This Management's Discussion and Analysis ("MD&A") prepared as of January 30, 2012, reviews the financial condition and results of operations of Monarch Energy Limited ("Monarch", or the "Company") for the financial year ended September 30, 2011, and other material events up to the date of this report. The following discussion should be read in conjunction with the Company's September 30, 2011 annual audited consolidated financial statements and related notes together with Management's Discussion & Analysis and the annual audited consolidated financial statements and related notes for the financial year ended September 30, 2010.

The financial data included in the discussion provided in this report has been prepared in accordance with Canadian generally accepted accounting principles. All dollar amounts are in Canadian dollars, unless otherwise stated.

DESCRIPTION AND OVERVIEW OF BUSINESS

Monarch Energy Limited is an active exploration company listed on the TSX Venture Exchange, trading under the symbol "MNL".

The Company has interests in producing wells in the province of Alberta. During the fiscal year ended September 30, 2011, the Company received revenues from its producing properties in that province.

The Company also recently entered into an option agreement allowing it to earn an interest in a gold project in the province of Quebec.

In the past, Monarch has accessed, and in the future will continue to access, the equities market to raise the funds needed to continue its exploration programs and to meet its ongoing working capital requirements.

SELECTED ANNUAL INFORMATION

The following table sets forth selected financial information for Monarch for the last three completed financial years ended September 30. This information has been derived from the Company's audited financial statements for each of those years, and should be read in conjunction with those financial statements and the notes thereto.

	As at and for the financial year ended September 30,		
	2011	**2010**	**2009**
Petroleum revenues, net of royalties	$ 111,952	$ 154,841	$ 223,122
General and administrative expenses (excluding petroleum and natural gas related expenses and stock-based compensation)	$ 338,882	$ 181,282	$ 20,178
Petroleum and natural gas related expenses	$ 268,837	$ 246,360	$ 309,918
Stock-based compensation	$ 365,000	$ -	$ 5,300
Write-off of petroleum and natural gas properties	$ -	$ -	$ 7,244,024
Gain on disposal of subsidiary	$ 1,349,493	$ -	$ -
Loss for the year	$ 2,668,714	$ 174,376	$ 7,355,84)
Loss per share[1]	$ 0.04	$ 0.01	$ 0.09
Total assets	$ 429,061	$ 479,867	$ 675,638
Total liabilities	$ 483,217	$ 1,753,309	$ 1,774,704
Working capital (deficiency)	$ (388,521)	$ (1,245,141)	$ (1,653,690)

[1] Per share amounts are calculated using the weighted average number of shares outstanding. Fully diluted loss per share amounts have not been calculated, as they would be anti-dilutive.

RESULTS OF OPERATIONS

Total petroleum revenues

Monarch is in the business of exploring for, and where warranted, developing petroleum and natural gas properties. Petroleum revenues, net of royalties were $111,952 for the fiscal year ended September 30, 2011 compared to $154,841 for the fiscal year ended September 30, 2010. The decreased revenues over last year were predominately due to lower production volumes realized during the 2011 fiscal year from various workovers that impacted production.

Loss for the year

The Company reported a net loss of $(2,668,714) for the fiscal year ended September 30, 2011 compared to a loss of $(174,376) for the fiscal year ended September 30, 2010. The Company had recognized a gain of $1,349,493 on the sale of its foreign subsidiary and a loss due to the write-off of mineral properties of $(3,179,429) when factoring out the gain and loss, the Company would have recorded a loss of $(838,778) from continuing operations. This increased loss can largely be attributed to the stock-based compensation ($365,000) recorded during the current fiscal year and additional consulting and production costs throughout the year.

Petroleum and natural gas related costs were $268,837 for fiscal 2011 compared to $246,360 for fiscal year 2010. These costs included $114,992 related to production (FY2010 - $188,016), $147,909 for depletion (FY2010 – $45,406), asset retirement obligation costs of $3,737 (FY2010 - $6,632) and, transportation costs of $2,199 (FY2010 - $6,306). Production costs relative to revenues were higher as a result of various workovers and maintenance on the production wells.

Consulting fees totaling $78,354 (FY2010 - $11,547) were were incurred during the year. The increased costs are a result of the reclassification of fees totaling $16,440 paid to Starbright Energy Ltd., a private company owned and controlled by Michael Turko. In the previous fiscal year, the fees paid to Starbright Energy Limited had been allocated to Management fees. The Company incurred management fees of $28,000 (FY2010 - $52,500); the decrease can be attributed to the aforementioned reallocation of costs.

Depletion costs of $147,909 were recorded during fiscal year 2011 compared to $45,406 recorded in FY2010.

The Company incurred filing fees of $25,168 (FY2010 - $12,194). The increased cost during the year can be attributed to increased fees relating to the Company's regulatory filing obligations.

The Company held funds in US dollars during the fiscal year and various liabilities in its United Kingdom operating subsidiary. The fluctuating Canadian dollar, relative to the US dollar and United Kingdom pound sterling, resulted in a foreign exchange loss of $(20,254). In fiscal 2010, the Company recognized a foreign exchange gain of $60,365. The strengthened Canadian dollar (relative to the United Kingdom pound sterling) resulted in these exchange gains during that year.

The Company incurred office related costs of $10,197 (FY2010 - $5,124). The additional costs relate to the additional costs associated with operating a remote office in Kelowna, BC.

During the 2011 fiscal year, the Company incurred professional fees totaling $123,506 compared to $93,522 in fiscal 2010. The increased cost can be attributed to the legal fees associated with the sale of the Company's foreign subsidiaries.

The Company recorded stock-based compensation costs of $365,000 (FY2010 - $Nil) for the current fiscal year on the granting of 5,300,000 options to directors, officers and consultants. No options were granted during the fiscal year ended September 30, 2010.

The Company incurred transfer agent fees of $14,687 in fiscal 2011 compared to fees of $9,856 in fiscal 2010. The marginal increase was a result of increased regulatory filing requirements.

During the 2011 fiscal year, the Company incurred travel costs of $8,456 compared to $368 in fiscal 2010. The increased cost can be attributed to the travel costs associated with having a remote office in Kelowna.

Total assets

The change in total assets over the three year period from 2009-2011 is largely the result of a change in the cash balance, short-term investments and petroleum and natural gas expenditures. The combined decrease in the cash balance and short-term investments this year is a result of an increase in exploration expenditures incurred on its North Sea projects.

Total assets of the Company were $429,061 as at September 30, 2011 compared to assets of $479,867 at September 30, 2010. The change in assets is a result of the Company's acquisition of the Odd Twin and Centremaque properties. The acquisition was financed with the issuance of shares valued at $3,156,000 and $367,000 respectively.

Subsequent to the year ended September 30, 2011, the Company decided to let the claims of the Odd Twins property lapse. It is management's decision not to further pursue the claims and as a result, all costs associated with this property were written-off.

Total liabilities

As at September 30, 2011, the total liabilities of the Company were $483,217 compared to $1,753,309 as at September 30, 2010. Monarch Energy currently does not have the resources to meet the obligations of its creditors. The Company's current liabilities at September 30, 2011 are primarily related to general & administrative costs incurred during the year.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes information derived from the Company's financial statements for each of the eight most recently completed quarters:

Quarter ended	Petroleum revenue, net of royalties	Net loss	Net loss per share [1]
September 30, 2011	$ 34,570	$ (3,426,282)	$ (0.05)
June 30, 2011	$ 19,408	$ (101,820)	$ (0.00)
March 31, 2011	$ 20,445	$ 833,007	$ 0.01
December 31, 2010	$ 37,529	$ 24,381	$ (0.00)
September 30, 2010	$ 46,905	$ (45,674)	$ (0.00)
June 30, 2010	$ 51,060	$ (24,751)	$ (0.00)
March 31, 2010	$ 26,689	$ (23,585)	$ (0.00)
December 31, 2009	$ 30,187	$ (80,366)	$ (0.00)

[1] Fully diluted loss per share amounts are not shown as they would be anti-dilutive.

There can be significant variances in the Company's reported loss from quarter to quarter arising from factors that are difficult to anticipate in advance or to predict from past results. One of these factors includes the volatility of petroleum and natural gas prices which have fluctuated widely during recent years.

PRIMARY PETROLEUM AND NATURAL GAS PROPERTIES

United Kingdom

The Company has either abandoned, relinquished or sold its interests in its various projects in the North Sea.

On January 6, 2011, the Company entered into an agreement to sell its' UK subsidiary Monoil Limited and, Monoil's wholly owned subsidiary Monoil UK Limited, to a third party. For the consideration of USD$1, the third party company will assume all interests or equity of any person (including any right to acquire, option or right of pre-emption) or any mortgage, charge, pledge, lien, assignment, hypothecation, security, interest, title, retention or any other security or arrangement.

North Sea Project – Quad 15/18a

During fiscal year 2008, the Company entered into an agreement whereby it would pay 11.1% of the cost of drilling a test well to earn an 8.33% interest in the Maria prospect located in Block 15/18a in the North Sea.

The Maria 15/18a-12 well was drilled in Q1- 2008. However due to severe winter storms and uphole well bore stability problems, a full logging suite was not run. The logs that were run indicated a gross reservoir section of 98 feet, consisting of 95% clean sandstone, with an average porosity of greater than 30%. An MDT tool tested 18 different points within the reservoir section, interpretation of wireline logs, combined with MDT test data, established a 60 foot gross hydrocarbon column comprised of a 15 feet of gas pay and a 45 feet of oil pay. The operator, Petro-Canada UK Ltd (25%), and ENI (50%) have advised Monarch that they do not have any further plans to evaluate the remaining Paleocene prospectivity in the block.

By drilling the well the Company also earned an interest in two Jurassic discoveries located in the southern half of the block, one of which tested 6,650 barrels of oil per day and 10,000 MCF of gas per day.

On May 21, 2010, the Company announced the sale of its interest in Quad 15/18a to Maersk Oil North Sea Limited for USD$675,045. The sale was approved by both the Company's shareholders and the various regulatory officials.

Canada

Odd Twins Property, Newfoundland and Labrador

On January 6, 2011, the Company announced it has entered into a Letter of Intent with Tectonics Inc. ("Tectonics"), of Calgary, Alberta, for the acquisition of an interest in mineral properties located on and offshore Long Point, on the Port au Port Peninsula, Newfoundland and Labrador. The acquisition will be a related party transaction, as the principal of Tectonics is George S. Langdon, who is the President and a director of the Company. The Company obtained a 60% working interest, and has agreed to enter into a joint venture with the holder of the remaining 40% interest for the exploration, development and exploitation of the licensed area. The consideration paid for the working interest will be the issuance to Tectonics or its assigns of 39,450,000 shares of the Company

The focus of the mineral exploration on the licensed area is a feature known as the "Odd Twins Magnetic Anomaly". This feature has been identified on magnetic surveys, covers a license area of 19840 acres and includes two prospective sandstone units with a gross thickness of up to 506 meters. The possibility of low cost energy from the production of oil and gas in west Newfoundland raises the potential of commercial extraction of iron, titanium and chromium oxides. Preliminary estimates from limited outcrop indicate a concentration of heavy metals (magnetite, ilmenite and chromite) at approximately 5% of the total rock.

On August 25, 2011, the Company announced it had received initial results from three NQ diameter holes were drilled in late 2010 to test a twin-peaked linear magnetic anomaly that is known from a ship-borne magnetometer survey in 1969. The holes were drilled from shore into outcropping exposures of the clastic Winterhouse formation, a steeply dipping member of the Late Ordovician Long Point Group. All three holes encountered alternating red, green and buff sandstone and shale beds which ranged in thickness up to 1 metre.

Three bulk samples were sent to New Brunswick Research Council in Fredericton for evaluation. Sample J1833-1 is from surface outcrops and Samples 2 and 3 are from the upper part of drill holes L10-01 and L10-02 respectively. Samples were crushed and heavy minerals were gravity separated.

It was determined that the property did not prove to be of economic value and as such, no further work will be conducted on the project. At the date of this report, three of the four mineral licenses held by Tectonics have lapsed. It is management's decision not to further pursue the claims and as a result, all costs associated with the property were written-off.

Centremaque Property, Quebec

On August 4, 2011, the Company announced it has entered into an option agreement with Golden Valley Mines Ltd. (TSX/V: GZZ) of Val-d'Or, Quebec to earn up to a 70% interest in the Centremaque Prospect, situated in Bourlamaque Township, Quebec. Terms of the acquisition include a work commitment of $2,250,000 over three years ($250,000 in year-1; $500,000 in year-2 and $1,500,000 in year-3). In addition, the Company has to complete a Definitive Feasibility Study ("DFS") for the Property at its sole cost, within 10 years of signing, to earn a 70% interest, leaving Golden Valley Mines Ltd. with a free carried interest of 30%. The Company also issue to Golden Valley 9,175,008 shares in the capital of Monarch as is equal to 9.9% of its issued capital on the later of TSX-V approval or August 31, 2011, together with a $35,000 cash payment and reimbursement of its legal expenses. The cash payment is to be paid on or before February 29, 2012.

The Centremaque Gold Property is comprised of six mining claims, located approximately 6-km southeast of the town of Val-d'Or, Québec along the highly prolific Cadillac-Larder Fault Zone of the Abitibi Greenstone Belt. At least twenty-seven (27) diamond drill core holes (5,865 m) are reported to be drilled on the property between 1940 and 1994 with the majority of the historical drilling taking place in 1947 and 1987-1988. The drill holes encountered numerous intersections assaying gold grades greater than 1.0 g/t Au and including an intersection grading 15.87 g/t Au over 0.31 m (Ministère de l'Énergie et des Ressources naturelles, Documentation technique GM 04715, GM 06851-A, GM 06851-B, GM 36084, GM 46225, GM 47483, GM 52639, GM 58144).

The Property is strategically located within the prolific Val-d'Or gold mining camp, located approximately 6 km to the south (of the Sigma and Lamaque Mines where from 1937 to 2000, the Sigma Underground Mine continuously operated and produced 24.8 Mt grading 5.48 g/t Au totaling of 4.4 million oz Au. The adjacent Lamaque underground mine, which is part of the same vein system as Sigma, produced 24.2Mt grading 5.81 g/t Au totaling of 4.55 million oz Au was closed due to low gold prices -- Century Mining Website, August 2011).

Recent geophysical surveying conducted by Golden Valley Mines over the claims (magnetic and Induced Polarization surveys) along lines spaced 50 meters apart, have outlined several anomalies warranting further drill testing based on an initial interpretation of the data.

Virginia Hills Area, Alberta

On July 14, 2006, the Company entered into a Petroleum, Natural Gas and General Conveyance to acquire various working interests in 4 producing oil wells in the Virginia Hills area of Alberta.

LIQUIDITY AND CAPITAL RESOURCES

The Company currently has operations that are generating some cash flow. The Company's financial success relies on management's ability to find economically recoverable reserves.

In order to finance its acquisition-seeking activities and corporate overhead, the Company is dependent on investor sentiment remaining positive towards the petroleum and natural gas sector generally, and towards Monarch in particular, so that funds can be raised through the sale of the Company's securities. Many factors have an influence on investor sentiment, including a positive climate for petroleum and natural gas exploration, a company's track record and the experience and calibre of a company's management. There is no certainty that equity funding will be available at the times and in the amounts required to fund the Company's activities. Note 1 to the Company's 2011 consolidated financial statements further discusses the going concern issue. The financial statements do not include any adjustments that might result from these uncertainties.

Monarch Energy has financed its activities through equity financings. Debt financing has not been used in the past and the Company has no current plans to use debt financing in the future.

Cash and Financial Conditions

The Company had a cash balance of $11,947 at September 30, 2011 as compared to cash balances of $428,926 at September 30, 2010. The decreased cash position can be attributed to the costs related to the general and administrative costs of the Company.

The Company had a working capital deficiency of $(388,521) as at September 30, 2011 compared with a working capital deficit of $(1,245,141) as at September 30, 2010. The decreased working capital deficiency was a result of the elimination of the debts associated with the sale of the Company's foreign subsidiary.

Monarch has no exposure to non bank asset-backed commercial paper. The Company has no debt, does not have any unused lines of credit or other arrangements in place to borrow funds and no off-balance sheet arrangements. Monarch does not use hedges or other financial derivatives.

Investing Activities

During the year ended September 30, 2011, the Company recorded a cash outflow of $(27,353) in investing activities compared to cash inflows from investing activities of $655,906 for the year ended September 30, 2010. The Company had incurred costs of $23,429 associated with the Twin Odds property.

There were no material differences in the actual use of proceeds from the Company's previous disclosure in this regard.

Financing Activities

On January 6, 2011, the Company announced it has entered into a Letter of Intent with Tectonics Inc. ("Tectonics"), of Calgary, Alberta, for the acquisition of an interest in mineral properties located on and offshore Long Point, on the Port au Port Peninsula, Newfoundland and Labrador. The acquisition was a related party transaction, as the principal of Tectonics is George S. Langdon, who is the President and a director of the Company. The consideration paid for a 60% working interest will be the issuance to Tectonics or its assigns of 39,450,000 shares of the Company, following the 1.75:1.

On August 4, 2011, the Company announced it has entered into an option agreement with Golden Valley Mines Ltd. (TSX/V: GZZ) of Val-d'Or, Quebec to earn up to a 70% interest in the Centremaque Prospect, situated in Bourlamaque Township, Quebec. The Company issued to Golden Valley 9,175,008 shares of the Company representing 9.9% of its issued capital.

For the twelve months ended September 30, 2010 the Company did not issue any common stock nor, issued any stock in relation to the exercise of options or warrants.

Outstanding Share Data

On January 25, 2011, the Company consolidated its common shares on the basis of one new share for every 1.75 old shares. As at October 1, 2010, the number of unconsolidated outstanding common shares was 93,146,991. The number of common shares outstanding following the consolidation is 53,226,852.

As at September 30, 2011 and the date of this MD&A, the Company had 101,851,860 common shares issued and outstanding.

Outlook

It is anticipated that in the continued and foreseeable future, Monarch will rely on the equity markets to meet its financing needs. Should cash flow build from exploration success, the Company will be in a position to finance projects from cash flow.

Without continued external funding to finance further exploration on its property interests, there is substantial doubt as to the Company's ability to operate as a going concern. Although Monarch has been successful in raising funds to date, there can be no assurance that additional funding will be available in the future. The financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to achieve successful exploration results or obtain adequate financing.

Management and the Board of Directors continuously review and examine proposals and projects for the Company and conduct their due diligence in respect of the same.

OFF-BALANCE SHEET ARRANGEMENTS

At the date of this report, the Company had no material off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The amounts charged to the Company for the services provided have been determined by negotiation among the parties and, in certain cases, are covered by signed agreements. These transactions were in the normal course of operations and were measured at the exchange value, which represented the amount of consideration established and agreed to by the related parties.

The Company entered into the following transactions with related parties:

a) Paid or accrued consulting fees totaling $16,440 (2010 - $52,500) to a company controlled by a director of the Company.

b) Paid or accrued consulting fees totaling $40,000 (2010 - $Nil) to a director of the Company.

c) Paid or accrued management fees totaling $28,000 (2010 - $Nil) to a director of the Company.

d) Amounts due to related parties consist of $44,803 (2010 - $103,008) to companies controlled by current and former directors of the Company.

e) Granted 5,300,000 stock options (2010 – $Nil) to directors and consultants of the Company with a fair value of $365,000 (2010 - $Nil).

f) Recorded again on the settlement of debt regarding unpaid director fees of $21,897 (2010 – $Nil) with a former director of the Company.

These amounts due to related parties are non-interest bearing, with no fixed terms of repayment.

FOURTH QUARTER

For the three months ended September 30, 2011 ("Q4-2011"), Monarch Energy Limited incurred a loss of $(3,424,282) compared to a loss of $(45,674) for the three months ended September 30, 2010 ("Q4-2010"). The significant loss for Q4-2011 relates to the write-off of mineral property.

Petroleum revenues of $34,570 were recorded in Q4-2011 compared to revenues of $46,905 in Q4-2010. Revenues during Q4-2011 were higher than previous quarters of the fiscal year due to sales adjustments relating to the sale of petroleum products.

PROPOSED TRANSACTIONS

There are currently no proposed asset or business acquisitions or dispositions, other than those in the ordinary course of business before the board of directors for consideration.

CRITICAL ACCOUNTING ESTIMATES

As at September 30, 2011, the Company was a venture issuer. Monarch prepares its financial statements in accordance with Canadian generally accepted accounting principles and requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the useful lives of capital assets, reserves used in calculating depletion, accretion and ceiling tests, the assumptions used in determining the fair value of asset retirement costs and the assumptions used in determining the fair value of non-cash stock-based compensation. Due to the inherent uncertainty involved with making such estimates, actual results reported in future years could differ from these estimates.

CHANGES IN ACCOUNTING POLICIES

Effective for the year ended September 30, 2011, the Company adopted new accounting standards that were issued by the Canadian Institute of Charter Accountants ("CICA"), as listed below. These standards were adopted on a prospective basis and are primarily related to disclosures. There were no adjustments recorded to the opening balance sheet items or deficit as a result of the Company's initial adoption of these standards.

Goodwill and intangible assets

Effective October 1, 2009, the Company adopted the CICA Handbook Section 3064, "Goodwill and Intangible Assets", which replaced Section 3062, "Goodwill and Other Intangible Assets". The new standard establishes revised standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The new standard also provides guidance for the treatment of pre-production and start-up costs and requires that these costs be expensed as incurred. The adoption of this standard did not have a significant effect on these financial statements.

:

Business combinations, consolidated financial statements and non-controlling interest

Effective October 1, 2009, the Company adopted the CICA Handbook Section 1582, "Business Combinations", Section 1601, "Consolidations", and Section 1602, "Non-Controlling Interests". These sections replaced the former Section 1581, "Business Combinations", and Section 1600, "Consolidated Financial Statements", and establish a new section for accounting for a non-controlling interest in a subsidiary. Section 1582 establishes standards for the accounting for a business combination, and states that all assets and liabilities of an acquired business will be recorded at fair value. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also states that acquisition-related costs will be expensed as incurred and that restructuring charges will be expensed in the periods after the acquisition date. It provides the Canadian equivalent to IFRS 3, Business Combinations (January 2008). The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. The adoption of this guidance had no significant impact on the Company's consolidated financial statements.

Section 1601 establishes standards for the preparation of consolidated financial statements.

Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in the preparation of consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS International Accounting Standards ("IAS") 27, Consolidated and Separate Financial Statements. The adoption of this guidance had no significant impact on the Company's consolidated financial statements.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the Emerging Issues Committee ("EIC") issued EIC–173 "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities." This abstract requires companies to take counterparty credit risk into account when measuring the fair value of financial assets and liabilities, including derivatives. The Corporation has performed an assessment and believes that there is no material impact to the Corporation's financial statements as a result of EIC-173.

Future accounting policies

International Financial Reporting Standards ("IFRS")

In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's existing GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of October 1, 2010 will require the restatement for comparative purposes of amounts reported by the Company for the year ended September 30, 2011.

The Company has begun assessing the adoption of IFRS for 2011, and the financial reporting impact of the transition to IFRS is not expected to be significant other than increased disclosures in the notes of the financial statements. The Company is prepared to adopt IFRS effective October 1, 2011.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, short-term investments, receivables, loan receivable and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these instruments. Due to their short-term nature, the fair values of these financial instruments approximate their carrying values, unless otherwise noted.

ADDITIONAL DISCLOSURE REQUIREMENTS

The Company's management is responsible for establishing and maintaining disclosure controls and procedures for the Company. The disclosure controls and procedures have been designed, under the supervision of the Board of Directors and its Officers, so as to provide reasonable assurance that material information relating to the Company is made known to the Board of Directors and its Officers by others within the Company. The Officers of the Company certifying its Annual Filings under Multilateral Instrument 52-109 have evaluated the effectiveness of these disclosure controls and procedures for the year ending September 30, 2011 and have concluded that they are being maintained as designed.

The Officers have also concluded that there has been no change in the Company's internal control over financial reporting during the most recent interim period that has materially affected, or is reasonably likely to affect, the internal control over financial reporting.

FORWARD-LOOKING STATEMENTS

Certain information set forth in this document includes forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Monarch Energy' control, including but not limited to: the execution and outcome of current or future exploration activities; information included or implied in the various independently produced and published technical reports; anticipated drilling and resource estimation plans; cash flow projections; volatility in market prices for petroleum and natural gas; currency fluctuations; and other general market and industry conditions.

Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company's actual results, programs and financial position could differ materially from those expressed in or implied by these forward-looking statements and accordingly, no assurance can be given that the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits Monarch Energy will derive from them.

The Company disclaims any intention and assumes no obligation to update any forward-looking statements, even if new information becomes available, as a result of future events or for any other reason. Risks that could cause the Company's actual results to materially differ from its current expectations are described in this document.

ADDITIONAL SOURCES OF INFORMATION

Additional information relating to Monarch Energy Limited can be found on the SEDAR website at www.sedar.com or the Company's website at www.monarchenergy.ca.