This Management's Discussion and Analysis ("MD&A") prepared as of January 27, 2011, reviews the financial condition and results of operations of Monarch Energy Limited ("Monarch", or the "Company") for the financial year ended September 30, 2010, 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, 2010 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, 2009.

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's current activities are focused on the exploration for and development of petroleum and natural gas reserves in Canada. The Company currently has interests in producing wells in the province of Alberta and, during the financial year ended September 30, 2010, the Company received revenues from these properties in Alberta.

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					
		2010		2009		2008
Petroleum revenues, net of royalties	$	154,841	$	223,122	$	327,749
General and administrative expenses (excluding petroleum and natural gas related expenses and stock-based compensation)	$	181,282	$	20,178	$	843,212
Petroleum and natural gas related expenses	$	246,360	$	309,918	$	320,104
Stock-based compensation	$	-	$	5,300	$	3,893
Write-off of petroleum and natural gas properties	$	-	$	7,244,024	$	5,107,604
Loss for the year	$	174,376	$	7,355,842	$	5,813,473
Loss per share[1]	$	0.00	$	0.09	$	0.08
Total assets	$	479,867	$	675,638	$	8,062,607
Total liabilities	$	1,753,309	$	1,774,704	$	1,999,289
Working capital (deficiency)	$	(1,245,141)	$	(1,653,690)	$	(1,788,128)

[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 $154,841 for the fiscal year ended September 30, 2010 compared to $223,122 for the fiscal year ended September 30, 2009. The decreased revenues over last year were predominately due to lower production volumes realized during the 2010 fiscal year from various workovers that impacted production.

Loss for the year

The Company realized a loss of $174,376 for the fiscal year ended September 30, 2010 compared to a loss of $7,355,842 for the fiscal year ended September 30, 2009. These decreased loss (from the previous fiscal year) was a result of significant write offs last year relating to the expenditures incurred in the North Sea. For the fiscal year ended September 30, 2009 and 2008, the Company wrote off $7,244,024 and $5,107,604 respectively in exploration costs.

Petroleum and natural gas related costs were $246,360 for fiscal 2010 compared to $309,918 for fiscal year 2009. These costs included $188,016 related to production (FY2009 - $277,736), $45,406 for depletion (FY2009 – $24,460), asset retirement obligation costs of $6,632 (FY2009 - $5,850) and, transportation costs of $6,306 (FY2009 - $1,872). Production costs relative to revenues were lower as a result of lower well production volumes. Overall costs in fiscal 2009 were higher as the Company incurred clean-up costs of approximately $73,000 associated with an oil spill on the Virginia Hills property.

The Company incurred $nil (2009 - $22,222) in director fees during in fiscal year ended September 30, 2010.

As Monarch Energy maintains most of its liabilities in its United Kingdom operating subsidiaries, the Company has foreign exchange risks associated with its exploration in foreign jurisdictions. The Company recognized a foreign exchange gain of $60,365 in fiscal 2010 compared to a foreign exchange gain of $395,502 in fiscal 2009. The strengthened Canadian dollar (relative to the United Kingdom pound sterling resulted in this exchange gain. During the fiscal year, the Company's cash balances were primarily held in Canadian dollars.

During the 2010 fiscal year, the Company incurred investor relations costs of $1,446 compared to $22,645 in fiscal 2009. The decreased activity in the Company is largely attributed to decreased costs incurred during the fiscal year.

Management fees totaling $52,500 (2009 - $75,000) were paid to Starbright Energy Ltd., a private company owned and controlled by Michael Turko. The reduction in management fees was to conserve the remaining cash of the Company.

Office related costs for the current fiscal year were $34,418 compared to expenditures of $58,272 in fiscal year 2009. The decreased cost can be associated with the decreased activity in the Company.

Professional fees increased marginally to $93,522 in fiscal 2010 from $89,279 incurred in fiscal 2009. Additional costs were incurred for regulatory filing activities and accounting related costs.

The Company incurred transfer agent fees of $9,856 in fiscal 2010 compared to fees of $11,007 in fiscal 2009. The marginal decrease was a result of regulatory filing requirements.

Petroleum and natural gas expenditures will vary substantially from year to year. Fluctuations in activity generally have a corresponding impact on the fluctuations in general and administrative expenses.

Total assets

The change in total assets over the three year period from 2008-2010 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 $479,867 as at September 30, 2010 compared to assets of $675,638 at September 30, 2009. The decrease in assets is a result of the Company's sale of its remaining asset in the North Sea and the subsequent payment of its liabilities from the proceeds of the sale.

Total liabilities

As at September 30, 2010, the total liabilities of the Company were $1,753,309 compared to $1,774,704 as at September 30, 2009. Monarch Energy currently does not have the resources to meet the obligations of its creditors. The Company's current liabilities at September 30, 2010 was primarily related to exploration costs incurred on its projects in the North Sea.

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, 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)
September 30, 2009	$ 135,026	$ (3,106,964)	$ (0.08)
June 30, 2009	$ 42,052	$ (4,003,266)	$ (0.00)
March 31, 2009	$ 4,581	$ (140,752)	$ (0.00)
December 31, 2008	$ 41,463	$ (104,860)	$ (0.01)

[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 Gulf Shores 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 the Company's shareholders and the regulatory officials. The Company paid a commission of USD$56,250 associated with the sale. A gain of $98,271 was recorded as a result of the sale.

North Sea Project – Quad 30

The Company entered into an agreement to pay 20% of the cost of acquiring new 3-D seismic and 13.33% of the cost of drilling a test well to earn a 10% interest in a 422 square kilometre block located in Quad 30 in the North Sea.

The Company was unable to meet its debt obligations associated with the seismic work done and as such was forced to relinquish its interest in the project. All costs associated with the project had been written off during the fiscal year ended September 30, 2009.

North Sea Project – Quad 14

The Company had entered into an agreement to pay US$84,375 and 12.5% of the cost of drilling, testing, completing and equipping a test well to earn a 9.4% interest in a 255 square kilometre Laurel Valley project located in Quad 14 in the North Sea.

Drilling of the 14/28a-5 well commenced on March 26, 2007 and was drilled to total depth and evaluated. The well was subsequently plugged and abandoned as no commercial quantities of hydrocarbons were encountered.

All costs associated with the project had been written off during the fiscal year ended September 30, 2009.

North Sea Project – Quad 41 & 42

The Company entered into an agreement to pay US$75,000 and 15% of the cost of drilling, testing, completing and equipping a test well to earn a 10% interest in a 970 square kilometer Lytham & St. Annes project located in Quads 41 and 42 in the North Sea.

Drilling of the 41/10a-2 well commenced on July 24, 2007 and was drilled to total depth and evaluated. The well was subsequently plugged and abandoned as only sub-economic gas reserves were encountered.

All costs associated with the project had been written off during the fiscal year ended September 30, 2009.

North Sea Project – Quad 12/17B-1

The Company entered into an agreement to earn an interest in the 72.5 square kilometre Ridgewood project located in Block 12/17 in the North Sea.

The Company had exercised its option to earn a 10% interest by paying US$2.7 million representing 15% of the drilling and testing costs for the first well. Drilling of the 12/17B-1 well commenced on December 21, 2007 and reached total depth of 5,678 ft on January 3, 2008. The well was subsequently plugged and abandoned as a dry hole.

All costs associated with the project had been written off during the fiscal year ended September 30, 2009.

Canada

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 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 $428,926 at September 30, 2010 as compared to cash balances of $20,077 at September 30, 2009. The increased cash position was a result of the sale of the Company's interest in the North Sea. Over the past twelve months, the Company's use of funds have been associated with general and administrative costs.

The Company had a working capital deficiency of $1,245,141 as at September 30, 2010 compared with a working capital deficit of $1,681,224 as at September 30, 2009. The working capital deficiency is primarily related to the increase in liabilities associated with the exploration work on its North Sea properties. Additional financing is required to adequately fund the Company's future activities and to cover corporate overhead for the next fiscal year.

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, 2010, the Company recorded proceeds of $655,906 in investing activities compared to cash outflows from investing activities of $22,870 for the year ended September 30, 2009. The proceeds received were from the sale of the Company's remaining interest in the North Sea.

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

Financing Activities

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.

During the fiscal year ended September 30, 2009, prior to a common share consolidation discussed below, the Company issued 16,000 shares for gross proceeds of $160,000. The Company paid $2,700 in finder's fees and incurred issuance costs of $25,809.

Outstanding Share Data

As at September 30, 2010, the Company had 93,146,991 common shares issued and outstanding.

On January 11, 2011, the Company announced it will be consolidating its common shares on the basis of one new share for every 1.75 old shares. The number of currently outstanding common shares was 93,146,991. The number of common shares outstanding following the consolidation is 53,226,852. The consolidation is being undertaken to facilitate the acquisition described in the Company's News Release dated January 6, 2011.

Outlook

It is anticipated that in the 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 totalling $Nil (2009 - $70,214) to past and present directors of the Company.

b) Paid or accrued management fees totalling $52,500 (2009 - $75,000) to a company controlled by a director of the Company.

c) Paid or accrued director fees of $Nil (2009 - $22,222).

d) Paid or accrued accounting fees of $Nil (2009 - $27,000) to a former officer.

e) Reimbursed office costs of $Nil (2009 - $5,000) to a former director.

f) Paid or accrued rent of $Nil (2009 - $7,220) to a former director.

g) Amounts due to related parties consist of $103,008 (2009 - $89,932) to companies controlled by current and former directors of the Company.

h) Directors forgave $Nil (2009 - $56,667) owed to them in director fees. This amount has been recorded in contributed surplus.

i) Granted Nil stock options (2009 – 1,250,000) to directors and consultants of the Company with a fair value of $Nil (2009 - $5,300).

j) Included in accounts payable and accrued liabilities is $10,186 (2009 - $13,551) owing to a director of the Company for expenses incurred on behalf of the Company.

These amounts due to related parties are non-interest bearing, with no fixed terms of repayment. The fair values of the amounts due to related parties cannot be determined as there are no specific terms of repayment.

FOURTH QUARTER

For the three months ended September 30, 2010 ("Q4-2010"), Monarch Energy incurred a loss of $45,674 compared to a loss of $3,106,964 for the three months ended September 30, 2009 ("Q4-2009"). The significant loss for Q4-2009 relates to at write off of $3,398,538 recognized in Q4-2009 in that period compared to a write-off of $Nil in Q4-2010 relating to the Company's interest in its petroleum and gas properties.

Petroleum revenues of $46,905 were recorded in Q4-2010 compared to revenues of $135,026 in Q4-2009. Revenues during Q4-2009 were higher than previous quarters during the fiscal year due to sales adjustments relating to the sale of petroleum products.

PROPOSED TRANSACTIONS

On January 6, 2011 the Company 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 Monarch Energy Limited. Accordingly the acquisition will also be subject to approval by the disinterested shareholders of Monarch.

The Company will purchase a 60% working interest (subject to a 2% NSR) in Mineral License 016508M, comprising 68 claims (approx. 1700 hectares, 4352 acres); Mineral License 018019M, comprising 121 claims (approx. 3025 hectares, 7744 acres); Mineral License 018035M, comprising 121 claims (approx. 3025 hectares, 7744 acres); and Mineral License 018387M comprising 3 claims (approx. 75 hectares, 290 acres) (collectively, the "licensed area"). The Company will agree 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 payable by the Company will be the issuance to Tectonics or its assigns of 39,450,000 shares, following a 1.75:1 consolidation, at a deemed price of $0.05 per share.

The acquisition and related matters will be subject to approval by the TSX Venture Exchange.

On January 11, 2011, the Company announced it will be consolidating its common shares on the basis of one new share for every 1.75 old shares. The number of outstanding common shares at September 30, 2010 was 93,146,991. The number of common shares outstanding following the consolidation will be 53,226,852. The consolidation was undertaken to facilitate the acquisition described in the Company's News Release dated January 6, 2011. There will be no name change in conjunction with the consolidation.

Shareholder authorization to effect a consolidation was approved at the Company's Annual and Special General Meeting held on May 27, 2010. The consolidation has been approved by the TSX Venture Exchange.

CRITICAL ACCOUNTING ESTIMATES

As at September 30, 2010, the Company was a venture issuer. Monarch Energy 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, 2010, the Company adopted new accounting standards that were issued by the Canadian Institute of Chartered 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.

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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).

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.

These standards are effective January 1, 2011, however early adoption is permitted. The Company adopted these sections on October 1, 2009, the adoption of these sections did not have a significant effect on the Company's financial statements.

Future accounting policies

International Financial Reporting Standards ("IFRS")

In 2006 the Canadian Accounting Standards Board ("AcSB") published a strategic plan that will significantly affect financial reporting requirements for Canadian companies. The strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. 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. For the Company the transition date will be October 1, 2011 and this will require the restatement for comparative purposes of amounts reported by the Company for the year ended September 30, 2011. The Company has completed the diagnostic phase of planning for the implementation of IFRS. It has determined that the principal areas of impact will be IFRS 1 – first time adoption; presentation of financial statements; asset retirement obligations; impairment of assets; flow through shares and share-based payments. The Company expects its detailed analysis of relevant IFRS requirements and of IFRS 1 will be complete by the end of its fiscal quarter ending June 30, 2011, along with its determination of changes to accounting policies and choices to be made. The Company has not yet reached the stage where a quantified impact of conversion on its financial statements can be measured. The Company expects to complete its quantification of financial statement impacts by the end of its fiscal year ending September 30, 2011.

FINANCIAL INSTRUMENTS

All financial instruments are classified into one of five categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments and derivatives are measured in the balance sheet at fair value except for loans and receivables, held-to maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification. Held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income. Available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the instrument is derecognized or impaired.

The Company has classified its cash as held-for-trading. Amounts receivable are classified as loans and receivables and accounts payable and accrued liabilities and due to related parties are classified as other liabilities, all of which are measured at amortized cost.

The CICA Handbook Section 3862, Financial Instruments – Disclosures, and Section 3863, Financial Instruments - Presentation, revised and enhanced disclosure requirements while carrying forward presentation requirements. These new sections placed increased emphasis on disclosure about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

Disclosure is also required on the inputs used in making fair value measurements, including their classification within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The Company has included disclosure recommended by this section in Note 3 to these consolidated financial statements.

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, 2010 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.