

**MONARCH ENERGY LIMITED**  
**(the "Company")**

**FORM 51-101F1**

**STATEMENT OF RESERVES DATA**  
**AND OTHER OIL AND GAS INFORMATION**

This is the form referred to in item 1 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*.

**PART 1 DATE OF STATEMENT**

**Item 1.1 Relevant Dates**

Information in this Statement is effective as of **September 30, 2011** (the "Effective Date") and was prepared as of January 31, 2012.

**PART 2 DISCLOSURE OF RESERVES DATA**

As at the Effective Date and as at the date of this Statement the Company had no material reserves.

**PART 3 PRICING ASSUMPTIONS**

Not applicable.

**PART 4 RECONCILIATIONS OF CHANGES IN RESERVES**

As at September 30, 2011, the Effective Date, the Company had no material reserves.

**PART 5 ADDITIONAL INFORMATION RELATED TO RESERVES DATA**

Not applicable.

**PART 6 OTHER OIL AND GAS INFORMATION**

**Item 6.1 Oil and Gas Properties and Wells**

As at September 30, 2011, the Effective Date, the Company had no material oil and gas properties, plants, facilities or installations.

**Item 6.2 Properties with No Attributed Reserves**

The Company has no properties with no attributed reserves.

### Item 6.3 Forward Contracts

The Company is not bound by any agreement (including a transportation agreement), directly or through an aggregator, under which it may be precluded from fully realizing, or may be protected from the full effect of, future market prices for oil and gas.

### Item 6.4 Additional information Concerning Abandonment and Reclamation Costs

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the obligation associated with the retirement of oil and gas properties.

	<b>2011</b>	<b>2010</b>
Asset retirement obligation, beginning of year	\$ 57,932	\$ 51,300
Adjust obligation on disposition of property	-----	-----
Accretion expense	\$ 3,737	\$ 6,632
Asset retirement obligation, end of year	\$ 61,669	\$ 57,932

The Company's asset retirement obligation as at the Effective Date was \$61,669. The undiscounted amount of cash flows, required over the estimated reserve life of the underlying assets, to settle the obligation, adjusted for inflation, is estimated at \$66,924 (2010 - \$60,906). The obligation was calculated using a credit-adjusted risk free discount rate of 10% and an inflation rate of 2%. It is expected that this obligation will be funded from general Company resources at the time the costs are incurred with the majority of costs expected to occur between 2011 and 2015.

### Item 6.5 Tax Horizon

The Company was not required to pay income taxes for the financial year ended September 30, 2011. Since the Company does not currently have any material income-producing operations, it cannot reasonably estimate when income taxes may become payable.

### Item 6.6 Costs Incurred

No capital costs were incurred on the projects.

### Item 6.7 Exploration and Development Activities

See Item 6.6 above.

### Item 6.8 Production Estimates

Since the Company had no material reserves of oil or gas as at the Effective Date, this Statement does not contain any information on production estimates.

## Item 6.9 Production History

The following table summarizes, by product type, the Company's share of average daily production volume, before deduction of royalties, for each quarter of its financial year ended September 30, 2011:

	Q1/11	Q2/11	Q3/11	Q4/11
Light/Medium Oil (bbl/day)	3.79	2.22	2.62	3.17
Natural Gas (Mcf/day)	1.22	1.03	0.88	0.76

The following table summarizes, by product type, the Company's share of production, as an average per unit of volume, for each quarter of its financial year ended September 30, 2011:

	Q1/11	Q2/11	Q3/11	Q4/11
Light/Medium Oil (\$/bbl)				
Total revenue	76.23	84.02	73.56	107.65
Royalties	( 3.54)	( 8.55)	( 6.40)	( 12.72)
Production costs	(31.90)	(94.62)	(155.87)	(527.99)
Net	40.79	( 19.15)	(88.71)	(433.06)
Natural Gas (\$/Mcf)				
Total revenue	122.79	122.77	120.76	120.66
Royalties	-	-	-	-
Production costs	(31.43)	(24.96)	(16.50)	(16.50)
Net	91.36	97.81	104.26	104.16

The following table summarizes, by field and product type, the Company's volume of production for the financial year ended September 30, 2011:

Field	Light/Medium Oil (Mbbbl)	Natural Gas (MMcf)	Natural Gas Liquids (Mbbbl)
Lyle/Thorhild	0.00	3.55	0.00
Virginia Hills	1.71	0.00	0.00