

BERKLEY RENEWABLES INC.

(formerly Berkley Resources Inc.)

**STATEMENT OF RESERVES DATA
AND OTHER OIL AND GAS INFORMATION
FORM 51-101F1**

PART 1: DATE OF STATEMENT

The relative dates of the Company's statement of reserves data and other oil and gas information are:

**Table 1-1
Relative Dates**

| | |
|---|-------------------|
| Date of Statement | April 26, 2012 |
| Effective Date | December 31, 2011 |
| Preparation Date – AJM Deloitte – Evaluation Report | April 9, 2012 |

PART 2: DISCLOSURE OF RESERVES DATA

The oil and gas reserves of Berkley Renewables Inc. ("Berkley" or the "Company"), were evaluated, as at December 31, 2011, by AJM Deloitte (the "Evaluator").

Forecasts of reserves and associated net production revenues are forward looking statements based on judgments regarding future events. The accuracy of reserves estimates and associated economic analysis is, in part, a function of the quality and quantity of available data and of engineering and geological interpretation and judgment. This data should be accepted with the understanding that reserves and financial performance, subsequent to date of the estimates, may necessitate revisions in the future.

All estimates of net present values of future net revenue ("NPV of FNR") are stated prior to provisions for indirect overhead and administrative costs. The NPV of FNR is calculated both before and after the deductions of income taxes. The income tax calculations include the companies Tax Pools and Tax Loss Carry Forwards.

The Company's Reserves have been determined for (a) Proved (1P) and (b) Proved Plus Probable (2P) categories. The reserves have been further broken down into developed producing, developed non-producing and undeveloped. The NPV of FNR is also calculated for each of these reserve categories. Throughout this Statement of Reserves Data, the Company has highlighted the total proved plus probable reserves and respective NPV of FNR as representations of the Company's "Best Estimates" of the reserves and FNR to be obtained from the production of their reserves.

The majority of the data submitted in this report is presented in tabular form. It is important to note that some columns of values may not sum precisely due to the accumulative rounding of the numbers.

RESERVES DATA (FORECASE PRICES AND COSTS)

Table 2-1
Summary of Oil and Gas Reserves
(As of December 31, 2011)

Forecast Prices and Costs

| Reserves Category | Company Reserves | | | | | | | |
|---------------------------------------|----------------------|--------------|----------------|--------------|-----------------|--------------|---------------------|--------------|
| | Light and Medium Oil | | Heavy Oil | | Natural Gas [1] | | Natural Gas Liquids | |
| | Gross Mbbbl | Net Mbbbl | Gross Mbbbl | Net Mbbbl | Gross MMcf | Net MMcf | Gross Mbbbl | Net Mbbbl |
| PROVED | | | | | | | | |
| Developed Producing | 0 | 0 | 0 | 0 | 73.1 | 65.8 | 0 | 0 |
| TOTAL PROVED | 0 | 0 | 0 | 0 | 73.1 | 65.8 | 0 | 0 |
| PROBABLE | | | | | | | | |
| | 0 | 0 | 0 | 0 | 38.6 | 34.9 | 0 | 0 |
| TOTAL PROVED PLUS PROBABLE | 0 | 0 | 0 | 0 | 111.7 | 100.7 | 0 | 0 |

Reference: Item 2.2(1) of NI 51-101F1

Table 2-2
Summary of Net Present Values
(As of December 31, 2011)

Forecast Prices and Costs

| Before Income Tax | | | | | |
|-----------------------------------|--|--------------|--------------|--------------|-------------|
| Reserves Category | Net Present Values of Future Net Revenue | | | | |
| | Discounted at | | | | |
| | 0% yr. | 5% yr. | 10% yr. | 15% yr. | 20% yr. |
| | M\$ | M\$ | M\$ | M\$ | M\$ |
| PROVED | | | | | |
| Developed Producing | 172.6 | 123.9 | 93.7 | 74.1 | 60.9 |
| TOTAL PROVED | 172.6 | 123.9 | 93.7 | 74.1 | 60.9 |
| PROBABLE | | | | | |
| | 168.6 | 87.1 | 50.5 | 32.3 | 22.5 |
| TOTAL PROVED PLUS PROBABLE | 341.2 | 211.0 | 144.2 | 106.5 | 83.3 |

| After Income Tax | | | | | |
|-----------------------------------|--|--------------|--------------|--------------|-------------|
| Reserves Category | Net Present Values of Future Net Revenue | | | | |
| | Discounted at | | | | |
| | 0% yr. | 5% yr. | 10% yr. | 15% yr. | 20% yr. |
| | M\$ | M\$ | M\$ | M\$ | M\$ |
| PROVED | | | | | |
| Developed Producing | 172.6 | 123.9 | 93.7 | 74.1 | 60.9 |
| TOTAL PROVED | 172.6 | 123.9 | 93.7 | 74.1 | 60.9 |
| PROBABLE | | | | | |
| | 168.6 | 87.1 | 50.5 | 32.3 | 22.5 |
| TOTAL PROVED PLUS PROBABLE | 341.2 | 211.0 | 144.2 | 106.5 | 83.3 |

Reference: Item 2.2(2) of NI 51-101F1

Table 2-3
Total Future Net Revenue (Undiscounted)
(As of December 31, 2011)

Forecast Prices and Costs

| Reserve Category Totals | Revenue M\$ | Royalties M\$ | Operating Costs M\$ | Well Abandonment Costs M\$ | Future Net Revenues BIT M\$ | Income Taxes M\$ | Future Net Revenues AIT M\$ |
|-----------------------------|----------------|------------------|---------------------------|-------------------------------------|---|------------------------|---|
| Proved | 440.9 | 36.9 | 185.4 | 45.9 | 172.6 | 0 | 172.6 |
| Probable | 321.3 | 27.2 | 122.5 | 3.0 | 168.6 | 0 | 168.6 |
| Proved Plus Probable | 762.2 | 64.1 | 308 | 48.9 | 341.2 | 0 | 341.2 |

Reference: Item 2.2(3) (b) of NI 51-101F1

Table 2-4
Net Present Value of Future Net Revenue
By Production Group
(As of December 31, 2011)

Forecast Prices and Costs

| Reserve Category Totals | Production Group | Future Net Revenue Before Income Taxes Discounted at 10%/yr. M\$ |
|-----------------------------|---|---|
| Proved | Light and Medium Oil (including solution gas and other by-products) | 0 |
| | Heavy Oil (including solution gas and other by-products) | 0 |
| | Natural Gas (including by-products but not solution gas) | 93.7 |
| Proved Plus Probable | Light and Medium Oil (including solution gas and other by-products) | 0 |
| | Heavy Oil (including solution gas and other by-products) | 0 |
| | Natural Gas (including by-products but not solution gas) | 144.2 |

Reference: Item 2.2(3) (c) NI 51-101F1

Table 2-4
Oil and Gas Reserves and Net Present Values
By Production Group
(As of December 31, 2011)

Forecast Prices and Costs

| Reserves Group by Category | Reserves | | | | | | NPV (BIT) @10% M\$ | Unit Value \$/Mcf |
|---------------------------------------|----------------|--------------|---------------|--------------|----------------|--------------|-----------------------------|-------------------------|
| | Oil | | Gas | | NGL | | | |
| | Gross Mbbbl | Net Mbbbl | Gross MMcf | Net MMcf | Gross Mbbbl | Net Mbbbl | | |
| PROVED | | | | | | | | |
| Developed Producing | 0 | 0 | 73.1 | 65.8 | 0 | 0 | 93.7 | 1.36 |
| TOTAL PROVED | 0 | 0 | 73.1 | 65.8 | 0 | 0 | 93.7 | 1.36 |
| PROBABLE | | | | | | | | |
| | 0 | 0 | 38.6 | 34.9 | 0 | 0 | 50.5 | 1.38 |
| TOTAL PROVED PLUS PROBABLE | 0 | 0 | 111.7 | 100.7 | 0 | 0 | 144.2 | 1.37 |

Reference: Item 2.2(3)(c) of NI 51-101F1

PART 3: PRICING ASSUMPTIONS

Table 3.1
AJM Deloitte
Forecast Prices Used in Estimates
Inflation and Exchange Rates
(As of December 31, 2011)

| Year | Natural Gas | | Inflation Rate | Exchange Rate |
|------|----------------------------|-----------------------------|----------------|---------------|
| | Alberta Par Price (\$/mcf) | Alberta Spot Sales (\$/mcf) | % Per Annum | \$Cdn to \$US |
| 2012 | 3.50 | 3.20 | 2.0 | 1.00 |
| 2013 | 4.00 | 3.80 | 2.0 | 1.00 |
| 2014 | 4.50 | 4.40 | 2.0 | 1.00 |
| 2015 | 4.85 | 4.85 | 2.0 | 1.00 |
| 2016 | 5.15 | 5.25 | 2.0 | 1.00 |
| 2017 | 5.45 | 5.70 | 2.0 | 1.00 |
| 2018 | 5.70 | 6.10 | 2.0 | 1.00 |
| 2019 | 6.00 | 6.60 | 2.0 | 1.00 |
| 2020 | 6.30 | 7.10 | 2.0 | 1.00 |
| 2021 | 6.50 | 7.45 | 2.0 | 1.00 |

Forecast price of \$7.45/Mcf for 2021, with the balance of the forecast reflecting inflationary growth.

For the year ended December 31, 2011, the Company had a weighted average historical price on natural gas of \$3.83/Mcf.

PART 4: RECONCILIATION OF CHANGES ON RESERVES AND FUTURE NET REVENUE

Table 4.1
Reconciliation of Company Net Reserves
(As of December 31, 2011)

| | Associated and Non-Associated Gas | | |
|--------------------------|-----------------------------------|-----------------|-----------------------------|
| | Proved (MMcf) | Probable (MMcf) | Proved Plus Probable (MMcf) |
| December 31, 2010 | 82.6 | 44.5 | 127.1 |
| Production | -10.5 | 0.0 | -10.5 |
| Acquisitions | 0.0 | 0.0 | 0.0 |
| Dispositions | 0.0 | 0.0 | 0.0 |
| Technical Revisions | 0.9 | -5.9 | -5.0 |
| December 31, 2011 | 73.1 | 38.6 | 111.7 |

PART 5: Additional Information Relating to Reserves Data

Significant Factors and Uncertainties

The process of estimating oil and gas reserves is complex. It requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas processing and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions and are evaluated by an independent engineering firm.

As circumstances change and additional data become available, reserve estimates also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and governmental restrictions.

Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. As a result, the subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimates can arise from changes in year-end oil and gas prices and reservoir performance. Such revisions can be either positive or negative. The reserve estimates of the Company's oil, NGL and natural gas reserves provided in the Statements of Reserves Data and Other Oil and Gas Information are estimates only and there is no assurance or guarantee that the estimated reserves will be recovered. Actual reserves may be greater or less than the estimates provided herein.

PART 5: Other Oil and Gas Information

Gas Properties

JOHN LAKE

The John Lake property is located in Townships 55 and 56, Range 1 W4M, approximately 20 miles northwest of Edmonton, Alberta. The property consists of seven gas wells, three of which are currently on production. The Company holds an eleven (11) per cent working interest and is burdened by Crown royalty and a 15 percent gross overriding royalty in these wells.

Of the three producing wells, the 00/13-36-055-01W4/0 Grand Rapids well is the only gas well on the property that is currently producing at economic rates. This zone had cumulated over 6.67 Bcf to date and is currently producing at a rate of 103 Mcf/d. No reserves were assigned to the remainder of the wells on the property as their production has dropped to rates near or below their economic limit or they have not been producing for several years.

CARBON

The Carbon property is located in Township 29, Range 22 W4M, approximately 15 miles west of Drumheller, AB. The Company holds working interests ranging from six (6) to ten (10) per cent

on four gas wells within the property. All wells are currently producing from the Viking formation.

The wells have produced 4.1 Bcf to date and are currently producing at rates varying from 59 Mcf/d to 104 Mcf/d.

Forward Contracts and Financial Instruments

The company has no forward contracts or financial instruments unless required by securities law.

Abandonment and Reclamation Costs

The Company uses its Evaluator to estimate its abandonment and reclamation costs. The costs are estimated on an area by area basis. The industry's historical costs are used when available. If representative comparisons are not readily available, an estimate is prepared based on the various regulatory abandonment requirements.

The total of such costs, forecast net of estimated salvage value, is \$45,900 (undiscounted) and \$31,200 (discounted at 10%) in respect of proved reserves for, approximately, 4 net wells.

Tax Horizons

Based on AJM Deloitte's projection of cash flow, as of December 31, 2011, and in conjunction with Berkley's current Tax Pools and Tax Loss Carry Forwards the Company will not be taxable until 2021 as forecast in the Proved and Probable cash flow.

Production Estimates

The following table sets forth the volume of production estimated by AJM Deloitte for 2012 (12 months):

| TOTAL PROVED RESERVES | | |
|------------------------------|--------------------------------|-----------------------|
| AREA | Oil & NGL Mbbbl | Gas (MMcf) |
| Carbon | - | 6 |
| John Lake | - | 4 |
| Total for all areas | - | 9 |

| TOTAL PROVED PLUS PROBABLE RESERVES | | |
|--|--------------------------------|-----------------------|
| AREA | Oil & NGL Mbbbl | Gas (MMcf) |
| Carbon | - | 6 |
| John Lake | - | 4 |
| Total for all areas | - | 9 |

These values are gross to Company's working interest before deduction of royalties.

PRODUCTION HISTORY

The following table discloses for each important area and in total, the Company's gross production volumes for its most recently completed fiscal year:

| | Natural Gas (Mcf) | | | | |
|---------------|--------------------------|--------------|--------------|--------------|---------------|
| | <u>Qtr 1</u> | <u>Qtr 2</u> | <u>Qtr 3</u> | <u>Qtr 4</u> | <u>Total</u> |
| Alberta | | | | | |
| John Lake | 905 | 786 | 920 | 1,003 | 3,614 |
| Carbon | 1,614 | 1,530 | 1,753 | 1,824 | 6,721 |
| Company Total | <u>2,519</u> | <u>2,316</u> | <u>2,673</u> | <u>2,827</u> | <u>10,335</u> |

The following table sets forth certain information in respect of product prices received, royalties, production costs and netbacks received by the Company for each quarter of its most recently completed fiscal year:

| Product Type | Gross Average Daily Production | Average Per Unit of Daily Production | | | |
|--------------------|--------------------------------------|--------------------------------------|---------------------|-----------------|--------------------|
| | Mcf/day | Price \$/Mcf | Royalties \$/Mcf | Costs \$/Mcf | Netbacks \$/Mcf |
| Natural Gas | | | | | |
| Qtr 1 | 27.98 | 3.90 | 0.12 | 1.07 | - |
| Qtr 2 | 25.45 | 4.34 | 0.14 | 1.16 | - |
| Qtr 3 | 29.05 | 3.99 | 0.13 | 2.10 | - |
| Qtr 4 | 30.73 | 3.51 | 0.10 | 1.21 | - |
| Total | 28.31 | 3.93 | 0.12 | 1.39 | - |

ABBREVIATIONS AND CONVERSION

The following are selected abbreviations and definitions of terms used herein:

“bbl” means barrels of total petroleum liquids;

“boe” means barrels of oil equivalent natural gas converted at 6 mcf of natural gas per barrel of oil;

“boe/day” means barrels of oil equivalent per day;

“bopd” means barrels of oil per day;

“mbbl” means thousands of barrels of oil;

“mboe” means thousands of barrels of oil equivalent;

“mbtu” means thousands of British Thermal Units;

“mcf” means thousands of cubic feet;

“mscf” means thousands of standard cubic feet;

“mscf/day” means thousands of standard cubic feet per day;

“mstb” means thousands of stock tank barrels;

“NGL’s” means natural gas liquids including condensate;

“NI 51-101” means National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities of the Canadian Securities Administrators;