

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, 2012** (the “Effective Date”) and was prepared as of January 29, 2013.

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, 2012, 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, 2012, 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.

	2012	2011
Asset retirement obligation, beginning of year	\$61,669	\$57,932
Adjust obligation on disposition of property (1)	(\$61,669)	
Accretion expense		\$3,737
Asset retirement obligation, end of year	nil	\$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 \$Nil (September 30, 2011 - \$61,669). The obligation was calculated using a credit-adjusted risk free discount rate of 10% and an inflation rate of 2%.

(i) Reversal of obligation upon sale of Virginia Hills property

Item 6.5 Tax Horizon

The Company was not required to pay income taxes for the financial year ended September 30, 2012. 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, 2012:

	Q1/12	Q2/12	Q3/12	Q4/12
Light/Medium Oil (bbl/day)	4.2	6.1	8.5	6.1
Natural Gas (Mcf/day)	0.66	0.52	0.54	0.61

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, 2012:

	Q1/12	Q2/12	Q3/12	Q4/12
Light/Medium Oil (\$/bbl)				
Total revenue	29,349	49,708	80,633	14,259
Royalties	-	(12,868)	(19,319)	(2,704)
Production costs	(12,418)	(42,317)	(51,669)	(2,540)
Net	16,931	(5,578)	9,646	9,015
Natural Gas (\$/Mcf)				
Total revenue	6,203	3,014	2,902	4,036
Royalties	-	-	-	-
Production costs	(1,884)	(1,346)	(882)	(1,024)
Net	4,319	1,668	2,020	3,011

The following table summarizes, by field and product type, the Company's volume of production for the financial year ended September 30, 2012:

Field	Light/Medium Oil Mbbbl)	Natural Gas (MMcf)	Natural Gas Liquids (Mbbbl)
Lyle/Thorhild		0.213	
Virginia Hills	1.89		