

**FORM 51-101F3**  
**REPORT OF**  
**MANAGEMENT AND DIRECTORS**  
**ON OIL AND GAS DISCLOSURE**

**This is the form referred to in item 3 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). This form does not apply in British Columbia.**

1. Terms to which a meaning is ascribed in *NI 51-101* have the same meaning in this form.
2. The report referred to in item 3 of section 2.1 of *NI 51-101* shall in all material respects be as follows:

**Report of Management and Directors  
on Reserves Data and Other Information**

Management of Mount Dakota Energy Corp. (the "Company") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which consist of the following:

- (a)
  - (i) proved and proved plus probable oil and gas reserves estimated as at January 31, 2011 using forecast prices and costs; and
  - (ii) the related estimated future net revenue; and
- (b)
  - (i) proved oil and gas reserves estimated as at January 31, 2011 using Constant prices and costs; and
  - (ii) the related estimated future net revenue.

An independent qualified reserves evaluator has evaluated and reviewed the Company's reserves data. The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The board of directors of the Company has:

- (a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation, to inquire whether there had been disputes between the previous independent qualified reserves evaluator and management; and

- (c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has approved:

- (a) the content and filing with securities regulatory authorities of the reserves data and other oil and gas information;
- (b) the filing of the report of the independent qualified reserves evaluator on the reserves data; and
- (c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

          "*Gary Claytens*"

Gary Claytens, Director, Chief Executive Officer

          "*S. John Kim*"

S. John Kim, Director, Chief Financial Officer

          "*Peter Kohl*"

Peter Kohl, Director

          "*Lyle Harvey*"

Lyle Harvey, Director

May 6, 2011

**Table 1**  
**NI 51-101**  
**Summary of Oil and Gas Reserves**  
**as of January 31, 2011**  
**Forecast Prices and Costs**

**Reserves**

Reserve Category	Light and Medium Oil		Heavy Oil		Natural Gas (non-associated & associated)		Natural Gas Liquids	
	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)
<b>Proved</b>								
Developed Producing	13.2	13.2	0.0	0.0	128	121	5.1	3.1
Developed Non-Producing	0.0	0.0	0.0	0.0	0	0	0.0	0.0
Undeveloped	0.0	0.0	0.0	0.0	0	0	0.0	0.0
<b>Total Proved</b>	<b>13.2</b>	<b>13.2</b>	<b>0.0</b>	<b>0.0</b>	<b>128</b>	<b>121</b>	<b>5.1</b>	<b>3.1</b>
Probable	6.3	6.3	0.0	0.0	25	24	1.0	0.6
<b>Total Proved Plus Probable</b>	<b>19.5</b>	<b>19.5</b>	<b>0.0</b>	<b>0.0</b>	<b>153</b>	<b>145</b>	<b>6.1</b>	<b>3.7</b>

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

<p style="text-align: center;"><b>Table 2</b> <b>NI 51-101</b> <b>Summary of Net Present Values of</b> <b>Future Net Revenue</b> <b>as of January 31, 2011</b> <b>Forecast Prices and Costs</b></p>											
Net Present Values of Future Net Revenue											
Reserves Category	Before Income Taxes Discounted at (%/Year)										Bef Tax Net Val
	0 (M\$)	5 (M\$)	10 (M\$)	15 (M\$)	20 (M\$)						10%/yr (\$/boe)
<b>Proved</b>											
Developed Producing	1,207	946	777	661	577						21.33
Developed Non-Producing	0	0	0	0	0						0.00
Undeveloped	0	0	0	0	0						0.00
<b>Total Proved</b>	<b>1,207</b>	<b>946</b>	<b>777</b>	<b>661</b>	<b>577</b>						<b>21.33</b>
Probable	539	278	166	110	79						15.18
<b>Total Proved Plus Probable</b>	<b>1,746</b>	<b>1,223</b>	<b>943</b>	<b>771</b>	<b>655</b>						<b>19.91</b>

Reference Item 2.2(2) of Form 51-101F1

Notes: NPV of FNR include all resource income:  
 Sale of oil, gas, by-product reserves  
 Processing third party reserves  
 Other income

Unit Values are based on net reserve volumes

<b>Table 3</b> <b>NI 51-101</b> <b>Total Future Net Revenue</b> <b>Undiscounted</b> <b>as of January 31, 2011</b> <b>Forecast Prices and Costs</b>							
Reserves Category	Revenue (M\$)	Royalties (M\$)	Operati- ng Costs (M\$)	Develop- ment Costs (M\$)	Well Abando- nment / Other Costs (M\$)	Future Net Revenue Before Income Taxes (M\$)	
Proved	2,327	237	882	0	0	1,207	
Proved Plus Probable	3,240	288	1,206	0	0	1,746	

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

<b>Table 4</b> <b>NI 51-101</b> <b>Net Present Value of Future Net Revenue</b> <b>by Production Group</b> <b>as of January 31, 2011</b> <b>Forecast Prices and Costs</b>			
Reserves Category	Production Group	Future Net Revenue Before Income Taxes (Discounted at 10%/Year) (M\$)	Unit Value Before Income Taxes (Discounted at 10%/Year) (\$/boe)
Proved	Light and Medium Crude Oil (including solution gas and associated by-products)	505	38.30
	Heavy Oil (including solution gas and associated by-products)	0	0
	Natural Gas (including associated by-products)*	272	11.71
Proved Plus	Light and Medium Crude Oil (including solution gas and associated by-products)	620	31.75
	Heavy Oil (including solution gas and associated by-products)	0	0
	Natural Gas (including associated by-products)*	324	11.61

Reference Item 2.1(3)(c) of Form 51-101F1

\* Includes corporate Capital GCA, if applicable

Unit Values are based on net reserve volumes

**Table 5**  
**NI 51-101**  
**Summary of Pricing and**  
**Inflation Rate Assumptions**  
**as of January 31, 2011**  
**Forecast Prices and Costs**

Year	WTI Cushing Oklahoma (\$US/bbl)	Edmonton Par Price 40° API (\$Cdn/bbl)	Cromer Medium 29.3° API (\$Cdn/bbl)	Natural Gas <sup>1</sup> AECO Gas Prices (\$Cdn/MMBtu)	Pentanes Plus FOB Field Gate (\$Cdn/bbl)	Butanes F.O.B. Field Gate (\$Cdn/bbl)	Inflation Rate <sup>2</sup> (%/Yr)	Exchange Rate <sup>3</sup> (\$US/\$Cdn)
<b>Historical</b>								
2007	72.27	77.06	65.36	6.65	77.33	63.71	2.0	0.935
2008	99.59	102.85	93.05	8.15	104.70	75.09	1.0	0.943
2009	61.63	66.20	62.77	4.19	68.13	44.13	2.0	0.880
2010	79.43	77.80	73.67	4.16	84.21	57.04	1.0	0.971
<b>Forecast</b>								
2011	93.45	94.02	86.49	4.06	96.28	63.07	1.5	0.975
2012	94.31	94.88	87.29	4.48	97.17	63.65	1.5	0.975
2013	93.38	93.91	85.46	4.70	96.18	63.00	1.5	0.975
2014	94.02	94.55	85.09	6.17	96.83	63.42	1.5	0.975
2015	95.52	96.07	86.46	6.37	98.39	64.44	1.5	0.975
2016	96.96	97.52	87.77	6.47	99.87	65.42	1.5	0.975
2017	98.41	98.99	89.09	6.58	101.38	66.40	1.5	0.975
2018	99.89	100.49	90.44	6.69	102.91	67.41	1.5	0.975
2019	101.38	102.00	91.80	6.80	104.46	68.42	1.5	0.975
2020	102.91	103.54	93.19	6.91	106.04	69.46	1.5	0.975
2021	104.45	105.11	94.59	7.03	107.64	70.51	1.5	0.975
Thereafter	Escalation Rate of 1.5%							

(1) This summary table identifies benchmark reference pricing schedules that might apply to a *reporting issuer*.

(2) Inflation rates for forecasting prices and costs.

(3) Exchange rates used to generate the benchmark reference prices in this table.

**Notes:**

Product sale prices will reflect these reference prices with further adjustments for quality and transportation to point of sale.

Reference Item 3.2 of Form 51-101F1

**Table 6**  
**NI 51-101**  
**Reconciliation of Company Gross<sup>(1)</sup> Reserves (Before Royalty)**  
**by Principal Product Type**  
**As of January 31, 2011**  
**Forecast Prices and Costs**

Factors	Light and Medium Oil			Heavy Oil			Coalbed Methane			Associated and Non-Associated Gas			Natural Gas Solution			Natural Gas Liquids		
	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved Plus Probable (Mbbbl)	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved Plus Probable (Mbbbl)	Gross Proved (MMcf)	Gross Probable (MMcf)	Gross Proved Plus Probable (MMcf)	Gross Proved (MMcf)	Gross Probable (MMcf)	Gross Proved Plus Probable (MMcf)	Gross Proved (MMcf)	Gross Probable (MMcf)	Gross Proved Plus Probable (MMcf)	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved Plus Probable (Mbbbl)
<b>January 31, 2010</b>	0.0	0.0	0.0	15.2	6.5	21.7	0	0	0	183	30	213	0	0	0	2.9	0.5	3.4
Extensions	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0
Improved Recovery	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0
Technical Revisions	14.8	6.3	21.1	(15.2)	(6.5)	(21.7)	0	0	0	(15)	(5)	(20)	0	0	0	4.0	0.5	4.5
Discoveries	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0
Acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0
Dispositions	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0
Economic Factors	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0
Production	(1.6)	0.0	(1.6)	0.0	0.0	0.0	0	0	0	(40)	0	(40)	0	0	0	(1.8)	0.0	(1.8)
<b>January 31, 2011</b>	13.2	6.3	19.5	0.0	0.0	0.0	0	0	0	128	25	153	0	0	0	5.1	1.0	6.1

(1) Gross Reserves means the Company's working interest reserves before calculation of royalties, and before consideration of the Company's royalty interests.

Reference: Item 4.1 of Form 51-101F1