

NETCO ENERGY INC.

FORM 51-101F1

**STATEMENT OF RESERVES DATA
AND OTHER OIL AND GAS INFORMATION
DATED APRIL 26, 2011**

EFFECTIVE DATE – DECEMBER 31, 2010

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ABBREVIATIONS AND CONVERSIONS

In this document, the certain abbreviations and definitions set forth below have the following meanings:

“\$000s” thousands of dollars

“\$” Canadian currency

To Convert From	To	Multiply By
Feet	Meters	0.305
Meters	Feet	3.281
Miles	Kilometers	1.609
Kilometers	Miles	0.621
Acres	Hectares	0.400
Hectares	Acres	2.500

NOTES AND CERTAIN DEFINITIONS

“Netco” means Netco Energy Inc.

“Company” means Netco Energy Inc. or its wholly owned subsidiaries, Green River Petroleum (USA) Inc. a Washington corporation, and Green River Petroleum (USA) Inc., a Wyoming corporation.

DISCLOSURE OF RESERVES DATA

OIL AND NATURAL GAS RESERVES AND NET PRESENT VALUE OF FUTURE NET REVENUE

As of December 31, 2010, the Company had no reserves attributable to its oil and gas properties. Accordingly no reserves and future net revenue data are presented on this statement.

OTHER OIL AND GAS INFORMATION

Columbia River Basin, Washington, USA

At December 31, 2010 the Company owned a 7.5% working interest in undeveloped mineral rights totaling approximately 204,870 acres (15,365 net) in the Columbia River Basin of south central Washington. The Company’s interests were acquired by way of an Acquisition and Exploration Agreement effective August 1, 2007.

The Columbia River Basin natural gas project is located within an underexplored, basalt covered sedimentary basin that is believed to potentially host multi-trillion cubic feet potential natural gas resources. The Company’s land position provides access to multiple deep drilling exploration opportunities targeting both unconventional basin centered gas accumulations and conventional gas reservoirs associated with major fault and fold belts.

Drilling deep exploration targets in the Columbia River Basin is capital intensive with gross exploratory well costs on the order tens of millions of dollars. The Company would need to raise capital in order to participate in any future exploration drilling programs on its leases if proposed by the Company or its joint interest partners.

Alberta, Canada

The Company retains minor non-operated working interests in undeveloped property in the Granlea and Provost areas of Alberta in which no current or future development plans are contemplated.

Oil and Gas Wells

The following table sets forth the number of standing wells requiring abandonment in which Netco held a working interest as at December 31, 2010.

	<u>Natural Gas Wells</u>				<u>Oil Wells</u>			
	<u>Producing</u>		<u>Non-Producing</u>		<u>Producing</u>		<u>Non-Producing</u>	
	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
Alberta, Canada ⁽¹⁾	-	-	2	0.555	-	-	-	-
Total	-	-	2	0.555	-	-	-	-

⁽¹⁾ Waiting on abandonment.

Properties With No Attributable Reserves

The following table sets out the Company's developed and undeveloped land holdings.

	<u>Developed</u>		<u>Undeveloped</u>	
	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
Alberta, Canada			2,039	592
Washington, USA	-	-	204,870	15,365
Total	-	-	206,909	15,957

The Company's rights to explore, develop and/or exploit 3,984 net acres of its undeveloped land holdings in the Columbia River Basin will expire by December 31, 2011 unless drilling activity is initiated upon the leases.

Forward Contracts

The Company is not party to any forward contracts.

Abandonment and Reclamation Cost

Abandonment and reclamation cost estimates are based on operator estimates. As at December 31, 2010 the Company had 0.55 net wells for which it expected to incur abandonment and reclamation costs.

The following table sets forth abandonment costs scheduled in the next three financial years.

Year	Total Costs
	\$
2011	-
2012	-
2013	-
Thereafter	41,625
	41,625
Total: Undiscounted	
Total: Discounted @ 10%	24,637

Tax Horizon

The Company does not expect to pay income taxes in 2011 or foreseeable future.

Costs Incurred

Property costs incurred in December 31, 2010, including capitalized or expensed, are tabled as follows:

Alberta, Canada

Property Acquisition Costs	
Proved Properties	-
Undeveloped properties	-
Exploration Costs	C\$ Nil
Development Costs	-
Total	C\$ Nil

Washington, USA

Property Acquisition Costs	
Proved Properties	-
Undeveloped properties	-
Exploration Costs	US\$ 42,253
Development Costs	-
Total	US\$ 42,253

Exploration and Development Activities

During 2010 no exploration or development wells were drilled or developed on the Company's properties.

In September 2008, Delta Petroleum Corporation became the operator of our Columbia River Basin leasehold properties. As the operator, Delta Petroleum will make most of the decisions about the exploration and development of the project. In the Columbia River Basin outside of our leasehold a deep exploration wildcat well operated by Delta Petroleum, known as the Delta Gray 31-23 well, was drilled and tested during 2009. On September 21, 2009, Delta announced that they had finished completion efforts on the Gray 31-23 well and that it was a dry hole. The Gray 31-23 well is located 30 miles south of our southern most leasehold interest. As a consequence

of Gray 31-23 results, Netco has written down the realizable value of the Company's Columbia River Basin properties.

Production History in 2010

The Company did not realize any production revenues during 2010.