.3 | 5 | 1 | 57.70 | 4 | 42.22 | 0 | 0 | 58 | -54 | -15 | |
| SUB | 11662 | 85213 | 0 | 0 | 85213 | 20725 | 0 | 0 | 24.3 | 4713 | 9584 | | 50193 | | 0 | 11277 | 385 | 38530 | 28075 | |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | | 0 | | 0 | 0 | 0 | 0 | 0 | |
| TOT | 11662 | 85213 | 0 | 0 | 85213 | 20725 | 0 | 0 | 24.3 | 4713 | 9584 | | 50193 | | 0 | 11277 | 385 | 38530 | 28075 | |

101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200

| NET PRESENT VALUE (-M\$-) | | | | | | | | | |
|---------------------------|----------|---------|-----------|------------|---------------------|---------------|----------------|--|--|
| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% | | |
| FR After Roy & Oper. | 50193 | 43653 | 38629 | 34658 | 31443 | 28788 | 26556 | | |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Capital Costs | 11277 | 10819 | 10407 | 10035 | 9696 | 9387 | 9103 | | |
| Abandonment Costs .. | 385 | 234 | 147 | 95 | 63 | 43 | 30 | | |
| Future Net Revenue . | 38530 | 32600 | 28075 | 24528 | 21684 | 19358 | 17424 | | |
| COMPANY SHARE | | | | | | | | | |
| | 1st Year | Average | Royalties | Oper Costs | FR After Roy & Oper | Capital Costs | Future Net Rev | | |
| % Interest | 100.0 | 100.0 | | | | | | | |
| % of Future Revenue. | | | 24.3 | 16.8 | 58.9 | 13.2 | 45.2 | | |

101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200

| PROFITABILITY | | Before Tax |
|--------------------------------|--|------------|
| COMPANY SHARE BASIS | | |
| Rate of Return (%) | | 404.9 |
| Profit Index (undisc.) | | 3.3 |
| (disc. @ 10.0%) | | 2.7 |
| (disc. @ 5.0%) | | 2.9 |
| First Payout (years) | | .9 |
| Total Payout (years) | | 1.2 |
| Cost of Finding (\$/BOE) | | 12.99 |
| NPV @ 10.0% (\$/BOE) | | 31.26 |
| NPV @ 5.0% (\$/BOE) | | 36.30 |

Table 4b

FUTURE NET REVENUE & INCOME TAX SUMMARY:

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

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

| Year | FR After Roy&Oper -M\$- | Crown Royalties -M\$- | Min/Cap Tax -M\$- | Capital Costs -M\$- | Aband Costs -M\$- | Admin + Oth Income/ Expense -M\$- | Future Net Rev Before Tax | | Taxable Income | | Income Tax | | Future Net Rev After Tax | | |
|------|-------------------------------|-----------------------------|-------------------------|---------------------------|-------------------------|---|------------------------------|-------|---------------------------|--------------------------|--------------|---------------|-----------------------------|----------------|--------------|
| | | | | | | | Annual | Cum | Before Deduct -M\$- | After Deduct -M\$- | Fed -M\$- | Prov -M\$- | Undisc -M\$- | 10.0% -M\$- | Cum -M\$- |
| 2011 | 0 | 0 | 0 | 4500 | 0 | 0 | -4500 | -4500 | 0 | 0 | 0 | 0 | -4500 | -4376 | -4376 |
| 2012 | 20316 | 1650 | 0 | 6120 | 0 | 0 | 14196 | 9696 | 21966 | 17519 | 2628 | 1752 | 9816 | 8851 | 4475 |
| 2013 | 9486 | 6060 | 0 | 312 | 0 | 0 | 9174 | 18870 | 15546 | 7193 | 1079 | 719 | 7376 | 6046 | 10520 |
| 2014 | 5545 | 4961 | 0 | 345 | 0 | 0 | 5200 | 24070 | 10506 | 3809 | 571 | 381 | 4248 | 3165 | 13686 |
| 2015 | 4094 | 3098 | 0 | 0 | 0 | 0 | 4094 | 28164 | 7192 | 2840 | 426 | 284 | 3384 | 2293 | 15978 |
| 2016 | 3181 | 2007 | 0 | 0 | 0 | 0 | 3181 | 31346 | 5188 | 2283 | 342 | 228 | 2611 | 1608 | 17586 |
| 2017 | 2451 | 1226 | 0 | 0 | 0 | 0 | 2451 | 33796 | 3677 | 1807 | 271 | 181 | 1999 | 1119 | 18705 |
| 2018 | 1842 | 741 | 0 | 0 | 0 | 0 | 1842 | 35638 | 2583 | 1380 | 207 | 138 | 1497 | 762 | 19467 |
| 2019 | 1325 | 438 | 0 | 0 | 158 | 0 | 1167 | 36805 | 1764 | 835 | 125 | 84 | 958 | 443 | 19910 |
| 2020 | 800 | 242 | 0 | 0 | 0 | 0 | 800 | 37605 | 1041 | 561 | 84 | 56 | 659 | 277 | 20188 |
| 2021 | 536 | 146 | 0 | 0 | 55 | 0 | 481 | 38087 | 682 | 309 | 46 | 31 | 404 | 155 | 20342 |
| 2022 | 386 | 97 | 0 | 0 | 0 | 0 | 386 | 38472 | 483 | 262 | 39 | 26 | 320 | 111 | 20454 |
| 2023 | 226 | 57 | 0 | 0 | 114 | 0 | 112 | 38584 | 283 | 22 | 3 | 2 | 106 | 34 | 20487 |
| 2024 | 4 | 1 | 0 | 0 | 58 | 0 | -54 | 38530 | 5 | 0 | 0 | 0 | -54 | -15 | 20472 |
| SUB | 50193 | 20725 | 0 | 11277 | 385 | 0 | 38530 | | 70917 | 38820 | 5823 | 3882 | 28825 | 20472 | |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | |
| TOT | 50193 | 20725 | 0 | 11277 | 385 | 0 | 38530 | | 70917 | 38820 | 5823 | 3882 | 28825 | 20472 | |

| NET PRESENT VALUE (-M\$-) | | | | | | | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|---------------------------------|--|--|--|--|--|--|-------|-------|-------|-------|-------|-------|-------|
| Future net revenue before tax | | | | | | | 38530 | 32600 | 28075 | 24528 | 21684 | 19358 | 17424 |
| Federal & provincial income tax | | | | | | | 9705 | 8523 | 7603 | 6868 | 6267 | 5767 | 5343 |
| Future net revenue after tax | | | | | | | 28825 | 24077 | 20472 | 17660 | 15417 | 13591 | 12080 |

Table 4c

EVALUATION OF: Cougar Oil and Gas Canada Inc.
 Total Proved Plus Probable Plus Possible Consolidation

ERGO v7.41 P2 ENERGY SOLUTIONS TOTAL
 GLOBAL : 20-JUN-2011 5396
 EFF:01-JUN-2011 DISC:01-JUN-2011
 RUN DATE: 7-JUL-2011 TIME: 14:36
 FILE:

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

TOTAL CAPITAL COSTS - 24432 -M\$-
 TOTAL ABANDONMENT - 870 -M\$-

| Year | # of Wells | Price \$/STB | Oil | | Pool | | Company Share | |
|------|------------|--------------|--------|------|-------|------|---------------|-----|
| | | | STB/D | Vol | Gross | Net | Gross | Net |
| | | | | | | | | |
| 2011 | 4 | 96.00 | 299.8 | 64 | 64 | 61 | | |
| 2012 | 15 | 96.08 | 1307.5 | 477 | 477 | 436 | | |
| 2013 | 15 | 94.04 | 1244.0 | 454 | 454 | 319 | | |
| 2014 | 15 | 92.00 | 971.0 | 354 | 354 | 213 | | |
| 2015 | 15 | 90.98 | 765.0 | 279 | 279 | 172 | | |
| 2016 | 15 | 94.04 | 607.6 | 222 | 222 | 139 | | |
| 2017 | 15 | 96.08 | 486.2 | 177 | 177 | 115 | | |
| 2018 | 15 | 98.12 | 391.4 | 143 | 143 | 96 | | |
| 2019 | 15 | 100.16 | 315.6 | 115 | 115 | 80 | | |
| 2020 | 12 | 102.33 | 246.0 | 90 | 90 | 63 | | |
| 2021 | 12 | 104.53 | 198.9 | 73 | 73 | 53 | | |
| 2022 | 11 | 106.78 | 164.3 | 60 | 60 | 45 | | |
| 2023 | 11 | 109.08 | 133.6 | 49 | 49 | 38 | | |
| 2024 | 9 | 111.42 | 100.6 | 37 | 37 | 29 | | |
| 2025 | 8 | 113.81 | 83.9 | 31 | 31 | 25 | | |
| SUB | | | | 2625 | 2625 | 1886 | | |
| REM | | | | 76 | 76 | 65 | | |
| TOT | | | | 2701 | 2701 | 1951 | | |

P/T COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy & Oper -M\$- | Net back \$/BOE | Proc & Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|--------------------------|---------------------|-------------------|-------------------|----------------|----------------|----------------|------------------|------|-----------------|-------------------|--------|------------------------------|--------------------|------------------------------|----------------------|----------------------|-----------------|----------------|
| | | Oil -M\$- | Sale Gas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | % | Fixed -M\$- | Variable -M\$- | \$/BOE | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 10500 | 6159 | 0 | 0 | 6159 | 308 | 0 | 0 | 5.0 | 63 | 642 | 10.98 | 5146 | 80.22 | 0 | 10500 | 0 | -5354 | -5206 |
| 2012 | 12240 | 45853 | 0 | 0 | 45853 | 3927 | 0 | 0 | 8.6 | 693 | 4868 | 11.65 | 36365 | 76.20 | 0 | 12240 | 0 | 24125 | 21752 |
| 2013 | 312 | 42701 | 0 | 0 | 42701 | 12670 | 0 | 0 | 29.7 | 979 | 4724 | 12.56 | 24327 | 53.58 | 0 | 312 | 0 | 24015 | 19685 |
| 2014 | 1380 | 32607 | 0 | 0 | 32607 | 13043 | 0 | 0 | 40.0 | 999 | 3761 | 13.43 | 14804 | 41.77 | 0 | 1380 | 0 | 13424 | 10003 |
| 2015 | 0 | 25403 | 0 | 0 | 25403 | 9778 | 0 | 0 | 38.5 | 1019 | 3022 | 14.47 | 11584 | 41.49 | 0 | 0 | 0 | 11584 | 7847 |
| 2016 | 0 | 20857 | 0 | 0 | 20857 | 7756 | 0 | 0 | 37.2 | 1039 | 2449 | 15.73 | 9613 | 43.34 | 0 | 0 | 0 | 9613 | 5920 |
| 2017 | 0 | 17049 | 0 | 0 | 17049 | 6008 | 0 | 0 | 35.2 | 1060 | 1998 | 17.23 | 7983 | 44.99 | 0 | 0 | 0 | 7983 | 4469 |
| 2018 | 0 | 14017 | 0 | 0 | 14017 | 4592 | 0 | 0 | 32.8 | 1081 | 1641 | 19.05 | 6703 | 46.92 | 0 | 0 | 0 | 6703 | 3411 |
| 2019 | 158 | 11538 | 0 | 0 | 11538 | 3502 | 0 | 0 | 30.3 | 1085 | 1350 | 21.14 | 5602 | 48.63 | 0 | 0 | 158 | 5444 | 2519 |
| 2020 | 0 | 9187 | 0 | 0 | 9187 | 2693 | 0 | 0 | 29.3 | 900 | 1073 | 21.97 | 4521 | 50.36 | 0 | 0 | 0 | 4521 | 1902 |
| 2021 | 55 | 7588 | 0 | 0 | 7588 | 2085 | 0 | 0 | 27.5 | 848 | 885 | 23.87 | 3770 | 51.94 | 0 | 0 | 55 | 3716 | 1421 |
| 2022 | 0 | 6405 | 0 | 0 | 6405 | 1568 | 0 | 0 | 24.5 | 858 | 746 | 26.74 | 3233 | 53.90 | 0 | 0 | 0 | 3233 | 1124 |
| 2023 | 114 | 5320 | 0 | 0 | 5320 | 1155 | 0 | 0 | 21.7 | 833 | 619 | 29.76 | 2713 | 55.64 | 0 | 0 | 114 | 2599 | 821 |
| 2024 | 58 | 4091 | 0 | 0 | 4091 | 828 | 0 | 0 | 20.2 | 654 | 475 | 30.74 | 2135 | 58.14 | 0 | 0 | 58 | 2077 | 597 |
| 2025 | 0 | 3485 | 0 | 0 | 3485 | 629 | 0 | 0 | 18.1 | 662 | 404 | 34.83 | 1789 | 58.63 | 0 | 0 | 0 | 1789 | 467 |
| SUB | 24817 | 252260 | 0 | 0 | 252260 | 70541 | 0 | 0 | 28.0 | 12773 | 28656 | | 140290 | | 0 | 24432 | 385 | 115473 | 76733 |
| REM | 485 | 8852 | 0 | 0 | 8852 | 1274 | 0 | 0 | 14.4 | 2475 | 1025 | | 4079 | | 0 | 0 | 485 | 3594 | 784 |
| TOT | 25302 | 261112 | 0 | 0 | 261112 | 71815 | 0 | 0 | 27.5 | 15248 | 29681 | | 144369 | | 0 | 24432 | 870 | 119067 | 77517 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|----------|---------|-----------|------------|---------------------|---------------|----------------|
| FR After Roy & Oper. | 144369 | 118179 | 100280 | 87345 | 77569 | 69915 | 63748 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 24432 | 23428 | 22531 | 21724 | 20994 | 20329 | 19722 |
| Abandonment Costs | 870 | 434 | 233 | 133 | 81 | 51 | 34 |
| Future Net Revenue | 119067 | 94317 | 77517 | 65488 | 56495 | 49534 | 43993 |
| COMPANY SHARE | | | | | | | |
| | 1st Year | Average | Royalties | Oper Costs | FR After Roy & Oper | Capital Costs | Future Net Rev |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue | | | 27.5 | 17.2 | 55.3 | 9.4 | 45.6 |

PROFITABILITY

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|-------|------------|
| Rate of Return (%) | ..... | 684.6 |
| Profit Index (undisc.) | ..... | 4.7 |
| (disc. @ 10.0%) | ..... | 3.4 |
| (disc. @ 5.0%) | ..... | 4.0 |
| First Payout (years) | ..... | .8 |
| Total Payout (years) | ..... | 1.1 |
| Cost of Finding (\$/BOE) | ..... | 9.37 |
| NPV @ 10.0% (\$/BOE) | ..... | 28.70 |
| NPV @ 5.0% (\$/BOE) | ..... | 34.92 |

Table 4c

FUTURE NET REVENUE & INCOME TAX SUMMARY:

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

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

| Year | FR After Roy&Oper -M\$- | Crown Royalties -M\$- | Min/Cap Tax -M\$- | Capital Costs -M\$- | Aband Costs -M\$- | Admin + Oth Income/ Expense -M\$- | Future Net Rev Before Tax | | Taxable Income | | Income Tax | | Future Net Rev After Tax | | |
|------|-------------------------------|-----------------------------|-------------------------|---------------------------|-------------------------|---|------------------------------|--------------|---------------------------|--------------------------|--------------|---------------|-----------------------------|----------------|--------------|
| | | | | | | | Annual -M\$- | Cum -M\$- | Before Deduct -M\$- | After Deduct -M\$- | Fed -M\$- | Prov -M\$- | Undisc -M\$- | 10.0% -M\$- | Cum -M\$- |
| 2011 | 5146 | 308 | 0 | 10500 | 0 | 0 | -5354 | -5354 | 5454 | 2548 | 420 | 255 | -6029 | -5863 | -5863 |
| 2012 | 36365 | 3927 | 0 | 12240 | 0 | 0 | 24125 | 18771 | 40292 | 31103 | 4665 | 3110 | 16349 | 14741 | 8878 |
| 2013 | 24327 | 12670 | 0 | 312 | 0 | 0 | 24015 | 42786 | 36998 | 20050 | 3008 | 2005 | 19003 | 15576 | 24454 |
| 2014 | 14804 | 13043 | 0 | 1380 | 0 | 0 | 13424 | 56211 | 27847 | 11390 | 1709 | 1139 | 10577 | 7882 | 32336 |
| 2015 | 11584 | 9778 | 0 | 0 | 0 | 0 | 11584 | 67795 | 21362 | 9090 | 1363 | 909 | 9312 | 6308 | 38644 |
| 2016 | 9613 | 7756 | 0 | 0 | 0 | 0 | 9613 | 77408 | 17369 | 7825 | 1174 | 782 | 7657 | 4715 | 43359 |
| 2017 | 7983 | 6008 | 0 | 0 | 0 | 0 | 7983 | 85392 | 13991 | 6699 | 1005 | 670 | 6308 | 3532 | 46891 |
| 2018 | 6703 | 4592 | 0 | 0 | 0 | 0 | 6703 | 92094 | 11295 | 5780 | 867 | 578 | 5258 | 2676 | 49567 |
| 2019 | 5602 | 3502 | 0 | 0 | 158 | 0 | 5444 | 97538 | 9103 | 4780 | 717 | 478 | 4249 | 1966 | 51533 |
| 2020 | 4521 | 2693 | 0 | 0 | 0 | 0 | 4521 | 102059 | 7214 | 4043 | 607 | 404 | 3511 | 1477 | 53009 |
| 2021 | 3770 | 2085 | 0 | 0 | 55 | 0 | 3716 | 105775 | 5855 | 3371 | 506 | 337 | 2873 | 1099 | 54108 |
| 2022 | 3233 | 1568 | 0 | 0 | 0 | 0 | 3233 | 109008 | 4801 | 2984 | 448 | 298 | 2487 | 865 | 54972 |
| 2023 | 2713 | 1155 | 0 | 0 | 114 | 0 | 2599 | 111607 | 3668 | 2419 | 363 | 242 | 1994 | 630 | 55603 |
| 2024 | 2135 | 828 | 0 | 0 | 58 | 0 | 2077 | 113684 | 2962 | 1947 | 292 | 195 | 1590 | 457 | 56060 |
| 2025 | 1789 | 629 | 0 | 0 | 0 | 0 | 1789 | 115473 | 2418 | 1695 | 254 | 169 | 1365 | 357 | 56416 |
| SUB | 140290 | 70541 | 0 | 24432 | 385 | 0 | 115473 | | 210831 | 115725 | 17397 | 11572 | 86503 | 56416 | |
| REM | 4079 | 1274 | 0 | 0 | 485 | 0 | 3594 | | 5353 | 3444 | 517 | 344 | 2733 | 597 | |
| TOT | 144369 | 71815 | 0 | 24432 | 870 | 0 | 119067 | | 216184 | 119168 | 17913 | 11917 | 89237 | 57013 | |

| NET PRESENT VALUE (-M\$-) | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|---------------------------------|--------|-------|-------|-------|-------|-------|-------|
| Future net revenue before tax | 119067 | 94317 | 77517 | 65488 | 56495 | 49534 | 43993 |
| Federal & provincial income tax | 29830 | 24275 | 20504 | 17795 | 15759 | 14172 | 12898 |
| Future net revenue after tax | 89237 | 70042 | 57013 | 47692 | 40735 | 35362 | 31095 |

Table 4d

EVALUATION OF: Trout, Alberta - Proved Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 20-JUN-2011 5396
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-APR-2012
 RUN DATE: 7-JUL-2011 TIME: 9:51
 FILE: OtrPU4.DAX

WELL/LOCATION - Loc.06-16-089-03 W5M (Upper Keg River)
 EVALUATED BY -
 COMPANY EVALUATED - Cougar Oil and Gas Canada Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 61000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1610 -M\$-
 TOTAL ABANDONMENT - 55 -M\$- (2021)

INTEREST

AVG WI 100.0000%

ROYALTIES/TAXES

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

| Year | # of Wells | Price \$/STB | Oil STB | | Pool | | Company Share | |
|------|------------|--------------|---------|-------|-------|-------|---------------|--|
| | | | STB/D | Vol | Gross | Net | | |
| | | | | | | | | |
| 2011 | 0 | 96.00 | .0 | 0 | 0 | 0 | | |
| 2012 | 1 | 96.08 | 41.2 | 11172 | 11172 | 10614 | | |
| 2013 | 1 | 94.04 | 33.7 | 12133 | 12133 | 8886 | | |
| 2014 | 1 | 92.00 | 26.6 | 9569 | 9569 | 6680 | | |
| 2015 | 1 | 90.98 | 21.0 | 7547 | 7547 | 5549 | | |
| 2016 | 1 | 94.04 | 16.5 | 5952 | 5952 | 4673 | | |
| 2017 | 1 | 96.08 | 13.0 | 4694 | 4694 | 3874 | | |
| 2018 | 1 | 98.12 | 10.3 | 3702 | 3702 | 3169 | | |
| 2019 | 1 | 100.16 | 8.1 | 2920 | 2920 | 2568 | | |
| 2020 | 1 | 102.33 | 6.4 | 2303 | 2303 | 2065 | | |
| 2021 | 1 | 104.53 | 2.8 | 1009 | 1009 | 915 | | |
| SUB | | | | 61000 | 61000 | 48991 | | |
| REM | | | | 0 | 0 | 0 | | |
| TOT | | | | 61000 | 61000 | 48991 | | |

P/T

COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | Operating Costs | | | FR After Roy&Oper -M\$- | Net back \$/STB | Proc& Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|-----------------|----------------|--------|-------------------------|-----------------|--------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1530 | 1073 | 0 | 0 | 1073 | 54 | 0 | 0 | 5.0 | 48 | 114 | 858 | 76.79 | 0 | 1530 | 0 | -672 | -606 |
| 2013 | 0 | 1141 | 0 | 0 | 1141 | 305 | 0 | 0 | 26.8 | 65 | 126 | 644 | 53.09 | 0 | 0 | 0 | 644 | 528 |
| 2014 | 80 | 860 | 0 | 0 | 880 | 266 | 0 | 0 | 30.2 | 67 | 102 | 446 | 46.65 | 0 | 80 | 0 | 367 | 273 |
| 2015 | 0 | 687 | 0 | 0 | 687 | 182 | 0 | 0 | 26.5 | 68 | 82 | 355 | 47.07 | 0 | 0 | 0 | 355 | 241 |
| 2016 | 0 | 560 | 0 | 0 | 560 | 120 | 0 | 0 | 21.5 | 69 | 66 | 304 | 51.16 | 0 | 0 | 0 | 304 | 188 |
| 2017 | 0 | 451 | 0 | 0 | 451 | 79 | 0 | 0 | 17.5 | 71 | 53 | 249 | 52.97 | 0 | 0 | 0 | 249 | 139 |
| 2018 | 0 | 363 | 0 | 0 | 363 | 52 | 0 | 0 | 14.4 | 72 | 43 | 196 | 53.03 | 0 | 0 | 0 | 196 | 100 |
| 2019 | 0 | 292 | 0 | 0 | 292 | 35 | 0 | 0 | 12.1 | 74 | 34 | 149 | 51.19 | 0 | 0 | 0 | 149 | 69 |
| 2020 | 0 | 236 | 0 | 0 | 236 | 24 | 0 | 0 | 10.3 | 75 | 28 | 109 | 47.26 | 0 | 0 | 0 | 109 | 46 |
| 2021 | 55 | 105 | 0 | 0 | 105 | 10 | 0 | 0 | 9.4 | 40 | 12 | 43 | 42.65 | 0 | 0 | 55 | -12 | -5 |
| SUB | 1664 | 5789 | 0 | 0 | 5789 | 1127 | 0 | 0 | 19.5 | 648 | 659 | 3354 | | 0 | 1610 | 55 | 1690 | 973 |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 |
| TOT | 1664 | 5789 | 0 | 0 | 5789 | 1127 | 0 | 0 | 19.5 | 648 | 659 | 3354 | | 0 | 1610 | 55 | 1690 | 973 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|------|------|-------|-------|-------|-------|-------|
| FR After Roy & Oper. | 3354 | 2829 | 2433 | 2127 | 1885 | 1690 | 1530 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1610 | 1519 | 1439 | 1366 | 1300 | 1241 | 1186 |
| Abandonment Costs .. | 55 | 34 | 21 | 13 | 9 | 6 | 4 |
| Future Net Revenue . | 1690 | 1276 | 973 | 747 | 576 | 444 | 340 |

COMPANY SHARE

| | 1st Year | Average | Royalties | Oper Costs | FR After Roy&Oper | Capital Costs | Future NetRev |
|----------------------|----------|---------|-----------|------------|-------------------|---------------|---------------|
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue. | | | 19.5 | 22.6 | 57.9 | 27.8 | 29.2 |

PROFITABILITY

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------------|--|------------|
| Rate of Return (%) | | 66.3 |
| Profit Index (undisc.) | | 1.0 |
| (disc. @ 10.0%) . | | .7 |
| (disc. @ 5.0%) . | | .6 |
| First Payout (years) | | 2.7 |
| Total Payout (years) | | 2.9 |
| Cost of Finding (\$/BOE) | | 27.29 |
| NPV @ 10.0% (\$/STB) | | 15.95 |
| NPV @ 5.0% (\$/STB) | | 20.91 |

Table 4e

EVALUATION OF: Trout, Alberta - Proved Undeveloped

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

WELL/LOCATION - Loc.01-21-089-03 W5M (Upper Keg River)
 EVALUATED BY -
 COMPANY EVALUATED - Cougar Oil and Gas Canada Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 61000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1610 -M\$-
 TOTAL ABANDONMENT - 55 -M\$- (2021)

INTEREST

AVG WI 100.0000%

ROYALTIES/TAXES

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

| Year | # of Wells | Price \$/STB | Oil STB | | Pool | | Company Share | |
|------|------------|--------------|---------|-------|-------|-------|---------------|-----|
| | | | STB/D | Vol | Gross | Net | Gross | Net |
| | | | | | | | | |
| 2011 | 0 | 96.00 | .0 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1 | 96.08 | 41.2 | 11172 | 11172 | 10614 | | |
| 2013 | 1 | 94.04 | 33.7 | 12133 | 12133 | 8886 | | |
| 2014 | 1 | 92.00 | 26.6 | 9569 | 9569 | 6680 | | |
| 2015 | 1 | 90.98 | 21.0 | 7547 | 7547 | 5549 | | |
| 2016 | 1 | 94.04 | 16.5 | 5952 | 5952 | 4673 | | |
| 2017 | 1 | 96.08 | 13.0 | 4694 | 4694 | 3874 | | |
| 2018 | 1 | 98.12 | 10.3 | 3702 | 3702 | 3169 | | |
| 2019 | 1 | 100.16 | 8.1 | 2920 | 2920 | 2568 | | |
| 2020 | 1 | 102.33 | 6.4 | 2303 | 2303 | 2065 | | |
| 2021 | 1 | 104.53 | 2.8 | 1009 | 1009 | 915 | | |
| SUB | | | | 61000 | 61000 | 48991 | | |
| REM | | | | 0 | 0 | 0 | | |
| TOT | | | | 61000 | 61000 | 48991 | | |

P/T

COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy & Oper -M\$- | Net back \$/STB | Proc & Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|----------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|---------------------------|-----------------|---------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | Sale Gas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | % | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1530 | 1073 | 0 | 0 | 1073 | 54 | 0 | 0 | 5.0 | 48 | 114 | 14.49 | 858 | 76.79 | 0 | 1530 | 0 | -672 | -606 |
| 2013 | 0 | 1141 | 0 | 0 | 1141 | 305 | 0 | 0 | 26.8 | 65 | 126 | 15.78 | 644 | 53.09 | 0 | 0 | 0 | 644 | 528 |
| 2014 | 80 | 880 | 0 | 0 | 880 | 266 | 0 | 0 | 30.2 | 67 | 102 | 17.57 | 446 | 46.65 | 0 | 80 | 0 | 367 | 273 |
| 2015 | 0 | 687 | 0 | 0 | 687 | 182 | 0 | 0 | 26.5 | 68 | 82 | 19.82 | 355 | 47.07 | 0 | 0 | 0 | 355 | 241 |
| 2016 | 0 | 560 | 0 | 0 | 560 | 120 | 0 | 0 | 21.5 | 69 | 66 | 22.68 | 304 | 51.16 | 0 | 0 | 0 | 304 | 188 |
| 2017 | 0 | 451 | 0 | 0 | 451 | 79 | 0 | 0 | 17.5 | 71 | 53 | 26.32 | 249 | 52.97 | 0 | 0 | 0 | 249 | 139 |
| 2018 | 0 | 363 | 0 | 0 | 363 | 52 | 0 | 0 | 14.4 | 72 | 43 | 30.96 | 196 | 53.03 | 0 | 0 | 0 | 196 | 100 |
| 2019 | 0 | 292 | 0 | 0 | 292 | 35 | 0 | 0 | 12.1 | 74 | 34 | 36.90 | 149 | 51.19 | 0 | 0 | 0 | 149 | 69 |
| 2020 | 0 | 236 | 0 | 0 | 236 | 24 | 0 | 0 | 10.3 | 75 | 28 | 44.52 | 109 | 47.26 | 0 | 0 | 0 | 109 | 46 |
| 2021 | 55 | 105 | 0 | 0 | 105 | 10 | 0 | 0 | 9.4 | 40 | 12 | 52.07 | 43 | 42.65 | 0 | 0 | 55 | -12 | -5 |
| SUB | 1664 | 5789 | 0 | 0 | 5789 | 1127 | 0 | 0 | 19.5 | 648 | 659 | | 3354 | | 0 | 1610 | 55 | 1690 | 973 |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | | 0 | | 0 | 0 | 0 | 0 | 0 |
| TOT | 1664 | 5789 | 0 | 0 | 5789 | 1127 | 0 | 0 | 19.5 | 648 | 659 | | 3354 | | 0 | 1610 | 55 | 1690 | 973 |

NET PRESENT VALUE (-M\$-)

PROFITABILITY

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|---------|-----------|------------|---------------------|---------------|----------------|-------|
| FR After Roy & Oper. | 3354 | 2829 | 2433 | 2127 | 1885 | 1690 | 1530 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1610 | 1519 | 1439 | 1366 | 1300 | 1241 | 1186 |
| Abandonment Costs | 55 | 34 | 21 | 13 | 9 | 6 | 4 |
| Future Net Revenue | 1690 | 1276 | 973 | 747 | 576 | 444 | 340 |
| COMPANY SHARE | | | | | | | |
| 1st Year | Average | Royalties | Oper Costs | FR After Roy & Oper | Capital Costs | Future Net Rev | |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue. | | | 19.5 | 22.6 | 57.9 | 27.8 | 29.2 |

| Before Tax | |
|--------------------------|-------|
| Rate of Return (%) | 66.3 |
| Profit Index (undisc.) | 1.6 |
| (disc. @ 10.0%) | .7 |
| (disc. @ 5.0%) | .8 |
| First Payout (years) | 2.7 |
| Total Payout (years) | 2.9 |
| Cost of Finding (\$/BOE) | 27.29 |
| NPV @ 10.0% (\$/STB) | 15.95 |
| NPV @ 5.0% (\$/STB) | 20.91 |

Table 4f

EVALUATION OF: Trout, Alberta - Proved Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 20-JUN-2011 5396
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-AUG-2012
 RUN DATE: 7-JUL-2011 TIME: 11:43
 FILE: OtrPUG.DAX

WELL/LOCATION - Loc.04-22-089-03 W5M (U&L Keg River & Granite Wash)
 EVALUATED BY -
 COMPANY EVALUATED - Cougar Oil and Gas Canada Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 61000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1610 -M\$-
 TOTAL ABANDONMENT - 55 -M\$- (2021)

INTEREST

AVG WI 100.0000%

ROYALTIES/TAXES

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

| Year | # of Wells | Price \$/STB | Oil STB | | Company Share | |
|------|------------|--------------|------------|-------|---------------|-------|
| | | | Pool STB/D | Vol | Gross | Net |
| 2011 | 0 | 96.00 | .0 | 0 | 0 | 0 |
| 2012 | 1 | 96.08 | 42.8 | 6469 | 6469 | 6146 |
| 2013 | 1 | 94.04 | 36.5 | 13138 | 13138 | 10819 |
| 2014 | 1 | 92.00 | 28.8 | 10359 | 10359 | 7121 |
| 2015 | 1 | 90.98 | 22.7 | 8168 | 8168 | 5871 |
| 2016 | 1 | 94.04 | 17.9 | 6440 | 6440 | 4947 |
| 2017 | 1 | 96.08 | 14.1 | 5077 | 5077 | 4122 |
| 2018 | 1 | 98.12 | 11.1 | 4003 | 4003 | 3385 |
| 2019 | 1 | 100.16 | 8.8 | 3156 | 3156 | 2750 |
| 2020 | 1 | 102.33 | 6.9 | 2489 | 2489 | 2216 |
| 2021 | 1 | 104.53 | 4.7 | 1700 | 1700 | 1536 |
| SUB | | | | 61000 | 61000 | 48912 |
| REM | | | | 0 | 0 | 0 |
| TOT | | | | 61000 | 61000 | 48912 |

P/T

COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy&Oper -M\$- | Net back \$/STB | Proc& Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|-------------------------|-----------------|--------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | -% | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1530 | 622 | 0 | 0 | 622 | 31 | 0 | 0 | 5.0 | 27 | 66 | 14.32 | 498 | 76.95 | 0 | 1530 | 0 | -1032 | -931 |
| 2013 | 0 | 1236 | 0 | 0 | 1236 | 218 | 0 | 0 | 17.7 | 65 | 137 | 15.37 | 815 | 62.07 | 0 | 0 | 0 | 815 | 668 |
| 2014 | 80 | 953 | 0 | 0 | 953 | 298 | 0 | 0 | 31.3 | 67 | 110 | 17.04 | 479 | 46.21 | 0 | 80 | 0 | 399 | 297 |
| 2015 | 0 | 743 | 0 | 0 | 743 | 209 | 0 | 0 | 28.1 | 68 | 88 | 19.14 | 378 | 46.26 | 0 | 0 | 0 | 378 | 256 |
| 2016 | 0 | 606 | 0 | 0 | 606 | 140 | 0 | 0 | 23.2 | 69 | 71 | 21.80 | 325 | 50.44 | 0 | 0 | 0 | 325 | 200 |
| 2017 | 0 | 488 | 0 | 0 | 488 | 92 | 0 | 0 | 18.8 | 71 | 57 | 25.18 | 268 | 52.82 | 0 | 0 | 0 | 268 | 150 |
| 2018 | 0 | 393 | 0 | 0 | 393 | 61 | 0 | 0 | 15.5 | 72 | 46 | 29.49 | 214 | 53.47 | 0 | 0 | 0 | 214 | 109 |
| 2019 | 0 | 316 | 0 | 0 | 316 | 41 | 0 | 0 | 12.9 | 74 | 37 | 35.01 | 165 | 52.25 | 0 | 0 | 0 | 165 | 76 |
| 2020 | 0 | 255 | 0 | 0 | 255 | 28 | 0 | 0 | 11.0 | 75 | 30 | 42.08 | 122 | 49.03 | 0 | 0 | 0 | 122 | 51 |
| 2021 | 55 | 178 | 0 | 0 | 178 | 17 | 0 | 0 | 9.7 | 65 | 21 | 50.51 | 75 | 43.92 | 0 | 0 | 55 | 20 | 8 |
| SUB | 1664 | 5788 | 0 | 0 | 5788 | 1135 | 0 | 0 | 19.6 | 652 | 663 | | 3338 | | 0 | 1610 | 55 | 1674 | 885 |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | | 0 | | 0 | 0 | 0 | 0 | 0 |
| TOT | 1664 | 5788 | 0 | 0 | 5788 | 1135 | 0 | 0 | 19.6 | 652 | 663 | | 3338 | | 0 | 1610 | 55 | 1674 | 885 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|------|------|-------|-------|-------|-------|-------|
| FR After Roy & Oper. | 3338 | 2769 | 2345 | 2021 | 1766 | 1563 | 1398 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1610 | 1519 | 1439 | 1366 | 1300 | 1241 | 1186 |
| Abandonment Costs | 55 | 34 | 21 | 13 | 9 | 6 | 4 |
| Future Net Revenue | 1674 | 1216 | 885 | 641 | 457 | 317 | 208 |

COMPANY SHARE

| | 1st Year | Average | Royalties | Oper Costs | FR After Roy&Oper | Capital Costs | Future NetRev |
|---------------------|----------|---------|-----------|------------|-------------------|---------------|---------------|
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue | | | 19.6 | 22.7 | 57.7 | 27.8 | 28.9 |

PROFITABILITY

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|-------|------------|
| Rate of Return (%) | ..... | 45.1 |
| Profit Index (undisc.) | ..... | 1.0 |
| (disc. @ 10.0%) | ..... | .6 |
| (disc. @ 5.0%) | ..... | .8 |
| First Payout (years) | ..... | 3.1 |
| Total Payout (years) | ..... | 3.3 |
| Cost of Finding (\$/BOE) | ..... | 27.29 |
| NPV @ 10.0% (\$/STB) | ..... | 14.51 |
| NPV @ 5.0% (\$/STB) | ..... | 19.94 |

Table 4g

EVALUATION OF: Trout, Alberta - Proved Plus Probable Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 20-JUN-2011 5396
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-APR-2012
 RUN DATE: 7-JUL-2011 TIME: 11:46
 FILE: OtrRD4.DAX

WELL/LOCATION - Loc.06-16-089-03 W5M (Upper Keg River)
 EVALUATED BY -
 COMPANY EVALUATED - Cougar Oil and Gas Canada Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 122000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1610 -M\$-
 TOTAL ABANDONMENT - 57 -M\$- (2023)

INTEREST

ROYALTIES/TAXES

AVG WI 100.0000%

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

| Year | # of Wells | Price \$/STB | Oil STB | | Company Share | |
|------|------------|--------------|---------|--------|---------------|-------|
| | | | Pool | | Gross | |
| | | | STB/D | Vol | Net | Net |
| 2011 | 0 | 96.00 | .0 | 0 | 0 | 0 |
| 2012 | 1 | 96.08 | 82.0 | 22225 | 22225 | 21114 |
| 2013 | 1 | 94.04 | 66.2 | 23830 | 23830 | 16383 |
| 2014 | 1 | 92.00 | 51.4 | 18519 | 18519 | 11111 |
| 2015 | 1 | 90.98 | 40.0 | 14391 | 14391 | 9142 |
| 2016 | 1 | 94.04 | 31.1 | 11183 | 11183 | 7521 |
| 2017 | 1 | 96.08 | 24.1 | 8691 | 8691 | 6102 |
| 2018 | 1 | 98.12 | 18.8 | 6754 | 6754 | 5062 |
| 2019 | 1 | 100.16 | 14.6 | 5248 | 5248 | 4189 |
| 2020 | 1 | 102.33 | 11.3 | 4079 | 4079 | 3405 |
| 2021 | 1 | 104.53 | 8.8 | 3170 | 3170 | 2734 |
| 2022 | 1 | 106.78 | 6.8 | 2463 | 2463 | 2175 |
| 2023 | 1 | 109.08 | 4.0 | 1448 | 1448 | 1296 |
| SUB | | | | 122000 | 122000 | 90234 |
| REM | | | | 0 | 0 | 0 |
| TOT | | | | 122000 | 122000 | 90234 |

P/T

COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy & Oper -M\$- | Net back \$/STB | Proc & Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|---------------------------|-----------------|---------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | % | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1530 | 2135 | 0 | 0 | 2135 | 107 | 0 | 0 | 5.0 | 48 | 227 | 12.36 | 1754 | 78.92 | 0 | 1530 | 0 | 224 | 202 |
| 2013 | 0 | 2241 | 0 | 0 | 2241 | 700 | 0 | 0 | 31.3 | 65 | 248 | 13.14 | 1227 | 51.51 | 0 | 0 | 0 | 1227 | 1006 |
| 2014 | 80 | 1704 | 0 | 0 | 1704 | 681 | 0 | 0 | 40.0 | 67 | 197 | 14.21 | 759 | 40.99 | 0 | 80 | 0 | 680 | 506 |
| 2015 | 0 | 1309 | 0 | 0 | 1309 | 478 | 0 | 0 | 36.5 | 68 | 156 | 15.54 | 608 | 42.25 | 0 | 0 | 0 | 608 | 412 |
| 2016 | 0 | 1052 | 0 | 0 | 1052 | 344 | 0 | 0 | 32.7 | 69 | 123 | 17.24 | 515 | 46.01 | 0 | 0 | 0 | 515 | 317 |
| 2017 | 0 | 835 | 0 | 0 | 835 | 249 | 0 | 0 | 29.8 | 71 | 98 | 19.39 | 418 | 48.07 | 0 | 0 | 0 | 418 | 234 |
| 2018 | 0 | 663 | 0 | 0 | 663 | 166 | 0 | 0 | 25.1 | 72 | 78 | 22.16 | 347 | 51.38 | 0 | 0 | 0 | 347 | 177 |
| 2019 | 0 | 526 | 0 | 0 | 526 | 106 | 0 | 0 | 20.2 | 74 | 61 | 25.72 | 285 | 54.22 | 0 | 0 | 0 | 285 | 132 |
| 2020 | 0 | 417 | 0 | 0 | 417 | 69 | 0 | 0 | 16.5 | 75 | 49 | 30.34 | 225 | 55.10 | 0 | 0 | 0 | 225 | 95 |
| 2021 | 0 | 331 | 0 | 0 | 331 | 46 | 0 | 0 | 13.8 | 76 | 39 | 36.32 | 171 | 53.83 | 0 | 0 | 0 | 171 | 65 |
| 2022 | 0 | 263 | 0 | 0 | 263 | 31 | 0 | 0 | 11.7 | 78 | 31 | 44.11 | 124 | 50.17 | 0 | 0 | 0 | 124 | 43 |
| 2023 | 57 | 158 | 0 | 0 | 158 | 17 | 0 | 0 | 10.5 | 58 | 18 | 52.93 | 65 | 44.75 | 0 | 0 | 57 | 8 | 2 |
| SUB | 1667 | 11634 | 0 | 0 | 11634 | 2993 | 0 | 0 | 25.7 | 821 | 1324 | | 6496 | | 0 | 1610 | 57 | 4830 | 3191 |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | | 0 | | 0 | 0 | 0 | 0 | 0 |
| TOT | 1667 | 11634 | 0 | 0 | 11634 | 2993 | 0 | 0 | 25.7 | 821 | 1324 | | 6496 | | 0 | 1610 | 57 | 4830 | 3191 |

NET PRESENT VALUE (-M\$-)

PROFITABILITY

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|-------|-------|-------|-------|-------|-------|-------|
| FR After Roy & Oper. | 6496 | 5429 | 4647 | 4056 | 3594 | 3226 | 2926 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1610 | 1519 | 1439 | 1366 | 1300 | 1241 | 1186 |
| Abandonment Costs | 57 | 32 | 18 | 11 | 6 | 4 | 2 |
| Future Net Revenue | 4830 | 3878 | 3191 | 2679 | 2288 | 1981 | 1737 |
| COMPANY SHARE | | | | | | | |
| 1st Year Average | | | | | | | |
| Royalties | | | | | | | |
| Costs | | | | | | | |
| FR After Roy & Oper | | | | | | | |
| Capital Costs | | | | | | | |
| Future Net Rev | | | | | | | |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue. | | | 25.7 | 18.4 | 55.8 | 13.8 | 41.5 |

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|-------|------------|
| Rate of Return (%) | 999.9 | |
| Profit Index (undisc.) | 2.9 | |
| (disc. @ 10.0%) | 2.2 | |
| (disc. @ 5.0%) | 2.5 | |
| First Payout (years) | .6 | |
| Total Payout (years) | 1.5 | |
| Cost of Finding (\$/BOE) | 13.66 | |
| NPV @ 10.0% (\$/STB) | 26.15 | |
| NPV @ 5.0% (\$/STB) | 31.79 | |

Table 4h

EVALUATION OF: Trout, Alberta - Proved Plus Probable Undeveloped

ERCO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 20-JUN-2011 5396
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-APR-2012
 RUN DATE: 7-JUL-2011 TIME: 11:47
 FILE: OtrRDS.DAX

WELL/LOCATION - Loc.01-21-089-03 W5M (Upper Keg River)
 EVALUATED BY -
 COMPANY EVALUATED - Cougar Oil and Gas Canada Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 122000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1610 -M\$-
 TOTAL ABANDONMENT - 57 -M\$- (2023)

INTEREST

AVG WI 100.0000%

ROYALTIES/TAXES

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

| Year | # of Wells | Price \$/STB | Oil STB | | Pool | | Company Share | |
|------|------------|--------------|---------|--------|--------|-------|---------------|--|
| | | | STB/D | Vol | Gross | Net | | |
| | | | | | | | | |
| 2011 | 0 | 96.00 | .0 | 0 | 0 | 0 | | |
| 2012 | 1 | 96.00 | 82.0 | 22225 | 22225 | 21114 | | |
| 2013 | 1 | 94.04 | 66.2 | 23830 | 23830 | 16383 | | |
| 2014 | 1 | 92.00 | 51.4 | 18519 | 18519 | 11111 | | |
| 2015 | 1 | 90.98 | 40.0 | 14391 | 14391 | 9142 | | |
| 2016 | 1 | 94.04 | 31.1 | 11183 | 11183 | 7521 | | |
| 2017 | 1 | 96.00 | 24.1 | 8691 | 8691 | 6102 | | |
| 2018 | 1 | 98.12 | 18.8 | 6754 | 6754 | 5062 | | |
| 2019 | 1 | 100.16 | 14.6 | 5248 | 5248 | 4189 | | |
| 2020 | 1 | 102.33 | 11.3 | 4079 | 4079 | 3405 | | |
| 2021 | 1 | 104.53 | 8.8 | 3170 | 3170 | 2734 | | |
| 2022 | 1 | 106.78 | 6.8 | 2463 | 2463 | 2175 | | |
| 2023 | 1 | 109.08 | 4.0 | 1448 | 1448 | 1296 | | |
| SUB | | | | 122000 | 122000 | 90234 | | |
| REM | | | | 0 | 0 | 0 | | |
| TOT | | | | 122000 | 122000 | 90234 | | |

P/T

COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy & Oper -M\$- | Net Income \$/STB | Proc & Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|---------------------------|-------------------|---------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | % | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1530 | 2135 | 0 | 0 | 2135 | 107 | 0 | 0 | 5.0 | 48 | 227 | 12.36 | 1754 | 78.92 | 0 | 1530 | 0 | 224 | 202 |
| 2013 | 0 | 2241 | 0 | 0 | 2241 | 700 | 0 | 0 | 31.3 | 65 | 248 | 13.14 | 1227 | 51.51 | 0 | 0 | 0 | 1227 | 1006 |
| 2014 | 80 | 1704 | 0 | 0 | 1704 | 681 | 0 | 0 | 40.0 | 67 | 197 | 14.21 | 759 | 40.99 | 0 | 80 | 0 | 680 | 506 |
| 2015 | 0 | 1309 | 0 | 0 | 1309 | 478 | 0 | 0 | 36.5 | 68 | 156 | 15.54 | 608 | 42.25 | 0 | 0 | 0 | 608 | 412 |
| 2016 | 0 | 1052 | 0 | 0 | 1052 | 344 | 0 | 0 | 32.7 | 69 | 123 | 17.24 | 515 | 46.01 | 0 | 0 | 0 | 515 | 317 |
| 2017 | 0 | 835 | 0 | 0 | 835 | 249 | 0 | 0 | 29.8 | 71 | 98 | 19.39 | 418 | 48.07 | 0 | 0 | 0 | 418 | 234 |
| 2018 | 0 | 663 | 0 | 0 | 663 | 166 | 0 | 0 | 25.1 | 72 | 78 | 22.16 | 347 | 51.38 | 0 | 0 | 0 | 347 | 177 |
| 2019 | 0 | 526 | 0 | 0 | 526 | 106 | 0 | 0 | 20.2 | 74 | 61 | 25.72 | 285 | 54.22 | 0 | 0 | 0 | 285 | 132 |
| 2020 | 0 | 417 | 0 | 0 | 417 | 69 | 0 | 0 | 16.5 | 75 | 49 | 30.34 | 225 | 55.10 | 0 | 0 | 0 | 225 | 95 |
| 2021 | 0 | 331 | 0 | 0 | 331 | 46 | 0 | 0 | 13.8 | 76 | 39 | 36.32 | 171 | 53.83 | 0 | 0 | 0 | 171 | 65 |
| 2022 | 0 | 263 | 0 | 0 | 263 | 31 | 0 | 0 | 11.7 | 78 | 31 | 44.11 | 124 | 50.17 | 0 | 0 | 0 | 124 | 43 |
| 2023 | 57 | 158 | 0 | 0 | 158 | 17 | 0 | 0 | 10.5 | 58 | 16 | 52.93 | 65 | 44.75 | 0 | 0 | 57 | 8 | 2 |
| SUB | 1667 | 11634 | 0 | 0 | 11634 | 2993 | 0 | 0 | 25.7 | 821 | 1324 | | 6496 | | 0 | 1610 | 57 | 4830 | 3191 |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | | 0 | | 0 | 0 | 0 | 0 | 0 |
| TOT | 1667 | 11634 | 0 | 0 | 11634 | 2993 | 0 | 0 | 25.7 | 821 | 1324 | | 6496 | | 0 | 1610 | 57 | 4830 | 3191 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|-----------------------|------|------|-------|-------|-------|-------|-------|
| FR After Roy & Oper. | 6496 | 5429 | 4647 | 4056 | 3594 | 3226 | 2926 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1610 | 1519 | 1439 | 1366 | 1300 | 1241 | 1186 |
| Abandonment Costs .. | 57 | 32 | 18 | 11 | 6 | 4 | 2 |
| Future Net Revenue .. | 4830 | 3878 | 3191 | 2679 | 2288 | 1981 | 1737 |

COMPANY SHARE

| | 1st Year | Average | Royalties | Oper Costs | FR After Roy & Oper | Capital Costs | Future Net Rev |
|----------------------|----------|---------|-----------|------------|---------------------|---------------|----------------|
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue. | | | 25.7 | 18.4 | 55.8 | 13.8 | 41.5 |

PROFITABILITY

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------------|--|------------|
| Rate of Return (%) | | 999.9 |
| Profit Index (undisc.) | | 2.9 |
| (disc. @ 10.0%) | | 2.2 |
| (disc. @ 5.0%) | | 2.5 |
| First Payout (years) | | .6 |
| Total Payout (years) | | 1.5 |
| Cost of Finding (\$/BOE) | | 13.66 |
| NPV @ 10.0% (\$/STB) | | 26.15 |
| NPV @ 5.0% (\$/STB) | | 31.79 |

Table 4i

EVALUATION OF: Trout, Alberta - Proved Plus Probable Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 20-JUN-2011 5396
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-AUG-2012
 RUN DATE: 7-JUL-2011 TIME: 11:48
 FILE: CtrRD6.DAX

WELL/LOCATION - Loc.04-22-089-03 WSM (U&L Keg River & Granite Wash)
 EVALUATED BY -
 COMPANY EVALUATED - Cougar Oil and Gas Canada Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 122000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1610 -M\$-
 TOTAL ABANDONMENT - 58 -M\$- (2024)

INTEREST

ROYALTIES/TAXES

AVG WI 100.0000%

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

| Year | # of Wells | Price \$/STB | Oil STB | | Company Share | |
|------|------------|--------------|------------|--------|---------------|-------|
| | | | Pool STB/D | Vol | Gross | Net |
| 2011 | 0 | 96.00 | .0 | 0 | 0 | 0 |
| 2012 | 1 | 96.08 | 85.4 | 12899 | 12899 | 12254 |
| 2013 | 1 | 94.04 | 72.0 | 25931 | 25931 | 20853 |
| 2014 | 1 | 92.00 | 56.0 | 20146 | 20146 | 12088 |
| 2015 | 1 | 90.98 | 43.5 | 15652 | 15652 | 9737 |
| 2016 | 1 | 94.04 | 33.8 | 12160 | 12160 | 8019 |
| 2017 | 1 | 96.08 | 26.2 | 9447 | 9447 | 6537 |
| 2018 | 1 | 98.12 | 20.4 | 7339 | 7339 | 5351 |
| 2019 | 1 | 100.16 | 15.8 | 5702 | 5702 | 4461 |
| 2020 | 1 | 102.33 | 12.3 | 4430 | 4430 | 3644 |
| 2021 | 1 | 104.53 | 9.6 | 3442 | 3442 | 2936 |
| 2022 | 1 | 106.78 | 7.4 | 2674 | 2674 | 2341 |
| 2023 | 1 | 109.08 | 5.8 | 2077 | 2077 | 1853 |
| 2024 | 1 | 111.42 | .3 | 101 | 101 | 91 |
| SUB | | | | 122000 | 122000 | 90164 |
| REM | | | | 0 | 0 | 0 |
| TOT | | | | 122000 | 122000 | 90164 |

P/T

COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | Operating Costs | | | FR After Roy&Oper -M\$- | Net back \$/STB | Proc& Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|-----------------|----------------|--------|-------------------------|-----------------|--------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1530 | 1239 | 0 | 0 | 1239 | 62 | 0 | 0 | 5.0 | 27 | 132 | 1019 | 79.01 | 0 | 1530 | 0 | -511 | -461 |
| 2013 | 0 | 2439 | 0 | 0 | 2439 | 478 | 0 | 0 | 19.6 | 65 | 270 | 1626 | 62.70 | 0 | 0 | 0 | 1626 | 1333 |
| 2014 | 80 | 1853 | 0 | 0 | 1853 | 741 | 0 | 0 | 40.0 | 67 | 214 | 832 | 41.28 | 0 | 80 | 0 | 752 | 560 |
| 2015 | 0 | 1424 | 0 | 0 | 1424 | 538 | 0 | 0 | 37.8 | 68 | 169 | 648 | 41.43 | 0 | 0 | 0 | 648 | 439 |
| 2016 | 0 | 1143 | 0 | 0 | 1143 | 389 | 0 | 0 | 34.1 | 69 | 134 | 551 | 45.27 | 0 | 0 | 0 | 551 | 339 |
| 2017 | 0 | 908 | 0 | 0 | 908 | 280 | 0 | 0 | 30.8 | 71 | 106 | 451 | 47.75 | 0 | 0 | 0 | 451 | 253 |
| 2018 | 0 | 720 | 0 | 0 | 720 | 195 | 0 | 0 | 27.1 | 72 | 84 | 369 | 50.23 | 0 | 0 | 0 | 369 | 188 |
| 2019 | 0 | 571 | 0 | 0 | 571 | 124 | 0 | 0 | 21.8 | 74 | 67 | 306 | 53.75 | 0 | 0 | 0 | 306 | 142 |
| 2020 | 0 | 453 | 0 | 0 | 453 | 80 | 0 | 0 | 17.7 | 75 | 53 | 245 | 55.30 | 0 | 0 | 0 | 245 | 103 |
| 2021 | 0 | 360 | 0 | 0 | 360 | 53 | 0 | 0 | 14.7 | 76 | 42 | 188 | 54.75 | 0 | 0 | 0 | 188 | 72 |
| 2022 | 0 | 286 | 0 | 0 | 286 | 36 | 0 | 0 | 12.4 | 78 | 33 | 139 | 51.88 | 0 | 0 | 0 | 139 | 48 |
| 2023 | 0 | 227 | 0 | 0 | 227 | 24 | 0 | 0 | 10.8 | 80 | 26 | 96 | 46.31 | 0 | 0 | 0 | 96 | 30 |
| 2024 | 58 | 11 | 0 | 0 | 11 | 1 | 0 | 0 | 10.3 | 5 | 1 | 4 | 42.22 | 0 | 0 | 58 | -54 | -15 |
| SUB | 1668 | 11634 | 0 | 0 | 11634 | 3002 | 0 | 0 | 25.8 | 826 | 1332 | 6475 | | 0 | 1610 | 58 | 4807 | 3031 |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 |
| TOT | 1668 | 11634 | 0 | 0 | 11634 | 3002 | 0 | 0 | 25.8 | 826 | 1332 | 6475 | | 0 | 1610 | 58 | 4807 | 3031 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|-----------------------|------|------|-------|-------|-------|-------|-------|
| FR After Roy & Oper. | 6475 | 5323 | 4487 | 3859 | 3373 | 2989 | 2677 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1610 | 1519 | 1439 | 1366 | 1300 | 1241 | 1186 |
| Abandonment Costs .. | 58 | 31 | 17 | 9 | 5 | 3 | 2 |
| Future Net Revenue .. | 4807 | 3773 | 3031 | 2483 | 2067 | 1745 | 1489 |

COMPANY SHARE

| | 1st Year | Average | Royalties | Oper Costs | FR After Roy&Oper | Capital Costs | Future NetRev |
|----------------------|----------|---------|-----------|------------|-------------------|---------------|---------------|
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue. | | | 25.8 | 18.5 | 55.7 | 13.8 | 41.3 |

PROFITABILITY

| | Before Tax |
|--------------------------------|------------|
| Rate of Return (%) | 270.1 |
| Profit Index (undisc.) | 2.9 |
| (disc. @ 10.0%) | 2.1 |
| (disc. @ 5.0%) | 2.4 |
| First Payout (years) | 1.9 |
| Total Payout (years) | 2.0 |
| Cost of Finding (\$/BOE) | 13.67 |
| NPV @ 10.0% (\$/STB) | 24.84 |
| NPV @ 5.0% (\$/STB) | 30.92 |

Table 4j

EVALUATION OF: Trout, Alberta - Probable Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 20-JUN-2011 5396
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-JAN-2012
 RUN DATE: 7-JUL-2011 TIME: 11:49
 FILE: Otrre1.DAX

WELL/LOCATION - Loc.02-08-089-03 W5M (Upper Keg River)
 EVALUATED BY -
 COMPANY EVALUATED - Cougar Oil and Gas Canada Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 133000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1604 -M\$-
 TOTAL ABANDONMENT - 53 -M\$- (2019)

INTEREST

ROYALTIES/TAXES

AVG WI 100.0000%

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

| Year | # of Wells | Price \$/STB | Oil STB | | Pool | | Company Share | |
|------|------------|--------------|---------|--------|--------|--------|---------------|--|
| | | | STB/D | Vol | Gross | Net | | |
| 2011 | 0 | 96.00 | .0 | 0 | 0 | 0 | | |
| 2012 | 1 | 96.08 | 150.0 | 54000 | 54000 | 49908 | | |
| 2013 | 1 | 94.04 | 81.2 | 29220 | 29220 | 17532 | | |
| 2014 | 1 | 92.00 | 52.6 | 18953 | 18953 | 11372 | | |
| 2015 | 1 | 90.98 | 34.1 | 12293 | 12293 | 8156 | | |
| 2016 | 1 | 94.04 | 22.1 | 7974 | 7974 | 5706 | | |
| 2017 | 1 | 96.08 | 14.4 | 5172 | 5172 | 4182 | | |
| 2018 | 1 | 98.12 | 9.3 | 3355 | 3355 | 2912 | | |
| 2019 | 1 | 100.16 | 5.6 | 2033 | 2033 | 1838 | | |
| SUB | | | | 133000 | 133000 | 101606 | | |
| REM | | | | 0 | 0 | 0 | | |
| TOT | | | | 133000 | 133000 | 101606 | | |

P/T COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy & Oper -M\$- | Net back \$/STB | Proc & Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|---------------------------|-----------------|---------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | %- | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 1500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 1500 | 0 | -1500 | -1459 |
| 2012 | 0 | 5188 | 0 | 0 | 5188 | 393 | 0 | 0 | 7.6 | 64 | 551 | 11.39 | 4180 | 77.41 | 0 | 0 | 0 | 4180 | 3769 |
| 2013 | 104 | 2748 | 0 | 0 | 2748 | 1099 | 0 | 0 | 40.0 | 65 | 304 | 12.64 | 1279 | 43.79 | 0 | 104 | 0 | 1175 | 963 |
| 2014 | 0 | 1744 | 0 | 0 | 1744 | 697 | 0 | 0 | 40.0 | 67 | 201 | 14.13 | 778 | 41.07 | 0 | 0 | 0 | 778 | 580 |
| 2015 | 0 | 1118 | 0 | 0 | 1118 | 376 | 0 | 0 | 33.7 | 68 | 133 | 16.35 | 541 | 44.01 | 0 | 0 | 0 | 541 | 366 |
| 2016 | 0 | 750 | 0 | 0 | 750 | 213 | 0 | 0 | 28.4 | 69 | 88 | 19.73 | 379 | 47.57 | 0 | 0 | 0 | 379 | 234 |
| 2017 | 0 | 497 | 0 | 0 | 497 | 95 | 0 | 0 | 19.1 | 71 | 58 | 24.92 | 273 | 52.76 | 0 | 0 | 0 | 273 | 153 |
| 2018 | 0 | 329 | 0 | 0 | 329 | 43 | 0 | 0 | 13.2 | 72 | 39 | 32.97 | 175 | 52.21 | 0 | 0 | 0 | 175 | 89 |
| 2019 | 53 | 204 | 0 | 0 | 204 | 20 | 0 | 0 | 9.6 | 68 | 24 | 44.96 | 93 | 45.60 | 0 | 0 | 53 | 40 | 19 |
| SUB | 1657 | 12578 | 0 | 0 | 12578 | 2938 | 0 | 0 | 23.4 | 543 | 1398 | | 7699 | | 0 | 1604 | 53 | 6043 | 4715 |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | | 0 | | 0 | 0 | 0 | 0 | 0 |
| TOT | 1657 | 12578 | 0 | 0 | 12578 | 2938 | 0 | 0 | 23.4 | 543 | 1398 | | 7699 | | 0 | 1604 | 53 | 6043 | 4715 |

NET PRESENT VALUE (-M\$-)

PROFITABILITY

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|----------|---------|-----------|------------|---------------------|---------------|---------------|
| FR After Roy & Oper. | 7699 | 6918 | 6283 | 5757 | 5314 | 4935 | 4609 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1604 | 1573 | 1544 | 1518 | 1493 | 1470 | 1449 |
| Abandonment Costs .. | 53 | 36 | 24 | 17 | 12 | 9 | 6 |
| Future Net Revenue . | 6043 | 5310 | 4715 | 4222 | 3808 | 3456 | 3153 |
| COMPANY SHARE | | | | | | | |
| | 1st Year | Average | Royalties | Oper Costs | FR After Roy & Oper | Capital Costs | Future NetRev |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue. | | | 23.4 | 15.4 | 61.2 | 12.8 | 48.0 |

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------------|--|------------|
| Rate of Return (%) | | 302.9 |
| Profit Index (undisc.) | | 3.6 |
| (disc. @ 10.0%) | | 3.0 |
| (disc. @ 5.0%) | | 3.3 |
| First Payout (years) | | .9 |
| Total Payout (years) | | 1.0 |
| Cost of Finding (\$/BOE) | | 12.46 |
| NPV @ 10.0% (\$/STB) | | 35.45 |
| NPV @ 5.0% (\$/STB) | | 39.92 |

Table 4k

EVALUATION OF: Trout, Alberta - Probable Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 20-JUN-2011 5396
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-JAN-2012
 RUN DATE: 7-JUL-2011 TIME: 11:50
 FILE: OtrRE15.DAX

WELL/LOCATION - Loc.12-08-089-03 W5M (Upper Keg River)
 EVALUATED BY -
 COMPANY EVALUATED - Cougar Oil and Gas Canada Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 133000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1604 -M\$-
 TOTAL ABANDONMENT - 53 -M\$- (2019)

INTEREST

ROYALTIES/TAXES

AVG WI 100.0000%

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

| Year | # of Wells | Price \$/STB | Oil STB | | Pool | | Company Share | |
|------|------------|--------------|---------|--------|--------|--------|---------------|--|
| | | | STB/D | Vol | Gross | Net | | |
| | | | | | | | | |
| 2011 | 0 | 96.00 | .0 | 0 | 0 | 0 | | |
| 2012 | 1 | 96.08 | 150.0 | 54000 | 54000 | 49908 | | |
| 2013 | 1 | 94.04 | 81.2 | 29220 | 29220 | 17532 | | |
| 2014 | 1 | 92.00 | 52.6 | 18953 | 18953 | 11372 | | |
| 2015 | 1 | 90.98 | 34.1 | 12293 | 12293 | 8156 | | |
| 2016 | 1 | 94.04 | 22.1 | 7974 | 7974 | 5706 | | |
| 2017 | 1 | 96.08 | 14.4 | 5172 | 5172 | 4182 | | |
| 2018 | 1 | 98.12 | 9.3 | 3355 | 3355 | 2912 | | |
| 2019 | 1 | 100.16 | 5.6 | 2033 | 2033 | 1838 | | |
| SUB | | | | 133000 | 133000 | 101606 | | |
| REM | | | | 0 | 0 | 0 | | |
| TOT | | | | 133000 | 133000 | 101606 | | |

P/T

COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy&Oper -M\$- | Net back \$/STB | Proc& Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|-------------------------|-----------------|--------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | % | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| | | | | | | | | | | | | | | | | | | | |
| 2011 | 1500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 1500 | 0 | -1500 | -1459 |
| 2012 | 0 | 5188 | 0 | 0 | 5188 | 393 | 0 | 0 | 7.6 | 64 | 551 | 11.39 | 4180 | 77.41 | 0 | 0 | 0 | 4180 | 3769 |
| 2013 | 104 | 2748 | 0 | 0 | 2748 | 1099 | 0 | 0 | 40.0 | 65 | 304 | 12.64 | 1279 | 43.79 | 0 | 104 | 0 | 1175 | 963 |
| 2014 | 0 | 1744 | 0 | 0 | 1744 | 697 | 0 | 0 | 40.0 | 67 | 201 | 14.13 | 778 | 41.07 | 0 | 0 | 0 | 778 | 580 |
| 2015 | 0 | 1118 | 0 | 0 | 1118 | 376 | 0 | 0 | 33.7 | 68 | 133 | 16.35 | 541 | 44.01 | 0 | 0 | 0 | 541 | 366 |
| 2016 | 0 | 750 | 0 | 0 | 750 | 213 | 0 | 0 | 28.4 | 69 | 88 | 19.73 | 379 | 47.57 | 0 | 0 | 0 | 379 | 234 |
| 2017 | 0 | 497 | 0 | 0 | 497 | 95 | 0 | 0 | 19.1 | 71 | 58 | 24.92 | 273 | 52.76 | 0 | 0 | 0 | 273 | 153 |
| 2018 | 0 | 329 | 0 | 0 | 329 | 43 | 0 | 0 | 13.2 | 72 | 39 | 32.97 | 175 | 52.21 | 0 | 0 | 0 | 175 | 89 |
| 2019 | 53 | 204 | 0 | 0 | 204 | 20 | 0 | 0 | 9.6 | 68 | 24 | 44.96 | 93 | 45.60 | 0 | 0 | 53 | 40 | 19 |
| SUB | 1657 | 12578 | 0 | 0 | 12578 | 2938 | 0 | 0 | 23.4 | 543 | 1398 | | 7699 | | 0 | 1604 | 53 | 6043 | 4715 |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | | 0 | | 0 | 0 | 0 | 0 | 0 |
| TOT | 1657 | 12578 | 0 | 0 | 12578 | 2938 | 0 | 0 | 23.4 | 543 | 1398 | | 7699 | | 0 | 1604 | 53 | 6043 | 4715 |

NET PRESENT VALUE (-M\$-)

PROFITABILITY

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|----------|---------|-----------|------------|---------------------|---------------|----------------|
| FR After Roy & Oper. | 7699 | 6918 | 6283 | 5757 | 5314 | 4935 | 4609 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1604 | 1573 | 1544 | 1518 | 1493 | 1470 | 1449 |
| Abandonment Costs .. | 53 | 36 | 24 | 17 | 12 | 9 | 6 |
| Future Net Revenue . | 6043 | 5310 | 4715 | 4222 | 3808 | 3456 | 3153 |
| COMPANY SHARE | | | | | | | |
| | 1st Year | Average | Royalties | Oper Costs | FR After Roy & Oper | Capital Costs | Future Net Rev |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue. | | | 23.4 | 15.4 | 61.2 | 12.8 | 48.0 |

Before Tax

| | |
|--------------------------------|-------|
| Rate of Return (%) | 302.9 |
| Profit Index (undisc.) | 3.6 |
| (disc. @ 10.0%) | 3.0 |
| (disc. @ 5.0%) | 3.3 |
| First Payout (years) | .9 |
| Total Payout (years) | 1.0 |
| Cost of Finding (\$/BOE) | 12.46 |
| NPV @ 10.0% (\$/STB) | 35.45 |
| NPV @ 5.0% (\$/STB) | 39.92 |

Table 41

EVALUATION OF: Trout, Alberta - Probable Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 20-JUN-2011 5396
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-JAN-2012
 RUN DATE: 7-JUL-2011 TIME: 11:51
 FILE: OtrRE3.DAX

WELL/LOCATION - Loc.15-08-089-03 WSM (U&L Keg River and Granite Wash)
 EVALUATED BY -
 COMPANY EVALUATED - Cougar Oil and Gas Canada Inc.
 APPRAISAL FOR PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 133000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1604 -M\$-
 TOTAL ABANDONMENT - 53 -M\$- (2019)

INTEREST

ROYALTIES/TAXES

AVG WI 100.0000%

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

| Year | # of Wells | Price \$/STB | Oil STB | | Company Share | |
|------|------------|--------------|------------|--------|---------------|--------|
| | | | Pool STB/D | Vol | Gross | Net |
| 2011 | 0 | 96.00 | .0 | 0 | 0 | 0 |
| 2012 | 1 | 96.08 | 150.0 | 54000 | 54000 | 49908 |
| 2013 | 1 | 94.04 | 81.2 | 29220 | 29220 | 17532 |
| 2014 | 1 | 92.00 | 52.6 | 18953 | 18953 | 11372 |
| 2015 | 1 | 90.98 | 34.1 | 12293 | 12293 | 8156 |
| 2016 | 1 | 94.04 | 22.1 | 7974 | 7974 | 5706 |
| 2017 | 1 | 96.08 | 14.4 | 5172 | 5172 | 4182 |
| 2018 | 1 | 98.12 | 9.3 | 3355 | 3355 | 2912 |
| 2019 | 1 | 100.16 | 5.6 | 2033 | 2033 | 1838 |
| SUB | | | | 133000 | 133000 | 101606 |
| REM | | | | 0 | 0 | 0 |
| TOT | | | | 133000 | 133000 | 101606 |

P/T COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | Operating Costs | | | FR After Roy & Oper -M\$- | Net back \$/STB | Proc & Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|----------------|----------------|-------------|-------------|-------------|---------------|-----------------|----------------|--------|---------------------------|-----------------|---------------------------|-------------------|-------------------|----------------|-------|
| | | Oil -M\$- | Sale Gas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc | 10.0% |
| 2011 | 1500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .00 | 0 | .00 | 0 | 1500 | 0 | -1500 | -1459 |
| 2012 | 0 | 5188 | 0 | 0 | 5188 | 393 | 0 | 0 | 7.6 | 64 | 551 | 4180 | 77.41 | 0 | 0 | 0 | 4180 | 3769 |
| 2013 | 104 | 2748 | 0 | 0 | 2748 | 1099 | 0 | 0 | 40.0 | 65 | 304 | 1279 | 43.79 | 0 | 104 | 0 | 1175 | 963 |
| 2014 | 0 | 1744 | 0 | 0 | 1744 | 697 | 0 | 0 | 40.0 | 67 | 201 | 778 | 41.07 | 0 | 0 | 0 | 778 | 580 |
| 2015 | 0 | 1118 | 0 | 0 | 1118 | 376 | 0 | 0 | 33.7 | 68 | 133 | 541 | 44.01 | 0 | 0 | 0 | 541 | 366 |
| 2016 | 0 | 750 | 0 | 0 | 750 | 213 | 0 | 0 | 28.4 | 69 | 88 | 379 | 47.57 | 0 | 0 | 0 | 379 | 234 |
| 2017 | 0 | 497 | 0 | 0 | 497 | 95 | 0 | 0 | 19.1 | 71 | 58 | 273 | 52.76 | 0 | 0 | 0 | 273 | 153 |
| 2018 | 0 | 329 | 0 | 0 | 329 | 43 | 0 | 0 | 13.2 | 72 | 39 | 175 | 52.21 | 0 | 0 | 0 | 175 | 89 |
| 2019 | 53 | 204 | 0 | 0 | 204 | 20 | 0 | 0 | 9.6 | 68 | 24 | 93 | 45.60 | 0 | 0 | 53 | 40 | 19 |
| SUB | 1657 | 12578 | 0 | 0 | 12578 | 2938 | 0 | 0 | 23.4 | 543 | 1398 | 7699 | | 0 | 1604 | 53 | 6043 | 4715 |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 |
| TOT | 1657 | 12578 | 0 | 0 | 12578 | 2938 | 0 | 0 | 23.4 | 543 | 1398 | 7699 | | 0 | 1604 | 53 | 6043 | 4715 |

NET PRESENT VALUE (-M\$-)

PROFITABILITY

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|----------|---------|-----------|------------|---------------------|---------------|----------------|
| FR After Roy & Oper. | 7699 | 6918 | 6283 | 5757 | 5314 | 4935 | 4609 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1604 | 1573 | 1544 | 1518 | 1493 | 1470 | 1449 |
| Abandonment Costs .. | 53 | 36 | 24 | 17 | 12 | 9 | 6 |
| Future Net Revenue . | 6043 | 5310 | 4715 | 4222 | 3808 | 3456 | 3153 |
| COMPANY SHARE | | | | | | | |
| | 1st Year | Average | Royalties | Oper Costs | FR After Roy & Oper | Capital Costs | Future Net Rev |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue. | | | 23.4 | 15.4 | 61.2 | 12.8 | 48.0 |

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------------|--|------------|
| Rate of Return (%) | | 302.9 |
| Profit Index (undisc.) | | 3.6 |
| (disc. @ 10.0%) . | | 3.0 |
| (disc. @ 5.0%) . | | 3.3 |
| First Payout (years) | | .9 |
| Total Payout (years) | | 1.0 |
| Cost of Finding (\$/BOE) | | 12.46 |
| NPV @ 10.0% (\$/STB) | | 35.45 |
| NPV @ 5.0% (\$/STB) | | 39.92 |

Table 4m

EVALUATION OF: Trout, Alberta - Probable Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 20-JUN-2011 5396
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-APR-2012
 RUN DATE: 7-JUL-2011 TIME: 11:53
 FILE: OTRERE14.DAX

WELL/LOCATION - Loc.13-20-089-03 W5M (Upper Keg River)
 EVALUATED BY -
 COMPANY EVALUATED - Cougar Oil and Gas Canada Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 133000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1636 -M\$-
 TOTAL ABANDONMENT - 55 -M\$- (2021)

INTEREST

ROYALTIES/TAXES

AVG WI 100.0000%

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

| Year | # of Wells | Price \$/STB | Oil STB | | Pool | | Company Share | |
|------|------------|--------------|---------|--------|--------|--------|---------------|-----|
| | | | STB/D | Vol | Gross | Net | Gross | Net |
| 2011 | 0 | 96.00 | .0 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1 | 96.08 | 150.0 | 40650 | 40650 | 38618 | | |
| 2013 | 1 | 94.04 | 83.6 | 30086 | 30086 | 20684 | | |
| 2014 | 1 | 92.00 | 57.7 | 20775 | 20775 | 12465 | | |
| 2015 | 1 | 90.98 | 39.8 | 14345 | 14345 | 9122 | | |
| 2016 | 1 | 94.04 | 27.5 | 9905 | 9905 | 6832 | | |
| 2017 | 1 | 96.08 | 19.0 | 6840 | 6840 | 5132 | | |
| 2018 | 1 | 98.12 | 13.1 | 4723 | 4723 | 3875 | | |
| 2019 | 1 | 100.16 | 9.1 | 3261 | 3261 | 2829 | | |
| 2020 | 1 | 102.33 | 6.3 | 2252 | 2252 | 2024 | | |
| 2021 | 1 | 104.53 | .5 | 162 | 162 | 148 | | |
| SUB | | | | 133000 | 133000 | 101727 | | |
| REM | | | | 0 | 0 | 0 | | |
| TOT | | | | 133000 | 133000 | 101727 | | |

P/T

COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy&Oper -M\$- | Net back \$/STB | Proc& Other Income Costs -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|-------------------------|-----------------|--------------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | % | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1530 | 3906 | 0 | 0 | 3906 | 195 | 0 | 0 | 5.0 | 48 | 415 | 11.38 | 3248 | 79.90 | 0 | 1530 | 0 | 1718 | 1549 |
| 2013 | 0 | 2829 | 0 | 0 | 2829 | 884 | 0 | 0 | 31.3 | 65 | 313 | 12.57 | 1567 | 52.08 | 0 | 0 | 0 | 1567 | 1284 |
| 2014 | 106 | 1911 | 0 | 0 | 1911 | 765 | 0 | 0 | 40.0 | 67 | 220 | 13.82 | 860 | 41.38 | 0 | 106 | 0 | 754 | 562 |
| 2015 | 0 | 1305 | 0 | 0 | 1305 | 475 | 0 | 0 | 36.4 | 68 | 155 | 15.56 | 607 | 42.29 | 0 | 0 | 0 | 607 | 411 |
| 2016 | 0 | 932 | 0 | 0 | 932 | 289 | 0 | 0 | 31.0 | 69 | 109 | 18.03 | 464 | 46.82 | 0 | 0 | 0 | 464 | 286 |
| 2017 | 0 | 657 | 0 | 0 | 657 | 164 | 0 | 0 | 25.0 | 71 | 77 | 21.59 | 345 | 50.50 | 0 | 0 | 0 | 345 | 193 |
| 2018 | 0 | 463 | 0 | 0 | 463 | 83 | 0 | 0 | 18.0 | 72 | 54 | 26.75 | 254 | 53.75 | 0 | 0 | 0 | 254 | 129 |
| 2019 | 0 | 327 | 0 | 0 | 327 | 43 | 0 | 0 | 13.2 | 74 | 38 | 34.26 | 172 | 52.63 | 0 | 0 | 0 | 172 | 79 |
| 2020 | 0 | 230 | 0 | 0 | 230 | 23 | 0 | 0 | 10.1 | 75 | 27 | 45.25 | 105 | 46.71 | 0 | 0 | 0 | 105 | 44 |
| 2021 | 55 | 17 | 0 | 0 | 17 | 2 | 0 | 0 | 9.1 | 7 | 2 | 53.98 | 7 | 41.06 | 0 | 0 | 55 | -48 | -18 |
| SUB | 1691 | 12578 | 0 | 0 | 12578 | 2924 | 0 | 0 | 23.2 | 615 | 1411 | | 7628 | | 0 | 1636 | 55 | 5937 | 4519 |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | | 0 | | 0 | 0 | 0 | 0 | 0 |
| TOT | 1691 | 12578 | 0 | 0 | 12578 | 2924 | 0 | 0 | 23.2 | 615 | 1411 | | 7628 | | 0 | 1636 | 55 | 5937 | 4519 |

NET PRESENT VALUE (-M\$-)

PROFITABILITY

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|------|------|-------|-------|-------|-------|-------|
| FR After Roy & Oper. | 7628 | 6717 | 5999 | 5418 | 4941 | 4541 | 4201 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1636 | 1542 | 1459 | 1383 | 1316 | 1254 | 1198 |
| Abandonment Costs | 55 | 34 | 21 | 13 | 9 | 6 | 4 |
| Future Net Revenue | 5937 | 5142 | 4519 | 4022 | 3616 | 3281 | 3000 |

| COMPANY SHARE | | | | | | |
|---------------------|---------|-----------|------------|-------------------|---------------|---------------|
| 1st Year | Average | Royalties | Oper Costs | FR After Roy&Oper | Capital Costs | Future NetRev |
| % Interest | 100.0 | 100.0 | | | | |
| % of Future Revenue | | 23.2 | 16.1 | 60.6 | 13.0 | 47.2 |

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|-------|------------|
| Rate of Return (%) | ..... | 999.9 |
| Profit Index (undisc.) | ..... | 3.5 |
| (disc. @ 10.0%) | ..... | 3.1 |
| (disc. @ 5.0%) | ..... | 3.3 |
| First Payout (years) | ..... | .6 |
| Total Payout (years) | ..... | 1.1 |
| Cost of Finding (\$/BOE) | ..... | 12.71 |
| NPV @ 10.0% (\$/STB) | ..... | 33.98 |
| NPV @ 5.0% (\$/STB) | ..... | 38.66 |

Table 4n

EVALUATION OF: Trout, Alberta - Possible Undeveloped

ERCO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 20-JUN-2011 5396
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-AUG-2012
 RUN DATE: 7-JUL-2011 TIME: 11:54
 FILE: QtrPSU2.DAX

WELL/LOCATION - Loc.06-07-089-03 W5M (Upper Keg River)
 EVALUATED BY -
 COMPANY EVALUATED - Cougar Oil and Gas Canada Inc.
 APPRAISAL FOR -
 PROJECT - FORECAST PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 201000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1716 -M\$-
 TOTAL ABANDONMENT - 61 -M\$- (2028)

INTEREST

ROYALTIES/TAXES

AVG WI 100.0000%

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

| Year | # of Wells | Price \$/STB | Pool | | Company Share | |
|------|------------|--------------|-------|--------|---------------|--------|
| | | | STB/D | Vol | Gross | Net |
| 2011 | 0 | 96.00 | .0 | 0 | 0 | 0 |
| 2012 | 1 | 96.08 | 160.0 | 24160 | 24160 | 22952 |
| 2013 | 1 | 94.04 | 90.9 | 32733 | 32733 | 26323 |
| 2014 | 1 | 92.00 | 74.9 | 26977 | 26977 | 16186 |
| 2015 | 1 | 90.98 | 61.8 | 22233 | 22233 | 13340 |
| 2016 | 1 | 94.04 | 50.9 | 18324 | 18324 | 10994 |
| 2017 | 1 | 96.08 | 41.9 | 15102 | 15102 | 9327 |
| 2018 | 1 | 98.12 | 34.6 | 12446 | 12446 | 8064 |
| 2019 | 1 | 100.16 | 28.5 | 10258 | 10258 | 6908 |
| 2020 | 1 | 102.33 | 23.5 | 8454 | 8454 | 5863 |
| 2021 | 1 | 104.53 | 19.4 | 6967 | 6967 | 5086 |
| 2022 | 1 | 106.78 | 16.0 | 5742 | 5742 | 4413 |
| 2023 | 1 | 109.08 | 13.1 | 4733 | 4733 | 3783 |
| 2024 | 1 | 111.42 | 10.8 | 3900 | 3900 | 3214 |
| 2025 | 1 | 113.81 | 8.9 | 3214 | 3214 | 2711 |
| SUB | | | | 195244 | 195244 | 139163 |
| REM | | | | 5756 | 5756 | 5002 |
| TOT | | | | 201000 | 201000 | 144164 |

P/T

COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy & Oper -M\$- | Net back \$/STB | Proc & Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|---------------------------|-----------------|---------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | %- | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1530 | 2321 | 0 | 0 | 2321 | 116 | 0 | 0 | 5.0 | 27 | 246 | 11.30 | 1932 | 79.97 | 0 | 1530 | 0 | 402 | 363 |
| 2013 | 0 | 3078 | 0 | 0 | 3078 | 603 | 0 | 0 | 19.6 | 65 | 341 | 12.40 | 2070 | 63.23 | 0 | 0 | 0 | 2070 | 1696 |
| 2014 | 186 | 2482 | 0 | 0 | 2482 | 993 | 0 | 0 | 40.0 | 67 | 286 | 13.08 | 1136 | 42.12 | 0 | 186 | 0 | 951 | 708 |
| 2015 | 0 | 2023 | 0 | 0 | 2023 | 809 | 0 | 0 | 40.0 | 68 | 241 | 13.88 | 905 | 40.71 | 0 | 0 | 0 | 905 | 613 |
| 2016 | 0 | 1723 | 0 | 0 | 1723 | 689 | 0 | 0 | 40.0 | 69 | 202 | 14.82 | 762 | 41.60 | 0 | 0 | 0 | 762 | 469 |
| 2017 | 0 | 1451 | 0 | 0 | 1451 | 555 | 0 | 0 | 38.2 | 71 | 170 | 15.94 | 655 | 43.40 | 0 | 0 | 0 | 655 | 367 |
| 2018 | 0 | 1221 | 0 | 0 | 1221 | 430 | 0 | 0 | 35.2 | 72 | 143 | 17.28 | 576 | 46.29 | 0 | 0 | 0 | 576 | 293 |
| 2019 | 0 | 1027 | 0 | 0 | 1027 | 336 | 0 | 0 | 32.7 | 74 | 120 | 18.86 | 498 | 48.57 | 0 | 0 | 0 | 498 | 230 |
| 2020 | 0 | 865 | 0 | 0 | 865 | 265 | 0 | 0 | 30.6 | 75 | 101 | 20.82 | 424 | 50.15 | 0 | 0 | 0 | 424 | 178 |
| 2021 | 0 | 728 | 0 | 0 | 728 | 197 | 0 | 0 | 27.0 | 76 | 85 | 23.17 | 370 | 53.13 | 0 | 0 | 0 | 370 | 142 |
| 2022 | 0 | 613 | 0 | 0 | 613 | 142 | 0 | 0 | 23.2 | 78 | 71 | 26.02 | 322 | 56.03 | 0 | 0 | 0 | 322 | 112 |
| 2023 | 0 | 516 | 0 | 0 | 516 | 104 | 0 | 0 | 20.1 | 80 | 60 | 29.50 | 273 | 57.69 | 0 | 0 | 0 | 273 | 86 |
| 2024 | 0 | 435 | 0 | 0 | 435 | 77 | 0 | 0 | 17.6 | 81 | 50 | 33.75 | 226 | 58.06 | 0 | 0 | 0 | 226 | 65 |
| 2025 | 0 | 366 | 0 | 0 | 366 | 57 | 0 | 0 | 15.7 | 83 | 42 | 38.95 | 183 | 57.04 | 0 | 0 | 0 | 183 | 48 |
| SUB | 1716 | 18850 | 0 | 0 | 18850 | 5372 | 0 | 0 | 28.5 | 965 | 2160 | | 10334 | | 0 | 1716 | 0 | 8618 | 5371 |
| REM | 61 | 669 | 0 | 0 | 669 | 88 | 0 | 0 | 13.1 | 210 | 77 | | 294 | | 0 | 0 | 61 | 233 | 54 |
| TOT | 1776 | 19519 | 0 | 0 | 19519 | 5459 | 0 | 0 | 28.0 | 1195 | 2237 | | 10628 | | 0 | 1716 | 61 | 8851 | 5425 |

NET PRESENT VALUE (-M\$-)

PROFITABILITY

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|---------|-----------|------------|---------------------|---------------|---------------|-------|
| FR After Roy & Oper. | 10628 | 8431 | 6955 | 5908 | 5131 | 4533 | 4060 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1716 | 1611 | 1518 | 1435 | 1361 | 1294 | 1233 |
| Abandonment Costs | 61 | 26 | 12 | 6 | 3 | 1 | 1 |
| Future Net Revenue | 8851 | 6794 | 5425 | 4467 | 3767 | 3238 | 2826 |
| COMPANY SHARE | | | | | | | |
| 1st Year | Average | Royalties | Oper Costs | FR After Roy & Oper | Capital Costs | Future NetRev | |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue. | | | 28.0 | 17.6 | 54.4 | 8.8 | 45.3 |

| Before Tax | |
|--------------------------|-------|
| Rate of Return (%) | 999.9 |
| Profit Index (undisc.) | 5.0 |
| (disc. @ 10.0%) | 3.5 |
| (disc. @ 5.0%) | 4.2 |
| First Payout (years) | .6 |
| Total Payout (years) | 1.5 |
| Cost of Finding (\$/BOE) | 8.84 |
| NPV @ 10.0% (\$/STB) | 26.99 |
| NPV @ 5.0% (\$/STB) | 33.80 |

Table 4a

EVALUATION OF: Trout, Alberta - Possible Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 20-JUN-2011 5396
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-AUG-2012
 RUN DATE: 7-JUL-2011 TIME: 11:54
 FILE: OtrPS07.DAX

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

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

INTEREST

AVG WI 100.0000%

ROYALTIES/TAXES

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

| Year | # of Wells | Price \$/STB | Oil STB | | Pool | | Company Share | |
|------|------------|--------------|---------|--------|--------|--------|---------------|--|
| | | | STB/D | Vol | Gross | Net | | |
| 2011 | 0 | 96.00 | .0 | 0 | 0 | 0 | | |
| 2012 | 1 | 96.08 | 170.0 | 25670 | 25670 | 24386 | | |
| 2013 | 1 | 94.04 | 100.8 | 36305 | 36305 | 29195 | | |
| 2014 | 1 | 92.00 | 84.5 | 30435 | 30435 | 18261 | | |
| 2015 | 1 | 90.98 | 70.9 | 25514 | 25514 | 15308 | | |
| 2016 | 1 | 94.04 | 59.4 | 21389 | 21389 | 12833 | | |
| 2017 | 1 | 96.08 | 49.8 | 17930 | 17930 | 10758 | | |
| 2018 | 1 | 98.12 | 41.8 | 15031 | 15031 | 9236 | | |
| 2019 | 1 | 100.16 | 35.0 | 12601 | 12601 | 8089 | | |
| 2020 | 1 | 102.33 | 29.3 | 10564 | 10564 | 7027 | | |
| 2021 | 1 | 104.53 | 24.6 | 8856 | 8856 | 6057 | | |
| 2022 | 1 | 106.78 | 20.6 | 7424 | 7424 | 5269 | | |
| 2023 | 1 | 109.08 | 17.3 | 6223 | 6223 | 4651 | | |
| 2024 | 1 | 111.42 | 14.5 | 5217 | 5217 | 4059 | | |
| 2025 | 1 | 113.81 | 12.1 | 4374 | 4374 | 3512 | | |
| SUB | | | | 227532 | 227532 | 158642 | | |
| REM | | | | 12468 | 12468 | 10598 | | |
| TOT | | | | 240000 | 240000 | 169240 | | |

P/T

COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy & Oper -M\$- | Net back \$/STB | Proc & Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|---------------------------|-----------------|---------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | %- | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1530 | 2466 | 0 | 0 | 2466 | 123 | 0 | 0 | 5.0 | 27 | 262 | 11.24 | 2055 | 80.04 | 0 | 1530 | 0 | 525 | 473 |
| 2013 | 0 | 3414 | 0 | 0 | 3414 | 669 | 0 | 0 | 19.6 | 65 | 378 | 12.20 | 2302 | 63.42 | 0 | 0 | 0 | 2302 | 1887 |
| 2014 | 159 | 2800 | 0 | 0 | 2800 | 1120 | 0 | 0 | 40.0 | 67 | 323 | 12.80 | 1290 | 42.40 | 0 | 159 | 0 | 1131 | 843 |
| 2015 | 0 | 2321 | 0 | 0 | 2321 | 929 | 0 | 0 | 40.0 | 68 | 276 | 13.49 | 1049 | 41.10 | 0 | 0 | 0 | 1049 | 710 |
| 2016 | 0 | 2011 | 0 | 0 | 2011 | 805 | 0 | 0 | 40.0 | 69 | 236 | 14.28 | 901 | 42.14 | 0 | 0 | 0 | 901 | 555 |
| 2017 | 0 | 1723 | 0 | 0 | 1723 | 689 | 0 | 0 | 40.0 | 71 | 202 | 15.20 | 761 | 42.45 | 0 | 0 | 0 | 761 | 426 |
| 2018 | 0 | 1475 | 0 | 0 | 1475 | 569 | 0 | 0 | 38.6 | 72 | 173 | 16.28 | 661 | 44.01 | 0 | 0 | 0 | 661 | 337 |
| 2019 | 0 | 1262 | 0 | 0 | 1262 | 452 | 0 | 0 | 35.8 | 74 | 148 | 17.55 | 589 | 46.75 | 0 | 0 | 0 | 589 | 273 |
| 2020 | 0 | 1081 | 0 | 0 | 1081 | 362 | 0 | 0 | 33.5 | 75 | 126 | 19.05 | 518 | 49.02 | 0 | 0 | 0 | 518 | 218 |
| 2021 | 0 | 926 | 0 | 0 | 926 | 293 | 0 | 0 | 31.6 | 76 | 108 | 20.83 | 449 | 50.67 | 0 | 0 | 0 | 449 | 172 |
| 2022 | 0 | 793 | 0 | 0 | 793 | 230 | 0 | 0 | 29.0 | 78 | 92 | 22.94 | 392 | 52.84 | 0 | 0 | 0 | 392 | 136 |
| 2023 | 0 | 679 | 0 | 0 | 679 | 172 | 0 | 0 | 25.3 | 80 | 79 | 25.47 | 349 | 56.05 | 0 | 0 | 0 | 349 | 110 |
| 2024 | 0 | 581 | 0 | 0 | 581 | 129 | 0 | 0 | 22.2 | 81 | 67 | 28.49 | 304 | 58.19 | 0 | 0 | 0 | 304 | 87 |
| 2025 | 0 | 498 | 0 | 0 | 498 | 98 | 0 | 0 | 19.7 | 83 | 58 | 32.12 | 259 | 59.26 | 0 | 0 | 0 | 259 | 68 |
| SUB | 1689 | 22030 | 0 | 0 | 22030 | 6638 | 0 | 0 | 30.1 | 985 | 2528 | | 11880 | | 0 | 1689 | 0 | 10190 | 6295 |
| REM | 61 | 1449 | 0 | 0 | 1449 | 217 | 0 | 0 | 15.0 | 382 | 168 | | 682 | | 0 | 0 | 61 | 621 | 133 |
| TOT | 1750 | 23480 | 0 | 0 | 23480 | 6855 | 0 | 0 | 29.2 | 1367 | 2696 | | 12562 | | 0 | 1689 | 61 | 10812 | 6428 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|-------|------|-------|-------|-------|-------|-------|
| FR After Roy & Oper. | 12562 | 9756 | 7936 | 6677 | 5760 | 5063 | 4517 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1689 | 1588 | 1498 | 1418 | 1346 | 1281 | 1221 |
| Abandonment Costs | 61 | 24 | 10 | 4 | 2 | 1 | 0 |
| Future Net Revenue | 10812 | 8145 | 6428 | 5255 | 4412 | 3782 | 3295 |

COMPANY SHARE

| | 1st Year | Average | Royalties | Oper Costs | FR After Roy & Oper | Capital Costs | Future NetRev |
|---------------------|----------|---------|-----------|------------|---------------------|---------------|---------------|
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue | | | 29.2 | 17.3 | 53.5 | 7.2 | 46.0 |

PROFITABILITY

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|-------|------------|
| Rate of Return (%) | ..... | 999.9 |
| Profit Index (undisc.) | ..... | 6.2 |
| (disc. @ 10.0%) | ..... | 4.3 |
| (disc. @ 5.0%) | ..... | 5.1 |
| First Payout (years) | ..... | .6 |
| Total Payout (years) | ..... | 1.4 |
| Cost of Finding (\$/BOE) | ..... | 7.29 |
| NPV @ 10.0% (\$/STB) | ..... | 26.78 |
| NPV @ 5.0% (\$/STB) | ..... | 33.94 |

Table 4p

EVALUATION OF: Trout, Alberta - Possible Undeveloped

TR 00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 20-JUN-2011 5396
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-OCT-2011
 RUN DATE: 7-JUL-2011 TIME: 11:55
 FILE: OtrP508.DAX

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

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

INTEREST

ROYALTIES/TAXES

AVG WI 100.0000%

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

| Year | # of Wells | Price \$/STB | Oil STB | | Pool | | Company Share | |
|------|------------|--------------|---------|--------|--------|--------|---------------|--|
| | | | STB/D | Vol | Gross | Net | | |
| | | | | | | | | |
| 2011 | 1 | 96.00 | 180.0 | 16380 | 16380 | 15561 | | |
| 2012 | 1 | 96.08 | 105.4 | 37941 | 37941 | 32725 | | |
| 2013 | 1 | 94.04 | 88.3 | 31784 | 31784 | 19070 | | |
| 2014 | 1 | 92.00 | 74.0 | 26626 | 26626 | 15975 | | |
| 2015 | 1 | 90.98 | 62.0 | 22305 | 22305 | 13383 | | |
| 2016 | 1 | 94.04 | 51.9 | 18685 | 18685 | 11211 | | |
| 2017 | 1 | 96.08 | 43.5 | 15652 | 15652 | 9586 | | |
| 2018 | 1 | 98.12 | 36.4 | 13112 | 13112 | 8378 | | |
| 2019 | 1 | 100.16 | 30.5 | 10984 | 10984 | 7290 | | |
| 2020 | 1 | 102.33 | 25.6 | 9202 | 9202 | 6289 | | |
| 2021 | 1 | 104.53 | 21.4 | 7708 | 7708 | 5427 | | |
| 2022 | 1 | 106.78 | 17.9 | 6457 | 6457 | 4801 | | |
| 2023 | 1 | 109.08 | 15.0 | 5409 | 5409 | 4196 | | |
| 2024 | 1 | 111.42 | 12.6 | 4531 | 4531 | 3634 | | |
| 2025 | 1 | 113.81 | 10.5 | 3796 | 3796 | 3124 | | |
| SUB | | | | 230573 | 230573 | 160651 | | |
| REM | | | | 9427 | 9427 | 8100 | | |
| TOT | | | | 240000 | 240000 | 168750 | | |

P/T

COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy & Oper -M\$- | Net back \$/STB | Proc & Other Income -M\$- | Cap'l -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|--------------------------------|---------------------|------------------|-------------------|----------------|----------------|----------------|------------------|------|-----------------|-------------------|--------|------------------------------|--------------------|------------------------------|----------------|----------------------|-----------------|----------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | -% | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| | | | | | | | | | | | | | | | | | | | |
| 2011 | 1500 | 1572 | 0 | 0 | 1572 | 79 | 0 | 0 | 5.0 | 16 | 164 | 10.96 | 1314 | 80.24 | 0 | 1500 | 0 | -186 | -181 |
| 2012 | 0 | 3645 | 0 | 0 | 3645 | 501 | 0 | 0 | 13.7 | 64 | 387 | 11.89 | 2693 | 70.98 | 0 | 0 | 0 | 2693 | 2428 |
| 2013 | 0 | 2989 | 0 | 0 | 2989 | 1196 | 0 | 0 | 40.0 | 65 | 331 | 12.46 | 1397 | 43.97 | 0 | 0 | 0 | 1397 | 1145 |
| 2014 | 106 | 2450 | 0 | 0 | 2450 | 980 | 0 | 0 | 40.0 | 67 | 283 | 13.11 | 1121 | 42.09 | 0 | 106 | 0 | 1014 | 756 |
| 2015 | 0 | 2029 | 0 | 0 | 2029 | 812 | 0 | 0 | 40.0 | 68 | 241 | 13.87 | 908 | 40.72 | 0 | 0 | 0 | 908 | 615 |
| 2016 | 0 | 1757 | 0 | 0 | 1757 | 703 | 0 | 0 | 40.0 | 69 | 206 | 14.75 | 779 | 41.68 | 0 | 0 | 0 | 779 | 480 |
| 2017 | 0 | 1504 | 0 | 0 | 1504 | 583 | 0 | 0 | 38.8 | 71 | 176 | 15.78 | 674 | 43.07 | 0 | 0 | 0 | 674 | 377 |
| 2018 | 0 | 1287 | 0 | 0 | 1287 | 465 | 0 | 0 | 36.1 | 72 | 151 | 16.98 | 599 | 45.71 | 0 | 0 | 0 | 599 | 305 |
| 2019 | 0 | 1100 | 0 | 0 | 1100 | 370 | 0 | 0 | 33.6 | 74 | 129 | 18.41 | 528 | 48.06 | 0 | 0 | 0 | 528 | 244 |
| 2020 | 0 | 942 | 0 | 0 | 942 | 298 | 0 | 0 | 31.7 | 75 | 110 | 20.10 | 459 | 49.84 | 0 | 0 | 0 | 459 | 193 |
| 2021 | 0 | 806 | 0 | 0 | 806 | 238 | 0 | 0 | 29.6 | 76 | 94 | 22.11 | 397 | 51.48 | 0 | 0 | 0 | 397 | 152 |
| 2022 | 0 | 690 | 0 | 0 | 690 | 177 | 0 | 0 | 25.7 | 78 | 80 | 24.52 | 354 | 54.87 | 0 | 0 | 0 | 354 | 123 |
| 2023 | 0 | 590 | 0 | 0 | 590 | 132 | 0 | 0 | 22.4 | 80 | 69 | 27.39 | 310 | 57.22 | 0 | 0 | 0 | 310 | 98 |
| 2024 | 0 | 505 | 0 | 0 | 505 | 100 | 0 | 0 | 19.8 | 81 | 59 | 30.85 | 265 | 58.50 | 0 | 0 | 0 | 265 | 76 |
| 2025 | 0 | 432 | 0 | 0 | 432 | 76 | 0 | 0 | 17.7 | 83 | 50 | 35.00 | 223 | 58.67 | 0 | 0 | 0 | 223 | 58 |
| SUB | 1606 | 22297 | 0 | 0 | 22297 | 6709 | 0 | 0 | 30.1 | 1038 | 2529 | | 12021 | | 0 | 1606 | 0 | 10415 | 6871 |
| REM | 61 | 1096 | 0 | 0 | 1096 | 154 | 0 | 0 | 14.1 | 313 | 127 | | 502 | | 0 | 0 | 61 | 441 | 97 |
| TOT | 1667 | 23393 | 0 | 0 | 23393 | 6864 | 0 | 0 | 29.3 | 1351 | 2656 | | 12523 | | 0 | 1606 | 61 | 10856 | 6968 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|---------|-----------|------------|---------------------|---------------|---------------|-------|
| FR After Roy & Oper. | 12523 | 10103 | 8516 | 7409 | 6596 | 5974 | 5483 |
| Proc & Other Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1606 | 1570 | 1538 | 1509 | 1482 | 1458 | 1436 |
| Abandonment Costs | 61 | 25 | 11 | 5 | 2 | 1 | 1 |
| Future Net Revenue | 10856 | 8508 | 6968 | 5895 | 5111 | 4515 | 4046 |
| COMPANY SHARE | | | | | | | |
| 1st Year | Average | Royalties | Oper Costs | FR After Roy & Oper | Capital Costs | Future NetRev | |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue | | | 29.3 | 17.1 | 53.5 | 6.9 | 46.4 |

PROFITABILITY

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|-------|------------|
| Rate of Return (%) | ..... | 999.9 |
| Profit Index (undisc.) | ..... | 6.5 |
| (disc. @ 10.0%) | ..... | 4.5 |
| (disc. @ 5.0%) | ..... | 5.3 |
| First Payout (years) | ..... | .7 |
| Total Payout (years) | ..... | .7 |
| Cost of Finding (\$/BOE) | ..... | 6.94 |
| NPV @ 10.0% (\$/STB) | ..... | 29.03 |
| NPV @ 5.0% (\$/STB) | ..... | 35.45 |

Table 4q

EVALUATION OF: Trout, Alberta - Possible Undeveloped

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

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

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

INTEREST

AVG WI 100.0000%

ROYALTIES/TAXES

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

| Year | # of Wells | Price \$/STB | Pool | | Company Share | |
|------|------------|--------------|-------|--------|---------------|--------|
| | | | STB/D | Vol | Gross | Net |
| 2011 | 0 | 96.00 | .0 | 0 | 0 | 0 |
| 2012 | 1 | 96.08 | 180.0 | 10800 | 10800 | 10260 |
| 2013 | 1 | 94.04 | 105.6 | 38021 | 38021 | 33902 |
| 2014 | 1 | 92.00 | 88.9 | 31988 | 31988 | 19193 |
| 2015 | 1 | 90.98 | 74.8 | 26913 | 26913 | 16148 |
| 2016 | 1 | 94.04 | 62.9 | 22642 | 22642 | 13585 |
| 2017 | 1 | 96.08 | 52.9 | 19050 | 19050 | 11430 |
| 2018 | 1 | 98.12 | 44.5 | 16027 | 16027 | 9698 |
| 2019 | 1 | 100.16 | 37.5 | 13484 | 13484 | 8496 |
| 2020 | 1 | 102.33 | 31.5 | 11344 | 11344 | 7427 |
| 2021 | 1 | 104.53 | 26.5 | 9544 | 9544 | 6440 |
| 2022 | 1 | 106.78 | 22.3 | 8030 | 8030 | 5547 |
| 2023 | 1 | 109.08 | 18.8 | 6756 | 6756 | 4923 |
| 2024 | 1 | 111.42 | 15.8 | 5684 | 5684 | 4330 |
| 2025 | 1 | 113.81 | 13.3 | 4782 | 4782 | 3771 |
| SUB | | | | 225065 | 225065 | 155150 |
| REM | | | | 14935 | 14935 | 12596 |
| TOT | | | | 240000 | 240000 | 167746 |

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | Proc & Other Income Costs | | Cap'l Aband Costs | | Future Net Rev | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|---------------------------|-----------------|-------------------|-------|----------------|-------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | % | Fixed -M\$- | Variable -M\$- | \$/STB | FR After Roy & Oper -M\$- | Net back \$/STB | -M\$- | -M\$- | -M\$- | -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 |
| 2012 | 1530 | 1038 | 0 | 0 | 1038 | 52 | 0 | 0 | 5.0 | 11 | 110 | 11.18 | 865 | 80.09 | 0 | 1530 | 0 | -665 |
| 2013 | 0 | 3575 | 0 | 0 | 3575 | 387 | 0 | 0 | 10.8 | 65 | 396 | 12.12 | 2727 | 71.73 | 0 | 0 | 2727 | 2236 |
| 2014 | 186 | 2943 | 0 | 0 | 2943 | 1177 | 0 | 0 | 40.0 | 67 | 339 | 12.69 | 1360 | 42.51 | 0 | 186 | 0 | 1174 |
| 2015 | 0 | 2449 | 0 | 0 | 2449 | 979 | 0 | 0 | 40.0 | 68 | 291 | 13.35 | 1110 | 41.24 | 0 | 0 | 0 | 1110 |
| 2016 | 0 | 2129 | 0 | 0 | 2129 | 852 | 0 | 0 | 40.0 | 69 | 250 | 14.10 | 958 | 42.32 | 0 | 0 | 0 | 958 |
| 2017 | 0 | 1830 | 0 | 0 | 1830 | 732 | 0 | 0 | 40.0 | 71 | 215 | 14.97 | 813 | 42.68 | 0 | 0 | 0 | 813 |
| 2018 | 0 | 1573 | 0 | 0 | 1573 | 621 | 0 | 0 | 39.5 | 72 | 184 | 15.98 | 695 | 43.39 | 0 | 0 | 0 | 695 |
| 2019 | 0 | 1351 | 0 | 0 | 1351 | 500 | 0 | 0 | 37.0 | 74 | 158 | 17.17 | 619 | 45.94 | 0 | 0 | 0 | 619 |
| 2020 | 0 | 1161 | 0 | 0 | 1161 | 401 | 0 | 0 | 34.5 | 75 | 136 | 18.56 | 549 | 48.44 | 0 | 0 | 0 | 549 |
| 2021 | 0 | 998 | 0 | 0 | 998 | 325 | 0 | 0 | 32.5 | 76 | 116 | 20.20 | 480 | 50.33 | 0 | 0 | 0 | 480 |
| 2022 | 0 | 857 | 0 | 0 | 857 | 265 | 0 | 0 | 30.9 | 78 | 100 | 22.15 | 414 | 51.62 | 0 | 0 | 0 | 414 |
| 2023 | 0 | 737 | 0 | 0 | 737 | 200 | 0 | 0 | 27.1 | 80 | 86 | 24.46 | 372 | 55.03 | 0 | 0 | 0 | 372 |
| 2024 | 0 | 633 | 0 | 0 | 633 | 151 | 0 | 0 | 23.8 | 81 | 74 | 27.22 | 328 | 57.65 | 0 | 0 | 0 | 328 |
| 2025 | 0 | 544 | 0 | 0 | 544 | 115 | 0 | 0 | 21.1 | 83 | 63 | 30.51 | 283 | 59.25 | 0 | 0 | 0 | 283 |
| SUB | 1716 | 21818 | 0 | 0 | 21818 | 6757 | 0 | 0 | 31.0 | 969 | 2517 | | 11575 | | 0 | 1716 | 0 | 9859 |
| REM | 61 | 1736 | 0 | 0 | 1736 | 272 | 0 | 0 | 15.7 | 435 | 201 | | 829 | | 0 | 61 | 768 | 161 |
| TOT | 1776 | 23554 | 0 | 0 | 23554 | 7028 | 0 | 0 | 29.8 | 1404 | 2718 | | 12404 | | 0 | 1776 | 61 | 10627 |

| NET PRESENT VALUE (-M\$-) | | | | | | | |
|---------------------------|----------|---------|-----------|------------|-------------------|---------------|---------------|
| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
| FR After Roy & Oper. | 12404 | 9401 | 7481 | 6170 | 5225 | 4516 | 3964 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1716 | 1611 | 1518 | 1435 | 1361 | 1294 | 1233 |
| Abandonment Costs .. | 61 | 23 | 9 | 4 | 2 | 1 | 0 |
| Future Net Revenue . | 10627 | 7768 | 5954 | 4731 | 3863 | 3221 | 2731 |
| COMPANY SHARE | | | | | | | |
| | 1st Year | Average | Royalties | Oper Costs | FR After Roy&Oper | Capital Costs | Future NetRev |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue. | | | 29.8 | 17.5 | 52.7 | 7.3 | 45.1 |

| PROFITABILITY | | Before Tax |
|--------------------------------|--|------------|
| COMPANY SHARE BASIS | | |
| Rate of Return (%) | | 358.4 |
| Profit Index (undisc.) | | 6.0 |
| (disc. @ 10.0%) . | | 3.9 |
| (disc. @ 5.0%) . | | 4.8 |
| First Payout (years) | | 1.8 |
| Total Payout (years) | | 1.9 |
| Cost of Finding (\$/BOE) | | 7.40 |
| NPV @ 10.0% (\$/STB) | | 24.81 |
| NPV @ 5.0% (\$/STB) | | 32.37 |

Table 4r

EVALUATION OF: Trout, Alberta - Possible Undeveloped

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

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

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

INTEREST

ROYALTIES/TAXES

AVG WI 100.0000%

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

| | # of Year Wells | Price \$/STB | Oil STB | | Pool | | Company Share | |
|------|--------------------|-----------------|------------|--------|--------|--------|---------------|--|
| | | | STB/D | Vol | Gross | Net | | |
| 2011 | 1 | 96.00 | 180.0 | 16380 | 16380 | 15561 | | |
| 2012 | 1 | 96.08 | 105.4 | 37941 | 37941 | 32725 | | |
| 2013 | 1 | 94.04 | 88.3 | 31784 | 31784 | 19070 | | |
| 2014 | 1 | 92.00 | 74.0 | 26626 | 26626 | 15975 | | |
| 2015 | 1 | 90.98 | 62.0 | 22305 | 22305 | 13383 | | |
| 2016 | 1 | 94.04 | 51.9 | 18685 | 18685 | 11211 | | |
| 2017 | 1 | 96.08 | 43.5 | 15652 | 15652 | 9586 | | |
| 2018 | 1 | 98.12 | 36.4 | 13112 | 13112 | 8378 | | |
| 2019 | 1 | 100.16 | 30.5 | 10984 | 10984 | 7290 | | |
| 2020 | 1 | 102.33 | 25.6 | 9202 | 9202 | 6289 | | |
| 2021 | 1 | 104.53 | 21.4 | 7708 | 7708 | 5427 | | |
| 2022 | 1 | 106.78 | 17.9 | 6457 | 6457 | 4801 | | |
| 2023 | 1 | 109.08 | 15.0 | 5409 | 5409 | 4196 | | |
| 2024 | 1 | 111.42 | 12.6 | 4531 | 4531 | 3634 | | |
| 2025 | 1 | 113.81 | 10.5 | 3796 | 3796 | 3124 | | |
| SUB | | | | 230573 | 230573 | 160651 | | |
| REM | | | | 9427 | 9427 | 8100 | | |
| TOT | | | | 240000 | 240000 | 168750 | | |

10 P/T 10 20 30 40 50 60 70 80 90 100 110 120 130 140 150 160 170 180 190 200 210 220 230 240 250 260 270 280 290 300 310 320 330 340 350 360 370 380 390 400 410 420 430 440 450 460 470 480 490 500 510 520 530 540 550 560 570 580 590 600 610 620 630 640 650 660 670 680 690 700 710 720 730 740 750 760 770 780 790 800 810 820 830 840 850 860 870 880 890 900 910 920 930 940 950 960 970 980 990 1000

COMPANY SHARE FUTURE NET REVENUE

| Year | Capital &Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy&Oper -M\$- | Net back \$/STB | Proc& Other Income -M\$- | Cap'i Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-------------------------------------|---------------------|------------------|-------------------|----------------|----------------|----------------|------------------|------|-----------------|-------------------|--------|-------------------------------|-----------------------|-----------------------------------|-------------------------|-------------------------|-----------------|----------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | -% | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 1500 | 1572 | 0 | 0 | 1572 | 79 | 0 | 0 | 5.0 | 16 | 164 | 10.96 | 1314 | 80.24 | 0 | 1500 | 0 | -186 | -181 |
| 2012 | 0 | 3645 | 0 | 0 | 3645 | 501 | 0 | 0 | 13.7 | 64 | 387 | 11.89 | 2693 | 70.98 | 0 | 0 | 0 | 2693 | 2428 |
| 2013 | 0 | 2989 | 0 | 0 | 2989 | 1196 | 0 | 0 | 40.0 | 65 | 331 | 12.46 | 1397 | 43.97 | 0 | 0 | 0 | 1397 | 1145 |
| 2014 | 106 | 2450 | 0 | 0 | 2450 | 980 | 0 | 0 | 40.0 | 67 | 283 | 13.11 | 1121 | 42.09 | 0 | 106 | 0 | 1014 | 756 |
| 2015 | 0 | 2029 | 0 | 0 | 2029 | 812 | 0 | 0 | 40.0 | 68 | 241 | 13.87 | 908 | 40.72 | 0 | 0 | 0 | 908 | 615 |
| 2016 | 0 | 1757 | 0 | 0 | 1757 | 703 | 0 | 0 | 40.0 | 69 | 206 | 14.75 | 779 | 41.68 | 0 | 0 | 0 | 779 | 480 |
| 2017 | 0 | 1504 | 0 | 0 | 1504 | 583 | 0 | 0 | 38.8 | 71 | 176 | 15.78 | 674 | 43.07 | 0 | 0 | 0 | 674 | 377 |
| 2018 | 0 | 1287 | 0 | 0 | 1287 | 465 | 0 | 0 | 36.1 | 72 | 151 | 16.98 | 599 | 45.71 | 0 | 0 | 0 | 599 | 305 |
| 2019 | 0 | 1100 | 0 | 0 | 1100 | 370 | 0 | 0 | 33.6 | 74 | 129 | 18.41 | 528 | 48.06 | 0 | 0 | 0 | 528 | 244 |
| 2020 | 0 | 942 | 0 | 0 | 942 | 298 | 0 | 0 | 31.7 | 75 | 110 | 20.10 | 459 | 49.84 | 0 | 0 | 0 | 459 | 193 |
| 2021 | 0 | 806 | 0 | 0 | 806 | 238 | 0 | 0 | 29.6 | 76 | 94 | 22.11 | 397 | 51.48 | 0 | 0 | 0 | 397 | 152 |
| 2022 | 0 | 690 | 0 | 0 | 690 | 177 | 0 | 0 | 25.7 | 78 | 80 | 24.52 | 354 | 54.87 | 0 | 0 | 0 | 354 | 123 |
| 2023 | 0 | 590 | 0 | 0 | 590 | 132 | 0 | 0 | 22.4 | 80 | 69 | 27.39 | 310 | 57.22 | 0 | 0 | 0 | 310 | 98 |
| 2024 | 0 | 505 | 0 | 0 | 505 | 100 | 0 | 0 | 19.8 | 81 | 59 | 30.85 | 265 | 58.50 | 0 | 0 | 0 | 265 | 76 |
| 2025 | 0 | 432 | 0 | 0 | 432 | 76 | 0 | 0 | 17.7 | 83 | 50 | 35.00 | 223 | 58.67 | 0 | 0 | 0 | 223 | 58 |
| SUB | 1606 | 22297 | 0 | 0 | 22297 | 6709 | 0 | 0 | 30.1 | 1038 | 2529 | | 12021 | | 0 | 1606 | 0 | 10415 | 6871 |
| REM | 61 | 1096 | 0 | 0 | 1096 | 154 | 0 | 0 | 14.1 | 313 | 127 | | 502 | | 0 | 0 | 61 | 441 | 97 |
| TOT | 1667 | 23393 | 0 | 0 | 23393 | 6864 | 0 | 0 | 29.3 | 1351 | 2656 | | 12523 | | 0 | 1606 | 61 | 10856 | 6968 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|-------|-------|-------|-------|-------|-------|-------|
| FR After Roy & Oper. | 12523 | 10103 | 8516 | 7409 | 6596 | 5974 | 5483 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1606 | 1570 | 1538 | 1509 | 1482 | 1458 | 1436 |
| Abandonment Costs .. | 61 | 25 | 11 | 5 | 2 | 1 | 1 |
| Future Net Revenue . | 10856 | 8508 | 6968 | 5895 | 5111 | 4515 | 4046 |

COMPANY SHARE

| | 1st Year | Average | Royalties | Oper Costs | FR After Roy&Oper | Capital Costs | Future NetRev |
|----------------------|----------|---------|-----------|---------------|----------------------|------------------|------------------|
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue. | | | 29.3 | 17.1 | 53.5 | 6.9 | 46.4 |

PROFITABILITY

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------------|--|---------------|
| Rate of Return (%) | | 999.9 |
| Profit Index (undisc.) | | 6.5 |
| (disc. @ 10.0%) | | 4.5 |
| (disc. @ 5.0%) | | 5.3 |
| First Payout (years) | | .7 |
| Total Payout (years) | | .7 |
| Cost of Finding (\$/BOE) | | 6.94 |
| NPV @ 10.0% (\$/STB) | | 29.03 |
| NPV @ 5.0% (\$/STB) | | 35.45 |

Table 4s

EVALUATION OF: Trout, Alberta - Possible Undeveloped

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

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

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

INTEREST

ROYALTIES/TAXES

AVG WI 100.0000%

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

| Year | # of Wells | Price \$/STB | Pool | | Company Share | |
|------|------------|--------------|-------|--------|---------------|--------|
| | | | STB/D | Vol | Gross | Net |
| 2011 | 1 | 96.00 | 180.0 | 16380 | 16380 | 15561 |
| 2012 | 1 | 96.08 | 105.4 | 37941 | 37941 | 32725 |
| 2013 | 1 | 94.04 | 88.3 | 31784 | 31784 | 19070 |
| 2014 | 1 | 92.00 | 74.0 | 26626 | 26626 | 15975 |
| 2015 | 1 | 90.98 | 62.0 | 22305 | 22305 | 13383 |
| 2016 | 1 | 94.04 | 51.9 | 18685 | 18685 | 11211 |
| 2017 | 1 | 96.08 | 43.5 | 15652 | 15652 | 9586 |
| 2018 | 1 | 98.12 | 36.4 | 13112 | 13112 | 8378 |
| 2019 | 1 | 100.16 | 30.5 | 10984 | 10984 | 7290 |
| 2020 | 1 | 102.33 | 25.6 | 9202 | 9202 | 6289 |
| 2021 | 1 | 104.53 | 21.4 | 7708 | 7708 | 5427 |
| 2022 | 1 | 106.78 | 17.9 | 6457 | 6457 | 4801 |
| 2023 | 1 | 109.08 | 15.0 | 5409 | 5409 | 4196 |
| 2024 | 1 | 111.42 | 12.6 | 4531 | 4531 | 3634 |
| 2025 | 1 | 113.81 | 10.5 | 3796 | 3796 | 3124 |
| SUB | | | | 230573 | 230573 | 160651 |
| REM | | | | 9427 | 9427 | 8100 |
| TOT | | | | 240000 | 240000 | 168750 |

P/T

COMPANY SHARE FUTURE NET REVENUE

| Year | Capital &Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy&Oper -M\$- | Net back \$/STB | Proc& Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|-------------------------|-----------------|--------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | %- | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 1500 | 1572 | 0 | 0 | 1572 | 79 | 0 | 0 | 5.0 | 16 | 164 | 10.96 | 1314 | 80.24 | 0 | 1500 | 0 | -186 | -181 |
| 2012 | 0 | 3645 | 0 | 0 | 3645 | 501 | 0 | 0 | 13.7 | 64 | 387 | 11.89 | 2693 | 70.98 | 0 | 0 | 0 | 2693 | 2428 |
| 2013 | 0 | 2989 | 0 | 0 | 2989 | 1196 | 0 | 0 | 40.0 | 65 | 331 | 12.46 | 1397 | 43.97 | 0 | 0 | 0 | 1397 | 1145 |
| 2014 | 106 | 2450 | 0 | 0 | 2450 | 980 | 0 | 0 | 40.0 | 67 | 283 | 13.11 | 1121 | 42.09 | 0 | 106 | 0 | 1014 | 756 |
| 2015 | 0 | 2029 | 0 | 0 | 2029 | 812 | 0 | 0 | 40.0 | 68 | 241 | 13.87 | 908 | 40.72 | 0 | 0 | 0 | 908 | 615 |
| 2016 | 0 | 1757 | 0 | 0 | 1757 | 703 | 0 | 0 | 40.0 | 69 | 206 | 14.75 | 779 | 41.68 | 0 | 0 | 0 | 779 | 480 |
| 2017 | 0 | 1504 | 0 | 0 | 1504 | 583 | 0 | 0 | 38.8 | 71 | 176 | 15.78 | 674 | 43.07 | 0 | 0 | 0 | 674 | 377 |
| 2018 | 0 | 1287 | 0 | 0 | 1287 | 465 | 0 | 0 | 36.1 | 72 | 151 | 16.98 | 599 | 45.71 | 0 | 0 | 0 | 599 | 305 |
| 2019 | 0 | 1100 | 0 | 0 | 1100 | 370 | 0 | 0 | 33.6 | 74 | 129 | 18.41 | 528 | 48.06 | 0 | 0 | 0 | 528 | 244 |
| 2020 | 0 | 942 | 0 | 0 | 942 | 298 | 0 | 0 | 31.7 | 75 | 110 | 20.10 | 459 | 49.84 | 0 | 0 | 0 | 459 | 193 |
| 2021 | 0 | 806 | 0 | 0 | 806 | 238 | 0 | 0 | 29.6 | 76 | 94 | 22.11 | 397 | 51.48 | 0 | 0 | 0 | 397 | 152 |
| 2022 | 0 | 690 | 0 | 0 | 690 | 177 | 0 | 0 | 25.7 | 78 | 80 | 24.52 | 354 | 54.87 | 0 | 0 | 0 | 354 | 123 |
| 2023 | 0 | 590 | 0 | 0 | 590 | 132 | 0 | 0 | 22.4 | 80 | 69 | 27.39 | 310 | 57.22 | 0 | 0 | 0 | 310 | 98 |
| 2024 | 0 | 505 | 0 | 0 | 505 | 100 | 0 | 0 | 19.8 | 81 | 59 | 30.85 | 265 | 58.50 | 0 | 0 | 0 | 265 | 76 |
| 2025 | 0 | 432 | 0 | 0 | 432 | 76 | 0 | 0 | 17.7 | 83 | 50 | 35.00 | 223 | 58.67 | 0 | 0 | 0 | 223 | 58 |
| SUB | 1606 | 22297 | 0 | 0 | 22297 | 6709 | 0 | 0 | 30.1 | 1038 | 2529 | | 12021 | | 0 | 1606 | 0 | 10415 | 6871 |
| REM | 61 | 1096 | 0 | 0 | 1096 | 154 | 0 | 0 | 14.1 | 313 | 127 | | 502 | | 0 | 61 | 61 | 441 | 97 |
| TOT | 1667 | 23393 | 0 | 0 | 23393 | 6864 | 0 | 0 | 29.3 | 1351 | 2656 | | 12523 | | 0 | 1667 | 61 | 10856 | 6968 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|-------|-------|-------|-------|-------|-------|-------|
| FR After Roy & Oper. | 12523 | 10103 | 8516 | 7409 | 6596 | 5974 | 5483 |
| Proc & Other Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1606 | 1570 | 1538 | 1509 | 1482 | 1458 | 1436 |
| Abandonment Costs | 61 | 25 | 21 | 5 | 2 | 1 | 1 |
| Future Net Revenue | 10856 | 8508 | 6968 | 5895 | 5111 | 4515 | 4046 |

COMPANY SHARE

| | 1st Year | Average | Royalties | Oper Costs | FR After Roy&Oper | Capital Costs | Future NetRev |
|---------------------|----------|---------|-----------|------------|-------------------|---------------|---------------|
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue | | | 29.3 | 17.1 | 53.5 | 6.9 | 46.4 |

PROFITABILITY

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|-------|------------|
| Rate of Return (%) | ..... | 999.9 |
| Profit Index (undisc.) | ..... | 6.5 |
| (disc. @ 10.0%) | ..... | 4.5 |
| (disc. @ 5.0%) | ..... | 5.3 |
| First Payout (years) | ..... | .7 |
| Total Payout (years) | ..... | .7 |
| Cost of Finding (\$/BOE) | ..... | 6.94 |
| NPV @ 10.0% (\$/STB) | ..... | 29.03 |
| NPV @ 5.0% (\$/STB) | ..... | 35.45 |

Table 4t

EVALUATION OF: Trout, Alberta - Possible Undeveloped

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

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

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

INTEREST

AVG WI 100.0000%

ROYALTIES/TAXES

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

| Year | # of Wells | Price \$/STB | Pool | | Company Share | |
|------|------------|--------------|-------|--------|---------------|--------|
| | | | STB/D | Vol | Gross | Net |
| 2011 | 1 | 96.00 | 165.0 | 15015 | 15015 | 14264 |
| 2012 | 1 | 96.08 | 91.3 | 32884 | 32884 | 28362 |
| 2013 | 1 | 94.04 | 76.0 | 27361 | 27361 | 16416 |
| 2014 | 1 | 92.00 | 63.2 | 22765 | 22765 | 13659 |
| 2015 | 1 | 90.98 | 52.6 | 18941 | 18941 | 11365 |
| 2016 | 1 | 94.04 | 43.8 | 15760 | 15760 | 9697 |
| 2017 | 1 | 96.08 | 36.4 | 13113 | 13113 | 8429 |
| 2018 | 1 | 98.12 | 30.3 | 10910 | 10910 | 7293 |
| 2019 | 1 | 100.16 | 25.2 | 9078 | 9078 | 6257 |
| 2020 | 1 | 102.33 | 21.0 | 7553 | 7553 | 5390 |
| 2021 | 1 | 104.53 | 17.5 | 6284 | 6284 | 4737 |
| 2022 | 1 | 106.78 | 14.5 | 5229 | 5229 | 4112 |
| 2023 | 1 | 109.08 | 12.1 | 4350 | 4350 | 3535 |
| 2024 | 1 | 111.42 | 10.1 | 3620 | 3620 | 3018 |
| 2025 | 1 | 113.81 | 8.4 | 3012 | 3012 | 2561 |
| SUB | | | | 195873 | 195873 | 139095 |
| REM | | | | 5127 | 5127 | 4470 |
| TOT | | | | 201000 | 201000 | 143566 |

P/T COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy&Oper -M\$- | Net back \$/STB | Proc& Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|-------------------------|-----------------|--------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | % | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 1500 | 1441 | 0 | 0 | 1441 | 72 | 0 | 0 | 5.0 | 16 | 150 | 11.05 | 1203 | 80.15 | 0 | 1500 | 0 | -297 | -288 |
| 2012 | 0 | 3159 | 0 | 0 | 3159 | 434 | 0 | 0 | 13.8 | 64 | 335 | 12.15 | 2326 | 70.72 | 0 | 0 | 0 | 2326 | 2097 |
| 2013 | 0 | 2573 | 0 | 0 | 2573 | 1029 | 0 | 0 | 40.0 | 65 | 285 | 12.79 | 1194 | 43.63 | 0 | 0 | 0 | 1194 | 979 |
| 2014 | 80 | 2094 | 0 | 0 | 2094 | 838 | 0 | 0 | 40.0 | 67 | 242 | 13.54 | 948 | 41.66 | 0 | 80 | 0 | 869 | 647 |
| 2015 | 0 | 1723 | 0 | 0 | 1723 | 689 | 0 | 0 | 40.0 | 68 | 205 | 14.41 | 761 | 40.18 | 0 | 0 | 0 | 761 | 516 |
| 2016 | 0 | 1482 | 0 | 0 | 1482 | 570 | 0 | 0 | 38.5 | 69 | 174 | 15.44 | 669 | 42.43 | 0 | 0 | 0 | 669 | 412 |
| 2017 | 0 | 1260 | 0 | 0 | 1260 | 450 | 0 | 0 | 35.7 | 71 | 148 | 16.65 | 591 | 45.11 | 0 | 0 | 0 | 591 | 331 |
| 2018 | 0 | 1070 | 0 | 0 | 1070 | 355 | 0 | 0 | 33.1 | 72 | 125 | 18.09 | 518 | 47.50 | 0 | 0 | 0 | 518 | 264 |
| 2019 | 0 | 909 | 0 | 0 | 909 | 283 | 0 | 0 | 31.1 | 74 | 106 | 19.82 | 447 | 49.22 | 0 | 0 | 0 | 447 | 207 |
| 2020 | 0 | 773 | 0 | 0 | 773 | 221 | 0 | 0 | 28.6 | 75 | 90 | 21.88 | 386 | 51.15 | 0 | 0 | 0 | 386 | 162 |
| 2021 | 0 | 657 | 0 | 0 | 657 | 162 | 0 | 0 | 24.6 | 76 | 77 | 24.36 | 342 | 54.43 | 0 | 0 | 0 | 342 | 131 |
| 2022 | 0 | 558 | 0 | 0 | 558 | 119 | 0 | 0 | 21.4 | 78 | 65 | 27.35 | 296 | 56.61 | 0 | 0 | 0 | 296 | 103 |
| 2023 | 0 | 475 | 0 | 0 | 475 | 89 | 0 | 0 | 18.7 | 80 | 55 | 30.97 | 251 | 57.67 | 0 | 0 | 0 | 251 | 79 |
| 2024 | 0 | 403 | 0 | 0 | 403 | 67 | 0 | 0 | 16.6 | 81 | 47 | 35.36 | 208 | 57.54 | 0 | 0 | 0 | 208 | 60 |
| 2025 | 0 | 343 | 0 | 0 | 343 | 51 | 0 | 0 | 15.0 | 83 | 40 | 40.68 | 169 | 56.11 | 0 | 0 | 0 | 169 | 44 |
| SUB | 1580 | 18922 | 0 | 0 | 18922 | 5430 | 0 | 0 | 28.7 | 1038 | 2144 | | 10310 | | 0 | 1580 | 0 | 8731 | 5743 |
| REM | 61 | 596 | 0 | 0 | 596 | 76 | 0 | 0 | 12.8 | 193 | 69 | | 257 | | 0 | 0 | 61 | 197 | 46 |
| TOT | 1640 | 19518 | 0 | 0 | 19518 | 5506 | 0 | 0 | 28.2 | 1231 | 2213 | | 10567 | | 0 | 1580 | 61 | 8927 | 5789 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|----------|---------|-----------|------------|-------------------|---------------|---------------|
| FR After Roy & Oper. | 10567 | 8622 | 7319 | 6396 | 5713 | 5166 | 4768 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1580 | 1547 | 1518 | 1491 | 1467 | 1445 | 1424 |
| Abandonment Costs .. | 61 | 26 | 12 | 6 | 3 | 1 | 1 |
| Future Net Revenue . | 8927 | 7049 | 5789 | 4899 | 4243 | 3740 | 3343 |
| COMPANY SHARE | | | | | | | |
| | 1st Year | Average | Royalties | Oper Costs | FR After Roy&Oper | Capital Costs | Future NetRev |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue. | | | 28.2 | 17.6 | 54.1 | 8.1 | 45.7 |

PROFITABILITY

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------------|--|------------|
| Rate of Return (%) | | 999.9 |
| Profit Index (undisc.) | | 5.4 |
| (disc. @ 10.0%) . | | 3.8 |
| (disc. @ 5.0%) . | | 4.5 |
| First Payout (years) | | .7 |
| Total Payout (years) | | .8 |
| Cost of Finding (\$/BOE) | | 8.16 |
| NPV @ 10.0% (\$/STB) | | 28.80 |
| NPV @ 5.0% (\$/STB) | | 35.07 |

Table 4u

EVALUATION OF: Trout, Alberta - Possible Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 20-JUN-2011 5396
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-NOV-2012
 RUN DATE: 7-JUL-2011 TIME: 13:13
 FILE: OtrPSU13.DAX

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

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 201000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1636 -M\$-
 TOTAL ABANDONMENT - 61 -M\$- (2029)

INTEREST

AVG WI 100.0000%

ROYALTIES/TAXES

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

| Year | # of Wells | Price \$/STB | Oil STB | | Pool | | Company Share | |
|------|------------|--------------|---------|--------|--------|--------|---------------|--|
| | | | STB/D | Vol | Gross | Net | | |
| | | | | | | | | |
| 2011 | 0 | 96.00 | .0 | 0 | 0 | 0 | | |
| 2012 | 1 | 96.08 | 165.0 | 9900 | 9900 | 9405 | | |
| 2013 | 1 | 94.04 | 91.6 | 32963 | 32963 | 29392 | | |
| 2014 | 1 | 92.00 | 76.6 | 27561 | 27561 | 16537 | | |
| 2015 | 1 | 90.98 | 64.0 | 23045 | 23045 | 13827 | | |
| 2016 | 1 | 94.04 | 53.5 | 19269 | 19269 | 11561 | | |
| 2017 | 1 | 96.08 | 44.8 | 16111 | 16111 | 9798 | | |
| 2018 | 1 | 98.12 | 37.4 | 13471 | 13471 | 8542 | | |
| 2019 | 1 | 100.16 | 31.3 | 11264 | 11264 | 7433 | | |
| 2020 | 1 | 102.33 | 26.2 | 9418 | 9418 | 6410 | | |
| 2021 | 1 | 104.53 | 21.9 | 7875 | 7875 | 5499 | | |
| 2022 | 1 | 106.78 | 18.3 | 6585 | 6585 | 4866 | | |
| 2023 | 1 | 109.08 | 15.3 | 5506 | 5506 | 4252 | | |
| 2024 | 1 | 111.42 | 12.8 | 4603 | 4603 | 3680 | | |
| 2025 | 1 | 113.81 | 10.7 | 3849 | 3849 | 3161 | | |
| SUB | | | | 191420 | 191420 | 134363 | | |
| REM | | | | 9580 | 9580 | 8224 | | |
| TOT | | | | 201000 | 201000 | 142587 | | |

P/T

COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy & Oper -M\$- | Net back \$/STB | Proc & Other Income Costs -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|---------------------------|-----------------|---------------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | % | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1530 | 951 | 0 | 0 | 951 | 48 | 0 | 0 | 5.0 | 11 | 101 | 11.27 | 792 | 80.00 | 0 | 1530 | 0 | -738 | -665 |
| 2013 | 0 | 3100 | 0 | 0 | 3100 | 336 | 0 | 0 | 10.8 | 65 | 343 | 12.38 | 2356 | 71.47 | 0 | 0 | 0 | 2356 | 1931 |
| 2014 | 106 | 2536 | 0 | 0 | 2536 | 1014 | 0 | 0 | 40.0 | 67 | 292 | 13.03 | 1162 | 42.17 | 0 | 106 | 0 | 1056 | 787 |
| 2015 | 0 | 2097 | 0 | 0 | 2097 | 839 | 0 | 0 | 40.0 | 68 | 249 | 13.77 | 941 | 40.82 | 0 | 0 | 0 | 941 | 637 |
| 2016 | 0 | 1812 | 0 | 0 | 1812 | 725 | 0 | 0 | 40.0 | 69 | 213 | 14.64 | 805 | 41.79 | 0 | 0 | 0 | 805 | 496 |
| 2017 | 0 | 1548 | 0 | 0 | 1548 | 607 | 0 | 0 | 39.2 | 71 | 181 | 15.65 | 689 | 42.78 | 0 | 0 | 0 | 689 | 386 |
| 2018 | 0 | 1322 | 0 | 0 | 1322 | 484 | 0 | 0 | 36.6 | 72 | 155 | 16.84 | 611 | 45.38 | 0 | 0 | 0 | 611 | 311 |
| 2019 | 0 | 1128 | 0 | 0 | 1128 | 384 | 0 | 0 | 34.0 | 74 | 132 | 18.24 | 539 | 47.85 | 0 | 0 | 0 | 539 | 249 |
| 2020 | 0 | 964 | 0 | 0 | 964 | 308 | 0 | 0 | 31.9 | 75 | 113 | 19.91 | 468 | 49.73 | 0 | 0 | 0 | 468 | 197 |
| 2021 | 0 | 823 | 0 | 0 | 823 | 248 | 0 | 0 | 30.2 | 76 | 96 | 21.90 | 402 | 51.09 | 0 | 0 | 0 | 402 | 154 |
| 2022 | 0 | 703 | 0 | 0 | 703 | 183 | 0 | 0 | 26.1 | 78 | 82 | 24.28 | 360 | 54.63 | 0 | 0 | 0 | 360 | 125 |
| 2023 | 0 | 601 | 0 | 0 | 601 | 137 | 0 | 0 | 22.8 | 80 | 70 | 27.14 | 314 | 57.11 | 0 | 0 | 0 | 314 | 99 |
| 2024 | 0 | 513 | 0 | 0 | 513 | 103 | 0 | 0 | 20.1 | 81 | 60 | 30.57 | 269 | 58.50 | 0 | 0 | 0 | 269 | 77 |
| 2025 | 0 | 438 | 0 | 0 | 438 | 78 | 0 | 0 | 17.9 | 83 | 51 | 34.70 | 226 | 58.76 | 0 | 0 | 0 | 226 | 59 |
| SUB | 1636 | 18535 | 0 | 0 | 18535 | 5493 | 0 | 0 | 29.6 | 969 | 2137 | | 9936 | | 0 | 1636 | 0 | 8300 | 4844 |
| REM | 61 | 1114 | 0 | 0 | 1114 | 158 | 0 | 0 | 14.2 | 316 | 129 | | 511 | | 0 | 0 | 61 | 451 | 99 |
| TOT | 1697 | 19649 | 0 | 0 | 19649 | 5650 | 0 | 0 | 28.8 | 1285 | 2266 | | 10447 | | 0 | 1636 | 61 | 8751 | 4943 |

NET PRESENT VALUE (-M\$-)

PROFITABILITY

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|---------|-----------|------------|---------------------|---------------|---------------|-------|
| FR After Roy & Oper. | 10447 | 8004 | 6412 | 5311 | 4511 | 3907 | 3435 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1636 | 1542 | 1459 | 1383 | 1316 | 1254 | 1198 |
| Abandonment Costs | 61 | 25 | 11 | 5 | 2 | 1 | 1 |
| Future Net Revenue | 8751 | 6437 | 4943 | 3922 | 3193 | 2652 | 2237 |
| COMPANY SHARE | | | | | | | |
| 1st Year | Average | Royalties | Oper Costs | FR After Roy & Oper | Capital Costs | Future NetRev | |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue. | | | 28.8 | 18.1 | 53.2 | 8.3 | 44.5 |

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|-------|------------|
| Rate of Return (%) | ..... | 270.0 |
| Profit Index (undisc.) | ..... | 5.2 |
| (disc. @ 10.0%) | ..... | 3.4 |
| (disc. @ 5.0%) | ..... | 4.1 |
| First Payout (years) | ..... | 1.9 |
| Total Payout (years) | ..... | 2.0 |
| Cost of Finding (\$/BOE) | ..... | 8.44 |
| NPV @ 10.0% (\$/STB) | ..... | 24.59 |
| NPV @ 5.0% (\$/STB) | ..... | 32.03 |

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

Constant Prices & Costs

Cougar Oil and Gas Canada Inc.

Trout, Alberta

| | | Net To Appraised Interest | | | | | | | | | | |
|--|------------------------------|---------------------------|-------|-----------------|-----|------------|-----|----------------------------------|---------|----------|----------|----------|
| | | Reserves | | | | | | Cumulative Cash Flow (BIT) - M\$ | | | | |
| | | Light and Medium Oil MSTB | | Sales Gas MMscf | | NGL Mbbbls | | Discounted at: | | | | |
| Description | | Gross | Net | Gross | Net | Gross | Net | Undisc. | 5%/year | 10%/year | 15%/year | 20%/year |
| Proved Undeveloped | | | | | | | | | | | | |
| Loc. 06-16-089-03 W5M | Upper Keg River | 61 | 49 | 0 | 0 | 0 | 0 | 1,146 | 819 | 582 | 407 | 275 |
| Loc. 01-21-089-03 W5M | Upper Keg River | 61 | 49 | 0 | 0 | 0 | 0 | 1,146 | 819 | 582 | 407 | 275 |
| Loc. 04-22-089-03 W5M | Up. Keg River & Granite Wash | 61 | 49 | 0 | 0 | 0 | 0 | 1,141 | 779 | 518 | 327 | 185 |
| Total Proved Undeveloped | | 183 | 148 | 0 | 0 | 0 | 0 | 3,434 | 2,417 | 1,683 | 1,141 | 734 |
| Probable | | | | | | | | | | | | |
| Probable Undeveloped | | | | | | | | | | | | |
| Loc. 06-16-089-03 W5M | Upper Keg River | Incr. | 61 | 42 | 0 | 0 | 0 | 2,586 | 2,147 | 1,832 | 1,596 | 1,415 |
| Loc. 01-21-089-03 W5M | Upper Keg River | Incr. | 61 | 42 | 0 | 0 | 0 | 2,586 | 2,147 | 1,832 | 1,596 | 1,415 |
| Loc. 04-22-089-03 W5M | Up. Keg River & Granite Wash | Incr. | 61 | 42 | 0 | 0 | 0 | 2,591 | 2,119 | 1,782 | 1,531 | 1,339 |
| Loc. 02-08-089-03 W5M | Upper Keg River | | 133 | 102 | 0 | 0 | 0 | 4,697 | 4,095 | 3,607 | 3,203 | 2,865 |
| Loc. 12-08-089-03 W5M | Upper Keg River | | 133 | 102 | 0 | 0 | 0 | 4,697 | 4,095 | 3,607 | 3,203 | 2,865 |
| Loc. 15-08-089-03 W5M | Up. Keg River & Granite Wash | | 133 | 102 | 0 | 0 | 0 | 4,697 | 4,095 | 3,607 | 3,203 | 2,865 |
| Loc. 13-20-089-03 W5M | Upper Keg River | | 133 | 102 | 0 | 0 | 0 | 4,659 | 4,013 | 3,509 | 3,107 | 2,781 |
| Total Probable Undeveloped | | | 715 | 532 | 0 | 0 | 0 | 26,511 | 22,712 | 19,774 | 17,440 | 15,544 |
| Total Proved Plus Probable | | | 898 | 680 | 0 | 0 | 0 | 29,945 | 25,130 | 21,457 | 18,581 | 16,278 |
| Possible | | | | | | | | | | | | |
| Loc. 06-07-089-03 W5M | Upper Keg River | | 201 | 146 | 0 | 0 | 0 | 6,983 | 5,347 | 4,252 | 3,482 | 2,919 |
| Loc. 02-09-089-03 W5M | Up. Keg River & Granite Wash | | 240 | 172 | 0 | 0 | 0 | 8,547 | 6,440 | 5,072 | 4,131 | 3,452 |
| Loc. 03-09-089-03 W5M | Up. Keg River & Granite Wash | | 240 | 171 | 0 | 0 | 0 | 8,539 | 6,673 | 5,438 | 4,572 | 3,936 |
| Loc. 11-09-089-03 W5M | Upper Keg River | | 240 | 170 | 0 | 0 | 0 | 8,398 | 6,142 | 4,697 | 3,716 | 3,016 |
| Loc. 15-09-089-03 W5M | Upper Keg River | | 240 | 171 | 0 | 0 | 0 | 8,539 | 6,673 | 5,438 | 4,572 | 3,936 |
| Loc. 03-18-089-03 W5M | Up. Keg River & Granite Wash | | 240 | 171 | 0 | 0 | 0 | 8,539 | 6,673 | 5,438 | 4,572 | 3,936 |
| Loc. 03-19-089-03 W5M | Upper Keg River | | 201 | 145 | 0 | 0 | 0 | 6,988 | 5,489 | 4,476 | 3,756 | 3,223 |
| Loc. 06-19-089-03 W5M | Upper Keg River | | 201 | 145 | 0 | 0 | 0 | 6,898 | 5,066 | 3,873 | 3,053 | 2,465 |
| Total Possible | | | 1,803 | 1,290 | 0 | 0 | 0 | 63,431 | 48,504 | 38,683 | 31,853 | 26,881 |
| Total Proved Plus Probable Plus Possible Undeveloped | | | 2,701 | 1,970 | 0 | 0 | 0 | 93,376 | 73,634 | 60,140 | 50,434 | 43,158 |

M\$ means thousands of dollars.

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

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

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

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

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

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

Constant Prices & Costs

Cougar Oil and Gas Canada Inc.

| Description | Net To Appraised Interest | | | | | | | | | | |
|--|---------------------------|-------|-----------------|-----|------------|-----|----------------------------|----------|----------|----------|----------|
| | Reserves | | | | | | Cumulative Cash Flow - M\$ | | | | |
| | Light and Medium Oil MSTB | | Sales Gas MMscf | | NGL Mbbbls | | Discounted at: | | | | |
| | Gross | Net | Gross | Net | Gross | Net | Undisc. | 5%/year | 10%/year | 15%/year | 20%/year |
| Proved Undeveloped | | | | | | | | | | | |
| Total Proved Undeveloped (BIT) | 183 | 148 | 0 | 0 | 0 | 0 | 3,434 | 2,417 | 1,683 | 1,141 | 734 |
| Company Income Tax | - | - | - | - | - | - | (929) | (770) | (651) | (561) | (490) |
| Total Proved Undeveloped (AIT) | 183 | 148 | 0 | 0 | 0 | 0 | 2,505 | 1,648 | 1,031 | 580 | 244 |
| Probable | | | | | | | | | | | |
| Total Probable Undeveloped (BIT) | 715 | 532 | 0 | 0 | 0 | 0 | 26,511 | 22,712 | 19,774 | 17,440 | 15,544 |
| Company Income Tax | - | - | - | - | - | - | (6,629) | (5,881) | (5,291) | (4,812) | (4,416) |
| Total Probable Undeveloped (AIT) | 715 | 532 | 0 | 0 | 0 | 0 | 19,882 | 16,831 | 14,483 | 12,628 | 11,128 |
| Total Proved Plus Probable (AIT) | 898 | 680 | 0 | 0 | 0 | 0 | 22,387 | 18,479 | 15,515 | 13,208 | 11,371 |
| Possible | | | | | | | | | | | |
| Total Possible (BIT) | 1,803 | 1,290 | 0 | 0 | 0 | 0 | 63,431 | 48,504 | 38,683 | 31,853 | 26,881 |
| Company Income Tax | - | - | - | - | - | - | (15,832) | (12,429) | (10,189) | (8,627) | (7,486) |
| Total Possible (AIT) | 1,803 | 1,290 | 0 | 0 | 0 | 0 | 47,599 | 36,075 | 28,494 | 23,226 | 19,395 |
| Total Proved Plus Probable Plus Possible (AIT) | 2,701 | 1,970 | 0 | 0 | 0 | 0 | 69,986 | 54,553 | 44,009 | 36,433 | 30,766 |

M\$ means thousands of dollars

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

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

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

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

Table 5a

EVALUATION OF: Cougar Oil and Gas Canada Inc.
 Total Proved Undeveloped Consolidation

ERGO v7.41 P2 ENERGY SOLUTIONS TOTAL
 GLOBAL : 27-JUN-2011 5396 C\$
 EFF:01-JUN-2011 DISC:01-JUN-2011
 RUN DATE: 8-JUL-2011 TIME: 14:05
 FILE:

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

TOTAL CAPITAL COSTS - 4725 -M\$-
 TOTAL ABANDONMENT - 135 -M\$-

| Year | # of Wells | Price \$/STB | Oil STB | | Pool | | Company Share | |
|------|------------|--------------|---------|--------|--------|--------|---------------|-----|
| | | | STB/D | Vol | Gross | Net | Gross | Net |
| 2011 | 0 | .00 | .0 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 3 | 80.26 | 78.9 | 28814 | 28814 | 27373 | | |
| 2013 | 3 | 80.26 | 102.5 | 37404 | 37404 | 28726 | | |
| 2014 | 3 | 80.26 | 80.8 | 29497 | 29497 | 20536 | | |
| 2015 | 3 | 80.26 | 63.7 | 23261 | 23261 | 16968 | | |
| 2016 | 3 | 80.26 | 50.3 | 18343 | 18343 | 14398 | | |
| 2017 | 3 | 80.26 | 39.6 | 14465 | 14465 | 12008 | | |
| 2018 | 3 | 80.26 | 31.3 | 11407 | 11407 | 9876 | | |
| 2019 | 3 | 80.26 | 24.6 | 8996 | 8996 | 8041 | | |
| 2020 | 3 | 80.26 | 19.4 | 7094 | 7094 | 6498 | | |
| 2021 | 3 | 80.26 | 10.2 | 3719 | 3719 | 3460 | | |
| SUB | | | | 183000 | 183000 | 147884 | | |
| REM | | | | 0 | 0 | 0 | | |
| TOT | | | | 183000 | 183000 | 147884 | | |

| P/T | | COMPANY SHARE FUTURE NET REVENUE | | | | | | | | | | | | | | | | | |
|------|---------------------------|----------------------------------|---------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|-------------------------|-----------------|--------------------------|-------------------|-------------------|----------------|-------------|
| Year | Capital Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy&Oper -M\$- | Net back \$/BOE | Proc& Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | %- | Fixed -M\$- | Variable -M\$- | \$/BOE | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 4500 | 2313 | 0 | 0 | 2313 | 116 | 0 | 0 | 5.0 | 120 | 288 | 14.17 | 1789 | 62.08 | 0 | 4500 | 0 | -2711 | -2445 |
| 2013 | 0 | 3002 | 0 | 0 | 3002 | 697 | 0 | 0 | 23.2 | 188 | 374 | 15.03 | 1743 | 46.61 | 0 | 0 | 0 | 1743 | 1429 |
| 2014 | 225 | 2367 | 0 | 0 | 2367 | 719 | 0 | 0 | 30.4 | 188 | 295 | 16.38 | 1165 | 39.50 | 0 | 225 | 0 | 940 | 700 |
| 2015 | 0 | 1867 | 0 | 0 | 1867 | 505 | 0 | 0 | 27.1 | 188 | 233 | 18.09 | 941 | 40.45 | 0 | 0 | 0 | 941 | 637 |
| 2016 | 0 | 1472 | 0 | 0 | 1472 | 317 | 0 | 0 | 21.5 | 188 | 183 | 20.26 | 784 | 42.74 | 0 | 0 | 0 | 784 | 483 |
| 2017 | 0 | 1161 | 0 | 0 | 1161 | 197 | 0 | 0 | 17.0 | 188 | 145 | 23.01 | 631 | 43.61 | 0 | 0 | 0 | 631 | 353 |
| 2018 | 0 | 916 | 0 | 0 | 916 | 123 | 0 | 0 | 13.4 | 188 | 114 | 26.50 | 490 | 42.98 | 0 | 0 | 0 | 490 | 250 |
| 2019 | 0 | 722 | 0 | 0 | 722 | 77 | 0 | 0 | 10.6 | 188 | 90 | 30.93 | 367 | 40.81 | 0 | 0 | 0 | 367 | 170 |
| 2020 | 0 | 569 | 0 | 0 | 569 | 48 | 0 | 0 | 8.4 | 188 | 71 | 36.53 | 262 | 36.98 | 0 | 0 | 0 | 262 | 110 |
| 2021 | 135 | 298 | 0 | 0 | 298 | 21 | 0 | 0 | 7.0 | 119 | 37 | 42.13 | 121 | 32.55 | 0 | 0 | 135 | -14 | -5 |
| SUB | 4860 | 14688 | 0 | 0 | 14688 | 2818 | 0 | 0 | 19.2 | 1746 | 1830 | | 8294 | | 0 | 4725 | 135 | 3434 | 1683 |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | | 0 | | 0 | 0 | 0 | 0 | 0 |
| TOT | 4860 | 14688 | 0 | 0 | 14688 | 2818 | 0 | 0 | 19.2 | 1746 | 1830 | | 8294 | | 0 | 4725 | 135 | 3434 | 1683 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|----------|---------|-----------|------------|-------------------|---------------|---------------|
| FR After Roy & Oper. | 8294 | 6961 | 5959 | 5186 | 4576 | 4084 | 3681 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 4725 | 4461 | 4225 | 4012 | 3820 | 3644 | 3484 |
| Abandonment Costs | 135 | 83 | 52 | 33 | 21 | 14 | 10 |
| Future Net Revenue | 3434 | 2417 | 1683 | 1141 | 734 | 425 | 188 |
| COMPANY SHARE | | | | | | | |
| | 1st Year | Average | Royalties | Oper Costs | FR After Roy&Oper | Capital Costs | Future NetRev |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue. | | | 19.2 | 24.3 | 56.5 | 32.2 | 23.4 |

PROFITABILITY

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|--|------------|
| Rate of Return (%) | | 35.1 |
| Profit Index (undisc.) | | .7 |
| (disc. @ 10.0%) | | .4 |
| (disc. @ 5.0%) | | .5 |
| First Payout (years) | | 3.6 |
| Total Payout (years) | | 3.8 |
| Cost of Finding (\$/BOE) | | 26.56 |
| NPV @ 10.0% (\$/BOE) | | 9.19 |
| NPV @ 5.0% (\$/BOE) | | 13.21 |

Table 5a

FUTURE NET REVENUE & INCOME TAX SUMMARY:

ERGO v7.41 P2 ENERGY SOLUTIONS TOTAL
 GLOBAL : 27-JUN-2011 5396 C\$
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-JAN-2011
 RUN DATE: 8-JUL-2011 TIME: 14:05
 FILE:

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

| Year | FR After Roy&Oper -M\$- | Crown Royalties -M\$- | Min/Cap Tax -M\$- | Capital Costs -M\$- | Aband Costs -M\$- | Admin + Oth Income/ Expense -M\$- | Future Net Rev Before Tax | | Taxable Income | | Income Tax | | Future Net Rev After Tax | | |
|------|-------------------------------|-----------------------------|-------------------------|---------------------------|-------------------------|---|------------------------------|-------|---------------------------|--------------------------|--------------|---------------|-----------------------------|----------------|--------------|
| | | | | | | | Annual | Cum | Before Deduct -M\$- | After Deduct -M\$- | Fed -M\$- | Prov -M\$- | Undisc -M\$- | 10.0% -M\$- | Cum -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1789 | 116 | 0 | 4500 | 0 | 0 | -2711 | -2711 | 1904 | 675 | 101 | 67 | -2880 | -2597 | -2597 |
| 2013 | 1743 | 697 | 0 | 0 | 0 | 0 | 1743 | -968 | 2440 | 786 | 118 | 79 | 1547 | 1268 | -1329 |
| 2014 | 1165 | 719 | 0 | 225 | 0 | 0 | 940 | -28 | 1884 | 425 | 64 | 42 | 834 | 621 | -708 |
| 2015 | 941 | 505 | 0 | 0 | 0 | 0 | 941 | 913 | 1446 | 403 | 60 | 40 | 840 | 569 | -138 |
| 2016 | 784 | 317 | 0 | 0 | 0 | 0 | 784 | 1697 | 1101 | 398 | 60 | 40 | 684 | 421 | 283 |
| 2017 | 631 | 197 | 0 | 0 | 0 | 0 | 631 | 2328 | 828 | 354 | 53 | 35 | 542 | 304 | 587 |
| 2018 | 490 | 123 | 0 | 0 | 0 | 0 | 490 | 2818 | 613 | 292 | 44 | 29 | 417 | 212 | 799 |
| 2019 | 367 | 77 | 0 | 0 | 0 | 0 | 367 | 3185 | 444 | 224 | 34 | 22 | 311 | 144 | 943 |
| 2020 | 262 | 48 | 0 | 0 | 0 | 0 | 262 | 3448 | 310 | 159 | 24 | 16 | 222 | 94 | 1037 |
| 2021 | 121 | 21 | 0 | 0 | 135 | 0 | -14 | 3434 | 142 | 0 | 0 | 0 | -14 | -5 | 1031 |
| SUB | 8294 | 2818 | 0 | 4725 | 135 | 0 | 3434 | | 11112 | 3716 | 557 | 372 | 2505 | 1031 | |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOT | 8294 | 2818 | 0 | 4725 | 135 | 0 | 3434 | | 11112 | 3716 | 557 | 372 | 2505 | 1031 | |

| NET PRESENT VALUE (-M\$-) | | | | | | | 0.0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|---------------------------------|--|--|--|--|--|--|------|------|-------|-------|-------|-------|-------|
| Future net revenue before tax | | | | | | | 3434 | 2417 | 1683 | 1141 | 734 | 425 | 188 |
| Federal & provincial income tax | | | | | | | 929 | 770 | 651 | 561 | 490 | 434 | 388 |
| Future net revenue after tax | | | | | | | 2505 | 1648 | 1031 | 580 | 244 | -8 | -201 |

EVALUATION OF: Cougar Oil and Gas Canada Inc.
***** Total Proved Plus Probable Consolidation

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

| | | |
|------------------------|-------|-------|
| TOTAL CAPITAL COSTS .. | 11125 | -M\$- |
| TOTAL ABANDONMENT .. | 315 | -M\$- |

| Year | # of Wells | Price \$/STB | Oil STB | | | |
|------|------------|--------------|---------|--------|---------|--------|
| | | | Pool | | Company | Share |
| | | | STB/D | Vol | Gross | Net |
| 2011 | 0 | .00 | .0 | 0 | 0 | 0 |
| 2012 | 7 | 80.26 | 712.3 | 260000 | 260000 | 242823 |
| 2013 | 7 | 80.26 | 524.2 | 191338 | 191338 | 126900 |
| 2014 | 7 | 80.26 | 369.4 | 134817 | 134817 | 80890 |
| 2015 | 7 | 80.26 | 262.1 | 95659 | 95659 | 61605 |
| 2016 | 7 | 80.26 | 187.3 | 68353 | 68353 | 47403 |
| 2017 | 7 | 80.26 | 134.8 | 49184 | 49184 | 36890 |
| 2018 | 7 | 80.26 | 97.6 | 35634 | 35634 | 28564 |
| 2019 | 7 | 80.26 | 70.0 | 25560 | 25560 | 21626 |
| 2020 | 4 | 80.26 | 40.7 | 14839 | 14839 | 12796 |
| 2021 | 4 | 80.26 | 27.2 | 9943 | 9943 | 8804 |
| 2022 | 3 | 80.26 | 20.8 | 7600 | 7600 | 6917 |
| 2023 | 3 | 80.26 | 13.6 | 4973 | 4973 | 4615 |
| 2024 | 1 | 80.26 | .3 | 101 | 101 | 95 |
| SUB | | | | 898000 | 898000 | 679929 |
| REM | | | | 0 | 0 | 0 |
| TOT | | | | 898000 | 898000 | 679929 |

| P/T | | COMPANY SHARE | | | | | | | | | | FUTURE NET REVENUE | | | | | | | |
|------|----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------------------|-------------------------|-----------------|--------------------------|-------------------|-------------------|----------------|-------------|
| Year | Capital &Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy&Oper -M\$- | Net back \$/BOE | Proc& Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | %- | Fixed -M\$- | Variable -M\$- | \$/BOE | | | | | | Undisc -M\$- | 10.0% -M\$- |
| | | | | | | | | | | | | | | | | | | | |
| 2011 | 4500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 4500 | 0 | -4500 | -4376 |
| 2012 | 6000 | 20868 | 0 | 0 | 20868 | 1379 | 0 | 0 | 6.6 | 355 | 2600 | 11.37 | 16534 | 63.59 | 0 | 6000 | 0 | 10534 | 9498 |
| 2013 | 300 | 15357 | 0 | 0 | 15357 | 5172 | 0 | 0 | 33.7 | 439 | 1913 | 12.30 | 7832 | 40.93 | 0 | 300 | 0 | 7532 | 6174 |
| 2014 | 325 | 10820 | 0 | 0 | 10820 | 4238 | 0 | 0 | 40.0 | 439 | 1348 | 13.26 | 4705 | 34.90 | 0 | 325 | 0 | 4380 | 3264 |
| 2015 | 0 | 7678 | 0 | 0 | 7678 | 2733 | 0 | 0 | 35.6 | 439 | 957 | 14.59 | 3549 | 37.10 | 0 | 0 | 0 | 3549 | 2404 |
| 2016 | 0 | 5486 | 0 | 0 | 5486 | 1681 | 0 | 0 | 30.6 | 439 | 684 | 16.43 | 2682 | 39.24 | 0 | 0 | 0 | 2682 | 1652 |
| 2017 | 0 | 3948 | 0 | 0 | 3948 | 987 | 0 | 0 | 25.0 | 439 | 492 | 18.93 | 2030 | 41.27 | 0 | 0 | 0 | 2030 | 1136 |
| 2018 | 0 | 2860 | 0 | 0 | 2860 | 567 | 0 | 0 | 19.8 | 439 | 356 | 22.33 | 1497 | 42.01 | 0 | 0 | 0 | 1497 | 762 |
| 2019 | 135 | 2051 | 0 | 0 | 2051 | 316 | 0 | 0 | 15.4 | 424 | 256 | 26.59 | 1056 | 41.32 | 0 | 0 | 135 | 921 | 426 |
| 2020 | 0 | 1191 | 0 | 0 | 1191 | 164 | 0 | 0 | 13.8 | 251 | 148 | 26.91 | 628 | 42.29 | 0 | 0 | 0 | 628 | 264 |
| 2021 | 45 | 798 | 0 | 0 | 798 | 91 | 0 | 0 | 11.5 | 194 | 99 | 29.49 | 413 | 41.58 | 0 | 0 | 45 | 366 | 141 |
| 2022 | 0 | 610 | 0 | 0 | 610 | 55 | 0 | 0 | 9.0 | 188 | 76 | 34.77 | 291 | 38.28 | 0 | 0 | 0 | 291 | 101 |
| 2023 | 90 | 399 | 0 | 0 | 399 | 29 | 0 | 0 | 7.2 | 155 | 50 | 41.09 | 166 | 33.40 | 0 | 0 | 90 | 76 | 24 |
| 2024 | 45 | 8 | 0 | 0 | 8 | 1 | 0 | 0 | 6.5 | 4 | 1 | 44.60 | 3 | 30.47 | 0 | 0 | 45 | -42 | -12 |
| SUB | 11440 | 72073 | 0 | 0 | 72073 | 17502 | 0 | 0 | 24.3 | 4206 | 8980 | | 41385 | | 0 | 11125 | 315 | 29945 | 21457 |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | | 0 | | 0 | 0 | 0 | 0 | 0 |
| TOT | 11440 | 72073 | 0 | 0 | 72073 | 17502 | 0 | 0 | 24.3 | 4206 | 8980 | | 41385 | | 0 | 11125 | 315 | 29945 | 21457 |

| NET PRESENT VALUE (-M\$-) | | | | | | | |
|---------------------------|----------|---------|-----------|------------|-------------------|---------------|---------------|
| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
| FR After Roy & Oper. | 41385 | 35999 | 31852 | 28569 | 25908 | 23708 | 21860 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 11125 | 10677 | 10274 | 9909 | 9578 | 9275 | 8997 |
| Abandonment Costs .. | 315 | 192 | 121 | 78 | 52 | 35 | 25 |
| Future Net Revenue . | 29945 | 25130 | 21457 | 18581 | 16278 | 14398 | 12838 |
| COMPANY SHARE | | | | | | | |
| | 1st Year | Average | Royalties | Oper Costs | FR After Roy&Oper | Capital Costs | Future NetRev |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue. | | | 24.3 | 18.3 | 57.4 | 15.4 | 41.5 |

| PROFITABILITY | | Before Tax |
|--------------------------|-------|---------------|
| COMPANY SHARE BASIS | | |
| Rate of Return (%) | ..... | 277.9 |
| Profit Index (undisc.) | ..... | 2.6 |
| (disc. @ 10.0%) | ..... | 2.1 |
| (disc. @ 5.0%) | ..... | 2.3 |
| First Payout (years) | ..... | 1.0 |
| Total Payout (years) | ..... | 1.3 |
| Cost of Finding (\$/BOE) | ..... | 12.74 |
| NPV @ 10.0% (\$/BOE) | ..... | 23.69 |
| NPV @ 5.0% (\$/BOE) | ..... | 27.98 |

Table 5b

FUTURE NET REVENUE & INCOME TAX SUMMARY:

ERGO v7.41 P2 ENERGY SOLUTIONS TOTAL
 GLOBAL : 27-JUN-2011 5396 C\$
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-JAN-2011
 RUN DATE: 8-JUL-2011 TIME: 14:04
 FILE:

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

| Year | FR After Roy&Oper -M\$- | Crown Royalties -M\$- | Min/Cap Tax -M\$- | Capital Costs -M\$- | Aband Costs -M\$- | Admin + Oth Income/ Expense -M\$- | Future Net Rev Before Tax | | Taxable Income | | Income Tax | | Future Net Rev After Tax | | |
|------|-------------------------------|-----------------------------|-------------------------|---------------------------|-------------------------|---|------------------------------|--------------|---------------------------|--------------------------|--------------|---------------|-----------------------------|----------------|--------------|
| | | | | | | | Annual -M\$- | Cum -M\$- | Before Deduct -M\$- | After Deduct -M\$- | Fed -M\$- | Prov -M\$- | Undisc -M\$- | 10.0% -M\$- | Cum -M\$- |
| 2011 | 0 | 0 | 0 | 4500 | 0 | 0 | -4500 | -4500 | 0 | 0 | 0 | 0 | -4500 | -4376 | -4376 |
| 2012 | 16534 | 1379 | 0 | 6000 | 0 | 0 | 10534 | 6034 | 17912 | 13766 | 2065 | 1377 | 7092 | 6395 | 2019 |
| 2013 | 7832 | 5172 | 0 | 300 | 0 | 0 | 7532 | 13566 | 13004 | 5568 | 835 | 557 | 6140 | 5033 | 7052 |
| 2014 | 4705 | 4328 | 0 | 325 | 0 | 0 | 4380 | 17946 | 9033 | 2995 | 449 | 299 | 3631 | 2706 | 9757 |
| 2015 | 3549 | 2733 | 0 | 0 | 0 | 0 | 3549 | 21494 | 6282 | 2314 | 347 | 231 | 2970 | 2012 | 11770 |
| 2016 | 2682 | 1681 | 0 | 0 | 0 | 0 | 2682 | 24176 | 4363 | 1797 | 270 | 180 | 2232 | 1375 | 13144 |
| 2017 | 2030 | 987 | 0 | 0 | 0 | 0 | 2030 | 26206 | 3016 | 1396 | 209 | 140 | 1681 | 941 | 14085 |
| 2018 | 1497 | 567 | 0 | 0 | 0 | 0 | 1497 | 27703 | 2064 | 1042 | 156 | 104 | 1237 | 629 | 14715 |
| 2019 | 1056 | 316 | 0 | 0 | 135 | 0 | 921 | 28624 | 1372 | 594 | 89 | 59 | 773 | 357 | 15072 |
| 2020 | 628 | 164 | 0 | 0 | 0 | 0 | 628 | 29252 | 792 | 392 | 59 | 39 | 530 | 223 | 15295 |
| 2021 | 413 | 91 | 0 | 0 | 45 | 0 | 368 | 29620 | 505 | 199 | 30 | 20 | 319 | 122 | 15417 |
| 2022 | 291 | 55 | 0 | 0 | 0 | 0 | 291 | 29911 | 346 | 169 | 25 | 17 | 249 | 86 | 15503 |
| 2023 | 166 | 29 | 0 | 0 | 90 | 0 | 76 | 29987 | 195 | 0 | 0 | 0 | 76 | 24 | 15527 |
| 2024 | 3 | 1 | 0 | 0 | 45 | 0 | -42 | 29945 | 4 | 0 | 0 | 0 | -42 | -12 | 15515 |
| SUB | 41385 | 17502 | 0 | 11125 | 315 | 0 | 29945 | | 58888 | 30232 | 4535 | 3023 | 22387 | 15515 | |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 | |
| TOT | 41385 | 17502 | 0 | 11125 | 315 | 0 | 29945 | | 58888 | 30232 | 4535 | 3023 | 22387 | 15515 | |

| NET PRESENT VALUE (-M\$-) | | | | | | | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|---------------------------------|--|--|--|--|--|--|-------|-------|-------|-------|-------|-------|-------|
| Future net revenue before tax | | | | | | | 29945 | 25130 | 21457 | 18581 | 16278 | 14398 | 12838 |
| Federal & provincial income tax | | | | | | | 7558 | 6651 | 5942 | 5373 | 4906 | 4517 | 4187 |
| Future net revenue after tax | | | | | | | 22387 | 18479 | 15515 | 13208 | 11371 | 9881 | 8651 |

Table 5c

EVALUATION OF: Cougar Oil and Gas Canada Inc.
 ***** Total Proved Plus Probable Plus Possible Consolidation

ERGO v7.41 P2 ENERGY SOLUTIONS TOTAL
 GLOBAL : 27-JUN-2011 5396 C\$
 EFF:01-JUN-2011 DISC:01-JUN-2011
 RUN DATE: 8-JUL-2011 TIME: 14:04
 FILE:

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

TOTAL CAPITAL COSTS - 24100 -M\$-
 TOTAL ABANDONMENT - 675 -M\$-

| Oil MSTB | | | | | | |
|-------------|---------------|-----------------|--------|------|---------------|------|
| Year | # of Wells | Price \$/STB | Pool | | Company Share | |
| | | | STB/D | Vol | Gross | Net |
| 2011 | 4 | 80.26 | 299.8 | 64 | 64 | 61 |
| 2012 | 15 | 80.26 | 1307.5 | 477 | 477 | 436 |
| 2013 | 15 | 80.26 | 1244.0 | 454 | 454 | 319 |
| 2014 | 15 | 80.26 | 971.0 | 354 | 354 | 213 |
| 2015 | 15 | 80.26 | 765.0 | 279 | 279 | 172 |
| 2016 | 15 | 80.26 | 607.6 | 222 | 222 | 140 |
| 2017 | 15 | 80.26 | 486.2 | 177 | 177 | 116 |
| 2018 | 15 | 80.26 | 391.4 | 143 | 143 | 98 |
| 2019 | 15 | 80.26 | 315.6 | 115 | 115 | 82 |
| 2020 | 12 | 80.26 | 246.0 | 90 | 90 | 65 |
| 2021 | 12 | 80.26 | 198.9 | 73 | 73 | 55 |
| 2022 | 11 | 80.26 | 164.3 | 60 | 60 | 47 |
| 2023 | 11 | 80.26 | 133.6 | 49 | 49 | 40 |
| 2024 | 9 | 80.26 | 100.6 | 37 | 37 | 31 |
| 2025 | 8 | 80.26 | 83.9 | 31 | 31 | 26 |
| SUB | | | | 2625 | 2625 | 1901 |
| REM | | | | 76 | 76 | 69 |
| TOT | | | | 2701 | 2701 | 1970 |

P/T n COMPANY SHARE FUTURE NET REVENUE

| Year | Capital &Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy&Oper -M\$- | Net back \$/BOE | Proc& Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-------------------------------------|---------------------|------------------|-------------------|----------------|----------------|----------------|------------------|------|-----------------|-------------------|--------|-------------------------------|-----------------------|-----------------------------------|-------------------------|-------------------------|-----------------|----------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | % | Fixed -M\$- | Variable -M\$- | \$/BOE | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 10500 | 5149 | 0 | 0 | 5149 | 257 | 0 | 0 | 5.0 | 63 | 642 | 10.98 | 4187 | 65.27 | 0 | 10500 | 0 | -6313 | -6139 |
| 2012 | 12000 | 38303 | 0 | 0 | 38303 | 3281 | 0 | 0 | 8.6 | 680 | 4772 | 11.42 | 29571 | 61.96 | 0 | 12000 | 0 | 17571 | 15842 |
| 2013 | 300 | 36444 | 0 | 0 | 36444 | 10814 | 0 | 0 | 29.7 | 941 | 4541 | 12.07 | 20148 | 44.37 | 0 | 300 | 0 | 19848 | 16269 |
| 2014 | 1300 | 28446 | 0 | 0 | 28446 | 11378 | 0 | 0 | 40.0 | 941 | 3544 | 12.66 | 12582 | 35.50 | 0 | 1300 | 0 | 11282 | 8407 |
| 2015 | 0 | 22410 | 0 | 0 | 22410 | 8626 | 0 | 0 | 38.5 | 941 | 2792 | 13.37 | 10051 | 36.00 | 0 | 0 | 0 | 10051 | 6808 |
| 2016 | 0 | 17801 | 0 | 0 | 17801 | 6581 | 0 | 0 | 37.0 | 941 | 2218 | 14.24 | 8061 | 36.35 | 0 | 0 | 0 | 8061 | 4964 |
| 2017 | 0 | 14242 | 0 | 0 | 14242 | 4909 | 0 | 0 | 34.5 | 941 | 1774 | 15.30 | 6617 | 37.29 | 0 | 0 | 0 | 6617 | 3704 |
| 2018 | 0 | 11466 | 0 | 0 | 11466 | 3602 | 0 | 0 | 31.4 | 941 | 1429 | 16.59 | 5494 | 38.45 | 0 | 0 | 0 | 5494 | 2796 |
| 2019 | 135 | 9246 | 0 | 0 | 9246 | 2646 | 0 | 0 | 28.6 | 926 | 1152 | 18.04 | 4522 | 39.25 | 0 | 0 | 135 | 4387 | 2030 |
| 2020 | 0 | 7205 | 0 | 0 | 7205 | 1958 | 0 | 0 | 27.2 | 753 | 898 | 18.39 | 3597 | 40.07 | 0 | 0 | 0 | 3597 | 1513 |
| 2021 | 45 | 5826 | 0 | 0 | 5826 | 1452 | 0 | 0 | 24.9 | 696 | 726 | 19.58 | 2953 | 40.68 | 0 | 0 | 45 | 2908 | 1112 |
| 2022 | 0 | 4814 | 0 | 0 | 4814 | 1035 | 0 | 0 | 21.5 | 690 | 600 | 21.51 | 2489 | 41.50 | 0 | 0 | 0 | 2489 | 865 |
| 2023 | 90 | 3914 | 0 | 0 | 3914 | 716 | 0 | 0 | 18.3 | 657 | 488 | 23.46 | 2054 | 42.11 | 0 | 0 | 90 | 1964 | 621 |
| 2024 | 45 | 2947 | 0 | 0 | 2947 | 483 | 0 | 0 | 16.4 | 505 | 367 | 23.77 | 1592 | 43.35 | 0 | 0 | 45 | 1547 | 444 |
| 2025 | 0 | 2457 | 0 | 0 | 2457 | 338 | 0 | 0 | 13.8 | 502 | 306 | 26.39 | 1311 | 42.83 | 0 | 0 | 0 | 1311 | 343 |
| SUB | 24415 | 210671 | 0 | 0 | 210671 | 58076 | 0 | 0 | 27.6 | 11118 | 26249 | | 115227 | | 0 | 24100 | 315 | 90812 | 59580 |
| REM | 360 | 6112 | 0 | 0 | 6112 | 588 | 0 | 0 | 9.6 | 1839 | 761 | | 2923 | | 0 | 0 | 360 | 2563 | 560 |
| TOT | 24775 | 216782 | 0 | 0 | 216782 | 58664 | 0 | 0 | 27.1 | 12957 | 27010 | | 118151 | | 0 | 24100 | 675 | 93376 | 60140 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|-----------------------|--------|-------|-------|-------|-------|-------|-------|
| FR After Roy & Oper. | 118151 | 97095 | 82570 | 71998 | 63967 | 57655 | 52559 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 24100 | 23121 | 22245 | 21457 | 20743 | 20093 | 19499 |
| Abandonment Costs .. | 675 | 340 | 185 | 107 | 65 | 42 | 28 |
| Future Net Revenue .. | 93376 | 73634 | 60140 | 50434 | 43158 | 37520 | 33032 |

COMPANY SHARE

| | 1st Year | Average | Royalties | Oper | FR After | Capital | Future |
|----------------------|----------|---------|-----------|-------|----------|---------|--------|
| | | | | Costs | Roy&Oper | Costs | NetRev |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue. | | | 27.1 | 18.4 | 54.5 | 11.1 | 43.1 |

PROFITABILITY

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------------|--|---------------|
| Rate of Return (%) | | 388.4 |
| Profit Index (undisc.) | | 3.8 |
| (disc. @ 10.0%) | | 2.7 |
| (disc. @ 5.0%) | | 3.1 |
| First Payout (years) | | .9 |
| Total Payout (years) | | 1.3 |
| Cost of Finding (\$/BOE) | | 9.17 |
| NPV @ 10.0% (\$/BOE) | | 22.27 |
| NPV @ 5.0% (\$/BOE) | | 27.26 |

Table 5c

FUTURE NET REVENUE & INCOME TAX SUMMARY:

ERGO v7.41 P2 ENERGY SOLUTIONS TOTAL
 GLOBAL : 27-JUN-2011 5396 C\$
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-JAN-2011
 RUN DATE: 8-JUL-2011 TIME: 14:04
 FILE:

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

| Year | PR After Roy&Oper -M\$- | Crown Royalties -M\$- | Min/Cap Tax -M\$- | Capital Costs -M\$- | Aband Costs -M\$- | Admin + Oth Income/ Expense -M\$- | Future Net Rev Before Tax | | Taxable Income | | Income Tax | | Future Net Rev After Tax | | |
|------|-------------------------------|-----------------------------|-------------------------|---------------------------|-------------------------|---|------------------------------|--------------|---------------------------|--------------------------|--------------|---------------|-----------------------------|----------------|--------------|
| | | | | | | | Annual -M\$- | Cum -M\$- | Before Deduct -M\$- | After Deduct -M\$- | Fed -M\$- | Prov -M\$- | Undisc -M\$- | 10.0% -M\$- | Cum -M\$- |
| 2011 | 4187 | 257 | 0 | 10500 | 0 | 0 | -6313 | -6313 | 4445 | 1588 | 262 | 159 | -6734 | -6548 | -6548 |
| 2012 | 29571 | 3281 | 0 | 12000 | 0 | 0 | 17571 | 11258 | 32851 | 24368 | 3655 | 2437 | 11479 | 10350 | 3801 |
| 2013 | 20148 | 10814 | 0 | 300 | 0 | 0 | 19848 | 31106 | 30962 | 15925 | 2389 | 1593 | 15867 | 13006 | 16807 |
| 2014 | 12582 | 11378 | 0 | 1300 | 0 | 0 | 11282 | 42388 | 23960 | 9227 | 1384 | 923 | 8975 | 6688 | 23495 |
| 2015 | 10051 | 8626 | 0 | 0 | 0 | 0 | 10051 | 52439 | 18677 | 7601 | 1140 | 760 | 8150 | 5521 | 29016 |
| 2016 | 8061 | 6581 | 0 | 0 | 0 | 0 | 8061 | 60500 | 14642 | 6305 | 946 | 630 | 6485 | 3994 | 33010 |
| 2017 | 6617 | 4909 | 0 | 0 | 0 | 0 | 6617 | 67116 | 11526 | 5356 | 803 | 536 | 5278 | 2955 | 35965 |
| 2018 | 5494 | 3602 | 0 | 0 | 0 | 0 | 5494 | 72610 | 9096 | 4588 | 688 | 459 | 4347 | 2212 | 38177 |
| 2019 | 4522 | 2646 | 0 | 0 | 135 | 0 | 4387 | 76997 | 7168 | 3735 | 560 | 373 | 3453 | 1598 | 39775 |
| 2020 | 3597 | 1958 | 0 | 0 | 0 | 0 | 3597 | 80594 | 5555 | 3128 | 469 | 313 | 2815 | 1184 | 40959 |
| 2021 | 2953 | 1452 | 0 | 0 | 45 | 0 | 2908 | 83501 | 4405 | 2569 | 385 | 257 | 2265 | 866 | 41825 |
| 2022 | 2489 | 1035 | 0 | 0 | 0 | 0 | 2489 | 85991 | 3524 | 2245 | 337 | 224 | 1928 | 670 | 42495 |
| 2023 | 2054 | 716 | 0 | 0 | 90 | 0 | 1964 | 87954 | 2770 | 1787 | 268 | 179 | 1517 | 479 | 42974 |
| 2024 | 1592 | 483 | 0 | 0 | 45 | 0 | 1547 | 89501 | 2074 | 1419 | 213 | 142 | 1192 | 343 | 43317 |
| 2025 | 1311 | 338 | 0 | 0 | 0 | 0 | 1311 | 90812 | 1649 | 1219 | 183 | 122 | 1007 | 263 | 43580 |
| SUB | 115227 | 58076 | 0 | 24100 | 315 | 0 | 90812 | | 173304 | 91060 | 13683 | 9106 | 68024 | 43580 | |
| REM | 2923 | 568 | 0 | 0 | 360 | 0 | 2563 | | 3511 | 2404 | 361 | 240 | 1962 | 429 | |
| TOT | 118151 | 58664 | 0 | 24100 | 675 | 0 | 93376 | | 176815 | 93464 | 14043 | 9346 | 69986 | 44009 | |

| NET PRESENT VALUE (-M\$-) | | | | | | | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|---------------------------------|--|--|--|--|--|--|-------|-------|-------|-------|-------|-------|-------|
| Future net revenue before tax | | | | | | | 93376 | 73634 | 60140 | 50434 | 43158 | 37520 | 33032 |
| Federal & provincial income tax | | | | | | | 23390 | 19080 | 16131 | 14000 | 12392 | 11134 | 10123 |
| Future net revenue after tax | | | | | | | 69986 | 54553 | 44009 | 36433 | 30766 | 26386 | 22909 |

Table 5d

EVALUATION OF: Troat, Alberta - Proved Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 27-JUN-2011 5396 C\$
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-APR-2012
 RUN DATE: 8-JUL-2011 TIME: 13:58
 FILE: OtrPU4.DAX

WELL/LOCATION - Loc.06-16-089-03 W5M (Upper Keg River)
 EVALUATED BY -
 COMPANY EVALUATED - Cougar Oil and Gas Canada Inc.
 APPRAISAL FOR -
 PROJECT - CONSTANT PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 61000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1575 -M\$-
 TOTAL ABANDONMENT - 45 -M\$- (2021)

INTEREST

AVG WI 100.0000%

ROYALTIES/TAXES

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

| Year | # of Wells | Price \$/STB | Oil STB | | Company Share | |
|------|------------|--------------|------------|-------|---------------|-------|
| | | | Pool STB/D | Vol | Gross | Net |
| 2011 | 0 | 80.26 | .0 | 0 | 0 | 0 |
| 2012 | 1 | 80.26 | 41.2 | 11172 | 11172 | 10614 |
| 2013 | 1 | 80.26 | 33.7 | 12133 | 12133 | 8938 |
| 2014 | 1 | 80.26 | 26.6 | 9569 | 9569 | 6698 |
| 2015 | 1 | 80.26 | 21.0 | 7547 | 7547 | 5549 |
| 2016 | 1 | 80.26 | 16.5 | 5952 | 5952 | 4707 |
| 2017 | 1 | 80.26 | 13.0 | 4694 | 4694 | 3919 |
| 2018 | 1 | 80.26 | 10.3 | 3702 | 3702 | 3219 |
| 2019 | 1 | 80.26 | 8.1 | 2920 | 2920 | 2618 |
| 2020 | 1 | 80.26 | 6.4 | 2303 | 2303 | 2114 |
| 2021 | 1 | 80.26 | 2.8 | 1009 | 1009 | 940 |
| SUB | | | | 61000 | 61000 | 49315 |
| REM | | | | 0 | 0 | 0 |
| TOT | | | | 61000 | 61000 | 49315 |

P/T COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | Operating Costs | | | FR After Roy&Oper -M\$- | Net back \$/STB | Proc& Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|-----------------|----------------|--------|-------------------------|-----------------|--------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1500 | 897 | 0 | 0 | 897 | 45 | 0 | 0 | 5.0 | 47 | 112 | 693 | 62.04 | 0 | 1500 | 0 | -807 | -728 |
| 2013 | 0 | 974 | 0 | 0 | 974 | 256 | 0 | 0 | 26.3 | 63 | 121 | 533 | 43.95 | 0 | 0 | 0 | 533 | 437 |
| 2014 | 75 | 768 | 0 | 0 | 768 | 230 | 0 | 0 | 30.0 | 63 | 96 | 379 | 39.62 | 0 | 75 | 0 | 304 | 227 |
| 2015 | 0 | 606 | 0 | 0 | 606 | 160 | 0 | 0 | 26.5 | 63 | 75 | 307 | 40.70 | 0 | 0 | 0 | 307 | 208 |
| 2016 | 0 | 478 | 0 | 0 | 478 | 100 | 0 | 0 | 20.9 | 63 | 60 | 256 | 42.94 | 0 | 0 | 0 | 256 | 157 |
| 2017 | 0 | 377 | 0 | 0 | 377 | 62 | 0 | 0 | 16.5 | 63 | 47 | 205 | 43.63 | 0 | 0 | 0 | 205 | 115 |
| 2018 | 0 | 297 | 0 | 0 | 297 | 39 | 0 | 0 | 13.1 | 63 | 37 | 159 | 42.83 | 0 | 0 | 0 | 159 | 81 |
| 2019 | 0 | 234 | 0 | 0 | 234 | 24 | 0 | 0 | 10.3 | 63 | 29 | 118 | 40.48 | 0 | 0 | 0 | 118 | 55 |
| 2020 | 0 | 185 | 0 | 0 | 185 | 15 | 0 | 0 | 8.2 | 63 | 23 | 84 | 36.45 | 0 | 0 | 0 | 84 | 35 |
| 2021 | 45 | 81 | 0 | 0 | 81 | 6 | 0 | 0 | 6.8 | 33 | 10 | 32 | 32.06 | 0 | 0 | 45 | -13 | -5 |
| SUB | 1620 | 4896 | 0 | 0 | 4896 | 938 | 0 | 0 | 19.2 | 582 | 610 | 2766 | | 0 | 1575 | 45 | 1146 | 582 |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 |
| TOT | 1620 | 4896 | 0 | 0 | 4896 | 938 | 0 | 0 | 19.2 | 582 | 610 | 2766 | | 0 | 1575 | 45 | 1146 | 582 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|----------|---------|-----------|------------|-------------------|---------------|---------------|
| FR After Roy & Oper. | 2766 | 2334 | 2008 | 1755 | 1555 | 1394 | 1261 |
| Proc & Other Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1575 | 1487 | 1408 | 1337 | 1273 | 1215 | 1161 |
| Abandonment Costs | 45 | 28 | 17 | 11 | 7 | 5 | 3 |
| Future Net Revenue | 1146 | 819 | 582 | 407 | 275 | 174 | 97 |
| COMPANY SHARE | | | | | | | |
| | 1st Year | Average | Royalties | Oper Costs | FR After Roy&Oper | Capital Costs | Future NetRev |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue | | | 19.2 | 24.3 | 56.5 | 32.2 | 23.4 |

PROFITABILITY

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|-------|------------|
| Rate of Return (%) | ..... | 38.7 |
| Profit Index (undisc.) | ..... | .7 |
| (disc. @ 10.0%) | ..... | .4 |
| (disc. @ 5.0%) | ..... | .5 |
| First Payout (years) | ..... | 3.5 |
| Total Payout (years) | ..... | 3.6 |
| Cost of Finding (\$/BOE) | ..... | 26.56 |
| NPV @ 10.0% (\$/STB) | ..... | 9.54 |
| NPV @ 5.0% (\$/STB) | ..... | 13.43 |

Table 5e

EVALUATION OF: Trout, Alberta - Proved Undeveloped

ERGO 97.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 27-JUN-2011 5396 C\$
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-APR-2012
 RUN DATE: 8-JUL-2011 TIME: 13:58
 FILE: OtrPUS.DAX

WELL/LOCATION - Loc.01-21-089-03 W5M (Upper Keg River)
 EVALUATED BY -
 COMPANY EVALUATED - Cougar Oil and Gas Canada Inc.
 APPRAISAL FOR -
 PROJECT - CONSTANT PRICES & COSTS

TRACT FACTOR - 100.0000 %
 U/I POOL RESERVES - 61000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1575 -M\$-
 TOTAL ABANDONMENT - 45 -M\$- (2021)

INTEREST

AVG WJ 100.0000%

ROYALTIES/TAXES

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

| Year | # of Wells | Price \$/STB | Oil STB | | Pool | | Company Share | |
|------|------------|--------------|---------|-------|-------|-------|---------------|--|
| | | | STB/D | Vol | Gross | Net | | |
| 2011 | 0 | 80.26 | .0 | 0 | 0 | 0 | | |
| 2012 | 1 | 80.26 | 41.2 | 11172 | 11172 | 10614 | | |
| 2013 | 1 | 80.26 | 33.7 | 12133 | 12133 | 8938 | | |
| 2014 | 1 | 80.26 | 26.6 | 9569 | 9569 | 6698 | | |
| 2015 | 1 | 80.26 | 21.0 | 7547 | 7547 | 5549 | | |
| 2016 | 1 | 80.26 | 16.5 | 5952 | 5952 | 4707 | | |
| 2017 | 1 | 80.26 | 13.0 | 4694 | 4694 | 3919 | | |
| 2018 | 1 | 80.26 | 10.3 | 3702 | 3702 | 3219 | | |
| 2019 | 1 | 80.26 | 8.1 | 2920 | 2920 | 2618 | | |
| 2020 | 1 | 80.26 | 6.4 | 2303 | 2303 | 2114 | | |
| 2021 | 1 | 80.26 | 2.8 | 1009 | 1009 | 940 | | |
| SUB | | | | 61000 | 61000 | 49315 | | |
| REM | | | | 0 | 0 | 0 | | |
| TOT | | | | 61000 | 61000 | 49315 | | |

P/T COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | Operating Costs | | | FR After Roy&Oper -M\$- | Net back \$/STB | Proc& Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|-----------------|----------------|--------|-------------------------|-----------------|--------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1500 | 897 | 0 | 0 | 897 | 45 | 0 | 0 | 5.0 | 47 | 112 | 693 | 62.04 | 0 | 1500 | 0 | -807 | -728 |
| 2013 | 0 | 974 | 0 | 0 | 974 | 256 | 0 | 0 | 26.3 | 63 | 121 | 533 | 43.95 | 0 | 0 | 0 | 533 | 437 |
| 2014 | 75 | 768 | 0 | 0 | 768 | 230 | 0 | 0 | 30.0 | 63 | 96 | 379 | 39.62 | 0 | 75 | 0 | 304 | 227 |
| 2015 | 0 | 606 | 0 | 0 | 606 | 160 | 0 | 0 | 26.5 | 63 | 75 | 307 | 40.70 | 0 | 0 | 0 | 307 | 208 |
| 2016 | 0 | 478 | 0 | 0 | 478 | 100 | 0 | 0 | 20.9 | 63 | 60 | 256 | 42.94 | 0 | 0 | 0 | 256 | 157 |
| 2017 | 0 | 377 | 0 | 0 | 377 | 62 | 0 | 0 | 16.5 | 63 | 47 | 205 | 43.63 | 0 | 0 | 0 | 205 | 115 |
| 2018 | 0 | 297 | 0 | 0 | 297 | 39 | 0 | 0 | 13.1 | 63 | 37 | 159 | 42.83 | 0 | 0 | 0 | 159 | 81 |
| 2019 | 0 | 234 | 0 | 0 | 234 | 24 | 0 | 0 | 10.3 | 63 | 29 | 118 | 40.48 | 0 | 0 | 0 | 118 | 55 |
| 2020 | 0 | 185 | 0 | 0 | 185 | 15 | 0 | 0 | 8.2 | 63 | 23 | 84 | 36.45 | 0 | 0 | 0 | 84 | 35 |
| 2021 | 45 | 81 | 0 | 0 | 81 | 6 | 0 | 0 | 6.8 | 33 | 10 | 32 | 32.06 | 0 | 0 | 45 | -13 | -5 |
| SUB | 1620 | 4896 | 0 | 0 | 4896 | 938 | 0 | 0 | 19.2 | 582 | 610 | 2766 | | 0 | 1575 | 45 | 1146 | 582 |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 |
| TOT | 1620 | 4896 | 0 | 0 | 4896 | 938 | 0 | 0 | 19.2 | 582 | 610 | 2766 | | 0 | 1575 | 45 | 1146 | 582 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|----------|---------|-----------|------------|-------------------|---------------|---------------|
| FR After Roy & Oper. | 2766 | 2334 | 2008 | 1755 | 1555 | 1394 | 1261 |
| Proc & Other Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1575 | 1487 | 1408 | 1337 | 1273 | 1215 | 1161 |
| Abandonment Costs | 45 | 28 | 17 | 11 | 7 | 5 | 3 |
| Future Net Revenue | 1146 | 819 | 582 | 407 | 275 | 174 | 97 |
| COMPANY SHARE | | | | | | | |
| | 1st Year | Average | Royalties | Oper Costs | FR After Roy&Oper | Capital Costs | Future NetRev |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue | | | 19.2 | 24.3 | 56.5 | 32.2 | 23.4 |

PROFITABILITY

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|--|------------|
| Rate of Return (%) | | 38.7 |
| Profit Index (undisc.) | | .7 |
| (disc. @ 10.0%) | | .4 |
| (disc. @ 5.0%) | | .5 |
| First Payout (years) | | 3.5 |
| Total Payout (years) | | 3.6 |
| Cost of Finding (\$/BOE) | | 26.56 |
| NPV @ 10.0% (\$/STB) | | 9.54 |
| NPV @ 5.0% (\$/STB) | | 13.43 |

Table 5f

EVALUATION OF: Trout, Alberta - Proved Undeveloped

 ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 27-JUN-2011 5396 C\$
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-AUG-2012
 RUN DATE: 8-JUL-2011 TIME: 13:58
 FILE: CtrPU6.DAX

 WELL/LOCATION - Loc.04-22-089-03 WSM (U&L Keg River & Granite Wash)
 EVALUATED BY -
 COMPANY EVALUATED - Cougar Oil and Gas Canada Inc.
 APPRAISAL FOR -
 PROJECT - CONSTANT PRICES & COSTS

 TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 61000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1575 -M\$-
 TOTAL ABANDONMENT - 45 -M\$- (2021)

INTEREST

AVG WI 100.0000%

ROYALTIES/TAXES

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

| Year | # of Wells | Price \$/STB | Oil STB | | Pool | | Company Share | |
|------|------------|--------------|---------|-------|-------|-------|---------------|-----|
| | | | STB/D | Vol | Gross | Net | Gross | Net |
| | | | | | | | | |
| 2011 | 0 | 80.26 | .0 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1 | 80.26 | 42.8 | 6469 | 6469 | 6146 | | |
| 2013 | 1 | 80.26 | 36.5 | 13138 | 13138 | 10850 | | |
| 2014 | 1 | 80.26 | 28.8 | 10359 | 10359 | 7141 | | |
| 2015 | 1 | 80.26 | 22.7 | 8168 | 8168 | 5870 | | |
| 2016 | 1 | 80.26 | 17.9 | 6440 | 6440 | 4984 | | |
| 2017 | 1 | 80.26 | 14.1 | 5077 | 5077 | 4171 | | |
| 2018 | 1 | 80.26 | 11.1 | 4003 | 4003 | 3439 | | |
| 2019 | 1 | 80.26 | 8.8 | 3156 | 3156 | 2804 | | |
| 2020 | 1 | 80.26 | 6.9 | 2489 | 2489 | 2269 | | |
| 2021 | 1 | 80.26 | 4.7 | 1700 | 1700 | 1580 | | |
| SUB | | | | 61000 | 61000 | 49253 | | |
| REM | | | | 0 | 0 | 0 | | |
| TOT | | | | 61000 | 61000 | 49253 | | |

P/T COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | Operating Costs | | | FR After Roy & Oper -M\$- | Net back \$/STB | Proc & Other Income Costs -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|----------------|----------------|-------------|-------------|-------------|---------------|-----------------|----------------|--------|---------------------------|-----------------|---------------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | Sale Gas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1500 | 519 | 0 | 0 | 519 | 26 | 0 | 0 | 5.0 | 26 | 65 | 402 | 62.20 | 0 | 1500 | 0 | -1096 | -990 |
| 2013 | 0 | 1054 | 0 | 0 | 1054 | 184 | 0 | 0 | 17.4 | 63 | 131 | 677 | 51.51 | 0 | 0 | 0 | 677 | 555 |
| 2014 | 75 | 831 | 0 | 0 | 831 | 258 | 0 | 0 | 31.1 | 63 | 104 | 407 | 39.27 | 0 | 75 | 0 | 332 | 247 |
| 2015 | 0 | 656 | 0 | 0 | 656 | 184 | 0 | 0 | 28.1 | 63 | 82 | 327 | 40.01 | 0 | 0 | 0 | 327 | 221 |
| 2016 | 0 | 517 | 0 | 0 | 517 | 117 | 0 | 0 | 22.6 | 63 | 64 | 273 | 42.37 | 0 | 0 | 0 | 273 | 168 |
| 2017 | 0 | 408 | 0 | 0 | 408 | 73 | 0 | 0 | 17.9 | 63 | 51 | 221 | 43.57 | 0 | 0 | 0 | 221 | 124 |
| 2018 | 0 | 321 | 0 | 0 | 321 | 45 | 0 | 0 | 14.1 | 63 | 40 | 173 | 43.26 | 0 | 0 | 0 | 173 | 88 |
| 2019 | 0 | 253 | 0 | 0 | 253 | 28 | 0 | 0 | 11.2 | 63 | 32 | 131 | 41.43 | 0 | 0 | 0 | 131 | 61 |
| 2020 | 0 | 200 | 0 | 0 | 200 | 18 | 0 | 0 | 8.8 | 63 | 25 | 94 | 37.97 | 0 | 0 | 0 | 94 | 40 |
| 2021 | 45 | 136 | 0 | 0 | 136 | 10 | 0 | 0 | 7.1 | 53 | 17 | 56 | 33.12 | 0 | 0 | 45 | 11 | 4 |
| SUB | 1620 | 4896 | 0 | 0 | 4896 | 943 | 0 | 0 | 19.3 | 582 | 610 | 2761 | | 0 | 1575 | 45 | 1141 | 518 |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 |
| TOT | 1620 | 4896 | 0 | 0 | 4896 | 943 | 0 | 0 | 19.3 | 582 | 610 | 2761 | | 0 | 1575 | 45 | 1141 | 518 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|----------|---------|-----------|------------|---------------------|---------------|----------------|
| FR After Roy & Oper. | 2761 | 2294 | 1944 | 1676 | 1465 | 1296 | 1159 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1575 | 1487 | 1408 | 1337 | 1273 | 1215 | 1161 |
| Abandonment Costs | 45 | 28 | 17 | 11 | 7 | 5 | 3 |
| Future Net Revenue | 1141 | 779 | 518 | 327 | 185 | 77 | -6 |
| COMPANY SHARE | | | | | | | |
| | 1st Year | Average | Royalties | Oper Costs | FR After Roy & Oper | Capital Costs | Future Net Rev |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue | | | 19.3 | 24.3 | 56.4 | 32.2 | 23.3 |

PROFITABILITY

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|-------|------------|
| Rate of Return (%) | ..... | 29.6 |
| Profit Index (undisc.) | ..... | .7 |
| (disc. @ 10.0%) | ..... | .4 |
| (disc. @ 5.0%) | ..... | .5 |
| First Payout (years) | ..... | 3.9 |
| Total Payout (years) | ..... | 4.0 |
| Cost of Finding (\$/BOE) | ..... | 26.56 |
| NPV @ 10.0% (\$/STB) | ..... | 8.50 |
| NPV @ 5.0% (\$/STB) | ..... | 12.77 |

Table 5g

EVALUATION OF: Trout, Alberta - Proved Plus Probable Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 27-JUN-2011 5396 CS
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-APR-2012
 RUN DATE: 8-JUL-2011 TIME: 13:59
 FILE: OtrRD4.DAX

WELL/LOCATION ~ Loc.06-16-089-03 W5M (Upper Keg River)
 EVALUATED BY ~
 COMPANY EVALUATED ~ Cougar Oil and Gas Canada Inc.
 APPRAISAL FOR ~
 PROJECT ~ CONSTANT PRICES & COSTS

TRACT FACTOR ~ 100.0000 %
 U/LT POOL RESERVES ~ 122000 STB
 PRODUCTION TO DATE ~ N/A
 DECLINE INDICATOR ~ EXPONENTIAL
 TOTAL CAPITAL COSTS ~ 1575 -M\$-
 TOTAL ABANDONMENT ~ 45 -M\$- (2023)

INTEREST

AVG WI 100.0000%

ROYALTIES/TAXES

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

| Year | # of Wells | Price \$/STB | Oil STB | | Company Share | |
|------|------------|--------------|---------|--------|---------------|-------|
| | | | STB/D | Vol | Gross | Net |
| 2011 | 0 | 80.26 | .0 | 0 | 0 | 0 |
| 2012 | 1 | 80.26 | 82.0 | 22225 | 22225 | 21114 |
| 2013 | 1 | 80.26 | 66.2 | 23830 | 23830 | 16383 |
| 2014 | 1 | 80.26 | 51.4 | 18519 | 18519 | 11111 |
| 2015 | 1 | 80.26 | 40.0 | 14391 | 14391 | 9141 |
| 2016 | 1 | 80.26 | 31.1 | 11183 | 11183 | 7585 |
| 2017 | 1 | 80.26 | 24.1 | 8691 | 8691 | 6186 |
| 2018 | 1 | 80.26 | 18.8 | 6754 | 6754 | 5153 |
| 2019 | 1 | 80.26 | 14.6 | 5248 | 5248 | 4280 |
| 2020 | 1 | 80.26 | 11.3 | 4079 | 4079 | 3492 |
| 2021 | 1 | 80.26 | 8.8 | 3170 | 3170 | 2815 |
| 2022 | 1 | 80.26 | 6.8 | 2463 | 2463 | 2248 |
| 2023 | 1 | 80.26 | 4.0 | 1448 | 1448 | 1346 |
| SUB | | | | 122000 | 122000 | 90854 |
| REM | | | | 0 | 0 | 0 |
| TOT | | | | 122000 | 122000 | 90854 |

P/T

COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy&Oper -M\$- | Net back \$/STB | Proc& Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|-------|-----------------|----------------|--------|-------------------------|-----------------|--------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | -M\$- | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1500 | 1784 | 0 | 0 | 1784 | 89 | 0 | 0 | 5.0 | 47 | 222 | 12.11 | 1425 | 64.13 | 0 | 1500 | 0 | -75 | -67 |
| 2013 | 0 | 1913 | 0 | 0 | 1913 | 598 | 0 | 0 | 31.3 | 63 | 238 | 12.63 | 1014 | 42.55 | 0 | 0 | 0 | 1014 | 831 |
| 2014 | 75 | 1486 | 0 | 0 | 1486 | 595 | 0 | 0 | 40.0 | 63 | 185 | 13.39 | 644 | 34.77 | 0 | 75 | 0 | 569 | 424 |
| 2015 | 0 | 1155 | 0 | 0 | 1155 | 421 | 0 | 0 | 36.5 | 63 | 144 | 14.36 | 527 | 36.62 | 0 | 0 | 0 | 527 | 357 |
| 2016 | 0 | 898 | 0 | 0 | 898 | 289 | 0 | 0 | 32.2 | 63 | 112 | 15.61 | 434 | 38.83 | 0 | 0 | 0 | 434 | 267 |
| 2017 | 0 | 698 | 0 | 0 | 698 | 201 | 0 | 0 | 28.8 | 63 | 87 | 17.22 | 347 | 39.90 | 0 | 0 | 0 | 347 | 194 |
| 2018 | 0 | 542 | 0 | 0 | 542 | 129 | 0 | 0 | 23.7 | 63 | 68 | 19.29 | 283 | 41.94 | 0 | 0 | 0 | 283 | 144 |
| 2019 | 0 | 421 | 0 | 0 | 421 | 78 | 0 | 0 | 18.5 | 63 | 52 | 21.96 | 228 | 43.49 | 0 | 0 | 0 | 228 | 106 |
| 2020 | 0 | 327 | 0 | 0 | 327 | 47 | 0 | 0 | 14.4 | 63 | 41 | 25.38 | 177 | 43.34 | 0 | 0 | 0 | 177 | 74 |
| 2021 | 0 | 254 | 0 | 0 | 254 | 28 | 0 | 0 | 11.2 | 63 | 32 | 29.80 | 131 | 41.48 | 0 | 0 | 0 | 131 | 50 |
| 2022 | 0 | 198 | 0 | 0 | 198 | 17 | 0 | 0 | 8.7 | 63 | 25 | 35.47 | 93 | 37.78 | 0 | 0 | 0 | 93 | 32 |
| 2023 | 45 | 116 | 0 | 0 | 116 | 8 | 0 | 0 | 7.0 | 46 | 14 | 41.73 | 48 | 32.88 | 0 | 0 | 45 | 3 | 1 |
| SUB | 1620 | 9792 | 0 | 0 | 9792 | 2500 | 0 | 0 | 25.5 | 720 | 1220 | | 5352 | | 0 | 1575 | 45 | 3732 | 2414 |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | | 0 | | 0 | 0 | 0 | 0 | 0 |
| TOT | 1620 | 9792 | 0 | 0 | 9792 | 2500 | 0 | 0 | 25.5 | 720 | 1220 | | 5352 | | 0 | 1575 | 45 | 3732 | 2414 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|----------|---------|-----------|------------|-------------------|---------------|---------------|
| FR After Roy & Oper. | 5352 | 4478 | 3836 | 3349 | 2968 | 2663 | 2414 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1575 | 1487 | 1408 | 1337 | 1273 | 1215 | 1161 |
| Abandonment Costs | 45 | 25 | 14 | 8 | 5 | 3 | 2 |
| Future Net Revenue | 3732 | 2966 | 2414 | 2003 | 1690 | 1445 | 1251 |
| COMPANY SHARE | | | | | | | |
| | 1st Year | Average | Royalties | Oper Costs | FR After Roy&Oper | Capital Costs | Future NetRev |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue. | | | 25.5 | 19.8 | 54.7 | 16.1 | 38.1 |

PROFITABILITY

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|--|------------|
| Rate of Return (%) | | 999.9 |
| Profit Index (undisc.) | | 2.3 |
| (disc. @ 10.0%) | | 1.7 |
| (disc. @ 5.0%) | | 2.0 |
| First Payout (years) | | 1.7 |
| Total Payout (years) | | 1.8 |
| Cost of Finding (\$/BOE) | | 13.28 |
| NPV @ 10.0% (\$/STB) | | 19.79 |
| NPV @ 5.0% (\$/STB) | | 24.31 |

Table 5h

EVALUATION OF: Trout, Alberta - Proved Plus Probable Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 27-JUN-2011 5396 C\$
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-APR-2012
 RUN DATE: 8-JUL-2011 TIME: 13:59
 FILE: OtrRDS.DAX

WELL/LOCATION - Loc.01-21-089-03 WSM (Upper Keg River)
 EVALUATED BY -
 COMPANY EVALUATED - Cougar Oil and Gas Canada Inc.
 APPRAISAL FOR -
 PROJECT - CONSTANT PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 122000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1575 -M\$-
 TOTAL ABANDONMENT - 45 -M\$- (2023)

INTEREST

ROYALTIES/TAXES

AVG WI 100.0000%

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

| Year | # of Wells | Price \$/STB | Oil STB | | Company Share | |
|------|------------|--------------|------------|--------|---------------|-------|
| | | | Pool STB/D | Vol | Gross | Net |
| 2011 | 0 | 80.26 | .0 | 0 | 0 | 0 |
| 2012 | 1 | 80.26 | 82.0 | 22225 | 22225 | 21114 |
| 2013 | 1 | 80.26 | 66.2 | 23830 | 23830 | 16383 |
| 2014 | 1 | 80.26 | 51.4 | 18519 | 18519 | 11111 |
| 2015 | 1 | 80.26 | 40.0 | 14391 | 14391 | 9141 |
| 2016 | 1 | 80.26 | 31.1 | 11183 | 11183 | 7585 |
| 2017 | 1 | 80.26 | 24.1 | 8691 | 8691 | 6186 |
| 2018 | 1 | 80.26 | 18.8 | 6754 | 6754 | 5153 |
| 2019 | 1 | 80.26 | 14.6 | 5248 | 5248 | 4280 |
| 2020 | 1 | 80.26 | 11.3 | 4079 | 4079 | 3492 |
| 2021 | 1 | 80.26 | 8.8 | 3170 | 3170 | 2815 |
| 2022 | 1 | 80.26 | 6.8 | 2463 | 2463 | 2248 |
| 2023 | 1 | 80.26 | 4.0 | 1448 | 1448 | 1346 |
| SUB | | | | 122000 | 122000 | 90854 |
| REM | | | | 0 | 0 | 0 |
| TOT | | | | 122000 | 122000 | 90854 |

P/T COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | Operating Costs | | | FR After Roy&Oper -M\$- | Net back \$/STB | Proc& Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|-----------------|----------------|--------|-------------------------|-----------------|--------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1500 | 1784 | 0 | 0 | 1784 | 89 | 0 | 0 | 5.0 | 47 | 222 | 1425 | 64.13 | 0 | 1500 | 0 | -75 | -67 |
| 2013 | 0 | 1913 | 0 | 0 | 1913 | 598 | 0 | 0 | 31.3 | 63 | 238 | 1014 | 42.55 | 0 | 0 | 0 | 1014 | 831 |
| 2014 | 75 | 1486 | 0 | 0 | 1486 | 595 | 0 | 0 | 40.0 | 63 | 185 | 644 | 34.77 | 0 | 75 | 0 | 569 | 424 |
| 2015 | 0 | 1155 | 0 | 0 | 1155 | 421 | 0 | 0 | 36.5 | 63 | 144 | 527 | 36.62 | 0 | 0 | 0 | 527 | 357 |
| 2016 | 0 | 898 | 0 | 0 | 898 | 289 | 0 | 0 | 32.2 | 63 | 112 | 434 | 38.83 | 0 | 0 | 0 | 434 | 267 |
| 2017 | 0 | 698 | 0 | 0 | 698 | 201 | 0 | 0 | 28.8 | 63 | 87 | 347 | 39.90 | 0 | 0 | 0 | 347 | 194 |
| 2018 | 0 | 542 | 0 | 0 | 542 | 129 | 0 | 0 | 23.7 | 63 | 68 | 283 | 41.94 | 0 | 0 | 0 | 283 | 144 |
| 2019 | 0 | 421 | 0 | 0 | 421 | 78 | 0 | 0 | 18.5 | 63 | 52 | 228 | 43.49 | 0 | 0 | 0 | 228 | 106 |
| 2020 | 0 | 327 | 0 | 0 | 327 | 47 | 0 | 0 | 14.4 | 63 | 41 | 177 | 43.34 | 0 | 0 | 0 | 177 | 74 |
| 2021 | 0 | 254 | 0 | 0 | 254 | 28 | 0 | 0 | 11.2 | 63 | 32 | 131 | 41.48 | 0 | 0 | 0 | 131 | 50 |
| 2022 | 0 | 198 | 0 | 0 | 198 | 17 | 0 | 0 | 8.7 | 63 | 25 | 93 | 37.78 | 0 | 0 | 0 | 93 | 32 |
| 2023 | 45 | 116 | 0 | 0 | 116 | 8 | 0 | 0 | 7.0 | 46 | 14 | 46 | 32.88 | 0 | 0 | 45 | 3 | 1 |
| SUB | 1620 | 9792 | 0 | 0 | 9792 | 2500 | 0 | 0 | 25.5 | 720 | 1220 | 5352 | | 0 | 1575 | 45 | 3732 | 2414 |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 |
| TOT | 1620 | 9792 | 0 | 0 | 9792 | 2500 | 0 | 0 | 25.5 | 720 | 1220 | 5352 | | 0 | 1575 | 45 | 3732 | 2414 |

NET PRESENT VALUE (-M\$-)

PROFITABILITY

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|---------|-----------|------------|-------------------|---------------|---------------|-------|
| FR After Roy & Oper. | 5352 | 4478 | 3836 | 3349 | 2968 | 2663 | 2414 |
| Proc & Other Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1575 | 1487 | 1408 | 1337 | 1273 | 1215 | 1161 |
| Abandonment Costs | 45 | 25 | 14 | 8 | 5 | 3 | 2 |
| Future Net Revenue | 3732 | 2966 | 2414 | 2003 | 1690 | 1445 | 1251 |
| COMPANY SHARE | | | | | | | |
| 1st Year | Average | Royalties | Oper Costs | FR After Roy&Oper | Capital Costs | Future NetRev | |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue | | | 25.5 | 19.8 | 54.7 | 16.1 | 38.1 |

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|-------|------------|
| Rate of Return (%) | ..... | 999.9 |
| Profit Index (undisc.) | ..... | 2.3 |
| (disc. @ 10.0%) | ..... | 1.7 |
| (disc. @ 5.0%) | ..... | 2.0 |
| First Payout (years) | ..... | 1.7 |
| Total Payout (years) | ..... | 1.8 |
| Cost of Finding (\$/BOE) | ..... | 13.28 |
| NPV @ 10.0% (\$/STB) | ..... | 19.79 |
| NPV @ 5.0% (\$/STB) | ..... | 24.31 |

Table 5i

EVALUATION OF: Trout, Alberta - Proved Plus Probable Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 27-JUN-2011 5396 C\$
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-AUG-2012
 RUN DATE: 8-JUL-2011 TIME: 13:59
 FILE: OtrRD6.DAX

WELL/LOCATION - Loc.04-22-089-03 W5M (U&L Keg River & Granite Wash)
 EVALUATED BY -
 COMPANY EVALUATED - Cougar Oil and Gas Canada Inc.
 APPRAISAL FOR -
 PROJECT - CONSTANT PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 122000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1575 -M\$-
 TOTAL ABANDONMENT - 45 -M\$- (2024)

INTEREST

ROYALTIES/TAXES

AVG WI 100.0000%

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

| Year | # of Wells | Price \$/STB | Oil STB | | Pool | | Company Share | |
|------|------------|--------------|---------|--------|--------|-------|---------------|--|
| | | | STB/D | Vol | Gross | Net | | |
| 2011 | 0 | 80.26 | .0 | 0 | 0 | 0 | | |
| 2012 | 1 | 80.26 | 85.4 | 12899 | 12899 | 12254 | | |
| 2013 | 1 | 80.26 | 72.0 | 25931 | 25931 | 20853 | | |
| 2014 | 1 | 80.26 | 56.0 | 20146 | 20146 | 12088 | | |
| 2015 | 1 | 80.26 | 43.5 | 15652 | 15652 | 9736 | | |
| 2016 | 1 | 80.26 | 33.8 | 12160 | 12160 | 8088 | | |
| 2017 | 1 | 80.26 | 26.2 | 9447 | 9447 | 6628 | | |
| 2018 | 1 | 80.26 | 20.4 | 7339 | 7339 | 5449 | | |
| 2019 | 1 | 80.26 | 15.8 | 5702 | 5702 | 4559 | | |
| 2020 | 1 | 80.26 | 12.3 | 4430 | 4430 | 3739 | | |
| 2021 | 1 | 80.26 | 9.6 | 3442 | 3442 | 3023 | | |
| 2022 | 1 | 80.26 | 7.4 | 2674 | 2674 | 2421 | | |
| 2023 | 1 | 80.26 | 5.8 | 2077 | 2077 | 1924 | | |
| 2024 | 1 | 80.26 | .3 | 101 | 101 | 95 | | |
| SUB | | | | 122000 | 122000 | 90858 | | |
| REM | | | | 0 | 0 | 0 | | |
| TOT | | | | 122000 | 122000 | 90858 | | |

P/T COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | Operating Costs | | | FR After Roy&Oper -M\$- | Net back \$/STB | Proc& Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|-----------------|----------------|--------|-------------------------|-----------------|--------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1500 | 1035 | 0 | 0 | 1035 | 52 | 0 | 0 | 26 | 129 | 12.03 | 828 | 64.22 | 0 | 1500 | 0 | -672 | -606 |
| 2013 | 0 | 2081 | 0 | 0 | 2081 | 408 | 0 | 0 | 63 | 259 | 12.42 | 1352 | 52.12 | 0 | 0 | 0 | 1352 | 1108 |
| 2014 | 75 | 1617 | 0 | 0 | 1617 | 647 | 0 | 0 | 63 | 201 | 13.11 | 706 | 35.04 | 0 | 75 | 0 | 631 | 470 |
| 2015 | 0 | 1256 | 0 | 0 | 1256 | 475 | 0 | 0 | 63 | 157 | 14.01 | 562 | 35.92 | 0 | 0 | 0 | 562 | 381 |
| 2016 | 0 | 976 | 0 | 0 | 976 | 327 | 0 | 0 | 63 | 122 | 15.16 | 465 | 38.23 | 0 | 0 | 0 | 465 | 286 |
| 2017 | 0 | 758 | 0 | 0 | 758 | 226 | 0 | 0 | 63 | 94 | 16.64 | 375 | 39.67 | 0 | 0 | 0 | 375 | 210 |
| 2018 | 0 | 589 | 0 | 0 | 589 | 152 | 0 | 0 | 63 | 73 | 18.55 | 301 | 41.04 | 0 | 0 | 0 | 301 | 153 |
| 2019 | 0 | 458 | 0 | 0 | 458 | 92 | 0 | 0 | 63 | 57 | 21.00 | 246 | 43.17 | 0 | 0 | 0 | 246 | 114 |
| 2020 | 0 | 356 | 0 | 0 | 356 | 55 | 0 | 0 | 63 | 44 | 24.16 | 193 | 43.58 | 0 | 0 | 0 | 193 | 81 |
| 2021 | 0 | 276 | 0 | 0 | 276 | 34 | 0 | 0 | 63 | 34 | 28.23 | 146 | 42.28 | 0 | 0 | 0 | 146 | 56 |
| 2022 | 0 | 215 | 0 | 0 | 215 | 20 | 0 | 0 | 63 | 27 | 33.47 | 105 | 39.19 | 0 | 0 | 0 | 105 | 36 |
| 2023 | 0 | 167 | 0 | 0 | 167 | 12 | 0 | 0 | 63 | 21 | 40.21 | 71 | 34.13 | 0 | 0 | 0 | 71 | 22 |
| 2024 | 45 | 8 | 0 | 0 | 8 | 1 | 0 | 0 | 4 | 1 | 44.60 | 3 | 30.47 | 0 | 0 | 45 | -42 | -12 |
| SUB | 1620 | 9792 | 0 | 0 | 9792 | 2499 | 0 | 0 | 720 | 1220 | | 5352 | | 0 | 1575 | 45 | 3732 | 2300 |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | | 0 | 0 | 0 | 0 | 0 |
| TOT | 1620 | 9792 | 0 | 0 | 9792 | 2499 | 0 | 0 | 720 | 1220 | | 5352 | | 0 | 1575 | 45 | 3732 | 2300 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|------|------|-------|-------|-------|-------|-------|
| FR After Roy & Oper. | 5352 | 4409 | 3721 | 3203 | 2801 | 2482 | 2223 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1575 | 1487 | 1408 | 1337 | 1273 | 1215 | 1161 |
| Abandonment Costs .. | 45 | 24 | 13 | 7 | 4 | 2 | 1 |
| Future Net Revenue . | 3732 | 2898 | 2300 | 1858 | 1524 | 1265 | 1060 |

COMPANY SHARE

| | 1st Year | Average | Royalties | Oper Costs | FR After Roy&Oper | Capital Costs | Future NetRev |
|----------------------|----------|---------|-----------|------------|-------------------|---------------|---------------|
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue. | | | 25.5 | 19.8 | 54.7 | 16.1 | 38.1 |

PROFITABILITY

| COMPANY SHARE BASIS | Before Tax |
|--------------------------------|------------|
| Rate of Return (%) | 156.6 |
| Profit Index (undisc.) | 2.3 |
| (disc. @ 10.0%) | 1.6 |
| (disc. @ 5.0%) | 1.9 |
| First Payout (years) | 2.1 |
| Total Payout (years) | 2.2 |
| Cost of Finding (\$/BOE) | 13.28 |
| NPV @ 10.0% (\$/STB) | 18.85 |
| NPV @ 5.0% (\$/STB) | 23.76 |

Table 5j

EVALUATION OF: Trout, Alberta - Probable Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 27-JUN-2011 5396 CS
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-JAN-2012
 RUN DATE: 8-JUL-2011 TIME: 13:59
 FILE: OutPRE1.DAX

WELL/LOCATION - Loc.02-08-089-03 W5M (Upper Keg River)
 EVALUATED BY -
 COMPANY EVALUATED - Cougar Oil and Gas Canada Inc.
 APPRAISAL FOR -
 PROJECT - CONSTANT PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 133000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1600 -M\$-
 TOTAL ABANDONMENT - 45 -M\$- (2019)

INTEREST

AVG W1 100.0000%

ROYALTIES/TAXES

ALBERTA (CROWN ARP,NWRR,OIL PAR-LTE,GAS PAR,DEPTH 0)

| Year | # of Wells | Price \$/STB | Oil STB | | Company Share | |
|------|------------|--------------|------------|--------|---------------|--------|
| | | | Pool STB/D | Vol | Gross | Net |
| 2011 | 0 | 80.26 | .0 | 0 | 0 | 0 |
| 2012 | 1 | 80.26 | 150.0 | 54000 | 54000 | 49908 |
| 2013 | 1 | 80.26 | 81.2 | 29220 | 29220 | 17532 |
| 2014 | 1 | 80.26 | 52.6 | 18953 | 18953 | 11372 |
| 2015 | 1 | 80.26 | 34.1 | 12293 | 12293 | 8155 |
| 2016 | 1 | 80.26 | 22.1 | 7974 | 7974 | 5752 |
| 2017 | 1 | 80.26 | 14.4 | 5172 | 5172 | 4231 |
| 2018 | 1 | 80.26 | 9.3 | 3355 | 3355 | 2957 |
| 2019 | 1 | 80.26 | 5.6 | 2033 | 2033 | 1874 |
| SUB | | | | 133000 | 133000 | 101781 |
| REM | | | | 0 | 0 | 0 |
| TOT | | | | 133000 | 133000 | 101781 |

P/T

COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | Operating Costs | | | FR After Roy & Oper -M\$- | Net back \$/STB | Proc & Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|----------------|----------------|-------------|-------------|-------------|---------------|-----------------|-------------|----------------|---------------------------|-----------------|---------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | Sale Gas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | % | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 1500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 1500 | -1500 | -1459 |
| 2012 | 0 | 4334 | 0 | 0 | 4334 | 328 | 0 | 0 | 7.6 | 63 | 540 | 11.16 | 3403 | 63.02 | 0 | 0 | 3403 | 3068 |
| 2013 | 100 | 2345 | 0 | 0 | 2345 | 938 | 0 | 0 | 40.0 | 63 | 292 | 12.15 | 1052 | 36.01 | 0 | 100 | 952 | 780 |
| 2014 | 0 | 1521 | 0 | 0 | 1521 | 608 | 0 | 0 | 40.0 | 63 | 190 | 13.31 | 660 | 34.85 | 0 | 0 | 660 | 492 |
| 2015 | 0 | 987 | 0 | 0 | 987 | 332 | 0 | 0 | 33.7 | 63 | 123 | 15.10 | 469 | 38.14 | 0 | 0 | 469 | 318 |
| 2016 | 0 | 640 | 0 | 0 | 640 | 178 | 0 | 0 | 27.9 | 63 | 80 | 17.87 | 319 | 40.03 | 0 | 0 | 319 | 197 |
| 2017 | 0 | 415 | 0 | 0 | 415 | 75 | 0 | 0 | 18.2 | 63 | 52 | 22.13 | 225 | 43.53 | 0 | 0 | 225 | 126 |
| 2018 | 0 | 269 | 0 | 0 | 269 | 32 | 0 | 0 | 11.8 | 63 | 34 | 28.70 | 141 | 42.05 | 0 | 0 | 141 | 72 |
| 2019 | 45 | 163 | 0 | 0 | 163 | 13 | 0 | 0 | 7.9 | 58 | 20 | 38.37 | 72 | 35.58 | 0 | 45 | 27 | 13 |
| SUB | 1645 | 10675 | 0 | 0 | 10675 | 2506 | 0 | 0 | 23.5 | 497 | 1330 | | 6342 | | 0 | 1600 | 4697 | 3607 |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | | 0 | | 0 | 0 | 0 | 0 |
| TOT | 1645 | 10675 | 0 | 0 | 10675 | 2506 | 0 | 0 | 23.5 | 497 | 1330 | | 6342 | | 0 | 1600 | 4697 | 3607 |

NET PRESENT VALUE (-M\$-)

PROFITABILITY

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|----------|---------|-----------|------------|---------------------|---------------|----------------|
| FR After Roy & Oper. | 6342 | 5695 | 5168 | 4732 | 4365 | 4052 | 3782 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1600 | 1569 | 1541 | 1514 | 1490 | 1468 | 1447 |
| Abandonment Costs | 45 | 30 | 21 | 15 | 10 | 7 | 5 |
| Future Net Revenue | 4697 | 4095 | 3607 | 3203 | 2865 | 2577 | 2330 |
| COMPANY SHARE | | | | | | | |
| | 1st Year | Average | Royalties | Oper Costs | FR After Roy & Oper | Capital Costs | Future Net Rev |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue. | | | 23.5 | 17.1 | 59.4 | 15.0 | 44.0 |

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|-------|------------|
| Rate of Return (%) | ..... | 220.9 |
| Profit Index (undisc.) | ..... | 2.9 |
| (disc. @ 10.0%) | ..... | 2.3 |
| (disc. @ 5.0%) | ..... | 2.6 |
| First Payout (years) | ..... | 1.0 |
| Total Payout (years) | ..... | 1.1 |
| Cost of Finding (\$/BOE) | ..... | 12.37 |
| NPV @ 10.0% (\$/STB) | ..... | 27.12 |
| NPV @ 5.0% (\$/STB) | ..... | 30.79 |

Table 5k

EVALUATION OF: Trout, Alberta - Probable Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 27-JUN-2011 5396 C\$
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-JAN-2012
 RUN DATE: 8-JUL-2011 TIME: 14:00
 FILE: OtrRE15.DAX

WELL/LOCATION - Loc.12-08-089-03 W5M (Upper Keg River)
 EVALUATED BY -
 COMPANY EVALUATED - Cougar Oil and Gas Canada Inc.
 APPRAISAL FOR -
 PROJECT - CONSTANT PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 133000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1600 -M\$-
 TOTAL ABANDONMENT - 45 -M\$- (2019)

INTEREST

AVG WI 100.0000%

ROYALTIES/TAXES

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

| Oil STB | | | | | | |
|---------|------------|--------------|-------|--------|---------------|--------|
| Year | # of Wells | Price \$/STB | Pool | | Company Share | |
| | | | STB/D | Vol | Gross | Net |
| 2011 | 0 | 80.26 | .0 | 0 | 0 | 0 |
| 2012 | 1 | 80.26 | 150.0 | 54000 | 54000 | 49908 |
| 2013 | 1 | 80.26 | 81.2 | 29220 | 29220 | 17532 |
| 2014 | 1 | 80.26 | 52.6 | 18953 | 18953 | 11372 |
| 2015 | 1 | 80.26 | 34.1 | 12293 | 12293 | 8155 |
| 2016 | 1 | 80.26 | 22.1 | 7974 | 7974 | 5752 |
| 2017 | 1 | 80.26 | 14.4 | 5172 | 5172 | 4231 |
| 2018 | 1 | 80.26 | 9.3 | 3355 | 3355 | 2957 |
| 2019 | 1 | 80.26 | 5.6 | 2033 | 2033 | 1874 |
| SUB | | | | 133000 | 133000 | 101781 |
| REM | | | | 0 | 0 | 0 |
| TOT | | | | 133000 | 133000 | 101781 |

P/T COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy & Oper -M\$- | Net back \$/STB | Proc & Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|----------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|---------------------------|-----------------|---------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | Sale Gas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | %- | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 1500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 1500 | 0 | -1500 | -1459 |
| 2012 | 0 | 4334 | 0 | 0 | 4334 | 328 | 0 | 0 | 7.6 | 63 | 540 | 11.16 | 3403 | 63.02 | 0 | 0 | 0 | 3403 | 3068 |
| 2013 | 100 | 2345 | 0 | 0 | 2345 | 938 | 0 | 0 | 40.0 | 63 | 292 | 12.15 | 1052 | 36.01 | 0 | 100 | 0 | 952 | 780 |
| 2014 | 0 | 1521 | 0 | 0 | 1521 | 608 | 0 | 0 | 40.0 | 63 | 190 | 13.31 | 660 | 34.85 | 0 | 0 | 0 | 660 | 492 |
| 2015 | 0 | 987 | 0 | 0 | 987 | 332 | 0 | 0 | 33.7 | 63 | 123 | 15.10 | 469 | 38.14 | 0 | 0 | 0 | 469 | 318 |
| 2016 | 0 | 640 | 0 | 0 | 640 | 178 | 0 | 0 | 27.9 | 63 | 80 | 17.87 | 319 | 40.03 | 0 | 0 | 0 | 319 | 197 |
| 2017 | 0 | 415 | 0 | 0 | 415 | 75 | 0 | 0 | 18.2 | 63 | 52 | 22.13 | 225 | 43.53 | 0 | 0 | 0 | 225 | 126 |
| 2018 | 0 | 269 | 0 | 0 | 269 | 32 | 0 | 0 | 11.8 | 63 | 34 | 28.70 | 141 | 42.05 | 0 | 0 | 0 | 141 | 72 |
| 2019 | 45 | 163 | 0 | 0 | 163 | 13 | 0 | 0 | 7.9 | 58 | 20 | 38.37 | 72 | 35.58 | 0 | 0 | 45 | 27 | 13 |
| SUB | 1645 | 10675 | 0 | 0 | 10675 | 2506 | 0 | 0 | 23.5 | 497 | 1330 | | 6342 | | 0 | 1600 | 45 | 4697 | 3607 |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | | 0 | | 0 | 0 | 0 | 0 | 0 |
| TOT | 1645 | 10675 | 0 | 0 | 10675 | 2506 | 0 | 0 | 23.5 | 497 | 1330 | | 6342 | | 0 | 1600 | 45 | 4697 | 3607 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|------|------|-------|-------|-------|-------|-------|
| FR After Roy & Oper. | 6342 | 5695 | 5168 | 4732 | 4365 | 4052 | 3782 |
| Proc & Other income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1600 | 1569 | 1541 | 1514 | 1490 | 1468 | 1447 |
| Abandonment Costs | 45 | 30 | 21 | 15 | 10 | 7 | 5 |
| Future Net Revenue | 4697 | 4095 | 3607 | 3203 | 2865 | 2577 | 2330 |

COMPANY SHARE

| | 1st Year | Average | Royalties | Oper Costs | FR After Roy & Oper | Capital Costs | Future Net Rev |
|---------------------|----------|---------|-----------|------------|---------------------|---------------|----------------|
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue | | | 23.5 | 17.1 | 59.4 | 15.0 | 44.0 |

PROFITABILITY

| COMPANY SHARE BASIS | Before Tax |
|--------------------------|------------|
| Rate of Return (%) | 220.9 |
| Profit Index (undisc.) | 2.9 |
| (disc. @ 10.0%) | 2.3 |
| (disc. @ 5.0%) | 2.6 |
| First Payout (years) | 1.0 |
| Total Payout (years) | 1.1 |
| Cost of Finding (\$/BOE) | 12.37 |
| NPV @ 10.0% (\$/STB) | 27.12 |
| NPV @ 5.0% (\$/STB) | 30.79 |

Table 51

EVALUATION OF: Trout, Alberta - Probable Undeveloped

ERGO v7.4i P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 27-JUN-2011 5396.CS
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-JAN-2012
 RUN DATE: 8-JUL-2011 TIME: 13:59
 FILE: OtrRE3.DAX

WELL/LOCATION - Loc.15-08-089-03 WSM (U&L Keg River and Granite Wash)
 EVALUATED BY -
 COMPANY EVALUATED - Cougar Oil and Gas Canada Inc.
 APPRAISAL FOR -
 PROJECT - CONSTANT PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 133000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1600 -M\$-
 TOTAL ABANDONMENT - 45 -M\$- (2019)

INTEREST

ROYALTIES/TAXES

AVG WJ 100.0000%

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

| Year | # of Wells | Price \$/STB | Oil STB | | Company Share | |
|------|------------|--------------|---------|--------|---------------|--------|
| | | | Pool | | Gross | |
| | | | STB/D | Vol | Net | |
| 2011 | 0 | 80.26 | .0 | 0 | 0 | 0 |
| 2012 | 1 | 80.26 | 150.0 | 54000 | 54000 | 49908 |
| 2013 | 1 | 80.26 | 81.2 | 29220 | 29220 | 17532 |
| 2014 | 1 | 80.26 | 52.6 | 18953 | 18953 | 11372 |
| 2015 | 1 | 80.26 | 34.1 | 12293 | 12293 | 8155 |
| 2016 | 1 | 80.26 | 22.1 | 7974 | 7974 | 5752 |
| 2017 | 1 | 80.26 | 14.4 | 5172 | 5172 | 4231 |
| 2018 | 1 | 80.26 | 9.3 | 3355 | 3355 | 2957 |
| 2019 | 1 | 80.26 | 5.6 | 2033 | 2033 | 1874 |
| SUB | | | | 133000 | 133000 | 101781 |
| REM | | | | 0 | 0 | 0 |
| TOT | | | | 133000 | 133000 | 101781 |

| P/T | | COMPANY SHARE FUTURE NET REVENUE | | | | | | | | | | | | | | | | | |
|------|----------------|----------------------------------|---------------|----------------|-------------|-------------|-------------|---------------|-------|-----------------|----------------|--------|-------------------|----------|--------------------|-------------|-------------|----------------|--------|
| Year | Capital &Aband | Future Revenue (FR) | | | | | Royalties | | | Operating Costs | | | FR After Roy&Oper | Net back | Proc& Other Income | Cap'l Costs | Aband Costs | Future Net Rev | |
| | Costs -M\$- | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | - % - | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | -M\$- | \$/STB |
| 2011 | 1500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 1500 | 0 | -1500 | -1459 |
| 2012 | 0 | 4334 | 0 | 0 | 4334 | 328 | 0 | 0 | 7.6 | 63 | 540 | 11.16 | 3403 | 63.02 | 0 | 0 | 0 | 3403 | 3068 |
| 2013 | 100 | 2345 | 0 | 0 | 2345 | 938 | 0 | 0 | 40.0 | 63 | 292 | 12.15 | 1052 | 36.01 | 0 | 100 | 0 | 952 | 780 |
| 2014 | 0 | 1521 | 0 | 0 | 1521 | 608 | 0 | 0 | 40.0 | 63 | 190 | 13.31 | 660 | 34.85 | 0 | 0 | 0 | 660 | 492 |
| 2015 | 0 | 987 | 0 | 0 | 987 | 332 | 0 | 0 | 33.7 | 63 | 123 | 15.10 | 469 | 38.14 | 0 | 0 | 0 | 469 | 318 |
| 2016 | 0 | 640 | 0 | 0 | 640 | 178 | 0 | 0 | 27.9 | 63 | 80 | 17.87 | 319 | 40.03 | 0 | 0 | 0 | 319 | 197 |
| 2017 | 0 | 415 | 0 | 0 | 415 | 75 | 0 | 0 | 18.2 | 63 | 52 | 22.13 | 225 | 43.53 | 0 | 0 | 0 | 225 | 126 |
| 2018 | 0 | 269 | 0 | 0 | 269 | 32 | 0 | 0 | 11.8 | 63 | 34 | 28.70 | 141 | 42.05 | 0 | 0 | 0 | 141 | 72 |
| 2019 | 45 | 163 | 0 | 0 | 163 | 13 | 0 | 0 | 7.9 | 58 | 20 | 38.37 | 72 | 35.58 | 0 | 0 | 45 | 27 | 13 |
| SUB | 1645 | 10675 | 0 | 0 | 10675 | 2506 | 0 | 0 | 23.5 | 497 | 1330 | | 6342 | | 0 | 1600 | 45 | 4697 | 3607 |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | | 0 | | 0 | 0 | 0 | 0 | 0 |
| TOT | 1645 | 10675 | 0 | 0 | 10675 | 2506 | 0 | 0 | 23.5 | 497 | 1330 | | 6342 | | 0 | 1600 | 45 | 4697 | 3607 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|---------|-----------|------------|-------------------|---------------|---------------|-------|
| FR After Roy & Oper. | 6342 | 5695 | 5168 | 4732 | 4365 | 4052 | 3782 |
| Proc & Other Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1600 | 1569 | 1541 | 1514 | 1490 | 1468 | 1447 |
| Abandonment Costs | 45 | 30 | 21 | 15 | 10 | 7 | 5 |
| Future Net Revenue | 4697 | 4095 | 3607 | 3203 | 2865 | 2577 | 2330 |
| COMPANY SHARE | | | | | | | |
| 1st Year | Average | Royalties | Oper Costs | FR After Roy&Oper | Capital Costs | Future NetRev | |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue | | | 23.5 | 17.1 | 59.4 | 15.0 | 44.0 |

PROFITABILITY

| COMPANY SHARE BASIS | Before Tax |
|--------------------------|------------|
| Rate of Return (%) | 220.9 |
| Profit Index (undisc.) | 2.9 |
| (disc. @ 10.0%) | 2.3 |
| (disc. @ 5.0%) | 2.6 |
| First Payout (years) | 1.0 |
| Total Payout (years) | 1.1 |
| Cost of Finding (\$/BOE) | 12.37 |
| NPV @ 10.0% (\$/STB) | 27.12 |
| NPV @ 5.0% (\$/STB) | 30.79 |

Table 5m

EVALUATION OF: Trout, Alberta - Probable Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 27-JUN-2011 5396 CS
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-APR-2012
 RUN DATE: 6-JUL-2011 TIME: 13:59
 FILE: OCFR14.DAX

WELL/LOCATION - Loc.13-20-089-03 W5M (Upper Keg River)
 EVALUATED BY -
 COMPANY EVALUATED - Cougar Oil and Gas Canada Inc.
 APPRAISAL FOR -
 PROJECT - CONSTANT PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 133000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1600 -M\$-
 TOTAL ABANDONMENT - 45 -M\$- (2021)

INTEREST

AVG W1 100.0000%

ROYALTIES/TAXES

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

| Year | # of Wells | Price \$/STB | Oil STB | | Company Share | |
|------|------------|--------------|---------|-------|---------------|--------|
| | | | STB/D | Vol | Gross | Net |
| 2011 | 0 | 80.26 | .0 | 0 | 0 | 0 |
| 2012 | 1 | 80.26 | 150.0 | 40650 | 40650 | 38618 |
| 2013 | 1 | 80.26 | 83.6 | 30086 | 30086 | 20684 |
| 2014 | 1 | 80.26 | 57.7 | 20775 | 20775 | 12465 |
| 2015 | 1 | 80.26 | 39.8 | 14345 | 14345 | 9121 |
| 2016 | 1 | 80.26 | 27.5 | 9905 | 9905 | 6889 |
| 2017 | 1 | 80.26 | 19.0 | 6840 | 6840 | 5198 |
| 2018 | 1 | 80.26 | 13.1 | 4723 | 4723 | 3938 |
| 2019 | 1 | 80.26 | 9.1 | 3261 | 3261 | 2886 |
| 2020 | 1 | 80.26 | 6.3 | 2252 | 2252 | 2072 |
| 2021 | 1 | 80.26 | .5 | 162 | 162 | 152 |
| SUB | | | | | 133000 | 102021 |
| REM | | | | | 0 | 0 |
| TOT | | | | | 133000 | 102021 |

| P/T | | COMPANY SHARE FUTURE NET REVENUE | | | | | | | | | | | | | | | | | | |
|------|-----------------|----------------------------------|---------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|-------|-------------------|-----------------|--------------------------|-------------------|-------------------|----------------|---|
| Year | Capital & Aband | Future Revenue (FR) | | | | | Royalties | | | Operating Costs | | | | FR After Roy&Oper | Net back \$/STB | Proc& Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
| | Costs -M\$- | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | -&- | Fixed -M\$- | Variable -M\$- | \$/STB | -M\$- | | | | | | 10.0% -M\$- | |
| | | | | | | | | | | | | | | | | | | | | |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1500 | 3263 | 0 | 0 | 3263 | 163 | 0 | 0 | 5.0 | 47 | 407 | 11.16 | 2646 | 65.09 | 0 | 1500 | 0 | 1146 | 1033 | |
| 2013 | 0 | 2415 | 0 | 0 | 2415 | 755 | 0 | 0 | 31.3 | 63 | 301 | 12.09 | 1297 | 43.09 | 0 | 0 | 0 | 1297 | 1063 | |
| 2014 | 100 | 1667 | 0 | 0 | 1667 | 667 | 0 | 0 | 40.0 | 63 | 208 | 13.02 | 730 | 35.14 | 0 | 100 | 0 | 630 | 469 | |
| 2015 | 0 | 1151 | 0 | 0 | 1151 | 419 | 0 | 0 | 36.4 | 63 | 143 | 14.37 | 526 | 36.66 | 0 | 0 | 0 | 526 | 356 | |
| 2016 | 0 | 795 | 0 | 0 | 795 | 242 | 0 | 0 | 30.5 | 63 | 99 | 16.33 | 391 | 39.48 | 0 | 0 | 0 | 391 | 241 | |
| 2017 | 0 | 549 | 0 | 0 | 549 | 132 | 0 | 0 | 24.0 | 63 | 68 | 19.17 | 286 | 41.82 | 0 | 0 | 0 | 286 | 160 | |
| 2018 | 0 | 379 | 0 | 0 | 379 | 63 | 0 | 0 | 16.6 | 63 | 47 | 23.29 | 206 | 43.64 | 0 | 0 | 0 | 206 | 105 | |
| 2019 | 0 | 262 | 0 | 0 | 262 | 30 | 0 | 0 | 11.5 | 63 | 33 | 29.24 | 136 | 41.78 | 0 | 0 | 0 | 136 | 63 | |
| 2020 | 0 | 181 | 0 | 0 | 181 | 14 | 0 | 0 | 8.0 | 63 | 23 | 37.86 | 81 | 35.98 | 0 | 0 | 0 | 81 | 34 | |
| 2021 | 45 | 13 | 0 | 0 | 13 | 1 | 0 | 0 | 6.5 | 6 | 2 | 44.28 | 5 | 30.74 | 0 | 0 | 45 | -40 | -15 | |
| SUB | 1645 | 10675 | 0 | 0 | 10675 | 2486 | 0 | 0 | 23.3 | 555 | 1330 | | 6304 | | 0 | 1600 | 45 | 4659 | 3509 | |
| REM | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | | 0 | | 0 | 0 | 0 | 0 | 0 | |
| TOT | 1645 | 10675 | 0 | 0 | 10675 | 2486 | 0 | 0 | 23.3 | 555 | 1330 | | 6304 | | 0 | 1600 | 45 | 4659 | 3509 | |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|----------|---------|-----------|------------|-------------------|---------------|---------------|
| FR After Roy & Oper. | 6304 | 5550 | 4953 | 4472 | 4075 | 3743 | 3462 |
| Proc & Other Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1600 | 1509 | 1427 | 1354 | 1287 | 1227 | 1173 |
| Abandonment Costs | 45 | 28 | 17 | 11 | 7 | 5 | 3 |
| Future Net Revenue | 4659 | 4013 | 3509 | 3107 | 2781 | 2511 | 2286 |
| COMPANY SHARE | | | | | | | |
| | 1st Year | Average | Royalties | Oper Costs | FR After Roy&Oper | Capital Costs | Future NetRev |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue | | | 23.3 | 17.7 | 59.1 | 15.0 | 43.6 |

PROFITABILITY

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|--|------------|
| Rate of Return (%) | | 999.9 |
| Profit Index (undisc.) | | 2.8 |
| (disc. @ 10.0%) | | 2.4 |
| (disc. @ 5.0%) | | 2.6 |
| First Payout (years) | | .6 |
| Total Payout (years) | | 1.2 |
| Cost of Finding (\$/BOE) | | 12.37 |
| NPV @ 10.0% (\$/STB) | | 26.39 |
| NPV @ 5.0% (\$/STB) | | 30.16 |

Table 5n

EVALUATION OF: Trout, Alberta - Possible Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 27-JUN-2011 5396 CS
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-AUG-2012
 RUN DATE: 8-JUL-2011 TIME: 13:56
 FILE: OtrPSU2.DAX

WELL/LOCATION - Loc.06-07-089-03 W5M (Upper Keg River)
 EVALUATED BY -
 COMPANY EVALUATED - Cougar Oil and Gas Canada Inc.
 APPRAISAL FOR -
 PROJECT - CONSTANT PRICES & COSTS

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 201000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1675 -M\$-
 TOTAL ABANDONMENT - 45 -M\$- (2028)

INTEREST

AVG WI 100.0000%

ROYALTIES/TAXES

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

| Year | # of Wells | Price \$/STB | Oil STB | | Pool | | Company Share | |
|------|------------|--------------|---------|--------|--------|--------|---------------|--|
| | | | STB/D | Vol | Gross | Net | | |
| 2011 | 0 | 80.26 | .0 | 0 | 0 | 0 | | |
| 2012 | 1 | 80.26 | 160.0 | 24160 | 24160 | 22952 | | |
| 2013 | 1 | 80.26 | 90.9 | 32733 | 32733 | 26323 | | |
| 2014 | 1 | 80.26 | 74.9 | 26977 | 26977 | 16186 | | |
| 2015 | 1 | 80.26 | 61.8 | 22233 | 22233 | 13340 | | |
| 2016 | 1 | 80.26 | 50.9 | 18324 | 18324 | 10994 | | |
| 2017 | 1 | 80.26 | 41.9 | 15102 | 15102 | 9472 | | |
| 2018 | 1 | 80.26 | 34.6 | 12446 | 12446 | 8231 | | |
| 2019 | 1 | 80.26 | 28.5 | 10258 | 10258 | 7085 | | |
| 2020 | 1 | 80.26 | 23.5 | 8454 | 8454 | 6044 | | |
| 2021 | 1 | 80.26 | 19.4 | 6967 | 6967 | 5264 | | |
| 2022 | 1 | 80.26 | 16.0 | 5742 | 5742 | 4584 | | |
| 2023 | 1 | 80.26 | 13.1 | 4733 | 4733 | 3944 | | |
| 2024 | 1 | 80.26 | 10.8 | 3900 | 3900 | 3364 | | |
| 2025 | 1 | 80.26 | 8.9 | 3214 | 3214 | 2849 | | |
| SUB | | | | 195244 | 195244 | 140632 | | |
| REM | | | | 5756 | 5756 | 5276 | | |
| TOT | | | | 201000 | 201000 | 145908 | | |

P/T COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy&Oper -M\$- | Net back \$/STB | Proc& Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|--------------------------------|---------------------|---------|----------|-------|-----------|-------|---------|-------|-----------------|----------|--------|----------------------------|--------------------|-----------------------------|----------------------|----------------------|----------------|-------|
| | | Oil | SaleGas | Products | Total | Crown | Other | Mineral | % | Fixed | Variable | | | | | | | Undisc | 10.0% |
| | | -M\$- | -M\$- | -M\$- | -M\$- | -M\$- | -M\$- | -M\$- | -M\$- | -M\$- | -M\$- | \$/STB | | | | | | -M\$- | -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1500 | 1939 | 0 | 0 | 1939 | 97 | 0 | 0 | 5.0 | 26 | 242 | 11.08 | 1574 | 65.16 | 0 | 1500 | 0 | 74 | 67 |
| 2013 | 0 | 2627 | 0 | 0 | 2627 | 514 | 0 | 0 | 19.6 | 63 | 327 | 11.92 | 1723 | 52.63 | 0 | 0 | 0 | 1723 | 1412 |
| 2014 | 175 | 2165 | 0 | 0 | 2165 | 866 | 0 | 0 | 40.0 | 63 | 270 | 12.33 | 967 | 35.83 | 0 | 175 | 0 | 792 | 590 |
| 2015 | 0 | 1784 | 0 | 0 | 1784 | 714 | 0 | 0 | 40.0 | 63 | 222 | 12.82 | 786 | 35.33 | 0 | 0 | 0 | 786 | 532 |
| 2016 | 0 | 1471 | 0 | 0 | 1471 | 588 | 0 | 0 | 40.0 | 63 | 183 | 13.42 | 636 | 34.73 | 0 | 0 | 0 | 636 | 392 |
| 2017 | 0 | 1212 | 0 | 0 | 1212 | 452 | 0 | 0 | 37.3 | 63 | 151 | 14.15 | 546 | 36.19 | 0 | 0 | 0 | 546 | 306 |
| 2018 | 0 | 999 | 0 | 0 | 999 | 338 | 0 | 0 | 33.9 | 63 | 124 | 15.04 | 473 | 38.04 | 0 | 0 | 0 | 473 | 241 |
| 2019 | 0 | 823 | 0 | 0 | 823 | 255 | 0 | 0 | 30.9 | 63 | 103 | 16.12 | 403 | 39.32 | 0 | 0 | 0 | 403 | 187 |
| 2020 | 0 | 679 | 0 | 0 | 679 | 193 | 0 | 0 | 28.5 | 63 | 85 | 17.42 | 338 | 39.96 | 0 | 0 | 0 | 338 | 142 |
| 2021 | 0 | 559 | 0 | 0 | 559 | 137 | 0 | 0 | 24.5 | 63 | 70 | 19.01 | 290 | 41.63 | 0 | 0 | 0 | 290 | 111 |
| 2022 | 0 | 461 | 0 | 0 | 461 | 93 | 0 | 0 | 20.2 | 63 | 57 | 20.93 | 248 | 43.14 | 0 | 0 | 0 | 248 | 86 |
| 2023 | 0 | 380 | 0 | 0 | 380 | 63 | 0 | 0 | 16.7 | 63 | 47 | 23.26 | 207 | 43.64 | 0 | 0 | 0 | 207 | 65 |
| 2024 | 0 | 313 | 0 | 0 | 313 | 43 | 0 | 0 | 13.7 | 63 | 39 | 26.09 | 168 | 43.14 | 0 | 0 | 0 | 168 | 48 |
| 2025 | 0 | 258 | 0 | 0 | 258 | 29 | 0 | 0 | 11.4 | 63 | 32 | 29.52 | 134 | 41.63 | 0 | 0 | 0 | 134 | 35 |
| SUB | 1675 | 15670 | 0 | 0 | 15670 | 4383 | 0 | 0 | 28.0 | 842 | 1952 | | 8493 | | 0 | 1675 | 0 | 6818 | 4214 |
| REM | 45 | 462 | 0 | 0 | 462 | 39 | 0 | 0 | 8.3 | 156 | 58 | | 210 | | 0 | 0 | 45 | 165 | 38 |
| TOT | 1720 | 16132 | 0 | 0 | 16132 | 4422 | 0 | 0 | 27.4 | 998 | 2010 | | 8703 | | 0 | 1675 | 45 | 6983 | 4252 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|---------|-----------|------------|-------------------|---------------|---------------|-------|
| FR After Roy & Oper. | 8703 | 6940 | 5744 | 4889 | 4251 | 3758 | 3366 |
| Proc & Other Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1675 | 1573 | 1483 | 1402 | 1330 | 1265 | 1206 |
| Abandonment Costs | 45 | 20 | 9 | 4 | 2 | 1 | 1 |
| Future Net Revenue | 6983 | 5347 | 4252 | 3482 | 2919 | 2492 | 2159 |
| COMPANY SHARE | | | | | | | |
| 1st Year | Average | Royalties | Oper Costs | FR After Roy&Oper | Capital Costs | Future NetRev | |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue | | | 27.4 | 18.6 | 53.9 | 10.4 | 43.3 |

PROFITABILITY

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|-------|------------|
| Rate of Return (%) | ..... | 999.9 |
| Profit Index (undisc.) | ..... | 4.1 |
| (disc. @ 10.0%) | ..... | 2.9 |
| (disc. @ 5.0%) | ..... | 3.4 |
| First Payout (years) | ..... | .6 |
| Total Payout (years) | ..... | 1.7 |
| Cost of Finding (\$/BOE) | ..... | 8.56 |
| NPV @ 10.0% (\$/STB) | ..... | 21.16 |
| NPV @ 5.0% (\$/STB) | ..... | 26.60 |

Table 5o

EVALUATION OF: Trout, Alberta - Possible Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 27-JUN-2011 5396 CS
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-AUG-2012
 RUN DATE: 8-JUL-2011 TIME: 13:56
 FILE: OTRPSU7.DAX

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

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 240000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1650 -M\$-
 TOTAL ABANDONMENT - 45 -M\$- (2030)

INTEREST

ROYALTIES/TAXES

AVG WI 100.0000%

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

| Year | # of Wells | Price \$/STB | Pool | | Company Share | |
|------|------------|--------------|-------|--------|---------------|--------|
| | | | STB/D | Vol | Gross | Net |
| 2011 | 0 | 80.26 | .0 | 0 | 0 | 0 |
| 2012 | 1 | 80.26 | 170.0 | 25670 | 25670 | 24386 |
| 2013 | 1 | 80.26 | 100.8 | 36305 | 36305 | 29195 |
| 2014 | 1 | 80.26 | 84.5 | 30435 | 30435 | 18261 |
| 2015 | 1 | 80.26 | 70.9 | 25514 | 25514 | 15308 |
| 2016 | 1 | 80.26 | 59.4 | 21389 | 21389 | 12833 |
| 2017 | 1 | 80.26 | 49.8 | 17930 | 17930 | 10770 |
| 2018 | 1 | 80.26 | 41.8 | 15031 | 15031 | 9438 |
| 2019 | 1 | 80.26 | 35.0 | 12601 | 12601 | 8307 |
| 2020 | 1 | 80.26 | 29.3 | 10564 | 10564 | 7253 |
| 2021 | 1 | 80.26 | 24.6 | 8856 | 8856 | 6283 |
| 2022 | 1 | 80.26 | 20.6 | 7424 | 7424 | 5490 |
| 2023 | 1 | 80.26 | 17.3 | 6223 | 6223 | 4863 |
| 2024 | 1 | 80.26 | 14.5 | 5217 | 5217 | 4260 |
| 2025 | 1 | 80.26 | 12.1 | 4374 | 4374 | 3700 |
| SUB | | | | 227532 | 227532 | 160348 |
| REM | | | | 12468 | 12468 | 11192 |
| TOT | | | | 240000 | 240000 | 171540 |

P/T 14

COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | Proc & Other Income | | Cap'l Costs | | Aband Costs | | Future Net Rev | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|---------------------------|-----------------|-------------|-------|-------------|-------|----------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | % | Fixed -M\$- | Variable -M\$- | \$/STB | FR After Roy & Oper -M\$- | Net back \$/STB | -M\$- | -M\$- | -M\$- | -M\$- | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1500 | 2060 | 0 | 0 | 2060 | 103 | 0 | 0 | 5.0 | 26 | 257 | 11.02 | 1674 | 65.23 | 0 | 1500 | 0 | 174 | 157 | |
| 2013 | 0 | 2914 | 0 | 0 | 2914 | 571 | 0 | 0 | 19.6 | 63 | 363 | 11.73 | 1917 | 52.81 | 0 | 0 | 0 | 1917 | 1572 | |
| 2014 | 150 | 2443 | 0 | 0 | 2443 | 977 | 0 | 0 | 40.0 | 63 | 304 | 12.06 | 1099 | 36.09 | 0 | 150 | 0 | 949 | 707 | |
| 2015 | 0 | 2048 | 0 | 0 | 2048 | 819 | 0 | 0 | 40.0 | 63 | 255 | 12.46 | 911 | 35.70 | 0 | 0 | 0 | 911 | 617 | |
| 2016 | 0 | 1717 | 0 | 0 | 1717 | 687 | 0 | 0 | 40.0 | 63 | 214 | 12.93 | 753 | 35.22 | 0 | 0 | 0 | 753 | 464 | |
| 2017 | 0 | 1439 | 0 | 0 | 1439 | 575 | 0 | 0 | 39.9 | 63 | 179 | 13.50 | 622 | 34.71 | 0 | 0 | 0 | 622 | 348 | |
| 2018 | 0 | 1206 | 0 | 0 | 1206 | 449 | 0 | 0 | 37.2 | 63 | 150 | 14.17 | 544 | 36.22 | 0 | 0 | 0 | 544 | 277 | |
| 2019 | 0 | 1011 | 0 | 0 | 1011 | 345 | 0 | 0 | 34.1 | 63 | 126 | 14.98 | 478 | 37.93 | 0 | 0 | 0 | 478 | 221 | |
| 2020 | 0 | 848 | 0 | 0 | 848 | 266 | 0 | 0 | 31.3 | 63 | 106 | 15.94 | 414 | 39.17 | 0 | 0 | 0 | 414 | 174 | |
| 2021 | 0 | 711 | 0 | 0 | 711 | 206 | 0 | 0 | 29.0 | 63 | 89 | 17.09 | 353 | 39.86 | 0 | 0 | 0 | 353 | 135 | |
| 2022 | 0 | 596 | 0 | 0 | 596 | 155 | 0 | 0 | 26.0 | 63 | 74 | 18.45 | 304 | 40.90 | 0 | 0 | 0 | 304 | 106 | |
| 2023 | 0 | 499 | 0 | 0 | 499 | 109 | 0 | 0 | 21.9 | 63 | 62 | 20.08 | 265 | 42.64 | 0 | 0 | 0 | 265 | 84 | |
| 2024 | 0 | 419 | 0 | 0 | 419 | 77 | 0 | 0 | 18.3 | 63 | 52 | 22.03 | 227 | 43.51 | 0 | 0 | 0 | 227 | 65 | |
| 2025 | 0 | 351 | 0 | 0 | 351 | 54 | 0 | 0 | 15.4 | 63 | 44 | 24.35 | 190 | 43.55 | 0 | 0 | 0 | 190 | 50 | |
| SUB | 1650 | 18262 | 0 | 0 | 18262 | 5392 | 0 | 0 | 29.5 | 842 | 2275 | | 9752 | | 0 | 1650 | 0 | 8102 | 4977 | |
| REM | 45 | 1001 | 0 | 0 | 1001 | 102 | 0 | 0 | 10.2 | 284 | 125 | | 490 | | 0 | 0 | 45 | 445 | 95 | |
| TOT | 1695 | 19262 | 0 | 0 | 19262 | 5495 | 0 | 0 | 28.5 | 1126 | 2400 | | 10242 | | 0 | 1650 | 45 | 8547 | 5072 | |

NET PRESENT VALUE (-M\$-)

PROFITABILITY

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|-------|-------|-------|-------|-------|-------|-------|
| FR After Roy & Oper. | 10242 | 8009 | 6543 | 5520 | 4770 | 4197 | 3745 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1650 | 1552 | 1464 | 1386 | 1316 | 1252 | 1195 |
| Abandonment Costs | 45 | 18 | 7 | 3 | 1 | 1 | 0 |
| Future Net Revenue | 8547 | 6440 | 5072 | 4131 | 3452 | 2944 | 2550 |
| COMPANY SHARE | | | | | | | |
| 1st Year Average | | | | | | | |
| Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue. | | | 28.5 | 18.3 | 53.2 | 8.6 | 44.4 |

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|-------|------------|
| Rate of Return (%) | ..... | 999.9 |
| Profit Index (undisc.) | ..... | 5.0 |
| (disc. @ 10.0%) | ..... | 3.4 |
| (disc. @ 5.0%) | ..... | 4.1 |
| First Payout (years) | ..... | .6 |
| Total Payout (years) | ..... | 1.6 |
| Cost of Finding (\$/BOE) | ..... | 7.06 |
| NPV @ 10.0% (\$/STB) | ..... | 21.13 |
| NPV @ 5.0% (\$/STB) | ..... | 26.63 |

Table 5p

EVALUATION OF: Trout, Alberta - Possible Undeveloped

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

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

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 240000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1600 -M\$-
 TOTAL ABANDONMENT - 45 -M\$- (2029)

INTEREST

AVG WI 100.0000%

ROYALTIES/TAXES

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

| Year | # of Wells | Price \$/STB | Oil STB | | Pool | | Company Share | |
|------|------------|--------------|---------|--------|--------|--------|---------------|--|
| | | | STB/D | Vol | Gross | Net | | |
| 2011 | 1 | 80.26 | 180.0 | 16380 | 16380 | 15561 | | |
| 2012 | 1 | 80.26 | 105.4 | 37941 | 37941 | 32725 | | |
| 2013 | 1 | 80.26 | 88.3 | 31784 | 31784 | 19070 | | |
| 2014 | 1 | 80.26 | 74.0 | 26626 | 26626 | 15975 | | |
| 2015 | 1 | 80.26 | 62.0 | 22305 | 22305 | 13383 | | |
| 2016 | 1 | 80.26 | 51.9 | 18685 | 18685 | 11211 | | |
| 2017 | 1 | 80.26 | 43.5 | 15652 | 15652 | 9736 | | |
| 2018 | 1 | 80.26 | 36.4 | 13112 | 13112 | 8554 | | |
| 2019 | 1 | 80.26 | 30.5 | 10984 | 10984 | 7480 | | |
| 2020 | 1 | 80.26 | 25.6 | 9202 | 9202 | 6486 | | |
| 2021 | 1 | 80.26 | 21.4 | 7708 | 7708 | 5624 | | |
| 2022 | 1 | 80.26 | 17.9 | 6457 | 6457 | 4993 | | |
| 2023 | 1 | 80.26 | 15.0 | 5409 | 5409 | 4381 | | |
| 2024 | 1 | 80.26 | 12.6 | 4531 | 4531 | 3809 | | |
| 2025 | 1 | 80.26 | 10.5 | 3796 | 3796 | 3288 | | |
| SUB | | | | 230573 | 230573 | 162276 | | |
| REM | | | | 9427 | 9427 | 8549 | | |
| TOT | | | | 240000 | 240000 | 170825 | | |

P/T

COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy&Oper -M\$- | Net back \$/STB | Proc& Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|-------------------------|-----------------|--------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | % | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 1500 | 1315 | 0 | 0 | 1315 | 66 | 0 | 0 | 5.0 | 16 | 164 | 10.96 | 1069 | 65.29 | 0 | 1500 | 0 | -431 | -419 |
| 2012 | 0 | 3045 | 0 | 0 | 3045 | 419 | 0 | 0 | 13.7 | 63 | 379 | 11.65 | 2184 | 57.57 | 0 | 0 | 0 | 2184 | 1969 |
| 2013 | 0 | 2551 | 0 | 0 | 2551 | 1020 | 0 | 0 | 40.0 | 63 | 318 | 11.97 | 1150 | 36.18 | 0 | 0 | 0 | 1150 | 943 |
| 2014 | 100 | 2137 | 0 | 0 | 2137 | 855 | 0 | 0 | 40.0 | 63 | 266 | 12.36 | 953 | 35.80 | 0 | 100 | 0 | 853 | 636 |
| 2015 | 0 | 1790 | 0 | 0 | 1790 | 716 | 0 | 0 | 40.0 | 63 | 223 | 12.81 | 788 | 35.34 | 0 | 0 | 0 | 788 | 534 |
| 2016 | 0 | 1500 | 0 | 0 | 1500 | 600 | 0 | 0 | 40.0 | 63 | 187 | 13.36 | 650 | 34.80 | 0 | 0 | 0 | 650 | 400 |
| 2017 | 0 | 1256 | 0 | 0 | 1256 | 475 | 0 | 0 | 37.8 | 63 | 157 | 14.01 | 562 | 35.92 | 0 | 0 | 0 | 562 | 315 |
| 2018 | 0 | 1052 | 0 | 0 | 1052 | 366 | 0 | 0 | 34.8 | 63 | 131 | 14.79 | 493 | 37.58 | 0 | 0 | 0 | 493 | 251 |
| 2019 | 0 | 882 | 0 | 0 | 882 | 281 | 0 | 0 | 31.9 | 63 | 110 | 15.71 | 428 | 38.94 | 0 | 0 | 0 | 428 | 198 |
| 2020 | 0 | 739 | 0 | 0 | 739 | 218 | 0 | 0 | 29.5 | 63 | 92 | 16.82 | 366 | 39.75 | 0 | 0 | 0 | 366 | 154 |
| 2021 | 0 | 619 | 0 | 0 | 619 | 167 | 0 | 0 | 27.0 | 63 | 77 | 18.14 | 312 | 40.42 | 0 | 0 | 0 | 312 | 119 |
| 2022 | 0 | 518 | 0 | 0 | 518 | 118 | 0 | 0 | 22.7 | 63 | 65 | 19.72 | 273 | 42.35 | 0 | 0 | 0 | 273 | 95 |
| 2023 | 0 | 434 | 0 | 0 | 434 | 83 | 0 | 0 | 19.0 | 63 | 54 | 21.60 | 235 | 43.40 | 0 | 0 | 0 | 235 | 74 |
| 2024 | 0 | 364 | 0 | 0 | 364 | 58 | 0 | 0 | 16.0 | 63 | 45 | 23.85 | 198 | 43.61 | 0 | 0 | 0 | 198 | 57 |
| 2025 | 0 | 305 | 0 | 0 | 305 | 41 | 0 | 0 | 13.4 | 63 | 38 | 26.53 | 163 | 42.99 | 0 | 0 | 0 | 163 | 43 |
| SUB | 1600 | 18506 | 0 | 0 | 18506 | 5482 | 0 | 0 | 29.6 | 894 | 2306 | | 9824 | | 0 | 1600 | 0 | 8224 | 5369 |
| REM | 45 | 757 | 0 | 0 | 757 | 70 | 0 | 0 | 9.3 | 232 | 94 | | 359 | | 0 | 0 | 45 | 314 | 69 |
| TOT | 1645 | 19262 | 0 | 0 | 19262 | 5552 | 0 | 0 | 28.8 | 1127 | 2400 | | 10184 | | 0 | 1600 | 45 | 8539 | 5438 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | 0.0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|-------|-------|-------|-------|-------|-------|-------|
| FR After Roy & Oper. | 10184 | 8257 | 6979 | 6080 | 5416 | 4906 | 4501 |
| Proc & Other Income. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1600 | 1565 | 1533 | 1505 | 1479 | 1455 | 1433 |
| Abandonment Costs | 45 | 19 | 8 | 4 | 2 | 1 | 0 |
| Future Net Revenue | 8539 | 6673 | 5438 | 4572 | 3936 | 3450 | 3068 |
| COMPANY SHARE | | | | | | | |
| 1st Year Average | | | | | | | |
| Royalties | | | | | | | |
| Oper Costs | | | | | | | |
| FR After Roy&Oper | | | | | | | |
| Capital Costs | | | | | | | |
| Future NetRev | | | | | | | |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue. | | | 28.8 | 18.3 | 52.9 | 8.3 | 44.3 |

PROFITABILITY

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|--|------------|
| Rate of Return (%) | | 742.4 |
| Profit Index (undisc.) | | 5.2 |
| (disc. @ 10.0%) | | 3.5 |
| (disc. @ 5.0%) | | 4.2 |
| First Payout (years) | | .8 |
| Total Payout (years) | | .8 |
| Cost of Finding (\$/BOE) | | 6.85 |
| NPV @ 10.0% (\$/STB) | | 22.66 |
| NPV @ 5.0% (\$/STB) | | 27.81 |

Table 5q

EVALUATION OF: Trout, Alberta - Possible Undeveloped

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

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

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

INTEREST

ROYALTIES/TAXES

AVG WI 100.0000%

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

| Year | # of Wells | Price \$/STB | Pool | | Company Share | |
|------|------------|--------------|-------|--------|---------------|--------|
| | | | STB/D | Vol | Gross | Net |
| 2011 | 0 | 80.26 | .0 | 0 | 0 | 0 |
| 2012 | 1 | 80.26 | 180.0 | 10800 | 10800 | 10260 |
| 2013 | 1 | 80.26 | 105.6 | 38021 | 38021 | 33902 |
| 2014 | 1 | 80.26 | 88.9 | 31988 | 31988 | 19193 |
| 2015 | 1 | 80.26 | 74.8 | 26913 | 26913 | 16148 |
| 2016 | 1 | 80.26 | 62.9 | 22642 | 22642 | 13585 |
| 2017 | 1 | 80.26 | 52.9 | 19050 | 19050 | 11430 |
| 2018 | 1 | 80.26 | 44.5 | 16027 | 16027 | 9913 |
| 2019 | 1 | 80.26 | 37.5 | 13484 | 13484 | 8729 |
| 2020 | 1 | 80.26 | 31.5 | 11344 | 11344 | 7670 |
| 2021 | 1 | 80.26 | 26.5 | 9544 | 9544 | 6684 |
| 2022 | 1 | 80.26 | 22.3 | 8030 | 8030 | 5786 |
| 2023 | 1 | 80.26 | 18.8 | 6756 | 6756 | 5154 |
| 2024 | 1 | 80.26 | 15.8 | 5684 | 5684 | 4549 |
| 2025 | 1 | 80.26 | 13.3 | 4782 | 4782 | 3977 |
| SUB | | | | 225065 | 225065 | 156980 |
| REM | | | | 14935 | 14935 | 13307 |
| TOT | | | | 240000 | 240000 | 170288 |

P/T

COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy&Oper -M\$- | Net back Costs \$/STB | Proc& Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|-------------------------|-----------------------|--------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | %- | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1500 | 867 | 0 | 0 | 867 | 43 | 0 | 0 | 5.0 | 10 | 108 | 10.97 | 705 | 65.28 | 0 | 1500 | 0 | -795 | -717 |
| 2013 | 0 | 3052 | 0 | 0 | 3052 | 331 | 0 | 0 | 10.8 | 63 | 380 | 11.65 | 2278 | 59.91 | 0 | 0 | 0 | 2278 | 1867 |
| 2014 | 175 | 2567 | 0 | 0 | 2567 | 1027 | 0 | 0 | 40.0 | 63 | 320 | 11.96 | 1158 | 36.19 | 0 | 175 | 0 | 963 | 732 |
| 2015 | 0 | 2160 | 0 | 0 | 2160 | 864 | 0 | 0 | 40.0 | 63 | 269 | 12.33 | 964 | 35.82 | 0 | 0 | 0 | 964 | 653 |
| 2016 | 0 | 1817 | 0 | 0 | 1817 | 727 | 0 | 0 | 40.0 | 63 | 226 | 12.77 | 801 | 35.38 | 0 | 0 | 0 | 801 | 493 |
| 2017 | 0 | 1529 | 0 | 0 | 1529 | 612 | 0 | 0 | 40.0 | 63 | 190 | 13.29 | 664 | 34.86 | 0 | 0 | 0 | 664 | 372 |
| 2018 | 0 | 1286 | 0 | 0 | 1286 | 491 | 0 | 0 | 38.1 | 63 | 160 | 13.91 | 573 | 35.73 | 0 | 0 | 0 | 573 | 291 |
| 2019 | 0 | 1082 | 0 | 0 | 1082 | 382 | 0 | 0 | 35.3 | 63 | 135 | 14.65 | 503 | 37.31 | 0 | 0 | 0 | 503 | 233 |
| 2020 | 0 | 911 | 0 | 0 | 911 | 295 | 0 | 0 | 32.4 | 63 | 113 | 15.53 | 439 | 38.73 | 0 | 0 | 0 | 439 | 185 |
| 2021 | 0 | 766 | 0 | 0 | 766 | 230 | 0 | 0 | 30.0 | 63 | 95 | 16.57 | 378 | 39.63 | 0 | 0 | 0 | 378 | 145 |
| 2022 | 0 | 644 | 0 | 0 | 644 | 180 | 0 | 0 | 27.9 | 63 | 80 | 17.61 | 321 | 40.02 | 0 | 0 | 0 | 321 | 112 |
| 2023 | 0 | 542 | 0 | 0 | 542 | 129 | 0 | 0 | 23.7 | 63 | 68 | 19.29 | 283 | 41.94 | 0 | 0 | 0 | 283 | 90 |
| 2024 | 0 | 456 | 0 | 0 | 456 | 91 | 0 | 0 | 20.0 | 63 | 57 | 21.04 | 245 | 43.19 | 0 | 0 | 0 | 245 | 71 |
| 2025 | 0 | 384 | 0 | 0 | 384 | 65 | 0 | 0 | 16.8 | 63 | 48 | 23.12 | 209 | 43.63 | 0 | 0 | 0 | 209 | 54 |
| SUB | 1675 | 18064 | 0 | 0 | 18064 | 5465 | 0 | 0 | 30.3 | 826 | 2251 | | 9522 | | 0 | 1675 | 0 | 7847 | 4581 |
| REM | 45 | 1199 | 0 | 0 | 1199 | 131 | 0 | 0 | 10.9 | 323 | 149 | | 596 | | 0 | 0 | 45 | 551 | 116 |
| TOT | 1720 | 19262 | 0 | 0 | 19262 | 5595 | 0 | 0 | 29.0 | 1149 | 2400 | | 10118 | | 0 | 1675 | 45 | 8398 | 4697 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|---------|-----------|------------|-------------------|---------------|---------------|-------|
| FR After Roy & Oper. | 10118 | 7732 | 6187 | 5121 | 4347 | 3762 | 3306 |
| Proc & Other Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1675 | 1573 | 1483 | 1402 | 1330 | 1265 | 1206 |
| Abandonment Costs | 45 | 17 | 7 | 3 | 1 | 1 | 0 |
| Future Net Revenue | 8398 | 6142 | 4697 | 3716 | 3016 | 2497 | 2100 |
| COMPANY SHARE | | | | | | | |
| 1st Year | Average | Royalties | Oper Costs | FR After Roy&Oper | Capital Costs | Future NetRev | |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue | | | 29.0 | 18.4 | 52.5 | 8.7 | 43.6 |

PROFITABILITY

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|-------|------------|
| Rate of Return (%) | ..... | 237.4 |
| Profit Index (undisc.) | ..... | 4.9 |
| (disc. @ 10.0%) | ..... | 3.2 |
| (disc. @ 5.0%) | ..... | 3.9 |
| First Payout (years) | ..... | 1.9 |
| Total Payout (years) | ..... | 2.0 |
| Cost of Finding (\$/BOE) | ..... | 7.17 |
| NPV @ 10.0% (\$/STB) | ..... | 19.57 |
| NPV @ 5.0% (\$/STB) | ..... | 25.59 |

Table 5r

EVALUATION OF: Trout, Alberta - Possible Undeveloped

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

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

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 240000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1600 -M\$-
 TOTAL ABANDONMENT - 45 -M\$- (2029)

INTEREST

AVG W1 100.0000%

ROYALTIES/TAXES

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

| Year | # of Wells | Price \$/STB | Oil STB | | Pool | | Company Share | |
|------|------------|--------------|---------|--------|--------|--------|---------------|--|
| | | | STB/D | Vol | Gross | Net | | |
| 2011 | 1 | 80.26 | 180.0 | 16380 | 16380 | 15561 | | |
| 2012 | 1 | 80.26 | 105.4 | 37941 | 37941 | 32725 | | |
| 2013 | 1 | 80.26 | 88.3 | 31784 | 31784 | 19070 | | |
| 2014 | 1 | 80.26 | 74.0 | 26626 | 26626 | 15975 | | |
| 2015 | 1 | 80.26 | 62.0 | 22305 | 22305 | 13383 | | |
| 2016 | 1 | 80.26 | 51.9 | 18685 | 18685 | 11211 | | |
| 2017 | 1 | 80.26 | 43.5 | 15652 | 15652 | 9736 | | |
| 2018 | 1 | 80.26 | 36.4 | 13112 | 13112 | 8554 | | |
| 2019 | 1 | 80.26 | 30.5 | 10984 | 10984 | 7480 | | |
| 2020 | 1 | 80.26 | 25.6 | 9202 | 9202 | 6486 | | |
| 2021 | 1 | 80.26 | 21.4 | 7708 | 7708 | 5624 | | |
| 2022 | 1 | 80.26 | 17.9 | 6457 | 6457 | 4993 | | |
| 2023 | 1 | 80.26 | 15.0 | 5409 | 5409 | 4381 | | |
| 2024 | 1 | 80.26 | 12.6 | 4531 | 4531 | 3809 | | |
| 2025 | 1 | 80.26 | 10.5 | 3796 | 3796 | 3288 | | |
| SUB | | | | 230573 | 230573 | 162276 | | |
| REM | | | | 9427 | 9427 | 8549 | | |
| TOT | | | | 240000 | 240000 | 170825 | | |

P/T

COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | Proc& Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | | | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|--------------------------|-------------------|-------------------|-------------------------|-----------------|--------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | % - | Fixed -M\$- | Variable -M\$- | \$/STB | | | | FR After Roy&Oper -M\$- | Net back \$/STB | Undisc -M\$- | 10.0% -M\$- |
| | | | | | | | | | | | | | | | | | | | |
| 2011 | 1500 | 1315 | 0 | 0 | 1315 | 66 | 0 | 0 | 5.0 | 16 | 164 | 10.96 | 1069 | 65.29 | 0 | 1500 | 0 | -431 | -419 |
| 2012 | 0 | 3045 | 0 | 0 | 3045 | 419 | 0 | 0 | 13.7 | 63 | 379 | 11.65 | 2184 | 57.57 | 0 | 0 | 0 | 2184 | 1969 |
| 2013 | 0 | 2551 | 0 | 0 | 2551 | 1020 | 0 | 0 | 40.0 | 63 | 318 | 11.97 | 1150 | 36.18 | 0 | 0 | 0 | 1150 | 943 |
| 2014 | 100 | 2137 | 0 | 0 | 2137 | 855 | 0 | 0 | 40.0 | 63 | 266 | 12.36 | 953 | 35.80 | 0 | 100 | 0 | 853 | 636 |
| 2015 | 0 | 1790 | 0 | 0 | 1790 | 716 | 0 | 0 | 40.0 | 63 | 223 | 12.81 | 788 | 35.34 | 0 | 0 | 0 | 788 | 534 |
| 2016 | 0 | 1500 | 0 | 0 | 1500 | 600 | 0 | 0 | 40.0 | 63 | 187 | 13.36 | 650 | 34.80 | 0 | 0 | 0 | 650 | 400 |
| 2017 | 0 | 1256 | 0 | 0 | 1256 | 475 | 0 | 0 | 37.8 | 63 | 157 | 14.01 | 562 | 35.92 | 0 | 0 | 0 | 562 | 315 |
| 2018 | 0 | 1052 | 0 | 0 | 1052 | 366 | 0 | 0 | 34.8 | 63 | 131 | 14.79 | 493 | 37.58 | 0 | 0 | 0 | 493 | 251 |
| 2019 | 0 | 882 | 0 | 0 | 882 | 281 | 0 | 0 | 31.9 | 63 | 110 | 15.71 | 428 | 38.94 | 0 | 0 | 0 | 428 | 198 |
| 2020 | 0 | 739 | 0 | 0 | 739 | 218 | 0 | 0 | 29.5 | 63 | 92 | 16.82 | 366 | 39.75 | 0 | 0 | 0 | 366 | 154 |
| 2021 | 0 | 619 | 0 | 0 | 619 | 167 | 0 | 0 | 27.0 | 63 | 77 | 18.14 | 312 | 40.42 | 0 | 0 | 0 | 312 | 119 |
| 2022 | 0 | 518 | 0 | 0 | 518 | 118 | 0 | 0 | 22.7 | 63 | 65 | 19.72 | 273 | 42.35 | 0 | 0 | 0 | 273 | 95 |
| 2023 | 0 | 434 | 0 | 0 | 434 | 83 | 0 | 0 | 19.0 | 63 | 54 | 21.60 | 235 | 43.40 | 0 | 0 | 0 | 235 | 74 |
| 2024 | 0 | 364 | 0 | 0 | 364 | 58 | 0 | 0 | 16.0 | 63 | 45 | 23.85 | 198 | 43.61 | 0 | 0 | 0 | 198 | 57 |
| 2025 | 0 | 305 | 0 | 0 | 305 | 41 | 0 | 0 | 13.4 | 63 | 38 | 26.53 | 163 | 42.99 | 0 | 0 | 0 | 163 | 43 |
| SUB | 1600 | 18506 | 0 | 0 | 18506 | 5482 | 0 | 0 | 29.6 | 894 | 2306 | | 9824 | | 0 | 1600 | 0 | 8224 | 5369 |
| REM | 45 | 757 | 0 | 0 | 757 | 70 | 0 | 0 | 9.3 | 232 | 94 | | 359 | | 0 | 0 | 45 | 314 | 69 |
| TOT | 1645 | 19262 | 0 | 0 | 19262 | 5552 | 0 | 0 | 28.8 | 1127 | 2400 | | 10184 | | 0 | 1600 | 45 | 8539 | 5438 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|---------|-----------|------------|-------------------|---------------|---------------|-------|
| FR After Roy & Oper. | 10184 | 8257 | 6979 | 6080 | 5416 | 4906 | 4501 |
| Proc & Other Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1600 | 1565 | 1533 | 1505 | 1479 | 1455 | 1433 |
| Abandonment Costs | 45 | 19 | 8 | 4 | 2 | 1 | 0 |
| Future Net Revenue | 8539 | 6673 | 5438 | 4572 | 3936 | 3450 | 3068 |
| COMPANY SHARE | | | | | | | |
| 1st Year | Average | Royalties | Oper Costs | FR After Roy&Oper | Capital Costs | Future NetRev | |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue | | | 28.8 | 18.3 | 52.9 | 8.3 | 44.3 |

PROFITABILITY

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|--|------------|
| Rate of Return (%) | | 742.4 |
| Profit Index (undisc.) | | 5.2 |
| (disc. @ 10.0%) | | 3.5 |
| (disc. @ 5.0%) | | 4.2 |
| First Payout (years) | | .8 |
| Total Payout (years) | | .8 |
| Cost of Finding (\$/BOE) | | 6.85 |
| NPV @ 10.0% (\$/STB) | | 22.66 |
| NPV @ 5.0% (\$/STB) | | 27.81 |

Table 5s

EVALUATION OF: Trout, Alberta - Possible Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 27-JUN-2011 5396_CS
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-OCT-2011
 RUN DATE: 8-JUL-2011 TIME: 13:58
 FILE: OtrPSU11.DAX

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

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 240000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1600 -M\$-
 TOTAL ABANDONMENT - 45 -M\$- (2029)

INTEREST

AVG W1 100.0000%

ROYALTIES/TAXES

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

| Year | # of Wells | Price \$/STB | Oil STB | | Company Share | |
|------|------------|--------------|---------|--------|---------------|--------|
| | | | STB/D | Vol | Gross | Net |
| 2011 | 1 | 80.26 | 180.0 | 16380 | 16380 | 15561 |
| 2012 | 1 | 80.26 | 105.4 | 37941 | 37941 | 32725 |
| 2013 | 1 | 80.26 | 88.3 | 31784 | 31784 | 19070 |
| 2014 | 1 | 80.26 | 74.0 | 26626 | 26626 | 15975 |
| 2015 | 1 | 80.26 | 62.0 | 22305 | 22305 | 13383 |
| 2016 | 1 | 80.26 | 51.9 | 18685 | 18685 | 11211 |
| 2017 | 1 | 80.26 | 43.5 | 15652 | 15652 | 9736 |
| 2018 | 1 | 80.26 | 36.4 | 13112 | 13112 | 8554 |
| 2019 | 1 | 80.26 | 30.5 | 10984 | 10984 | 7480 |
| 2020 | 1 | 80.26 | 25.6 | 9202 | 9202 | 6486 |
| 2021 | 1 | 80.26 | 21.4 | 7708 | 7708 | 5624 |
| 2022 | 1 | 80.26 | 17.9 | 6457 | 6457 | 4993 |
| 2023 | 1 | 80.26 | 15.0 | 5409 | 5409 | 4381 |
| 2024 | 1 | 80.26 | 12.6 | 4531 | 4531 | 3809 |
| 2025 | 1 | 80.26 | 10.5 | 3796 | 3796 | 3288 |
| SUB | | | | 230573 | 230573 | 162276 |
| REM | | | | 9427 | 9427 | 8549 |
| TOT | | | | 240000 | 240000 | 170825 |

P/T

COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy & Oper -M\$- | Net back \$/STB | Proc & Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Undisc -M\$- | Net Rev 10.0% -M\$- |
|------|--------------------------------|---------------------|-------------------|-------------------|----------------|----------------|----------------|------------------|------|-----------------|-------------------|--------|------------------------------|--------------------|------------------------------|----------------------|----------------------|------------------------|---------------------------|
| | | Oil -M\$- | Sale Gas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | % | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |
| 2011 | 1500 | 1315 | 0 | 0 | 1315 | 66 | 0 | 0 | 5.0 | 16 | 164 | 10.96 | 1069 | 65.29 | 0 | 1500 | 0 | -431 | -419 |
| 2012 | 0 | 3045 | 0 | 0 | 3045 | 419 | 0 | 0 | 13.7 | 63 | 379 | 11.65 | 2184 | 57.57 | 0 | 0 | 0 | 2184 | 1969 |
| 2013 | 0 | 2551 | 0 | 0 | 2551 | 1020 | 0 | 0 | 40.0 | 63 | 318 | 11.97 | 1150 | 36.18 | 0 | 0 | 0 | 1150 | 943 |
| 2014 | 100 | 2137 | 0 | 0 | 2137 | 855 | 0 | 0 | 40.0 | 63 | 266 | 12.36 | 953 | 35.80 | 0 | 100 | 0 | 853 | 636 |
| 2015 | 0 | 1790 | 0 | 0 | 1790 | 716 | 0 | 0 | 40.0 | 63 | 223 | 12.81 | 788 | 35.34 | 0 | 0 | 0 | 788 | 534 |
| 2016 | 0 | 1500 | 0 | 0 | 1500 | 600 | 0 | 0 | 40.0 | 63 | 187 | 13.36 | 650 | 34.80 | 0 | 0 | 0 | 650 | 400 |
| 2017 | 0 | 1256 | 0 | 0 | 1256 | 475 | 0 | 0 | 37.8 | 63 | 157 | 14.01 | 562 | 35.92 | 0 | 0 | 0 | 562 | 315 |
| 2018 | 0 | 1052 | 0 | 0 | 1052 | 366 | 0 | 0 | 34.8 | 63 | 131 | 14.79 | 493 | 37.56 | 0 | 0 | 0 | 493 | 251 |
| 2019 | 0 | 882 | 0 | 0 | 882 | 281 | 0 | 0 | 31.9 | 63 | 110 | 15.71 | 428 | 38.94 | 0 | 0 | 0 | 428 | 198 |
| 2020 | 0 | 739 | 0 | 0 | 739 | 218 | 0 | 0 | 29.5 | 63 | 92 | 16.82 | 366 | 39.75 | 0 | 0 | 0 | 366 | 154 |
| 2021 | 0 | 619 | 0 | 0 | 619 | 167 | 0 | 0 | 27.0 | 63 | 77 | 18.14 | 312 | 40.42 | 0 | 0 | 0 | 312 | 119 |
| 2022 | 0 | 518 | 0 | 0 | 518 | 118 | 0 | 0 | 22.7 | 63 | 65 | 19.72 | 273 | 42.35 | 0 | 0 | 0 | 273 | 95 |
| 2023 | 0 | 434 | 0 | 0 | 434 | 83 | 0 | 0 | 19.0 | 63 | 54 | 21.60 | 235 | 43.40 | 0 | 0 | 0 | 235 | 74 |
| 2024 | 0 | 364 | 0 | 0 | 364 | 58 | 0 | 0 | 16.0 | 63 | 45 | 23.85 | 198 | 43.61 | 0 | 0 | 0 | 198 | 57 |
| 2025 | 0 | 305 | 0 | 0 | 305 | 41 | 0 | 0 | 13.4 | 63 | 38 | 26.53 | 163 | 42.99 | 0 | 0 | 0 | 163 | 43 |
| SUB | 1600 | 18506 | 0 | 0 | 18506 | 5482 | 0 | 0 | 29.6 | 894 | 2306 | | 9824 | | 0 | 1600 | 0 | 8224 | 5369 |
| REM | 45 | 757 | 0 | 0 | 757 | 70 | 0 | 0 | 9.3 | 232 | 94 | | 359 | | 0 | 0 | 45 | 314 | 69 |
| TOT | 1645 | 19262 | 0 | 0 | 19262 | 5552 | 0 | 0 | 28.8 | 1127 | 2400 | | 10184 | | 0 | 1600 | 45 | 8539 | 5438 |

NET PRESENT VALUE (-M\$-)

PROFITABILITY

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|---------|-----------|------------|---------------------|---------------|----------------|-------|
| FR After Roy & Oper. | 10184 | 8257 | 6979 | 6080 | 5416 | 4906 | 4501 |
| Proc & Other Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1600 | 1565 | 1533 | 1505 | 1479 | 1455 | 1433 |
| Abandonment Costs | 45 | 19 | 8 | 4 | 2 | 1 | 0 |
| Future Net Revenue | 8539 | 6673 | 5438 | 4572 | 3936 | 3450 | 3068 |
| COMPANY SHARE | | | | | | | |
| 1st Year | Average | Royalties | Oper Costs | FR After Roy & Oper | Capital Costs | Future Net Rev | |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue | | | 28.8 | 18.3 | 52.9 | 8.3 | 44.3 |

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|--|------------|
| Rate of Return (%) | | 742.4 |
| Profit Index (undisc.) | | 5.2 |
| (disc. @ 10.0%) | | 3.5 |
| (disc. @ 5.0%) | | 4.2 |
| First Payout (years) | | .8 |
| Total Payout (years) | | .8 |
| Cost of Finding (\$/BOE) | | 6.85 |
| NPV @ 10.0% (\$/STB) | | 22.66 |
| NPV @ 5.0% (\$/STB) | | 27.81 |

Table 5t

EVALUATION OF: Trout, Alberta - Possible Undeveloped

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 27-JUN-2011 5396 C\$
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-OCT-2011
 RUN DATE: 8-JUL-2011 TIME: 13:58
 FILE: OLFPSU12.DAX

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

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 201000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXponential
 TOTAL CAPITAL COSTS - 1575 -M\$-
 TOTAL ABANDONMENT - 45 -M\$- (2028)

INTEREST

ROYALTIES/TAXES

AVG WI 100.0000%

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

| Year | # of Wells | Price \$/STB | Oil STB | | Company Share | |
|------|------------|--------------|------------|--------|---------------|--------|
| | | | Pool STB/D | Vol | Gross | Net |
| 2011 | 1 | 80.26 | 165.0 | 15015 | 15015 | 14264 |
| 2012 | 1 | 80.26 | 91.3 | 32884 | 32884 | 28362 |
| 2013 | 1 | 80.26 | 76.0 | 27361 | 27361 | 16416 |
| 2014 | 1 | 80.26 | 63.2 | 22765 | 22765 | 13659 |
| 2015 | 1 | 80.26 | 52.6 | 18941 | 18941 | 11365 |
| 2016 | 1 | 80.26 | 43.8 | 15760 | 15760 | 9787 |
| 2017 | 1 | 80.26 | 36.4 | 13113 | 13113 | 8554 |
| 2018 | 1 | 80.26 | 30.3 | 10910 | 10910 | 7440 |
| 2019 | 1 | 80.26 | 25.2 | 9078 | 9078 | 6414 |
| 2020 | 1 | 80.26 | 21.0 | 7553 | 7553 | 5552 |
| 2021 | 1 | 80.26 | 17.5 | 6284 | 6284 | 4897 |
| 2022 | 1 | 80.26 | 14.5 | 5229 | 5229 | 4267 |
| 2023 | 1 | 80.26 | 12.1 | 4350 | 4350 | 3684 |
| 2024 | 1 | 80.26 | 10.1 | 3620 | 3620 | 3157 |
| 2025 | 1 | 80.26 | 8.4 | 3012 | 3012 | 2691 |
| SUB | | | | 195873 | 195873 | 140511 |
| REM | | | | 5127 | 5127 | 4715 |
| TOT | | | | 201000 | 201000 | 145225 |

| Year | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | Proc & Other | | Cap'l | | Aband | | Future Net Rev | |
|------|---------------------|-----------|---------------|----------------|-------------|-------------|-------------|---------------|-----------------|-------------|----------------|--------------|-------------------------|----------------|--------------|-------------|-------|----------------|-------------|
| | Costs -M\$- | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | % | Fixed -M\$- | Variable -M\$- | \$/STB | FR After Roy&Oper -M\$- | Net back -M\$- | Income -M\$- | Costs -M\$- | -M\$- | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 1500 | 1205 | 0 | 0 | 1205 | 60 | 0 | 0 | 5.0 | 16 | 150 | 11.05 | 979 | 65.20 | 0 | 1500 | 0 | -521 | -507 |
| 2012 | 0 | 2639 | 0 | 0 | 2639 | 363 | 0 | 0 | 13.7 | 63 | 329 | 11.91 | 1885 | 57.32 | 0 | 0 | 0 | 1885 | 1699 |
| 2013 | 0 | 2196 | 0 | 0 | 2196 | 878 | 0 | 0 | 40.0 | 63 | 274 | 12.29 | 981 | 35.86 | 0 | 0 | 0 | 981 | 804 |
| 2014 | 75 | 1827 | 0 | 0 | 1827 | 731 | 0 | 0 | 40.0 | 63 | 228 | 12.76 | 806 | 35.40 | 0 | 75 | 0 | 731 | 545 |
| 2015 | 0 | 1520 | 0 | 0 | 1520 | 608 | 0 | 0 | 40.0 | 63 | 189 | 13.31 | 660 | 34.84 | 0 | 0 | 0 | 660 | 447 |
| 2016 | 0 | 1265 | 0 | 0 | 1265 | 479 | 0 | 0 | 37.9 | 63 | 158 | 13.98 | 565 | 35.86 | 0 | 0 | 0 | 565 | 348 |
| 2017 | 0 | 1052 | 0 | 0 | 1052 | 366 | 0 | 0 | 34.8 | 63 | 131 | 14.79 | 493 | 37.57 | 0 | 0 | 0 | 493 | 276 |
| 2018 | 0 | 876 | 0 | 0 | 876 | 279 | 0 | 0 | 31.8 | 63 | 109 | 15.75 | 425 | 38.98 | 0 | 0 | 0 | 425 | 216 |
| 2019 | 0 | 729 | 0 | 0 | 729 | 214 | 0 | 0 | 29.3 | 63 | 91 | 16.91 | 361 | 39.79 | 0 | 0 | 0 | 361 | 167 |
| 2020 | 0 | 606 | 0 | 0 | 606 | 161 | 0 | 0 | 26.5 | 63 | 76 | 18.31 | 307 | 40.69 | 0 | 0 | 0 | 307 | 129 |
| 2021 | 0 | 504 | 0 | 0 | 504 | 111 | 0 | 0 | 22.1 | 63 | 63 | 19.98 | 267 | 42.56 | 0 | 0 | 0 | 267 | 102 |
| 2022 | 0 | 420 | 0 | 0 | 420 | 77 | 0 | 0 | 18.4 | 63 | 52 | 22.00 | 227 | 43.50 | 0 | 0 | 0 | 227 | 79 |
| 2023 | 0 | 349 | 0 | 0 | 349 | 53 | 0 | 0 | 15.3 | 63 | 44 | 24.42 | 189 | 43.54 | 0 | 0 | 0 | 189 | 60 |
| 2024 | 0 | 291 | 0 | 0 | 291 | 37 | 0 | 0 | 12.8 | 63 | 36 | 27.33 | 154 | 42.68 | 0 | 0 | 0 | 154 | 44 |
| 2025 | 0 | 242 | 0 | 0 | 242 | 26 | 0 | 0 | 10.6 | 63 | 30 | 30.83 | 123 | 40.88 | 0 | 0 | 0 | 123 | 32 |
| SUB | 1575 | 15721 | 0 | 0 | 15721 | 4443 | 0 | 0 | 28.3 | 894 | 1959 | | 8425 | | 0 | 1575 | 0 | 6850 | 4443 |
| REM | 45 | 412 | 0 | 0 | 412 | 33 | 0 | 0 | 8.0 | 144 | 51 | | 183 | | 0 | 0 | 45 | 138 | 32 |
| TOT | 1620 | 16132 | 0 | 0 | 16132 | 4476 | 0 | 0 | 27.7 | 1038 | 2010 | | 8608 | | 0 | 1575 | 45 | 6988 | 4476 |

NET PRESENT VALUE (-M\$-)

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|----------|---------|-----------|------------|-------------------|---------------|---------------|
| FR After Roy & Oper. | 8608 | 7052 | 5999 | 5249 | 4689 | 4257 | 3913 |
| Proc & Other Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1575 | 1543 | 1515 | 1489 | 1465 | 1443 | 1422 |
| Abandonment Costs | 45 | 20 | 9 | 4 | 2 | 1 | 1 |
| Future Net Revenue | 6988 | 5489 | 4476 | 3756 | 3223 | 2813 | 2490 |
| COMPANY SHARE | | | | | | | |
| | 1st Year | Average | Royalties | Oper Costs | FR After Roy&Oper | Capital Costs | Future NetRev |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue | | | 27.7 | 18.9 | 53.4 | 9.8 | 43.3 |

PROFITABILITY

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|--|------------|
| Rate of Return (%) | | 473.6 |
| Profit Index (undisc.) | | 4.3 |
| (disc. @ 10.0%) | | 2.9 |
| (disc. @ 5.0%) | | 3.5 |
| First Payout (years) | | .9 |
| Total Payout (years) | | .9 |
| Cost of Finding (\$/BOE) | | 8.06 |
| NPV @ 10.0% (\$/STB) | | 22.27 |
| NPV @ 5.0% (\$/STB) | | 27.31 |

Table Su

EVALUATION OF: Trout, Alberta - Possible Undeveloped

30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

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

ERGO v7.41 P2 ENERGY SOLUTIONS PAGE 1
 GLOBAL : 27-JUN-2011 5396 C\$
 EFF:01-JUN-2011 DISC:01-JUN-2011 PROD:01-NOV-2012
 RUN DATE: 8-JUL-2011 TIME: 13:58
 FILE: OLFPSU13.DAX

TRACT FACTOR - 100.0000 %
 ULT POOL RESERVES - 201000 STB
 PRODUCTION TO DATE - N/A
 DECLINE INDICATOR - EXPONENTIAL
 TOTAL CAPITAL COSTS - 1600 -M\$-
 TOTAL ABANDONMENT - 45 -M\$- (2029)

INTEREST

ROYALTIES/TAXES

AVG W1 100.0000%

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

| Year | # of Wells | Price \$/STB | Oil STB | | Pool | | Company Share | |
|------|------------|--------------|---------|-------|--------|--------|---------------|--|
| | | | STB/D | Vol | Gross | Net | | |
| 2011 | 0 | 80.26 | .0 | 0 | 0 | 0 | | |
| 2012 | 1 | 80.26 | 165.0 | 9900 | 9900 | 9405 | | |
| 2013 | 1 | 80.26 | 91.6 | 32963 | 32963 | 29392 | | |
| 2014 | 1 | 80.26 | 76.6 | 27561 | 27561 | 16537 | | |
| 2015 | 1 | 80.26 | 64.0 | 23045 | 23045 | 13827 | | |
| 2016 | 1 | 80.26 | 53.5 | 19269 | 19269 | 11561 | | |
| 2017 | 1 | 80.26 | 44.8 | 16111 | 16111 | 9952 | | |
| 2018 | 1 | 80.26 | 37.4 | 13471 | 13471 | 8724 | | |
| 2019 | 1 | 80.26 | 31.3 | 11264 | 11264 | 7628 | | |
| 2020 | 1 | 80.26 | 26.2 | 9418 | 9418 | 6611 | | |
| 2021 | 1 | 80.26 | 21.9 | 7875 | 7875 | 5700 | | |
| 2022 | 1 | 80.26 | 18.3 | 6585 | 6585 | 5062 | | |
| 2023 | 1 | 80.26 | 15.3 | 5506 | 5506 | 4440 | | |
| 2024 | 1 | 80.26 | 12.8 | 4603 | 4603 | 3858 | | |
| 2025 | 1 | 80.26 | 10.7 | 3849 | 3849 | 3327 | | |
| SUB | | | | | 191420 | 136023 | | |
| REM | | | | | 9580 | 8681 | | |
| TOT | | | | | 201000 | 144704 | | |

P/T

COMPANY SHARE FUTURE NET REVENUE

| Year | Capital & Aband Costs -M\$- | Future Revenue (FR) | | | | Royalties | | | | Operating Costs | | | FR After Roy&Oper -M\$- | Net back \$/STB | Proc& Other Income -M\$- | Cap'l Costs -M\$- | Aband Costs -M\$- | Future Net Rev | |
|------|-----------------------------|---------------------|---------------|----------------|-------------|-------------|-------------|---------------|------|-----------------|----------------|--------|-------------------------|-----------------|--------------------------|-------------------|-------------------|----------------|-------------|
| | | Oil -M\$- | SaleGas -M\$- | Products -M\$- | Total -M\$- | Crown -M\$- | Other -M\$- | Mineral -M\$- | -% | Fixed -M\$- | Variable -M\$- | \$/STB | | | | | | Undisc -M\$- | 10.0% -M\$- |
| 2011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | .0 | 0 | 0 | .00 | 0 | .00 | 0 | 0 | 0 | 0 | 0 |
| 2012 | 1500 | 795 | 0 | 0 | 795 | 40 | 0 | 0 | 5.0 | 10 | 99 | 11.05 | 645 | 65.19 | 0 | 1500 | 0 | -855 | -771 |
| 2013 | 0 | 2646 | 0 | 0 | 2646 | 287 | 0 | 0 | 10.8 | 63 | 330 | 11.90 | 1967 | 59.66 | 0 | 0 | 0 | 1967 | 1612 |
| 2014 | 100 | 2212 | 0 | 0 | 2212 | 885 | 0 | 0 | 40.0 | 63 | 276 | 12.28 | 989 | 35.88 | 0 | 100 | 0 | 889 | 662 |
| 2015 | 0 | 1850 | 0 | 0 | 1850 | 740 | 0 | 0 | 40.0 | 63 | 230 | 12.72 | 817 | 35.43 | 0 | 0 | 0 | 817 | 553 |
| 2016 | 0 | 1547 | 0 | 0 | 1547 | 619 | 0 | 0 | 40.0 | 63 | 193 | 13.26 | 672 | 34.90 | 0 | 0 | 0 | 672 | 414 |
| 2017 | 0 | 1293 | 0 | 0 | 1293 | 494 | 0 | 0 | 38.2 | 63 | 161 | 13.89 | 575 | 35.68 | 0 | 0 | 0 | 575 | 322 |
| 2018 | 0 | 1081 | 0 | 0 | 1081 | 381 | 0 | 0 | 35.2 | 63 | 135 | 14.66 | 503 | 37.32 | 0 | 0 | 0 | 503 | 256 |
| 2019 | 0 | 904 | 0 | 0 | 904 | 292 | 0 | 0 | 32.3 | 63 | 113 | 15.57 | 437 | 38.78 | 0 | 0 | 0 | 437 | 202 |
| 2020 | 0 | 756 | 0 | 0 | 756 | 225 | 0 | 0 | 29.8 | 63 | 94 | 16.66 | 374 | 39.68 | 0 | 0 | 0 | 374 | 157 |
| 2021 | 0 | 632 | 0 | 0 | 632 | 175 | 0 | 0 | 27.6 | 63 | 79 | 17.97 | 316 | 40.12 | 0 | 0 | 0 | 316 | 121 |
| 2022 | 0 | 528 | 0 | 0 | 528 | 122 | 0 | 0 | 23.1 | 63 | 66 | 19.53 | 278 | 42.18 | 0 | 0 | 0 | 278 | 97 |
| 2023 | 0 | 442 | 0 | 0 | 442 | 86 | 0 | 0 | 19.4 | 63 | 55 | 21.40 | 239 | 43.33 | 0 | 0 | 0 | 239 | 75 |
| 2024 | 0 | 369 | 0 | 0 | 369 | 60 | 0 | 0 | 16.2 | 63 | 46 | 23.63 | 201 | 43.63 | 0 | 0 | 0 | 201 | 58 |
| 2025 | 0 | 309 | 0 | 0 | 309 | 42 | 0 | 0 | 13.6 | 63 | 38 | 26.30 | 166 | 43.07 | 0 | 0 | 0 | 166 | 43 |
| SUB | 1600 | 15363 | 0 | 0 | 15363 | 4446 | 0 | 0 | 28.9 | 826 | 1914 | | 8177 | | 0 | 1600 | 0 | 6577 | 3802 |
| REM | 45 | 769 | 0 | 0 | 769 | 72 | 0 | 0 | 9.4 | 235 | 96 | | 366 | | 0 | 0 | 45 | 321 | 71 |
| TOT | 1645 | 16132 | 0 | 0 | 16132 | 4518 | 0 | 0 | 28.0 | 1061 | 2010 | | 8543 | | 0 | 1600 | 45 | 6898 | 3873 |

NET PRESENT VALUE (-M\$-)

PROFITABILITY

| Discount Rate | .0% | 5.0% | 10.0% | 15.0% | 20.0% | 25.0% | 30.0% |
|----------------------|---------|-----------|------------|-------------------|---------------|---------------|-------|
| FR After Roy & Oper. | 8543 | 6593 | 5308 | 4410 | 3754 | 3255 | 2865 |
| Proc & Other Income | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Costs | 1600 | 1509 | 1427 | 1354 | 1287 | 1227 | 1173 |
| Abandonment Costs | 45 | 19 | 8 | 4 | 2 | 1 | 0 |
| Future Net Revenue | 6898 | 5066 | 3873 | 3053 | 2465 | 2027 | 1692 |
| COMPANY SHARE | | | | | | | |
| 1st Year | Average | Royalties | Oper Costs | FR After Roy&Oper | Capital Costs | Future NetRev | |
| % Interest | 100.0 | 100.0 | | | | | |
| % of Future Revenue | | | 28.0 | 19.0 | 53.0 | 9.9 | 42.8 |

| COMPANY SHARE BASIS | | Before Tax |
|--------------------------|-------|------------|
| Rate of Return (%) | 183.6 | |
| Profit Index (undisc.) | 4.2 | |
| (disc. @ 10.0%) | 2.7 | |
| (disc. @ 5.0%) | 3.3 | |
| First Payout (years) | 2.0 | |
| Total Payout (years) | 2.1 | |
| Cost of Finding (\$/BOE) | 8.18 | |
| NPV @ 10.0% (\$/STB) | 19.27 | |
| NPV @ 5.0% (\$/STB) | 25.20 | |

**Appendix A
Summary of Analog Analysis**

June 1, 2011

Trout, Alberta

Analog for

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

Analog Property

Reference

Field Trout

Pool Various Keg River & Granite Wash A & B

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

Attachments

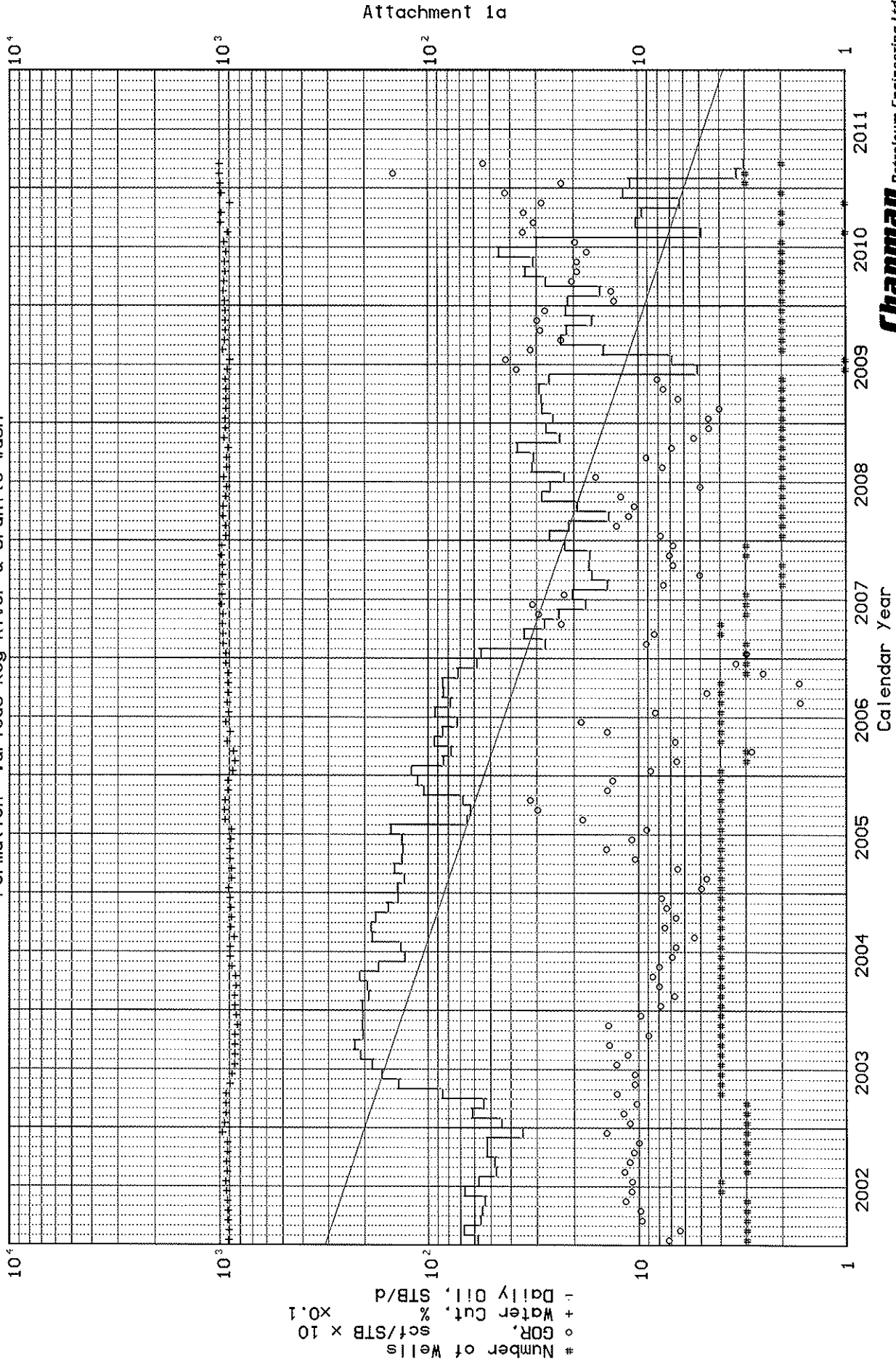
- 1a) Group Production Plot
- 1b) Group Rate vs. Cum. Plot
- 1c) Normalized Production Plot
- 1d) Well List - Analog

Notes: The above analog represents the Proved plus Probable (most likely) case. For the Proved Undeveloped case we have divided both the initial rate and the reserves by 2 to reflect the level of certainty required for Proved Reserves. Proved reserves can be assigned to certain locations based on the close proximity of the locations to successful wells and the reliable 3D seismic surveys over the area.

PRODUCTION HISTORY

Analog for Wells in Sec 16, 21 & 22

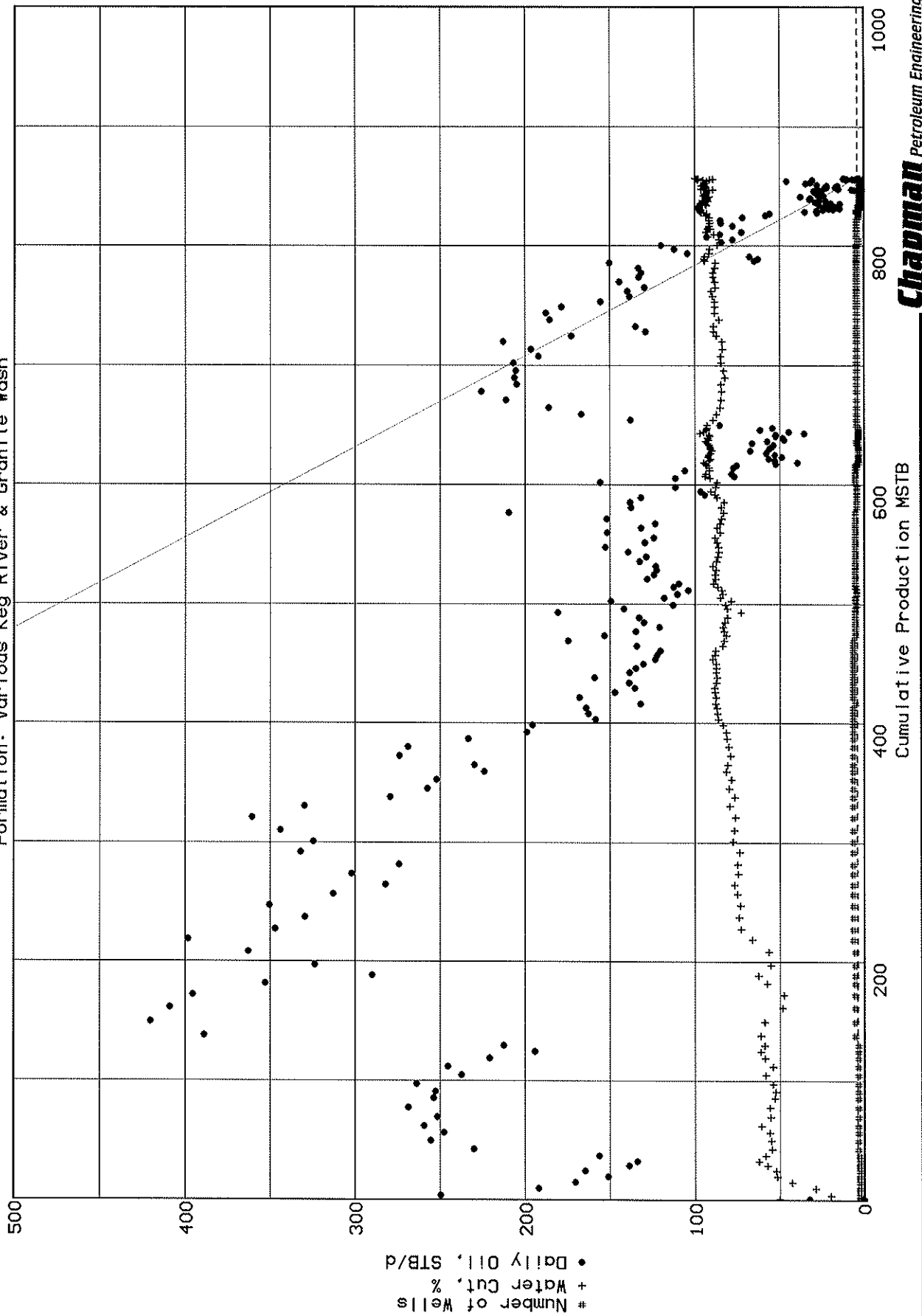
Field: Trout Alberta Area
Formation: Various Keg River & Granite Wash



PRODUCTION HISTORY

Analog for Wells in Sec 16, 21 & 22

Field: Trout Alberta Area
Formation: Various Keg River & Granite Wash



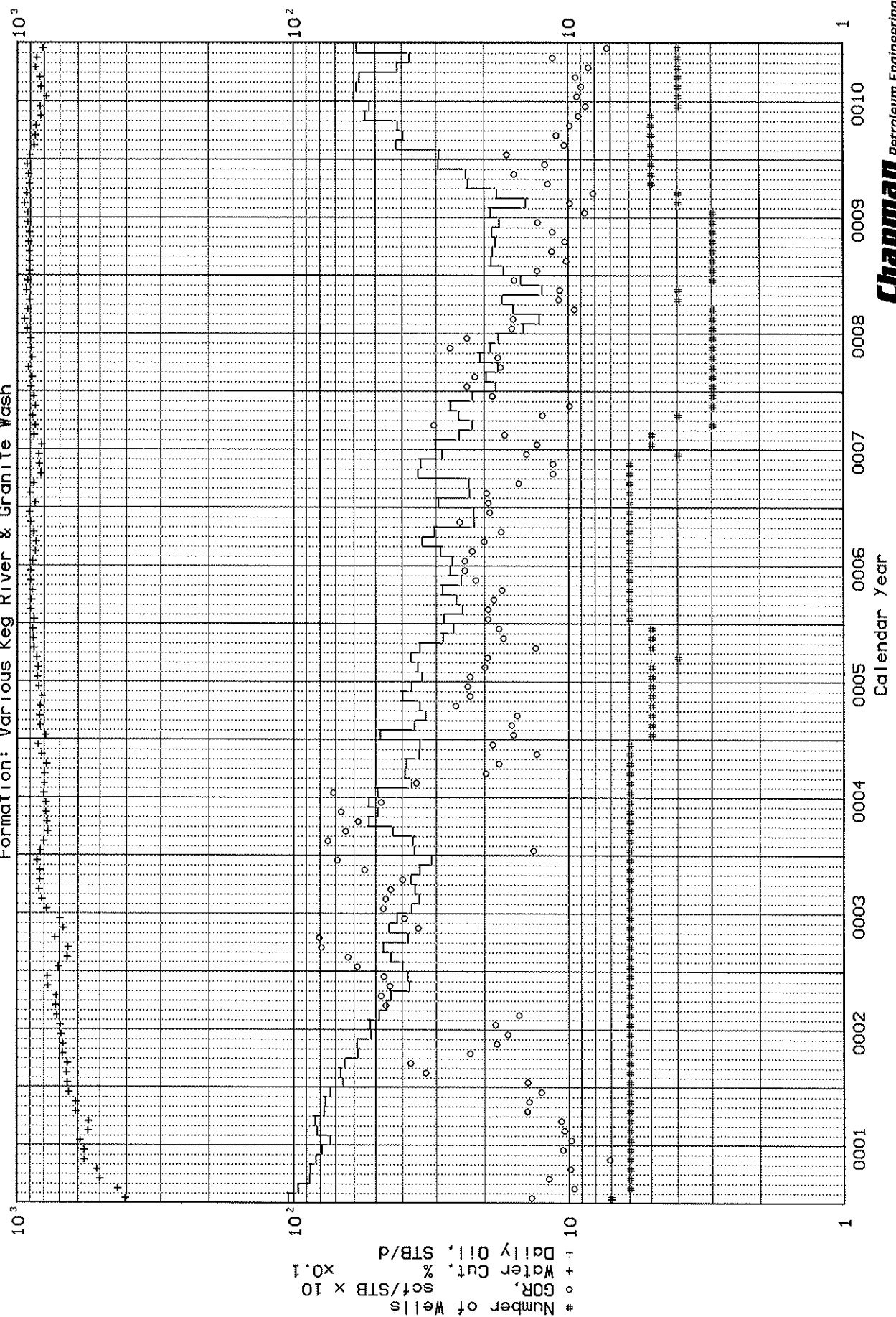
Attachment 1b

PRODUCTION HISTORY

Analog for Wells in Sec 16, 21 & 22 - Normalized

Field: Trout Alberta Area

Formation: Various Keg River & Granite Wash



Attachment 1c

Calendar Year

Attachment 1d

Well List - Analog Wells

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

Appendix B
Summary of Analog Analysis

June 1, 2011

Trout, Alberta

Analog for

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

Analog Property

Reference

Field Trout
Pool Keg River N & Granite Wash A

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

Attachments

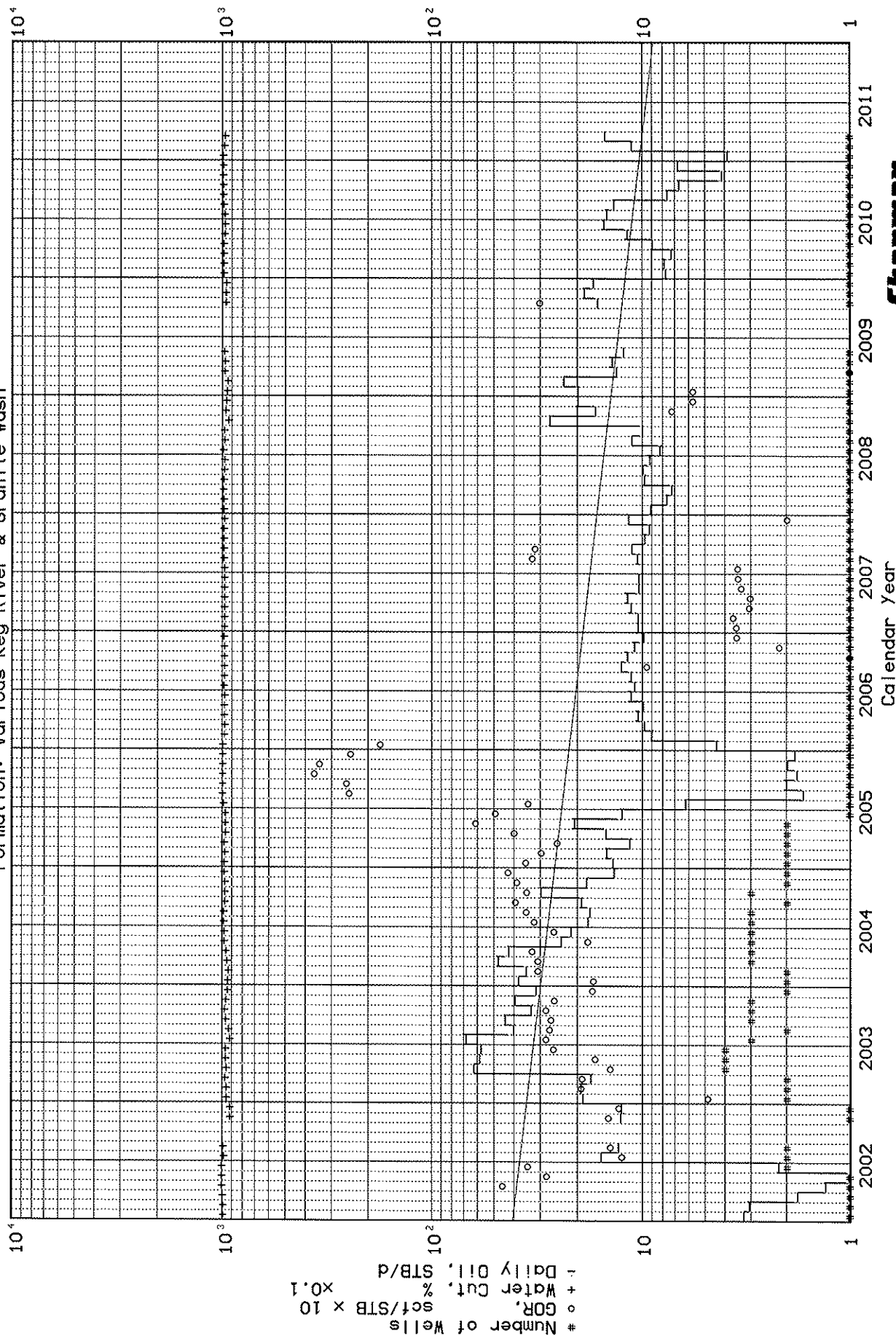
- 1a) Group Production Plot
- 1b) Group Rate vs. Cum. Plot
- 1c) Normalized Production Plot
- 1d) Well List - Analog

PRODUCTION HISTORY

Analog for West Trend

Field: Trout Alberta Area

Formation: Various Keg River & Granite Wash



Chapman Petroleum Engineering Ltd.

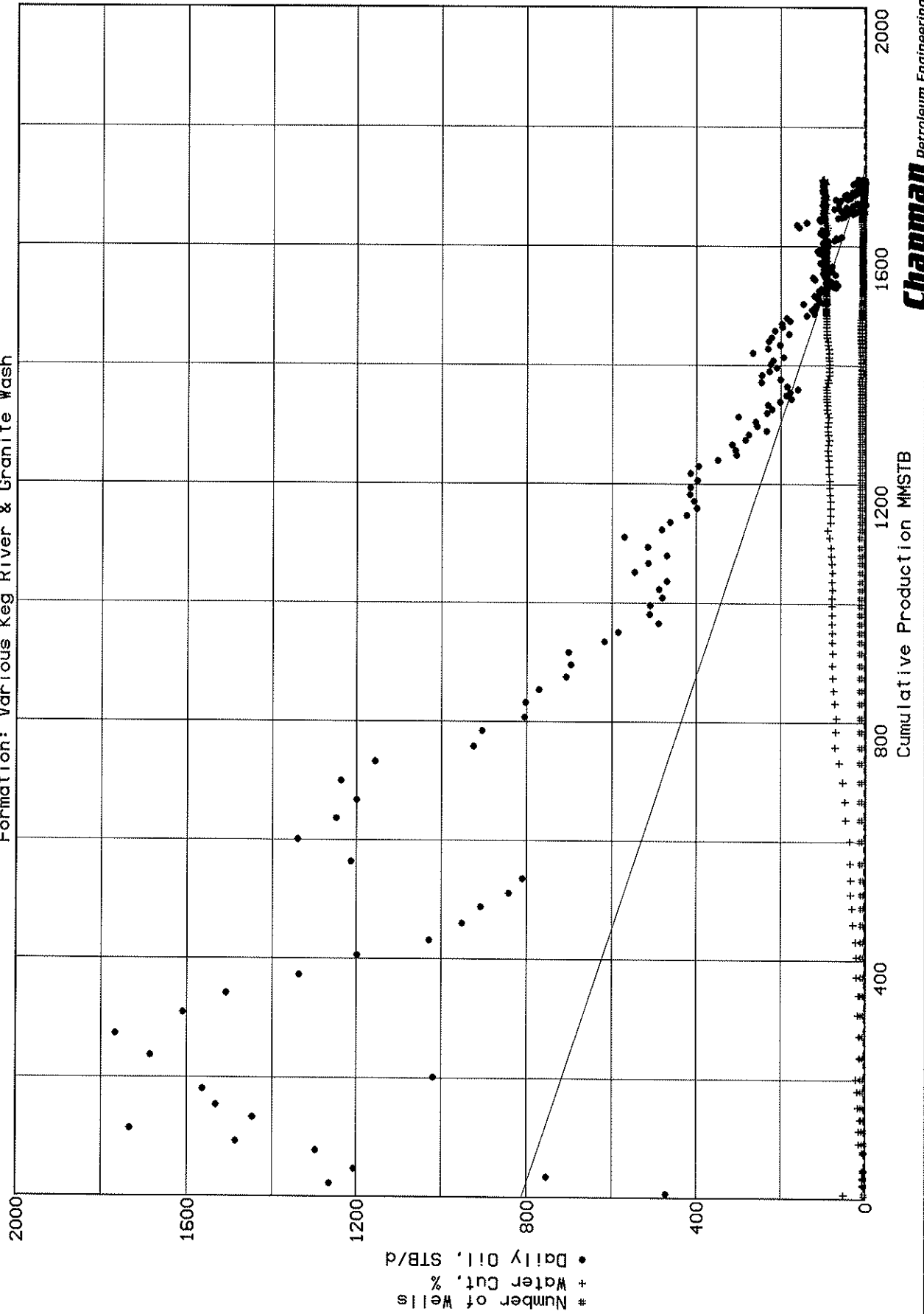
106

PRODUCTION HISTORY

Analog for West Trend

Field: Trout Alberta Area

Formation: Various Keg River & Granite Wash

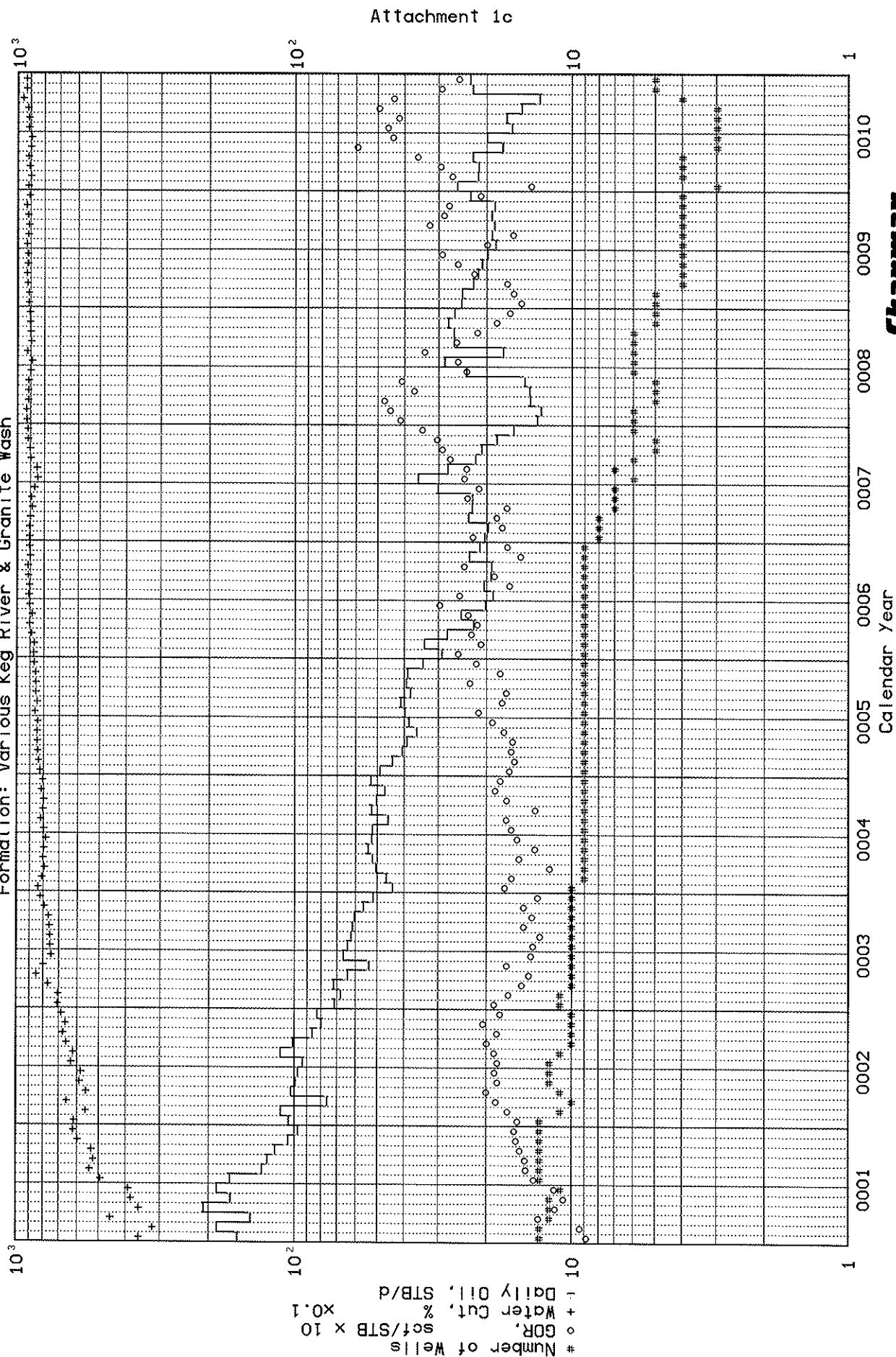


Attachment 1b

PRODUCTION HISTORY

Analog for West Trend - Normalized

Field: Trout Alberta Area
Formation: Various Keg River & Granite Wash



Attachment 1d

Well List - Analog Wells

| | | | | | |
|----|-----------------|--------|--------------|-------------------------|--------|
| 1 | 00/07-08-089-03 | W5M/00 | Field: TROUT | Formation: KEG RIV-GRAN | WASH A |
| 2 | 00/11-08-089-03 | W5M/02 | Field: TROUT | Formation: KEG RIV-GRAN | WASH A |
| 3 | 02/13-08-089-03 | W5M/00 | Field: TROUT | Formation: KEG RIV-GRAN | WASH A |
| 4 | 02/13-08-089-03 | W5M/02 | Field: TROUT | Formation: KEG RIV-GRAN | WASH A |
| 5 | 02/05-17-089-03 | W5M/00 | Field: TROUT | Formation: KEG RIV-GRAN | WASH A |
| 6 | 00/12-17-089-03 | W5M/00 | Field: TROUT | Formation: KEG RIV-GRAN | WASH A |
| 7 | 00/13-17-089-03 | W5M/00 | Field: TROUT | Formation: KEG RIV-GRAN | WASH A |
| 8 | 00/09-18-089-03 | W5M/00 | Field: TROUT | Formation: KEG RIV-GRAN | WASH A |
| 9 | 00/01-19-089-03 | W5M/00 | Field: TROUT | Formation: KEG RIV-GRAN | WASH A |
| 10 | 00/09-19-089-03 | W5M/00 | Field: TROUT | Formation: KEG RIVER | N |
| 11 | 00/04-20-089-03 | W5M/00 | Field: TROUT | Formation: KEG RIV-GRAN | WASH A |
| 12 | 00/12-20-089-03 | W5M/00 | Field: TROUT | Formation: KEG RIV-GRAN | WASH A |
| 13 | 00/01-30-089-03 | W5M/00 | Field: TROUT | Formation: KEG RIVER | N |

Appendix C
Summary of Analog Analysis

June 1, 2011

Trout, Alberta

Analog for

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

Analog Property

Reference

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

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

Attachments

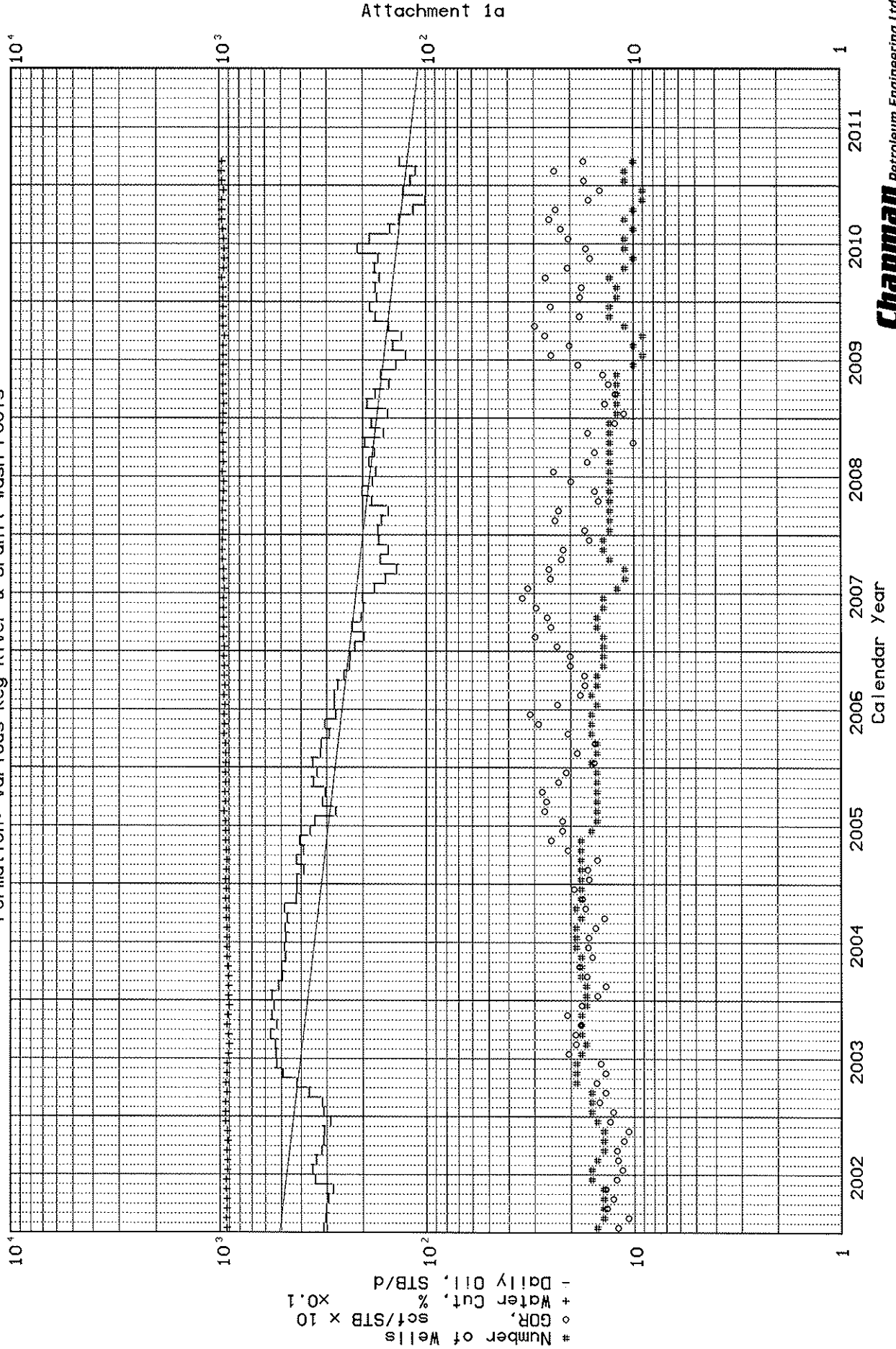
- 1a) Group Production Plot
- 1b) Group Rate vs. Cum. Plot
- 1c) Normalized Production Plot
- 1d) Well List - Analog

PRODUCTION HISTORY

Analogy for Strong Possible Locations

Field: Trout Alberta Area

Formation: Various Keg River & Granit Wash Pools

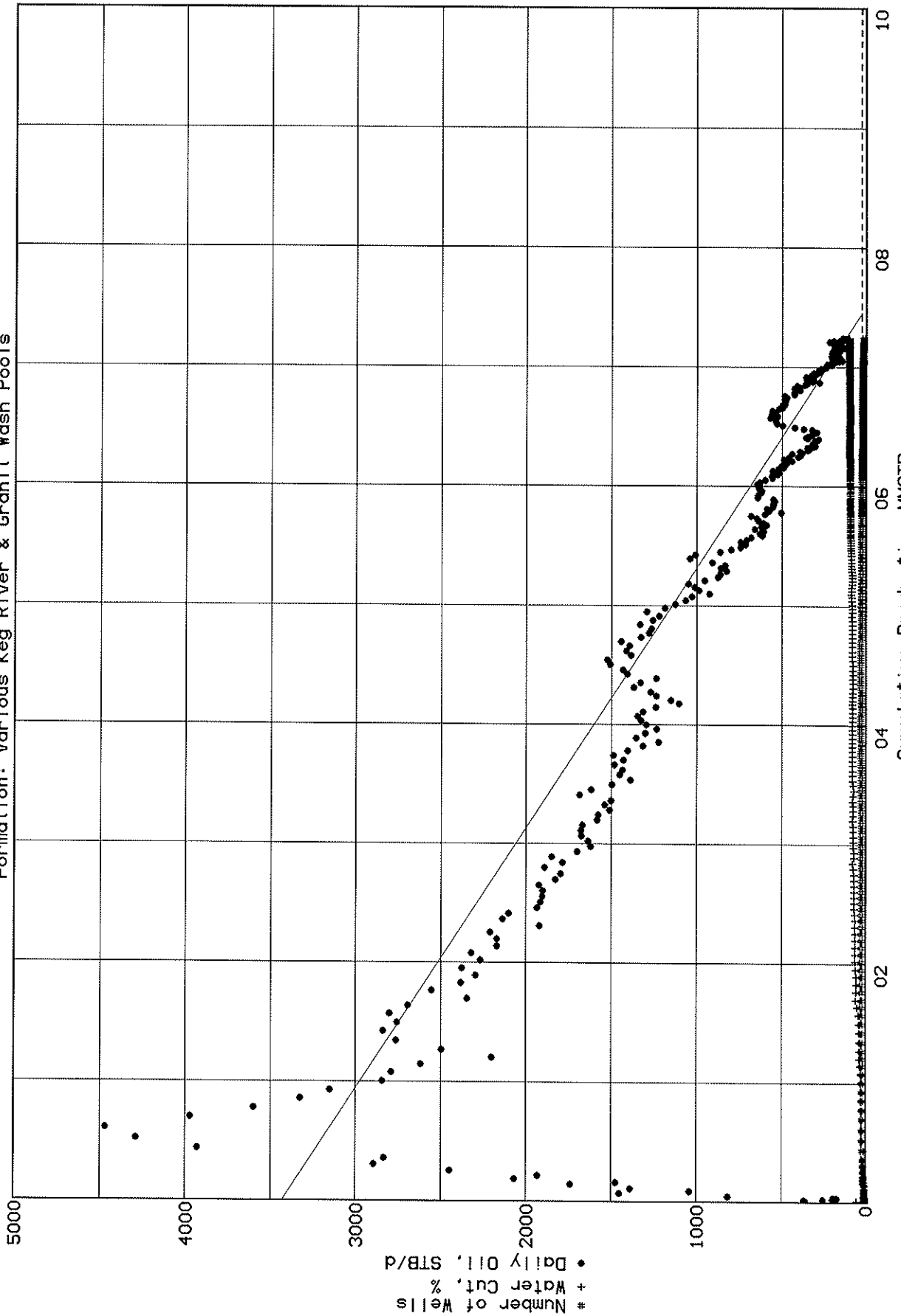


PRODUCTION HISTORY

Analogy for Strong Possible Locations

Field: Trout Alberta Area

Formation: Various Keg River & Granit Wash Pools



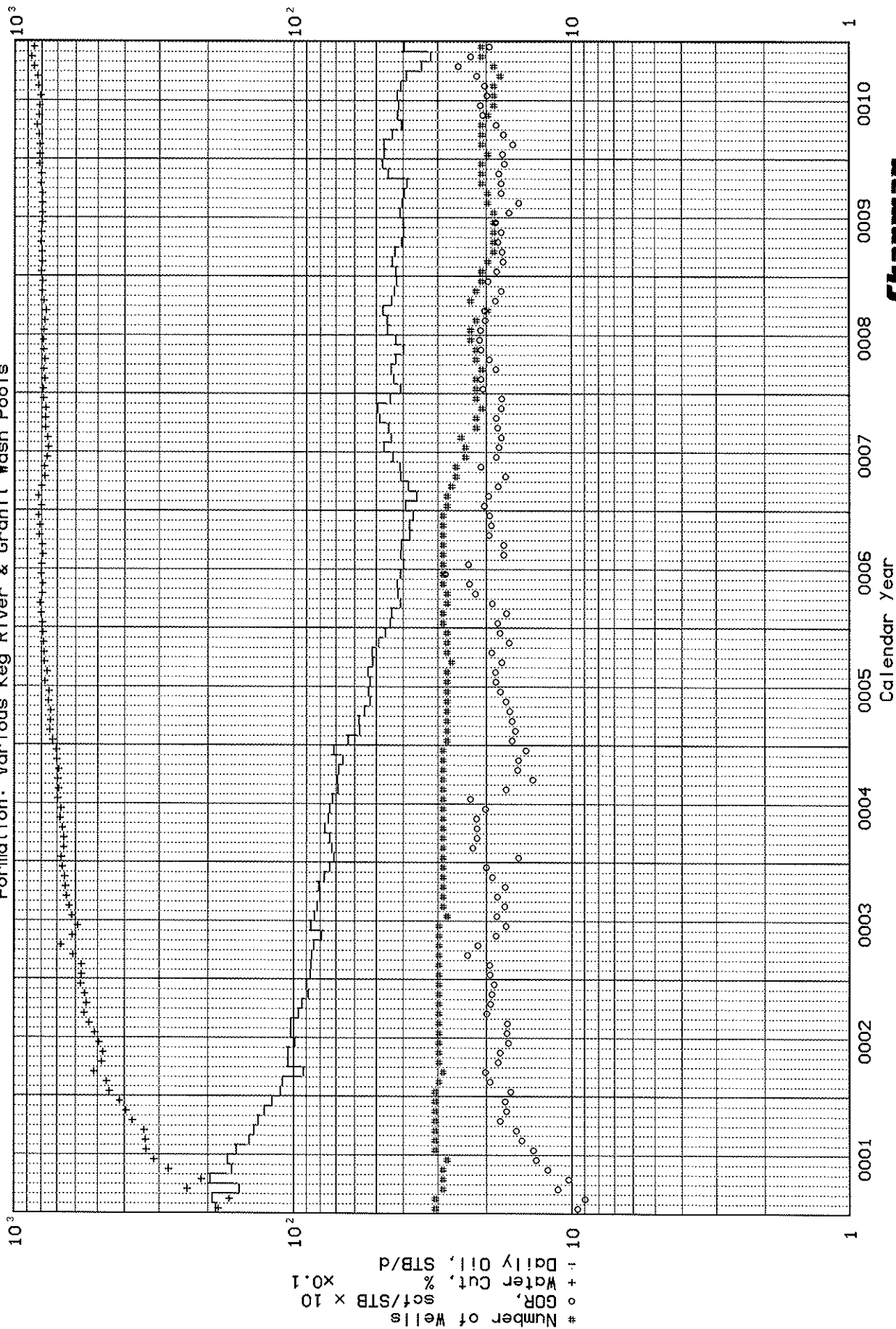
Attachment 1b

PRODUCTION HISTORY

Analogy for Strong Possible Locations - Normalized

Field: Trout Alberta Area

Formation: Various Keg River & Granit Wash Pools



Attachment 1c

Attachment 1d

Well List - Analog Wells

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

Appendix D
Summary of Analog Analysis

June 1, 2011

Trout, Alberta

Analog for

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

Analog Property

Reference

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

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

Attachments

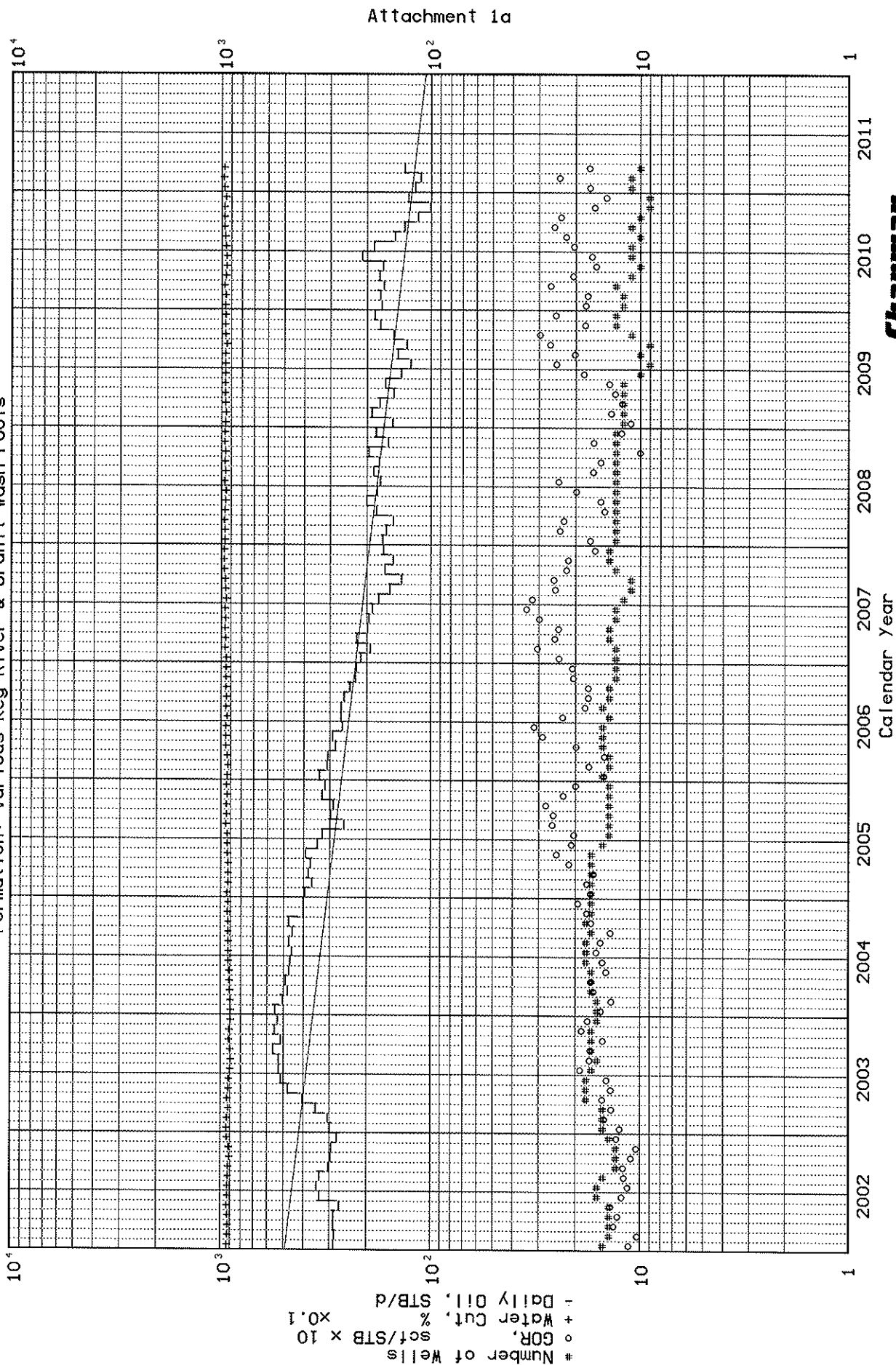
- 1a) Group Production Plot
- 1b) Group Rate vs. Cum. Plot
- 1c) Normalized Production Plot
- 1d) Well List - Analog

PRODUCTION HISTORY

Analogy for Average Possible Locations

Field: Trout Alberta Area

Formation: Various Keg River & Granit Wash Pools

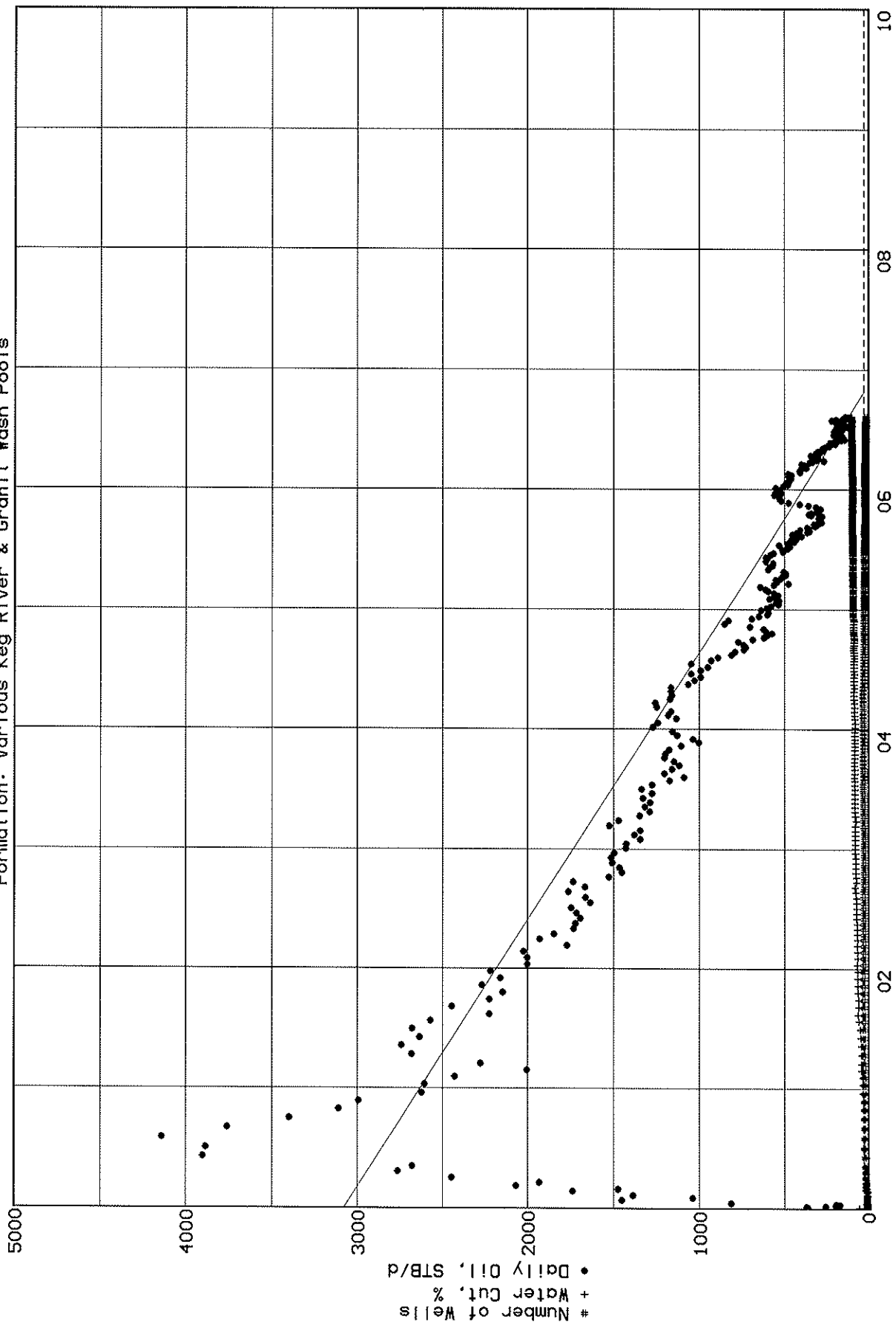


PRODUCTION HISTORY

Analogy for Average Possible Locations

Field: Trout Alberta Area

Formation: Various Keg River & Granit Wash Pools



Attachment 1b

Cumulative Production MMSTB

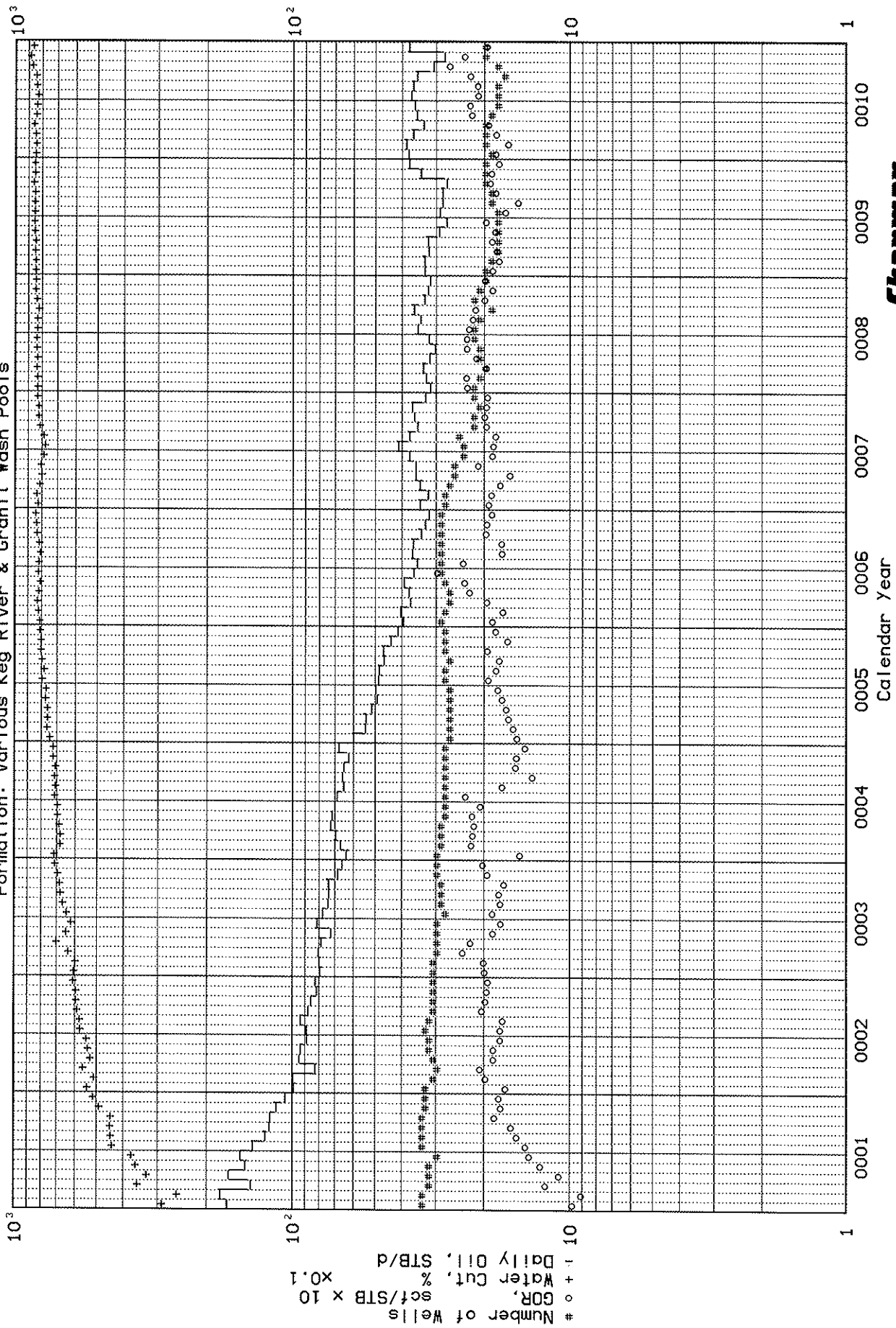
Chapman Petroleum Engineering Ltd.

PRODUCTION HISTORY

Analogy for Average Possible Locations - Normalized

Field: Trout Alberta Area

Formation: Various Keg River & Granit Wash Pools



Attachment 1d

Well List - Analog Wells

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

GLOSSARY OF TERMS (Abbreviations & Definitions)

General

| | |
|----------------|--|
| BIT | - Before Income Tax |
| AIT | - After Income Tax |
| M\$ | - Thousands of Dollars |
| Effective Date | - The date for which the Present Value of the future cash flows and reserve categories are established |
| \$US | - United States Dollars |
| WTI | - West Texas Intermediate – the common reference for crude oil used for oil price comparisons |
| ARTC | - Alberta Royalty Tax Credit |
| GRP | - Gas Reference Price |

Interests and Royalties

| | |
|-----------------------|--|
| BPO | - Before Payout |
| APO | - After Payout |
| APPO | - After Project Payout |
| Payout | - The point at which a participant's original capital investment is recovered from its net revenue |
| GORR | - Gross Overriding Royalty – percentage of revenue on gross revenue earned (can be an interest or a burden) |
| NC | - New Crown – crown royalty on petroleum and natural gas discovered after April 30, 1974 |
| SS 1/150 (5%-15%) Oil | - Sliding Scale Royalty – a varying gross overriding royalty based on monthly production. Percentage is calculated as 1-150 th of monthly production with a minimum percentage of 5% and a maximum of 15% |
| FH | - Freehold Royalty |
| P&NG | - Petroleum and Natural Gas |
| Twp | - Township |
| Rge | - Range |
| Sec | - Section |

Technical Data

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



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

June 22, 2011

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

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

Dear Sir:

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

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



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




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

- If material changes of an adverse nature occur in the Company's operating performance subsequent to the effective date and prior to the report data, we will inform you of such material changes prior to requesting your approval for any public disclosure of reserves information.

6. We hereby confirm that our Company is in material compliance with all Environmental Laws and does not have any Environmental Claims pending.

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

Yours very truly,


Chief Executive Officer
President