

BIG SKY PETROLEUM CORPORATION

(the “Reporting Issuer” or the “Company”)

FORM 51-101F1 STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION For fiscal year ended December 31, 2013

(This is the form referred to in item 1 of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities (“NI 51-101”). Terms for which a meaning is given in NI 51-101 have the same meaning in this Form 51-101F1.)

TABLE OF CONTENTS

Part 1	Date of Statement	Page 1
Part 2	Disclosure of Reserve Data	Not applicable
Part 3	Pricing Assumptions	Not applicable
Part 4	Changes in Reserve and Future Net Revenue	Not applicable
Part 5	Additional Information Relating to Reserve Data	Not applicable
Part 6	Other Oil and Gas Information	Page 1
Form 51-101F2	Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor	Not required – no reserves
Form 51-101F3	Report of Management and Directors on Oil and Gas Disclosure	Filed separately

PART 1 DATE OF STATEMENT

Item 1.1 Relevant Dates

The date of this report and statement is April 30, 2014. The Effective Date of information provided in this statement is as of the Company’s most recently completed fiscal year ended December 31, 2013. The date of preparation of the information provided herein is April 30, 2014.

PART 6 OTHER OIL AND GAS INFORMATION

Item 6.1 Oil and Gas Properties and Wells

As at December 31, 2013, the Company’s oil and gas properties were located in Texas and Montana. The Company is currently focused on the development of unconventional tight oil reservoirs in the Southern Midland Basin of West Texas.

Unless otherwise stated, all amounts are expressed in US dollars.

Item 6.2 Properties with No Attributed Reserves

Montana

On April 30, 2013, the Company and its two joint Participation Agreement partners signed a Purchase and Sale Agreement with American Midwest Oil and Gas (“AMOG”) to sell certain of its oil and gas leasehold interests in Toole County Montana for a total gross purchase price of \$642,292, of which the Company had a one-third interest. The cost of leasehold sold was \$357,604, resulting in a loss on sale of \$118,558.

The Company continues to look for potential partners to advance its remaining acreage in Montana, either by selling or joint venturing.

Texas

In Texas, the Company’s interest is known as the “Midland Basin Wolfcamp”.

Midland Basin Wolfcamp

In November 2012, the Company entered the Wolfcamp/Wolfberry play currently developing in the Southern Midland Basin portion of the Permian Basin located in west Texas. The Company has acquired 90% working interest in an initial lease block of 2,300+ net operated acres on the eastern shelf of the southern Midland Basin in West Texas. On March 12, 2013, the Company acquired an additional 1,100 net operated acres, increasing the Southern Midland Basin to 90% working interest in 3,450.645 acres (net to Company’s share = 3,105.58 acres) of oil and gas leases in Schleicher County, Texas subject to mineral rights and overriding royalty rate of 25%. The Company pays 100% of the drilling, completion, facilities and operating costs for the first three wells until payout of these costs, at which time a third party will back in for a 10% working interest. In subsequent wells, the third party will have the option to participate for a 10% working interest pursuant to the Joint Operation Agreement. Production is also subject to State ad Valorem tax at 4.6% for oil and 7.5% for gas.

The Horizontal Wolfcamp

The Wolfcamp is a blanket formation across the Permian Basin of western Texas and acts as a source rock for much of the conventional oil production in the area. The Wolfcamp has multiple productive benches and generally varies in thickness from 800-1,200 feet, although some areas are up to 2,000 feet thick. The depth of the Wolfcamp formation is around 5,000 feet on the normally pressured southeastern side of the play. The productive limits of the play have not yet been established, but industry insiders believe the acreage prospective for the play currently covers more than 1 million acres, and this could reach 2+ million acres as more acreage is proved up. Initial Production (“IP”) rates have averaged around 580 Boepd since the inception of the play, but have shown solid increases over time as completion techniques have improved and lateral lengths have increased. IP rates to date are averaging nearly 700 Boepd with estimated ultimate recoveries (“EUR’s”) of 450,000 – 500,000 BOE.

The Vertical Wolfberry

The Wolfberry is named such because of the comingling of production from the Wolfcamp and Spraberry Formations. The overall Wolfberry interval, which is the principal focus of the Company's vertical drilling activities, is an oil play that also includes a liquids-rich natural gas component. The gas produced by Wolfberry wells tends to be very rich, with energy content of 1,200-1,500 btu per cubic foot. Operators are experiencing IP's from 80 to 180 Boepd and estimate EUR's from 120,000 to 150,000 Bbls. Based on 40 acre spacing the Company has 57 Wolfberry drilling locations. The upside to this Wolfberry play is that several operators are now drilling on 20 acre spacing with no reports of communication between wellbores.

Section 2 of Concho County School Land Survey, Abstract 45 in Schleicher County and the sub-basin is Midland Basin within the Permian Basin

<u>Section</u>	<u>Gross, acres</u>	<u>Working Interest</u>	<u>Net, acres</u>
Concho County School Land Survey, Abstract 45 in Schleicher County.	3,450.645 ⁽¹⁾	90%	3,105.58

Three-year lease from November 2012.

⁽¹⁾ 846.07 gross acres expired during the first quarter of 2014.

Item 6.3 Forward Contracts

The Company has not entered into any forward contracts.

Item 6.4 Abandonment and Reclamation Costs

The Company will continue to estimate its liability for abandonment and reclamation costs as exploration and development activities continue. To date, all abandonment and reclamation costs have been expensed as incurred given the limited investment in above surface facilities, except for potential decommissioning costs for the Schleicher #1 well which were estimated at \$250,000.

Item 6.5 Tax Horizon

The Company was not required to pay income taxes during 2013. Given the Company is in the exploration stage and does not currently have reserves, no reasonable estimate may be made as to when the Company will be required to pay income taxes in the future.

Item 6.6 Costs Incurred

The net costs incurred by the Company during 2013 were as follows:

Acquisition of oil and gas properties - net	<u>\$417,450</u>
Exploration and evaluation expenses	<u>\$2,981,009</u>

Item 6.7 Exploration and Development Activities

Montana

The Company did not have any exploration and development activities in the Montana property land package as of December 31, 2013.

Texas

Exploration Program

In January 2013, the Schafer #1 Well was drilled to 7,370 feet (vertical well) to test the Wolfcamp and Spraberry Formations in Section 2, Concho County School Land Survey, Abstract 45 in Schleicher County. The well was completed with multi-stage fracture treatments.

In the mud log of the Schafer #1 Well, the top of the Wolfcamp was identified at 4,170 feet. Fluorescence of yellow and green colour at 5 to 10% from 4,420 to 4,470 feet and at 5 to 15% from 4,490 to 4,540 feet were recorded. Wolfcamp B was identified at 4,540 feet. Fluorescence at 5 to 10% was recorded from 4,800 to 5,100 feet and from 5,190 to 5,520 feet and at 2 to 4% from 6,320 to 6,340 feet. In the Canyon Sand Formation starting at 6,350 feet, 10% to 15% fluorescence shows from 6,560 to 6,590 feet. In the electric log, the porosity is less than 7% in the intervals with the fluorescence.

In the completion, six intervals were perforated and fracture-treated as follows:

<u>Intervals</u>	<u>Perforations</u>	<u>Breakdown</u>	<u>XL Gel</u>	<u>20/40</u>	<u>100 mesh</u>	<u>20/40 SLC</u>
Cline	6,793-7,045'	3,144 psig	143,000 12#, 168,000#, 8,100#,			17,750#
Probrty	5,350-5,551'	1,218 psig	145,000 12#, 166,900#, 9,100#,			19,600#
L.Wolfcamp	5,040-5,257'	1,105 psig	150,318 12#, 165,200#, 8,900#,			15,100#
Wolfcamp 1	4,770-4,935'	1,228 psig	133,182 12#, 92,600#, 7,300#,			13,300#
Wolfcamp 2	4,490-4,685'	2,040 psig	155,600 12#, 161,200#, 8,800#,			20,500#
U. Wolfcamp	4,130-4,405'	1,454 psig	127,282 12#, 112,500#, 12,000#,			7,750#

The fracture treatments were done on February 18, 2013 and the total treatment cost was \$417,945.36.

On April 29, 2013, the Company announced that its initial well drilled in Q1 2013, in the Schleicher Prospect ("Schafer No.1") a Wolfberry test was drilled to a total vertical depth (TVD) of 7,370 feet. The Schafer No.1 was completed with a six stage fracture stimulation on February

21, 2013, with a total of 34,000 barrels of fluid and 1,000,000 lbs of proppant. The well was placed on pump on April 10, 2013, and approximately 85% of the frac fluids were recovered. During the flow back period, 348 barrels of oil and 1,266 MCF of gas were recovered. The 30 day IP (Initial production) period test resulted in excessive amounts of water recovered from formations above the Wolfcamp. It has been determined that the water production was a result of a failed cement operation on the production casing. The well is currently shut-in.

Conclusion

The Company is currently in discussions with potential partners about entering into a joint venture development program to finance further wells for the 2,500 acre Wolfcamp prospect. Activity in the surrounding areas continues at a brisk pace as more horizontal Wolfcamp wells are being drilled. The Company currently has spacing for 80 horizontal well completions based on two laterals per well location.

Item 6.8 Production Estimates

Not applicable.

Item 6.9 Production History

Not applicable.