

Hillcrest Resources Ltd.

**Reserve estimation and
economic evaluation**

**Executive summary
Hartburg, Newton County, Texas, USA**

Effective date: December 31, 2011

April 24, 2012

Hillcrest Resources Ltd.
Suite 303, 750 West Pender Street
Vancouver, British Columbia
V6C 2T7

Attention: Mr. Don Currie

**RE: Hillcrest Resources Ltd.
Reserve estimation and economic evaluation**

At your request and authorization, Deloitte & Touche LLP (“AJM Deloitte”) has prepared an independent evaluation of certain oil and gas assets of Hillcrest Resources Ltd. (“Hillcrest”), effective December 31, 2011.

This report has been prepared for the exclusive use of Hillcrest Resources Ltd. for corporate reporting purposes and no part thereof shall be reproduced, distributed or made available to any other person, company, regulatory body or organization pursuant to Part 5 Section 5.7 of NI 51-101. AJM Deloitte hereby gives its consent to the use of its name and to the said estimates pursuant to Part 5 Section 5.7 Item (2) of NI 51-101.

Pursuant to Part 2 Item 2.1 and 2.2 of Form NI 51-101F1, this report documents the results of the evaluation with the following tables summarizing the total corporate reserves and value: All values are in Canadian dollars unless specified.

- Table 1 – summary of total corporate reserves and value using forecast prices and costs; and
- Table 2 – reserves reconciliation.

AJM Deloitte was provided the following United States tax pools from Hillcrest Resources Ltd. effective December 31, 2011.

	\$ Thousands	Depreciation rate, %
Development Expense	<u>\$1,128.94</u>	30
Total	\$1,128.94	

Per NI 51-101 corporate general and administrative expenses and financing costs are not deducted.

The oil and gas reserves calculations and income projections, upon which this report is based, were estimated in accordance with the Canadian Oil and Gas Evaluation Handbook (COGEH) and National Instrument 51-101 (NI 51-101). The Evaluation Procedure section included in this report details the reserves definitions, price and market demand forecasts and general procedure used by AJM Deloitte in its determination of this evaluation. The extent and character of ownership and all factual data supplied by Hillcrest Resources Ltd. were accepted as presented (see Representation Letter attached within).

This report contains forward looking statements including expectations of future production and capital expenditures. Information concerning reserves may also be deemed to be forward looking as estimates imply that the reserves described can be profitably produced in the future. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause the actual results to differ from those anticipated. These risks include, but are not limited to: the underlying risks of the oil and gas industry (i.e. operational risks in development, exploration and production; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserves estimates; the uncertainty of estimates and projections relating to production, costs and expenses, political and environmental factors), and commodity price and exchange rate fluctuation. Present values for various discount rates documented in this report may not necessarily represent fair market value of the reserves.

A Boe conversion ratio of six (6) Mcf: one (1) barrel has been used within this report. This conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

No value has been assigned in this evaluation for non-reserve lands.

AJM Deloitte is pleased to present its independent reserves evaluation report for Hillcrest Resources Ltd., effective December 31, 2011, in satisfaction of Part 2 Section 2.1 Item 2 of NI 51-101 and Form 51-101 F2, without reservation.

Yours truly,

Original signed by: "Douglas S. Ashton"

Douglas S. Ashton, P. Eng.
Associate Partner
Deloitte & Touche LLP

/vg

TABLE 1
Hillcrest Resources Ltd.
DETAILED ECONOMIC SUMMARY
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Effective December 31, 2011

United States

	PDP	PDNP	PUD	TP	PB	P+P
Light and Medium Oil Mbbl						
Ultimate Remaining	62.5	0.0	80.3	142.8	158.8	301.6
WI Before Royalty	20.6	0.0	29.9	50.5	55.5	106.0
WI After Royalty	15.4	0.0	22.5	37.9	41.6	79.5
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	15.4	0.0	22.5	37.9	41.6	79.5
Total Oil Mbbl						
Ultimate Remaining	62.5	0.0	80.3	142.8	158.8	301.6
WI Before Royalty	20.6	0.0	29.9	50.5	55.5	106.0
WI After Royalty	15.4	0.0	22.5	37.9	41.6	79.5
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	15.4	0.0	22.5	37.9	41.6	79.5
Sales Gas MMcf						
Ultimate Remaining	0.0	377.1	122.2	499.2	686.5	1,185.7
WI Before Royalty	0.0	154.4	44.0	198.4	236.0	434.3
WI After Royalty	0.0	115.8	33.0	148.8	177.0	325.7
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	0.0	115.8	33.0	148.8	177.0	325.7
NGLs Mbbl						
Ultimate Remaining	0.0	1.9	0.6	2.5	3.4	5.9
WI Before Royalty	0.0	0.8	0.2	1.0	1.2	2.2
WI After Royalty	0.0	0.6	0.2	0.7	0.9	1.6
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	0.0	0.6	0.2	0.7	0.9	1.6
MBOE Mboe						
Ultimate Remaining	62.5	64.7	101.3	228.5	276.6	505.1
WI Before Royalty	20.6	26.5	37.5	84.6	96.0	180.5
WI After Royalty	15.4	19.9	28.1	63.4	72.0	135.4
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	15.4	19.9	28.1	63.4	72.0	135.4
Net Present Values - BTAX M\$						
Undiscounted	1,362.8	463.9	2,167.8	3,994.6	5,431.0	9,425.6
Discounted at 5%	1,245.6	418.6	1,520.4	3,184.6	2,762.6	5,947.2
Discounted at 10%	1,148.9	381.2	1,249.1	2,779.3	1,929.5	4,708.8
Discounted at 15%	1,068.2	350.0	1,062.4	2,480.5	1,470.7	3,951.2
Discounted at 20%	999.9	323.5	916.0	2,239.4	1,162.5	3,401.9

Light & Medium Oil includes Shale Oil. Heavy Oil Includes Ultra Heavy in Alberta and Bitumen. Sales Gas includes Solution gas, Associated and Non- Associated gas, Coalbed Methane, Shale gas and Hydrates.

TABLE 2
Hillcrest Resources Ltd.
RESERVES RECONCILIATION SUMMARY
Working Interest

Effective December 31, 2011

United States

Opening: AJM June 30, 2010 Forecast Pricing (CDN\$)

Closing: AJM Deloitte December 31, 2011 Forecast Pricing

	Proved Developed Producing						Proved						Probable						Proved Plus Probable					
	Light & Medium Oil		Assoc & Non Heavy Oil		Assoc & Non Coalbed Methane		Light & Medium Oil		Assoc & Non Heavy Oil		Assoc & Non Coalbed Methane		Light & Medium Oil		Assoc & Non Heavy Oil		Assoc & Non Coalbed Methane		Light & Medium Oil		Assoc & Non Heavy Oil		Assoc & Non Coalbed Methane	
	Mstb	Mstb	MMcf	MMcf	Mboe	Mboe	Mstb	Mstb	MMcf	MMcf	Mboe	Mboe	Mstb	Mstb	MMcf	MMcf	Mboe	Mboe	Mstb	Mstb	MMcf	MMcf	Mboe	Mboe
Opening Balance	24.5	0.0	0.0	0.0	0.0	24.5	78.0	0.0	36.7	0.0	0.2	84.3	132.0	0.0	189.2	0.0	0.9	164.5	210.0	0.0	225.9	0.0	1.1	248.8
Production	-8.3	0.0	0.0	0.0	0.0	-8.3	-8.3	0.0	0.0	0.0	0.0	-8.3	0.0	0.0	0.0	0.0	0.0	0.0	-8.3	0.0	0.0	0.0	0.0	-8.3
Technical Revisions																								
Technical Revision	-3.3	0.0	0.0	0.0	0.0	-3.3	-19.1	0.0	7.3	0.0	0.0	-17.9	-76.5	0.0	25.8	0.0	0.1	-72.1	-95.7	0.0	33.2	0.0	0.2	-90.0
Working Interest Errors	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Facility Changes	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Abandonment	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revisions Other	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Eval Date Rollover	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Logical Entity Change	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
System Admin	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Software Upgrade	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Extensions & Improved Recovery																								
Drilling Extensions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	154.4	0.0	0.8	26.5	0.0	0.0	20.9	0.0	0.1	3.6	0.0	0.0	175.3	0.0	0.9	30.1
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Recompletion/Workover	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Category Transfer	7.7	0.0	0.0	0.0	0.0	7.7	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	0.0	0.0	0.0	0.0	0.0
Enhanced 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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exploration 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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisition	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	0.0	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Economic Factors																								
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NI 51-101 Regulations	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Infill Drilling	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Closing Balance	20.6	0.0	0.0	0.0	0.0	20.6	50.5	0.0	198.4	0.0	1.0	84.6	55.5	0.0	236.0	0.0	1.2	96.0	106.0	0.0	434.3	0.0	2.2	180.6

Light and Medium Oil contains Shale Oil, Heavy includes Bitumen and Ultra Heavy, Assoc and Non-Assoc Gas includes Shale Gas and Gas Hydrate.

Independent petroleum consultants consent

The undersigned firm of Independent Qualified Reserves Evaluators and Auditors of Calgary, Alberta, Canada has prepared an independent evaluation of reserves and future net revenues derived therefrom, of the Petroleum and Natural Gas assets of the interests of Hillcrest Resources Ltd. according to the Canadian Oil and Gas Evaluation Handbook. If required, these reserves and future net revenues were estimated using forecast prices and costs (before and after income taxes) according to the requirements of National Instrument 51-101 (NI 51-101). The effective date of this evaluation is December 31, 2011.

In the course of the evaluation, Hillcrest Resources Ltd. provided AJM Deloitte personnel with basic information which included land, well and accounting (product prices and operating costs) information; reservoir and geological studies, estimates of on-stream dates for certain properties, contract information, budget forecasts and financial data. Other engineering, geological or economic data required to conduct the evaluation and upon which this report is based, were obtained from public records, other operators and from AJM Deloitte non confidential files. The extent and character of ownership and accuracy of all factual data supplied for the independent evaluation, from all sources, has been accepted.

A "Representation Letter" dated April 11, 2012 and signed by both the Chief Executive Officer and the Chief Financial Officer was received from Hillcrest Resources Ltd. prior to the finalization of this report. This letter specifically addressed the accuracy, completeness and materiality of all the data and information that was supplied to us during the course of our evaluation of Hillcrest Resources Ltd.'s reserves and net present values. This letter is included within.

A field inspection and environmental/safety assessment of the properties was beyond the scope of the engagement of AJM Deloitte and none was carried out. The "Representation Letter" received from Hillcrest Resources Ltd. provided assurance that no additional information necessary for the completion of our assignment would have been obtained by a field inspection.

The accuracy of any reserve and production estimates is a function of the quality and quantity of available data and of engineering interpretation and judgment. While reserve and production estimates presented herein are considered reasonable, and adhere to the COGE Handbook and NI 51-101 (as applicable), the estimates should be accepted with the understanding that reservoir performance subsequent to the date of the estimate may justify revision, either upward or downward.

Revenue projections presented in this report are based in part on forecasts of market prices, current exchange rates, inflation, market demand and government policy which are subject to uncertainties and may in future differ materially from the forecasts herein. Present values of future net revenues documented in this report do not necessarily represent the fair market value of the reserves evaluated herein.

PERMIT TO PRACTICE

Deloitte
Permit Number: P-11444

The Association of Professional Engineers,
Geologists and Geophysicists of Alberta

Certificate of qualification

I, D. S. Ashton, a Professional Engineer, of the 6th Floor, 425 – 1st Street S.W., Calgary, Alberta, Canada hereby certify that:

1. I am an associate of Deloitte & Touche LLP (“AJM Deloitte”), which did prepare an evaluation of certain oil and gas assets of the interests of Hillcrest Resources Ltd. The effective date of this evaluation is December 31, 2011.
2. I do not have, nor do I expect to receive any direct or indirect interest in the properties evaluated in this report or in the securities of Hillcrest Resources Ltd.
3. I attended the University of Calgary and graduated with a Bachelor of Science Degree in Chemical Engineering in 1992; that I am a Registered Professional Engineer in the Province of Alberta; and I have in excess of nineteen years of engineering experience.
4. I am a Qualified Reserves Auditor as defined in the Canadian Oil and Gas Evaluation Handbook, Volume 1, Section 3.2.
5. A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of information available from the files of the interest owners of the properties and the appropriate provincial regulatory authorities.

Original signed by: “D. S. Ashton”
D. S. Ashton, P. Eng.

April 23, 2012
Date

Certificate of qualification

I, D. L. Horbachewski, a Professional Geologist, of the 6th Floor, 425 – 1st Street S.W., Calgary, Alberta, Canada hereby certify that:

1. I am an employee of Deloitte & Touche LLP (“AJM Deloitte”), which did prepare an evaluation of certain oil and gas assets of the interests of Hillcrest Resources Ltd. The effective date of this evaluation is December 31, 2011.
2. I do not have, nor do I expect to receive any direct or indirect interest in the properties evaluated in this report or in the securities of Hillcrest Resources Ltd.
3. I attended the University of Calgary and graduated with a Bachelor of Science Degree in Geology in 1999; that I am a Registered Professional Geologist in the Province of Alberta; and I have in excess of twelve years of geological experience.
4. A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of information available from the files of the interest owners of the properties and the appropriate provincial regulatory authorities.

Original signed by: “D. L. Horbachewski”
D. L. Horbachewski, P. Geol.

April 23, 2012
Date

Certificate of qualification

I, L. J. Machula, a Professional Geologist, of the 6th Floor, 425 – 1st Street S.W., Calgary, Alberta, Canada hereby certify that:

1. I am an employee of Deloitte & Touche LLP (“AJM Deloitte”), which did prepare a detailed analysis of certain oil and gas assets of the interests of Hillcrest Resources Ltd. The effective date of this evaluation is December 31, 2011.
2. I do not have, nor do I expect to receive any direct or indirect interest in the properties evaluated in this report or in the securities of Hillcrest Resources Ltd.
3. I attended the University of Calgary and graduated with a Bachelor of Science in Geology in 2002; that I am a Registered Professional Geologist in the Province of Alberta; and I have in excess of four years of experience in geological exploration and evaluations of Western Canadian and International oil and gas fields.
4. A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of information available from the files of the interest owners of the properties and the appropriate provincial regulatory authorities.

Original signed by: “L. J. Machula”

L. J. Machula, P. Geol.

April 23, 2012

Date

April 11, 2012

AJM Deloitte
East Tower, Fifth Avenue Place
6th Floor, 425 – 1st Street S.W.
Calgary, Alberta
T2P 3L8

**RE: STANDARD REPRESENTATION LETTER
Corporate Reserve Evaluation**

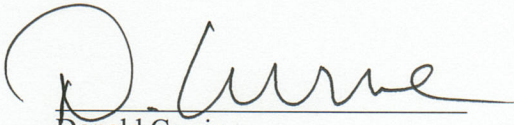
Regarding the evaluation of our Company's oil and gas reserves and independent appraisal of the economic value of these reserves effective December 31, 2011 (the "effective date"), we herein confirm to the best of our knowledge and belief as of the effective date of the reserves evaluation, the following representations and information made to you during the course and conduct of the evaluation.

1. We (the "Client") have made available to you (the "Evaluator") certain records, information and data relating to the evaluated properties that we confirm is, with the exception of immaterial items, complete and accurate as of the effective date of the reserves evaluation including the following:
 - a. accounting, financial and contractual data
 - b. asset ownership and related encumbrance information
 - c. details concerning product marketing, transportation and processing arrangement
 - d. all technical information including geological, engineering and production and test data
 - e. estimates of future abandonment and reclamation costs.
2. We confirm that all financial and accounting information provided to you is, to the best of our knowledge, both on an individual entity basis and in total, entirely consistent with that reported by our Company for public disclosure and annual audit purposes.
3. We confirm that our Company has satisfactory title to all of the assets, whether tangible, intangible or otherwise, for which accurate and current ownership information has been provided.
4. With respect to all information provided to you regarding product marketing, transportation and processing arrangements, we confirm that we have disclosed to you all anticipated changes, terminations and additions to these arrangements that could reasonably be expected to have a material impact on the evaluation of our Company's reserves and future net revenues.
5. With the possible exception of items of an immaterial nature, we confirm as of the effective date of the evaluation that:
 - a. For all operated properties that you have evaluated, no changes have occurred or are reasonably expected to occur to the operating conditions or methods that have been used by our Company

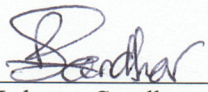
over the past twelve (12) months, except as disclosed to you. In the case of non-operated properties, we have advised you of any changes of which we have been made aware.

- b. This letter provides assurance that no additional information necessary for the completion of your assignment would have been obtained by a field inspection.
- c. All regulatory approvals, permits and licenses required to allow continuity of future operations and production from the evaluated properties are in place and, except as disclosed to you, there are no directives, orders, penalties or regulatory rulings in effect or expected to come into effect relating to the evaluated properties.
- d. Except as disclosed to you, the producing trend and status of each evaluated well or entity in effect throughout the three month period preceding the effective date of the evaluation are consistent with those that existed for the same well or entity immediately prior to this period.
- e. Except as disclosed to you, we have no plans or intentions related to the ownership, development or operation of the evaluated properties that could reasonably be expected to materially affect the production levels or recovery of reserves from the evaluated properties.
- f. If material changes of an adverse nature occur in the Company's operating performance subsequent to the effective date and prior to the report date, we will undertake to inform you of such material changes prior to requesting your approval for any public disclosure of reserves information.
- g. Between the effective date of the report and the date of this letter, nothing has come to our attention that has materially affected or could materially affect our reserves and the economic value of these reserves that has not been disclosed to you.

Yours truly,



Donald Currie
CEO



Kulwant Sandher
CFO

**Form 51-101 F2
Report on reserves data
by
independent qualified reserves
evaluator or auditor**

To the Board of Directors of Hillcrest Resources Ltd. (the "Company"):

1. We have evaluated the Company's reserves data as at December 31, 2011. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2011, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.
We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).
3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
4. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us for the year end December 31, 2011, and identifies the respective portions thereof that we have evaluated and reported on to the Company's management/Board of Directors:

Independent Qualified Reserves Evaluator or Auditor	Description and Preparation Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate)			
			Audited \$M	Evaluated \$M	Reviewed \$M	Total \$M
AJM Deloitte	Hillcrest Resources Ltd. Reserve estimation and economic evaluation December 31, 2011	United States	-	\$4,708.80	-	\$4,708.80

5. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
6. We have no responsibility to update our reports referred to in paragraph 4 for events and circumstances occurring after their respective preparation dates.
7. Because the reserves data are based on judgments regarding future events, actual events will vary and the variations may be material.

Executed as to our report referred to above:

AJM Deloitte
Fifth Avenue Place, East Tower
6th Floor, 425 – 1st Street S.W.
Calgary, Alberta
T2P 3P8

Original signed by: "Douglas S. Ashton"
Douglas S. Ashton, P. Eng.
Associate Partner

Execution date: April 24, 2012

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Executive summary

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Economics

- AJM Deloitte December 31, 2011 forecast price

Evaluation procedure

Effective date: December 31, 2011



★ Evaluated Property

ajm Deloitte.	
Hillcrest Resources Ltd. Property Location Effective December 31, 2011	
By : laj	Date : 2012/04/23
Project : hil loc	
Source : http://gis2.rrc.state.tx.us/public/viewer2.htm	

Hillcrest Resources Ltd.
DETAILED ECONOMIC SUMMARY
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Effective December 31, 2011

United States

	PDP	PDNP	PUD	TP	PB	P+P
Light and Medium Oil Mbbl						
Ultimate Remaining	62.5	0.0	80.3	142.8	158.8	301.6
WI Before Royalty	20.6	0.0	29.9	50.5	55.5	106.0
WI After Royalty	15.4	0.0	22.5	37.9	41.6	79.5
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	15.4	0.0	22.5	37.9	41.6	79.5
Total Oil Mbbl						
Ultimate Remaining	62.5	0.0	80.3	142.8	158.8	301.6
WI Before Royalty	20.6	0.0	29.9	50.5	55.5	106.0
WI After Royalty	15.4	0.0	22.5	37.9	41.6	79.5
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	15.4	0.0	22.5	37.9	41.6	79.5
Sales Gas MMcf						
Ultimate Remaining	0.0	377.1	122.2	499.2	686.5	1,185.7
WI Before Royalty	0.0	154.4	44.0	198.4	236.0	434.3
WI After Royalty	0.0	115.8	33.0	148.8	177.0	325.7
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	0.0	115.8	33.0	148.8	177.0	325.7
NGLs Mbbl						
Ultimate Remaining	0.0	1.9	0.6	2.5	3.4	5.9
WI Before Royalty	0.0	0.8	0.2	1.0	1.2	2.2
WI After Royalty	0.0	0.6	0.2	0.7	0.9	1.6
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	0.0	0.6	0.2	0.7	0.9	1.6
MBOE Mboe						
Ultimate Remaining	62.5	64.7	101.3	228.5	276.6	505.1
WI Before Royalty	20.6	26.5	37.5	84.6	96.0	180.5
WI After Royalty	15.4	19.9	28.1	63.4	72.0	135.4
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	15.4	19.9	28.1	63.4	72.0	135.4
Net Present Values - BTAX M\$						
Undiscounted	1,362.8	463.9	2,167.8	3,994.6	5,431.0	9,425.6
Discounted at 5%	1,245.6	418.6	1,520.4	3,184.6	2,762.6	5,947.2
Discounted at 10%	1,148.9	381.2	1,249.1	2,779.3	1,929.5	4,708.8
Discounted at 15%	1,068.2	350.0	1,062.4	2,480.5	1,470.7	3,951.2
Discounted at 20%	999.9	323.5	916.0	2,239.4	1,162.5	3,401.9

Light & Medium Oil includes Shale Oil. Heavy Oil Includes Ultra Heavy in Alberta and Bitumen. Sales Gas includes Solution gas, Associated and Non- Associated gas, Coalbed Methane, Shale gas and Hydrates.

Hillcrest Resources Ltd.
DETAILED RESERVES AND PRESENT VALUE
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)
United States

Effective December 31, 2011

Proved Developed Producing

Location	Formation	Avg Int Derived %	Proved Developed Producing									Present Value					
			Oil			Sales Gas			NGL			BOE			0%	5%	10%
			WI Mstb	RI Mstb	Net Mstb	WI MMcf	RI MMcf	Net MMcf	WI Mstb	RI Mstb	Net Mstb	WI Mstb	RI Mstb	Net Mstb	M\$	M\$	M\$
United States																	
Texas																	
	Harburg		20.6	0.0	15.4	0.0	0.0	0.0	0.0	0.0	0.0	20.6	0.0	15.4	1,362.8	1,245.6	1,148.9
	Texas		20.6	0.0	15.4	0.0	0.0	0.0	0.0	0.0	0.0	20.6	0.0	15.4	1,362.8	1,245.6	1,148.9
	United States		20.6	0.0	15.4	0.0	0.0	0.0	0.0	0.0	0.0	20.6	0.0	15.4	1,362.8	1,245.6	1,148.9
	Total		20.6	0.0	15.4	0.0	0.0	0.0	0.0	0.0	0.0	20.6	0.0	15.4	1,362.8	1,245.6	1,148.9

Hillcrest Resources Ltd.
DETAILED RESERVES AND PRESENT VALUE
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)
United States

Effective December 31, 2011

Proved

Location	Formation	Avg Int Derived %	Proved									Present Value					
			Oil			Sales Gas			NGL			BOE			0%	5%	10%
			WI Mstb	RI Mstb	Net Mstb	WI MMcf	RI MMcf	Net MMcf	WI Mstb	RI Mstb	Net Mstb	WI Mstb	RI Mstb	Net Mstb	M\$	M\$	M\$
United States																	
Texas																	
	Hartburg		50.5	0.0	37.9	198.4	0.0	148.8	1.0	0.0	0.7	84.6	0.0	63.4	3,994.6	3,184.6	2,779.3
	Texas		50.5	0.0	37.9	198.4	0.0	148.8	1.0	0.0	0.7	84.6	0.0	63.4	3,994.6	3,184.6	2,779.3
	United States		50.5	0.0	37.9	198.4	0.0	148.8	1.0	0.0	0.7	84.6	0.0	63.4	3,994.6	3,184.6	2,779.3
	Total		50.5	0.0	37.9	198.4	0.0	148.8	1.0	0.0	0.7	84.6	0.0	63.4	3,994.6	3,184.6	2,779.3

Hillcrest Resources Ltd.
DETAILED RESERVES AND PRESENT VALUE
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)
United States

Effective December 31, 2011

Proved Plus Probable

Location	Formation	Avg Int Derived %	Oil			Sales Gas			NGL			BOE			Present Value		
			WI	RI	Net	WI	RI	Net	WI	RI	Net	WI	RI	Net	0%	5%	10%
			Mstb	Mstb	Mstb	MMcf	MMcf	MMcf	Mstb	Mstb	Mstb	Mstb	Mstb	Mstb	M\$	M\$	M\$
United States																	
Texas																	
	Hartburg		106.0	0.0	79.5	434.3	0.0	325.7	2.2	0.0	1.6	180.5	0.0	135.4	9,425.6	5,947.2	4,708.8
	Texas		106.0	0.0	79.5	434.3	0.0	325.7	2.2	0.0	1.6	180.5	0.0	135.4	9,425.6	5,947.2	4,708.8
	United States		106.0	0.0	79.5	434.3	0.0	325.7	2.2	0.0	1.6	180.5	0.0	135.4	9,425.6	5,947.2	4,708.8
	Total		106.0	0.0	79.5	434.3	0.0	325.7	2.2	0.0	1.6	180.5	0.0	135.4	9,425.6	5,947.2	4,708.8

Hillcrest Resources Ltd.
PRODUCTION AND REVENUE FORECAST
Company Share
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)
2012

Effective December 31, 2011

Proved Developed Producing

Location	Formation	Category	Company Share		Total Revenue M\$	Crown Royalty M\$	FH & ORR M\$	Oper Exp M\$	Aband Costs M\$	Min Tax & SCC M\$	Invest M\$	Cash Flow M\$
			Oil & NGL	Gas								
			Mbbl	MMcf								
<u>United States</u>												
<u>Texas</u>												
Hartburg			7	0	563.8	0.0	0.0	19.9	0.0	33.2	0.0	510.6
Texas			7	0	563.8	0.0	0.0	19.9	0.0	33.2	0.0	510.6
United States			7	0	563.8	0.0	0.0	19.9	0.0	33.2	0.0	510.6
Total			7	0	563.8	0.0	0.0	19.9	0.0	33.2	0.0	510.6

Hillcrest Resources Ltd.
PRODUCTION AND REVENUE FORECAST
Company Share
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)
2012

Effective December 31, 2011

Proved

Location	Formation	Category	Company Share		Total Revenue M\$	Crown Royalty M\$	FH & ORR M\$	Oper Exp M\$	Aband Costs M\$	Min Tax & SCC M\$	Invest M\$	Cash Flow M\$
			Oil & NGL	Gas								
			Mbbl	MMcf								
<u>United States</u>												
<u>Texas</u>												
Hartburg			7	50	699.2	0.0	0.0	24.9	0.0	41.2	288.0	345.1
Texas			7	50	699.2	0.0	0.0	24.9	0.0	41.2	288.0	345.1
United States			7	50	699.2	0.0	0.0	24.9	0.0	41.2	288.0	345.1
Total			7	50	699.2	0.0	0.0	24.9	0.0	41.2	288.0	345.1

Hillcrest Resources Ltd.
PRODUCTION AND REVENUE FORECAST
Company Share
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)
2012

Effective December 31, 2011

Proved Plus Probable

Location	Formation	Category	Company Share		Total Revenue M\$	Crown Royalty M\$	FH & ORR M\$	Oper Exp M\$	Aband Costs M\$	Min Tax & SCC M\$	Invest M\$	Cash Flow M\$
			Oil & NGL	Gas								
			Mbbl	MMcf								
<u>United States</u>												
<u>Texas</u>												
Hartburg			8	51	742.6	0.0	0.0	26.9	0.0	43.7	288.0	384.0
Texas			8	51	742.6	0.0	0.0	26.9	0.0	43.7	288.0	384.0
United States			8	51	742.6	0.0	0.0	26.9	0.0	43.7	288.0	384.0
Total			8	51	742.6	0.0	0.0	26.9	0.0	43.7	288.0	384.0

Hillcrest Resources Ltd.
NI 51-101 FORECAST CASE
OIL AND GAS RESERVES SUMMARY
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Effective December 31, 2011

United States

VOLUMES IN IMPERIAL UNITS																				
CATEGORY	Oil						Natural Gas												Total BOE	
	Light, Medium and Shale		Heavy		Bitumen		Solution		Associated and Non-Associated		Coalbed Methane		Natural Gas Liquids		Sulphur		W.I. Gross	Co. Share Net		
	W.I. Gross	Co. Share Net	W.I. Gross	Co. Share Net	W.I. Gross	Co. Share Net	W.I. Gross	Co. Share Net	W.I. Gross	Co. Share Net	W.I. Gross	Co. Share Net	W.I. Gross	Co. Share Net	W.I. Gross	Co. Share Net				
Mstb	Mstb	Mstb	Mstb	Mstb	Mstb	MMcf	MMcf	MMcf	MMcf	MMcf	MMcf	MMcf	Mstb	Mstb	Mit	Mit	Mboe	Mboe		
PDP	20.6	15.4	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	0.0	0.0	20.6	15.4	
PDNP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	154.4	115.8	0.0	0.0	0.8	0.6	0.0	0.0	26.5	19.9	
PUD	29.9	22.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	44.0	33.0	0.0	0.0	0.2	0.2	0.0	0.0	37.5	28.1	
TP	50.5	37.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	198.4	148.8	0.0	0.0	1.0	0.7	0.0	0.0	84.6	63.4	
PB	55.5	41.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	236.0	177.0	0.0	0.0	1.2	0.9	0.0	0.0	96.0	72.0	
P+P	106.0	79.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	434.3	325.7	0.0	0.0	2.2	1.6	0.0	0.0	180.5	135.4	
P+P+P	106.0	79.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	434.3	325.7	0.0	0.0	2.2	1.6	0.0	0.0	180.5	135.4	

VOLUMES IN METRIC UNITS																				
CATEGORY	Oil						Natural Gas												Total BOE	
	Light, Medium and Shale		Heavy		Bitumen		Solution		Associated and Non-Associated		Coalbed Methane		Natural Gas Liquids		Sulphur		W.I. Gross	Co. Share Net		
	W.I. Gross	Co. Share Net	W.I. Gross	Co. Share Net	W.I. Gross	Co. Share Net	W.I. Gross	Co. Share Net	W.I. Gross	Co. Share Net	W.I. Gross	Co. Share Net	W.I. Gross	Co. Share Net	W.I. Gross	Co. Share Net				
E3m3	E3m3	E3m3	E3m3	E3m3	E3m3	E6m3	E6m3	E6m3	E6m3	E6m3	E6m3	E6m3	E3m3	E3m3	E3t	E3t	E3m3e	E3m3e		
PDP	3.3	2.5	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	0.0	0.0	3.3	2.5	
PDNP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.3	3.3	0.0	0.0	0.1	0.1	0.0	0.0	4.2	3.2	
PUD	4.8	3.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.2	0.9	0.0	0.0	0.0	0.0	0.0	0.0	6.0	4.5	
TP	8.0	6.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.6	4.2	0.0	0.0	0.2	0.1	0.0	0.0	13.4	10.1	
PB	8.8	6.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.6	5.0	0.0	0.0	0.2	0.1	0.0	0.0	15.3	11.4	
P+P	16.8	12.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.2	9.2	0.0	0.0	0.3	0.3	0.0	0.0	28.7	21.5	
P+P+P	16.8	12.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.2	9.2	0.0	0.0	0.3	0.3	0.0	0.0	28.7	21.5	

Heavy includes Ultra Heavy and Pelican Lake Heavy in Alberta

Hillcrest Resources Ltd.
NI 51-101 FORECAST CASE
SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE - WITH CORPORATE TAX POOLS
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Effective December 31, 2011

United States

RESERVES CATEGORY	Before Income Taxes					After Income Taxes					Unit Value
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%	Before Income Taxes
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	Discounted at 10%
Proved Developed Producing	1,362.8	1,245.6	1,148.9	1,068.2	999.9	1,362.8	1,245.6	1,148.9	1,068.2	999.9	74.50
Proved Developed Non-Producing	463.9	418.6	381.2	350.0	323.5	463.9	418.6	381.2	350.0	323.5	19.18
Proved Undeveloped	2,167.8	1,520.4	1,249.1	1,062.4	916.0	2,167.8	1,520.4	1,249.1	1,062.4	916.0	44.43
Proved	3,994.6	3,184.6	2,779.3	2,480.5	2,239.4	3,994.6	3,184.6	2,779.3	2,480.5	2,239.4	43.83
Probable	5,431.0	2,762.6	1,929.5	1,470.7	1,162.5	5,431.0	2,762.6	1,929.5	1,470.7	1,162.5	26.80
Proved Plus Probable	9,425.6	5,947.2	4,708.8	3,951.2	3,401.9	9,425.6	5,947.2	4,708.8	3,951.2	3,401.9	34.77
Proved Plus Probable Plus Possible	9,425.6	5,947.2	4,708.8	3,951.2	3,401.9	9,425.6	5,947.2	4,708.8	3,951.2	3,401.9	34.77

Taxpool: Hillcrest Tax Pools US Vintage: 2011 : United States. Unit Value calculation based on Net BOE reserves.

Hillcrest Resources Ltd.
NI 51-101 FORECAST CASE
TOTAL FUTURE NET REVENUE - WITH CORPORATE TAX POOLS
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Effective December 31, 2011

United States

CATEGORY	Revenue*	Royalties	Operating Costs	Investment Costs	Well Abandonment Costs	Future Net Revenue Before Income Taxes	Income Taxes	Future Net Revenue After Income Taxes
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
Proved Developed Producing	1,675.2	98.7	192.2	0.0	21.5	1,362.8	0.0	1,362.8
Proved Developed Non-Producing	519.7	30.6	25.2	0.0	0.0	463.9	0.0	463.9
Proved Undeveloped	3,059.8	180.2	317.5	351.3	43.0	2,167.8	0.0	2,167.8
Proved	5,254.8	309.5	534.9	351.3	64.5	3,994.6	0.0	3,994.6
Probable	7,529.2	443.5	1,580.1	30.3	44.4	5,431.0	0.0	5,431.0
Proved Plus Probable	12,784.0	753.0	2,115.0	381.5	108.9	9,425.6	0.0	9,425.6

Taxpool: Hillcrest Tax Pools US Vintage: 2011 : United States. *Revenue includes product revenue and other income from facilities, wells and corporate if specified.

Hillcrest Resources Ltd.
NI 51-101 FORECAST CASE
UNIT VALUE OF NET RESERVES BY PRODUCTION GROUP
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Effective December 31, 2011

United States

	Reserves					NPV 10% M\$	Unit Value \$/boe
	Oil	Gas	NGL	BOE			
	Net Mbbbl	Net MMcf	Net Mbbbl	Net boe			
LIGHT & MEDIUM OIL							
Proved Developed Producing	15.4	0.0	0.0	15,421.6	1,148.9	74.50	
Proved Undeveloped	22.5	0.0	0.0	22,451.5	1,242.8	55.36	
Proved	37.9	0.0	0.0	37,873.1	2,391.8	63.15	
Probable	41.6	0.0	0.0	41,618.7	1,792.0	43.06	
Proved Plus Probable	79.5	0.0	0.0	79,491.8	4,183.8	52.63	
Proved Plus Probable Plus Possible	79.5	0.0	0.0	79,491.8	4,183.8	52.63	
ASSOCIATED AND NON-ASSOCIATED GAS							
Proved Developed Non-Producing	0.0	115.8	0.6	19,877.6	381.2	19.18	
Proved Undeveloped	0.0	33.0	0.2	5,662.8	6.3	1.12	
Proved	0.0	148.8	0.7	25,540.5	387.5	15.17	
Probable	0.0	177.0	0.9	30,379.8	137.5	4.53	
Proved Plus Probable	0.0	325.7	1.6	55,920.3	525.1	9.39	
Proved Plus Probable Plus Possible	0.0	325.7	1.6	55,920.3	525.1	9.39	
TOTAL							
Proved Developed Producing	15.4	0.0	0.0	15,421.6	1,148.9	74.50	
Proved Developed Non-Producing	0.0	115.8	0.6	19,877.6	381.2	19.18	
Proved Undeveloped	22.5	33.0	0.2	28,114.3	1,249.1	44.43	
Proved	37.9	148.8	0.7	63,413.6	2,779.3	43.83	
Probable	41.6	177.0	0.9	71,998.6	1,929.5	26.80	
Proved Plus Probable	79.5	325.7	1.6	135,412.1	4,708.8	34.77	
Proved Plus Probable Plus Possible	79.5	325.7	1.6	135,412.1	4,708.8	34.77	

* Heavy includes ultra heavy in Alberta

Hillcrest Resources Ltd.
NI 51-101 FORECAST CASE
RECONCILIATION OF COMPANY GROSS RESERVES BY PRINCIPAL PRODUCT TYPE

Effective December 31, 2011

United States

Opening: AJM June 30, 2010 Forecast Pricing (CDN\$)

Closing: AJM Deloitte December 31, 2011 Forecast Pricing

	Light and Medium Oil			Heavy Oil			Associated and Non-Associated Gas			Coalbed Methane		
	Proved	Probable	Proved Plus Probable	Proved	Probable	Proved Plus Probable	Proved	Probable	Proved Plus Probable	Proved	Probable	Proved Plus Probable
	Mstb	Mstb	Mstb	Mstb	Mstb	Mstb	MMcf	MMcf	MMcf	MMcf	MMcf	MMcf
Opening Balance	78.0	132.0	210.0	0.0	0.0	0.0	36.7	189.2	225.9	0.0	0.0	0.0
Production	-8.3	0.0	-8.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Technical Revisions	-19.1	-76.5	-95.7	0.0	0.0	0.0	7.3	25.8	33.2	0.0	0.0	0.0
Extensions & Improved Recovery	0.0	0.0	0.0	0.0	0.0	0.0	154.4	20.9	175.3	0.0	0.0	0.0
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
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
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
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
Infill Drilling	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Closing Balance	50.5	55.5	106.0	0.0	0.0	0.0	198.4	236.0	434.3	0.0	0.0	0.0

Light and Medium Oil contains Shale Oil, Heavy includes Bitumen, Ultra Heavy and Pelican Lake Heavy, Assoc and Non-Assoc Gas includes Shale Gas and Gas Hydrate.

Hillcrest Resources Ltd.
CASH FLOW TAX POOL
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Selection : United States

Effective December 31, 2011

Total Proved Developed Producing Reserves

OIL, GAS & SULPHUR SUMMARY

	COMPANY OIL							COMPANY SALES GAS							SULPHUR		TOTAL	
	Wells	Pool Rates bbl/d	Pool Volumes bbl	WI Volume bbl	RI Volume bbl	Price \$/bbl	Revenue \$	Wells	Pool Rates scf/d	Pool Volumes scf	WI Volume scf	RI Volume scf	Price \$/Mcf	Revenue \$	Co. Share Volume lt	Price \$/lt	WI Rates boe/d	Co. Share Rates boe/d
2012	2.0	58	21,180.8	7,159.0	0.0	105.00	563,769	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	20	20
2013	2.0	39	14,082.5	4,726.9	0.0	107.00	379,333	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	13	13
2014	2.0	26	9,429.3	2,977.5	0.0	109.05	243,521	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	8	8
2015	2.0	17	6,338.8	2,012.5	0.0	111.10	167,694	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	6	6
2016	2.0	12	4,289.0	1,369.6	0.0	113.25	116,329	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	4	4
2017	2.0	8	2,899.0	931.3	0.0	115.40	80,605	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	3	3
2018	2.0	5	1,975.3	638.5	0.0	117.60	56,318	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	2	2
2019	2.0	4	1,352.4	440.0	0.0	119.85	39,550	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1
2020	2.0	3	932.8	305.4	0.0	122.15	27,983	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1
2021	1.0	0	3.9	1.4	0.0	124.50	132	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0
Sub			62,483.8	20,562.1	0.0	108.63	1,675,234			0.0	0.0	0.0	0.00	0	0.0	0.00		
Rem			0.0	0.0	0.0	0.00	0			0.0	0.0	0.0	0.00	0	0.0	0.00		
Total			62,483.8	20,562.1	0.0	108.63	1,675,234			0.0	0.0	0.0	0.00	0	0.0	0.00		

NGL SUMMARY

	CONDENSATE				ETHANE				PROPANE				BUTANE				TOTAL NGL		
	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volumes bbl	CS Net Volumes bbl
2012	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2013	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2014	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2015	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2016	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2017	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2018	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2019	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2020	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
Sub	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
Rem	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0

CASH FLOW BTAX

	Company Revenue	Crown Royalty	Freehold Royalty	ORR Royalty	Mineral Tax	Total Royalty Burden	Net Rev After Royalties	Other Income	Sask Corp Cap Tax	Fixed Oper Expense	Variable Operating Expense	Other Expenses	Total Operating Costs	Abandon Cost & Salvage	Net Operating Income	Total Investment	NET Cash Flow	CUM Cash Flow	Disc Cash Flow (10%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2012	563,769	0.0	0.0	0.0	33,206.0	6	530,563	0.0	0.0	7,236.0	12,698.1	0.0	19,934.1	0.0	510,629	0.0	510,629	510,629	488,670
2013	379,333	0.0	0.0	0.0	22,342.7	6	356,990	0.0	0.0	7,125.7	16,395.3	0.0	23,521.0	0.0	333,469	0.0	333,469	844,098	290,298
2014	243,521	0.0	0.0	0.0	14,343.4	6	229,177	0.0	0.0	6,554.5	16,207.4	0.0	22,761.9	0.0	206,416	0.0	206,416	1,050,513	163,263
2015	167,694	0.0	0.0	0.0	9,877.2	6	157,817	0.0	0.0	6,685.6	15,321.9	0.0	22,007.5	0.0	135,809	0.0	135,809	1,186,323	97,298
2016	116,329	0.0	0.0	0.0	6,851.8	6	109,477	0.0	0.0	6,819.3	14,589.5	0.0	21,408.8	0.0	88,068	0.0	88,068	1,274,391	57,347
2017	80,605	0.0	0.0	0.0	4,747.7	6	75,858	0.0	0.0	6,955.7	13,949.5	0.0	20,905.2	0.0	54,953	0.0	54,953	1,329,343	32,533
2018	56,318	0.0	0.0	0.0	3,317.1	6	53,001	0.0	0.0	7,094.8	13,507.8	0.0	20,602.7	0.0	32,398	0.0	32,398	1,361,742	17,438
2019	39,550	0.0	0.0	0.0	2,329.5	6	37,221	0.0	0.0	7,236.7	13,225.7	0.0	20,462.4	0.0	16,758	0.0	16,758	1,378,500	8,200
2020	27,983	0.0	0.0	0.0	1,648.2	6	26,334	0.0	0.0	7,381.5	13,132.1	0.0	20,513.6	0.0	5,821	0.0	5,821	1,384,321	2,589
2021	132	0.0	0.0	0.0	7.8	6	124	0.0	0.0	36.1	60.1	0.0	96.2	21,511.7	-21,484	0.0	-21,484	1,362,837	-8,687
Sub	1,675,234	0.0	0.0	0.0	98,671.3	6	1,576,562	0.0	0.0	63,125.9	129,087.4	0.0	192,213.4	21,511.7	1,362,837	0.0	1,362,837	1,362,837	1,148,949
Rem	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	0.0	0	1,362,837	0
Total	1,675,234	0.0	0.0	0.0	98,671.3	6	1,576,562	0.0	0.0	63,125.9	129,087.4	0.0	192,213.4	21,511.7	1,362,837	0.0	1,362,837	1,362,837	1,148,949

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	1.7
RLI (Principal Product)	2.9
Reserves Life	10.0
RLI (BOE)	2.9

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	62,484	20,562	20,562	15,422
Gas (scf)	0	0	0	0
Gas (boe)	0	0	0	0
*NGL (bbl)	0	0	0	0
Cond (bbl)	0	0	0	0
Total (boe)	62,484	20,562	20,562	15,422

*This NGL Value includes only Ethane, Propane and Butane. Condensate and Field Condensate are included in the Condensate line.

NET PRESENT VALUES BEFORE TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
	\$	\$	\$	\$/BOE
0	1,362,837	0.0	1,362,837	66.28
5	1,245,629	0.0	1,245,629	60.58
10	1,148,949	0.0	1,148,949	55.88
12	1,114,945	0.0	1,114,945	54.22
15	1,068,174	0.0	1,068,174	51.95
20	999,877	0.0	999,877	48.63

CAPITAL (undisc)

		Unrisked	Risked
Cost Of Prod.	\$/BOEPD	0.00	0.00
Cost Of Reserves	\$/BOE	0.00	0.00
Prob Of Success	%	100.00	
Chance Of	%	100.00	

ECONOMIC INDICATORS

		BTAX		ATAX				
		Unrisked	Risked	Unrisked	Risked			
Discount Rate	(%)	10.0	10.0	10.0	10.0			
Payout	(Yrs)	0.0	0.0	0.0	0.0			
Discounted Payout	(Yrs)	0.0	0.0	0.0	0.0			
DCF Rate of Return (%)	>	200.0	>	200.0	>	200.0	>	200.0
NPV/Undisc Invest		0.0	0.0	0.0	0.0			
NPV/Disc Invest		0.0	0.0	0.0	0.0			
NPV/DIS Cap Exposure		0.0	0.0	0.0	0.0			
NPV/BOEPD	(M\$/boepd)	58.6	58.6	58.6	58.6			

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Prod (3 Mo Ave)	(BOEPD)	22.55	22.55	22.55	22.55
Prod (12 Mo Ave)	(BOEPD)	19.60	19.60	19.60	19.60
Price	(\$/BOE)	78.75	78.75	78.75	78.75
Royalties	(\$/BOE)	4.64	4.64	4.64	4.64
Operating Costs	(\$/BOE)	2.78	2.78	2.78	2.78
NetBack	(\$/BOE)	71.33	71.33	71.33	71.33
Recycle Ratio	(ratio)	0.00	0.00	0.00	0.00

Hillcrest Resources Ltd.
CASH FLOW TAX POOL
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Selection : United States

Effective December 31, 2011

Total Proved Developed Producing Reserves

CASH FLOW ATAX

	Income Before State Tax	State Income Tax	Income Before Tax Loss	Taxable Income	Reg. Income Tax	Pref. Items	Amt. NOL Generated	Amt. NOL Claimed	Exempt Amount	Alt. Min. Tax	Land Cost	Inv. Tax Credit	Federal Income Tax	Total Income Tax	BTAX Cash Flow	ATAX Cash Flow	CUM Cash Flow	Disc Cash Flow (10%)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2012	0	0	0	0	0	0	0	0	0	0	0	0	0	0	510,629	510,629	510,629	488,670
2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	333,469	333,469	844,098	290,298
2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	206,416	206,416	1,050,513	163,263
2015	-564,472	0	-564,472	0	0	0	564,472	0	0	0	0	0	0	0	135,809	135,809	1,186,323	97,298
2016	-282,236	0	-282,236	0	0	0	282,236	0	0	0	0	0	0	0	88,068	88,068	1,274,391	57,347
2017	-282,236	0	-282,236	0	0	0	282,236	0	0	0	0	0	0	0	54,953	54,953	1,329,343	32,533
2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	32,398	32,398	1,361,742	17,438
2019	0	0	0	0	0	0	0	0	0	0	0	0	0	0	16,758	16,758	1,378,500	8,200
2020	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,821	5,821	1,384,321	2,589
2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-21,484	-21,484	1,362,837	-8,687
Sub	-1,128,943	0	-1,128,943	0	0	0	1,128,943	0	0	0	0	0	0	0	1,362,837	1,362,837	1,362,837	1,148,949
Rem	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,362,837	0
Total	-1,128,943	0	-1,128,943	0	0	0	1,128,943	0	0	0	0	0	0	0	1,362,837	1,362,837	1,362,837	1,148,949

TAXABLE INCOME

	Resource Revenue	NOL Generated	NOL Claimed	Rem NOL Pool	Class 7 Adds	Class 15 Adds	Class 7 Claimed	Class 15 Claimed	Open Bal. Deprec. Claimed	Total Deprec.	Rem. Deprec. Pool	Amort. Claimed	Rem. Amort. Pool	Depletion Claimed	Rem. Deplet. Pool
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2012	56	0	0	0	0	0	0	0	0	0	0	0	0	0	1,1
2013	37	0	0	0	0	0	0	0	0	0	0	0	0	0	1,1
2014	24	0	0	0	0	0	0	0	0	0	0	0	0	0	1,1
2015	16	56	0	56	0	0	0	0	0	0	0	0	0	564	564
2016	11	28	0	84	0	0	0	0	0	0	0	0	0	282	282
2017	80	28	0	1,1	0	0	0	0	0	0	0	0	0	282	0
2018	56	0	0	1,1	0	0	0	0	0	0	0	0	0	0	0
2019	39	0	0	1,1	0	0	0	0	0	0	0	0	0	0	0
2020	27	0	0	1,1	0	0	0	0	0	0	0	0	0	0	0
2021	13	0	0	1,1	0	0	0	0	0	0	0	0	0	0	0
Sub	1,6	1,1	0	1,1	0	0	0	0	0	0	0	0	0	1,1	0
Rem	0	0	0	1,1	0	0	0	0	0	0	0	0	0	0	0
Total	1,6	1,1	0	1,1	0	0	0	0	0	0	0	0	0	1,1	0

NET PRESENT VALUES AFTER TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
%	\$	\$	\$	\$/BOE
0	1,362,837	0.0	1,362,837	66.28
5	1,245,629	0.0	1,245,629	60.58
10	1,148,949	0.0	1,148,949	55.88
12	1,114,945	0.0	1,114,945	54.22
15	1,068,174	0.0	1,068,174	51.95
20	999,877	0.0	999,877	48.63

CORPORATE OPENING TAX POOLS (M\$)

Cost Depletion Pool	1,128.94
Amortization Pool	0.00
Amortization Pool Life	10.00 yrs
Depreciation Pool	0.00
Depreciation Pool Life	10.00 yrs
NOL Pool	0.00

Hillcrest Resources Ltd.
CASH FLOW TAX POOL
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Selection : United States

Effective December 31, 2011

Total Proved Reserves

CASH FLOW ATAX

	Income Before State Tax	State Income Tax	Income Before Tax Loss	Taxable Income	Reg. Income Tax	Pref. Items	Amt. NOL Generated	Amt. NOL Claimed	Exempt Amount	Alt. Min. Tax	Land Cost	Inv. Tax Credit	Federal Income Tax	Total Income Tax	BTAX Cash Flow	ATAX Cash Flow	CUM Cash Flow	Disc Cash Flow (10%)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2012	-217,628	0	-217,628	0	0	0	217,628	0	0	0	0	0	0	0	345,091	345,091	345,091	340,935
2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	913,886	913,886	1,258,977	795,687
2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	895,595	895,595	2,154,573	708,430
2015	-303,772	0	-303,772	0	0	0	303,772	0	0	0	0	0	0	0	584,958	584,958	2,739,530	419,081
2016	-193,309	0	-193,309	0	0	0	193,309	0	0	0	0	0	0	0	378,608	378,608	3,118,138	246,539
2017	-110,462	0	-110,462	0	0	0	110,462	0	0	0	0	0	0	0	235,119	235,119	3,353,258	139,194
2018	-27,616	0	-27,616	0	0	0	27,616	0	0	0	0	0	0	0	128,748	128,748	3,482,005	69,296
2019	-27,616	0	-27,616	0	0	0	27,616	0	0	0	0	0	0	0	74,333	74,333	3,556,338	36,373
2020	-27,616	0	-27,616	0	0	0	27,616	0	0	0	0	0	0	0	38,490	38,490	3,594,829	17,119
2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-4,935	-4,935	3,589,894	-1,996
Sub	-908,018	0	-908,018	0	0	0	908,018	0	0	0	0	0	0	0	3,589,894	3,589,894	3,589,894	2,770,657
Rem	-220,925	0	-220,925	0	0	0	220,925	0	0	0	0	0	0	0	404,691	404,691	3,994,584	8,661
Total	-1,128,943	0	-1,128,943	0	0	0	1,128,943	0	0	0	0	0	0	0	3,994,584	3,994,584	3,994,584	2,779,318

TAXABLE INCOME

	Resource Revenue	NOL Generated	NOL Claimed	Rem NOL Pool	Class 7 Adds	Class 15 Adds	Class 7 Claimed	Class 15 Claimed	Open Bal. Deprec. Claimed	Total Deprec.	Rem. Deprec. Pool	Amort. Claimed	Rem. Amort. Pool	Depletion Claimed	Rem. Deplet. Pool
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2012	69	21	0	21	36	0	0	0	0	216	36	0	0	217	911
2013	1,0	0	0	21	0	0	0	0	0	432	36	0	0	0	911
2014	1,0	0	0	21	0	0	0	0	0	432	36	0	0	0	911
2015	69	30	0	52	0	0	0	0	0	36	36	0	0	303	607
2016	46	19	0	71	0	0	0	0	0	36	36	0	0	193	414
2017	30	11	0	82	0	0	0	0	0	36	36	0	0	110	303
2018	18	27	0	85	0	0	0	0	0	36	36	0	0	27	276
2019	12	27	0	88	0	0	0	0	0	36	36	0	0	27	248
2020	85	27	0	90	0	0	0	0	0	36	36	0	0	27	220
2021	37	0	0	90	0	0	0	0	0	36	36	0	0	0	220
Sub	4,6	90	0	90	36	0	0	0	0	1,3	36	0	0	908	220
Rem	58	22	0	1,1	0	0	0	0	0	1,4	36	0	0	220	0
Total	5,2	1,1	0	1,1	36	0	0	0	0	2,8	36	0	0	1,1	0

NET PRESENT VALUES AFTER TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
	\$	\$	\$	\$/BOE
0	4,345,850	351,266.1	3,994,584	47.24
5	3,467,048	282,421.4	3,184,627	37.66
10	3,043,182	263,863.6	2,779,318	32.87
12	2,909,994	258,819.8	2,651,174	31.36
15	2,732,536	252,045.3	2,480,491	29.34
20	2,481,225	241,856.7	2,239,369	26.49

CORPORATE OPENING TAX POOLS (M\$)

Cost Depletion Pool	1,128.94
Amortization Pool	0.00
Amortization Pool Life	10.00 yrs
Depreciation Pool	0.00
Depreciation Pool Life	10.00 yrs
NOL Pool	0.00

Hillcrest Resources Ltd.
CASH FLOW TAX POOL
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Selection : United States

Effective December 31, 2011

Total Proved Plus Probable Reserves

OIL, GAS & SULPHUR SUMMARY

	COMPANY OIL							COMPANY SALES GAS							SULPHUR		TOTAL	
	Wells	Pool Rates bbl/d	Pool Volumes bbl	WI Volume bbl	RI Volume bbl	Price \$/bbl	Revenue M\$	Wells	Pool Rates scf/d	Pool Volumes MMcf	WI Volume MMcf	RI Volume MMcf	Price \$/Mcf	Revenue M\$	Co. Share Volume lt	Price \$/lt	WI Rates boe/d	Co. Share Rates boe/d
2012	2.0	62	22,790.0	7,678.9	0.0	105.00	605	1.0	287,500	105.2	50.5	0.0	3.15	119	0.0	0.00	45	45
2013	3.0	88	32,244.1	12,083.5	0.0	107.00	970	1.0	317,132	115.8	47.7	0.0	3.85	138	0.0	0.00	56	56
2014	3.0	113	41,383.9	14,263.2	0.0	109.05	1,167	1.0	219,796	80.2	28.9	0.0	4.35	94	0.0	0.00	53	53
2015	3.0	97	35,584.8	12,324.4	0.0	111.10	1,027	1.0	152,335	55.6	20.0	0.0	4.80	72	0.0	0.00	43	43
2016	3.0	84	30,789.1	10,711.0	0.0	113.25	910	1.0	105,530	38.6	13.9	0.0	5.25	55	0.0	0.00	36	36
2017	3.0	73	26,608.8	9,294.4	0.0	115.40	804	1.0	73,101	26.7	9.6	0.0	5.70	41	0.0	0.00	30	30
2018	3.0	63	23,155.5	8,118.0	0.0	117.60	716	1.0	35,508	13.0	4.7	0.0	6.10	21	0.0	0.00	24	24
2019	3.0	55	20,223.8	7,113.6	0.0	119.85	639	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	19	19
2020	3.0	49	17,767.1	6,268.1	0.0	122.15	574	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	17	17
2021	3.0	43	15,570.1	5,507.5	0.0	124.50	514	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	15	15
Sub			266,117.2	93,362.5	0.0	113.19	7,926			435.1	175.3	0.0	4.11	541	0.0	0.00		
Rem			35,441.0	12,626.6	0.0	129.08	1,222			750.7	259.0	0.0	14.51	2,820	0.0	0.00		
Total			301,558.2	105,989.1	0.0	115.09	9,148			1,185.7	434.3	0.0	10.32	3,360	0.0	0.00		

NGL SUMMARY

	CONDENSATE				ETHANE				PROPANE				BUTANE				TOTAL NGL		
	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue M\$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue M\$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue M\$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue M\$	WI Volume bbl	RI Volumes bbl	CS Net Volumes bbl
2012	252.5	0.0	98.00	18.6	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	252.5	0.0	189.4
2013	238.6	0.0	100.00	17.9	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	238.6	0.0	178.9
2014	144.4	0.0	102.05	11.1	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	144.4	0.0	108.3
2015	100.1	0.0	104.10	7.8	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	100.1	0.0	75.1
2016	69.5	0.0	106.25	5.5	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	69.5	0.0	52.1
2017	48.0	0.0	108.40	3.9	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	48.0	0.0	36.0
2018	23.3	0.0	110.60	1.9	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	23.3	0.0	17.5
2019	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2020	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Sub	876.5	0.0	101.47	66.7	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	876.5	0.0	657.4
Rem	1,295.2	0.0	214.67	208.5	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	1,295.2	0.0	971.4
Total	2,171.7	0.0	168.98	275.2	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	2,171.7	0.0	1,628.7

CASH FLOW BTAX

	Company Revenue M\$	Crown Royalty M\$	Freehold Royalty M\$	ORR Royalty M\$	Mineral Tax M\$	Total Royalty Burden %	Net Rev After Royalties M\$	Other Income M\$	Sask Corp Cap Tax M\$	Fixed Oper Expense M\$	Variable Operating Expense M\$	Other Expenses M\$	Total Operating Costs M\$	Abandon Cost & Salvage M\$	Net Operating Income M\$	Total Investment M\$	NET Cash Flow M\$	CUM Cash Flow M\$	Disc Cash Flow (10%) M\$
2012	743	0.0	0.0	0.0	43.7	6	699	0.0	0.0	9.7	17.1	0.0	26.9	0.0	672	288.0	384	384	378
2013	1,125	0.0	0.0	0.0	66.3	6	1,059	0.0	0.0	15.3	47.5	0.0	62.8	0.0	996	0.0	996	1,380	867
2014	1,272	0.0	0.0	0.0	74.9	6	1,197	0.0	0.0	13.8	79.3	0.0	93.1	0.0	1,104	0.0	1,104	2,484	871
2015	1,107	0.0	0.0	0.0	65.2	6	1,042	0.0	0.0	14.1	87.8	0.0	101.9	0.0	940	0.0	940	3,424	673
2016	970	0.0	0.0	0.0	57.1	6	913	0.0	0.0	14.4	98.2	0.0	112.6	0.0	800	0.0	800	4,224	521
2017	849	0.0	0.0	0.0	50.0	6	799	0.0	0.0	14.7	110.3	0.0	125.0	0.0	674	0.0	674	4,898	399
2018	739	0.0	0.0	0.0	43.5	6	696	0.0	0.0	13.9	125.1	0.0	139.0	20.3	536	0.0	536	5,435	289
2019	639	0.0	0.0	0.0	37.7	6	602	0.0	0.0	12.1	142.9	0.0	154.9	0.0	447	0.0	447	5,882	219
2020	574	0.0	0.0	0.0	33.8	6	540	0.0	0.0	12.3	165.0	0.0	177.3	0.0	363	0.0	363	6,245	161
2021	514	0.0	0.0	0.0	30.3	6	484	0.0	0.0	12.5	191.0	0.0	203.5	0.0	280	0.0	280	6,525	113
Sub	8,533	0.0	0.0	0.0	502.6	6	8,031	0.0	0.0	132.9	1,064.2	0.0	1,197.1	20.3	6,813	288.0	6,525	6,525	4,492
Rem	4,251	0.0	0.0	0.0	250.4	6	4,000	0.0	0.0	119.9	797.9	0.0	917.9	88.6	2,994	93.5	2,900	9,426	217
Total	12,784	0.0	0.0	0.0	753.0	6	12,031	0.0	0.0	252.8	1,862.2	0.0	2,115.0	108.9	9,807	381.5	9,426	9,426	4,709

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	5.5
RLI (Principal Product)	11.0
Reserves Life	48.0
RLI (BOE)	11.0

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	301,558	105,989	105,989	79,492
Gas (MMcf)	1,186	434	434	326
Gas (boe)	197,623	72,389	72,389	54,292
*NGL (bbl)	0	0	0	0
Cond (bbl)	5,929	2,172	2,172	1,629
Total (boe)	505,110	180,550	180,550	135,412

*This NGL Value includes only Ethane, Propane and Butane. Condensate and Field Condensate are included in the Condensate line.

NET PRESENT VALUES BEFORE TAX

Discount Rate	Op Income		Investment		Cash Flow		NPV/BOE	
	%	M\$	M\$	M\$	M\$	\$/BOE	\$/BOE	
0		9,807	381.5	9,426	52.20			
5		6,244	296.6	5,947	32.94			
10		4,980	270.8	4,709	26.08			
12		4,636	264.0	4,372	24.21			
15		4,207	255.5	3,951	21.88			
20		3,646	243.7	3,402	18.84			

CAPITAL (undisc)

		Unrisked	Risked
Cost Of Prod.	\$/BOEPD	8,523.87	8,523.87
Cost Of Reserves	\$/BOE	2.11	2.11
Prob Of Success	%	100.00	
Chance Of	%	100.00	

ECONOMIC INDICATORS

		BTAX		ATAX	
		Unrisked	Risked	Unrisked	Risked
Discount Rate (%)		10.0	10.0	10.0	10.0
Payout (Yrs)		0.0	0.0	0.0	0.0
Discounted Payout (Yrs)		0.0	0.0	0.0	0.0
DCF Rate of Return (%)	> 200.0 >	200.0 >	200.0 >	200.0 >	200.0 >
NPV/Undisc Invest		12.3	12.3	12.3	12.3
NPV/Disc Invest		17.4	17.4	17.4	17.4
NPV/DIS Cap Exposure		1,739.0	1,739.0	1,739.0	1,739.0
NPV/BOEPD (M\$/boepd)		105.2	105.2	105.2	105.2

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Prod (3 Mo Ave)	(BOEPD)	22.97	22.97	22.97	22.97
Prod (12 Mo Ave)	(BOEPD)	44.76	44.76	44.76	44.76
Price	(\$/BOE)	45.42	45.42	45.42	45.42
Royalties	(\$/BOE)	2.68	2.68	2.68	2.68
Operating Costs	(\$/BOE)	1.64	1.64	1.64	1.64
NetBack	(\$/BOE)	41.10	41.10	41.10	41.10
Recycle Ratio	(ratio)	19.45	19.45	19.45	19.45

Hillcrest Resources Ltd.
CASH FLOW TAX POOL
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Selection : United States

Effective December 31, 2011

Total Proved Plus Probable Reserves

CASH FLOW ATAX

	Income Before State Tax	State Income Tax	Income Before Tax Loss	Taxable Income	Reg. Income Tax	Pref. Items	Amt. NOL Generated	Amt. NOL Claimed	Exempt Amount	Alt. Min. Tax	Land Cost	Inv. Tax Credit	Federal Income Tax	Total Income Tax	BTAX Cash Flow	ATAX Cash Flow	CUM Cash Flow	Disc Cash Flow (10%)
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2012	-101	0	-101	0	0	0	101	0	0	0	0	0	0	0	384	384	384	378
2013	0	0	0	0	0	0	0	0	0	0	0	0	0	0	996	996	1,380	867
2014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,104	1,104	2,484	871
2015	-125	0	-125	0	0	0	125	0	0	0	0	0	0	0	940	940	3,424	673
2016	-109	0	-109	0	0	0	109	0	0	0	0	0	0	0	800	800	4,224	521
2017	-92	0	-92	0	0	0	92	0	0	0	0	0	0	0	674	674	4,898	399
2018	-84	0	-84	0	0	0	84	0	0	0	0	0	0	0	536	536	5,435	289
2019	-58	0	-58	0	0	0	58	0	0	0	0	0	0	0	447	447	5,882	219
2020	-50	0	-50	0	0	0	50	0	0	0	0	0	0	0	363	363	6,245	161
2021	-42	0	-42	0	0	0	42	0	0	0	0	0	0	0	280	280	6,525	113
Sub	-661	0	-661	0	0	0	661	0	0	0	0	0	0	0	6,525	6,525	6,525	4,492
Rem	-468	0	-468	0	0	0	468	0	0	0	0	0	0	0	2,900	2,900	9,426	217
Total	-1,129	0	-1,129	0	0	0	1,129	0	0	0	0	0	0	0	9,426	9,426	9,426	4,709

TAXABLE INCOME

	Resource Revenue	NOL Generated	NOL Claimed	Rem NOL Pool	Class 7 Adds	Class 15 Adds	Class 7 Claimed	Class 15 Claimed	Open Bal. Deprec. Claimed	Total Deprec.	Rem. Deprec. Pool	Amort. Claimed	Rem. Amort. Pool	Depletion Claimed	Rem. Deplet. Pool
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2012	74	10	0	10	36	0	0	0	0	216	36	0	0	101	1.0
2013	1,1	0	0	10	0	0	0	0	0	432	36	0	0	0	1.0
2014	1,2	0	0	10	0	0	0	0	0	432	36	0	0	0	1.0
2015	1,1	12	0	22	0	0	0	0	0	36	36	0	0	125	902
2016	97	10	0	33	0	0	0	0	0	36	36	0	0	109	794
2017	84	92	0	42	0	0	0	0	0	36	36	0	0	92	702
2018	73	84	0	51	0	0	0	0	0	36	36	0	0	84	618
2019	63	58	0	56	0	0	0	0	0	36	36	0	0	58	560
2020	57	50	0	61	0	0	0	0	0	36	36	0	0	50	510
2021	51	42	0	66	0	0	0	0	0	36	36	0	0	42	468
Sub	8,5	66	0	66	36	0	0	0	0	1,3	36	0	0	661	468
Rem	4,2	46	0	1,1	0	0	0	0	0	1,4	36	0	0	468	0
Total	12,	1,1	0	1,1	36	0	0	0	0	2,8	36	0	0	1,1	0

NET PRESENT VALUES AFTER TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
%	M\$	M\$	M\$	\$/BOE
0	9,807	381.5	9,426	52.20
5	6,244	296.6	5,947	32.94
10	4,980	270.8	4,709	26.08
12	4,636	264.0	4,372	24.21
15	4,207	255.5	3,951	21.88
20	3,646	243.7	3,402	18.84

CORPORATE OPENING TAX POOLS (M\$)

Cost Depletion Pool	1,128.94
Amortization Pool	0.00
Amortization Pool Life	10.00 yrs
Depreciation Pool	0.00
Depreciation Pool Life	10.00 yrs
NOL Pool	0.00

Evaluation procedure

Definitions and methodology

Effective as of December 2011

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Definitions

- Procedure
- Resource and reserve definitions

Resource and reserve estimation

Production forecasts

Land schedules and maps

Geology

Royalties and taxes

Capital and operating considerations

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Glossary of terms

Procedure

AJM Deloitte has prepared estimates of resources and reserves in accordance with the process published in The Canadian Oil and Gas Evaluation Handbook (COGEH), Volume 1, 2nd Edition. The reader is referred to the Handbook for a complete description of the particular process quoted as follows.

Resources or reserves evaluation

A “Resources or Reserves Evaluation” is the process whereby a qualified reserves evaluator estimates the quantities and values of oil and gas resources or reserves by interpreting and assessing all available pertinent data. The value of an oil and gas asset is a function of the ability or potential ability of that asset to generate future net revenue, and it is measured using a set of forward-looking assumptions regarding resources or reserves, production, prices, and costs. Evaluations of oil and gas assets, in particular reserves, include a discounted cash flow analysis of estimated future net revenue.

Reserves audit

A “Reserves Audit” is the process carried out by a qualified reserves auditor that results in a reasonable assurance, in the form of an opinion, that the reserves information has in all material respects been determined and presented according to the principles and definitions adopted by the Society of Petroleum Evaluation Engineers (“SPEE”) (Calgary Chapter), and Association of Professional Engineers, Geologists and Geophysicists of Alberta (“APEGGA”) and are, therefore free of material misstatement.

The reserves evaluations prepared by the Corporation have been audited, not for the purpose of verifying exactness, but the reserves information, company policies, procedures, and methods used in estimating the reserves will be examined in sufficient detail so that AJM Deloitte can express an opinion as to whether, in the aggregate, the reserves information presented by the Corporation are reasonable.

AJM Deloitte may require its own independent evaluation of the reserves information for a small number of properties, or for a large number of properties as tests for the reasonableness of the Corporation’s evaluations. The tests to be applied to the Corporation’s evaluations insofar as their methods and controls and the properties selected to be re-evaluated will be determined by AJM Deloitte, in its sole judgment, to arrive at an opinion as to the reasonableness of the Corporation’s evaluations.

Reserves review

A “Reserves Review” is the process whereby a reserves auditor conducts a high-level assessment of reserves information to determine if it is plausible. The steps consist primarily of enquiry, analytical procedure, analysis, review of historical reserves performance, and discussion with the Corporation’s reserves management staff.

“Plausible” means the reserves data appear to be worthy of belief based on the information obtained by the independent qualified reserves auditor in carrying out the aforementioned steps. Negative assurance can be given by the independent reserves auditor, but an opinion cannot. For example, “Nothing came to my attention that would indicate the reserves information has not been prepared and presented in accordance with principles and definitions adopted by the SPEE (Calgary Chapter), and APEGGA (Practice Standard for the Evaluation of Oil and Gas Reserves for Public Disclosure).

Reviews do not require examination of the detailed document that supports the reserves information, unless this information does not appear to be plausible.

Resource and reserve definitions

The term “resources” encompasses all petroleum quantities that originally existed on or within the earth’s crust in naturally occurring accumulations, including Discovered and Undiscovered (recoverable and unrecoverable) plus quantities already produced. Accordingly, total resources is equivalent to Total Petroleum Initially-In-Place (“PIIP”).

Total Petroleum Initially-In-Place (“PIIP”) is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered (equivalent to “total resources”).

Discovered Petroleum Initially-In-Place (equivalent to discovered resources) is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of Discovered Petroleum Initially-In-Place includes Production, Reserves, and Contingent Resources; the remainder is unrecoverable.

Production is the cumulative quantity of petroleum that has been recovered at a given date.

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are further classified in accordance with the level of certainty associated with the estimates and may be sub-classified based on development and production status. Refer to the full definitions on Reserves in Section 5.4 of COGEH.

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters, or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage. Contingent Resources are further classified in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status. Refer to COGEH and Figure 5-1.

Unrecoverable is that portion of Discovered and Undiscovered PIIP quantities which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

Undiscovered Petroleum Initially-In-Place (equivalent to undiscovered resources) is that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The recoverable portion of Undiscovered Petroleum Initially-In-Place is referred to as Prospective Resources; the remainder as Unrecoverable.

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity. Refer to COGEH and Figure 5-1.

Reserves, Contingent Resources, and Prospective Resources should not be combined without recognition of the significant differences in criteria associated with their classification. For example, the sum of Reserves, Contingent Resources, and Prospective Resources may be referred to as Remaining Recoverable Resources. When resources categories are combined, it is important that each component of the summation also be provided, and it should be made clear whether and how the components in the summation were adjusted for risk.

Uncertainty ranges

The range of uncertainty of estimated recoverable volumes may be represented by either deterministic scenarios or by a probability distribution. Resources should be provided as low, best, and high estimates as follows:

Low Estimate: This is considered to be a conservative estimate of the quantity that will actually be recovered. It is likely that the actual remaining quantities recovered will exceed the low estimate. If probabilistic methods are used, there should be at least a 90 percent probability (P_{90}) that the quantities actually recovered will equal or exceed the low estimate.

Best Estimate: This is considered to be the best estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P_{50}) that the quantities actually recovered will equal or exceed the best estimate.

High Estimate: This is considered to be an optimistic estimate of the quantity that will actually be recovered. It is unlikely that the actual remaining quantities recovered will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability (P_{10}) that the quantities actually recovered will equal or exceed the high estimate.

This approach to describing uncertainty may be applied to reserves, contingent resources, and prospective resources. There may be significant risk that subcommercial and undiscovered accumulations will not achieve commercial production. However, it is useful to consider and identify the range of potentially recoverable quantities independently of such risk.

Assessing commerciality

In order to assign recoverable resources of any category, a development plan consisting of one or more projects needs to be defined. In-place quantities for which a feasible project cannot be defined using established technology or technology under development are classified as unrecoverable. In this context “technology under development” refers to technology that has been developed and verified by testing as feasible for future commercial applications to the subject reservoir. In the early stage of exploration or development, project definition will not be of the detail expected in later stages of maturity. In most cases recovery efficiency will be largely based on analogous projects.

Estimates of recoverable quantities are stated in terms of the sales products derived from a development program, assuming commercial development. It must be recognized that reserves, contingent resources, and prospective resources involve different risks associated with achieving commerciality. The likelihood that a project will achieve commerciality is referred to as the “chance of commerciality”. The chance of commerciality varies in different categories of recoverable resources as follows:

Reserves: To be classified as reserves, estimated recoverable quantities must be associated with a project(s) that has demonstrated commercial viability. Under the fiscal conditions applied in the estimation of reserves, the chance of commerciality is effectively 100 percent.

Contingent Resources: Not all technically feasible development plans will be commercial. The commercial viability of a development project is dependent on the forecast of fiscal conditions over

the life of the project. For contingent resources the risk component relating to the likelihood that an accumulation will be commercially developed is referred to as the “chance of development”. For contingent resources the chance of commerciality is equal to the chance of development.

Prospective Resources: Not all exploration projects will result in discoveries. The chance that an exploration project will result in the discovery of petroleum is referred to as the “chance of discovery”. Thus, for an undiscovered accumulation the chance of commerciality is the product of two risk components – the chance of discovery and the chance of development.

Economic status

By definition, reserves are commercially (and hence economically) recoverable. A portion of contingent resources may also be associated with projects that are economically viable but have not yet satisfied all requirements of commerciality. Accordingly, it may be a desirable option to subclassify contingent resources by economic status.

Economic Contingent Resources are those contingent resources that are currently economically recoverable.

Sub-Economic Contingent Resources are those contingent resources that are not currently economically recoverable.

Where evaluations are incomplete such that it is premature to identify the economic viability of a project, it is acceptable to note that project economic status is “undetermined” (i.e., “contingent resources – economic status undetermined”).

In examining economic viability, the same fiscal conditions should be applied as in the estimation of reserves, i.e. specified economic conditions, which are generally accepted as being reasonable (refer to COGEH Volume 2, Section 5.8).

Reserve categories

Reserves are classified by AJM Deloitte in accordance with the following definitions published by COGEH and which meet the standards established by National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities and found in Appendix 1 to Companion Policy 51-101 CP, Part 2 Definition of Reserves.

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on:

- analysis of drilling, geological, geophysical, and engineering data;
- the use of established technology; and
- specified economic conditions, which are generally accepted as being reasonable and shall be disclosed.

Reserves are classified according to the degree of certainty associated with the estimates:

Proved Reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

Probable Reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Possible Reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

Development and production status

Each of the reserves categories (proved, probable and possible) may be divided into developed and undeveloped categories:

Developed Reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

Developed Producing Reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing, or if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

Developed Non-Producing Reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

Undeveloped Reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned.

In multi-well pools it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities, and completion intervals in the pool and their respective development and production status.

Levels of certainty for reported reserves

The qualitative certainty levels referred to in the definitions above are applicable to individual reserves entities (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest – level sum of individual entity estimates for which reserves estimates are presented). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves;
- at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves; and
- at least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable plus possible reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Resource and reserve estimation

AJM Deloitte generally assigns reserves to properties via deterministic methods. Probabilistic estimation techniques are typically used where there is a low degree of certainty in the information available and is generally used in resource evaluations. This will be stated within the detailed property reports.

Resource and reserve classification

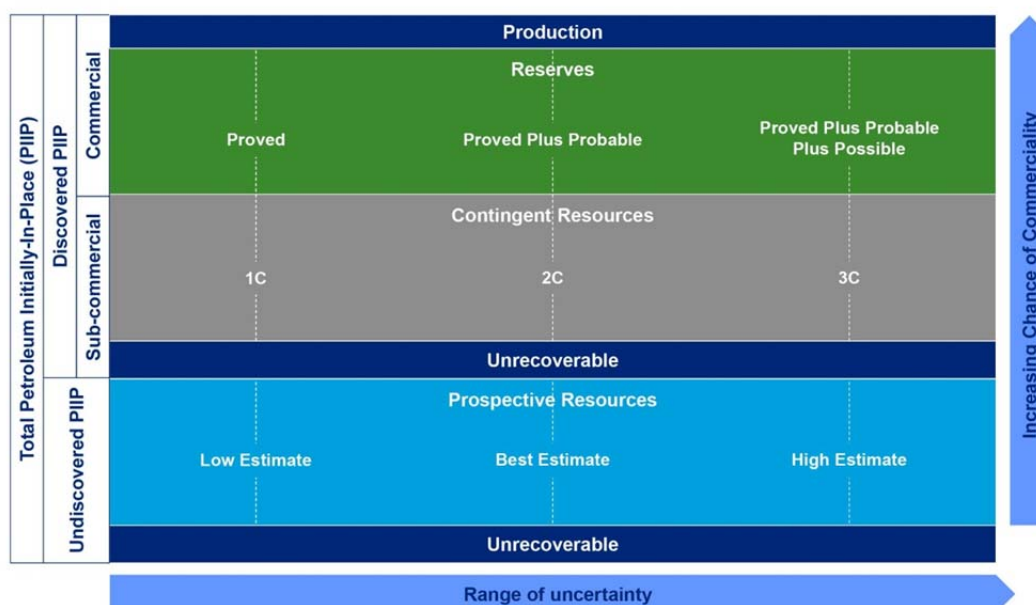


Image adapted from: SPE-PRMS, 2007

Deterministic

Reserves and resources were estimated either by i) volumetric, ii) decline curve analysis, iii) material balance techniques, or iv) performance predictions.

Volumetric reserves were estimated using the wellbore net pay and an assigned drainage area or, where sufficient data was available, the reservoir volumes calculated from isopach maps. Reservoir rock and fluid data were obtained from available core analysis, well logs, PVT data, gas analysis, government sources, and other published information either on the evaluated pool or from a similar reservoir in the immediate area. In mature (producing) reservoirs decline curve analysis and/or material balance was utilized in all applicable evaluations.

Statistical analysis

Whenever there is the need within an evaluation to assign reserves based on analogy or when volumetric reserves are being assigned, AJM Deloitte utilizes a variety of different tools in support of. When evaluating Western Canadian prospects, typically AJM Deloitte uses petroCUBE™.

The petroCUBE program is a web-based (www.petroCUBE.com) product co-developed by AJM Deloitte and geoLOGIC Systems Inc. petroCUBE provides geostatistical, technical, and financial information for conventional hydrocarbon plays throughout the Western Canadian Sedimentary Basin (“WCSB”).

The information provided by petroCUBE is an unbiased independent perspective into the historical performance of the conventional hydrocarbon activity in the WCSB. The statistical information is presented by commodity type (gas, oil) with each commodity further analyzed by geographic area and play type.

Analysis output includes cumulative frequency resource distribution curves, chance of success tables, production performance profiles for each play type and area, unrisks and risks resources, and initial production rates on a per well zone basis, and full cycle economic and play parameters.

Cumulative frequency curves show how the volumes for a play are distributed. These calculations include the average volumes for a play (P_{50}), volumes for the best 10 percent of the wells (P_{10}), the minimum volumes developed by 90 percent of the wells (P_{90}).

Reserves assigned are compared to those volumes noted in the cumulative frequency curves for the corresponding area and play type. Typically an expected or proved plus probable reserve is a P_{50} volume.

Probabilistic

Because of the uncertainty inherent in reservoir parameters, probabilistic analysis, which is based on statistical techniques, provides a formulated approach by which to obtain a reasonable assessment of the petroleum initially in place (PIIP) and/or the recoverable resource. Probabilistic analysis involves generating a range of possible outcomes for each unknown parameter and their associated probability of occurrence. When probabilistic analysis is applied to resource estimation, it provides a range of possible PIIPs or recoverable resources.

In preparing a resource estimate, AJM Deloitte assesses the following volumetric parameters: areal extent, net pay thickness, porosity, hydrocarbon saturation, reservoir temperature, reservoir pressure, gas

compressibility factor, recovery factor, and surface loss. A team of professional engineers and geologists experienced in probabilistic resource evaluation considered each of the parameters individually to estimate the most reasonable range of values. Working from existing data, the team discusses and agrees on the low (P_{90}) and high (P_{10}) values for each parameter. To help test the reasonableness of the proposed range, a minimum (P_{99}) and maximum (P_1) value are also extrapolated from the low and high values. After ranges have been established for each parameter, these independent distributions are used to determine a P_{90} , P_{50} , and P_{10} result which comprise AJM Deloitte's estimated range of PIIP or recoverable resource.

It is important to note that the process used to determine the final P_{10} , P_{90} , and P_{50} results involves multiplying the various volumetric parameters together. This yields results which require adjustments to maintain an appropriate probability of occurrence. For example, when calculating total reservoir volume (Area x Pay), the chance of getting a volume greater than the P_{10} Area x P_{10} Pay is less than 10 percent – the chance of getting the calculated result is only 3.5 percent ($p_{3.5}$). As you multiply additional P_{10} values, the probability of achieving the calculated value becomes less likely. Similarly, multiplying P_{90} parameters together will yield a result that has a probability greater than P_{90} . As such, when multiplying independent distributions together the results must be adjusted via interpolation to determine final P_{90} and P_{10} values.

The results appearing in this report represent interpolated P_{90} and P_{10} values. As defined by COGEH (and the Petroleum Resource Management System “PRMS”), the P_{50} estimate is the “best estimate” for reporting purposes.

Production forecasts

Production forecasts were based on historical trends or by comparison with other wells in the immediate area producing from similar reservoirs. Non-producing gas reserves were forecast to come on-stream within the first two years from the effective date under direct sales pricing and deliverability assumptions, if a tie-in point to an existing gathering system was in close proximity (approximately two miles). If the tie-in point was of a greater distance (and dependent on the reserve volume and risk) the reserves were forecast to come on-stream in years three or four from the effective date. If the reserves were located in a remote location and/or the reserve volume was of higher risk, the reserves were forecast to come on-stream beyond five years from the effective date. These on-stream dates were used when the company could not provide specific on-stream date information.

Land schedule and maps

The evaluated Corporation provided schedules of land ownership which included lessor and lessee royalty burdens. The land data was accepted as factual and no investigation of title by AJM Deloitte was made to verify the records.

Well maps included within this report represent all of the Corporation's interests that were evaluated in the specified area.

Geology

An initial review of each property is undertaken to establish the produced maturity of the reservoir being evaluated. Where extensive production history exists a geologic analysis is not conducted since the remaining hydrocarbons can be determined by productivity analysis.

For properties that are not of a mature production nature a geologic review is conducted. This work consists of:

- developing a regional understanding of the play,
- assessing reservoir parameters from the nearest analogous production,
- analysis of all relevant well data including logs, cores, and tests to measure net formation thickness (pay), porosity, and initial water saturation,
- auditing of client mapping or developing maps to meet AJM Deloitte's need to establish volumetric hydrocarbons-in-place.

Procedures specific to the project are discussed in the body of the report.

Royalties and taxes

General

All royalties and taxes, including the lessor and overriding royalties, are based on government regulations, negotiated leases or farmout agreements, that were in effect as of the evaluation effective date. If regulations change, the net after royalty recoverable reserve volumes may differ materially.

AJM Deloitte utilizes a variety of reserves and valuation products in determining the result sets.

Capital and operating considerations

Operating and capital costs were based on current costs escalated to the date the cost was incurred, and are in current year dollars. The economic runs provide the escalated dollar costs as found in the Pricing Table 1 in the Price and Market Demand section.

Reserves estimated to meet the standards of NI 51-101 for constant prices and costs (optimal), are based on unescalated operating and capital costs.

Capital costs were either provided by the Corporation (and reviewed by AJM Deloitte for reasonableness); or determined by AJM Deloitte taking into account well capability, facility requirement, and distance to markets. Facility expenditures for shut-in gas are forecast to occur prior to the well's first production.

Operating costs were determined from historical data on the property as provided by the evaluated Corporation. If this data was not available or incomplete, the costs were based on AJM Deloitte experience and historical database. Operating costs are defined into three types.

The first type, variable (\$/Unit), covers the costs directly associated with the product production. Costs for processing, gathering and compression are based on raw gas volumes. Over the life of the project the costs are inflated in escalated runs to reflect the increase in costs over time. In a constant dollar review the costs remain flat over the project life.

The second type, fixed plant or battery (\$/year), is again a fixed component over the project life and reflects any gas plant or battery operating costs allocated back to the evaluated group. The plant or battery can also be run as a separate group and subsequently consolidated at the property level.

The third type takes the remaining costs that are not associated with the first two and assigns them to the well based on a fixed and variable component. A split of 65 percent fixed and 35 percent variable assumes efficiencies of operation over time, i.e.: the well operator can reduce the number of monthly visits as the well matures, workovers may be delayed, well maintenance can also be reduced. The basic assumption is that the field operator will continue to find efficiencies to reduce the costs over time to maintain the overall \$/Boe cost. Thus as the production drops over time the 35 percent variable cost will account for these efficiencies. If production is flat all the costs will also remain flat. Both the fixed and variable costs in this type are inflated in the escalated case and held constant in the constant dollar review. These costs also include property taxes, lease rentals, government fees, and administrative overhead.

In reserve evaluations conducted for purposes of NI 51-101, or, if an economic analysis was prepared for a resource evaluation, well abandonment and reclamation costs have been included and these costs were either provided by the Corporation (and reviewed by AJM Deloitte for reasonableness) or based on area averages (only the base abandonment costs were utilized and no consideration for groundwater protection, vent flow repair costs, or gas migration costs were considered). If there were multiple events to abandon the costs were increased by a 25 percent factor. Site reclamation costs were based on information provided by the Corporation or based on area averages. For undeveloped reserve estimates for undrilled locations, both abandonment and site reclamation costs are also included for the purpose of determining whether reserves should be attributed to that property in the first year in which the reserves are considered for attribution to the property.

Price and market demand forecasts

Base case forecast effective December 31, 2011

The attached price and market forecasts have been prepared by AJM Deloitte, based on information available from numerous government agencies, industry publications, oil refineries, natural gas marketers, and industry trends.

The prices are AJM Deloitte's best estimate of how the future will look, based on the many uncertainties that exist in both the domestic Canadian and international petroleum industries. Inflation forecasts and exchange rates, an integral part of the forecast, have also been considered.

In preparing the price forecast AJM Deloitte considers the current monthly trends, the actual and trends for the year to date, and the prior year actual in determining the forecast. The base forecast for both oil and gas is based on NYMEX futures in US dollars.

The crude oil and natural gas forecasts are based on yearly variable factors weighted to higher percent in current data and reflecting a higher percent to the prior year historical. These forecasts are AJM Deloitte's interpretation of current available information and while they are considered reasonable, changing market conditions or additional information may require alteration from the indicated effective date.

AJM Deloitte
Canadian Domestic Price Forecast
Base Case Forecast Effective December 31, 2011

	Price Inflation Rate	Cost Inflation Rate	CAD to USD Exchange Rate	Crude Oil Pricing							Natural Gas Liquids Pricing				Natural Gas Pricing						Sulphur				
				WTI at Cushing		Edmonton City Gate	Edmonton City Gate	Med. Oil 29 Deg. API	Bow River 25 Deg. API	Heavy Oil 12 Deg. API	Edmonton Par Prices				Alberta Reference	Alberta AECO	Alberta AECO	Alberta System	Alberta Direct	B.C. Direct	Sask. Direct	NYMEX	NYMEX	Alberta Plant Gate	
				US\$/bbl	US\$/bbl	US\$/bbl	US\$/bbl	US\$/bbl	US\$/bbl	US\$/bbl	C\$/bbl	C\$/bbl	C\$/bbl	C\$/bbl	C\$/bbl	C\$/bbl	C\$/bbl	C\$/bbl	C\$/bbl	C\$/bbl	Stn. 2	Plant Gate	Real	Current	C\$/Mcf
H 1997	1.6%	1.6%	0.722	\$26.56	\$20.60	\$36.08	\$27.98	\$23.71	\$21.26	\$14.35	n/a	\$19.41	\$19.02	\$30.85	\$1.87	\$2.21	\$1.71	\$1.78	\$1.69	\$1.98	\$1.74	\$3.34	\$2.59	\$11.50	
i 1998	0.7%	0.7%	0.675	\$18.25	\$14.38	\$25.49	\$20.08	\$16.94	\$14.63	\$9.43	n/a	\$11.97	\$12.92	\$22.35	\$1.94	\$2.63	\$2.07	\$1.90	\$1.95	\$2.00	\$2.13	\$2.68	\$2.11	(\$6.51)	
s 1999	1.8%	1.8%	0.648	\$24.32	\$19.29	\$34.54	\$27.41	\$21.72	\$20.29	\$17.62	\$8.09	\$13.21	\$14.39	\$20.94	\$2.48	\$3.47	\$2.75	\$2.22	\$2.50	\$2.64	\$2.61	\$2.64	\$2.10	\$6.93	
t 2000	2.6%	2.6%	0.674	\$37.41	\$30.22	\$54.89	\$44.33	\$39.89	\$34.46	\$28.57	\$14.10	\$32.59	\$36.51	\$46.30	\$4.51	\$6.96	\$5.62	\$4.84	\$5.47	\$4.73	\$5.05	\$5.35	\$4.32	\$13.59	
o 2001	2.5%	2.5%	0.646	\$31.19	\$25.87	\$47.22	\$39.17	\$31.54	\$25.12	\$18.07	\$17.20	\$30.62	\$30.49	\$43.03	\$5.39	\$6.54	\$5.42	\$5.42	\$5.26	\$6.34	\$6.10	\$4.74	\$3.93	(\$14.50)	
r 2002	2.3%	2.3%	0.637	\$30.68	\$26.11	\$47.39	\$40.33	\$35.52	\$31.89	\$27.63	\$11.21	\$20.92	\$27.78	\$41.22	\$3.88	\$4.92	\$4.19	\$3.85	\$4.03	\$4.09	\$4.08	\$3.94	\$3.36	\$12.74	
i 2003	2.8%	2.8%	0.716	\$35.62	\$31.01	\$49.97	\$43.51	\$37.47	\$32.96	\$27.35	\$18.43	\$32.31	\$36.03	\$45.18	\$6.12	\$7.67	\$6.68	\$6.11	\$6.51	\$6.42	\$6.67	\$6.29	\$5.48	\$40.99	
c 2004	1.8%	1.8%	0.770	\$46.28	\$41.45	\$59.13	\$52.96	\$45.76	\$38.01	\$30.44	\$19.04	\$35.20	\$44.07	\$55.49	\$6.31	\$7.32	\$6.55	\$6.32	\$6.38	\$6.52	\$6.84	\$6.98	\$6.25	\$40.82	
a 2005	2.2%	2.2%	0.826	\$62.05	\$56.61	\$75.99	\$69.33	\$57.39	\$45.68	\$33.77	\$23.80	\$43.23	\$51.91	\$74.67	\$8.31	\$9.63	\$8.78	\$8.56	\$8.61	\$8.22	\$8.51	\$9.77	\$8.91	\$40.99	
l 2006	2.0%	2.0%	0.882	\$70.78	\$66.06	\$78.58	\$73.34	\$62.42	\$52.04	\$39.68	\$19.81	\$44.11	\$58.16	\$78.19	\$6.56	\$7.01	\$6.54	\$6.63	\$6.35	\$6.57	\$7.11	\$7.23	\$6.75	\$19.51	
2007	2.1%	2.1%	0.935	\$76.00	\$72.38	\$80.94	\$77.09	\$65.18	\$53.86	\$39.75	\$18.41	\$49.77	\$59.40	\$81.67	\$6.20	\$6.76	\$6.44	\$6.31	\$6.22	\$6.40	\$6.54	\$7.32	\$6.97	\$38.32	
2008	2.4%	2.4%	0.943	\$102.32	\$99.58	\$105.66	\$102.83	\$93.26	\$83.97	\$73.17	\$22.61	\$56.94	\$83.56	\$109.80	\$7.88	\$8.38	\$8.15	\$8.13	\$7.92	\$8.21	\$8.19	\$9.12	\$8.88	\$304.51	
2009	0.3%	0.3%	0.880	\$61.98	\$61.78	\$66.41	\$66.21	\$62.77	\$59.90	\$54.49	\$11.60	\$34.56	\$56.29	\$69.59	\$3.84	\$3.97	\$3.96	\$3.94	\$3.74	\$4.16	\$4.14	\$3.92	\$3.90	(\$4.97)	
2010	1.8%	1.8%	0.971	\$79.42	\$79.42	\$77.79	\$77.79	\$73.48	\$68.16	\$60.59	\$11.52	\$45.60	\$69.02	\$84.68	\$3.76	\$4.00	\$4.00	\$4.07	\$3.76	\$4.00	\$3.90	\$4.38	\$4.38	\$57.81	
2																									
0 12 Mths H	2.8%	2.8%	1.013	\$94.99	\$94.99	\$95.77	\$95.77	\$88.29	\$78.60	\$69.75	\$10.46	\$53.34	\$83.62	\$104.70	\$3.48	\$3.65	\$3.65	\$3.83	\$3.46	\$3.37	\$3.38	\$4.00	\$4.00	\$80.69	
1 0 Mths F	0.0%	0.0%	0.000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
1 Avg.	n/a	n/a	1.013	\$94.99	\$94.99	\$95.77	\$95.77	\$88.29	\$78.60	\$69.75	\$10.46	\$53.34	\$83.62	\$104.70	\$3.48	\$3.65	\$3.65	\$3.83	\$3.46	\$3.37	\$3.38	\$4.00	\$4.00	\$80.69	
F 2012	0.0%	0.0%	1.000	\$100.00	\$100.00	\$98.00	\$98.00	\$91.00	\$81.20	\$76.40	\$9.60	\$53.90	\$83.30	\$102.90	\$3.25	\$3.50	\$3.50	\$3.20	\$3.30	\$3.20	\$3.45	\$3.80	\$3.80	\$80.00	
o 2013	2.0%	2.0%	1.000	\$100.00	\$102.00	\$98.00	\$100.00	\$92.30	\$81.10	\$75.70	\$11.40	\$55.00	\$85.00	\$105.00	\$3.85	\$4.00	\$4.10	\$3.80	\$3.90	\$3.80	\$4.05	\$4.40	\$4.50	\$81.60	
r 2014	2.0%	2.0%	1.000	\$100.00	\$104.05	\$98.00	\$102.00	\$93.00	\$80.00	\$74.00	\$13.20	\$56.10	\$86.70	\$107.10	\$4.45	\$4.50	\$4.70	\$4.40	\$4.50	\$4.40	\$4.65	\$4.80	\$5.00	\$83.25	
e 2015	2.0%	2.0%	1.000	\$100.00	\$106.10	\$98.00	\$104.00	\$94.25	\$82.00	\$76.00	\$14.55	\$57.20	\$88.40	\$109.20	\$4.90	\$4.85	\$5.15	\$4.85	\$4.95	\$4.85	\$5.10	\$5.15	\$5.45	\$84.90	
c 2016	2.0%	2.0%	1.000	\$100.00	\$108.25	\$98.00	\$106.10	\$95.60	\$84.10	\$78.10	\$15.75	\$58.35	\$90.20	\$111.40	\$5.30	\$5.15	\$5.55	\$5.25	\$5.35	\$5.25	\$5.50	\$5.45	\$5.90	\$86.60	
a 2017	2.0%	2.0%	1.000	\$100.00	\$110.40	\$98.00	\$108.20	\$96.95	\$86.20	\$80.20	\$17.10	\$59.50	\$91.95	\$113.60	\$5.75	\$5.45	\$6.00	\$5.70	\$5.80	\$5.70	\$5.95	\$5.75	\$6.35	\$88.35	
s 2018	2.0%	2.0%	1.000	\$100.00	\$112.60	\$98.00	\$110.35	\$98.35	\$88.35	\$82.35	\$18.30	\$60.70	\$93.80	\$115.85	\$6.15	\$5.70	\$6.40	\$6.10	\$6.20	\$6.10	\$6.35	\$6.00	\$6.75	\$90.10	
t 2019	2.0%	2.0%	1.000	\$100.00	\$114.85	\$98.00	\$112.55	\$99.05	\$90.55	\$84.55	\$19.80	\$61.90	\$95.65	\$118.20	\$6.65	\$6.00	\$6.90	\$6.60	\$6.70	\$6.60	\$6.85	\$6.35	\$7.30	\$91.90	
2020	2.0%	2.0%	1.000	\$100.00	\$117.15	\$98.00	\$114.80	\$99.80	\$92.80	\$86.80	\$21.30	\$63.15	\$97.60	\$120.55	\$7.15	\$6.30	\$7.40	\$7.10	\$7.20	\$7.10	\$7.35	\$6.60	\$7.75	\$93.75	
2021	2.0%	2.0%	1.000	\$100.00	\$119.50	\$98.00	\$117.10	\$102.10	\$95.10	\$89.10	\$22.35	\$64.40	\$99.55	\$122.95	\$7.50	\$6.50	\$7.75	\$7.45	\$7.55	\$7.45	\$7.70	\$6.85	\$8.20	\$95.65	
2022	2.0%	2.0%	1.000	\$100.00	\$121.90	\$98.00	\$119.45	\$104.45	\$97.45	\$91.45	\$22.80	\$65.70	\$101.55	\$125.40	\$7.65	\$6.50	\$7.90	\$7.60	\$7.70	\$7.60	\$7.85	\$7.00	\$8.55	\$97.55	
2023	2.0%	2.0%	1.000	\$100.00	\$124.35	\$98.00	\$121.85	\$106.85	\$99.85	\$93.85	\$23.40	\$67.00	\$103.55	\$127.95	\$7.85	\$6.50	\$8.10	\$7.80	\$7.90	\$7.80	\$8.05	\$7.00	\$8.70	\$99.50	
2024	2.0%	2.0%	1.000	\$100.00	\$126.80	\$98.00	\$124.30	\$109.30	\$102.30	\$96.30	\$23.85	\$68.35	\$105.65	\$130.50	\$8.00	\$6.50	\$8.25	\$7.95	\$8.05	\$7.95	\$8.20	\$7.00	\$8.90	\$101.50	
2025	2.0%	2.0%	1.000	\$100.00	\$129.35	\$98.00	\$126.75	\$111.75	\$104.75	\$98.75	\$24.30	\$69.70	\$107.75	\$133.10	\$8.15	\$6.50	\$8.40	\$8.10	\$8.20	\$8.10	\$8.35	\$7.00	\$9.05	\$103.55	
2026	2.0%	2.0%	1.000	\$100.00	\$131.95	\$98.00	\$129.30	\$114.30	\$107.30	\$101.30	\$24.90	\$71.10	\$109.90	\$135.75	\$8.35	\$6.50	\$8.60	\$8.30	\$8.40	\$8.30	\$8.55	\$7.00	\$9.25	\$105.60	
2027	2.0%	2.0%	1.000	\$100.00	\$134.60	\$98.00	\$131.90	\$116.90	\$109.90	\$103.90	\$25.35	\$72.55	\$112.10	\$138.50	\$8.50	\$6.50	\$8.75	\$8.45	\$8.55	\$8.45	\$8.70	\$7.00	\$9.40	\$107.70	
2028	2.0%	2.0%	1.000	\$100.00	\$137.30	\$98.00	\$134.55	\$119.55	\$112.55	\$106.55	\$25.80	\$74.00	\$114.35	\$141.30	\$8.65	\$6.50	\$8.90	\$8.60	\$8.70	\$8.60	\$8.85	\$7.00	\$9.60	\$109.85	
2029	2.0%	2.0%	1.000	\$100.00	\$140.00	\$98.00	\$137.20	\$122.20	\$115.20	\$109.20	\$26.40	\$75.45	\$116.60	\$144.05	\$8.85	\$6.50	\$9.10	\$8.80	\$8.90	\$8.80	\$9.05	\$7.00	\$9.80	\$112.05	
2030	2.0%	2.0%	1.000	\$100.00	\$142.80	\$98.00	\$139.95	\$124.95	\$117.95	\$111.95	\$27.00	\$76.95	\$118.95	\$146.95	\$9.05	\$6.50	\$9.30	\$9.00	\$9.10	\$9.00	\$9.25	\$7.00	\$10.00	\$114.30	
2031	2.0%	2.0%	1.000	\$100.00	\$145.70	\$98.00	\$142.75	\$127.75	\$120.75	\$114.75	\$27.45	\$78.50	\$121.35	\$149.90	\$9.20	\$6.50	\$9.45	\$9.15	\$9.25	\$9.15	\$9.40	\$7.00	\$10.20	\$116.60	
2029+	2.0%	2.0%	1.000	0.0%	2.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	0.0%	2.0%	2.0%	

- Notes: - All prices are in Canadian dollars except WTI and NYMEX gas which are in U.S. dollars.
- Edmonton city gate prices based on light sweet crude posted at major Canadian refineries. (40 Deg. API < 0.5% Sulphur)
- Natural Gas Liquid prices are forecasted at Edmonton therefore an additional transportation cost must be included to plant gate sales point.
- 1 Mcf is equivalent to 1 mmbtu.
- System gas prices includes TCGSL, Progas, Pan Alberta and Alliance.
- Real dollars listed include future growth in prices with no escalation considered.
- Alberta gas prices, except AECO, include an Average cost of service to the plant gate.

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Glossary of terms

AJM Deloitte subscribes to the Glossary of Terms as defined by the Canadian Oil and Gas Evaluation Handbook, Volume 2.

Property index

United States, Texas

1. Hartburg, Newton County, Texas

Hillcrest Resources Ltd.

Hartburg, Newton County, Texas

Effective date: December 31, 2011

Prepared by:

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Hillcrest Resources Ltd.
DETAILED ECONOMIC SUMMARY
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Effective December 31, 2011

Hartburg

	PDP	PDNP	PUD	TP	PB	P+P
Light and Medium Oil Mbbl						
Ultimate Remaining	62.5	0.0	80.3	142.8	158.8	301.6
WI Before Royalty	20.6	0.0	29.9	50.5	55.5	106.0
WI After Royalty	15.4	0.0	22.5	37.9	41.6	79.5
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	15.4	0.0	22.5	37.9	41.6	79.5
Total Oil Mbbl						
Ultimate Remaining	62.5	0.0	80.3	142.8	158.8	301.6
WI Before Royalty	20.6	0.0	29.9	50.5	55.5	106.0
WI After Royalty	15.4	0.0	22.5	37.9	41.6	79.5
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	15.4	0.0	22.5	37.9	41.6	79.5
Sales Gas MMcf						
Ultimate Remaining	0.0	377.1	122.2	499.2	686.5	1,185.7
WI Before Royalty	0.0	154.4	44.0	198.4	236.0	434.3
WI After Royalty	0.0	115.8	33.0	148.8	177.0	325.7
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	0.0	115.8	33.0	148.8	177.0	325.7
NGLs Mbbl						
Ultimate Remaining	0.0	1.9	0.6	2.5	3.4	5.9
WI Before Royalty	0.0	0.8	0.2	1.0	1.2	2.2
WI After Royalty	0.0	0.6	0.2	0.7	0.9	1.6
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	0.0	0.6	0.2	0.7	0.9	1.6
MBOE Mboe						
Ultimate Remaining	62.5	64.7	101.3	228.5	276.6	505.1
WI Before Royalty	20.6	26.5	37.5	84.6	96.0	180.5
WI After Royalty	15.4	19.9	28.1	63.4	72.0	135.4
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	15.4	19.9	28.1	63.4	72.0	135.4
Net Present Values - BTAX M\$						
Undiscounted	1,362.8	463.9	2,167.8	3,994.6	5,431.0	9,425.6
Discounted at 5%	1,245.6	418.6	1,520.4	3,184.6	2,762.6	5,947.2
Discounted at 10%	1,148.9	381.2	1,249.1	2,779.3	1,929.5	4,708.8
Discounted at 15%	1,068.2	350.0	1,062.4	2,480.5	1,470.7	3,951.2
Discounted at 20%	999.9	323.5	916.0	2,239.4	1,162.5	3,401.9

Light & Medium Oil includes Shale Oil. Heavy Oil Includes Ultra Heavy in Alberta and Bitumen. Sales Gas includes Solution gas, Associated and Non- Associated gas, Coalbed Methane, Shale gas and Hydrates.

Hillcrest Resources Ltd.
DETAILED RESERVES AND PRESENT VALUE
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)
Hartburg

Effective December 31, 2011

Proved Developed Producing

Location	Formation	Avg Int Derived %	Proved Developed Producing												Present Value		
			Oil			Sales Gas			NGL			BOE			0%	5%	10%
			WI Mstb	RI Mstb	Net Mstb	WI MMcf	RI MMcf	Net MMcf	WI Mstb	RI Mstb	Net Mstb	WI Mstb	RI Mstb	Net Mstb	M\$	M\$	M\$
Hartburg																	
Nadsoil Donner #1 - 423513083800	Lower Hackberry	30.00 No	13.9	0.0	10.4	0.0	0.0	0.0	0.0	0.0	0.0	13.9	0.0	10.4	932.8	852.9	787.4
Nadsoil Donner #2 - 423513085800	Lower Hackberry	41.15 No	6.7	0.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	6.7	0.0	5.0	430.0	392.7	361.5
Hartburg			20.6	0.0	15.4	0.0	0.0	0.0	0.0	0.0	0.0	20.6	0.0	15.4	1,362.8	1,245.6	1,148.9
Total			20.6	0.0	15.4	0.0	0.0	0.0	0.0	0.0	0.0	20.6	0.0	15.4	1,362.8	1,245.6	1,148.9

Hillcrest Resources Ltd.
DETAILED RESERVES AND PRESENT VALUE
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)
Hartburg

Effective December 31, 2011

Proved Developed

Location	Formation	Avg Int Derived %	Oil			Sales Gas			NGL			BOE			Present Value		
			WI	RI	Net	WI	RI	Net	WI	RI	Net	WI	RI	Net	0%	5%	10%
			Mstb	Mstb	Mstb	MMcf	MMcf	MMcf	Mstb	Mstb	Mstb	Mstb	Mstb	Mstb	Mstb	M\$	M\$
Hartburg																	
Nadsoil Donner #1 - 423513083800	Lower Hackberry	30.00 Yes	13.9	0.0	10.4	0.0	0.0	0.0	0.0	0.0	0.0	13.9	0.0	10.4	932.8	852.9	787.4
Nadsoil Donner #2 - 423513085800	Lower Hackberry	41.15 Yes	6.7	0.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	6.7	0.0	5.0	430.0	392.7	361.5
Nadsoil Donner #2 - Nonion Struma	Nonion Struma	40.95 Yes	0.0	0.0	0.0	154.4	0.0	115.8	0.8	0.0	0.6	26.5	0.0	19.9	463.9	418.6	381.2
Hartburg			20.6	0.0	15.4	154.4	0.0	115.8	0.8	0.0	0.6	47.1	0.0	35.3	1,826.8	1,664.2	1,530.2
Total			20.6	0.0	15.4	154.4	0.0	115.8	0.8	0.0	0.6	47.1	0.0	35.3	1,826.8	1,664.2	1,530.2

Hillcrest Resources Ltd.
DETAILED RESERVES AND PRESENT VALUE
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)
Hartburg

Effective December 31, 2011

Proved

Location	Formation	Avg Int Derived %	Proved															
			Oil			Sales Gas			NGL			BOE			Present Value			
			WI Mstb	RI Mstb	Net Mstb	WI MMcf	RI MMcf	Net MMcf	WI Mstb	RI Mstb	Net Mstb	WI Mstb	RI Mstb	Net Mstb	0% M\$	5% M\$	10% M\$	
Hartburg																		
Nadsoil Donner #1 - 423513083800	Lower Hackberry	30.00 Yes	13.9	0.0	10.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.4	932.8	852.9	787.4
Nadsoil Donner #2 - 423513085800	Lower Hackberry	41.15 Yes	6.7	0.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0	430.0	392.7	361.5	
Nadsoil Donner #2 - Nonion Struma	Nonion Struma	40.95 Yes	0.0	0.0	0.0	154.4	0.0	115.8	0.8	0.0	0.6	26.5	0.0	19.9	463.9	418.6	381.2	
Prospect 1-LHackberry	Lower Hackberry	37.28 Yes	29.9	0.0	22.5	0.0	0.0	0.0	0.0	0.0	0.0	29.9	0.0	22.5	1,769.5	1,472.6	1,242.8	
Prospect 1-Nonion Struma	Nonion Struma	36.00 Yes	0.0	0.0	0.0	44.0	0.0	33.0	0.2	0.0	0.2	7.6	0.0	5.7	398.3	47.8	6.3	
Hartburg			50.5	0.0	37.9	198.4	0.0	148.8	1.0	0.0	0.7	84.6	0.0	63.4	3,994.6	3,184.6	2,779.3	
Total			50.5	0.0	37.9	198.4	0.0	148.8	1.0	0.0	0.7	84.6	0.0	63.4	3,994.6	3,184.6	2,779.3	

Hillcrest Resources Ltd.
DETAILED RESERVES AND PRESENT VALUE
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)
Hartburg

Effective December 31, 2011

Proved Plus Probable

Location	Formation	Avg Int Derived %	Oil									Sales Gas			NGL			BOE			Present Value					
			WI	RI	Net	WI	RI	Net	WI	RI	Net	WI	RI	Net	0%	5%	10%									
			Mstb	Mstb	Mstb	MMcf	MMcf	MMcf	Mstb	Mstb	Mstb	Mstb	Mstb	Mstb	Mstb	Mstb	Mstb	Mstb	Mstb	Mstb	Mstb	Mstb	Mstb	Mstb	Mstb	Mstb
Hartburg																										
Nadsoil Donner #1 - 423513083800	Lower Hackberry	30.00 No	22.2	0.0	16.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	22.2	0.0	16.6	1,466.0	1,282.6	1,142.0					
Nadsoil Donner #1-U Hackberry	Upper Hackberry	30.00 Yes	0.0	0.0	0.0	56.0	0.0	42.0	0.3	0.0	0.2	9.6	0.0	7.2	307.2	143.4	69.4									
Nadsoil Donner #2 - 423513085800	Lower Hackberry	39.57 No	9.3	0.0	7.0	0.0	0.0	0.0	0.0	0.0	0.0	9.3	0.0	7.0	592.6	518.9	461.9									
Nadsoil Donner #2 - Nonion Struma	Nonion Struma	40.29 No	0.0	0.0	0.0	175.3	0.0	131.5	0.9	0.0	0.7	30.1	0.0	22.6	522.3	467.6	422.9									
Prospect 1-LHackberry	Lower Hackberry	36.50 No	74.5	0.0	55.9	0.0	0.0	0.0	0.0	0.0	0.0	74.5	0.0	55.9	4,271.4	3,275.8	2,579.9									
Prospect 1-Nonion Struma	Nonion Struma	36.00 No	0.0	0.0	0.0	203.0	0.0	152.2	1.0	0.0	0.8	34.8	0.0	26.1	2,266.1	258.9	32.8									
Hartburg			106.0	0.0	79.5	434.3	0.0	325.7	2.2	0.0	1.6	180.5	0.0	135.4	9,425.6	5,947.2	4,708.8									
Total			106.0	0.0	79.5	434.3	0.0	325.7	2.2	0.0	1.6	180.5	0.0	135.4	9,425.6	5,947.2	4,708.8									

Hillcrest Resources Ltd.
PRODUCTION AND REVENUE FORECAST
Company Share
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)
2012

Effective December 31, 2011

Proved Developed Producing

Location	Formation	Category	Company Share		Total Revenue M\$	Crown Royalty M\$	FH & ORR M\$	Oper Exp M\$	Aband Costs M\$	Min Tax & SCC M\$	Invest M\$	Cash Flow M\$
			Oil & NGL	Gas								
			Mbbl	MMcf								
Hartburg												
Nadsoil Donner #1 - 423513083800	Lower Hackberry	PDP	5	0	394.8	0.0	0.0	13.5	0.0	23.3	0.0	358.0
Nadsoil Donner #2 - 423513085800	Lower Hackberry	PDP	2	0	169.0	0.0	0.0	6.4	0.0	10.0	0.0	152.6
Hartburg			7	0	563.8	0.0	0.0	19.9	0.0	33.2	0.0	510.6
Total			7	0	563.8	0.0	0.0	19.9	0.0	33.2	0.0	510.6

Hillcrest Resources Ltd.
PRODUCTION AND REVENUE FORECAST
Company Share
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)
2012

Effective December 31, 2011

Proved Developed

Location	Formation	Category	Company Share		Total Revenue M\$	Crown Royalty M\$	FH & ORR M\$	Oper Exp M\$	Aband Costs M\$	Min Tax & SCC M\$	Invest M\$	Cash Flow M\$
			Oil & NGL	Gas								
			Mbbl	MMcf								
Hartburg												
Nadsoil Donner #1 - 423513083800	Lower Hackberry	PDP	5	0	394.8	0.0	0.0	13.5	0.0	23.3	0.0	358.0
Nadsoil Donner #2 - 423513085800	Lower Hackberry	PDP	2	0	169.0	0.0	0.0	6.4	0.0	10.0	0.0	152.6
Nadsoil Donner #2 - Nonion Struma	Nonion Struma	PDNP	0	50	135.4	0.0	0.0	5.0	0.0	8.0	0.0	122.5
Hartburg			7	50	699.2	0.0	0.0	24.9	0.0	41.2	0.0	633.1
Total			7	50	699.2	0.0	0.0	24.9	0.0	41.2	0.0	633.1

Hillcrest Resources Ltd.
PRODUCTION AND REVENUE FORECAST
Company Share
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)
2012

Effective December 31, 2011

Proved

Location	Formation	Category	Company Share		Total Revenue M\$	Crown Royalty M\$	FH & ORR M\$	Oper Exp M\$	Aband Costs M\$	Min Tax & SCC M\$	Invest M\$	Cash Flow M\$
			Oil & NGL	Gas								
			Mbbl	MMcf								
Hartburg												
Nadsoil Donner #1 - 423513083800	Lower Hackberry	PDP	5	0	394.8	0.0	0.0	13.5	0.0	23.3	0.0	358.0
Nadsoil Donner #2 - 423513085800	Lower Hackberry	PDP	2	0	169.0	0.0	0.0	6.4	0.0	10.0	0.0	152.6
Nadsoil Donner #2 - Nonion Struma	Nonion Struma	PDNP	0	50	135.4	0.0	0.0	5.0	0.0	8.0	0.0	122.5
Prospect 1-LHackberry	Lower Hackberry	PUD	0	0	0.0	0.0	0.0	0.0	0.0	0.0	288.0	-288.0
Hartburg			7	50	699.2	0.0	0.0	24.9	0.0	41.2	288.0	345.1
Total			7	50	699.2	0.0	0.0	24.9	0.0	41.2	288.0	345.1

Hillcrest Resources Ltd.
PRODUCTION AND REVENUE FORECAST
Company Share
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)
2012

Effective December 31, 2011

Proved Plus Probable

Location	Formation	Category	Company Share		Total Revenue M\$	Crown Royalty M\$	FH & ORR M\$	Oper Exp M\$	Aband Costs M\$	Min Tax & SCC M\$	Invest M\$	Cash Flow M\$
			Oil & NGL	Gas								
			Mbbl	MMcf								
Hartburg												
Nadsoil Donner #1 - 423513083800	Lower Hackberry	P+P	5	0	427.9	0.0	0.0	15.3	0.0	25.2	0.0	387.4
Nadsoil Donner #2 - 423513085800	Lower Hackberry	P+P	2	0	176.8	0.0	0.0	6.6	0.0	10.4	0.0	159.8
Nadsoil Donner #2 - Nonion Struma	Nonion Struma	P+P	0	51	137.9	0.0	0.0	5.0	0.0	8.1	0.0	124.7
Prospect 1-LHackberry	Lower Hackberry	P+P	0	0	0.0	0.0	0.0	0.0	0.0	0.0	288.0	-288.0
Hartburg			8	51	742.6	0.0	0.0	26.9	0.0	43.7	288.0	384.0
Total			8	51	742.6	0.0	0.0	26.9	0.0	43.7	288.0	384.0

Hartburg, Newton County, Texas

The Hartburg field is located in Newton County, Texas, approximately five miles southwest of Deweyville, Texas. Hillcrest Resources Ltd. (“Hillcrest”) holds a working interest of an APO of 30 percent and a BPO of 48 percent in two oil wells producing from the Lower Hackberry Formation. Donner #1 well has gas potential in various Frio sands. Donner #2 has gas potential in the Nonion Struma Formation with a BPO of 48 percent, which is currently being tied-in. Hillcrest also holds a working interest BPO of 48 percent in one Prospect well which will potentially produce from the Lower Hackberry Formation and has gas potential from the Nonion Struma Formation.

Geology

Upper and Lower Hartburg

The Oligocene-Miocene Upper and Lower Hartburg (Hackberry) Sandstones in the Northwest Hartburg field of Newton County, Texas, are part of a structural belt called the Hartburg flexure. The sands are fine- to medium-grained and greenish-grey in colour. Partly lignitic and fossiliferous shale interbeds also exist. This section was deposited on a slowly subsiding continental shelf. A structural disturbance in the Gulf Coast geosynclinal floor caused the continental shelf to tilt, creating the Hartburg flexure and an embayment, which was infilled by the Hackberry shale. The tilting of the shelf created gravity flows in the sedimentary beds, resulting in synclinal folds and deep troughs. Subsequently, turbidity currents and sedimentary flows filled these troughs with channel-fill deposits. Hydrocarbon trapping is primarily structural with strong water drive.

Nonion Struma

The Oligocene-Miocene Nonion Struma also forms part of the Hartburg flexure. The section is composed of grey, fossiliferous shales and glauconitic fine to medium grained sandstones (which form the reservoir rock) deposited in a neritic environment. Hydrocarbon trapping is also structurally influenced with strong water drive.

A map has been included with this report, showing two drilling prospects. Prospect one is targeting the Lower Hackberry and Nonion Struma sands. Both sands are structurally higher than the sands found in the Nadsoil Donner #1 well at the proposed location; therefore, thicker net pay has been assigned. The new Nadsoil Donner #2 well is also targeting the Lower Hackberry and Nonion Struma sands, located at the same structural position as prospect one for the Lower Hackberry sand. Net pay, porosity and water saturation values have been derived from well logs provided. The Nonion Struma sand at this location

appears to be a separate sand from that producing at Chevron Donner #1, resulting in no reserves being assigned.

Reserves and production forecast

The Nadsoil Donner #1 and the Nadsoil Donner #2 wells are currently producing from the Lower Hackberry sand. Proved developed producing and proved plus probable reserves have been assigned based on volumetric analysis. Water production is forecast to commence one and half years after start of production. An assigned 12 to 17 percent recovery factors were utilized. Probable gas reserves have been assigned to the Donner #1 uphole sand, Upper Hackberry, using volumetric analysis. The Upper Hackberry is scheduled to come on production following the depletion of the Lower Hackberry zone.

Proved developed non-producing gas reserves have been assigned to the uphole Nonion Struma Formation in the Donner #2 well. The well is scheduled to be on production May 2012 at a rate of 510 Mcf/day. Reserves were based on volumetrics using AJM Deloitte's log analysis.

Proved undeveloped and proved plus probable oil reserves have also been assigned to the offset location, Prospect 1. Volumetric reserves were assigned based on reservoir parameters from the Nadsoil Donner #1 well logs; however, both sands are structurally higher than the sands found in the analog well, allowing for thicker net pay to be assigned. Initial producing rate and product yields are based on the offset well, Chevron Donner MLEI Properties 1.

Prospect 1 Lower Hackberry is forecasted to be drilled in December 2012. Drainage area and recovery factor estimates are based on review of the geological mapping provided by the company. The Nonion Struma zone is scheduled to come on production following the depletion of the Lower Hackberry zone.

Additional details on the reserves are included in the reserves section of the evaluation found within the Reserves & forecasts tab.

Economic parameters

Operating expenses and payout balances were calculated from the joint interest billing statements provided by Hillcrest. Capital costs and timing for drilling of the Lower Hackberry wells were supplied by the operator. Gas and condensate price offsets are based on area averages from AJM Deloitte's files.

State Severance tax of 4.6 percent and Ad Valorem tax of 1.29 percent are included in the evaluation. These taxes were supplied by Hillcrest.

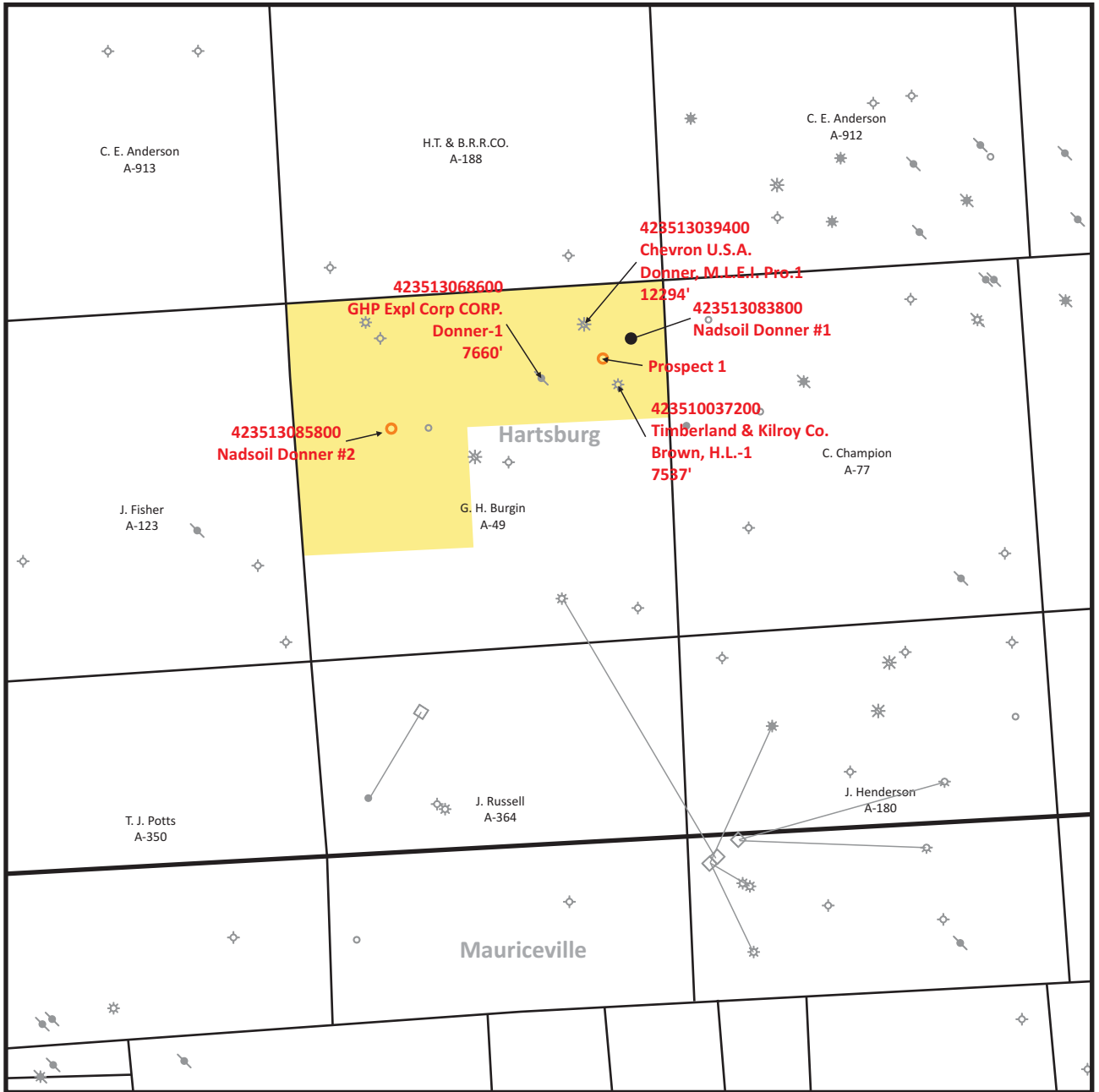
Well abandonment and reclamation costs were provided by Hillcrest and are included at the entity level at a cost of \$50,000.

A summary of economic parameters used in this evaluation including interests, burdens, operating expenses, capital costs, and price forecast is included in the Wells/Interests tab. All prices and costs are quoted in US dollars.

Economic forecasts for each of the reserve categories are presented in the Economics section of the report.

This report does not address:

- pipeline right-of-ways and facility abandonment/salvage costs including potential environmental concerns; unless directed by the client or at corporate level.
- current condition of field and gathering facilities, i.e. an inspection was not conducted.



0  2.5mi

Highlighted Well Legend

- Evaluated Well
- Evaluated Location

ajm Deloitte.

Hillcrest Resources Ltd.
Hartsburg, Newton County, Texas
Effective December 31, 2011

By : laj	Date : 2012/04/23
Project : newton	
Source : http://gis2.rrc.state.tx.us/public/startit.htm	

**Hillcrest Resources Ltd.
PRODUCTION SUMMARY
Gross Production**

Effective December 31, 2011

Hartburg

Location	Formation	Company Interest %	Well Count	Production for Dec 2011			Jan 2011 to Dec 2011			Cumulative to Dec 2011			First Month	Last Month
				Oil bbl	Gas Mcf	Water bbl	Oil bbl	Gas Mcf	Water bbl	Oil bbl	Gas Mcf	Water bbl		
Hartburg														
1	Nadsoil Donner #1 - 423513083800	30.00	1	1,750	0	0	18,697	0	0	24,412	0	0	08/10	12/11
2	Nadsoil Donner #2 - 423513085800	48.00	1	435	0	0	2,137	0	0	2,137	0	0	09/11	12/11
Hartburg				2,185	0	0	20,834	0	0	26,549	0	0		
Total				2,185	0	0	20,834	0	0	26,549	0	0		

**Hillcrest Resources Ltd.
ENTITY LIST**

Effective December 31, 2011

Hartburg

Entity	Property	Type	Category	UWI		Formation	Operator	Dates		
				Count	Status			Status	Rig Rel	On Prod
1 Nadsol Donner #1 - 423513083800	Hartburg	Oil	PDP P+P	1	Flowing Oil	Lower Hackberry	NADSOIL CO LIMITED LIABILITY CORP			2010-08-16
2 Nadsol Donner #1-U Hackberry	Hartburg	Gas	PB	0	Location	Upper Hackberry				
3 Nadsol Donner #2 - 423513085800	Hartburg	Oil	PDP P+P	1	Flowing Oil	Lower Hackberry	NADSOIL CO LIMITED LIABILITY CORP			2011-09-01
4 Nadsol Donner #2 - Nonion Struma	Hartburg	Gas	PDNP P+P	0	Gas Producer	Nonion Struma	NADSOIL CO LIMITED LIABILITY CORP			
5 Prospect 1-LHackberry	Hartburg	Oil	PUD P+P	0	Location	Lower Hackberry				
6 Prospect 1-Nonion Struma	Hartburg	Gas	PUD P+P	0	Location	Nonion Struma				

**Hillcrest Resources Ltd.
ENTITY INTERESTS**

Effective December 31, 2011

Location Disposition Date	Formation Status	Type Class	Interests	Lessor: Production Class	Burdens
Hartburg					
Nadsoil Donner #1 - 423513083800	Lower Hackberry Flowing Oil	Oil Light	BPO: 30% WI+22.5% Rev Int Remarks: Well paid out in June 2011.		1.29% Ad Valorem+4.6% Severance
Nadsoil Donner #1-U Hackberry	Upper Hackberry	Gas Conventional	BPO: 30% WI+22.5% Rev Int		1.29% Ad Valorem+4.6% Severance
Nadsoil Donner #2 - 423513085800	Lower Hackberry	Oil Light	BPO: (Capital) 48% WI+36% Rev Int APO: 1: 36% WI+27% Rev Int Remarks: Payout balance of \$862,000 was supplied by Hillcrest. The balance of the payout to the effective date of December 31, 2011, \$710,316, is estimated by AJM Deloitte. The remaining payout balance of \$710,316 has been grossed up to \$887,900 to account for Hillcrest's portion of 60% in the drilling and completion costs. The payout balance was split between the Lower Hackberry and the Nonion Struma so that they both payout in 2013.		1.29% Ad Valorem+4.6% Severance 1.29% Ad Valorem+4.6% Severance
Nadsoil Donner #2 - Nonion Struma	Nonion Struma	Gas Conventional	BPO: (Capital) 48% WI+36% Rev Int APO: 1: 36% WI+27% Rev Int Remarks: Payout balance of \$862,000 was supplied by Hillcrest. The balance of the payout to the effective date of December 31, 2011, \$710,316, is estimated by AJM Deloitte. The remaining payout balance of \$710,316 has been grossed up to \$887,900 to account for Hillcrest's portion of 60% in the drilling and completion costs. The payout balance was split between the Lower Hackberry and the Nonion Struma so that they both payout in 2013.		1.29% Ad Valorem+4.6% Severance 1.29% Ad Valorem+4.6% Severance
Prospect 1-LHackberry	Lower Hackberry	Oil Light	BPO: (Capital) 48% WI+36% Rev Int APO: 1: 36% WI+27% Rev Int		1.29% Ad Valorem+4.6% Severance 1.29% Ad Valorem+4.6% Severance
Prospect 1-Nonion Struma	Nonion Struma	Gas Conventional	36% WI+27% Rev Int Remarks: AJM Deloitte assumed Lower Hackberry paid-out. APO interest used for this zone.		1.29% Ad Valorem+4.6% Severance

**Hillcrest Resources Ltd.
PAYOUT BALANCES**

Effective December 31, 2011

Location	Type	Formation	Category	Operator	Payout Balance	Participant Remarks
Hartburg						
Nadsoil Donner #2 - 423513085800	Oil	Lower Hackberry	PDP	NADSOIL CO LIMITED LIABILITY	487.9 M\$	Payout balance of \$862,000 was supplied by Hillcrest. The balance of the payout to the effective date of December 31, 2011, \$710,316, is estimated by AJM Deloitte. The remaining payout balance of \$710,316 has been grossed up to \$887,900 to account for Hillcrest's portion of 60% in the drilling and completion costs. The payout balance was split between the Lower Hackberry and the Nonion Struma so that they both payout in 2013.
Nadsoil Donner #2 - 423513085800	Oil	Lower Hackberry	P+P	NADSOIL CO LIMITED LIABILITY	487.9 M\$	Payout balance of \$862,000 was supplied by Hillcrest. The balance of the payout to the effective date of December 31, 2011, \$710,316, is estimated by AJM Deloitte. The remaining payout balance of \$710,316 has been grossed up to \$887,900 to account for Hillcrest's portion of 60% in the drilling and completion costs. The payout balance was split between the Lower Hackberry and the Nonion Struma so that they both payout in 2013.
Nadsoil Donner #2 - Nonion Struma	Gas	Nonion Struma	PDNP	NADSOIL CO LIMITED LIABILITY	400.0 M\$	Payout balance of \$862,000 was supplied by Hillcrest. The balance of the payout to the effective date of December 31, 2011, \$710,316, is estimated by AJM Deloitte. The remaining payout balance of \$710,316 has been grossed up to \$887,900 to account for Hillcrest's portion of 60% in the drilling and completion costs. The payout balance was split between the Lower Hackberry and the Nonion Struma so that they both payout in 2013.
Nadsoil Donner #2 - Nonion Struma	Gas	Nonion Struma	P+P	NADSOIL CO LIMITED LIABILITY	400.0 M\$	Payout balance of \$862,000 was supplied by Hillcrest. The balance of the payout to the effective date of December 31, 2011, \$710,316, is estimated by AJM Deloitte. The remaining payout balance of \$710,316 has been grossed up to \$887,900 to account for Hillcrest's portion of 60% in the drilling and completion costs. The payout balance was split between the Lower Hackberry and the Nonion Struma so that they both payout in 2013.
Prospect 1-LHackberry	Oil	Lower Hackberry	PUD		600.0 M\$	
Prospect 1-LHackberry	Oil	Lower Hackberry	P+P		600.0 M\$	

**Hillcrest Resources Ltd.
OPERATING COSTS**

Effective December 31, 2011

All Categories

Location	Formation	Type	Category	Fixed Costs			Variable Oil Costs*			Variable Gas Costs*					GCA	Other				
				Ann. M\$/yr	Ann. \$/w/yr	Mo. \$/w/mo	Var. ¹ \$/bbl	Truck ³ \$/bbl	Trans ³ \$/bbl	Var. ¹ \$/Mcf	Gath. ² \$/Mcf	Cust ² \$/Mcf	Plant ² \$/Mcf	Trans ³ \$/Mcf	\$/Mcf	NGL ³ \$/bbl	Water Disp. \$/bbl	Sulph ³ Trans. \$/ft	Sulph Oper. \$/Mcf	Aband Costs M\$
<u>Hartburg</u>																				
Nadsoil Donner #1 - 423513083800	Lower Hackberry	Oil	PDP			970	1.25											1.00	0.00	
Nadsoil Donner #1 - 423513083800	Lower Hackberry	Oil	P+P			970	1.25											1.00	0.00	
Nadsoil Donner #1-U Hackberry	Upper Hackberry	Gas	PB			1,625				0.05									50.00	
Nadsoil Donner #2 - 423513085800	Lower Hackberry	Oil	PDP			650	1.25											1.00	50.00	
Nadsoil Donner #2 - 423513085800	Lower Hackberry	Oil	P+P			650	1.25											1.00	50.00	
Nadsoil Donner #2 - Nonion Struma	Nonion Struma	Gas	PDNP			650				0.05									0.00	
Nadsoil Donner #2 - Nonion Struma	Nonion Struma	Gas	P+P			650				0.05									50.00	
Prospect 1-LHackberry	Lower Hackberry	Oil	PUD			970	1.25											1.00	0.00	
Prospect 1-LHackberry	Lower Hackberry	Oil	P+P			970	1.25											1.00	0.00	
Prospect 1-Nonion Struma	Nonion Struma	Gas	PUD			1,625				0.05									50.00	
Prospect 1-Nonion Struma	Nonion Struma	Gas	P+P			1,625				0.05									50.00	

¹Note 1: cost not royalty deductible. ²Note 2: cost is royalty deductible. ³Note 3: cost used in price adjustment. Bold-Italic values have details.

Hillcrest Resources Ltd.
PRODUCT PRICE AND RATIO LISTING REPORT

Effective December 31, 2011

AJM Deloitte December 31, 2011 Forecast Pricing

Location	Formation	Category	Oil Price Code	Gas Price Code	Price Offsets and Factors										Initial Product Ratio					Heating Value	Surface Loss							
					Oil		Gas		Ethane		Propane		Butane		Cond.		Sulphur		Ethane			Propane	Butane	Cond.	Sulphur			
					\$	fr.	\$	fr.	\$	fr.	\$	fr.	\$	fr.	\$	fr.	bbbl/MMcf	bbbl/MMcf								bbbl/MMcf	bbbl/MMcf	lb/MMcf
Hartburg																												
Nadsoil Donner #1 - 423513083800	Lower Hackberry	PDP	WTI (USD)	Henry Hub (USD)	5.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00								
Nadsoil Donner #1 - 423513083800	Lower Hackberry	P+P	WTI (USD)	Henry Hub (USD)	5.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00								
Nadsoil Donner #1-U Hackberry	Upper Hackberry	PB	WTI (USD)	Henry Hub (USD)	0.00	1.00	-0.65	1.00	0.00	1.00	0.00	1.00	0.00	1.00	-2.00	1.00	0.00	1.00				5.00			1,000	0.05		
Nadsoil Donner #2 - 423513085800	Lower Hackberry	PDP	WTI (USD)	Henry Hub (USD)	5.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00										
Nadsoil Donner #2 - 423513085800	Lower Hackberry	P+P	WTI (USD)	Henry Hub (USD)	5.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00										
Nadsoil Donner #2 - Nonion Struma	Nonion Struma	PDNP	WTI (USD)	Henry Hub (USD)	0.00	1.00	-0.65	1.00	0.00	1.00	0.00	1.00	0.00	1.00	-2.00	1.00	0.00	1.00				5.00			1,000	0.05		
Nadsoil Donner #2 - Nonion Struma	Nonion Struma	P+P	WTI (USD)	Henry Hub (USD)	0.00	1.00	-0.65	1.00	0.00	1.00	0.00	1.00	0.00	1.00	-2.00	1.00	0.00	1.00				5.00			1,000	0.05		
Prospect 1-LHackberry	Lower Hackberry	PUD	WTI (USD)	Henry Hub (USD)	5.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00										
Prospect 1-LHackberry	Lower Hackberry	P+P	WTI (USD)	Henry Hub (USD)	5.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00	0.00	1.00										
Prospect 1-Nonion Struma	Nonion Struma	PUD	WTI (USD)	Henry Hub (USD)	5.00	1.00	-0.65	1.00	0.00	1.00	0.00	1.00	0.00	1.00	-2.00	1.00	0.00	1.00				5.00			1,000	0.05		
Prospect 1-Nonion Struma	Nonion Struma	P+P	WTI (USD)	Henry Hub (USD)	5.00	1.00	-0.65	1.00	0.00	1.00	0.00	1.00	0.00	1.00	-2.00	1.00	0.00	1.00				5.00			1,000	0.05		

Hillcrest Resources Ltd.
CAPITAL COSTS
ALL COSTS IN 2012 DOLLARS

Effective December 31, 2011

All Categories

Location	Formation	Category	Date	Capital Type	Total Amount M\$	Committed Amount M\$	Comments
Hartburg							
Nadsoil Donner #1-U Hackberry	Upper Hackberry	PB	2027-03-01	Dev Compl	75.0	0.0	Complete Upper Hackberry.
Prospect 1-LHackberry	Lower Hackberry	PUD	2012-12-01	Dev Drill	450.0	0.0	
Prospect 1-LHackberry	Lower Hackberry	PUD	2012-12-01	Dev Compl	75.0	0.0	
Prospect 1-LHackberry	Lower Hackberry	PUD	2012-12-01	Oil Equip	75.0	0.0	
Prospect 1-LHackberry	Lower Hackberry	P+P	2012-12-01	Dev Drill	450.0	0.0	
Prospect 1-LHackberry	Lower Hackberry	P+P	2012-12-01	Dev Compl	75.0	0.0	
Prospect 1-LHackberry	Lower Hackberry	P+P	2012-12-01	Oil Equip	75.0	0.0	
Prospect 1-Nonion Struma	Nonion Struma	PUD	2055-04-01	Dev Compl	75.0	0.0	Complete the Nonion Struma.
Prospect 1-Nonion Struma	Nonion Struma	P+P	2055-04-01	Dev Compl	75.0	0.0	Complete the Nonion Struma.
Hartburg							
Total							

Hillcrest Resources Ltd.
CASH FLOW
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Selection : Hartburg

Effective December 31, 2011

Total Proved Developed Producing Reserves

OIL, GAS & SULPHUR SUMMARY

	COMPANY OIL							COMPANY SALES GAS							SULPHUR		TOTAL	
	Wells	Pool Rates bbl/d	Pool Volumes bbl	WI Volume bbl	RI Volume bbl	Price \$/bbl	Revenue \$	Wells	Pool Rates scf/d	Pool Volumes scf	WI Volume scf	RI Volume scf	Price \$/Mcf	Revenue \$	Co. Share Volume lt	Price \$/lt	WI Rates boe/d	Co. Share Rates boe/d
2012	2.0	58	21,180.8	7,159.0	0.0	105.00	563,769	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	20	20
2013	2.0	39	14,082.5	4,726.9	0.0	107.00	379,333	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	13	13
2014	2.0	26	9,429.3	2,977.5	0.0	109.05	243,521	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	8	8
2015	2.0	17	6,338.8	2,012.5	0.0	111.10	167,694	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	6	6
2016	2.0	12	4,289.0	1,369.6	0.0	113.25	116,329	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	4	4
2017	2.0	8	2,899.0	931.3	0.0	115.40	80,605	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	3	3
2018	2.0	5	1,975.3	638.5	0.0	117.60	56,318	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	2	2
2019	2.0	4	1,352.4	440.0	0.0	119.85	39,550	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1
2020	2.0	3	932.8	305.4	0.0	122.15	27,983	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1
2021	1.0	0	3.9	1.4	0.0	124.50	132	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0
Sub			62,483.8	20,562.1	0.0	108.63	1,675,234			0.0	0.0	0.0	0.00	0	0.0	0.00		
Rem			0.0	0.0	0.0	0.00	0			0.0	0.0	0.0	0.00	0	0.0	0.00		
Total			62,483.8	20,562.1	0.0	108.63	1,675,234			0.0	0.0	0.0	0.00	0	0.0	0.00		

NGL SUMMARY

	CONDENSATE				ETHANE				PROPANE				BUTANE				TOTAL NGL		
	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volumes bbl	CS Net Volumes bbl
2012	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2013	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2014	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2015	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2016	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2017	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2018	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2019	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2020	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Sub	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Rem	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0

CASH FLOW BTAX

	Company Revenue	Crown Royalty	Freehold Royalty	ORR Royalty	Mineral Tax	Total Royalty Burden	Net Rev After Royalties	Other Income	Sask Corp Cap Tax	Fixed Oper Expense	Variable Operating Expense	Other Expenses	Total Operating Costs	Abandon Cost & Salvage	Net Operating Income	Total Investment	NET Cash Flow	CUM Cash Flow	Disc Cash Flow (10%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2012	563,769	0.0	0.0	0.0	33,206.0	6	530,563	0.0	0.0	7,236.0	12,698.1	0.0	19,934.1	0.0	510,629	0.0	510,629	510,629	488,670
2013	379,333	0.0	0.0	0.0	22,342.7	6	356,990	0.0	0.0	7,125.7	16,395.3	0.0	23,521.0	0.0	333,469	0.0	333,469	844,098	290,298
2014	243,521	0.0	0.0	0.0	14,343.4	6	229,177	0.0	0.0	6,554.5	16,207.4	0.0	22,761.9	0.0	206,416	0.0	206,416	1,050,513	163,263
2015	167,694	0.0	0.0	0.0	9,877.2	6	157,817	0.0	0.0	6,685.6	15,321.9	0.0	22,007.5	0.0	135,809	0.0	135,809	1,186,323	97,298
2016	116,329	0.0	0.0	0.0	6,851.8	6	109,477	0.0	0.0	6,819.3	14,589.5	0.0	21,408.8	0.0	88,068	0.0	88,068	1,274,391	57,347
2017	80,605	0.0	0.0	0.0	4,747.7	6	75,858	0.0	0.0	6,955.7	13,949.5	0.0	20,905.2	0.0	54,953	0.0	54,953	1,329,343	32,533
2018	56,318	0.0	0.0	0.0	3,317.1	6	53,001	0.0	0.0	7,094.8	13,507.8	0.0	20,602.7	0.0	32,398	0.0	32,398	1,361,742	17,438
2019	39,550	0.0	0.0	0.0	2,329.5	6	37,221	0.0	0.0	7,236.7	13,225.7	0.0	20,462.4	0.0	16,758	0.0	16,758	1,378,500	8,200
2020	27,983	0.0	0.0	0.0	1,648.2	6	26,334	0.0	0.0	7,381.5	13,132.1	0.0	20,513.6	0.0	5,821	0.0	5,821	1,384,321	2,589
2021	132	0.0	0.0	0.0	7.8	6	124	0.0	0.0	36.1	60.1	0.0	96.2	21,511.7	-21,484	0.0	-21,484	1,362,837	-8,687
Sub	1,675,234	0.0	0.0	0.0	98,671.3	6	1,576,562	0.0	0.0	63,125.9	129,087.4	0.0	192,213.4	21,511.7	1,362,837	0.0	1,362,837	1,362,837	1,148,949
Rem	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	0.0	0	1,362,837	0
Total	1,675,234	0.0	0.0	0.0	98,671.3	6	1,576,562	0.0	0.0	63,125.9	129,087.4	0.0	192,213.4	21,511.7	1,362,837	0.0	1,362,837	1,362,837	1,148,949

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	1.7
RLI (Principal Product)	2.9
Reserves Life	10.0
RLI (BOE)	2.9

NET PRESENT VALUES BEFORE TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
	\$	\$	\$	\$/BOE
0	1,362,837	0.0	1,362,837	66.28
5	1,245,629	0.0	1,245,629	60.58
10	1,148,949	0.0	1,148,949	55.88
12	1,114,945	0.0	1,114,945	54.22
15	1,068,174	0.0	1,068,174	51.95
20	999,877	0.0	999,877	48.63

ECONOMIC INDICATORS

		BTAX		
		Unrisked	Risked	
Discount Rate (%)		10.0	10.0	
Payout (Yrs)		0.0	0.0	
Discounted Payout (Yrs)		0.0	0.0	
DCF Rate of Return (%)	>	200.0	>	200.0
NPV/Undisc Invest		0.0	0.0	
NPV/Disc Invest		0.0	0.0	
NPV/DIS Cap Exposure		0.0	0.0	
NPV/BOEPD (M\$/boepd)		58.6	58.6	

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	62,484	20,562	20,562	15,422
Gas (scf)	0	0	0	0
Gas (boe)	0	0	0	0
*NGL (bbl)	0	0	0	0
Cond (bbl)	0	0	0	0
Total (boe)	62,484	20,562	20,562	15,422

*This NGL Value includes only Ethane, Propane and Butane. Condensate and Field Condensate are included in the Condensate line.

CAPITAL (undisc)

		Unrisked	Risked
Cost Of Prod.	\$/BOEPD	0.00	0.00
Cost Of Reserves	\$/BOE	0.00	0.00
Prob Of Success	%	100.00	
Chance Of	%	100.00	

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Prod (3 Mo Ave)	(BOEPD)	22.55	22.55	22.55	22.55
Prod (12 Mo Ave)	(BOEPD)	19.60	19.60	19.60	19.60
Price	(\$/BOE)	78.75	78.75	78.75	78.75
Royalties	(\$/BOE)	4.64	4.64	4.64	4.64
Operating Costs	(\$/BOE)	2.78	2.78	2.78	2.78
NetBack	(\$/BOE)	71.33	71.33	71.33	71.33
Recycle Ratio	(ratio)	0.00	0.00	0.00	0.00

Hillcrest Resources Ltd.
CASH FLOW
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Selection : Hartburg

Effective December 31, 2011

Total Proved Developed Reserves

OIL, GAS & SULPHUR SUMMARY

	COMPANY OIL							COMPANY SALES GAS							SULPHUR		TOTAL	
	Wells	Pool Rates bbl/d	Pool Volumes bbl	WI Volume bbl	RI Volume bbl	Price \$/bbl	Revenue \$	Wells	Pool Rates scf/d	Pool Volumes Mcf	WI Volume Mcf	RI Volume Mcf	Price \$/Mcf	Revenue \$	Co. Share Volume It	Price \$/lt	WI Rates boe/d	Co. Share Rates boe/d
2012	2.0	58	21,180.8	7,159.0	0.0	105.00	563,769	1.0	282,344	103,337.9	49,602.2	0.0	3.15	117,185	0.0	0.00	43	43
2013	2.0	39	14,082.5	4,726.9	0.0	107.00	379,333	1.0	297,408	108,554.1	45,326.0	0.0	3.85	130,879	0.0	0.00	34	34
2014	2.0	26	9,429.3	2,977.5	0.0	109.05	243,521	1.0	194,822	71,110.0	25,599.6	0.0	4.35	83,519	0.0	0.00	20	20
2015	2.0	17	6,338.8	2,012.5	0.0	111.10	167,694	1.0	127,621	46,581.6	16,769.4	0.0	4.80	60,370	0.0	0.00	13	13
2016	2.0	12	4,289.0	1,369.6	0.0	113.25	116,329	1.0	83,555	30,581.1	11,009.2	0.0	5.25	43,349	0.0	0.00	9	9
2017	2.0	8	2,899.0	931.3	0.0	115.40	80,605	1.0	46,293	16,896.9	6,082.9	0.0	5.70	26,004	0.0	0.00	5	5
2018	2.0	5	1,975.3	638.5	0.0	117.60	56,318	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	2	2
2019	2.0	4	1,352.4	440.0	0.0	119.85	39,550	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1
2020	2.0	3	932.8	305.4	0.0	122.15	27,983	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1
2021	1.0	0	3.9	1.4	0.0	124.50	132	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0
Sub			62,483.8	20,562.1	0.0	108.63	1,675,234			377,061.7	154,389.3	0.0	3.98	461,306	0.0	0.00		
Rem			0.0	0.0	0.0	0.00	0			0.0	0.0	0.0	0.00	0	0.0	0.00		
Total			62,483.8	20,562.1	0.0	108.63	1,675,234			377,061.7	154,389.3	0.0	3.98	461,306	0.0	0.00		

NGL SUMMARY

	CONDENSATE				ETHANE				PROPANE				BUTANE				TOTAL NGL		
	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volumes bbl	CS Net Volumes bbl
2012	248.0	0.0	98.00	18,228.8	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	248.0	0.0	186.0
2013	226.6	0.0	100.00	16,997.3	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	226.6	0.0	170.0
2014	128.0	0.0	102.05	9,796.6	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	128.0	0.0	96.0
2015	83.8	0.0	104.10	6,546.4	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	83.8	0.0	62.9
2016	55.0	0.0	106.25	4,386.5	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	55.0	0.0	41.3
2017	30.4	0.0	108.40	2,472.7	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	30.4	0.0	22.8
2018	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2019	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2020	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Sub	771.9	0.0	100.92	58,428.2	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	771.9	0.0	579.0
Rem	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Total	771.9	0.0	100.92	58,428.2	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	771.9	0.0	579.0

CASH FLOW BTAX

	Company Revenue	Crown Royalty	Freehold Royalty	ORR Royalty	Mineral Tax	Total Royalty Burden	Net Rev After Royalties	Other Income	Sask Corp Cap Tax	Fixed Oper Expense	Variable Operating Expense	Other Expenses	Total Operating Costs	Abandon Cost & Salvage	Net Operating Income	Total Investment	NET Cash Flow	CUM Cash Flow	Disc Cash Flow (10%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2012	699,183	0.0	0.0	0.0	41,181.9	6	658,001	0.0	0.0	9,732.0	15,178.2	0.0	24,910.2	0.0	633,091	0.0	633,091	633,091	603,797
2013	527,209	0.0	0.0	0.0	31,052.6	6	496,156	0.0	0.0	10,401.1	18,707.0	0.0	29,108.1	0.0	467,048	0.0	467,048	1,100,139	406,902
2014	336,836	0.0	0.0	0.0	19,839.6	6	316,996	0.0	0.0	9,476.0	17,539.1	0.0	27,015.0	0.0	289,981	0.0	289,981	1,390,120	229,362
2015	234,610	0.0	0.0	0.0	13,818.5	6	220,792	0.0	0.0	9,665.5	16,211.7	0.0	25,877.1	0.0	194,915	0.0	194,915	1,585,035	139,642
2016	164,064	0.0	0.0	0.0	9,663.4	6	154,401	0.0	0.0	9,858.8	15,185.3	0.0	25,044.1	0.0	129,356	0.0	129,356	1,714,391	84,233
2017	109,083	0.0	0.0	0.0	6,425.0	6	102,658	0.0	0.0	9,489.3	14,285.3	0.0	23,774.5	0.0	78,883	0.0	78,883	1,793,274	46,700
2018	56,318	0.0	0.0	0.0	3,317.1	6	53,001	0.0	0.0	7,094.8	13,507.8	0.0	20,602.7	0.0	32,398	0.0	32,398	1,825,673	17,438
2019	39,550	0.0	0.0	0.0	2,329.5	6	37,221	0.0	0.0	7,236.7	13,225.7	0.0	20,462.4	0.0	16,758	0.0	16,758	1,842,431	8,200
2020	27,983	0.0	0.0	0.0	1,648.2	6	26,334	0.0	0.0	7,381.5	13,132.1	0.0	20,513.6	0.0	5,821	0.0	5,821	1,848,252	2,589
2021	132	0.0	0.0	0.0	7.8	6	124	0.0	0.0	36.1	60.1	0.0	96.2	21,511.7	-21,484	0.0	-21,484	1,826,768	-8,687
Sub	2,194,968	0.0	0.0	0.0	129,283.6	6	2,065,684	0.0	0.0	80,371.7	137,032.3	0.0	217,404.0	21,511.7	1,826,768	0.0	1,826,768	1,826,768	1,530,176
Rem	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	0.0	0	0	0
Total	2,194,968	0.0	0.0	0.0	129,283.6	6	2,065,684	0.0	0.0	80,371.7	137,032.3	0.0	217,404.0	21,511.7	1,826,768	0.0	1,826,768	1,826,768	1,530,176

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	1.6
RLI (Principal Product)	3.0
Reserves Life	10.0
RLI (BOE)	3.0

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	62,484	20,562	20,562	15,422
Gas (Mcf)	377,062	154,389	154,389	115,792
Gas (boe)	62,844	25,732	25,732	19,299
*NGL (bbl)	0	0	0	0
Cond (bbl)	1,885	772	772	579
Total (boe)	127,213	47,066	47,066	35,299

*This NGL Value includes only Ethane, Propane and Butane. Condensate and Field Condensate are included in the Condensate line.

NET PRESENT VALUES BEFORE TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
0	1,826,768	0.0	1,826,768	38.81
5	1,664,247	0.0	1,664,247	35.36
10	1,530,176	0.0	1,530,176	32.51
12	1,483,012	0.0	1,483,012	31.51
15	1,418,131	0.0	1,418,131	30.13
20	1,323,365	0.0	1,323,365	28.12

CAPITAL (undisc)

	Unrisked	Risked
Cost Of Prod. \$/BOEPD	0.00	0.00
Cost Of Reserves \$/BOE	0.00	0.00
Prob Of Success %	100.00	
Chance Of %	100.00	

ECONOMIC INDICATORS

		BTAX		
		Unrisked	Risked	
Discount Rate (%)		10.0	10.0	
Payout (Yrs)		0.0	0.0	
Discounted Payout (Yrs)		0.0	0.0	
DCF Rate of Return (%)	>	200.0	>	200.0
NPV/Undisc Invest		0.0	0.0	
NPV/Disc Invest		0.0	0.0	
NPV/DIS Cap Exposure		0.0	0.0	
NPV/BOEPD (M\$/boepd)		35.7	35.7	

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Prod (3 Mo Ave) (BOEPD)		22.55	22.55	22.55	22.55
Prod (12 Mo Ave) (BOEPD)		42.91	42.91	42.91	42.91
Price (\$/BOE)		44.61	44.61	44.61	44.61
Royalties (\$/BOE)		2.63	2.63	2.63	2.63
Operating Costs (\$/BOE)		1.59	1.59	1.59	1.59
NetBack (\$/BOE)		40.39	40.39	40.39	40.39
Recycle Ratio (ratio)		0.00	0.00	0.00	0.00

Hillcrest Resources Ltd.
CASH FLOW
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Selection : Hartburg

Effective December 31, 2011

Total Proved Reserves

OIL, GAS & SULPHUR SUMMARY

	COMPANY OIL							COMPANY SALES GAS							SULPHUR		TOTAL	
	Wells	Pool Rates bbl/d	Pool Volumes bbl	WI Volume bbl	RI Volume bbl	Price \$/bbl	Revenue \$	Wells	Pool Rates scf/d	Pool Volumes Mcf	WI Volume Mcf	RI Volume Mcf	Price \$/Mcf	Revenue \$	Co. Share Volume It	Price \$/lt	WI Rates boe/d	Co. Share Rates boe/d
2012	2.0	58	21,180.8	7,159.0	0.0	105.00	563,769	1.0	282,344	103,337.9	49,602.2	0.0	3.15	117,185	0.0	0.00	43	43
2013	3.0	79	28,682.5	11,011.9	0.0	107.00	883,708	1.0	297,408	108,554.1	45,326.0	0.0	3.85	130,879	0.0	0.00	51	51
2014	3.0	91	33,084.8	11,493.5	0.0	109.05	940,021	1.0	194,822	71,110.0	25,599.6	0.0	4.35	83,519	0.0	0.00	44	44
2015	3.0	59	21,661.3	7,528.6	0.0	111.10	627,322	1.0	127,621	46,581.6	16,769.4	0.0	4.80	60,370	0.0	0.00	29	29
2016	3.0	39	14,218.7	4,944.3	0.0	113.25	419,955	1.0	83,555	30,581.1	11,009.2	0.0	5.25	43,349	0.0	0.00	19	19
2017	3.0	25	9,298.3	3,235.1	0.0	115.40	279,995	1.0	46,293	16,896.9	6,082.9	0.0	5.70	26,004	0.0	0.00	12	12
2018	3.0	17	6,113.3	2,128.2	0.0	117.60	187,709	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	6	6
2019	3.0	11	4,028.3	1,403.3	0.0	119.85	126,139	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	4	4
2020	3.0	7	2,666.8	929.7	0.0	122.15	85,173	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	3	3
2021	2.0	3	1,121.5	403.7	0.0	124.50	37,698	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1
Sub			142,056.3	50,237.3	0.0	110.18	4,151,491			377,061.7	154,389.3	0.0	3.98	461,306	0.0	0.00		
Rem			722.6	260.2	0.0	126.90	24,760			122,175.7	43,983.3	0.0	15.78	520,397	0.0	0.00		
Total			142,778.9	50,497.5	0.0	110.27	4,176,251			499,237.4	198,372.6	0.0	6.60	981,703	0.0	0.00		

NGL SUMMARY

	CONDENSATE				ETHANE				PROPANE				BUTANE				TOTAL NGL		
	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volumes bbl	CS Net Volumes bbl
2012	248.0	0.0	98.00	18,228.8	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	248.0	0.0	186.0
2013	226.6	0.0	100.00	16,997.3	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	226.6	0.0	170.0
2014	128.0	0.0	102.05	9,796.6	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	128.0	0.0	96.0
2015	83.8	0.0	104.10	6,546.4	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	83.8	0.0	62.9
2016	55.0	0.0	106.25	4,386.5	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	55.0	0.0	41.3
2017	30.4	0.0	108.40	2,472.7	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	30.4	0.0	22.8
2018	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2019	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2020	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Sub	771.9	0.0	100.92	58,428.2	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	771.9	0.0	579.0
Rem	219.9	0.0	232.64	38,371.7	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	219.9	0.0	164.9
Total	991.9	0.0	130.13	96,799.9	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	991.9	0.0	743.9

CASH FLOW BTAX

	Company Revenue	Crown Royalty	Freehold Royalty	ORR Royalty	Mineral Tax	Total Royalty Burden	Net Rev After Royalties	Other Income	Sask Corp Cap Tax	Fixed Oper Expense	Variable Operating Expense	Other Expenses	Total Operating Costs	Abandon Cost & Salvage	Net Operating Income	Total Investment	NET Cash Flow	CUM Cash Flow	Disc Cash Flow (10%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2012	699,183	0.0	0.0	0.0	41,181.9	6	658,001	0.0	0.0	9,732.0	15,178.2	0.0	24,910.2	0.0	633,091	288,000.0	345,091	345,091	340,935
2013	1,031,585	0.0	0.0	0.0	60,760.3	6	970,824	0.0	0.0	15,515.6	41,422.5	0.0	56,938.0	0.0	913,886	0.0	913,886	1,258,977	795,687
2014	1,033,336	0.0	0.0	0.0	60,863.5	6	972,473	0.0	0.0	13,835.7	63,041.9	0.0	76,877.5	0.0	895,595	0.0	895,595	2,154,573	708,430
2015	694,238	0.0	0.0	0.0	40,890.6	6	653,347	0.0	0.0	14,112.4	54,277.1	0.0	68,389.4	0.0	584,958	0.0	584,958	2,739,530	419,081
2016	467,691	0.0	0.0	0.0	27,547.0	6	440,144	0.0	0.0	14,394.6	47,141.2	0.0	61,535.8	0.0	378,608	0.0	378,608	3,118,138	246,539
2017	308,472	0.0	0.0	0.0	18,169.0	6	290,303	0.0	0.0	14,115.8	41,068.3	0.0	55,184.1	0.0	235,119	0.0	235,119	3,353,258	139,194
2018	187,709	0.0	0.0	0.0	11,056.1	6	176,653	0.0	0.0	11,813.9	36,091.7	0.0	47,905.6	0.0	128,748	0.0	128,748	3,482,005	69,296
2019	126,139	0.0	0.0	0.0	7,429.6	6	118,709	0.0	0.0	12,050.2	32,325.9	0.0	44,376.0	0.0	74,333	0.0	74,333	3,556,338	36,373
2020	85,173	0.0	0.0	0.0	5,016.7	6	80,156	0.0	0.0	12,291.2	29,374.8	0.0	41,665.9	0.0	38,490	0.0	38,490	3,594,829	17,119
2021	37,698	0.0	0.0	0.0	2,220.4	6	35,478	0.0	0.0	5,044.0	13,857.3	0.0	18,901.3	21,511.7	-4,935	0.0	-4,935	3,589,894	-1,996
Sub	4,671,225	0.0	0.0	0.0	275,135.1	6	4,396,089	0.0	0.0	122,905.3	373,778.8	0.0	496,684.1	21,511.7	3,877,894	288,000.0	3,589,894	3,589,894	2,770,657
Rem	583,529	0.0	0.0	0.0	34,369.9	6	549,159	0.0	0.0	21,200.9	16,980.7	0.0	38,181.5	43,021.0	467,957	63,266.1	404,691	3,994,584	8,661
Total	5,254,754	0.0	0.0	0.0	309,505.0	6	4,945,249	0.0	0.0	144,106.1	390,759.5	0.0	534,865.6	64,532.6	4,345,850	351,266.1	3,994,584	3,994,584	2,779,318

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	2.5
RLI (Principal Product)	5.4
Reserves Life	45.0
RLI (BOE)	5.4

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	142,779	50,497	50,497	37,873
Gas (Mcf)	499,237	198,373	198,373	148,779
Gas (boe)	83,206	33,062	33,062	24,797
*NGL (bbl)	0	0	0	0
Cond (bbl)	2,496	992	992	744
Total (boe)	228,481	84,551	84,551	63,414

*This NGL Value includes only Ethane, Propane and Butane. Condensate and Field Condensate are included in the Condensate line.

NET PRESENT VALUES BEFORE TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
	\$	\$	\$	\$/BOE
0	4,345,850	351,266.1	3,994,584	47.24
5	3,467,048	282,421.4	3,184,627	37.66
10	3,043,182	263,863.6	2,779,318	32.87
12	2,909,994	258,819.8	2,651,174	31.36
15	2,732,536	252,045.3	2,480,491	29.34
20	2,481,225	241,856.7	2,239,369	26.49

CAPITAL (undisc)

	Unrisked	Risked
Cost Of Prod.	\$/BOEPD 8,185.52	8,185.52
Cost Of Reserves	\$/BOE 4.15	4.15
Prob Of Success	% 100.00	
Chance Of	% 100.00	

ECONOMIC INDICATORS

	BTAX	
	Unrisked	Risked
Discount Rate (%)	10.0	10.0
Payout (Yrs)	0.0	0.0
Discounted Payout (Yrs)	0.0	0.0
DCF Rate of Return (%)	> 200.0	> 200.0
NPV/Undisc Invest	7.9	7.9
NPV/Disc Invest	10.5	10.5
NPV/DIS Cap Exposure	1,053.3	1,053.3
NPV/BOEPD (M\$/boepd)	64.8	64.8

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Prod (3 Mo Ave)	(BOEPD)	22.55	22.55	22.55	22.55
Prod (12 Mo Ave)	(BOEPD)	42.91	42.91	42.91	42.91
Price	(\$/BOE)	44.61	44.61	44.61	44.61
Royalties	(\$/BOE)	2.63	2.63	2.63	2.63
Operating Costs	(\$/BOE)	1.59	1.59	1.59	1.59
NetBack	(\$/BOE)	40.39	40.39	40.39	40.39
Recycle Ratio	(ratio)	9.72	9.72	9.72	9.72

Hillcrest Resources Ltd.
CASH FLOW
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Selection : Hartburg

Effective December 31, 2011

Total Proved Plus Probable Reserves

OIL, GAS & SULPHUR SUMMARY

	COMPANY OIL							COMPANY SALES GAS							SULPHUR		TOTAL	
	Wells	Pool Rates bbl/d	Pool Volumes bbl	WI Volume bbl	RI Volume bbl	Price \$/bbl	Revenue M\$	Wells	Pool Rates scf/d	Pool Volumes MMcf	WI Volume MMcf	RI Volume MMcf	Price \$/Mcf	Revenue M\$	Co. Share Volume lt	Price \$/lt	WI Rates boe/d	Co. Share Rates boe/d
2012	2.0	62	22,790.0	7,678.9	0.0	105.00	605	1.0	287,500	105.2	50.5	0.0	3.15	119	0.0	0.00	45	45
2013	3.0	88	32,244.1	12,083.5	0.0	107.00	970	1.0	317,132	115.8	47.7	0.0	3.85	138	0.0	0.00	56	56
2014	3.0	113	41,383.9	14,263.2	0.0	109.05	1,167	1.0	219,796	80.2	28.9	0.0	4.35	94	0.0	0.00	53	53
2015	3.0	97	35,584.8	12,324.4	0.0	111.10	1,027	1.0	152,335	55.6	20.0	0.0	4.80	72	0.0	0.00	43	43
2016	3.0	84	30,789.1	10,711.0	0.0	113.25	910	1.0	105,530	38.6	13.9	0.0	5.25	55	0.0	0.00	36	36
2017	3.0	73	26,608.8	9,294.4	0.0	115.40	804	1.0	73,101	26.7	9.6	0.0	5.70	41	0.0	0.00	30	30
2018	3.0	63	23,155.5	8,118.0	0.0	117.60	716	1.0	35,508	13.0	4.7	0.0	6.10	21	0.0	0.00	24	24
2019	3.0	55	20,223.8	7,113.6	0.0	119.85	639	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	19	19
2020	3.0	49	17,767.1	6,268.1	0.0	122.15	574	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	17	17
2021	3.0	43	15,570.1	5,507.5	0.0	124.50	514	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	15	15
Sub			266,117.2	93,362.5	0.0	113.19	7,926			435.1	175.3	0.0	4.11	541	0.0	0.00		
Rem			35,441.0	12,626.6	0.0	129.08	1,222			750.7	259.0	0.0	14.51	2,820	0.0	0.00		
Total			301,558.2	105,989.1	0.0	115.09	9,148			1,185.7	434.3	0.0	10.32	3,360	0.0	0.00		

NGL SUMMARY

	CONDENSATE				ETHANE				PROPANE				BUTANE				TOTAL NGL		
	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue M\$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue M\$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue M\$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue M\$	WI Volume bbl	RI Volumes bbl	CS Net Volumes bbl
2012	252.5	0.0	98.00	18.6	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	252.5	0.0	189.4
2013	238.6	0.0	100.00	17.9	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	238.6	0.0	178.9
2014	144.4	0.0	102.05	11.1	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	144.4	0.0	108.3
2015	100.1	0.0	104.10	7.8	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	100.1	0.0	75.1
2016	69.5	0.0	106.25	5.5	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	69.5	0.0	52.1
2017	48.0	0.0	108.40	3.9	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	48.0	0.0	36.0
2018	23.3	0.0	110.60	1.9	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	23.3	0.0	17.5
2019	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2020	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Sub	876.5	0.0	101.47	66.7	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	876.5	0.0	657.4
Rem	1,295.2	0.0	214.67	208.5	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	1,295.2	0.0	971.4
Total	2,171.7	0.0	168.98	275.2	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	2,171.7	0.0	1,628.7

CASH FLOW BTAX

	Company Revenue M\$	Crown Royalty M\$	Freehold Royalty M\$	ORR Royalty M\$	Mineral Tax M\$	Total Royalty Burden %	Net Rev After Royalties M\$	Other Income M\$	Sask Corp Cap Tax M\$	Fixed Oper Expense M\$	Variable Operating Expense M\$	Other Expenses M\$	Total Operating Costs M\$	Abandon Cost & Salvage M\$	Net Operating Income M\$	Total Investment M\$	NET Cash Flow M\$	CUM Cash Flow M\$	Disc Cash Flow (10%) M\$
2012	743	0.0	0.0	0.0	43.7	6	699	0.0	0.0	9.7	17.1	0.0	26.9	0.0	672	288.0	384	384	378
2013	1,125	0.0	0.0	0.0	66.3	6	1,059	0.0	0.0	15.3	47.5	0.0	62.8	0.0	996	0.0	996	1,380	867
2014	1,272	0.0	0.0	0.0	74.9	6	1,197	0.0	0.0	13.8	79.3	0.0	93.1	0.0	1,104	0.0	1,104	2,484	871
2015	1,107	0.0	0.0	0.0	65.2	6	1,042	0.0	0.0	14.1	87.8	0.0	101.9	0.0	940	0.0	940	3,424	673
2016	970	0.0	0.0	0.0	57.1	6	913	0.0	0.0	14.4	98.2	0.0	112.6	0.0	800	0.0	800	4,224	521
2017	849	0.0	0.0	0.0	50.0	6	799	0.0	0.0	14.7	110.3	0.0	125.0	0.0	674	0.0	674	4,898	399
2018	739	0.0	0.0	0.0	43.5	6	696	0.0	0.0	13.9	125.1	0.0	139.0	20.3	536	0.0	536	5,435	289
2019	639	0.0	0.0	0.0	37.7	6	602	0.0	0.0	12.1	142.9	0.0	154.9	0.0	447	0.0	447	5,882	219
2020	574	0.0	0.0	0.0	33.8	6	540	0.0	0.0	12.3	165.0	0.0	177.3	0.0	363	0.0	363	6,245	161
2021	514	0.0	0.0	0.0	30.3	6	484	0.0	0.0	12.5	191.0	0.0	203.5	0.0	280	0.0	280	6,525	113
Sub	8,533	0.0	0.0	0.0	502.6	6	8,031	0.0	0.0	132.9	1,064.2	0.0	1,197.1	20.3	6,813	288.0	6,525	6,525	4,492
Rem	4,251	0.0	0.0	0.0	250.4	6	4,000	0.0	0.0	119.9	797.9	0.0	917.9	88.6	2,994	93.5	2,900	9,426	217
Total	12,784	0.0	0.0	0.0	753.0	6	12,031	0.0	0.0	252.8	1,862.2	0.0	2,115.0	108.9	9,807	381.5	9,426	9,426	4,709

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	5.5
RLI (Principal Product)	11.0
Reserves Life	48.0
RLI (BOE)	11.0

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	301,558	105,989	105,989	79,492
Gas (MMcf)	1,186	434	434	326
Gas (boe)	197,623	72,389	72,389	54,292
*NGL (bbl)	0	0	0	0
Cond (bbl)	5,929	2,172	2,172	1,629
Total (boe)	505,110	180,550	180,550	135,412

*This NGL Value includes only Ethane, Propane and Butane. Condensate and Field Condensate are included in the Condensate line.

NET PRESENT VALUES BEFORE TAX

Discount Rate %	Op Income		Cash Flow		NPV/BOE	
	M\$	M\$	M\$	M\$	\$/BOE	\$/BOE
0	9,807	381.5	9,426	52.20		
5	6,244	296.6	5,947	32.94		
10	4,980	270.8	4,709	26.08		
12	4,636	264.0	4,372	24.21		
15	4,207	255.5	3,951	21.88		
20	3,646	243.7	3,402	18.84		

CAPITAL (undisc)

		Unrisked	Risked
Cost Of Prod.	\$/BOEPD	8,523.87	8,523.87
Cost Of Reserves	\$/BOE	2.11	2.11
Prob Of Success	%	100.00	
Chance Of	%	100.00	

ECONOMIC INDICATORS

	BTAX		
	Unrisked		Risked
Discount Rate (%)	10.0		10.0
Payout (Yrs)	0.0		0.0
Discounted Payout (Yrs)	0.0		0.0
DCF Rate of Return (%)	> 200.0	>	200.0
NPV/Undisc Invest	12.3		12.3
NPV/Disc Invest	17.4		17.4
NPV/DIS Cap Exposure	1,739.0		1,739.0
NPV/BOEPD (M\$/boepd)	105.2		105.2

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Prod (3 Mo Ave)	(BOEPD)	22.97	22.97	22.97	22.97
Prod (12 Mo Ave)	(BOEPD)	44.76	44.76	44.76	44.76
Price	(\$/BOE)	45.42	45.42	45.42	45.42
Royalties	(\$/BOE)	2.68	2.68	2.68	2.68
Operating Costs	(\$/BOE)	1.64	1.64	1.64	1.64
NetBack	(\$/BOE)	41.10	41.10	41.10	41.10
Recycle Ratio	(ratio)	19.45	19.45	19.45	19.45

Hillcrest Resources Ltd.
OIL VOLUMES
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)
Proved Developed Producing
Economic Results

Effective December 31, 2011

Hartburg

Location	Formation	Category	Company Share Interest		Prod Area	Net Pay	Por %	Water Sat. %	Shrinkage 1/Bo	Oil in Place	Rec Factor %	Recoverable Oil Reserves			Co. Share ¹ bbl
			Type	%								Ultimate ² bbl	Cumulative bbl	Remaining ² bbl	
Total															
Hartburg															
Nadsoil Donner #1 - 423513083800	Lower Hackberry	PDP	WI	30.000	35	8.0	29.0	15.0	1.100	589,031	12.000	70,684.0	24,412.0	46,272.0	13,856.1
Nadsoil Donner #2 - 423513085800	Lower Hackberry	PDP	WI	48.000	20	4.0	30.0	25.0	1.100	153,616	12.000	18,434.0	2,137.2	16,296.8	6,706.1
Hartburg PDP												89,118.0	26,549.2	62,568.8	20,562.1
Total PDP												89,118.0	26,549.2	62,568.8	20,562.1

¹ Calculation option applies to company share volume. ² Recoverable reserves determined by technical analysis. *Multiple Zone Volumetrics exist

Hillcrest Resources Ltd.
OIL VOLUMES
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)
Proved Developed
Economic Results

Effective December 31, 2011

Hartburg

Location	Formation	Category	Company Share Interest		Prod Area	Net Pay	Por %	Water Sat. %	Shrinkage 1/Bo	Oil in Place	Rec Factor %	Recoverable Oil Reserves			Co. Share ¹ bbl	
			Type	%								Ultimate ² bbl	Cumulative bbl	Remaining ² bbl		
			Total													
Hartburg																
Nadsoil Donner #1 - 423513083800	Lower Hackberry	PDP	WI	30.000	35	8.0	29.0	15.0	1.100	589,031	12.000	70,684.0	24,412.0	46,272.0	13,856.1	
Nadsoil Donner #2 - 423513085800	Lower Hackberry	PDP	WI	48.000	20	4.0	30.0	25.0	1.100	153,616	12.000	18,434.0	2,137.2	16,296.8	6,706.1	
Hartburg PDP												89,118.0	26,549.2	62,568.8	20,562.1	
Total PDP												89,118.0	26,549.2	62,568.8	20,562.1	

¹ Calculation option applies to company share volume. ² Recoverable reserves determined by technical analysis. *Multiple Zone Volumetrics exist

Hillcrest Resources Ltd.
OIL VOLUMES
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)
Proved
Economic Results

Effective December 31, 2011

Hartburg

Location	Formation	Category	Company Share Interest		Prod Area	Net Pay	Por %	Water Sat. %	Shrinkage 1/Bo	Oil in Place	Rec Factor %	Recoverable Oil Reserves					
			Type	%								Ultimate ² bbl	Cumulative bbl	Remaining ² bbl	Co. Share ¹ bbl		
Total																	
Hartburg																	
Nadsoil Donner #1 - 423513083800	Lower Hackberry	PDP	WI	30.000	35	8.0	29.0	15.0	1.100	589,031	12.000	70,684.0	24,412.0	46,272.0	13,856.1		
Nadsoil Donner #2 - 423513085800	Lower Hackberry	PDP	WI	48.000	20	4.0	30.0	25.0	1.100	153,616	12.000	18,434.0	2,137.2	16,296.8	6,706.1		
Prospect 1-LHackberry	Lower Hackberry	PUD	WI	48.000	40	8.0	29.0	15.0	1.100	673,178	12.000	80,781.0	0.0	80,781.0	29,935.3		
Hartburg PDP												89,118.0	26,549.2	62,568.8	20,562.1		
Hartburg PUD												80,781.0	0.0	80,781.0	29,935.3		
Total PDP												89,118.0	26,549.2	62,568.8	20,562.1		
Total PUD												80,781.0	0.0	80,781.0	29,935.3		

¹ Calculation option applies to company share volume. ² Recoverable reserves determined by technical analysis. *Multiple Zone Volumetrics exist

Hillcrest Resources Ltd.
OIL VOLUMES
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)
Proved Plus Probable
Economic Results

Effective December 31, 2011

Hartburg

Location	Formation	Category	Company Share Interest		Prod Area	Net Pay	Por %	Water Sat. %	Shrinkage 1/Bo	Oil in Place	Rec Factor %	Recoverable Oil Reserves			Co. Share ¹ bbl		
			Type	%								Ultimate ² bbl	Cumulative bbl	Remaining ² bbl			
Total																	
Hartburg																	
Nadsoil Donner #1 - 423513083800	Lower Hackberry	P+P	WI	30.000	35	8.0	29.0	15.0	1.100	589,031	17.000	100,135.2	24,412.0	75,723.2	22,191.0		
Nadsoil Donner #2 - 423513085800	Lower Hackberry	P+P	WI	48.000	20	4.0	30.0	25.0	1.100	153,616	17.000	26,115.0	2,137.2	23,977.8	9,280.8		
Prospect 1-LHackberry	Lower Hackberry	P+P	WI	48.000	40	20.0	29.0	15.0	1.100	1,682,945	17.000	286,101.0	0.0	286,101.0	74,517.3		
Hartburg P+P												412,351.2	26,549.2	385,802.0	105,989.1		
Total P+P												412,351.2	26,549.2	385,802.0	105,989.1		

¹ Calculation option applies to company share volume. ² Recoverable reserves determined by technical analysis. *Multiple Zone Volumetrics exist

Hillcrest Resources Ltd.
GAS VOLUMES
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)
Proved Developed
Economic Results

Effective December 31, 2011

Hartburg

Location	Formation	Category	Company Share		Prod. Area	Net Pay	Por	Water		Pres.	Temp	Z	Fac.	Gas In Place	Rec. Fac.	Recoverable Gas Reserves				Sales ¹	Co. Share ¹											
			Type	Interest %				Ultimate ²	Cumulative							Remaining ²	S.L.															
																MMcf	MMcf	MMcf	%	MMcf	MMcf											
Total																																
Hartburg																																
Nadsoil Donner #2 - Nonion Struma	Nonion Struma	PDNP	WI	48.0	40	9.0	30.0	20.0	2,360	140	0.860		610.6	65.000		396.9	0.0	396.9	5.0	377.1	154.4											
Hartburg PDNP																																
Total PDNP																																
																396.9	0.0	396.9														

¹ Calculation option applies to sales and company share volumes. ² Recoverable reserves determined by technical analysis. *Multiple Zone Volumetrics exist

Hillcrest Resources Ltd.
GAS VOLUMES
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)
Proved
Economic Results

Effective December 31, 2011

Hartburg

Location	Formation	Category	Company Share		Prod. Area	Net Pay	Por	Water		Pres.	Temp	Z	Fac.	Gas In Place	Rec. Fac.	Recoverable Gas Reserves				Sales ¹	Co. Share ¹
			Interest	Type				Ultimate ²	Cumulative							Remaining ²	S.L.				
			%					MMcf	MMcf							MMcf	%				
Total																					
Hartburg																					
Nadsoil Donner #2 - Nonion Struma	Nonion Struma	PDNP	WI	48.0	40	9.0	30.0	20.0	2,360	140	0.860		610.6	65.000	396.9	0.0	396.9	5.0	377.1	154.4	
Prospect 1-Nonion Struma	Nonion Struma	PUD	WI	36.0	40	4.0	25.0	30.0	2,360	140	0.860		197.9	65.000	128.6	0.0	128.6	5.0	122.2	44.0	
Hartburg PDNP															396.9	0.0	396.9		377.1	154.4	
Hartburg PUD															128.6	0.0	128.6		122.2	44.0	
Total PDNP															396.9	0.0	396.9		377.1	154.4	
Total PUD															128.6	0.0	128.6		122.2	44.0	

¹ Calculation option applies to sales and company share volumes. ² Recoverable reserves determined by technical analysis. *Multiple Zone Volumetrics exist

Hillcrest Resources Ltd.
GAS VOLUMES
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)
Proved Plus Probable
Economic Results

Effective December 31, 2011

Hartburg

Location	Formation	Category	Company Share		Prod. Area	Net Pay	Por	Water Sat.	Pres.	Temp	Z	Fac.	Gas In Place	Rec. Fac.	Recoverable Gas Reserves				Sales ¹	Co. Share ¹
			Interest	Type											Ultimate ²	Cumulative	Remaining ²	S.L.		
			%												MMcf	MMcf	MMcf	%		
Total																				
Hartburg																				
Nadsoil Donner #1-U Hackberry	Upper Hackberry	PB	WI	30.0	30	6.5	28.0	25.0	2,215	162	0.860	262.1	75.000	196.6	0.0	196.6	5.0	186.8	56.0	
Nadsoil Donner #2 - Nonion Struma	Nonion Struma	P+P	WI	48.0	40	9.0	30.0	20.0	2,360	140	0.860	610.6	75.000	458.0	0.0	458.0	5.0	435.1	175.3	
Prospect 1-Nonion Struma	Nonion Struma	P+P	WI	36.0	40	16.0	25.0	30.0	2,360	140	0.860	791.4	75.000	593.6	0.0	593.6	5.0	563.9	203.0	
Hartburg PB													196.6	0.0	196.6		186.8	56.0		
Hartburg P+P													1,051.5	0.0	1,051.5		999.0	378.3		
Total PB													196.6	0.0	196.6		186.8	56.0		
Total P+P													1,051.5	0.0	1,051.5		999.0	378.3		

¹ Calculation option applies to sales and company share volumes. ² Recoverable reserves determined by technical analysis. *Multiple Zone Volumetrics exist

Hillcrest Resources Ltd.
INPUT DATA SHEET
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Effective December 31, 2011

GENERAL

Property:	Hartburg	Operator:	NADSOIL CO LIMITED LIABILITY CORP
Location:	Nadsoil Donner #1 - 423513083800	Formation:	Lower Hackberry
Category:	PDP	Calculation Type:	Volumetric
Type:	Oil	Class:	Light
Current Status:	Flowing Oil	Current Status Date:	
Alt ID:	Nadsoil Donner #1		

Entity Comments:

ZONE

Rig Release Date:		Top Depth:	0.0 ft KB
Kelly Bushing:	0.0 ft SS	Total Depth:	0.0 ft KB
Pool Name:		Midpoint Perf Depth:	0.0 ft KB

RESERVOIR & RESERVES SUMMARY (* data from volumetric tab)

Reservoir Parameters *

Formation Top:	7,058 ft
Gas/Oil Contact:	ft
Water Contact:	ft
Production Area:	35 acre
Net Pay:	8.00 ft
Reservoir Volume:	280.0 acre-ft
Porosity:	0.290 Fraction
Water Saturation:	0.150 Fraction
Initial Pressure:	psi
Initial Temp:	138 F

Oil

Original Volume In Place:	589.0 Mbbl
Recovery Factor:	0.1200 Fraction
Ultimate Recoverable:	70.7 Mbbl
Cumulative Production:	24.4 Mbbl
Remaining Recoverable:	46.3 Mbbl
Oil Shrinkage: *	1.10 Fraction

Gas

Original Volume In Place:	MMcf
Recovery Factor:	Fraction
Ultimate Recoverable:	0.0 MMcf
Cumulative Production:	0.0 MMcf
Remaining Recoverable:	0.0 MMcf
Sales Gas:	0.0 MMcf
Oil Saturation: *	Fraction
Z Factor: *	Fraction
Surface Loss:	0.00 Fraction
H2S Content:	Fraction
CO2 Content:	Fraction

Volumetric Remarks:

Category Remarks:

FORECAST RATES AND TRENDS

On Production Date:	2010-08-16	GOR:	scf/bbl
Lift Type:		OGR:	bbl/MMcf
Oil Gravity:	API	Water Cut:	1.0 %
Heating Value:	Btu/scf	WGR:	bbl/MMcf

Remaining Reserves

Gas:	0.0 Mcf	Oil:	46.3 Mbbl
------	---------	------	-----------

Number of Trends: 1

Trends

Product:	Oil
Start Date:	2012-01-01
End Date:	2021-03-23
Initial Rate:	56 bbl/day
Rate at Effective Date:	56 bbl/day
Final Rate:	1 bbl/day
Decline Exponent:	0.000
Final Cum:	70.7 Mbbl

Reserve Notes

Supporting Data Comments:

PRODUCT RESERVES & RATIOS (Sales Basis)*

	Reserve	Yield	ISC
Ethane			
Propane			
Butane			
Pentane+			
Sulphur			
* Items have details			

INTERESTS AND BURDENS

Acquisition Date:
Disposition Date:

Interests

BPO: 30% WI+22.5% Rev Int

Lessor

Burdens

1.29% Ad Valorem+4.6% Severance

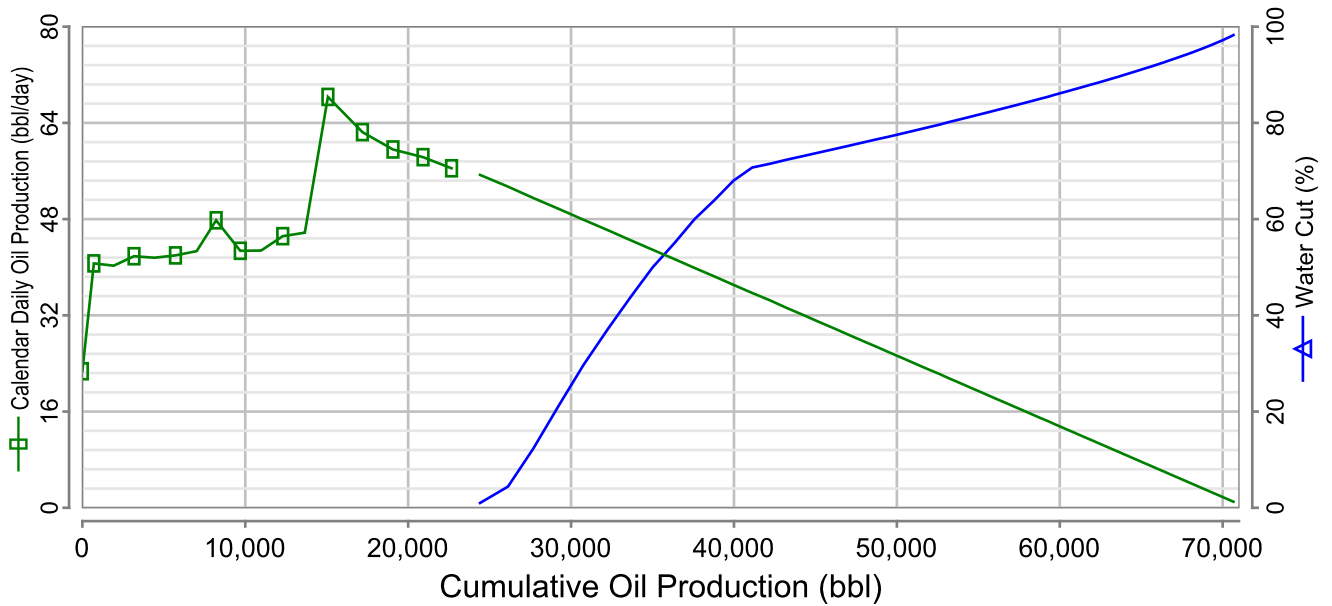
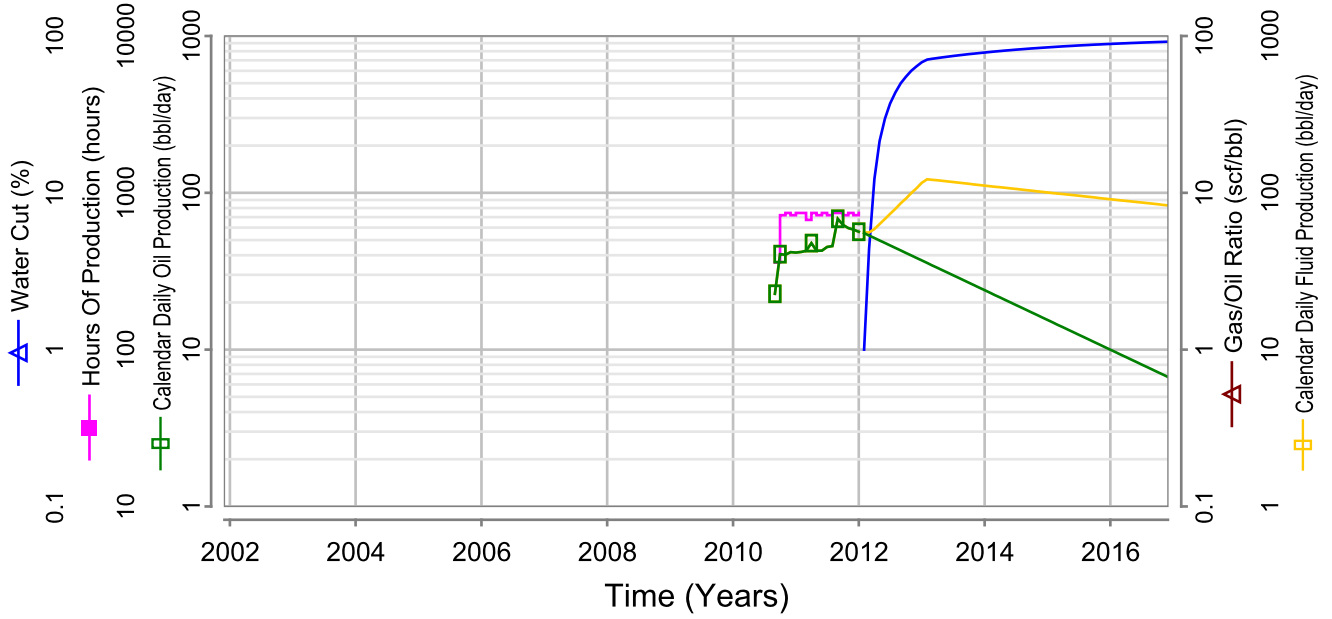
Participant Remarks: Well paid out in June 2011.

Hillcrest Resources Ltd.
CHART - PRODUCTION AND FORECAST

Effective December 31, 2011

Operator: NADSOIL CO LIMITED LIABILITY CORP
 Province: Texas
 Field: HARTBURG NORTHWEST
 Pool:
 Unit:
 Status: Flowing Oil

Hartburg
 Nadsoil Donner #1 - 423513083800
 PDP



Cum Oil (bbl)	24,412	Cum Gas (Mcf)	0	Cum Water (bbl)	0	Cum Cond (bbl)	0
Forecast Start	01/01/2012	Calculation Type	Volumetric	Est. Cum Prod (bbl)	24,412	Decline Exponent	0.000
Forecast End	03/23/2021	OVIP (bbl)	589,031	Remaining (bbl)	46,272	Initial Decline (%/yr)	35.4
Initial Rate (bbl/day)	56.4	Recovery Factor	0.120	Surface Loss	0.0	Reserve Life Index	2.77
Final Rate (bbl/day)	1.0	Ult. Recoverable (bbl)	70,684	Total Sales (Mcf)	0	Reserve Half Life (yrs)	1.55

Hillcrest Resources Ltd.
CASH FLOW
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Location : Hartburg, Texas
Entity : Nadsolil Donner #1 - 423513083800
Formation : Lower Hackberry
Effective December 31, 2011

Interests: BPO: 30% WI+22.5% Rev Int

Lease Burden: 1.29% Ad Valorem+4.6% Severance

Lessor:

Total Proved Developed Producing Reserves

OIL, GAS & SULPHUR SUMMARY

	COMPANY OIL								COMPANY SALES GAS								SULPHUR		TOTAL	
	Wells	Pool Rates bbl/d	Pool Volumes bbl	WI Volume bbl	RI Volume bbl	Price \$/bbl	Revenue \$		Wells	Pool Rates scf/d	Pool Volumes scf	WI Volume scf	RI Volume scf	Price \$/Mcf	Revenue \$		Co. Share Volume lt	Price \$/lt	WI Rates boe/d	Co. Share Rates boe/d
2012	1.0	46	16,710.1	5,013.0	0.0	105.00	394,775		0.0	0	0.0	0.0	0.0	0.00	0		0.0	0.00	14	14
2013	1.0	29	10,759.1	3,227.7	0.0	107.00	259,026		0.0	0	0.0	0.0	0.0	0.00	0		0.0	0.00	9	9
2014	1.0	19	6,950.9	2,085.3	0.0	109.05	170,549		0.0	0	0.0	0.0	0.0	0.00	0		0.0	0.00	6	6
2015	1.0	12	4,490.6	1,347.2	0.0	111.10	112,255		0.0	0	0.0	0.0	0.0	0.00	0		0.0	0.00	4	4
2016	1.0	8	2,907.5	872.3	0.0	113.25	74,087		0.0	0	0.0	0.0	0.0	0.00	0		0.0	0.00	2	2
2017	1.0	5	1,872.1	561.6	0.0	115.40	48,608		0.0	0	0.0	0.0	0.0	0.00	0		0.0	0.00	2	2
2018	1.0	3	1,209.4	362.8	0.0	117.60	32,002		0.0	0	0.0	0.0	0.0	0.00	0		0.0	0.00	1	1
2019	1.0	2	781.4	234.4	0.0	119.85	21,070		0.0	0	0.0	0.0	0.0	0.00	0		0.0	0.00	1	1
2020	1.0	1	505.9	151.8	0.0	122.15	13,904		0.0	0	0.0	0.0	0.0	0.00	0		0.0	0.00	0	0
2021	0.0	0	0.0	0.0	0.0	0.00	0		0.0	0	0.0	0.0	0.0	0.00	0		0.0	0.00	0	0
Sub			46,187.0	13,856.1	0.0	108.38	1,126,276										0.0	0.00		
Rem			0.0	0.0	0.0	0.00	0										0.0	0.00		
Total			46,187.0	13,856.1	0.0	108.38	1,126,276										0.0	0.00		

NGL SUMMARY

	CONDENSATE				ETHANE				PROPANE				BUTANE				TOTAL NGL		
	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volumes bbl	CS Net Volumes bbl
2012	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2013	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2014	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2015	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2016	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2017	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2018	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2019	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2020	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
Sub	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
Rem	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0

CASH FLOW BTAX

	Company Revenue	Crown Royalty	Freehold Royalty	ORR Royalty	Mineral Tax	Total Royalty Burden	Net Rev After Royalties	Other Income	Sask Corp Cap Tax	Fixed Oper Expense	Variable Operating Expense	Other Expenses	Total Operating Costs	Abandon Cost & Salvage	Net Operating Income	Total Investment	NET Cash Flow	CUM Cash Flow	Disc Cash Flow (10%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2012	394,775	0.0	0.0	0.0	23,252.2	6	371,523	0.0	0.0	3,492.0	9,994.0	0.0	13,486.0	0.0	358,037	0.0	358,037	358,037	342,778
2013	259,026	0.0	0.0	0.0	15,256.6	6	243,769	0.0	0.0	3,561.8	13,848.1	0.0	17,409.9	0.0	226,359	0.0	226,359	584,396	196,976
2014	170,549	0.0	0.0	0.0	10,045.4	6	160,504	0.0	0.0	3,633.1	12,544.5	0.0	16,177.6	0.0	144,326	0.0	144,326	728,722	114,193
2015	112,255	0.0	0.0	0.0	6,611.8	6	105,643	0.0	0.0	3,705.7	11,437.6	0.0	15,143.4	0.0	90,500	0.0	90,500	819,222	64,836
2016	74,087	0.0	0.0	0.0	4,363.7	6	69,723	0.0	0.0	3,779.9	10,496.3	0.0	14,276.2	0.0	55,447	0.0	55,447	874,669	36,105
2017	48,608	0.0	0.0	0.0	2,863.0	6	45,745	0.0	0.0	3,855.5	9,636.8	0.0	13,492.3	0.0	32,253	0.0	32,253	906,921	19,094
2018	32,002	0.0	0.0	0.0	1,884.9	6	30,117	0.0	0.0	3,932.6	8,927.4	0.0	12,859.9	0.0	17,257	0.0	17,257	924,178	9,288
2019	21,070	0.0	0.0	0.0	1,241.0	6	19,829	0.0	0.0	4,011.2	8,331.8	0.0	12,343.0	0.0	7,486	0.0	7,486	931,665	3,663
2020	13,904	0.0	0.0	0.0	818.9	6	13,085	0.0	0.0	4,091.4	7,855.4	0.0	11,946.9	0.0	1,138	0.0	1,138	932,803	506
2021	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	0.0	0.0	932,803	0
Sub	1,126,276	0.0	0.0	0.0	66,337.6	6	1,059,938	0.0	0.0	34,063.2	93,072.1	0.0	127,135.2	0.0	932,803	0.0	932,803	932,803	787,441
Rem	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	0.0	0	932,803	0
Total	1,126,276	0.0	0.0	0.0	66,337.6	6	1,059,938	0.0	0.0	34,063.2	93,072.1	0.0	127,135.2	0.0	932,803	0.0	932,803	932,803	787,441

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	1.6
RLI (Principal Product)	2.8
Reserves Life	9.0
RLI (BOE)	2.8

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	46,187	13,856	13,856	10,392
Gas (scf)	0	0	0	0
Gas (boe)	0	0	0	0
*NGL (bbl)	0	0	0	0
Cond (bbl)	0	0	0	0
Total (boe)	46,187	13,856	13,856	10,392

*This NGL Value includes only Ethane, Propane and Butane. Condensate and Field Condensate are included in the Condensate line.

NET PRESENT VALUES BEFORE TAX

Discount Rate %	Op Income	Investment	Cash Flow	NPV/BOE
				\$/BOE
0	932,803	0.0	932,803	67.32
5	852,893	0.0	852,893	61.55
10	787,441	0.0	787,441	56.83
12	764,491	0.0	764,491	55.17
15	732,968	0.0	732,968	52.90
20	686,992	0.0	686,992	49.58

CAPITAL (undisc)

		Unrisked	Risked
Cost Of Prod.	\$/BOEPD	0.00	0.00
Cost Of Reserves	\$/BOE	0.00	0.00
Prob Of Success	%	100.00	100.00
Chance Of	%	100.00	100.00

ECONOMIC INDICATORS

	BTAX	
	Unrisked	Risked
Discount Rate (%)	10.0	10.0
Payout (Yrs)	0.0	0.0
Discounted Payout (Yrs)	0.0	0.0
DCF Rate of Return (%)	> 200.0	> 200.0
NPV/Undisc Invest	0.0	0.0
NPV/Disc Invest	0.0	0.0
NPV/DIS Cap Exposure	0.0	0.0
NPV/BOEPD (M\$/boepd)	57.4	57.4

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Prod (3 Mo Ave)	(BOEPD)	16.03	16.03	16.03	16.03
Prod (12 Mo Ave)	(BOEPD)	13.72	13.72	13.72	13.72
Price	(\$/BOE)	78.75	78.75	78.75	78.75
Royalties	(\$/BOE)	4.64	4.64	4.64	4.64
Operating Costs	(\$/BOE)	2.69	2.69	2.69	2.69
NetBack	(\$/BOE)	71.42	71.42	71.42	71.42
Recycle Ratio	(ratio)	0.00	0.00	0.00	0.00

Hillcrest Resources Ltd.
INPUT DATA SHEET
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Effective December 31, 2011

GENERAL

Property:	Hartburg	Operator:	NADSOIL CO LIMITED LIABILITY CORP
Location:	Nadsoil Donner #1 - 423513083800	Formation:	Lower Hackberry
Category:	P+P	Calculation Type:	Volumetric
Type:	Oil	Class:	Light
Current Status:	Flowing Oil	Current Status Date:	
Alt ID:	Nadsoil Donner #1		

Entity Comments:

ZONE

Rig Release Date:		Top Depth:	0.0 ft KB
Kelly Bushing:	0.0 ft SS	Total Depth:	0.0 ft KB
Pool Name:		Midpoint Perf Depth:	0.0 ft KB

RESERVOIR & RESERVES SUMMARY (* data from volumetric tab)

Reservoir Parameters *

Formation Top:	7,058 ft
Gas/Oil Contact:	ft
Water Contact:	ft
Production Area:	35 acre
Net Pay:	8.00 ft
Reservoir Volume:	280.0 acre-ft
Porosity:	0.290 Fraction
Water Saturation:	0.150 Fraction
Initial Pressure:	psi
Initial Temp:	138 F

Oil

Original Volume In Place:	589.0 Mbbl
Recovery Factor:	0.1700 Fraction
Ultimate Recoverable:	100.1 Mbbl
Cumulative Production:	24.4 Mbbl
Remaining Recoverable:	75.7 Mbbl
Oil Shrinkage: *	1.10 Fraction

Gas

Original Volume In Place:	MMcf
Recovery Factor:	Fraction
Ultimate Recoverable:	0.0 MMcf
Cumulative Production:	0.0 MMcf
Remaining Recoverable:	0.0 MMcf
Sales Gas:	0.0 MMcf
Oil Saturation: *	Fraction
Z Factor: *	Fraction
Surface Loss:	0.00 Fraction
H2S Content:	Fraction
CO2 Content:	Fraction

Volumetric Remarks:

Category Remarks:

FORECAST RATES AND TRENDS

On Production Date:	2010-08-16	GOR:	scf/bbl
Lift Type:		OGR:	bbl/MMcf
Oil Gravity:	API	Water Cut:	1.0 %
Heating Value:	Btu/scf	WGR:	bbl/MMcf

Remaining Reserves

Gas:	0.0 Mcf	Oil:	75.7 Mbbl
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Number of Trends: 1

Trends

Product:	Oil
Start Date:	2012-01-01
End Date:	2027-02-03
Initial Rate:	56 bbl/day
Rate at Effective Date:	56 bbl/day
Final Rate:	1 bbl/day
Decline Exponent:	0.000
Final Cum:	100.1 Mbbl

Reserve Notes

Supporting Data Comments:

PRODUCT RESERVES & RATIOS (Sales Basis)*

	Reserve	Yield	ISC
Ethane			
Propane			
Butane			
Pentane+			
Sulphur			
* Items have details			

INTERESTS AND BURDENS

Acquisition Date:
Disposition Date:

Interests

BPO: 30% WI+22.5% Rev Int

Lessor

Burdens

1.29% Ad Valorem+4.6% Severance

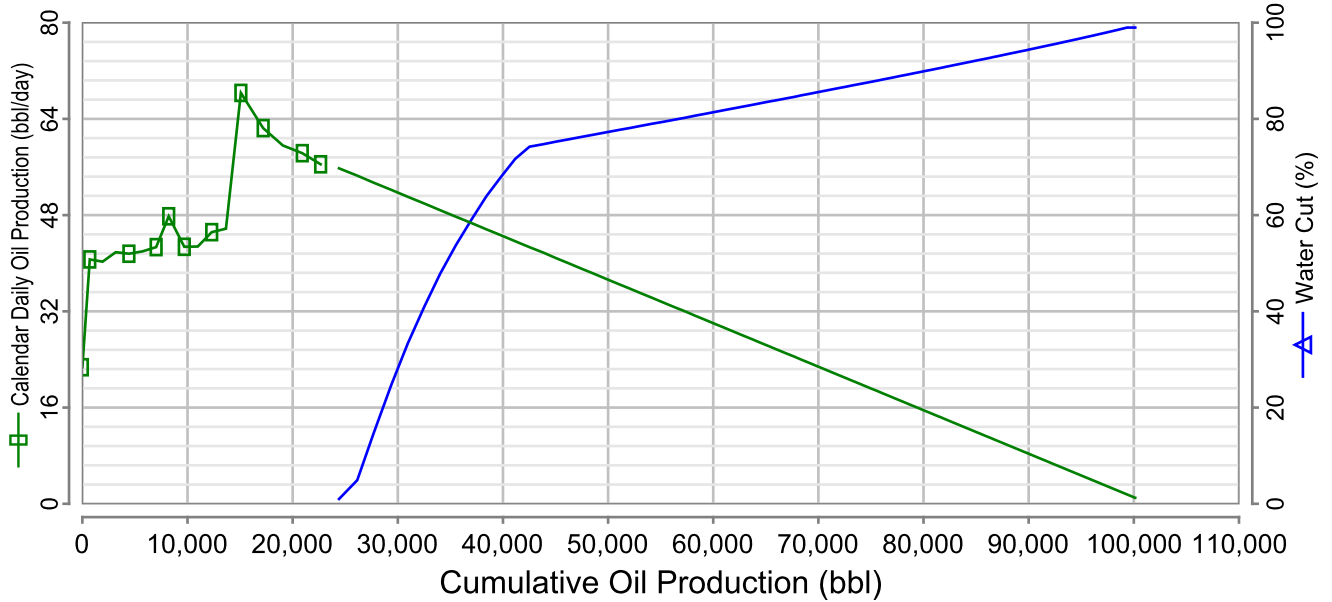
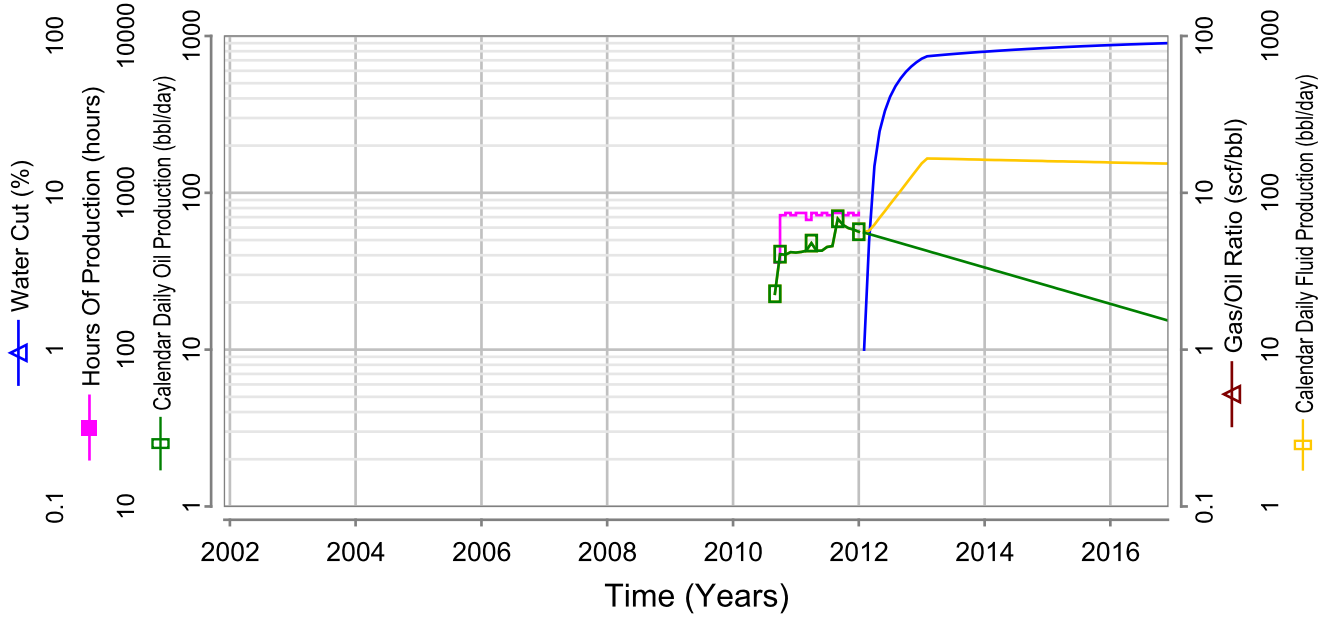
Participant Remarks: Well paid out in June 2011.

Hillcrest Resources Ltd.
CHART - PRODUCTION AND FORECAST

Effective December 31, 2011

Operator: NADSOIL CO LIMITED LIABILITY CORP
 Province: Texas
 Field: HARTBURG NORTHWEST
 Pool:
 Unit:
 Status: Flowing Oil

Hartburg
 Nadsoil Donner #1 - 423513083800
 P+P



Cum Oil (bbl)	24,412	Cum Gas (Mcf)	0	Cum Water (bbl)	0	Cum Cond (bbl)	0
Forecast Start	01/01/2012	Calculation Type	Volumetric	Est. Cum Prod (bbl)	24,412	Decline Exponent	0.000
Forecast End	02/03/2027	OVIP (bbl)	589,031	Remaining (bbl)	75,723	Initial Decline (%/yr)	23.5
Initial Rate (bbl/day)	56.4	Recovery Factor	0.170	Surface Loss	0.0	Reserve Life Index	4.18
Final Rate (bbl/day)	1.0	Ult. Recoverable (bbl)	100,135	Total Sales (Mcf)	0	Reserve Half Life (yrs)	2.53

Hillcrest Resources Ltd.
CASH FLOW
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Location : Hartburg, Texas
 Entity : Nadsoli Donner #1 - 423513083800
 Formation : Lower Hackberry
 Effective December 31, 2011

Interests: BPO: 30% WI+22.5% Rev Int

Lease Burden: 1.29% Ad Valorem+4.6% Severance

Lessor:

Total Proved Plus Probable Reserves

OIL, GAS & SULPHUR SUMMARY

	COMPANY OIL								COMPANY SALES GAS								SULPHUR		TOTAL	
	Wells	Pool Rates bbl/d	Pool Volumes bbl	WI Volume bbl	RI Volume bbl	Price \$/bbl	Revenue \$		Wells	Pool Rates scf/d	Pool Volumes scf	WI Volume scf	RI Volume scf	Price \$/Mcf	Revenue \$	Co. Share Volume lt	Price \$/lt	WI Rates boe/d	Co. Share Rates boe/d	
2012	1.0	49	18,112.6	5,433.8	0.0	105.00	427,910	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	15	15	
2013	1.0	38	13,823.9	4,147.2	0.0	107.00	332,810	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	11	11	
2014	1.0	29	10,583.6	3,175.1	0.0	109.05	259,683	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	9	9	
2015	1.0	22	8,102.9	2,430.9	0.0	111.10	202,552	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	7	7	
2016	1.0	17	6,218.4	1,865.5	0.0	113.25	158,453	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	5	5	
2017	1.0	13	4,746.0	1,423.8	0.0	115.40	123,231	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	4	4	
2018	1.0	10	3,633.6	1,090.1	0.0	117.60	96,145	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	3	3	
2019	1.0	8	2,781.9	834.6	0.0	119.85	75,017	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	2	2	
2020	1.0	6	2,134.9	640.5	0.0	122.15	58,676	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	2	2	
2021	1.0	4	1,629.4	488.8	0.0	124.50	45,644	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1	
Sub			71,767.3	21,530.2	0.0	110.24	1,780,121							0.0	0.0	0.0	0.00			
Rem			2,202.6	660.8	0.0	127.96	63,415							0.0	0.0	0.0	0.00			
Total			73,969.9	22,191.0	0.0	110.77	1,843,536							0.0	0.0	0.0	0.00			

NGL SUMMARY

	CONDENSATE				ETHANE				PROPANE				BUTANE				TOTAL NGL		
	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volumes bbl	CS Net Volumes bbl
2012	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2013	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2014	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2015	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2016	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2017	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2018	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2019	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2020	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
Sub	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
Rem	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0

CASH FLOW BTAX

	Company Revenue	Crown Royalty	Freehold Royalty	ORR Royalty	Mineral Tax	Total Royalty Burden	Net Rev After Royalties	Other Income	Sask Corp Cap Tax	Fixed Oper Expense	Variable Operating Expense	Other Expenses	Total Operating Costs	Abandon Cost & Salvage	Net Operating Income	Total Investment	NET Cash Flow	CUM Cash Flow	Disc Cash Flow (10%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2012	427,910	0.0	0.0	0.0	25,203.9	6	402,706	0.0	0.0	3,492.0	11,784.6	0.0	15,276.6	0.0	387,429	0.0	387,429	387,429	370,437
2013	332,810	0.0	0.0	0.0	19,602.5	6	313,208	0.0	0.0	3,561.8	19,389.9	0.0	22,951.7	0.0	290,256	0.0	290,256	677,685	252,230
2014	259,683	0.0	0.0	0.0	15,295.3	6	244,388	0.0	0.0	3,633.1	19,142.3	0.0	22,775.4	0.0	221,612	0.0	221,612	899,298	175,091
2015	202,552	0.0	0.0	0.0	11,930.3	6	190,622	0.0	0.0	3,705.7	18,965.0	0.0	22,670.7	0.0	167,951	0.0	167,951	1,067,248	120,325
2016	158,453	0.0	0.0	0.0	9,332.9	6	149,121	0.0	0.0	3,779.9	18,880.2	0.0	22,660.1	0.0	126,460	0.0	126,460	1,193,709	82,347
2017	123,231	0.0	0.0	0.0	7,258.3	6	115,973	0.0	0.0	3,855.5	18,777.8	0.0	22,633.3	0.0	93,339	0.0	93,339	1,287,048	55,258
2018	96,145	0.0	0.0	0.0	5,662.9	6	90,482	0.0	0.0	3,932.6	18,770.0	0.0	22,702.5	0.0	67,779	0.0	67,779	1,354,828	36,481
2019	75,017	0.0	0.0	0.0	4,418.5	6	70,599	0.0	0.0	4,011.2	18,827.7	0.0	22,839.0	0.0	47,760	0.0	47,760	1,402,587	23,370
2020	58,676	0.0	0.0	0.0	3,456.0	6	55,220	0.0	0.0	4,091.4	18,997.5	0.0	23,089.0	0.0	32,131	0.0	32,131	1,434,718	14,290
2021	45,644	0.0	0.0	0.0	2,688.4	6	42,956	0.0	0.0	4,173.3	19,163.9	0.0	23,337.1	0.0	19,618	0.0	19,618	1,454,336	7,933
Sub	1,780,121	0.0	0.0	0.0	104,849.1	6	1,675,272	0.0	0.0	38,236.4	182,699.0	0.0	220,935.4	0.0	1,454,336	0.0	1,454,336	1,454,336	1,137,763
Rem	63,415	0.0	0.0	0.0	3,735.2	6	59,680	0.0	0.0	8,598.6	39,454.1	0.0	48,052.7	0.0	11,628	0.0	11,628	1,465,964	4,213
Total	1,843,536	0.0	0.0	0.0	108,584.3	6	1,734,952	0.0	0.0	46,835.0	222,153.0	0.0	268,988.1	0.0	1,465,964	0.0	1,465,964	1,465,964	1,141,975

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	2.5
RLI (Principal Product)	4.1
Reserves Life	12.0
RLI (BOE)	4.1

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	73,970	22,191	22,191	16,643
Gas (scf)	0	0	0	0
Gas (boe)	0	0	0	0
*NGL (bbl)	0	0	0	0
Cond (bbl)	0	0	0	0
Total (boe)	73,970	22,191	22,191	16,643

*This NGL Value includes only Ethane, Propane and Butane. Condensate and Field Condensate are included in the Condensate line.

NET PRESENT VALUES BEFORE TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
0	1,465,964	0.0	1,465,964	66.06
5	1,282,566	0.0	1,282,566	57.80
10	1,141,975	0.0	1,141,975	51.46
12	1,094,699	0.0	1,094,699	49.33
15	1,031,444	0.0	1,031,444	46.48
20	942,631	0.0	942,631	42.48

CAPITAL (undisc)

	Unrisked	Risked
Cost Of Prod. \$/BOEPD	0.00	0.00
Cost Of Reserves \$/BOE	0.00	0.00
Prob Of Success %	100.00	100.00
Chance Of %	100.00	100.00

ECONOMIC INDICATORS

	BTAX			
	Unrisked		Risked	
Discount Rate (%)	10.0	10.0	10.0	10.0
Payout (Yrs)	0.0	0.0	0.0	0.0
Discounted Payout (Yrs)	0.0	0.0	0.0	0.0
DCF Rate of Return (%)	> 200.0	>	>	200.0
NPV/Undisc Invest	0.0	0.0	0.0	0.0
NPV/Disc Invest	0.0	0.0	0.0	0.0
NPV/DIS Cap Exposure	0.0	0.0	0.0	0.0
NPV/BOEPD (M\$/boepd)	76.8	76.8	76.8	76.8

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Prod (3 Mo Ave)	(BOEPD)	16.37	16.37	16.37	16.37
Prod (12 Mo Ave)	(BOEPD)	14.88	14.88	14.88	14.88
Price	(\$/BOE)	78.75	78.75	78.75	78.75
Royalties	(\$/BOE)	4.64	4.64	4.64	4.64
Operating Costs	(\$/BOE)	2.81	2.81	2.81	2.81
NetBack	(\$/BOE)	71.30	71.30	71.30	71.30
Recycle Ratio	(ratio)	0.00	0.00	0.00	0.00

Hillcrest Resources Ltd.
INPUT DATA SHEET
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Effective December 31, 2011

GENERAL

Property:	Hartburg	Operator:	
Location:	Nadsoil Donner #1-U Hackberry	Formation:	Upper Hackberry
Category:	PB	Calculation Type:	Volumetric
Type:	Gas	Class:	Conventional
Current Status:	Location	Current Status Date:	
Alt ID:			

Entity Comments:

ZONE

Rig Release Date:		Top Depth:	ft KB
Kelly Bushing:	ft SS	Total Depth:	ft KB
Pool Name:		Midpoint Perf Depth:	ft KB

RESERVOIR & RESERVES SUMMARY (* data from volumetric tab)

Reservoir Parameters *

Formation Top:	6,968 ft
Gas/Oil Contact:	ft
Water Contact:	ft
Production Area:	30 acre
Net Pay:	6.50 ft
Reservoir Volume:	195.0 acre-ft
Porosity:	0.280 Fraction
Water Saturation:	0.250 Fraction
Initial Pressure:	2,215.0 psi
Initial Temp:	162 F

Oil

Original Volume In Place:	Mbbl
Recovery Factor:	Fraction
Ultimate Recoverable:	0.0 Mbbl
Cumulative Production:	0.0 Mbbl
Remaining Recoverable:	0.0 Mbbl
Oil Shrinkage: *	Fraction

Gas

Original Volume In Place:	262.1 MMcf
Recovery Factor:	0.7500 Fraction
Ultimate Recoverable:	196.6 MMcf
Cumulative Production:	0.0 MMcf
Remaining Recoverable:	196.6 MMcf
Sales Gas:	186.8 MMcf
Oil Saturation: *	Fraction
Z Factor: *	0.8600 Fraction
Surface Loss:	0.05 Fraction
H2S Content:	Fraction
CO2 Content:	Fraction

Volumetric Remarks:

Category Remarks: Scheduled to come on production once the Lower Hackberry zone is depleted.

FORECAST RATES AND TRENDS

On Production Date:		GOR:	scf/bbl
Lift Type:		OGR:	bbl/MMcf
Oil Gravity:	API	Water Cut:	%
Heating Value:	1,000 Btu/scf	WGR:	bbl/MMcf

Remaining Reserves

Gas:	196,611.0 Mcf	Oil:	0.0 Mbbl
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Number of Trends: 1

Trends

Product:	Gas
Start Date:	2027-04-01
End Date:	2028-09-26
Initial Rate:	1,200 Mcf/day
Rate at Effective Date:	1,200 Mcf/day
Final Rate:	50 Mcf/day
Decline Exponent:	0.000
Final Cum:	196,611.0 Mcf

Reserve Notes

Supporting Data Comments:

PRODUCT RESERVES & RATIOS (Sales Basis)*

	Reserve	Yield	ISC
Ethane			
Propane			
Butane			
Pentane+	934 bbl	5.00 bbl/MMcf	
Sulphur			
* Items have details			

INTERESTS AND BURDENS

Acquisition Date:
Disposition Date:

Interests

BPO: 30% WI+22.5% Rev Int

Lessor

Burdens

1.29% Ad Valorem+4.6% Severance

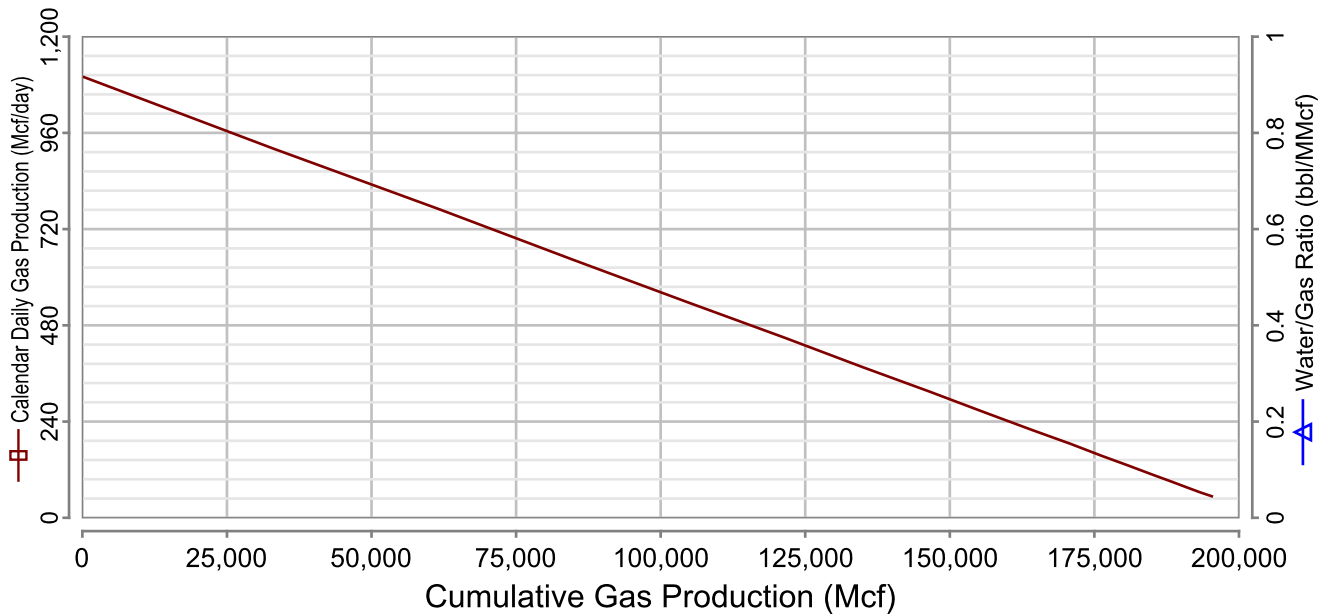
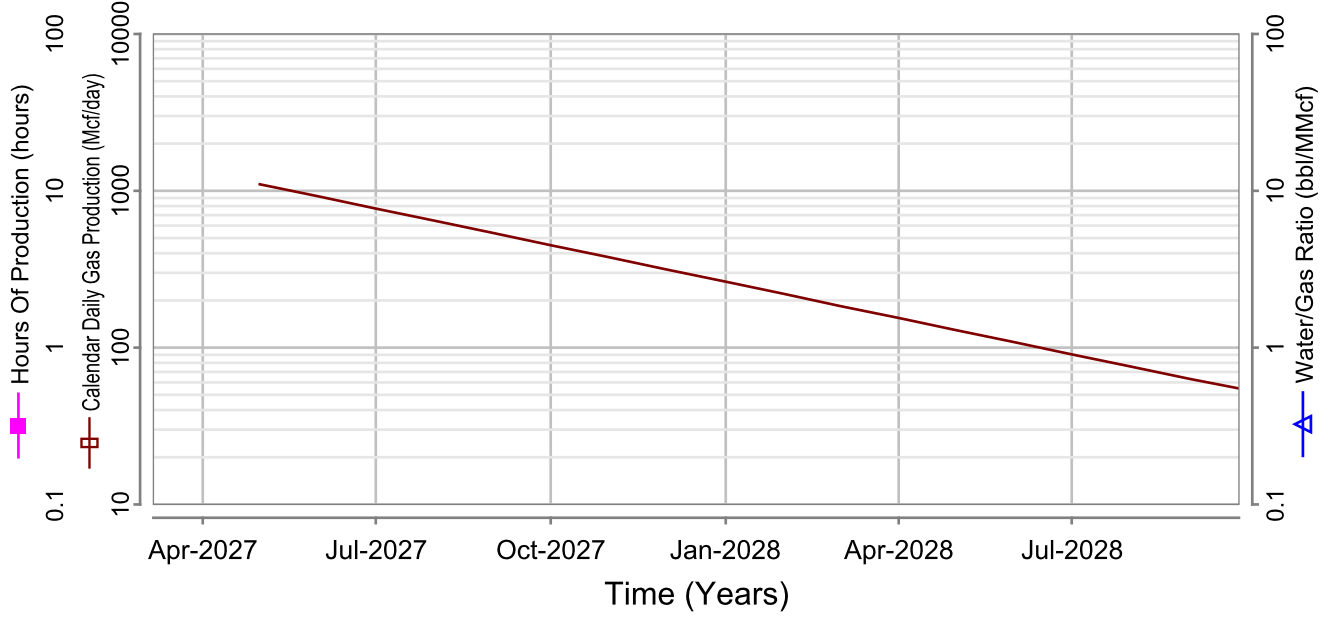
Participant Remarks:

Hillcrest Resources Ltd.
CHART - PRODUCTION AND FORECAST

Effective December 31, 2011

Operator:
 Province: Texas
 Field: multi zone (0)
 Pool: multi zone (0)
 Unit: multi zone (0)
 Status: Location

Hartburg
 Nadsoil Donner #1-U Hackberry
 PB



Cum Oil (bbl)	0	Cum Gas (Mcf)	0	Cum Water (bbl)	0	Cum Cond (bbl)	0
Forecast Start	04/01/2027	Calculation Type	Volumetric	Est. Cum Prod (Mcf)	0	Decline Exponent	0.000
Forecast End	09/26/2028	OVIP (Mcf)	262,148	Remaining (Mcf)	196,611	Initial Decline (%/yr)	88.2
Initial Rate (Mcf/day)	1,200.0	Recovery Factor	0.750	Surface Loss	0.05	Reserve Life Index	1.09
Final Rate (Mcf/day)	50.0	Ult. Recoverable (Mcf)	196,611	Total Sales (Mcf)	186,780	Reserve Half Life (yrs)	0.31

Hillcrest Resources Ltd.
CASH FLOW
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Location : Hartburg, Texas
 Entity : Nadsolil Donner #1-U Hackberry
 Formation : Upper Hackberry
 Effective December 31, 2011

Interests: BPO: 30% WI+22.5% Rev Int

Lease Burden: 1.29% Ad Valorem+4.6% Severance

Lessor:

Total Probable Reserves

OIL, GAS & SULPHUR SUMMARY

	COMPANY OIL								COMPANY SALES GAS								SULPHUR		TOTAL	
	Wells	Pool Rates bbl/d	Pool Volumes bbl	WI Volume bbl	RI Volume bbl	Price \$/bbl	Revenue \$		Wells	Pool Rates scf/d	Pool Volumes Mcf	WI Volume Mcf	RI Volume Mcf	Price \$/Mcf	Revenue \$		Co. Share Volume lt	Price \$/lt	WI Rates boe/d	Co. Share Rates boe/d
2012	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2013	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2014	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2015	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2016	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2017	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2018	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2019	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2020	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2021	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
Sub			0.0	0.0	0.0	0.00	0			0.0	0.0	0.0	0.0	0.00	0	0.0	0.00			
Rem			0.0	0.0	0.0	0.00	0			186,780.5	56,034.1	0.0	8.78	369,114		0.0	0.00			
Total			0.0	0.0	0.0	0.00	0			186,780.5	56,034.1	0.0	8.78	369,114		0.0	0.00			

NGL SUMMARY

	CONDENSATE				ETHANE				PROPANE				BUTANE				TOTAL NGL		
	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volumes bbl	CS Net Volumes bbl
2012	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2013	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2014	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2015	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2016	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2017	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2018	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2019	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2020	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Sub	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
Rem	280.2	0.0	133.05	27,956.8	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	280.2	0.0	210.1	
Total	280.2	0.0	133.05	27,956.8	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	280.2	0.0	210.1	

CASH FLOW BTAX

	Company Revenue	Crown Royalty	Freehold Royalty	ORR Royalty	Mineral Tax	Total Royalty Burden	Net Rev After Royalties	Other Income	Sask Corp Cap Tax	Fixed Oper Expense	Variable Operating Expense	Other Expenses	Total Operating Costs	Abandon Cost & Salvage	Net Operating Income	Total Investment	NET Cash Flow	CUM Cash Flow	Disc Cash Flow (10%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2012	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	0.0	0	0	0
2013	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	0.0	0	0	0
2014	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	0.0	0	0	0
2015	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	0.0	0	0	0
2016	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	0.0	0	0	0
2017	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	0.0	0	0	0
2018	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	0.0	0	0	0
2019	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	0.0	0	0	0
2020	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	0.0	0	0	0
2021	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	0.0	0	0	0
Sub	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	0.0	0	0	0
Rem	397,071	0.0	0.0	0.0	23,387.5	6	373,684	0.0	0.0	11,816.6	3,783.2	0.0	15,599.8	20,591.8	337,492	30,282.0	307,210	307,210	69,384
Total	397,071	0.0	0.0	0.0	23,387.5	6	373,684	0.0	0.0	11,816.6	3,783.2	0.0	15,599.8	20,591.8	337,492	30,282.0	307,210	307,210	69,384

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	0.6
RLI (Principal Product)	1.1
Reserves Life	2.0
RLI (BOE)	1.1

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	0	0	0	0
Gas (Mcf)	186,780	56,034	56,034	42,026
Gas (boe)	31,130	9,339	9,339	7,004
*NGL (bbl)	0	0	0	0
Cond (bbl)	934	280	280	210
Total (boe)	32,064	9,619	9,619	7,214

*This NGL Value includes only Ethane, Propane and Butane. Condensate and Field Condensate are included in the Condensate line.

NET PRESENT VALUES BEFORE TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
0	337,492	30,282.0	307,210	31.94
5	157,633	14,215.9	143,417	14.91
10	76,296	6,912.7	69,384	7.21
12	57,605	5,228.3	52,377	5.45
15	38,146	3,470.9	34,675	3.60
20	19,646	1,794.6	17,851	1.86

CAPITAL (undisc)

	Unrisked	Risked
Cost Of Prod. \$/BOEPD	1,377.73	1,377.73
Cost Of Reserves \$/BOE	3.15	3.15
Prob Of Success %	100.00	100.00
Chance Of %	100.00	100.00

ECONOMIC INDICATORS

	BTAX			
	Unrisked		Risked	
Discount Rate (%)	10.0	10.0	10.0	10.0
Payout (Yrs)	0.1	0.1	0.1	0.1
Discounted Payout (Yrs)	0.1	0.1	0.1	0.1
DCF Rate of Return (%)	> 200.0	> 200.0	> 200.0	> 200.0
NPV/Undisc Invest	2.3	2.3	2.3	2.3
NPV/Disc Invest	10.0	10.0	10.0	10.0
NPV/DIS Cap Exposure	1,003.7	1,003.7	1,003.7	1,003.7
NPV/BOEPD (M\$/boepd)	3.2	3.2	3.2	3.2

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Prod (3 Mo Ave) (BOEPD)	29.19	29.19	29.19	29.19	29.19
Prod (12 Mo Ave) (BOEPD)	23.05	23.05	23.05	23.05	23.05
Price (\$/BOE)	41.17	41.17	41.17	41.17	41.17
Royalties (\$/BOE)	2.42	2.42	2.42	2.42	2.42
Operating Costs (\$/BOE)	1.27	1.27	1.27	1.27	1.27
NetBack (\$/BOE)	37.48	37.48	37.48	37.48	37.48
Recycle Ratio (ratio)	11.90	11.90	11.90	11.90	11.90

Hillcrest Resources Ltd.
INPUT DATA SHEET
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Effective December 31, 2011

GENERAL

Property:	Hartburg	Operator:	NADSOIL CO LIMITED LIABILITY CORP
Location:	Nadsoil Donner #2 - 423513085800	Formation:	Lower Hackberry
Category:	PDP	Calculation Type:	Volumetric
Type:	Oil	Class:	Light
Current Status:	Flowing Oil	Current Status Date:	
Alt ID:	Nadsoil Donner #2		

Entity Comments: The monthly well cost for Donner #2 has been split between the Nonion Struma and Lower Hackberry Formations.

ZONE

Rig Release Date:		Top Depth:	0.0 ft KB
Kelly Bushing:	0.0 ft SS	Total Depth:	0.0 ft KB
Pool Name:		Midpoint Perf Depth:	0.0 ft KB

RESERVOIR & RESERVES SUMMARY (* data from volumetric tab)

Reservoir Parameters *		Oil		Gas	
Formation Top:	7,062 ft	Original Volume In Place:	153.6 Mbbl	Original Volume In Place:	MMcf
Gas/Oil Contact:	ft	Recovery Factor:	0.1200 Fraction	Recovery Factor:	Fraction
Water Contact:	ft	Ultimate Recoverable:	18.4 Mbbl	Ultimate Recoverable:	0.0 MMcf
Production Area:	20 acre	Cumulative Production:	2.1 Mbbl	Cumulative Production:	0.0 MMcf
Net Pay:	4.00 ft	Remaining Recoverable:	16.3 Mbbl	Remaining Recoverable:	0.0 MMcf
Reservoir Volume:	80.0 acre-ft	Oil Shrinkage: *	1.10 Fraction	Sales Gas:	0.0 MMcf
Porosity:	0.300 Fraction			Oil Saturation: *	Fraction
Water Saturation:	0.250 Fraction			Z Factor: *	Fraction
Initial Pressure:	psi			Surface Loss:	0.00 Fraction
Initial Temp:	138 F			H2S Content:	Fraction
				CO2 Content:	Fraction

Volumetric Remarks:

Category Remarks:

FORECAST RATES AND TRENDS

On Production Date:	2011-09-01	GOR:	scf/bbl
Lift Type:		OGR:	bbl/MMcf
Oil Gravity:	API	Water Cut:	1.0 %
Heating Value:	Btu/scf	WGR:	bbl/MMcf

Remaining Reserves

Gas:	0.0 Mcf	Oil:	16.3 Mbbl
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Number of Trends: 1

Trends

Product:	Oil
Start Date:	2012-01-01
End Date:	2021-01-05
Initial Rate:	14 bbl/day
Rate at Effective Date:	14 bbl/day
Final Rate:	1 bbl/day
Decline Exponent:	0.000
Final Cum:	18.4 Mbbl

Reserve Notes

Supporting Data Comments:

PRODUCT RESERVES & RATIOS (Sales Basis)*

	Reserve	Yield	ISC
Ethane			
Propane			
Butane			
Pentane+			
Sulphur			
* Items have details			

INTERESTS AND BURDENS

Acquisition Date:
Disposition Date:

Interests

BPO: (487.9 M\$) 48% WI+36% Rev Int
 APO: 1: 36% WI+27% Rev Int

Lessor

Burdens

1.29% Ad Valorem+4.6% Severance
 1.29% Ad Valorem+4.6% Severance

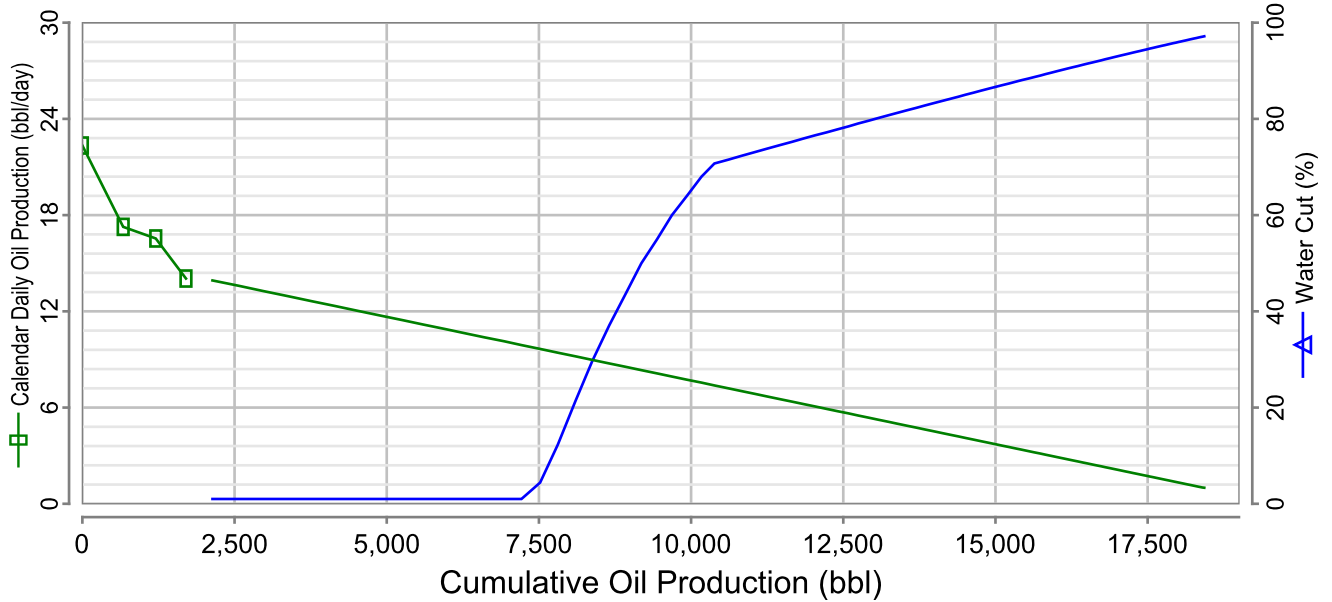
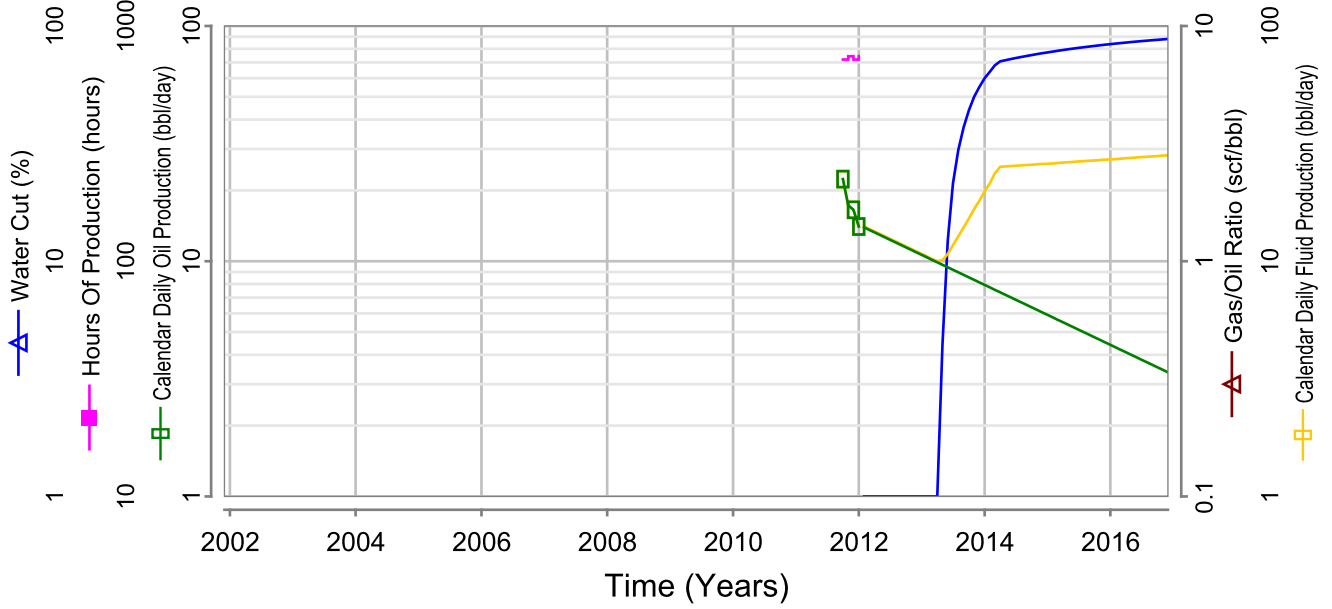
Participant Remarks: Payout balance of \$862,000 was supplied by Hillcrest. The balance of the payout to the effective date of December 31, 2011, \$710,316, is estimated by AJM Deloitte. The remaining payout balance of \$710,316 has been grossed up to \$887,900 to account for Hillcrest's portion of 60% in the drilling and completion costs. The payout balance was split between the Lower Hackberry and the Nonion Struma so that they both payout in 2013.

Hillcrest Resources Ltd.
CHART - PRODUCTION AND FORECAST

Effective December 31, 2011

Operator: NADSOIL CO LIMITED LIABILITY CORP
 Province: Texas
 Field: HARTBURG NORTHWEST
 Pool:
 Unit:
 Status: Flowing Oil

Hartburg
 Nadsoil Donner #2 - 423513085800
 PDP



Cum Oil (bbl)	2,137	Cum Gas (Mcf)	0	Cum Water (bbl)	0	Cum Cond (bbl)	0
Forecast Start	01/01/2012	Calculation Type	Volumetric	Est. Cum Prod (bbl)	2,137	Decline Exponent	0.000
Forecast End	01/05/2021	OVIP (bbl)	153,616	Remaining (bbl)	16,297	Initial Decline (%/yr)	25.4
Initial Rate (bbl/day)	14.1	Recovery Factor	0.120	Surface Loss	0.0	Reserve Life Index	3.65
Final Rate (bbl/day)	1.0	Ult. Recoverable (bbl)	18,434	Total Sales (Mcf)	0	Reserve Half Life (yrs)	2.13

Hillcrest Resources Ltd.
CASH FLOW
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Location : Hartburg, Texas
Entity : Nadsolil Donner #2 - 423513085800
Formation : Lower Hackberry
 Effective December 31, 2011

Interests: BPO: (487.9 M\$) 48% WI+36% Rev Int
 APO: 1: 36% WI+27% Rev Int

Lease Burden: 1.29% Ad Valorem+4.6% Severance
 1.29% Ad Valorem+4.6% Severance
Lessor:

Total Proved Developed Producing Reserves

OIL, GAS & SULPHUR SUMMARY

	COMPANY OIL								COMPANY SALES GAS								SULPHUR		TOTAL	
	Wells	Pool Rates	Pool Volumes	WI Volume	RI Volume	Price	Revenue		Wells	Pool Rates	Pool Volumes	WI Volume	RI Volume	Price	Revenue	Co. Share Volume	Price	WI Rates	Co. Share Rates	
	bb/d	bb/d	bb/d	bb/d	bb/d	\$/bbl	\$		scf/d	scf	scf	scf	scf	\$/Mcf	\$	lt	\$/lt	boe/d	boe/d	
2012	1.0	12	4,470.7	2,146.0	0.0	105.00	168,994	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	6	6	
2013	1.0	9	3,323.4	1,499.2	0.0	107.00	120,307	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	4	4	
2014	1.0	7	2,478.4	892.2	0.0	109.05	72,971	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	2	2	
2015	1.0	5	1,848.2	665.3	0.0	111.10	55,439	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	2	2	
2016	1.0	4	1,381.5	497.3	0.0	113.25	42,242	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1	
2017	1.0	3	1,026.9	369.7	0.0	115.40	31,998	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1	
2018	1.0	2	765.8	275.7	0.0	117.60	24,316	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1	
2019	1.0	2	571.1	205.6	0.0	119.85	18,480	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1	
2020	1.0	1	426.9	153.7	0.0	122.15	14,079	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2021	1.0	0	3.9	1.4	0.0	124.50	132	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
Sub			16,296.8	6,706.1	0.0	109.15	548,958			0.0	0.0	0.0	0.0	0.00	0	0.0	0.00			
Rem			0.0	0.0	0.0	0.00	0			0.0	0.0	0.0	0.0	0.00	0	0.0	0.00			
Total			16,296.8	6,706.1	0.0	109.15	548,958			0.0	0.0	0.0	0.0	0.00	0	0.0	0.00			

NGL SUMMARY

	CONDENSATE				ETHANE				PROPANE				BUTANE				TOTAL NGL		
	WI Volume	RI Volume	Price	Co. Share Revenue	WI Volume	RI Volume	Price	Co. Share Revenue	WI Volume	RI Volume	Price	Co. Share Revenue	WI Volume	RI Volume	Price	Co. Share Revenue	WI Volume	RI Volumes	CS Net Volumes
	bb/d	bb/d	\$/bbl	\$	bb/d	bb/d	\$/bbl	\$	bb/d	bb/d	\$/bbl	\$	bb/d	bb/d	\$/bbl	\$	bb/d	bb/d	bb/d
2012	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2013	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2014	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2015	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2016	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2017	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2018	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2019	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2020	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Sub	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
Rem	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0

CASH FLOW BTAX

	Company Revenue	Crown Royalty	Freehold Royalty	ORR Royalty	Mineral Tax	Total Royalty Burden	Net Rev After Royalties	Other Income	Sask Corp Cap Tax	Fixed Oper Expense	Variable Operating Expense	Other Expenses	Total Operating Costs	Abandon Cost & Salvage	Net Operating Income	Total Investment	NET Cash Flow	CUM Cash Flow	Disc Cash Flow (10%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2012	168,994	0.0	0.0	0.0	9,953.7	6	159,040	0.0	0.0	3,744.0	2,704.1	0.0	6,448.1	0.0	152,592	0.0	152,592	152,592	145,892
2013	120,307	0.0	0.0	0.0	7,086.1	6	113,221	0.0	0.0	3,563.8	2,547.2	0.0	6,111.1	0.0	107,110	0.0	107,110	259,702	93,322
2014	72,971	0.0	0.0	0.0	4,298.0	6	68,673	0.0	0.0	2,921.4	3,662.9	0.0	6,584.3	0.0	62,089	0.0	62,089	321,791	49,070
2015	55,439	0.0	0.0	0.0	3,265.4	6	52,174	0.0	0.0	2,979.9	3,884.3	0.0	6,864.1	0.0	45,310	0.0	45,310	367,101	32,461
2016	42,242	0.0	0.0	0.0	2,488.0	6	39,754	0.0	0.0	3,039.5	4,093.1	0.0	7,132.6	0.0	32,621	0.0	32,621	399,722	21,242
2017	31,998	0.0	0.0	0.0	1,884.7	6	30,113	0.0	0.0	3,100.3	4,312.7	0.0	7,412.9	0.0	22,700	0.0	22,700	422,422	13,439
2018	24,316	0.0	0.0	0.0	1,432.2	6	22,884	0.0	0.0	3,162.3	4,580.5	0.0	7,742.7	0.0	15,141	0.0	15,141	437,563	8,149
2019	18,480	0.0	0.0	0.0	1,088.5	6	17,392	0.0	0.0	3,225.5	4,893.8	0.0	8,119.3	0.0	9,272	0.0	9,272	446,835	4,537
2020	14,079	0.0	0.0	0.0	829.2	6	13,249	0.0	0.0	3,290.0	5,276.7	0.0	8,566.7	0.0	4,683	0.0	4,683	451,518	2,083
2021	132	0.0	0.0	0.0	7.8	6	124	0.0	0.0	36.1	60.1	0.0	96.2	21,511.7	-21,484	0.0	-21,484	430,034	-8,687
Sub	548,958	0.0	0.0	0.0	32,333.6	6	516,624	0.0	0.0	29,062.8	36,015.4	0.0	65,078.1	21,511.7	430,034	0.0	430,034	430,034	361,508
Rem	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	0.0	0	430,034	0
Total	548,958	0.0	0.0	0.0	32,333.6	6	516,624	0.0	0.0	29,062.8	36,015.4	0.0	65,078.1	21,511.7	430,034	0.0	430,034	430,034	361,508

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	1.7
RLI (Principal Product)	3.1
Reserves Life	10.0
RLI (BOE)	3.1

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	16,297	6,706	6,706	5,030
Gas (scf)	0	0	0	0
Gas (boe)	0	0	0	0
*NGL (bbl)	0	0	0	0
Cond (bbl)	0	0	0	0
Total (boe)	16,297	6,706	6,706	5,030

*This NGL Value includes only Ethane, Propane and Butane. Condensate and Field Condensate are included in the Condensate line.

NET PRESENT VALUES BEFORE TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
0	430,034	0.0	430,034	64.13
5	392,736	0.0	392,736	58.56
10	361,508	0.0	361,508	53.91
12	350,453	0.0	350,453	52.26
15	335,206	0.0	335,206	49.99
20	312,885	0.0	312,885	46.66

CAPITAL (undisc)

	Unrisked	Risked
Cost Of Prod. \$/BOE PD	0.00	0.00
Cost Of Reserves \$/BOE	0.00	0.00
Prob Of Success %	100.00	100.00
Chance Of %	100.00	100.00

ECONOMIC INDICATORS

	BTAX			
	Unrisked		Risked	
Discount Rate (%)	10.0		10.0	
Payout (Yrs)	0.0		0.0	
Discounted Payout (Yrs)	0.0		0.0	
DCF Rate of Return (%)	> 200.0	>	200.0	>
NPV/Undisc Invest	0.0		0.0	
NPV/Disc Invest	0.0		0.0	
NPV/DIS Cap Exposure	0.0		0.0	
NPV/BOEPD (M\$/boepd)	61.5		61.5	

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
		Prod (3 Mo Ave) (BOEPD)	6.53	6.53	6.53
Prod (12 Mo Ave) (BOEPD)	5.88	5.88	5.88	5.88	
Price (\$/BOE)	78.75	78.75	78.75	78.75	
Royalties (\$/BOE)	4.64	4.64	4.64	4.64	
Operating Costs (\$/BOE)	3.00	3.00	3.00	3.00	
NetBack (\$/BOE)	71.11	71.11	71.11	71.11	
Recycle Ratio (ratio)	0.00	0.00	0.00	0.00	

Hillcrest Resources Ltd.
INPUT DATA SHEET
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Effective December 31, 2011

GENERAL

Property:	Hartburg	Operator:	NADSOIL CO LIMITED LIABILITY CORP
Location:	Nadsoil Donner #2 - 423513085800	Formation:	Lower Hackberry
Category:	P+P	Calculation Type:	Volumetric
Type:	Oil	Class:	Light
Current Status:	Flowing Oil	Current Status Date:	
Alt ID:	Nadsoil Donner #2		

Entity Comments: The monthly well cost for Donner #2 has been split between the Nonion Struma and Lower Hackberry Formations.

ZONE

Rig Release Date:		Top Depth:	0.0 ft KB
Kelly Bushing:	0.0 ft SS	Total Depth:	0.0 ft KB
Pool Name:		Midpoint Perf Depth:	0.0 ft KB

RESERVOIR & RESERVES SUMMARY (* data from volumetric tab)

Reservoir Parameters *

Formation Top:	7,062 ft
Gas/Oil Contact:	ft
Water Contact:	ft
Production Area:	20 acre
Net Pay:	4.00 ft
Reservoir Volume:	80.0 acre-ft
Porosity:	0.300 Fraction
Water Saturation:	0.250 Fraction
Initial Pressure:	psi
Initial Temp:	138 F

Oil

Original Volume In Place:	153.6 Mbbl
Recovery Factor:	0.1700 Fraction
Ultimate Recoverable:	26.1 Mbbl
Cumulative Production:	2.1 Mbbl
Remaining Recoverable:	24.0 Mbbl
Oil Shrinkage: *	1.10 Fraction

Gas

Original Volume In Place:	MMcf
Recovery Factor:	Fraction
Ultimate Recoverable:	0.0 MMcf
Cumulative Production:	0.0 MMcf
Remaining Recoverable:	0.0 MMcf
Sales Gas:	0.0 MMcf
Oil Saturation: *	Fraction
Z Factor: *	Fraction
Surface Loss:	0.00 Fraction
H2S Content:	Fraction
CO2 Content:	Fraction

Volumetric Remarks:

Category Remarks:

FORECAST RATES AND TRENDS

On Production Date:	2011-09-01	GOR:	scf/bbl
Lift Type:		OGR:	bbl/MMcf
Oil Gravity:	API	Water Cut:	1.0 %
Heating Value:	Btu/scf	WGR:	bbl/MMcf

Remaining Reserves

Gas:	0.0 Mcf	Oil:	24.0 Mbbl
------	---------	------	-----------

Number of Trends: 1

Trends

Product:	Oil
Start Date:	2012-01-01
End Date:	2025-04-06
Initial Rate:	14 bbl/day
Rate at Effective Date:	14 bbl/day
Final Rate:	1 bbl/day
Decline Exponent:	0.000
Final Cum:	26.1 Mbbl

Reserve Notes

Supporting Data Comments:

PRODUCT RESERVES & RATIOS (Sales Basis)*

	Reserve	Yield	ISC
Ethane			
Propane			
Butane			
Pentane+			
Sulphur			
* Items have details			

INTERESTS AND BURDENS

Acquisition Date:
Disposition Date:

Interests

Lessor

Burdens

BPO: (487.9 M\$) 48% WI+36% Rev Int	1.29% Ad Valorem+4.6% Severance
APO: 1: 36% WI+27% Rev Int	1.29% Ad Valorem+4.6% Severance

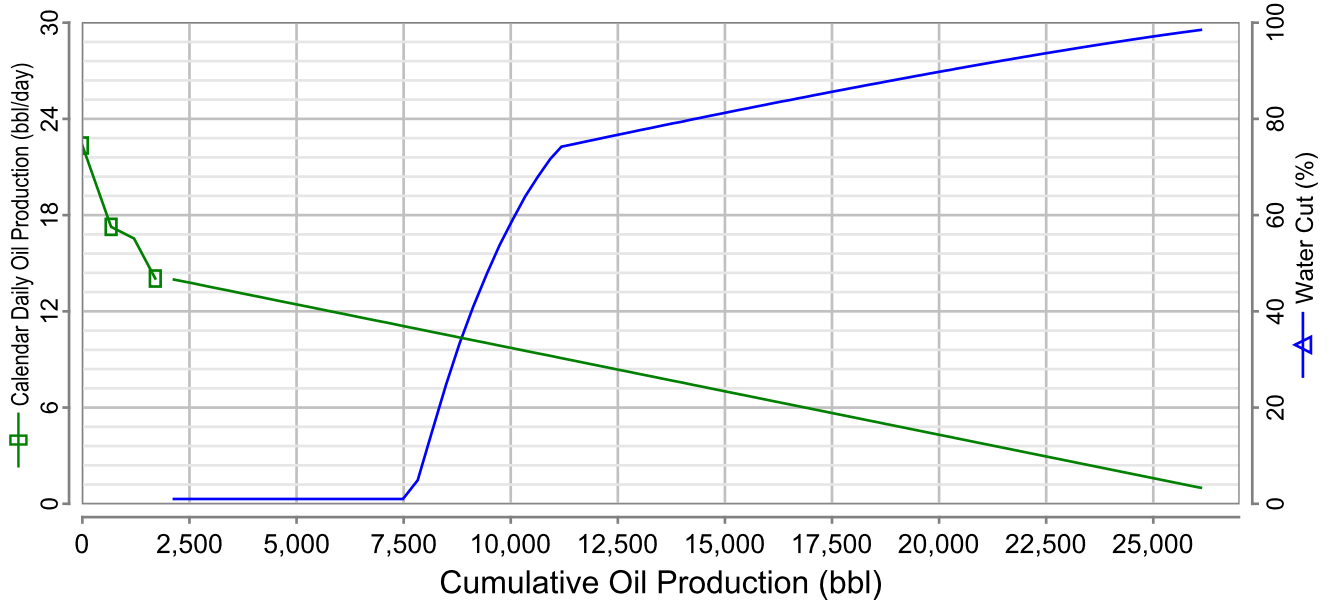
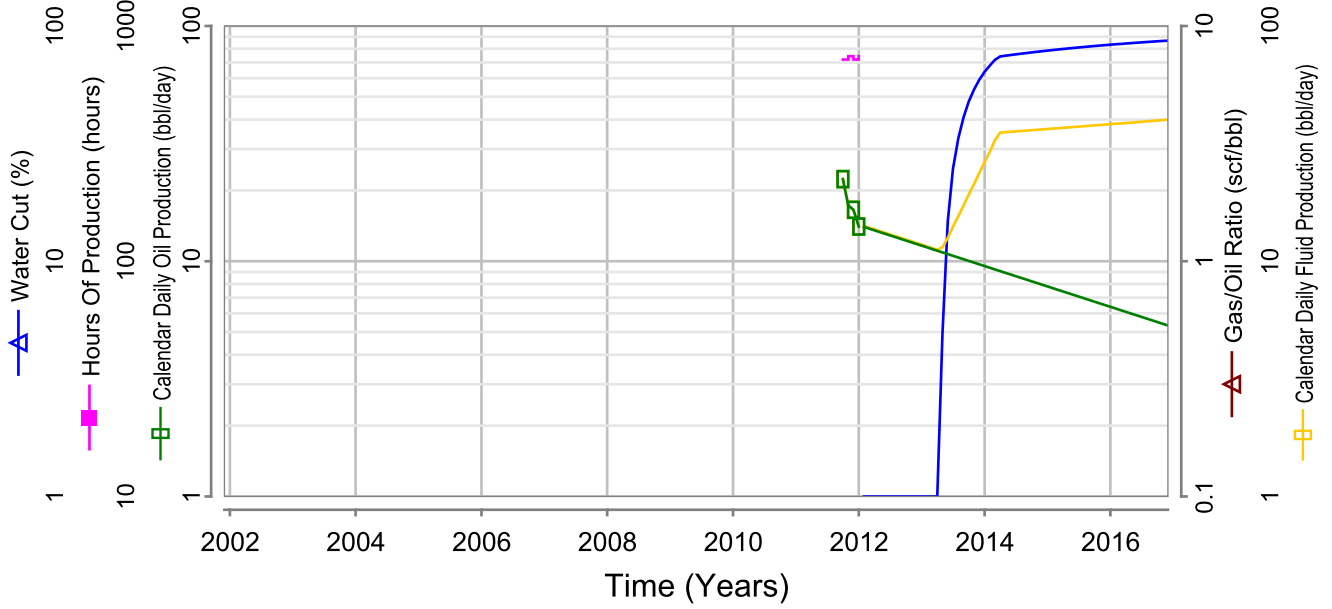
Participant Remarks: Payout balance of \$862,000 was supplied by Hillcrest. The balance of the payout to the effective date of December 31, 2011, \$710,316, is estimated by AJM Deloitte. The remaining payout balance of \$710,316 has been grossed up to \$887,900 to account for Hillcrest's portion of 60% in the drilling and completion costs. The payout balance was split between the Lower Hackberry and the Nonion Struma so that they both payout in 2013.

Hillcrest Resources Ltd.
CHART - PRODUCTION AND FORECAST

Effective December 31, 2011

Operator: NADSOIL CO LIMITED LIABILITY CORP
 Province: Texas
 Field: HARTBURG NORTHWEST
 Pool:
 Unit:
 Status: Flowing Oil

Hartburg
 Nadsoil Donner #2 - 423513085800
 P+P



Cum Oil (bbl)	2,137	Cum Gas (Mcf)	0	Cum Water (bbl)	0	Cum Cond (bbl)	0
Forecast Start	01/01/2012	Calculation Type	Volumetric	Est. Cum Prod (bbl)	2,137	Decline Exponent	0.000
Forecast End	04/06/2025	OVIP (bbl)	153,616	Remaining (bbl)	23,978	Initial Decline (%/yr)	18.1
Initial Rate (bbl/day)	14.1	Recovery Factor	0.170	Surface Loss	0.0	Reserve Life Index	5.13
Final Rate (bbl/day)	1.0	Ult. Recoverable (bbl)	26,115	Total Sales (Mcf)	0	Reserve Half Life (yrs)	3.13

Hillcrest Resources Ltd.
CASH FLOW
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Location : Hartburg, Texas
Entity : Nadsolil Donner #2 - 423513085800
Formation : Lower Hackberry
Effective December 31, 2011

Interests: BPO: (487.9 M\$) 48% WI+36% Rev Int
APO: 1: 36% WI+27% Rev Int

Lease Burden: 1.29% Ad Valorem+4.6% Severance
1.29% Ad Valorem+4.6% Severance

Lessor:

Total Proved Plus Probable Reserves

OIL, GAS & SULPHUR SUMMARY

	COMPANY OIL								COMPANY SALES GAS								SULPHUR		TOTAL	
	Wells	Pool Rates bbl/d	Pool Volumes bbl	WI Volume bbl	RI Volume bbl	Price \$/bbl	Revenue \$		Wells	Pool Rates scf/d	Pool Volumes scf	WI Volume scf	RI Volume scf	Price \$/Mcf	Revenue \$	Co. Share Volume lt	Price \$/lt	WI Rates boe/d	Co. Share Rates boe/d	
2012	1.0	13	4,677.4	2,245.1	0.0	105.00	176,805	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	6	6	
2013	1.0	10	3,820.2	1,651.3	0.0	107.00	132,515	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	5	5	
2014	1.0	9	3,129.6	1,126.6	0.0	109.05	92,145	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	3	3	
2015	1.0	7	2,563.8	923.0	0.0	111.10	76,905	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	3	3	
2016	1.0	6	2,105.5	758.0	0.0	113.25	64,380	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	2	2	
2017	1.0	5	1,719.6	619.1	0.0	115.40	53,580	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	2	2	
2018	1.0	4	1,408.7	507.1	0.0	117.60	44,730	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1	
2019	1.0	3	1,154.1	415.5	0.0	119.85	37,345	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1	
2020	1.0	3	947.8	341.2	0.0	122.15	31,257	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1	
2021	1.0	2	774.1	278.7	0.0	124.50	26,020	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1	
Sub			22,300.6	8,865.5	0.0	110.64	735,683			0.0	0.0	0.0	0.0	0.00	0	0.0	0.00			
Rem			1,153.6	415.3	0.0	128.00	39,870			0.0	0.0	0.0	0.0	0.00	0	0.0	0.00			
Total			23,454.2	9,280.8	0.0	111.42	775,552			0.0	0.0	0.0	0.0	0.00	0	0.0	0.00			

NGL SUMMARY

	CONDENSATE				ETHANE				PROPANE				BUTANE				TOTAL NGL		
	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volumes bbl	CS Net Volumes bbl
2012	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2013	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2014	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2015	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2016	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2017	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2018	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2019	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2020	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
Sub	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
Rem	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0

CASH FLOW BTAX

	Company Revenue	Crown Royalty	Freehold Royalty	ORR Royalty	Mineral Tax	Total Royalty Burden	Net Rev After Royalties	Other Income	Sask Corp Cap Tax	Fixed Oper Expense	Variable Operating Expense	Other Expenses	Total Operating Costs	Abandon Cost & Salvage	Net Operating Income	Total Investment	NET Cash Flow	CUM Cash Flow	Disc Cash Flow (10%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2012	176,805	0.0	0.0	0.0	10,413.8	6	166,391	0.0	0.0	3,744.0	2,829.1	0.0	6,573.1	0.0	159,818	0.0	159,818	159,818	152,684
2013	132,515	0.0	0.0	0.0	7,805.1	6	124,710	0.0	0.0	3,418.3	2,934.7	0.0	6,353.0	0.0	118,357	0.0	118,357	278,175	103,131
2014	92,145	0.0	0.0	0.0	5,427.4	6	86,718	0.0	0.0	2,921.4	5,084.1	0.0	8,005.6	0.0	78,712	0.0	78,712	356,887	62,158
2015	76,905	0.0	0.0	0.0	4,529.7	6	72,376	0.0	0.0	2,979.9	5,464.0	0.0	8,443.9	0.0	63,932	0.0	63,932	420,819	45,803
2016	64,380	0.0	0.0	0.0	3,792.0	6	60,588	0.0	0.0	3,039.5	5,802.5	0.0	8,841.9	0.0	51,746	0.0	51,746	472,565	33,696
2017	53,580	0.0	0.0	0.0	3,155.9	6	50,424	0.0	0.0	3,100.3	6,147.5	0.0	9,247.8	0.0	41,176	0.0	41,176	513,741	24,377
2018	44,730	0.0	0.0	0.0	2,634.6	6	42,096	0.0	0.0	3,162.3	6,557.9	0.0	9,720.1	0.0	32,375	0.0	32,375	546,117	17,425
2019	37,345	0.0	0.0	0.0	2,199.6	6	35,145	0.0	0.0	3,225.5	7,010.8	0.0	10,236.3	0.0	24,909	0.0	24,909	571,025	12,189
2020	31,257	0.0	0.0	0.0	1,841.1	6	29,416	0.0	0.0	3,290.0	7,536.9	0.0	10,826.9	0.0	18,589	0.0	18,589	589,615	8,268
2021	26,020	0.0	0.0	0.0	1,532.6	6	24,488	0.0	0.0	3,355.8	8,092.2	0.0	11,448.1	0.0	13,040	0.0	13,040	602,654	5,273
Sub	735,683	0.0	0.0	0.0	43,331.7	6	692,351	0.0	0.0	32,237.0	57,459.7	0.0	89,696.7	0.0	602,654	0.0	602,654	602,654	465,002
Rem	39,870	0.0	0.0	0.0	2,348.3	6	37,521	0.0	0.0	6,914.3	18,271.4	0.0	25,185.7	22,380.7	-10,045	0.0	-10,045	592,609	-3,081
Total	775,552	0.0	0.0	0.0	45,680.0	6	729,872	0.0	0.0	39,151.3	75,731.1	0.0	114,882.4	22,380.7	592,609	0.0	592,609	592,609	461,921

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	2.7
RLI (Principal Product)	4.1
Reserves Life	12.0
RLI (BOE)	4.1

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	23,454	9,281	9,281	6,961
Gas (scf)	0	0	0	0
Gas (boe)	0	0	0	0
*NGL (bbl)	0	0	0	0
Cond (bbl)	0	0	0	0
Total (boe)	23,454	9,281	9,281	6,961

*This NGL Value includes only Ethane, Propane and Butane. Condensate and Field Condensate are included in the Condensate line.

NET PRESENT VALUES BEFORE TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
0	592,609	0.0	592,609	63.85
5	518,912	0.0	518,912	55.91
10	461,921	0.0	461,921	49.77
12	442,699	0.0	442,699	47.70
15	416,959	0.0	416,959	44.93
20	380,818	0.0	380,818	41.03

CAPITAL (undisc)

	Unrisked	Risked
Cost Of Prod. \$/BOEPD	0.00	0.00
Cost Of Reserves \$/BOE	0.00	0.00
Prob Of Success %	100.00	100.00
Chance Of %	100.00	100.00

ECONOMIC INDICATORS

	BTAX			
	Unrisked		Risked	
Discount Rate (%)	10.0			10.0
Payout (Yrs)	0.0			0.0
Discounted Payout (Yrs)	0.0			0.0
DCF Rate of Return (%)	> 200.0	>		200.0
NPV/Undisc Invest	0.0			0.0
NPV/Disc Invest	0.0			0.0
NPV/DIS Cap Exposure	0.0			0.0
NPV/BOEPD (M\$/boepd)	75.1			75.1

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Prod (3 Mo Ave) (BOEPD)	6.60	6.60	6.60	6.60	
Prod (12 Mo Ave) (BOEPD)	6.15	6.15	6.15	6.15	
Price (\$/BOE)	78.75	78.75	78.75	78.75	
Royalties (\$/BOE)	4.64	4.64	4.64	4.64	
Operating Costs (\$/BOE)	2.93	2.93	2.93	2.93	
NetBack (\$/BOE)	71.18	71.18	71.18	71.18	
Recycle Ratio (ratio)	0.00	0.00	0.00	0.00	

Hillcrest Resources Ltd.
INPUT DATA SHEET
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Effective December 31, 2011

GENERAL

Property: Hartburg	Operator: NADSOIL CO LIMITED LIABILITY CORP
Location: Nadsoil Donner #2 - Nonion Struma	Formation: Nonion Struma
Category: PDNP	Calculation Type: Volumetric
Type: Gas	Class: Conventional
Current Status: Gas Producer	Current Status Date:
Alt ID:	

Entity Comments: The monthly well cost for Donner #2 has been split between the Nonion Struma and Lower Hackberry Formations. The initial rate for the Nonion Struma Formation was taken from a gas test that was supplied by Hillcrest.

ZONE

Rig Release Date:	Top Depth: ft KB
Kelly Bushing: ft SS	Total Depth: ft KB
Pool Name:	Midpoint Perf Depth: ft KB

RESERVOIR & RESERVES SUMMARY (* data from volumetric tab)

Reservoir Parameters *	Oil	Gas
Formation Top: 7,300 ft	Original Volume In Place: 0.0 Mbbl	Original Volume In Place: 610.6 MMcf
Gas/Oil Contact: ft	Recovery Factor: Fraction	Recovery Factor: 0.6500 Fraction
Water Contact: ft	Ultimate Recoverable: 0.0 Mbbl	Ultimate Recoverable: 396.9 MMcf
Production Area: 40 acre	Cumulative Production: 0.0 Mbbl	Cumulative Production: 0.0 MMcf
Net Pay: 9.00 ft	Remaining Recoverable: 0.0 Mbbl	Remaining Recoverable: 396.9 MMcf
Reservoir Volume: 360.0 acre-ft	Oil Shrinkage: * Fraction	Sales Gas: 377.1 MMcf
Porosity: 0.300 Fraction		Oil Saturation: * Fraction
Water Saturation: 0.200 Fraction		Z Factor: * 0.8600 Fraction
Initial Pressure: 2,360.0 psi		Surface Loss: 0.05 Fraction
Initial Temp: 140 F		H2S Content: Fraction
		CO2 Content: Fraction

Volumetric Remarks:

Category Remarks:

FORECAST RATES AND TRENDS

On Production Date:	GOR: scf/bbl
Lift Type:	OGR: bbl/MMcf
Oil Gravity: API	Water Cut: %
Heating Value: 1,000 Btu/scf	WGR: bbl/MMcf

Remaining Reserves

Gas: 396,907.0 Mcf	Oil: 0.0 Mbbl
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Number of Trends: 1

Trends

Product: Gas	Trends: 1
Start Date: 2012-05-01	
End Date: 2017-10-26	
Initial Rate: 510 Mcf/day	
Rate at Effective Date: 510 Mcf/day	
Final Rate: 50 Mcf/day	
Decline Exponent: 0.000	
Final Cum: 396,907.0 Mcf	

Reserve Notes

Supporting Data Comments:

PRODUCT RESERVES & RATIOS (Sales Basis)*

	Reserve	Yield	ISC
Ethane			
Propane			
Butane			
Pentane+	1,885 bbl	5.00 bbl/MMcf	
Sulphur			
* Items have details			

INTERESTS AND BURDENS

Acquisition Date:
Disposition Date:

Interests	Lessor	Burdens
BPO: (400 M\$) 48% WI+36% Rev Int		1.29% Ad Valorem+4.6% Severance
APO: 1: 36% WI+27% Rev Int		1.29% Ad Valorem+4.6% Severance

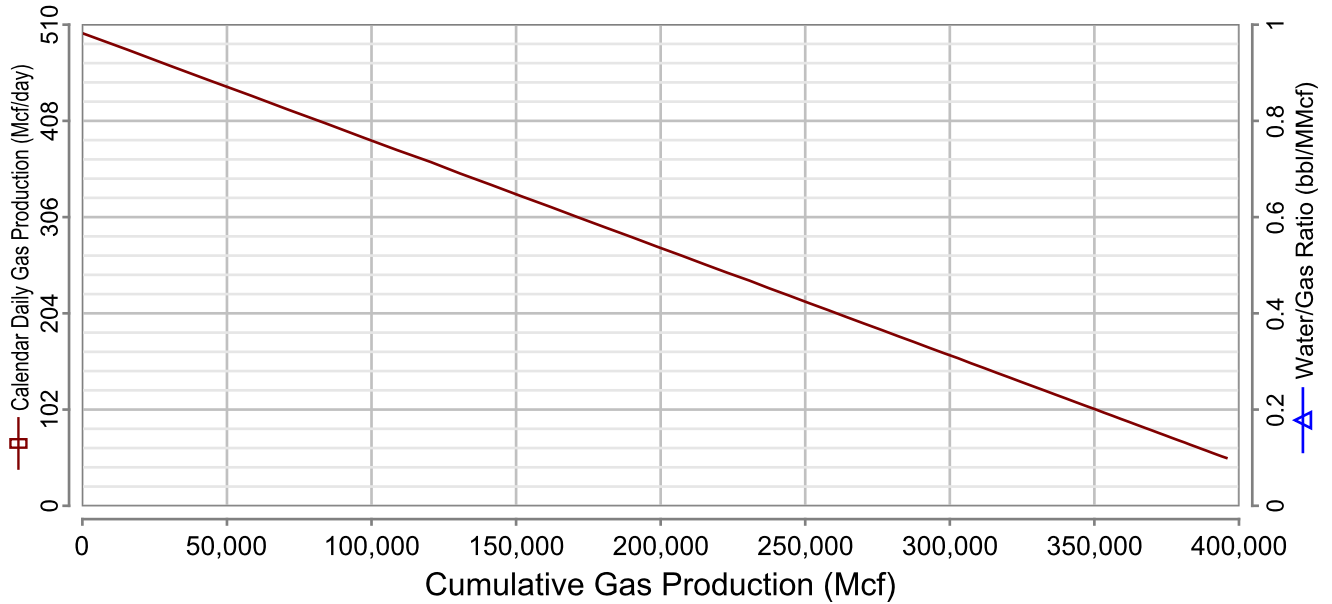
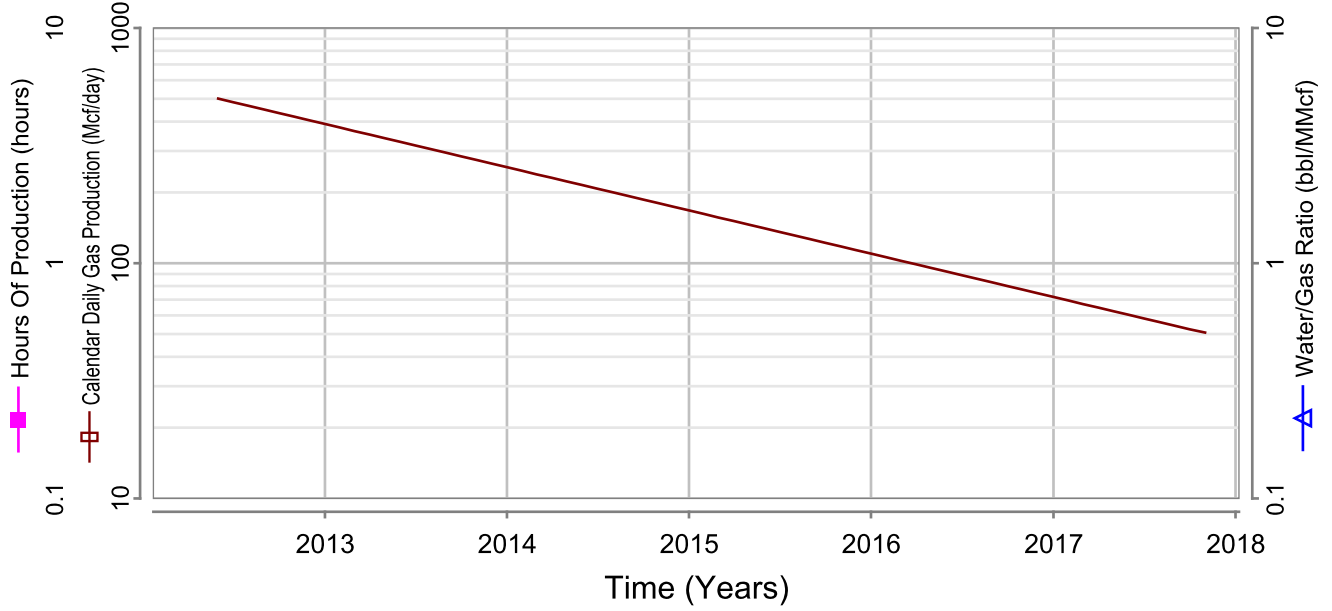
Participant Remarks: Payout balance of \$862,000 was supplied by Hillcrest. The balance of the payout to the effective date of December 31, 2011, \$710,316, is estimated by AJM Deloitte. The remaining payout balance of \$710,316 has been grossed up to \$887,900 to account for Hillcrest's portion of 60% in the drilling and completion costs. The payout balance was split between the Lower Hackberry and the Nonion Struma so that they both payout in 2013.

Hillcrest Resources Ltd.
CHART - PRODUCTION AND FORECAST

Effective December 31, 2011

Operator: NADSOIL CO LIMITED LIABILITY CORP
 Province: Texas
 Field: multi zone (0)
 Pool: multi zone (0)
 Unit: multi zone (0)
 Status: Gas Producer

Hartburg
 Nadsoil Donner #2 - Nonion Struma
 PDNP



Cum Oil (bbl)	0	Cum Gas (Mcf)	0	Cum Water (bbl)	0	Cum Cond (bbl)	0
Forecast Start	05/01/2012	Calculation Type	Volumetric	Est. Cum Prod (Mcf)	0	Decline Exponent	0.000
Forecast End	10/26/2017	OVIP (Mcf)	610,627	Remaining (Mcf)	396,907	Initial Decline (%/yr)	34.5
Initial Rate (Mcf/day)	510.0	Recovery Factor	0.650	Surface Loss	0.05	Reserve Life Index	2.61
Final Rate (Mcf/day)	50.0	Ult. Recoverable (Mcf)	396,907	Total Sales (Mcf)	377,062	Reserve Half Life (yrs)	1.42

Hillcrest Resources Ltd.
CASH FLOW
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Location : Hartburg, Texas
 Entity : Nadsolil Donner #2 - Nonion Struma
 Formation : Nonion Struma
 Effective December 31, 2011

Interests: BPO: (400 M\$) 48% WI+36% Rev Int
 APO: 1: 36% WI+27% Rev Int

Lease Burden: 1.29% Ad Valorem+4.6% Severance
 1.29% Ad Valorem+4.6% Severance

Lessor:

Total Proved Developed Non-Producing Reserves

OIL, GAS & SULPHUR SUMMARY

	COMPANY OIL								COMPANY SALES GAS								SULPHUR		TOTAL	
	Wells	Pool Rates bbl/d	Pool Volumes bbl	WI Volume bbl	RI Volume bbl	Price \$/bbl	Revenue \$		Wells	Pool Rates scf/d	Pool Volumes Mcf	WI Volume Mcf	RI Volume Mcf	Price \$/Mcf	Revenue \$	Co. Share Volume lt	Price \$/lt	WI Rates boe/d	Co. Share Rates boe/d	
2012	0.0	0	98.00	18,228.8	0.0	0.00	0	1.0	282,344	103,337.9	49,602.2	0.0	3.15	117,185	0.0	0.00	23	23		
2013	0.0	0	0.0	0.0	0.0	0.00	0	1.0	297,408	108,554.1	45,326.0	0.0	3.85	130,879	0.0	0.00	21	21		
2014	0.0	0	0.0	0.0	0.0	0.00	0	1.0	194,822	71,110.0	25,599.6	0.0	4.35	83,519	0.0	0.00	12	12		
2015	0.0	0	0.0	0.0	0.0	0.00	0	1.0	127,621	46,581.6	16,769.4	0.0	4.80	60,370	0.0	0.00	8	8		
2016	0.0	0	0.0	0.0	0.0	0.00	0	1.0	83,555	30,581.1	11,009.2	0.0	5.25	43,349	0.0	0.00	5	5		
2017	0.0	0	0.0	0.0	0.0	0.00	0	1.0	46,293	16,896.9	6,082.9	0.0	5.70	26,004	0.0	0.00	3	3		
2018	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0		
2019	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0		
2020	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0		
2021	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0		
Sub			0.0	0.0	0.0	0.00	0			377,061.7	154,389.3	0.0	3.98	461,306	0.0	0.00				
Rem			0.0	0.0	0.0	0.00	0			0.0	0.0	0.0	0.00	0	0.0	0.00				
Total			0.0	0.0	0.0	0.00	0			377,061.7	154,389.3	0.0	3.98	461,306	0.0	0.00				

NGL SUMMARY

	CONDENSATE				ETHANE				PROPANE				BUTANE				TOTAL NGL		
	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volumes bbl	CS Net Volumes bbl
2012	248.0	0.0	98.00	18,228.8	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	248.0	0.0	186.0
2013	226.6	0.0	100.00	16,997.3	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	226.6	0.0	170.0
2014	128.0	0.0	102.05	9,796.6	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	128.0	0.0	96.0
2015	83.8	0.0	104.10	6,546.4	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	83.8	0.0	62.9
2016	55.0	0.0	106.25	4,386.5	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	55.0	0.0	41.3
2017	30.4	0.0	108.40	2,472.7	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	30.4	0.0	22.8
2018	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2019	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2020	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Sub	771.9	0.0	100.92	58,428.2	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	771.9	0.0	579.0
Rem	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Total	771.9	0.0	100.92	58,428.2	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	771.9	0.0	579.0

CASH FLOW BTAX

	Company Revenue	Crown Royalty	Freehold Royalty	ORR Royalty	Mineral Tax	Total Royalty Burden	Net Rev After Royalties	Other Income	Sask Corp Cap Tax	Fixed Oper Expense	Variable Operating Expense	Other Expenses	Total Operating Costs	Abandon Cost & Salvage	Net Operating Income	Total Investment	NET Cash Flow	CUM Cash Flow	Disc Cash Flow (10%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2012	135,414	0.0	0.0	0.0	7,975.9	6	127,438	0.0	0.0	2,496.0	2,480.1	0.0	4,976.1	0.0	122,462	0.0	122,462	122,462	115,127
2013	147,876	0.0	0.0	0.0	8,709.9	6	139,166	0.0	0.0	3,275.4	2,311.6	0.0	5,587.1	0.0	133,579	0.0	133,579	256,041	116,604
2014	93,315	0.0	0.0	0.0	5,496.3	6	87,819	0.0	0.0	2,921.4	1,331.7	0.0	4,253.1	0.0	83,566	0.0	83,566	339,607	66,099
2015	66,916	0.0	0.0	0.0	3,941.4	6	62,975	0.0	0.0	2,979.9	889.8	0.0	3,869.7	0.0	59,105	0.0	59,105	398,712	42,345
2016	47,735	0.0	0.0	0.0	2,811.6	6	44,924	0.0	0.0	3,039.5	595.8	0.0	3,635.3	0.0	41,288	0.0	41,288	440,001	26,886
2017	28,477	0.0	0.0	0.0	1,677.3	6	26,800	0.0	0.0	2,533.5	335.8	0.0	2,869.3	0.0	23,930	0.0	23,930	463,931	14,167
2018	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	0.0	0	463,931	0
2019	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	0.0	0	463,931	0
2020	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	0.0	0	463,931	0
2021	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	0.0	0	463,931	0
Sub	519,734	0.0	0.0	0.0	30,612.3	6	489,122	0.0	0.0	17,245.8	7,944.9	0.0	25,190.6	0.0	463,931	0.0	463,931	463,931	381,227
Rem	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	0.0	0	463,931	0
Total	519,734	0.0	0.0	0.0	30,612.3	6	489,122	0.0	0.0	17,245.8	7,944.9	0.0	25,190.6	0.0	463,931	0.0	463,931	463,931	381,227

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	1.2
RLI (Principal Product)	2.2
Reserves Life	5.7
RLI (BOE)	2.2

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	0	0	0	0
Gas (Mcf)	377,062	154,389	154,389	115,792
Gas (boe)	62,844	25,732	25,732	19,299
*NGL (bbl)	0	0	0	0
Cond (bbl)	1,885	772	772	579
Total (boe)	64,729	26,504	26,504	19,878

*This NGL Value includes only Ethane, Propane and Butane. Condensate and Field Condensate are included in the Condensate line.

NET PRESENT VALUES BEFORE TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
%	\$	\$	\$	\$/BOE
0	463,931	0.0	463,931	17.50
5	418,618	0.0	418,618	15.79
10	381,227	0.0	381,227	14.38
12	368,067	0.0	368,067	13.89
15	349,957	0.0	349,957	13.20
20	323,488	0.0	323,488	12.21

CAPITAL (undisc)

	Undiscounted	Risked
Cost Of Prod.	\$/BOEPD	0.00
Cost Of Reserves	\$/BOE	0.00
Prob Of Success	%	100.00
Chance Of	%	100.00

ECONOMIC INDICATORS

	BTAX			
	Unrisked		Risked	
Discount Rate (%)	10.0			10.0
Payout (Yrs)	0.0			0.0
Discounted Payout (Yrs)	0.0			0.0
DCF Rate of Return (%)	> 200.0	>		200.0
NPV/Undisc Invest	0.0			0.0
NPV/Disc Invest	0.0			0.0
NPV/DIS Cap Exposure	0.0			0.0
NPV/BOEPD (M\$/boepd)	11.7			11.7

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Prod (3 Mo Ave)	(BOEPD)	37.87	37.87	37.87	37.87
Prod (12 Mo Ave)	(BOEPD)	32.53	32.53	32.53	32.53
Price	(\$/BOE)	16.78	16.78	16.78	16.78
Royalties	(\$/BOE)	0.99	0.99	0.99	0.99
Operating Costs	(\$/BOE)	0.61	0.61	0.61	0.61
NetBack	(\$/BOE)	15.18	15.18	15.18	15.18
Recycle Ratio	(ratio)	0.00	0.00	0.00	0.00

Hillcrest Resources Ltd.
INPUT DATA SHEET
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Effective December 31, 2011

GENERAL

Property: Hartburg	Operator: NADSOIL CO LIMITED LIABILITY CORP
Location: Nadsoil Donner #2 - Nonion Struma	Formation: Nonion Struma
Category: P+P	Calculation Type: Volumetric
Type: Gas	Class: Conventional
Current Status: Gas Producer	Current Status Date:
Alt ID:	

Entity Comments: The monthly well cost for Donner #2 has been split between the Nonion Struma and Lower Hackberry Formations. The initial rate for the Nonion Struma Formation was taken from a gas test that was supplied by Hillcrest.

ZONE

Rig Release Date:	Top Depth: ft KB
Kelly Bushing: ft SS	Total Depth: ft KB
Pool Name:	Midpoint Perf Depth: ft KB

RESERVOIR & RESERVES SUMMARY (* data from volumetric tab)

Reservoir Parameters *	Oil	Gas
Formation Top: 7,300 ft	Original Volume In Place: 0.0 Mbbl	Original Volume In Place: 610.6 MMcf
Gas/Oil Contact: ft	Recovery Factor: Fraction	Recovery Factor: 0.7500 Fraction
Water Contact: ft	Ultimate Recoverable: 0.0 Mbbl	Ultimate Recoverable: 458.0 MMcf
Production Area: 40 acre	Cumulative Production: 0.0 Mbbl	Cumulative Production: 0.0 MMcf
Net Pay: 9.00 ft	Remaining Recoverable: 0.0 Mbbl	Remaining Recoverable: 458.0 MMcf
Reservoir Volume: 360.0 acre-ft	Oil Shrinkage: * Fraction	Sales Gas: 435.1 MMcf
Porosity: 0.300 Fraction		Oil Saturation: * Fraction
Water Saturation: 0.200 Fraction		Z Factor: * 0.8600 Fraction
Initial Pressure: 2,360.0 psi		Surface Loss: 0.05 Fraction
Initial Temp: 140 F		H2S Content: Fraction
		CO2 Content: Fraction

Volumetric Remarks:

Category Remarks:

FORECAST RATES AND TRENDS

On Production Date:	GOR: scf/bbl
Lift Type:	OGR: bbl/MMcf
Oil Gravity: API	Water Cut: %
Heating Value: 1,000 Btu/scf	WGR: bbl/MMcf

Remaining Reserves

Gas: 457,970.0 Mcf	Oil: 0.0 Mbbl
--------------------	---------------

Number of Trends: 1

Trends

Product: Gas	1
Start Date: 2012-05-01	
End Date: 2018-08-31	
Initial Rate: 510 Mcf/day	
Rate at Effective Date: 510 Mcf/day	
Final Rate: 50 Mcf/day	
Decline Exponent: 0.000	
Final Cum: 457,970.0 Mcf	

Reserve Notes

Supporting Data Comments:

PRODUCT RESERVES & RATIOS (Sales Basis)*

	Reserve	Yield	ISC
Ethane			
Propane			
Butane			
Pentane+	2,175 bbl	5.00 bbl/MMcf	
Sulphur			
* Items have details			

INTERESTS AND BURDENS

Acquisition Date:
Disposition Date:

Interests	Lessor	Burdens
BPO: (400 M\$) 48% WI+36% Rev Int		1.29% Ad Valorem+4.6% Severance
APO: 1: 36% WI+27% Rev Int		1.29% Ad Valorem+4.6% Severance

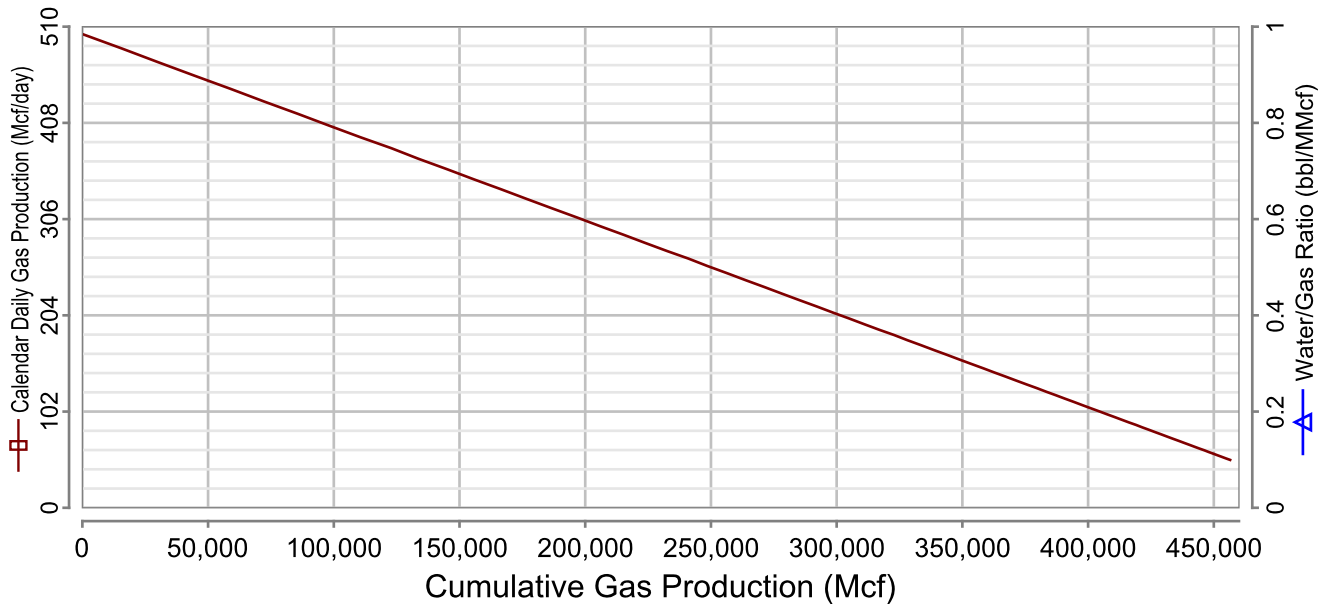
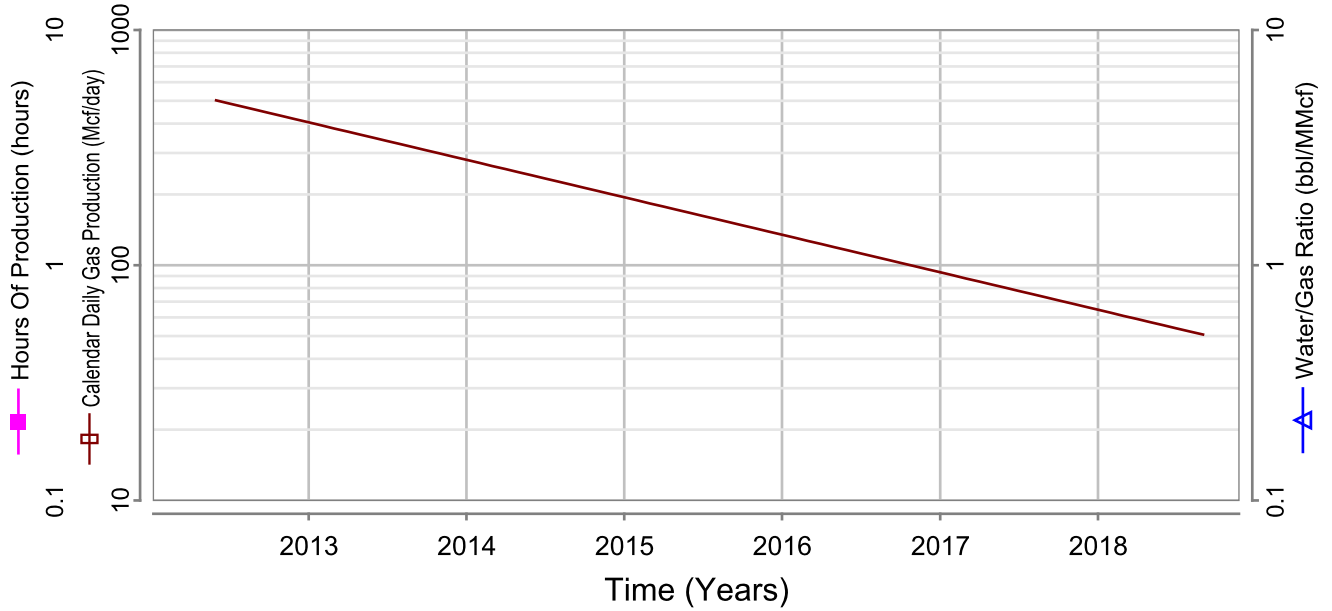
Participant Remarks: Payout balance of \$862,000 was supplied by Hillcrest. The balance of the payout to the effective date of December 31, 2011, \$710,316, is estimated by AJM Deloitte. The remaining payout balance of \$710,316 has been grossed up to \$887,900 to account for Hillcrest's portion of 60% in the drilling and completion costs. The payout balance was split between the Lower Hackberry and the Nonion Struma so that they both payout in 2013.

Hillcrest Resources Ltd.
CHART - PRODUCTION AND FORECAST

Effective December 31, 2011

Operator: NADSOIL CO LIMITED LIABILITY CORP
 Province: Texas
 Field: multi zone (0)
 Pool: multi zone (0)
 Unit: multi zone (0)
 Status: Gas Producer

Hartburg
 Nadsoil Donner #2 - Nonion Struma
 P+P



Cum Oil (bbl)	0	Cum Gas (Mcf)	0	Cum Water (bbl)	0	Cum Cond (bbl)	0
Forecast Start	05/01/2012	Calculation Type	Volumetric	Est. Cum Prod (Mcf)	0	Decline Exponent	0.000
Forecast End	08/31/2018	OVIP (Mcf)	610,627	Remaining (Mcf)	457,970	Initial Decline (%/yr)	30.7
Initial Rate (Mcf/day)	510.0	Recovery Factor	0.750	Surface Loss	0.05	Reserve Life Index	2.94
Final Rate (Mcf/day)	50.0	Ult. Recoverable (Mcf)	457,970	Total Sales (Mcf)	435,072	Reserve Half Life (yrs)	1.63

Hillcrest Resources Ltd.
CASH FLOW
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Location : Hartburg, Texas
Entity : Nadsolil Donner #2 - Nonion Struma
Formation : Nonion Struma
Effective December 31, 2011

Interests: BPO: (400 M\$) 48% WI+36% Rev Int
APO: 1: 36% WI+27% Rev Int

Lease Burden: 1.29% Ad Valorem+4.6% Severance
1.29% Ad Valorem+4.6% Severance

Lessor:

Total Proved Plus Probable Reserves

OIL, GAS & SULPHUR SUMMARY

	COMPANY OIL								COMPANY SALES GAS								SULPHUR		TOTAL	
	Wells	Pool Rates bbl/d	Pool Volumes bbl	WI Volume bbl	RI Volume bbl	Price \$/bbl	Revenue \$		Wells	Pool Rates scf/d	Pool Volumes Mcf	WI Volume Mcf	RI Volume Mcf	Price \$/Mcf	Revenue \$	Co. Share Volume lt	Price \$/lt	WI Rates boe/d	Co. Share Rates boe/d	
2012	0.0	0	0.0	0.0	0.0	0.00	0	1.0	287,500	105,224.8	50,507.9	0.0	3.15	119,325	0.0	0.00	24	24		
2013	0.0	0	0.0	0.0	0.0	0.00	0	1.0	317,132	115,753.0	47,717.1	0.0	3.85	137,783	0.0	0.00	22	22		
2014	0.0	0	0.0	0.0	0.0	0.00	0	1.0	219,796	80,225.4	28,881.2	0.0	4.35	94,225	0.0	0.00	14	14		
2015	0.0	0	0.0	0.0	0.0	0.00	0	1.0	152,335	55,602.2	20,016.8	0.0	4.80	72,060	0.0	0.00	9	9		
2016	0.0	0	0.0	0.0	0.0	0.00	0	1.0	105,530	38,623.8	13,904.6	0.0	5.25	54,749	0.0	0.00	7	7		
2017	0.0	0	0.0	0.0	0.0	0.00	0	1.0	73,101	26,681.8	9,605.5	0.0	5.70	41,063	0.0	0.00	5	5		
2018	0.0	0	0.0	0.0	0.0	0.00	0	1.0	35,508	12,960.4	4,665.7	0.0	6.10	21,346	0.0	0.00	2	2		
2019	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0		
2020	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0		
2021	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0		
Sub			0.0	0.0	0.0	0.00	0			435,071.5	175,298.8	0.0	4.11	540,552	0.0	0.00				
Rem			0.0	0.0	0.0	0.00	0			0.0	0.0	0.0	0.00	0	0.0	0.00				
Total			0.0	0.0	0.0	0.00	0			435,071.5	175,298.8	0.0	4.11	540,552	0.0	0.00				

NGL SUMMARY

	CONDENSATE				ETHANE				PROPANE				BUTANE				TOTAL NGL		
	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volumes bbl	CS Net Volumes bbl
2012	252.5	0.0	98.00	18,561.7	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	252.5	0.0	189.4
2013	238.6	0.0	100.00	17,893.9	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	238.6	0.0	178.9
2014	144.4	0.0	102.05	11,052.5	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	144.4	0.0	108.3
2015	100.1	0.0	104.10	7,814.1	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	100.1	0.0	75.1
2016	69.5	0.0	106.25	5,540.1	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	69.5	0.0	52.1
2017	48.0	0.0	108.40	3,904.6	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	48.0	0.0	36.0
2018	23.3	0.0	110.60	1,935.1	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	23.3	0.0	17.5
2019	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2020	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Sub	876.5	0.0	101.47	66,701.9	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	876.5	0.0	657.4
Rem	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Total	876.5	0.0	101.47	66,701.9	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	876.5	0.0	657.4

CASH FLOW BTAX

	Company Revenue	Crown Royalty	Freehold Royalty	ORR Royalty	Mineral Tax	Total Royalty Burden	Net Rev After Royalties	Other Income	Sask Corp Cap Tax	Fixed Oper Expense	Variable Operating Expense	Other Expenses	Total Operating Costs	Abandon Cost & Salvage	Net Operating Income	Total Investment	NET Cash Flow	CUM Cash Flow	Disc Cash Flow (10%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2012	137,887	0.0	0.0	0.0	8,121.5	6	129,765	0.0	0.0	2,496.0	2,525.4	0.0	5,021.4	0.0	124,744	0.0	124,744	124,744	117,248
2013	155,677	0.0	0.0	0.0	9,169.4	6	146,508	0.0	0.0	3,241.1	2,433.6	0.0	5,674.7	0.0	140,833	0.0	140,833	265,577	122,878
2014	105,277	0.0	0.0	0.0	6,200.8	6	99,076	0.0	0.0	2,921.4	1,502.4	0.0	4,423.8	0.0	94,653	0.0	94,653	360,229	74,833
2015	79,875	0.0	0.0	0.0	4,704.6	6	75,170	0.0	0.0	2,979.9	1,062.1	0.0	4,042.0	0.0	71,128	0.0	71,128	431,357	50,958
2016	60,289	0.0	0.0	0.0	3,551.0	6	56,738	0.0	0.0	3,039.5	752.5	0.0	3,792.0	0.0	52,946	0.0	52,946	484,304	34,477
2017	44,968	0.0	0.0	0.0	2,648.6	6	42,319	0.0	0.0	3,100.3	530.3	0.0	3,630.5	0.0	38,689	0.0	38,689	522,992	22,904
2018	23,281	0.0	0.0	0.0	1,371.2	6	21,910	0.0	0.0	2,099.7	262.7	0.0	2,362.4	20,270.9	-724	0.0	-724	522,269	-390
2019	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	0.0	0	522,269	0
2020	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	0.0	0	522,269	0
2021	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	0.0	0	522,269	0
Sub	607,254	0.0	0.0	0.0	35,767.2	6	571,486	0.0	0.0	19,877.8	9,069.0	0.0	28,946.8	20,270.9	522,269	0.0	522,269	522,269	422,909
Rem	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	0.0	0	522,269	0
Total	607,254	0.0	0.0	0.0	35,767.2	6	571,486	0.0	0.0	19,877.8	9,069.0	0.0	28,946.8	20,270.9	522,269	0.0	522,269	522,269	422,909

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	1.4
RLI (Principal Product)	2.5
Reserves Life	6.7
RLI (BOE)	2.5

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	0	0	0	0
Gas (Mcf)	435,072	175,299	175,299	131,474
Gas (boe)	72,512	29,216	29,216	21,912
*NGL (bbl)	0	0	0	0
Cond (bbl)	2,175	876	876	657
Total (boe)	74,687	30,093	30,093	22,570

*This NGL Value includes only Ethane, Propane and Butane. Condensate and Field Condensate are included in the Condensate line.

NET PRESENT VALUES BEFORE TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
				\$/BOE
0	522,269	0.0	522,269	17.36
5	467,615	0.0	467,615	15.54
10	422,909	0.0	422,909	14.05
12	407,268	0.0	407,268	13.53
15	385,827	0.0	385,827	12.82
20	354,680	0.0	354,680	11.79

CAPITAL (undisc)

	Undiscounted	Risked
Cost Of Prod. (\$/BOEPD)	0.00	0.00
Cost Of Reserves (\$/BOE)	0.00	0.00
Prob Of Success	100.00	100.00
Chance Of	100.00	100.00

ECONOMIC INDICATORS

	BTAX			
	Unrisked		Risked	
Discount Rate (%)	10.0	10.0		
Payout (Yrs)	0.0	0.0		
Discounted Payout (Yrs)	0.0	0.0		
DCF Rate of Return (%)	> 200.0	> 200.0		
NPV/Undisc Invest	0.0	0.0		
NPV/Disc Invest	0.0	0.0		
NPV/DIS Cap Exposure	0.0	0.0		
NPV/BOEPD (M\$/boepd)	12.7	12.7		

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Prod (3 Mo Ave) (BOEPD)	38.13	38.13	38.13	38.13	
Prod (12 Mo Ave) (BOEPD)	33.40	33.40	33.40	33.40	
Price (\$/BOE)	16.80	16.80	16.80	16.80	
Royalties (\$/BOE)	0.99	0.99	0.99	0.99	
Operating Costs (\$/BOE)	0.60	0.60	0.60	0.60	
NetBack (\$/BOE)	15.21	15.21	15.21	15.21	
Recycle Ratio (ratio)	0.00	0.00	0.00	0.00	

Hillcrest Resources Ltd.
INPUT DATA SHEET
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Effective December 31, 2011

GENERAL

Property:	Hartburg	Operator:	
Location:	Prospect 1-LHackberry	Formation:	Lower Hackberry
Category:	PUD	Calculation Type:	Volumetric
Type:	Oil	Class:	Light
Current Status:	Location	Current Status Date:	
Alt ID:	Nadsoil Donner #2		

Entity Comments:

ZONE

Rig Release Date:		Top Depth:	ft KB
Kelly Bushing:	ft SS	Total Depth:	ft KB
Pool Name:		Midpoint Perf Depth:	ft KB

RESERVOIR & RESERVES SUMMARY (* data from volumetric tab)

Reservoir Parameters *		Oil		Gas	
Formation Top:	7,060 ft	Original Volume In Place:	673.2 Mbbl	Original Volume In Place:	MMcf
Gas/Oil Contact:	ft	Recovery Factor:	0.1200 Fraction	Recovery Factor:	Fraction
Water Contact:	ft	Ultimate Recoverable:	80.8 Mbbl	Ultimate Recoverable:	0.0 MMcf
Production Area:	40 acre	Cumulative Production:	0.0 Mbbl	Cumulative Production:	0.0 MMcf
Net Pay:	8.00 ft	Remaining Recoverable:	80.8 Mbbl	Remaining Recoverable:	0.0 MMcf
Reservoir Volume:	320.0 acre-ft	Oil Shrinkage: *	1.10 Fraction	Sales Gas:	0.0 MMcf
Porosity:	0.290 Fraction			Oil Saturation: *	Fraction
Water Saturation:	0.150 Fraction			Z Factor: *	Fraction
Initial Pressure:	psi			Surface Loss:	0.00 Fraction
Initial Temp:	138 F			H2S Content:	Fraction
				CO2 Content:	Fraction

Volumetric Remarks: Volumetric reserves assigned based on reservoir parameters from the Nadsoil Donner #1 well logs; however, both sands are structurally higher than the sands found in the analog well, allowing for thicker net pay to be assigned. Initial producing rate and product yields are based on the offset well, Chevron Donner MLEI Properties 1.

Category Remarks:

FORECAST RATES AND TRENDS

On Production Date:		GOR:	scf/bbl
Lift Type:		OGR:	bbl/MMcf
Oil Gravity:	API	Water Cut:	1.0 %
Heating Value:	Btu/scf	WGR:	bbl/MMcf

Remaining Reserves

Gas:	0.0 Mcf	Oil:	80.8 Mbbl
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Number of Trends: 2

Trends

	1		2
Product:	Oil	Product:	Oil
Start Date:	2013-01-01	Start Date:	2014-01-02
End Date:	2014-01-02	End Date:	2024-01-20
Initial Rate:	40 bbl/day	Initial Rate:	80 bbl/day
Rate at Effective Date:	40 bbl/day	Rate at Effective Date:	80 bbl/day
Final Rate:	40 bbl/day	Final Rate:	1 bbl/day
Decline Exponent:	0.000	Decline Exponent:	0.000
Final Cum:	14.6 Mbbl	Final Cum:	80.8 Mbbl

Reserve Notes

Supporting Data Comments:

PRODUCT RESERVES & RATIOS (Sales Basis)*

	Reserve	Yield	ISC
Ethane			
Propane			
Butane			
Pentane+			
Sulphur			
* Items have details			

INTERESTS AND BURDENS

Acquisition Date:
Disposition Date:

Interests

BPO: (600 M\$) 48% WI+36% Rev Int
 APO: 1: 36% WI+27% Rev Int

Lessor

Burdens

1.29% Ad Valorem+4.6% Severance
 1.29% Ad Valorem+4.6% Severance

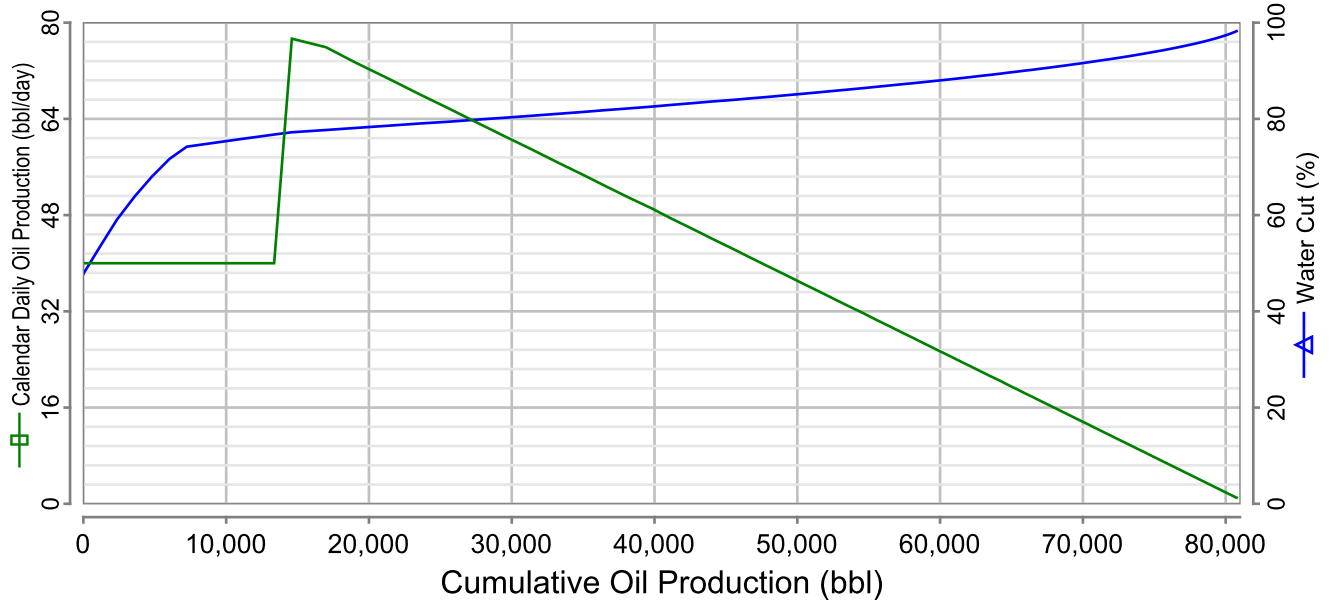
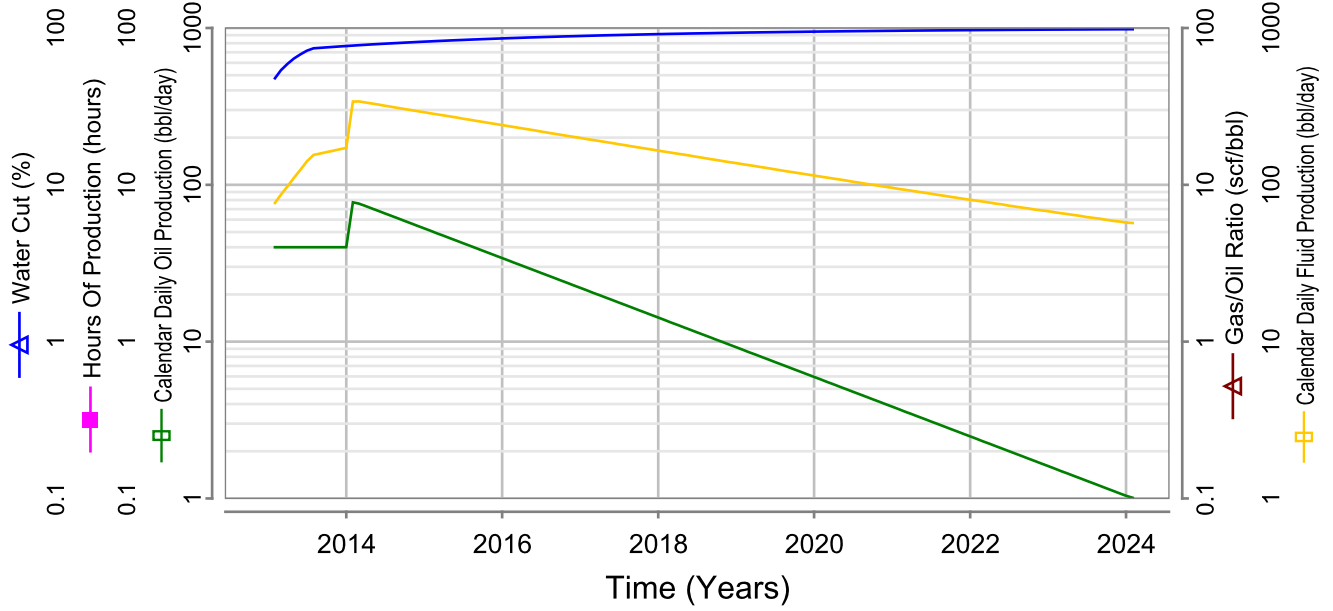
Participant Remarks:

Hillcrest Resources Ltd.
CHART - PRODUCTION AND FORECAST

Effective December 31, 2011

Operator:
 Province: Texas
 Field: multi zone (0)
 Pool: multi zone (0)
 Unit: multi zone (0)
 Status: Location

Hartburg
 Prospect 1-LHackberry
 PUD



Cum Oil (bbl)	0	Cum Gas (Mcf)	0	Cum Water (bbl)	0	Cum Cond (bbl)	0
Forecast Start	01/01/2013	Calculation Type	Volumetric	Est. Cum Prod (bbl)	0	Decline Exponent	0.000
Forecast End	01/20/2024	OVIP (bbl)	673,178	Remaining (bbl)	80,781	Initial Decline (%/yr)	00.0
Initial Rate (bbl/day)	40.0	Recovery Factor	0.120	Surface Loss	0.0	Reserve Life Index	5.53
Final Rate (bbl/day)	1.0	Ult. Recoverable (bbl)	80,781	Total Sales (Mcf)	0	Reserve Half Life (yrs)	1.11

Hillcrest Resources Ltd.
CASH FLOW
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Location : Hartburg, Texas
Entity : Prospect 1-LHackberry
Formation : Lower Hackberry
Effective December 31, 2011

Interests: BPO: (600 M\$) 48% WI+36% Rev Int
APO: 1: 36% WI+27% Rev Int

Lease Burden: 1.29% Ad Valorem+4.6% Severance
1.29% Ad Valorem+4.6% Severance

Lessor:

Total Proved Undeveloped Reserves

OIL, GAS & SULPHUR SUMMARY

	COMPANY OIL								COMPANY SALES GAS								SULPHUR		TOTAL	
	Wells	Pool Rates	Pool Volumes	WI Volume	RI Volume	Price	Revenue		Wells	Pool Rates	Pool Volumes	WI Volume	RI Volume	Price	Revenue	Co. Share Volume	Price	WI Rates	Co. Share Rates	
	bb/d	bb/d	bbl	bbl	bbl	\$/bbl	\$		scf/d	scf	scf	scf	scf	\$/Mcf	\$	lt	\$/lt	boe/d	boe/d	
2012	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2013	1.0	40	14,600.0	6,285.1	0.0	107.00	504,376	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	17	17	
2014	1.0	65	23,655.5	8,516.0	0.0	109.05	696,500	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	23	23	
2015	1.0	42	15,322.5	5,516.1	0.0	111.10	459,628	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	15	15	
2016	1.0	27	9,929.7	3,574.7	0.0	113.25	303,627	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	10	10	
2017	1.0	18	6,399.3	2,303.8	0.0	115.40	199,390	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	6	6	
2018	1.0	11	4,138.0	1,489.7	0.0	117.60	131,391	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	4	4	
2019	1.0	7	2,675.8	963.3	0.0	119.85	86,588	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	3	3	
2020	1.0	5	1,734.1	624.3	0.0	122.15	57,191	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	2	2	
2021	1.0	3	1,117.5	402.3	0.0	124.50	37,566	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1	
Sub			79,572.5	29,675.2	0.0	111.26	2,476,257			0.0	0.0	0.0	0.0	0.00	0	0.0	0.00			
Rem			722.6	260.2	0.0	126.90	24,760			0.0	0.0	0.0	0.0	0.00	0	0.0	0.00			
Total			80,295.1	29,935.3	0.0	111.40	2,501,017			0.0	0.0	0.0	0.0	0.00	0	0.0	0.00			

NGL SUMMARY

	CONDENSATE				ETHANE				PROPANE				BUTANE				TOTAL NGL		
	WI Volume	RI Volume	Price	Co. Share Revenue	WI Volume	RI Volume	Price	Co. Share Revenue	WI Volume	RI Volume	Price	Co. Share Revenue	WI Volume	RI Volume	Price	Co. Share Revenue	WI Volume	RI Volumes	CS Net Volumes
	bbl	bbl	\$/bbl	\$	bbl	bbl	\$/bbl	\$	bbl	bbl	\$/bbl	\$	bbl	bbl	\$/bbl	\$	bbl	bbl	bbl
2012	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2013	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2014	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2015	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2016	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2017	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2018	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2019	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2020	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Sub	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
Rem	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0

CASH FLOW BTAX

	Company Revenue	Crown Royalty	Freehold Royalty	ORR Royalty	Mineral Tax	Total Royalty Burden	Net Rev After Royalties	Other Income	Sask Corp Cap Tax	Fixed Oper Expense	Variable Operating Expense	Other Expenses	Total Operating Costs	Abandon Cost & Salvage	Net Operating Income	Total Investment	NET Cash Flow	CUM Cash Flow	Disc Cash Flow (10%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2012	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	288,000.0	-288,000	-288,000	-262,862
2013	504,376	0.0	0.0	0.0	29,707.7	6	474,668	0.0	0.0	5,114.4	22,715.5	0.0	27,829.9	0.0	446,838	0.0	446,838	158,838	388,785
2014	696,500	0.0	0.0	0.0	41,023.9	6	655,476	0.0	0.0	4,359.7	45,502.8	0.0	49,862.5	0.0	605,614	0.0	605,614	764,452	479,068
2015	459,628	0.0	0.0	0.0	27,072.1	6	432,556	0.0	0.0	4,446.9	38,065.4	0.0	42,512.3	0.0	390,043	0.0	390,043	1,154,496	279,438
2016	303,627	0.0	0.0	0.0	17,883.6	6	285,743	0.0	0.0	4,535.8	31,955.9	0.0	36,491.8	0.0	249,251	0.0	249,251	1,403,747	162,305
2017	199,390	0.0	0.0	0.0	11,744.1	6	187,646	0.0	0.0	4,626.5	26,783.0	0.0	31,409.6	0.0	156,236	0.0	156,236	1,559,983	92,494
2018	131,391	0.0	0.0	0.0	7,738.9	6	123,652	0.0	0.0	4,719.1	22,583.9	0.0	27,303.0	0.0	96,349	0.0	96,349	1,656,333	51,588
2019	86,588	0.0	0.0	0.0	5,100.1	6	81,488	0.0	0.0	4,813.5	19,100.2	0.0	23,913.7	0.0	57,575	0.0	57,575	1,713,907	28,173
2020	57,191	0.0	0.0	0.0	3,368.5	6	53,822	0.0	0.0	4,909.7	16,242.6	0.0	21,152.4	0.0	32,670	0.0	32,670	1,746,577	14,530
2021	37,566	0.0	0.0	0.0	2,212.6	6	35,353	0.0	0.0	5,007.9	13,797.1	0.0	18,805.0	0.0	16,548	0.0	16,548	1,763,125	6,691
Sub	2,476,257	0.0	0.0	0.0	145,851.5	6	2,330,405	0.0	0.0	42,533.5	236,746.5	0.0	279,280.1	0.0	2,051,125	288,000.0	1,763,125	1,763,125	1,240,481
Rem	24,760	0.0	0.0	0.0	1,458.4	6	23,302	0.0	0.0	5,108.1	11,820.1	0.0	16,928.2	0.0	6,373	0.0	6,373	1,769,499	2,343
Total	2,501,017	0.0	0.0	0.0	147,309.9	6	2,353,707	0.0	0.0	47,641.6	248,566.6	0.0	296,208.2	0.0	2,057,499	288,000.0	1,769,499	1,769,499	1,242,824

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	2.0
RLI (Principal Product)	4.8
Reserves Life	10.0
RLI (BOE)	4.8

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	80,295	29,935	29,935	22,451
Gas (scf)	0	0	0	0
Gas (boe)	0	0	0	0
*NGL (bbl)	0	0	0	0
Cond (bbl)	0	0	0	0
Total (boe)	80,295	29,935	29,935	22,451

*This NGL Value includes only Ethane, Propane and Butane. Condensate and Field Condensate are included in the Condensate line.

NET PRESENT VALUES BEFORE TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
0	2,057,499	288,000.0	1,769,499	59.11
5	1,747,472	274,845.0	1,472,627	49.19
10	1,505,686	262,862.1	1,242,824	41.52
12	1,423,638	258,362.5	1,165,275	38.93
15	1,313,346	251,900.4	1,061,446	35.46
20	1,157,694	241,833.9	915,860	30.59

CAPITAL (undisc)

	Unrisked	Risked
Cost Of Prod. (\$/BOEPD)	16,736.84	16,736.84
Cost Of Reserves (\$/BOE)	9.62	9.62
Prob Of Success %	100.00	100.00
Chance Of %	100.00	100.00

ECONOMIC INDICATORS

	BTAX			
	Unrisked		Risked	
Discount Rate (%)	10.0			10.0
Payout (Yrs)	0.7			0.7
Discounted Payout (Yrs)	0.7			0.7
DCF Rate of Return (%)	>	200.0	>	200.0
NPV/Undisc Invest	4.3			4.3
NPV/Disc Invest	4.7			4.7
NPV/DIS Cap Exposure	472.8			472.8
NPV/BOEPD (M\$/boepd)	72.2			72.2

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Prod (3 Mo Ave) (BOEPD)		19.20	19.20	19.20	19.20
Prod (12 Mo Ave) (BOEPD)		17.21	17.21	17.21	17.21
Price (\$/BOE)		80.25	80.25	80.25	80.25
Royalties (\$/BOE)		4.73	4.73	4.73	4.73
Operating Costs (\$/BOE)		4.43	4.43	4.43	4.43
NetBack (\$/BOE)		71.10	71.10	71.10	71.10
Recycle Ratio (ratio)		7.39	7.39	7.39	7.39

Hillcrest Resources Ltd.
INPUT DATA SHEET
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Effective December 31, 2011

GENERAL

Property:	Hartburg	Operator:	
Location:	Prospect 1-LHackberry	Formation:	Lower Hackberry
Category:	P+P	Calculation Type:	Volumetric
Type:	Oil	Class:	Light
Current Status:	Location	Current Status Date:	
Alt ID:	Nadsoil Donner #2		

Entity Comments:

ZONE

Rig Release Date:		Top Depth:	ft KB
Kelly Bushing:	ft SS	Total Depth:	ft KB
Pool Name:		Midpoint Perf Depth:	ft KB

RESERVOIR & RESERVES SUMMARY (* data from volumetric tab)

Reservoir Parameters *		Oil		Gas	
Formation Top:	7,060 ft	Original Volume In Place:	1,682.9 Mbbl	Original Volume In Place:	MMcf
Gas/Oil Contact:	ft	Recovery Factor:	0.1700 Fraction	Recovery Factor:	Fraction
Water Contact:	ft	Ultimate Recoverable:	286.1 Mbbl	Ultimate Recoverable:	0.0 MMcf
Production Area:	40 acre	Cumulative Production:	0.0 Mbbl	Cumulative Production:	0.0 MMcf
Net Pay:	20.00 ft	Remaining Recoverable:	286.1 Mbbl	Remaining Recoverable:	0.0 MMcf
Reservoir Volume:	800.0 acre-ft	Oil Shrinkage: *	1.10 Fraction	Sales Gas:	0.0 MMcf
Porosity:	0.290 Fraction			Oil Saturation: *	Fraction
Water Saturation:	0.150 Fraction			Z Factor: *	Fraction
Initial Pressure:	psi			Surface Loss:	0.00 Fraction
Initial Temp:	138 F			H2S Content:	Fraction
				CO2 Content:	Fraction

Volumetric Remarks: Volumetric reserves assigned based on reservoir parameters from the Nadsoil Donner #1 well logs; however, both sands are structurally higher than the sands found in the analog well, allowing for thicker net pay to be assigned. Initial producing rate and product yields are based on the offset well, Chevron Donner MLEI Properties 1.

Category Remarks:

FORECAST RATES AND TRENDS

On Production Date:		GOR:	scf/bbl
Lift Type:		OGR:	bbl/MMcf
Oil Gravity:	API	Water Cut:	1.0 %
Heating Value:	Btu/scf	WGR:	bbl/MMcf

Remaining Reserves

Gas:	0.0 Mcf	Oil:	286.1 Mbbl
------	---------	------	------------

Number of Trends: 2

Trends

	1		2
Product:	Oil	Product:	Oil
Start Date:	2013-01-01	Start Date:	2014-01-02
End Date:	2014-01-02	End Date:	2055-03-27
Initial Rate:	40 bbl/day	Initial Rate:	80 bbl/day
Rate at Effective Date:	40 bbl/day	Rate at Effective Date:	80 bbl/day
Final Rate:	40 bbl/day	Final Rate:	1 bbl/day
Decline Exponent:	0.000	Decline Exponent:	0.000
Final Cum:	14.6 Mbbl	Final Cum:	286.1 Mbbl

Reserve Notes

Supporting Data Comments:

PRODUCT RESERVES & RATIOS (Sales Basis)*

	Reserve	Yield	ISC
Ethane			
Propane			
Butane			
Pentane+			
Sulphur			
* Items have details			

INTERESTS AND BURDENS

Acquisition Date:
Disposition Date:

Interests

BPO: (600 M\$) 48% WI+36% Rev Int
 APO: 1: 36% WI+27% Rev Int

Lessor

Burdens

1.29% Ad Valorem+4.6% Severance
 1.29% Ad Valorem+4.6% Severance

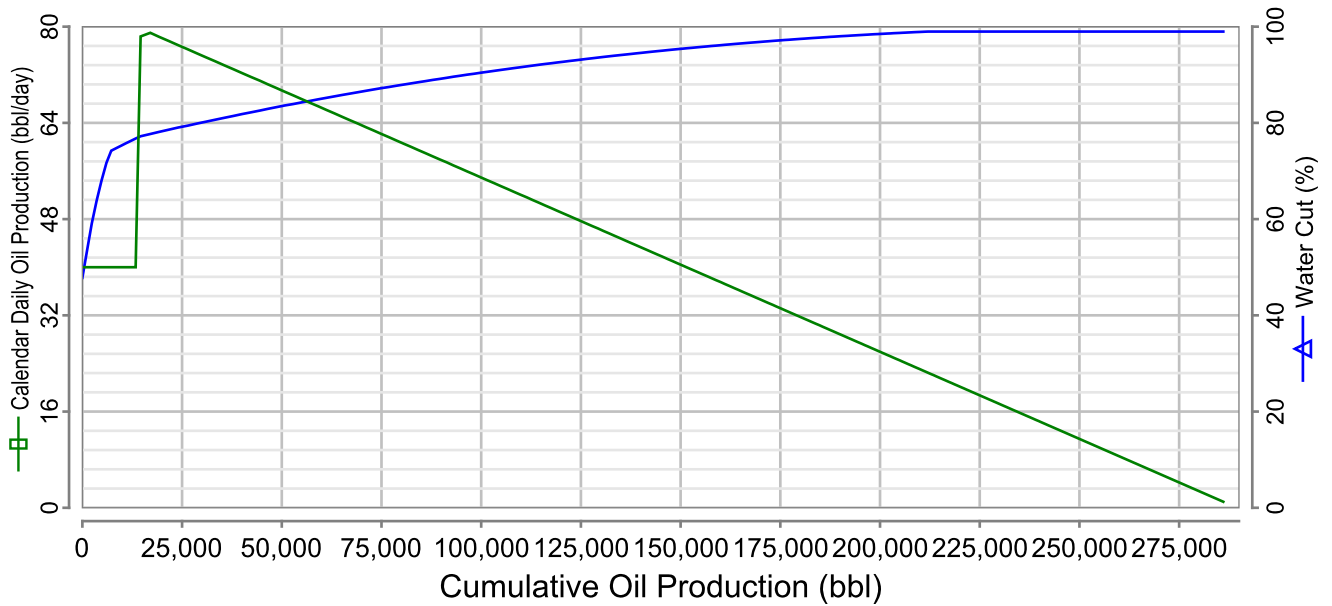
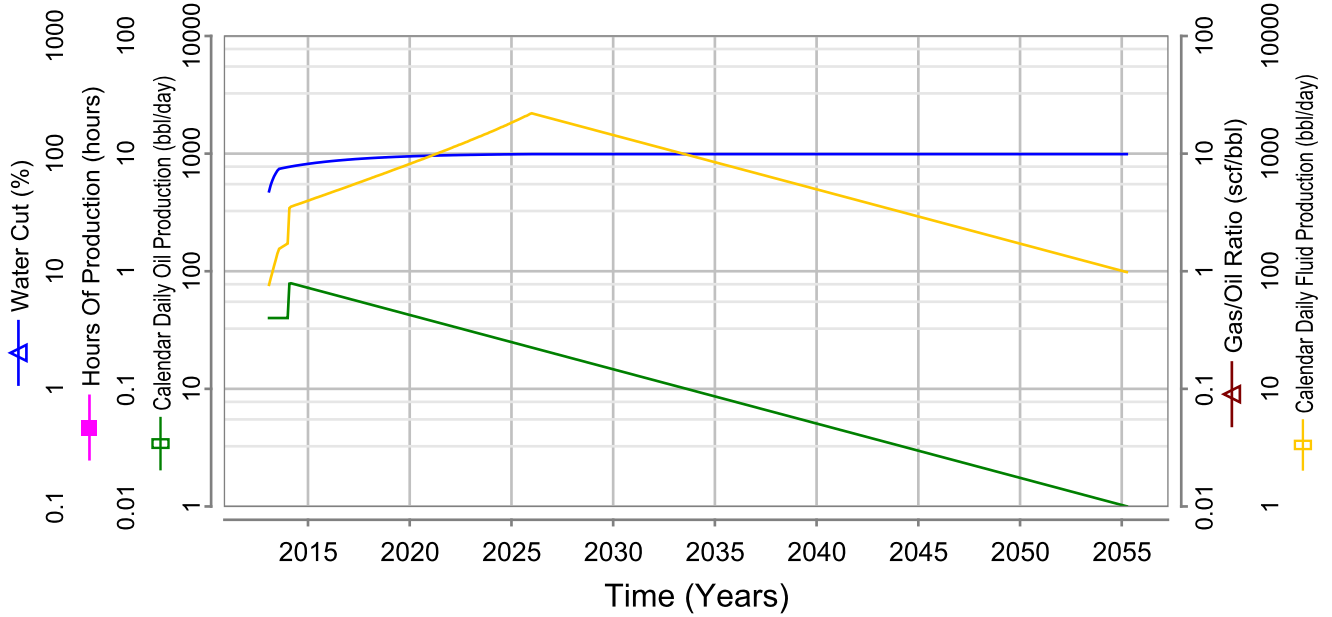
Participant Remarks:

Hillcrest Resources Ltd.
CHART - PRODUCTION AND FORECAST

Effective December 31, 2011

Operator:
 Province: Texas
 Field: multi zone (0)
 Pool: multi zone (0)
 Unit: multi zone (0)
 Status: Location

Hartburg
 Prospect 1-LHackberry
 P+P



Cum Oil (bbl)	0	Cum Gas (Mcf)	0	Cum Water (bbl)	0	Cum Cond (bbl)	0
Forecast Start	01/01/2013	Calculation Type	Volumetric	Est. Cum Prod (bbl)	0	Decline Exponent	0.000
Forecast End	03/27/2055	OVIP (bbl)	1,682,945	Remaining (bbl)	286,101	Initial Decline (%/yr)	00.0
Initial Rate (bbl/day)	40.0	Recovery Factor	0.170	Surface Loss	0.0	Reserve Life Index	19.6
Final Rate (bbl/day)	1.0	Ult. Recoverable (bbl)	286,101	Total Sales (Mcf)	0	Reserve Half Life (yrs)	5.92

Hillcrest Resources Ltd.
CASH FLOW
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Location : Hartburg, Texas
Entity : Prospect 1-LHackberry
Formation : Lower Hackberry
Effective December 31, 2011

Interests: BPO: (600 M\$) 48% WI+36% Rev Int
APO: 1: 36% WI+27% Rev Int

Lease Burden: 1.29% Ad Valorem+4.6% Severance
1.29% Ad Valorem+4.6% Severance

Lessor:

Total Proved Plus Probable Reserves

OIL, GAS & SULPHUR SUMMARY

	COMPANY OIL								COMPANY SALES GAS								SULPHUR		TOTAL	
	Wells	Pool Rates	Pool Volumes	WI Volume	RI Volume	Price	Revenue		Wells	Pool Rates	Pool Volumes	WI Volume	RI Volume	Price	Revenue	Co. Share Volume	Price	WI Rates	Co. Share Rates	
	bb/d	bb/d	bbl	bbl	bbl	\$/bbl	\$		scf/d	scf	scf	scf	scf	\$/Mcf	\$	lt	\$/lt	boe/d	boe/d	
2012	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2013	1.0	40	14,600.0	6,285.1	0.0	107.00	504,376	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	17	17	
2014	1.0	76	27,670.7	9,961.5	0.0	109.05	814,722	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	27	27	
2015	1.0	68	24,918.2	8,970.5	0.0	111.10	747,470	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	25	25	
2016	1.0	61	22,465.2	8,087.5	0.0	113.25	686,930	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	22	22	
2017	1.0	55	20,143.1	7,251.5	0.0	115.40	627,619	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	20	20	
2018	1.0	50	18,113.2	6,520.7	0.0	117.60	575,130	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	18	18	
2019	1.0	45	16,287.8	5,863.6	0.0	119.85	527,066	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	16	16	
2020	1.0	40	14,684.5	5,286.4	0.0	122.15	484,301	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	14	14	
2021	1.0	36	13,166.6	4,740.0	0.0	124.50	442,595	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	13	13	
Sub			172,049.2	62,966.8	0.0	114.56	5,410,209	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00			
Rem			32,084.9	11,550.6	0.0	129.18	1,119,065	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00			
Total			204,134.1	74,517.3	0.0	116.83	6,529,274	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00			

NGL SUMMARY

	CONDENSATE				ETHANE				PROPANE				BUTANE				TOTAL NGL		
	WI Volume	RI Volume	Price	Co. Share Revenue	WI Volume	RI Volume	Price	Co. Share Revenue	WI Volume	RI Volume	Price	Co. Share Revenue	WI Volume	RI Volume	Price	Co. Share Revenue	WI Volume	RI Volumes	CS Net Volumes
	bbl	bbl	\$/bbl	\$	bbl	bbl	\$/bbl	\$	bbl	bbl	\$/bbl	\$	bbl	bbl	\$/bbl	\$	bbl	bbl	bbl
2012	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2013	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2014	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2015	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2016	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2017	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2018	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2019	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2020	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Sub	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Rem	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0

CASH FLOW BTAX

	Company Revenue	Crown Royalty	Freehold Royalty	ORR Royalty	Mineral Tax	Total Royalty Burden	Net Rev After Royalties	Other Income	Sask Corp Cap Tax	Fixed Oper Expense	Variable Operating Expense	Other Expenses	Total Operating Costs	Abandon Cost & Salvage	Net Operating Income	Total Investment	NET Cash Flow	CUM Cash Flow	Disc Cash Flow (10%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2012	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	288,000.0	-288,000	-288,000	-262,862
2013	504,376	0.0	0.0	0.0	29,707.7	6	474,668	0.0	0.0	5,114.4	22,715.5	0.0	27,829.9	0.0	446,838	0.0	446,838	158,838	388,785
2014	814,722	0.0	0.0	0.0	47,987.1	6	766,735	0.0	0.0	4,359.7	53,565.1	0.0	57,924.8	0.0	708,810	0.0	708,810	867,648	559,247
2015	747,470	0.0	0.0	0.0	44,026.0	6	703,444	0.0	0.0	4,446.9	62,305.3	0.0	66,752.2	0.0	636,692	0.0	636,692	1,504,340	456,144
2016	686,930	0.0	0.0	0.0	40,460.2	6	646,470	0.0	0.0	4,535.8	72,772.6	0.0	77,308.4	0.0	569,161	0.0	569,161	2,073,502	370,622
2017	627,619	0.0	0.0	0.0	36,966.8	6	590,652	0.0	0.0	4,626.5	84,867.6	0.0	89,494.1	0.0	501,158	0.0	501,158	2,574,660	296,692
2018	575,130	0.0	0.0	0.0	33,875.1	6	541,255	0.0	0.0	4,719.1	99,518.2	0.0	104,237.3	0.0	437,017	0.0	437,017	3,011,677	235,215
2019	527,066	0.0	0.0	0.0	31,044.2	6	496,022	0.0	0.0	4,813.5	117,055.0	0.0	121,868.4	0.0	374,153	0.0	374,153	3,385,831	183,085
2020	484,301	0.0	0.0	0.0	28,525.3	6	455,775	0.0	0.0	4,909.7	138,501.5	0.0	143,411.2	0.0	312,364	0.0	312,364	3,698,195	138,927
2021	442,595	0.0	0.0	0.0	26,068.9	6	416,526	0.0	0.0	5,007.9	163,700.8	0.0	168,708.7	0.0	247,818	0.0	247,818	3,946,013	100,206
Sub	5,410,209	0.0	0.0	0.0	318,661.3	6	5,091,548	0.0	0.0	42,533.5	815,001.4	0.0	857,535.0	0.0	4,234,013	288,000.0	3,946,013	3,946,013	2,466,059
Rem	1,119,065	0.0	0.0	0.0	65,912.9	6	1,053,152	0.0	0.0	15,632.8	712,143.4	0.0	727,776.2	0.0	325,376	0.0	325,376	4,271,389	113,812
Total	6,529,274	0.0	0.0	0.0	384,574.2	6	6,144,700	0.0	0.0	58,166.3	1,527,144.4	0.0	1,585,311.1	0.0	4,559,389	288,000.0	4,271,389	4,271,389	2,579,872

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	4.5
RLI (Principal Product)	11.9
Reserves Life	12.0
RLI (BOE)	11.9

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	204,134	74,517	74,517	55,888
Gas (scf)	0	0	0	0
Gas (boe)	0	0	0	0
*NGL (bbl)	0	0	0	0
Cond (bbl)	0	0	0	0
Total (boe)	204,134	74,517	74,517	55,888

*This NGL Value includes only Ethane, Propane and Butane. Condensate and Field Condensate are included in the Condensate line.

NET PRESENT VALUES BEFORE TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
				\$/BOE
0	4,559,389	288,000.0	4,271,389	57.32
5	3,550,693	274,845.0	3,275,848	43.96
10	2,842,734	262,862.1	2,579,872	34.62
12	2,618,389	258,362.5	2,360,026	31.67
15	2,329,592	251,900.4	2,077,692	27.88
20	1,947,019	241,833.9	1,705,185	22.88

CAPITAL (undisc)

	Unrisked	Risked
Cost Of Prod. (\$/BOEPD)	16,736.84	16,736.84
Cost Of Reserves (\$/BOE)	3.86	3.86
Prob Of Success %	100.00	100.00
Chance Of %	100.00	100.00

ECONOMIC INDICATORS

	BTAX	
	Unrisked	Risked
Discount Rate (%)	10.0	10.0
Payout (Yrs)	0.7	0.7
Discounted Payout (Yrs)	0.7	0.7
DCF Rate of Return (%)	> 200.0	> 200.0
NPV/Undisc Invest	9.0	9.0
NPV/Disc Invest	9.8	9.8
NPV/DIS Cap Exposure	981.5	981.5
NPV/BOEPD (M\$/boepd)	149.9	149.9

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Prod (3 Mo Ave) (BOEPD)	19.20	19.20	19.20	19.20	19.20
Prod (12 Mo Ave) (BOEPD)	17.21	17.21	17.21	17.21	17.21
Price (\$/BOE)	80.25	80.25	80.25	80.25	80.25
Royalties (\$/BOE)	4.73	4.73	4.73	4.73	4.73
Operating Costs (\$/BOE)	4.43	4.43	4.43	4.43	4.43
NetBack (\$/BOE)	71.10	71.10	71.10	71.10	71.10
Recycle Ratio (ratio)	18.40	18.40	18.40	18.40	18.40

Hillcrest Resources Ltd.
INPUT DATA SHEET
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Effective December 31, 2011

GENERAL

Property:	Hartburg	Operator:	
Location:	Prospect 1-Nonion Struma	Formation:	Nonion Struma
Category:	PUD	Calculation Type:	Volumetric
Type:	Gas	Class:	Conventional
Current Status:	Location	Current Status Date:	
Alt ID:			

Entity Comments: Scheduled to come on production once the Lower Hackberry zone is depleted.

ZONE

Rig Release Date:		Top Depth:	ft KB
Kelly Bushing:	ft SS	Total Depth:	ft KB
Pool Name:		Midpoint Perf Depth:	ft KB

RESERVOIR & RESERVES SUMMARY (* data from volumetric tab)

Reservoir Parameters *

Formation Top:	7,300 ft
Gas/Oil Contact:	ft
Water Contact:	ft
Production Area:	40 acre
Net Pay:	4.00 ft
Reservoir Volume:	160.0 acre-ft
Porosity:	0.250 Fraction
Water Saturation:	0.300 Fraction
Initial Pressure:	2,360.0 psi
Initial Temp:	140 F

Oil

Original Volume In Place:	0.0 Mbbl
Recovery Factor:	Fraction
Ultimate Recoverable:	0.0 Mbbl
Cumulative Production:	0.0 Mbbl
Remaining Recoverable:	0.0 Mbbl
Oil Shrinkage: *	Fraction

Gas

Original Volume In Place:	197.9 MMcf
Recovery Factor:	0.6500 Fraction
Ultimate Recoverable:	128.6 MMcf
Cumulative Production:	0.0 MMcf
Remaining Recoverable:	128.6 MMcf
Sales Gas:	122.2 MMcf
Oil Saturation: *	Fraction
Z Factor: *	0.8600 Fraction
Surface Loss:	0.05 Fraction
H2S Content:	Fraction
CO2 Content:	Fraction

Volumetric Remarks:

Category Remarks:

FORECAST RATES AND TRENDS

On Production Date:		GOR:	scf/bbl
Lift Type:		OGR:	bbl/MMcf
Oil Gravity:	API	Water Cut:	%
Heating Value:	1,000 Btu/scf	WGR:	bbl/MMcf

Remaining Reserves

Gas:	128,606.0 Mcf	Oil:	0.0 Mbbl
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Number of Trends: 1

Trends

Product:	Gas
Start Date:	2055-05-01
End Date:	2056-04-21
Initial Rate:	1,200 Mcf/day
Rate at Effective Date:	1,200 Mcf/day
Final Rate:	50 Mcf/day
Decline Exponent:	0.000
Final Cum:	128,606.0 Mcf

Reserve Notes

Supporting Data Comments:

PRODUCT RESERVES & RATIOS (Sales Basis)*

	Reserve	Yield	ISC
Ethane			
Propane			
Butane			
Pentane+	611 bbl	5.00 bbl/MMcf	
Sulphur			
* Items have details			

INTERESTS AND BURDENS

Acquisition Date:
Disposition Date:

Interests

36% WI+27% Rev Int

Lessor

Burdens

1.29% Ad Valorem+4.6% Severance

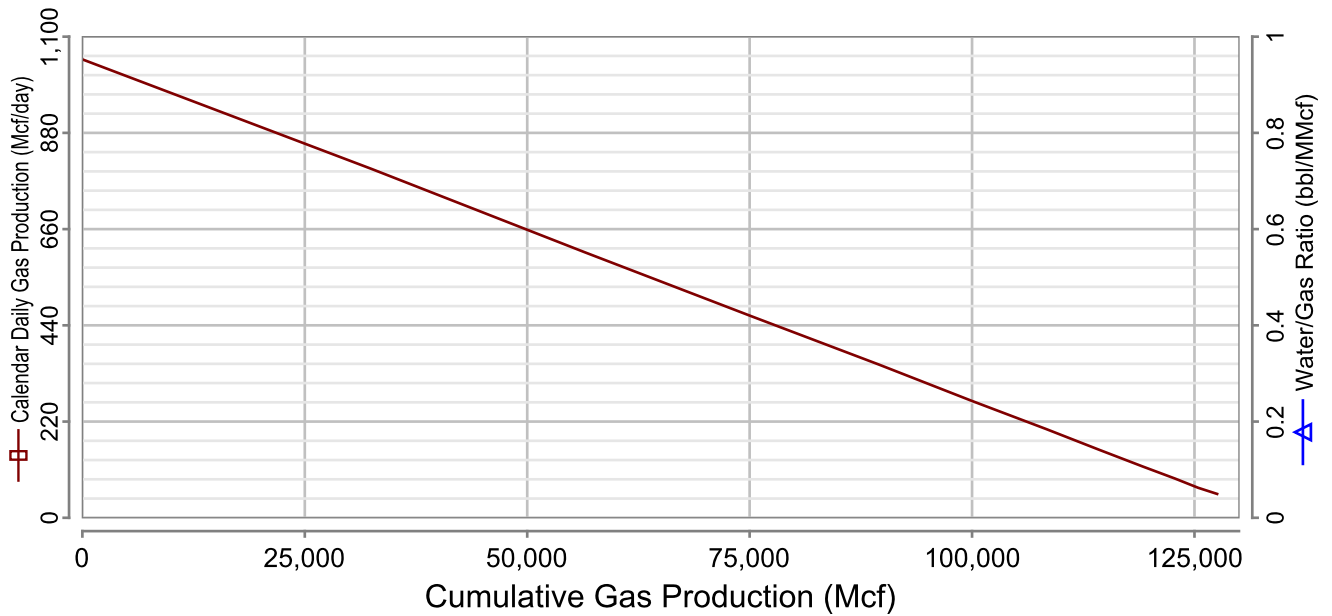
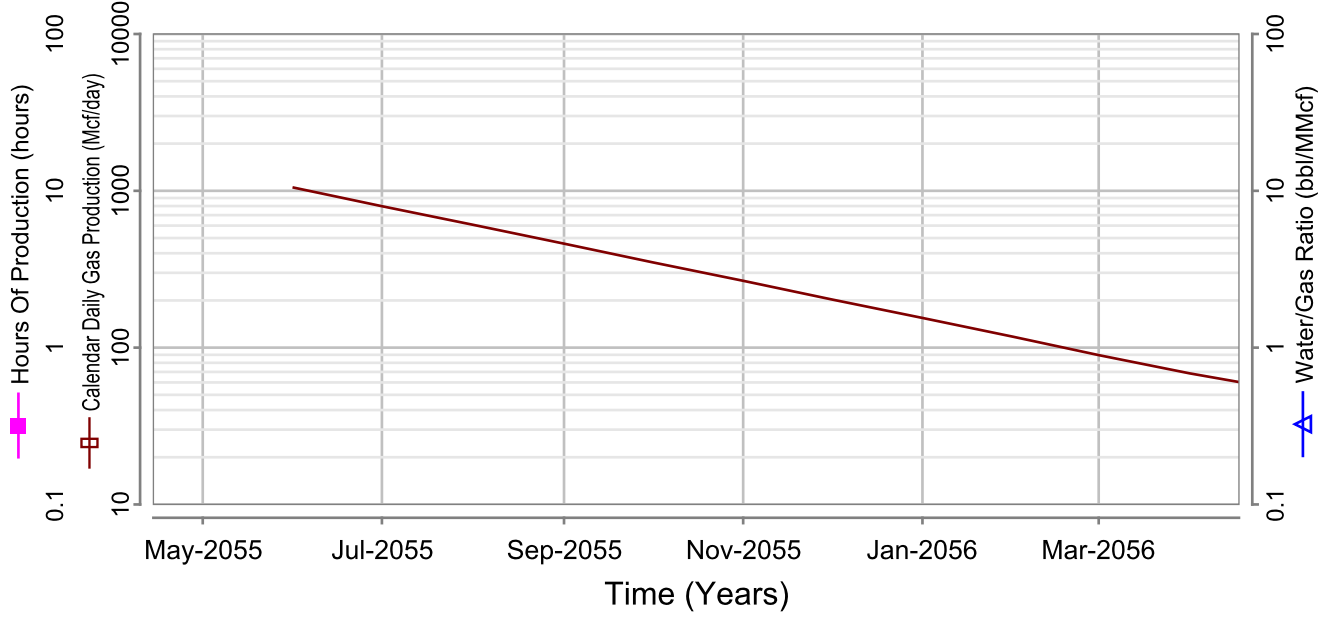
Participant Remarks: AJM Deloitte assumed Lower Hackberry paid-out. APO interest used for this zone.

Hillcrest Resources Ltd.
CHART - PRODUCTION AND FORECAST

Effective December 31, 2011

Operator:
 Province: Texas
 Field: multi zone (0)
 Pool: multi zone (0)
 Unit: multi zone (0)
 Status: Location

Hartburg
 Prospect 1-Nonion Struma
 PUD



Cum Oil (bbl)	0	Cum Gas (Mcf)	0	Cum Water (bbl)	0	Cum Cond (bbl)	0
Forecast Start	05/01/2055	Calculation Type	Volumetric	Est. Cum Prod (Mcf)	0	Decline Exponent	0.000
Forecast End	04/21/2056	OVIP (Mcf)	197,855	Remaining (Mcf)	128,606	Initial Decline (%/yr)	96.2
Initial Rate (Mcf/day)	1,200.0	Recovery Factor	0.650	Surface Loss	0.05	Reserve Life Index	1.0
Final Rate (Mcf/day)	50.0	Ult. Recoverable (Mcf)	128,606	Total Sales (Mcf)	122,176	Reserve Half Life (yrs)	0.20

Hillcrest Resources Ltd.
CASH FLOW
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Location : Hartburg, Texas
 Entity : Prospect 1-Nonion Struma
 Formation : Nonion Struma
 Effective December 31, 2011

Interests: 36% WI+27% Rev Int

Lease Burden: 1.29% Ad Valorem+4.6% Severance

Lessor:

Total Proved Undeveloped Reserves

OIL, GAS & SULPHUR SUMMARY

	COMPANY OIL								COMPANY SALES GAS								SULPHUR		TOTAL	
	Wells	Pool Rates bbl/d	Pool Volumes bbl	WI Volume bbl	RI Volume bbl	Price \$/bbl	Revenue \$		Wells	Pool Rates scf/d	Pool Volumes Mcf	WI Volume Mcf	RI Volume Mcf	Price \$/Mcf	Revenue \$		Co. Share Volume lt	Price \$/lt	WI Rates boe/d	Co. Share Rates boe/d
2012	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2013	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2014	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2015	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2016	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2017	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2018	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2019	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2020	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2021	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
Sub			0.0	0.0	0.0	0.00	0			0.0	0.0	0.0	0.0	0.00	0	0.0	0.00			
Rem			0.0	0.0	0.0	0.00	0									0.0	0.00			
Total			0.0	0.0	0.0	0.00	0			122,175.7	43,983.3	0.0	15.78	520,397		0.0	0.00			

NGL SUMMARY

	CONDENSATE				ETHANE				PROPANE				BUTANE				TOTAL NGL		
	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	Price \$/bbl	Co. Share Revenue \$	WI Volume bbl	RI Volume bbl	CS Net Volumes bbl
2012	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2013	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2014	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2015	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2016	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2017	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2018	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2019	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2020	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Sub	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
Rem	219.9	0.0	232.64	38,371.7	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	219.9	0.0	164.9	
Total	219.9	0.0	232.64	38,371.7	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	219.9	0.0	164.9	

CASH FLOW BTAX

	Company Revenue	Crown Royalty	Freehold Royalty	ORR Royalty	Mineral Tax	Total Royalty Burden	Net Rev After Royalties	Other Income	Sask Corp Cap Tax	Fixed Oper Expense	Variable Operating Expense	Other Expenses	Total Operating Costs	Abandon Cost & Salvage	Net Operating Income	Total Investment	NET Cash Flow	CUM Cash Flow	Disc Cash Flow (10%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2012	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	0.0	0	0	0
2013	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	0.0	0	0	0
2014	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	0.0	0	0	0
2015	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	0.0	0	0	0
2016	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	0.0	0	0	0
2017	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	0.0	0	0	0
2018	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	0.0	0	0	0
2019	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	0.0	0	0	0
2020	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	0.0	0	0	0
2021	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	0.0	0	0	0
Sub	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	0.0	0	0	0
Rem	558,769	0.0	0.0	0.0	32,911.5	6	525,858	0.0	0.0	16,092.8	5,160.6	0.0	21,253.4	43,021.0	461,583	63,266.1	398,317	398,317	6,318
Total	558,769	0.0	0.0	0.0	32,911.5	6	525,858	0.0	0.0	16,092.8	5,160.6	0.0	21,253.4	43,021.0	461,583	63,266.1	398,317	398,317	6,318

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	0.5
RLI (Principal Product)	1.1
Reserves Life	2.0
RLI (BOE)	1.1

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	0	0	0	0
Gas (Mcf)	122,176	43,983	43,983	32,987
Gas (boe)	20,363	7,331	7,331	5,498
*NGL (bbl)	0	0	0	0
Cond (bbl)	611	220	220	165
Total (boe)	20,973	7,550	7,550	5,663

*This NGL Value includes only Ethane, Propane and Butane. Condensate and Field Condensate are included in the Condensate line.

NET PRESENT VALUES BEFORE TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
0	461,583	63,266.1	398,317	52.75
5	55,329	7,576.4	47,753	6.32
10	7,320	1,001.5	6,318	0.84
12	3,344	457.3	2,887	0.38
15	1,059	144.8	915	0.12
20	166	22.7	144	0.02

CAPITAL (undisc)

	Unrisked	Risked
Cost Of Prod. (\$/BOEPD)	3,302.23	3,302.23
Cost Of Reserves (\$/BOE)	8.38	8.38
Prob Of Success %	100.00	100.00
Chance Of %	100.00	100.00

ECONOMIC INDICATORS

	BTAX			
	Unrisked		Risked	
Discount Rate (%)	10.0			10.0
Payout (Yrs)	0.1			0.1
Discounted Payout (Yrs)	0.1			0.1
DCF Rate of Return (%)	> 200.0		>	200.0
NPV/Undisc Invest	0.1			0.1
NPV/Disc Invest	6.3			6.3
NPV/DIS Cap Exposure	630.9			630.9
NPV/BOEPD (M\$/boepd)	0.3			0.3

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Prod (3 Mo Ave) (BOEPD)	28.56	28.56	28.56	28.56	28.56
Prod (12 Mo Ave) (BOEPD)	19.66	19.66	19.66	19.66	19.66
Price (\$/BOE)	73.93	73.93	73.93	73.93	73.93
Royalties (\$/BOE)	4.35	4.35	4.35	4.35	4.35
Operating Costs (\$/BOE)	2.45	2.45	2.45	2.45	2.45
NetBack (\$/BOE)	67.13	67.13	67.13	67.13	67.13
Recycle Ratio (ratio)	8.01	8.01	8.01	8.01	8.01

Hillcrest Resources Ltd.
INPUT DATA SHEET
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Effective December 31, 2011

GENERAL

Property:	Hartburg	Operator:	
Location:	Prospect 1-Nonion Struma	Formation:	Nonion Struma
Category:	P+P	Calculation Type:	Volumetric
Type:	Gas	Class:	Conventional
Current Status:	Location	Current Status Date:	
Alt ID:			

Entity Comments: Scheduled to come on production once the Lower Hackberry zone is depleted.

ZONE

Rig Release Date:		Top Depth:	ft KB
Kelly Bushing:	ft SS	Total Depth:	ft KB
Pool Name:		Midpoint Perf Depth:	ft KB

RESERVOIR & RESERVES SUMMARY (* data from volumetric tab)

Reservoir Parameters *

Formation Top:	7,304 ft
Gas/Oil Contact:	ft
Water Contact:	ft
Production Area:	40 acre
Net Pay:	16.00 ft
Reservoir Volume:	640.0 acre-ft
Porosity:	0.250 Fraction
Water Saturation:	0.300 Fraction
Initial Pressure:	2,360.0 psi
Initial Temp:	140 F

Oil

Original Volume In Place:	0.0 Mbbl
Recovery Factor:	Fraction
Ultimate Recoverable:	0.0 Mbbl
Cumulative Production:	0.0 Mbbl
Remaining Recoverable:	0.0 Mbbl
Oil Shrinkage: *	Fraction

Gas

Original Volume In Place:	791.4 MMcf
Recovery Factor:	0.7500 Fraction
Ultimate Recoverable:	593.6 MMcf
Cumulative Production:	0.0 MMcf
Remaining Recoverable:	593.6 MMcf
Sales Gas:	563.9 MMcf
Oil Saturation: *	Fraction
Z Factor: *	0.8600 Fraction
Surface Loss:	0.05 Fraction
H2S Content:	Fraction
CO2 Content:	Fraction

Volumetric Remarks:

Category Remarks:

FORECAST RATES AND TRENDS

On Production Date:		GOR:	scf/bbl
Lift Type:		OGR:	bbl/MMcf
Oil Gravity:	API	Water Cut:	%
Heating Value:	1,000 Btu/scf	WGR:	bbl/MMcf

Remaining Reserves

Gas:	593,566.0 Mcf	Oil:	0.0 Mbbl
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Number of Trends: 1

Trends

Product:	Gas
Start Date:	2055-05-01
End Date:	2059-10-28
Initial Rate:	1,200 Mcf/day
Rate at Effective Date:	1,200 Mcf/day
Final Rate:	50 Mcf/day
Decline Exponent:	0.000
Final Cum:	593,566.0 Mcf

Reserve Notes

Supporting Data Comments:

PRODUCT RESERVES & RATIOS (Sales Basis)*

	Reserve	Yield	ISC
Ethane			
Propane			
Butane			
Pentane+	2,819 bbl	5.00 bbl/MMcf	
Sulphur			
* Items have details			

INTERESTS AND BURDENS

Acquisition Date:
Disposition Date:

Interests

36% WI+27% Rev Int

Lessor

Burdens

1.29% Ad Valorem+4.6% Severance

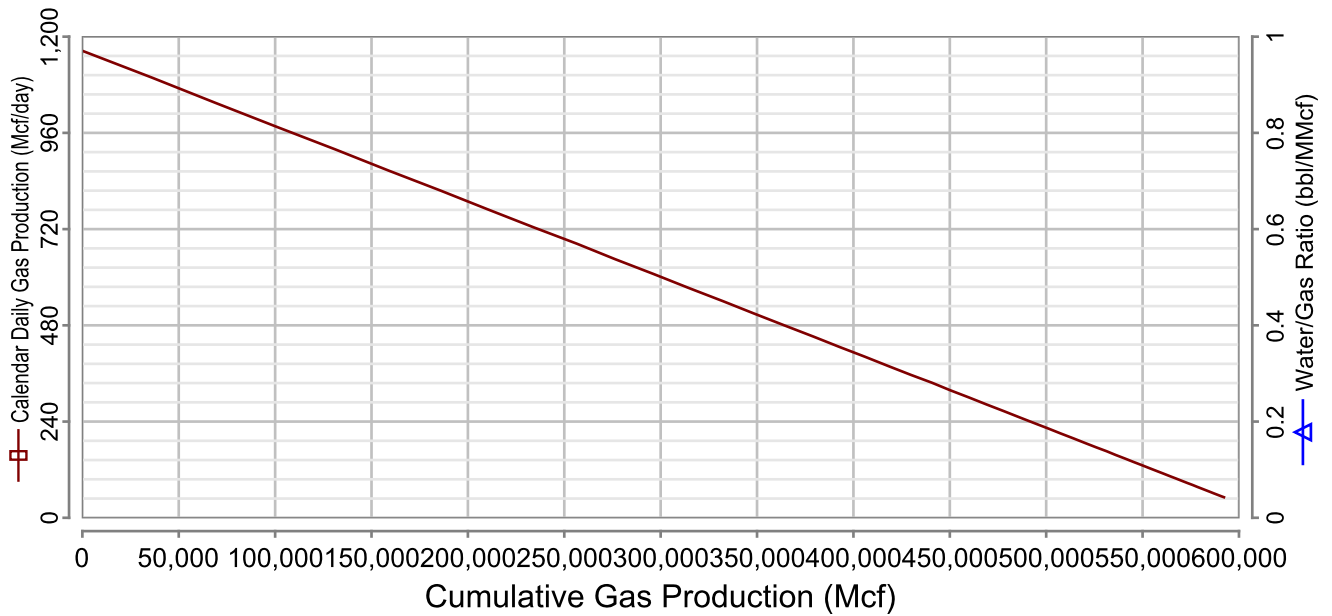
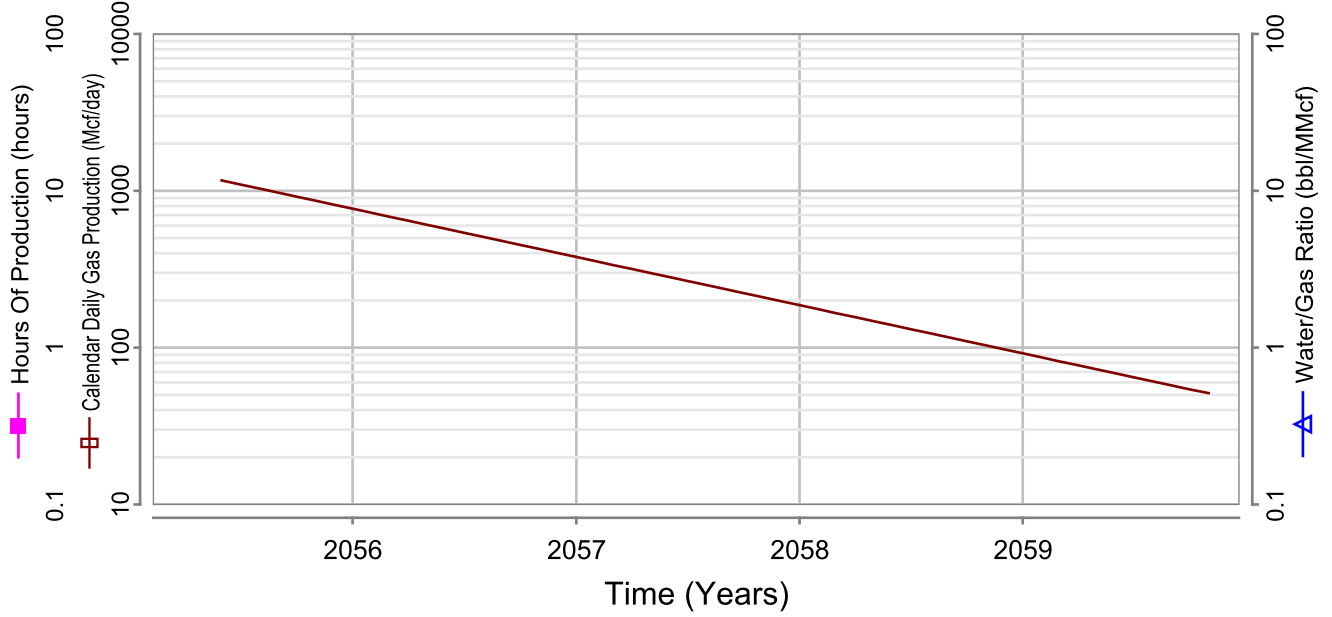
Participant Remarks: AJM Deloitte assumed Lower Hackberry paid-out. APO interest used for this zone.

Hillcrest Resources Ltd.
CHART - PRODUCTION AND FORECAST

Effective December 31, 2011

Operator:
 Province: Texas
 Field: multi zone (0)
 Pool: multi zone (0)
 Unit: multi zone (0)
 Status: Location

Hartburg
 Prospect 1-Nonion Struma
 P+P



Cum Oil (bbl)	0	Cum Gas (Mcf)	0	Cum Water (bbl)	0	Cum Cond (bbl)	0
Forecast Start	05/01/2055	Calculation Type	Volumetric	Est. Cum Prod (Mcf)	0	Decline Exponent	0.000
Forecast End	10/28/2059	OVIP (Mcf)	791,421	Remaining (Mcf)	593,566	Initial Decline (%/yr)	50.7
Initial Rate (Mcf/day)	1,200.0	Recovery Factor	0.750	Surface Loss	0.05	Reserve Life Index	1.89
Final Rate (Mcf/day)	50.0	Ult. Recoverable (Mcf)	593,566	Total Sales (Mcf)	563,888	Reserve Half Life (yrs)	0.92

Hillcrest Resources Ltd.
CASH FLOW
AJM Deloitte December 31, 2011 Forecast Pricing (CAD)

Location : Hartburg, Texas
 Entity : Prospect 1-Nonion Struma
 Formation : Nonion Struma
 Effective December 31, 2011

Interests: 36% WI+27% Rev Int

Lease Burden: 1.29% Ad Valorem+4.6% Severance

Lessor:

Total Proved Plus Probable Reserves

OIL, GAS & SULPHUR SUMMARY

	COMPANY OIL								COMPANY SALES GAS								SULPHUR		TOTAL	
	Wells	Pool Rates	Pool Volumes	WI Volume	RI Volume	Price	Revenue		Wells	Pool Rates	Pool Volumes	WI Volume	RI Volume	Price	Revenue	Co. Share Volume	Price	WI Rates	Co. Share Rates	
	bbl/d	bbl	bbl	bbl	bbl	\$/bbl	\$		scf/d	Mcf	Mcf	Mcf	Mcf	\$/Mcf	\$	lt	\$/lt	boe/d	boe/d	
2012	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2013	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2014	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2015	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2016	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2017	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2018	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2019	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2020	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
2021	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0	0.0	0.0	0.0	0.0	0.00	0	0.0	0.00	0	0	
Sub			0.0	0.0	0.0	0.00	0			0.0	0.0	0.0	0.0	0.00	0	0.0	0.00			
Rem			0.0	0.0	0.0	0.00	0			563,887.7	202,999.6	0.0	16.10	2,450,707	0.0	0.00				
Total			0.0	0.0	0.0	0.00	0			563,887.7	202,999.6	0.0	16.10	2,450,707	0.0	0.00				

NGL SUMMARY

	CONDENSATE				ETHANE				PROPANE				BUTANE				TOTAL NGL		
	WI Volume	RI Volume	Price	Co. Share Revenue	WI Volume	RI Volume	Price	Co. Share Revenue	WI Volume	RI Volume	Price	Co. Share Revenue	WI Volume	RI Volume	Price	Co. Share Revenue	WI Volume	RI Volumes	CS Net Volumes
	bbl	bbl	\$/bbl	\$	bbl	bbl	\$/bbl	\$	bbl	bbl	\$/bbl	\$	bbl	bbl	\$/bbl	\$	bbl	bbl	bbl
2012	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2013	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2014	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2015	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2016	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2017	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2018	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2019	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2020	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
2021	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0
Sub	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0
Rem	1,015.0	0.0	237.20	180,564.3	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	1,015.0	0.0	761.2
Total	1,015.0	0.0	237.20	180,564.3	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	1,015.0	0.0	761.2

CASH FLOW BTAX

	Company Revenue	Crown Royalty	Freehold Royalty	ORR Royalty	Mineral Tax	Total Royalty Burden	Net Rev After Royalties	Other Income	Sask Corp Cap Tax	Fixed Oper Expense	Variable Operating Expense	Other Expenses	Total Operating Costs	Abandon Cost & Salvage	Net Operating Income	Total Investment	NET Cash Flow	CUM Cash Flow	Disc Cash Flow (10%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2012	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	0.0	0	0	0
2013	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	0.0	0	0	0
2014	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	0.0	0	0	0
2015	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	0.0	0	0	0
2016	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	0.0	0	0	0
2017	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	0.0	0	0	0
2018	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	0.0	0	0	0
2019	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	0.0	0	0	0
2020	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	0.0	0	0	0
2021	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	0.0	0	0	0
Sub	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	0.0	0	0	0
Rem	2,631,271	0.0	0.0	0.0	154,981.9	6	2,476,289	0.0	0.0	76,960.2	24,279.0	0.0	101,239.2	45,654.2	2,329,396	63,266.1	2,266,130	2,266,130	32,787
Total	2,631,271	0.0	0.0	0.0	154,981.9	6	2,476,289	0.0	0.0	76,960.2	24,279.0	0.0	101,239.2	45,654.2	2,329,396	63,266.1	2,266,130	2,266,130	32,787

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	1.3
RLI (Principal Product)	2.0
Reserves Life	5.0
RLI (BOE)	2.0

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	0	0	0	0
Gas (Mcf)	563,888	203,000	203,000	152,250
Gas (boe)	93,981	33,833	33,833	25,375
*NGL (bbl)	0	0	0	0
Cond (bbl)	2,819	1,015	1,015	761
Total (boe)	96,801	34,848	34,848	26,136

*This NGL Value includes only Ethane, Propane and Butane. Condensate and Field Condensate are included in the Condensate line.

NET PRESENT VALUES BEFORE TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
0	2,329,396	63,266.1	2,266,130	65.03
5	266,466	7,576.4	258,890	7.43
10	33,789	1,001.5	32,787	0.94
12	15,192	457.3	14,735	0.42
15	4,705	144.8	4,560	0.13
20	714	22.7	691	0.02

CAPITAL (undisc)

	Unrisked	Risked
Cost Of Prod. \$/BOEPD	1,681.54	1,681.54
Cost Of Reserves \$/BOE	1.82	1.82
Prob Of Success %	100.00	100.00
Chance Of %	100.00	100.00

ECONOMIC INDICATORS

	BTAX			
	Unrisked		Risked	
Discount Rate (%)	10.0	10.0	10.0	10.0
Payout (Yrs)	0.1	0.1	0.1	0.1
Discounted Payout (Yrs)	0.1	0.1	0.1	0.1
DCF Rate of Return (%)	> 200.0	> 200.0	> 200.0	> 200.0
NPV/Undisc Invest	0.5	0.5	0.5	0.5
NPV/Disc Invest	32.7	32.7	32.7	32.7
NPV/DIS Cap Exposure	3,273.9	3,273.9	3,273.9	3,273.9
NPV/BOEPD (M\$/boepd)	0.9	0.9	0.9	0.9

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Prod (3 Mo Ave)	(BOEPD)	56.09	56.09	56.09	56.09
Prod (12 Mo Ave)	(BOEPD)	47.97	47.97	47.97	47.97
Price	(\$/BOE)	74.24	74.24	74.24	74.24
Royalties	(\$/BOE)	4.37	4.37	4.37	4.37
Operating Costs	(\$/BOE)	1.63	1.63	1.63	1.63
NetBack	(\$/BOE)	68.24	68.24	68.24	68.24
Recycle Ratio	(ratio)	37.59	37.59	37.59	37.59