

HILLCREST RESOURCES LTD.

**RESERVE ESTIMATION AND
ECONOMIC EVALUATION**

EXECUTIVE SUMMARY

Effective Date: June 30, 2010





September 15, 2010

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

Attention: Mr. Donald Currie

**RE: Hillcrest Resources Ltd.
Reserve Estimation and Economic Evaluation**

At your request and authorization, AJM Petroleum Consultants ("AJM") has prepared an independent evaluation of certain oil and gas assets of Hillcrest Resources Ltd. ("Hillcrest"), effective June 30, 2010.

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 Petroleum Consultants 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 51-101 F1, this report documents the results of the evaluation with the following tables summarizing the total corporate reserves and value:

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

AJM was provided the following US tax pools from Hillcrest Resources Ltd. effective June 30, 2010:

	\$ Thousands	Depreciation Rate, %
CDE	<u>\$694.68</u>	30
Total	\$694.68	

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 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 6 Mcf: 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 Petroleum Consultants is pleased to present its independent reserves evaluation report for Hillcrest Resources Ltd., effective June 30, 2010 in satisfaction of Part 2 Section 2.1 Item 2 of NI 51-101 and Form 51-101 F2, without reservation.

Yours truly,

AJM Petroleum Consultants

Original signed by: "Douglas S. Ashton"

Douglas S. Ashton, P. Eng.
Vice President Engineering

/jip



Hillcrest Resources Ltd.
TABLE 1 - CDN DOLLARS
DETAILED ECONOMIC SUMMARY
AJM June 30, 2010 Forecast Pricing

Effective June 30, 2010

United States

	PDP	PDNP	PUD	TP	PB	P+P	Possible	P+P+P
Light and Medium Oil Mbbl								
Ultimate Remaining	70.7	0.0	161.6	232.2	440.1	672.3	0.0	672.3
WI Before Royalty	24.5	0.0	53.6	78.0	132.0	210.0	0.0	210.0
WI After Royalty	18.3	0.0	40.2	58.5	99.0	157.5	0.0	157.5
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	18.3	0.0	40.2	58.5	99.0	157.5	0.0	157.5
Total Oil Mbbl								
Ultimate Remaining	70.7	0.0	161.6	232.2	440.1	672.3	0.0	672.3
WI Before Royalty	24.5	0.0	53.6	78.0	132.0	210.0	0.0	210.0
WI After Royalty	18.3	0.0	40.2	58.5	99.0	157.5	0.0	157.5
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	18.3	0.0	40.2	58.5	99.0	157.5	0.0	157.5
Sales Gas MMcf								
Ultimate Remaining	0.0	0.0	122.2	122.2	630.8	752.9	0.0	752.9
WI Before Royalty	0.0	0.0	36.7	36.7	189.2	225.9	0.0	225.9
WI After Royalty	0.0	0.0	27.5	27.5	141.9	169.4	0.0	169.4
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	0.0	0.0	27.5	27.5	141.9	169.4	0.0	169.4
NGLs Mbbl								
Ultimate Remaining	0.0	0.0	0.6	0.6	3.2	3.8	0.0	3.8
WI Before Royalty	0.0	0.0	0.2	0.2	0.9	1.1	0.0	1.1
WI After Royalty	0.0	0.0	0.1	0.1	0.7	0.8	0.0	0.8
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	0.0	0.0	0.1	0.1	0.7	0.8	0.0	0.8
MBOE Mboe								
Ultimate Remaining	70.7	0.0	182.5	253.2	548.4	801.6	0.0	801.6
WI Before Royalty	24.5	0.0	59.8	84.3	164.5	248.8	0.0	248.8
WI After Royalty	18.3	0.0	44.9	63.2	123.4	186.6	0.0	186.6
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	18.3	0.0	44.9	63.2	123.4	186.6	0.0	186.6
Net Present Values - BTAX M\$								
Undiscounted	1,383.3	0.0	2,909.7	4,293.0	4,617.4	8,910.4	0.0	8,910.4
Discounted at 5%	1,256.0	0.0	2,145.7	3,401.8	3,097.2	6,499.0	0.0	6,499.0
Discounted at 10%	1,152.3	0.0	1,803.0	2,955.3	2,428.1	5,383.4	0.0	5,383.4
Discounted at 12%	1,116.1	0.0	1,696.2	2,812.3	2,209.5	5,021.8	0.0	5,021.8
Discounted at 15%	1,066.4	0.0	1,554.4	2,620.8	1,920.3	4,541.1	0.0	4,541.1

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.
TABLE 2
RESERVES RECONCILIATION SUMMARY
Working Interest

Opening: AJM June 30, 2009 Forecast Pricing
 Closing: AJM June 30, 2010 Forecast Pricing

Effective June 30, 2010

Page 1 of 1

	Proved Developed Producing						Total Proved						Probable Additional						Proved + Probable Additional					
	Light & Medium Oil		Assoc & Non Assoc Gas		Coalbed Methane		Light & Medium Oil		Assoc & Non Assoc Gas		Coalbed Methane		Light & Medium Oil		Assoc & Non Assoc Gas		Coalbed Methane		Light & Medium Oil		Assoc & Non Assoc Gas		Coalbed Methane	
	Mstb	Mstb	MMcf	MMcf	Mstb	Mboe	Mstb	Mstb	MMcf	MMcf	Mstb	Mboe	Mstb	Mstb	MMcf	MMcf	Mstb	Mboe	Mstb	Mstb	MMcf	MMcf	Mstb	Mboe
Opening Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Production	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Drilling Activity																								
Discovery	24.5	0.0	0.0	0.0	0.0	24.5	24.5	0.0	0.0	0.0	0.0	24.5	8.8	0.0	0.0	0.0	8.8	33.3	0.0	0.0	0.0	0.0	0.0	33.3
Extensions	0.0	0.0	0.0	0.0	0.0	0.0	53.6	0.0	36.7	0.0	0.2	59.8	123.2	0.0	189.2	0.0	0.9	155.7	176.7	0.0	225.9	0.0	1.1	215.5
Recompletion	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
A&D																								
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
Revisions																								
Revision	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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
Econ 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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
WI Error	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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
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
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
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
Administrative																								
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
Closing	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



For reference only: 1 boe = 1 bbl Oil = 6 mcf Gas = 1 bbl NGL

**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 June 30, 2010. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at June 30, 2010 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 June 30, 2010 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 <u>Auditor</u>	Hillcrest Resources Ltd. Reserve Estimation and <u>Economic Evaluation</u>	Location of Reserves (Country or Foreign <u>Geographic Area</u>)	Net Present Value of Future Net Revenue (\$M, before income taxes, 10% discount rate)			
			<u>Audited</u>	<u>Evaluated</u>	<u>Reviewed</u>	<u>Total</u>
AJM Petroleum Consultants	September 15, 2010	United States	-	\$5,383.4	-	\$5,383.4

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. 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. However, any variation should be consistent with the fact that reserves are categorized according to the probability of their recovery.

Executed as to our report referred to above:

AJM Petroleum Consultants
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.
Vice President Engineering

Execution date: September 15, 2010



CANADA
OIL & GAS ASSETS

Hillcrest Resources Ltd.
CDN DOLLARS
DETAILED ECONOMIC SUMMARY
AJM June 30, 2010 Forecast Pricing

Effective June 30, 2010

United States

	PDP	PDNP	PUD	TP	PB	P+P	Possible	P+P+P
Light and Medium Oil Mbbl								
Ultimate Remaining	70.7	0.0	161.6	232.2	440.1	672.3	0.0	672.3
WI Before Royalty	24.5	0.0	53.6	78.0	132.0	210.0	0.0	210.0
WI After Royalty	18.3	0.0	40.2	58.5	99.0	157.5	0.0	157.5
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	18.3	0.0	40.2	58.5	99.0	157.5	0.0	157.5
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WI After Royalty	0.0	0.0	27.5	27.5	141.9	169.4	0.0	169.4
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	0.0	0.0	27.5	27.5	141.9	169.4	0.0	169.4
NGLs Mbbl								
Ultimate Remaining	0.0	0.0	0.6	0.6	3.2	3.8	0.0	3.8
WI Before Royalty	0.0	0.0	0.2	0.2	0.9	1.1	0.0	1.1
WI After Royalty	0.0	0.0	0.1	0.1	0.7	0.8	0.0	0.8
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	0.0	0.0	0.1	0.1	0.7	0.8	0.0	0.8
MBOE Mboe								
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Net Present Values - BTAX M\$								
Undiscounted	1,383.3	0.0	2,909.7	4,293.0	4,617.4	8,910.4	0.0	8,910.4
Discounted at 5%	1,256.0	0.0	2,145.7	3,401.8	3,097.2	6,499.0	0.0	6,499.0
Discounted at 10%	1,152.3	0.0	1,803.0	2,955.3	2,428.1	5,383.4	0.0	5,383.4
Discounted at 12%	1,116.1	0.0	1,696.2	2,812.3	2,209.5	5,021.8	0.0	5,021.8
Discounted at 15%	1,066.4	0.0	1,554.4	2,620.8	1,920.3	4,541.1	0.0	4,541.1

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.
CDN DOLLARS
NI 51-101 FORECAST CASE
OIL AND GAS RESERVES SUMMARY
AJM June 30, 2010 Forecast Pricing

Effective June 30, 2010

United States

VOLUMES IN IMPERIAL UNITS																				
CATEGORY	Oil						Natural Gas						Sulphur		Total BOE					
	Light, Medium and Shale		Heavy		Bitumen		Solution		Associated and Non-Associated		Coalbed Methane		Natural Gas Liquids		W.I. Gross Mlt	Co. Share Net Mlt	W.I. Gross Mboe	Co. Share Net Mboe		
	W.I. Gross Mstb	Co. Share Net Mstb	W.I. Gross Mstb	Co. Share Net Mstb	W.I. Gross Mstb	Co. Share Net Mstb	W.I. Gross MMcf	Co. Share Net MMcf	W.I. Gross MMcf	Co. Share Net MMcf	W.I. Gross MMcf	Co. Share Net MMcf	W.I. Gross Mstb	Co. Share Net Mstb						
PDP	24.5	18.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24.5	18.3		
PUD	53.6	40.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	36.7	27.5	0.0	0.0	0.2	0.1	0.0	59.8	44.9		
TP	78.0	58.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	36.7	27.5	0.0	0.0	0.2	0.1	0.0	84.3	63.2		
PB	132.0	99.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	189.2	141.9	0.0	0.0	0.9	0.7	0.0	164.5	123.4		
P+P	210.0	157.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	225.9	169.4	0.0	0.0	1.1	0.8	0.0	248.8	186.6		

VOLUMES IN METRIC UNITS																				
CATEGORY	Oil						Natural Gas						Sulphur		Total BOE					
	Light, Medium and Shale		Heavy		Bitumen		Solution		Associated and Non-Associated		Coalbed Methane		Natural Gas Liquids		W.I. Gross E3t	Co. Share Net E3t	W.I. Gross E3m3e	Co. Share Net E3m3e		
	W.I. Gross E3m3	Co. Share Net E3m3	W.I. Gross E3m3	Co. Share Net E3m3	W.I. Gross E3m3	Co. Share Net E3m3	W.I. Gross E6m3	Co. Share Net E6m3	W.I. Gross E6m3	Co. Share Net E6m3	W.I. Gross E6m3	Co. Share Net E6m3	W.I. Gross E3m3	Co. Share Net E3m3						
PDP	3.9	2.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.9	2.9		
PUD	8.5	6.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.8	0.0	0.0	0.0	0.0	0.0	9.5	7.1		
TP	12.4	9.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.8	0.0	0.0	0.0	0.0	0.0	13.4	10.0		
PB	21.0	15.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.3	4.0	0.0	0.0	0.2	0.1	0.0	26.1	19.6		
P+P	33.4	25.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.4	4.8	0.0	0.0	0.2	0.1	0.0	39.5	29.7		

Heavy includes Ultra Heavy in Alberta



Hillcrest Resources Ltd.
CDN DOLLARS
NI 51-101 FORECAST CASE
SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE - WITH CORPORATE TAX POOLS
AJM June 30, 2010 Forecast Pricing

Effective June 30, 2010

United States

RESERVES CATEGORY	Before Income Taxes					After Income Taxes					Unit Value
	5%	10%	12%	15%	20%	5%	10%	12%	15%	20%	Before Income Taxes
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	Discounted at 10%
Proved Developed Producing	1,256.0	1,152.3	1,116.1	1,066.4	994.2	1,057.7	967.0	935.4	892.3	830.0	62.82
Proved Undeveloped	2,145.7	1,803.0	1,696.2	1,554.4	1,354.7	1,643.4	1,374.4	1,290.8	1,179.9	1,024.2	40.17
Proved	3,401.8	2,955.3	2,812.3	2,620.8	2,348.8	2,701.1	2,341.3	2,226.2	2,072.3	1,854.2	46.74
Probable	3,097.2	2,428.1	2,209.5	1,920.3	1,529.9	2,243.4	1,798.9	1,646.8	1,440.4	1,154.6	19.68
Proved Plus Probable	6,499.0	5,383.4	5,021.8	4,541.1	3,878.7	4,944.5	4,140.2	3,873.1	3,512.7	3,008.8	28.85

Taxpool: Hillcrest Tax Pools US (CDN\$) Vintage: Hillcrest Tax Pools US (CDN\$) : United States. Unit Value calculation based on Net BOE reserves.



Hillcrest Resources Ltd.
CDN DOLLARS
NI 51-101 FORECAST CASE
TOTAL FUTURE NET REVENUE - WITH CORPORATE TAX POOLS
AJM June 30, 2010 Forecast Pricing

Effective June 30, 2010

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	1,683.6	99.2	201.2	0.0	0.0	1,383.3	213.4	1,169.9
Proved Undeveloped	4,453.1	262.3	489.0	732.5	59.7	2,909.7	662.2	2,247.5
Proved	6,136.8	361.5	690.2	732.5	59.7	4,293.0	875.6	3,417.3
Probable	15,810.4	931.2	10,183.2	33.8	44.7	4,617.4	1,252.6	3,364.9
Proved Plus Probable	21,947.2	1,292.7	10,873.4	766.3	104.4	8,910.4	2,128.2	6,782.2

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



Hillcrest Resources Ltd.
CDN DOLLARS
NI 51-101 FORECAST CASE
NET PRESENT VALUE OF FUTURE NET REVENUE BY PRODUCTION GROUP
AJM June 30, 2010 Forecast Pricing

Effective June 30, 2010

United States

**Future Net Revenue
Before Income Taxes**
(Discounted at 10%)
M\$

PROVED

Light and Medium Oil (Including solution gas and by-products)	2,950.1
Associated and Non-Associated Gas (Including by-products)	5.3
Total	2,955.3

PROVED PLUS PROBABLE

Light and Medium Oil (Including solution gas and by-products)	5,282.2
Associated and Non-Associated Gas (Including by-products)	101.2
Total	5,383.4



Hillcrest Resources Ltd.
CDN DOLLARS
NI 51-101 FORECAST CASE
OIL AND GAS RESERVES AND NPVS BY PRODUCTION GROUP
AJM June 30, 2010 Forecast Pricing)

Effective June 30, 2010

United States

	Reserves						Net Present Value Before Tax				
	Oil		Gas		Natural Gas Liquids		5%	10%	12%	15%	20%
	W.I. (Gross) Mstb	Co. Share (Net) Mstb	W.I. (Gross) MMcf	Co. Share (Net) MMcf	W.I. (Gross) Mstb	Co. Share (Net) Mstb					
LIGHT & MEDIUM OIL											
Proved Developed Producing	24.5	18.3	0.0	0.0	0.0	0.0	1,256.0	1,152.3	1,116.1	1,066.4	994.2
Proved Undeveloped	53.6	40.2	0.0	0.0	0.0	0.0	2,100.7	1,797.8	1,694.0	1,553.7	1,354.6
Proved	78.0	58.5	0.0	0.0	0.0	0.0	3,356.7	2,950.1	2,810.0	2,620.1	2,348.8
Probable	132.0	99.0	0.0	0.0	0.0	0.0	2,727.6	2,332.1	2,147.2	1,885.4	1,515.0
Proved Plus Probable	210.0	157.5	0.0	0.0	0.0	0.0	6,084.3	5,282.2	4,957.3	4,505.5	3,863.7
ASSOCIATED AND NON-ASSOCIATED GAS											
Proved Undeveloped	0.0	0.0	36.7	27.5	0.2	0.1	45.1	5.3	2.3	0.7	0.1
Proved	0.0	0.0	36.7	27.5	0.2	0.1	45.1	5.3	2.3	0.7	0.1
Probable	0.0	0.0	189.2	141.9	0.9	0.7	369.6	95.9	62.3	35.0	14.9
Proved Plus Probable	0.0	0.0	225.9	169.4	1.1	0.8	414.7	101.2	64.6	35.6	15.0
TOTAL											
Proved Developed Producing	24.5	18.3	0.0	0.0	0.0	0.0	1,256.0	1,152.3	1,116.1	1,066.4	994.2
Proved Undeveloped	53.6	40.2	36.7	27.5	0.2	0.1	2,145.7	1,803.0	1,696.2	1,554.4	1,354.7
Proved	78.0	58.5	36.7	27.5	0.2	0.1	3,401.8	2,955.3	2,812.3	2,620.8	2,348.8
Probable	132.0	99.0	189.2	141.9	0.9	0.7	3,097.2	2,428.1	2,209.5	1,920.3	1,529.9
Proved Plus Probable	210.0	157.5	225.9	169.4	1.1	0.8	6,499.0	5,383.4	5,021.8	4,541.1	3,878.7

*Heavy oil includes ultra heavy in Alberta



Hillcrest Resources Ltd.
NI 51-101 TABLE 5 - FORECAST
RECONCILIATION OF COMPANY GROSS RESERVES BY PRINCIPAL PRODUCT TYPE

Opening: AJM June 30, 2009 Forecast Pricing
Closing: AJM June 30, 2010 Forecast Pricing

Effective June 30, 2010

Page 1 of 1

	Light & Medium Oil			Heavy Oil			Associated & Non-Associated Gas			Coalbed Methane		
	Gross Proved	Gross Probable	Gross Proved + Probable	Gross Proved	Gross Probable	Gross Proved + Probable	Gross Proved	Gross Probable	Gross Proved + Probable	Gross Proved	Gross Probable	Gross Proved + Probable
	Mstb	Mstb	Mstb	Mstb	Mstb	Mstb	MMcf	MMcf	MMcf	MMcf	MMcf	MMcf
Opening Balance	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	78.0	132.0	210.0	0.0	0.0	0.0	36.7	189.2	225.9	0.0	0.0	0.0
Drilling Extensions	53.6	123.2	176.7	0.0	0.0	0.0	36.7	189.2	225.9	0.0	0.0	0.0
Improved Recovery	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Technical Revisions	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	24.5	8.8	33.3	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
Production	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0



*Technical Revisions is the sum of Revision, NI 51-101, WI Errors, Facility Changes
Extensions is the sum of Extensions, Recompletion, Transfers*

**UNITED STATES
OIL & GAS ASSETS
(US DOLLARS)**

Hillcrest Resources Ltd.
US DOLLARS
DETAILED ECONOMIC SUMMARY
AJM June 30, 2010 Forecast Pricing

Effective June 30, 2010

United States

	PDP	PDNP	PUD	TP	PB	P+P	Possible	P+P+P
Light and Medium Oil Mbbl								
Ultimate Remaining	70.7	0.0	161.6	232.2	440.1	672.3	0.0	672.3
WI Before Royalty	24.5	0.0	53.6	78.0	132.0	210.0	0.0	210.0
WI After Royalty	18.3	0.0	40.2	58.5	99.0	157.5	0.0	157.5
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	18.3	0.0	40.2	58.5	99.0	157.5	0.0	157.5
Total Oil Mbbl								
Ultimate Remaining	70.7	0.0	161.6	232.2	440.1	672.3	0.0	672.3
WI Before Royalty	24.5	0.0	53.6	78.0	132.0	210.0	0.0	210.0
WI After Royalty	18.3	0.0	40.2	58.5	99.0	157.5	0.0	157.5
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	18.3	0.0	40.2	58.5	99.0	157.5	0.0	157.5
Sales Gas MMcf								
Ultimate Remaining	0.0	0.0	122.2	122.2	630.8	752.9	0.0	752.9
WI Before Royalty	0.0	0.0	36.7	36.7	189.2	225.9	0.0	225.9
WI After Royalty	0.0	0.0	27.5	27.5	141.9	169.4	0.0	169.4
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	0.0	0.0	27.5	27.5	141.9	169.4	0.0	169.4
NGLs Mbbl								
Ultimate Remaining	0.0	0.0	0.6	0.6	3.2	3.8	0.0	3.8
WI Before Royalty	0.0	0.0	0.2	0.2	0.9	1.1	0.0	1.1
WI After Royalty	0.0	0.0	0.1	0.1	0.7	0.8	0.0	0.8
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	0.0	0.0	0.1	0.1	0.7	0.8	0.0	0.8
MBOE Mboe								
Ultimate Remaining	70.7	0.0	182.5	253.2	548.4	801.6	0.0	801.6
WI Before Royalty	24.5	0.0	59.8	84.3	164.5	248.8	0.0	248.8
WI After Royalty	18.3	0.0	44.9	63.2	123.4	186.6	0.0	186.6
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	18.3	0.0	44.9	63.2	123.4	186.6	0.0	186.6
Net Present Values - BTAX M\$								
Undiscounted	1,327.9	0.0	2,766.5	4,094.4	4,387.1	8,481.4	0.0	8,481.4
Discounted at 5%	1,206.6	0.0	2,040.3	3,246.9	2,942.8	6,189.7	0.0	6,189.7
Discounted at 10%	1,107.6	0.0	1,714.5	2,822.1	2,307.1	5,129.2	0.0	5,129.2
Discounted at 12%	1,073.0	0.0	1,612.9	2,685.9	2,099.5	4,785.4	0.0	4,785.4
Discounted at 15%	1,025.6	0.0	1,478.0	2,503.6	1,824.7	4,328.3	0.0	4,328.3

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.



CANADA

AJM 2010 06 30 FORECAST PRICES



Hillcrest Resources Ltd.
CDN DOLLARS
CASH FLOW TAX POOL
AJM June 30, 2010 Forecast Pricing

Selection : United States
Effective June 30, 2010

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 It	Price \$/lt	WI Rates boe/d	Co. Share Rates boe/d
2010	1.0	38	6,900.0	3,726.0	0.0	80.05	223,705	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	20	20
2011	1.0	61	22,317.2	8,293.5	0.0	85.36	530,953	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	23	23
2012	1.0	40	14,644.9	4,393.5	0.0	90.63	298,640	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	12	12
2013	1.0	26	9,557.0	2,867.1	0.0	95.26	204,846	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	8	8
2014	1.0	17	6,257.7	1,877.3	0.0	100.05	140,871	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	5	5
2015	1.0	11	4,097.4	1,229.2	0.0	107.95	99,517	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	3	3
2016	1.0	7	2,688.7	806.6	0.0	116.05	70,208	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	2	2
2017	1.0	5	1,754.6	526.4	0.0	118.42	46,751	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1
2018	1.0	3	1,148.9	344.7	0.0	120.84	31,238	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1
2019	1.0	2	752.3	225.7	0.0	123.32	20,872	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1
Sub			70,118.6	24,289.9	0.0	91.54	1,667,601			0.0	0.0	0.0	0.00	0	0.0	0.00		
Rem			565.1	169.5	0.0	126.17	16,041			0.0	0.0	0.0	0.00	0	0.0	0.00		
Total			70,683.7	24,459.4	0.0	91.78	1,683,641			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
2010	0.0	0.0	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
2011	0.0	0.0	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
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
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%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	223,705	0.0	0.0	0.0	13,176.2	6	210,528	0.0	0.0	3,618.6	1,767.4	0.0	5,385.9	0.0	205,142	0.0	205,142	205,142	199,142
2011	530,953	0.0	0.0	0.0	31,273.1	6	499,680	0.0	0.0	5,946.6	9,315.4	0.0	15,262.0	0.0	484,418	0.0	484,418	689,560	444,810
2012	298,640	0.0	0.0	0.0	17,589.9	6	281,050	0.0	0.0	5,125.3	16,388.9	0.0	21,514.2	0.0	259,536	0.0	259,536	949,096	215,281
2013	204,846	0.0	0.0	0.0	12,065.4	6	192,780	0.0	0.0	5,227.8	15,963.0	0.0	21,190.9	0.0	171,590	0.0	171,590	1,120,685	128,876
2014	140,871	0.0	0.0	0.0	8,297.3	6	132,574	0.0	0.0	5,332.4	15,407.6	0.0	20,740.0	0.0	111,834	0.0	111,834	1,232,519	76,364
2015	99,517	0.0	0.0	0.0	5,861.6	6	93,656	0.0	0.0	5,439.0	14,750.7	0.0	20,189.7	0.0	73,466	0.0	73,466	1,305,985	45,608
2016	70,208	0.0	0.0	0.0	4,135.3	6	66,073	0.0	0.0	5,547.8	14,095.7	0.0	19,643.5	0.0	46,429	0.0	46,429	1,352,414	26,198
2017	46,751	0.0	0.0	0.0	2,753.7	6	43,998	0.0	0.0	5,658.8	13,402.0	0.0	19,060.8	0.0	24,937	0.0	24,937	1,377,351	12,792
2018	31,238	0.0	0.0	0.0	1,839.9	6	29,398	0.0	0.0	5,772.0	12,818.6	0.0	18,590.5	0.0	10,807	0.0	10,807	1,388,158	5,040
2019	20,872	0.0	0.0	0.0	1,229.4	6	19,643	0.0	0.0	5,887.4	12,324.6	0.0	18,212.0	0.0	1,431	0.0	1,431	1,389,589	607
Sub	1,667,601	0.0	0.0	0.0	98,221.7	6	1,569,379	0.0	0.0	53,555.7	126,233.8	0.0	179,789.5	0.0	1,389,589	0.0	1,389,589	1,389,589	1,154,717
Rem	16,041	0.0	0.0	0.0	944.8	6	15,096	0.0	0.0	7,190.7	14,240.6	0.0	21,431.3	0.0	-6,335	0.0	-6,335	1,383,254	-2,389
Total	1,683,641	0.0	0.0	0.0	99,166.5	6	1,584,475	0.0	0.0	60,746.4	140,474.4	0.0	201,220.8	0.0	1,383,254	0.0	1,383,254	1,383,254	1,152,328

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	1.5
RLI (Principal Product)	2.6
Reserves Life	11.4
RLI (BOE)	2.6

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	70,684	24,459	24,459	18,345
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)	70,684	24,459	24,459	18,345

*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	\$/BOE	
0		1,383,254	0.0	1,383,254	56.55			
5		1,256,050	0.0	1,256,050	51.35			
10		1,152,328	0.0	1,152,328	47.11			
12		1,116,077	0.0	1,116,077	45.63			
15		1,066,392	0.0	1,066,392	43.60			
20		994,169	0.0	994,169	40.65			

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		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)	44.0	44.0	36.9	27.7

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Production	(BOEPD)	26	26	26	26
Price	(\$/BOE)	62.47	62.47	62.47	62.47
Royalties	(\$/BOE)	3.68	3.68	3.68	3.68
Operating Costs	(\$/BOE)	1.42	1.42	1.42	1.42
NetBack	(\$/BOE)	57.37	57.37	57.37	57.37
Recycle Ratio	(ratio)	0.00	0.00	0.00	0.00



Hillcrest Resources Ltd.
CDN DOLLARS
CASH FLOW TAX POOL
AJM June 30, 2010 Forecast Pricing

Selection : United States
Effective June 30, 2010

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%)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	135,675	6,784	128,891	128,891	0	0	0	0	0	25,778	0	0	25,778	32,562	205,142	172,581	172,581	167
2011	414,950	20,747	394,202	394,202	0	0	0	0	0	78,840	0	0	78,840	99,588	484,418	384,830	557,410	355
2012	190,068	9,503	180,564	180,564	0	0	0	0	0	36,113	0	0	36,113	45,616	259,536	213,919	771,330	178
2013	102,122	5,106	97,016	97,016	0	0	0	0	0	19,403	0	0	19,403	24,509	171,590	147,080	918,410	110
2014	42,366	2,118	40,248	40,248	0	0	0	0	0	8,050	0	0	8,050	10,168	111,834	101,666	1,020,076	69
2015	3,998	200	3,798	3,798	0	0	0	0	0	760	0	0	760	960	73,466	72,506	1,092,582	45
2016	-23,039	0	-23,039	0	0	0	23,039	0	0	0	0	0	0	0	46,429	46,429	1,139,012	26
2017	-44,531	0	-44,531	0	0	0	44,531	0	0	0	0	0	0	0	24,937	24,937	1,163,949	13
2018	-58,661	0	-58,661	0	0	0	58,661	0	0	0	0	0	0	0	10,807	10,807	1,174,756	5
2019	-68,037	0	-68,037	0	0	0	68,037	0	0	0	0	0	0	0	1,431	1,431	1,176,187	1
Sub	694,910	44,459	650,451	844,719	0	0	194,267	0	0	168,944	0	0	168,944	213,403	1,389,589	1,176,187	1,176,187	969
Rem	-6,335	0	-6,335	0	0	0	6,335	0	0	0	0	0	0	0	-6,335	-6,335	1,169,851	-2
Total	688,575	44,459	644,116	844,719	0	0	200,603	0	0	168,944	0	0	168,944	213,403	1,383,254	1,169,851	1,169,851	967

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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	22	0	0	0	0	0	0	0	0	0	0	0	69	625	0
2011	53	0	0	0	0	0	0	0	0	0	0	0	69	555	0
2012	29	0	0	0	0	0	0	0	0	0	0	0	69	486	0
2013	20	0	0	0	0	0	0	0	0	0	0	0	69	416	0
2014	14	0	0	0	0	0	0	0	0	0	0	0	69	347	0
2015	99	0	0	0	0	0	0	0	0	0	0	0	69	277	0
2016	70	23	0	23	0	0	0	0	0	0	0	0	69	208	0
2017	46	44	0	67	0	0	0	0	0	0	0	0	69	138	0
2018	31	58	0	12	0	0	0	0	0	0	0	0	69	69	0
2019	20	68	0	19	0	0	0	0	0	0	0	0	69	0	0
Sub	1,6	19	0	19	0	0	0	0	0	0	0	0	694	0	0
Rem	16	6,3	0	20	0	0	0	0	0	0	0	0	0	0	0
Total	1,6	20	0	20	0	0	0	0	0	0	0	0	694	0	0

NET PRESENT VALUES AFTER TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
%	\$	\$	\$	\$/BOE
0	1,169,851	0.0	1,169,851	47.83
5	1,057,717	0.0	1,057,717	43.24
10	966,982	0.0	966,982	39.53
12	935,434	0.0	935,434	38.24
15	892,341	0.0	892,341	36.48
20	830,024	0.0	830,024	33.93

CORPORATE OPENING TAX POOLS (M\$)

Cost Depletion Pool	694.68
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.
CDN DOLLARS
CASH FLOW TAX POOL
AJM June 30, 2010 Forecast Pricing

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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
2010	1.0	38	6,900.0	3,726.0	0.0	80.05	223,705	0.0	0	0.0	0.0	0.0	0.0	0	0.0	0.00	20	20
2011	3.0	138	50,506.1	21,657.7	0.0	85.36	1,386,542	0.0	0	0.0	0.0	0.0	0.0	0	0.0	0.00	59	59
2012	3.0	160	58,420.5	17,702.2	0.0	90.63	1,203,279	0.0	0	0.0	0.0	0.0	0.0	0	0.0	0.00	48	48
2013	3.0	113	41,082.0	12,324.6	0.0	95.26	880,558	0.0	0	0.0	0.0	0.0	0.0	0	0.0	0.00	34	34
2014	3.0	73	26,757.1	8,027.1	0.0	100.05	602,351	0.0	0	0.0	0.0	0.0	0.0	0	0.0	0.00	22	22
2015	3.0	48	17,477.3	5,243.2	0.0	107.95	424,490	0.0	0	0.0	0.0	0.0	0.0	0	0.0	0.00	14	14
2016	3.0	31	11,473.5	3,442.1	0.0	116.05	299,594	0.0	0	0.0	0.0	0.0	0.0	0	0.0	0.00	9	9
2017	3.0	21	7,511.5	2,253.4	0.0	118.42	200,141	0.0	0	0.0	0.0	0.0	0.0	0	0.0	0.00	6	6
2018	3.0	14	4,947.7	1,484.3	0.0	120.84	134,525	0.0	0	0.0	0.0	0.0	0.0	0	0.0	0.00	4	4
2019	3.0	9	3,267.7	980.3	0.0	123.32	90,666	0.0	0	0.0	0.0	0.0	0.0	0	0.0	0.00	3	3
Sub			228,343.4	76,840.9	0.0	94.50	5,445,851			0.0	0.0	0.0	0.0	0	0.0	0.00		
Rem			3,903.0	1,170.9	0.0	127.68	112,126			122,175.6	36,652.7	0.0	19.76	543,301	0.0	0.00		
Total			232,246.4	78,011.8	0.0	94.99	5,557,977			122,175.6	36,652.7	0.0	19.76	543,301	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
2010	0.0	0.0	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
2011	0.0	0.0	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
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
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	183.3	0.0	258.19	35,487.4	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	183.3	0.0	137.4
Total	183.3	0.0	258.19	35,487.4	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	183.3	0.0	137.4

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%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	223,705	0.0	0.0	0.0	13,176.2	6	210,528	0.0	0.0	3,618.6	1,767.4	0.0	5,385.9	0.0	205,142	334,021.3	-128,879	-128,879	-120,549
2011	1,386,542	0.0	0.0	0.0	81,667.3	6	1,304,875	0.0	0.0	17,574.3	16,850.3	0.0	34,424.6	0.0	1,270,450	340,701.7	929,749	800,870	844,047
2012	1,203,279	0.0	0.0	0.0	70,873.1	6	1,132,406	0.0	0.0	15,488.9	40,937.7	0.0	56,426.6	0.0	1,075,980	0.0	1,075,980	1,876,849	890,936
2013	880,558	0.0	0.0	0.0	51,864.9	6	828,693	0.0	0.0	15,683.5	53,409.2	0.0	69,092.7	0.0	759,600	0.0	759,600	2,636,450	570,513
2014	602,351	0.0	0.0	0.0	35,478.5	6	566,873	0.0	0.0	15,997.2	52,267.8	0.0	68,265.0	0.0	498,608	0.0	498,608	3,135,057	340,467
2015	424,490	0.0	0.0	0.0	25,002.5	6	399,487	0.0	0.0	16,317.1	49,809.7	0.0	66,126.8	0.0	333,361	0.0	333,361	3,468,418	206,950
2016	299,594	0.0	0.0	0.0	17,646.1	6	281,948	0.0	0.0	16,643.5	47,396.9	0.0	64,040.3	0.0	217,907	0.0	217,907	3,686,325	122,955
2017	200,141	0.0	0.0	0.0	11,788.3	6	188,353	0.0	0.0	16,976.3	44,906.2	0.0	61,882.5	0.0	126,470	0.0	126,470	3,812,795	64,878
2018	134,525	0.0	0.0	0.0	7,923.5	6	126,601	0.0	0.0	17,315.9	42,823.2	0.0	60,139.0	0.0	66,462	0.0	66,462	3,879,258	30,997
2019	90,666	0.0	0.0	0.0	5,340.2	6	85,326	0.0	0.0	17,662.2	41,085.9	0.0	58,748.1	0.0	26,578	0.0	26,578	3,905,836	11,269
Sub	5,445,851	0.0	0.0	0.0	320,760.6	6	5,125,090	0.0	0.0	153,277.5	391,254.2	0.0	544,531.7	0.0	4,580,559	674,723.1	3,905,836	3,905,836	2,962,462
Rem	690,914	0.0	0.0	0.0	40,694.8	6	650,219	0.0	0.0	51,513.9	94,133.4	0.0	145,647.4	59,687.6	444,884	57,738.6	387,146	4,292,981	-7,115
Total	6,136,765	0.0	0.0	0.0	361,455.4	6	5,775,309	0.0	0.0	204,791.4	485,387.6	0.0	690,179.0	59,687.6	5,025,443	732,461.6	4,292,981	4,292,981	2,955,347

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	2.4
RLI (Principal Product)	5.2
Reserves Life	46.4
RLI (BOE)	5.2

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	232,246	78,012	78,012	58,509
Gas (Mcf)	122,176	36,653	36,653	27,490
Gas (boe)	20,363	6,109	6,109	4,582
*NGL (bbl)	0	0	0	0
Cond (bbl)	611	183	183	137
Total (boe)	253,220	84,304	84,304	63,228

*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	5,025,443	732,461.6	4,292,981	50.92
5	4,059,962	658,172.0	3,401,790	40.35
10	3,586,794	631,446.9	2,955,347	35.06
12	3,435,369	623,044.6	2,812,325	33.36
15	3,232,111	611,322.8	2,620,788	31.09
20	2,942,099	593,249.5	2,348,849	27.86

CAPITAL (undisc)

	Unrisked	Risked
Cost Of Prod.	\$/BOEPD 16,613.63	16,613.63
Cost Of Reserves	\$/BOE 8.69	8.69
Prob Of Success	% 100.00	100.00
Chance Of	% 100.00	100.00

ECONOMIC INDICATORS

		BTAX		ATAx	
		Unrisked	Risked	Unrisked	Risked
Discount Rate (%)	10.0	10.0	10.0	10.0	10.0
Payout (Yrs)	0.0	0.0	0.0	0.0	0.0
Discounted Payout (Yrs)	0.0	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	4.0	4.0	3.2	2.5	
NPV/Disc Invest	4.7	4.7	3.7	2.9	
NPV/DIS Cap Exposure	468.0	468.0	370.8	286.9	
NPV/BOEPD (M\$/boepd)	67.0	67.0	53.1	41.1	

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Production (BOEPD)	44	44	44	44	44
Price (\$/BOE)	63.10	63.10	63.10	63.10	63.10
Royalties (\$/BOE)	3.72	3.72	3.72	3.72	3.72
Operating Costs (\$/BOE)	1.40	1.40	1.40	1.40	1.40
NetBack (\$/BOE)	57.98	57.98	57.98	57.98	57.98
Recycle Ratio (ratio)	6.67	6.67	6.67	6.67	6.67



Hillcrest Resources Ltd.
CDN DOLLARS
CASH FLOW TAX POOL
AJM June 30, 2010 Forecast Pricing

Selection : United States
Effective June 30, 2010

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%)	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
2010	-162,561	0	-162,561	0	0	0	162,561	0	0	0	0	0	0	0	0	-128,879	-128,879	-128,879	-121
2011	886,557	44,328	842,230	679,669	0	0	0	162,561	0	135,934	0	0	135,934	180,262	929,749	749,487	620,608	681	
2012	988,406	49,420	938,986	938,986	0	0	0	0	0	187,797	0	0	187,797	237,217	1,075,980	838,762	1,459,370	696	
2013	677,202	33,860	643,342	643,342	0	0	0	0	0	128,668	0	0	128,668	162,529	759,600	597,072	2,056,442	448	
2014	419,902	20,995	398,907	398,907	0	0	0	0	0	79,781	0	0	79,781	100,776	498,608	397,831	2,454,273	272	
2015	256,207	12,810	243,396	243,396	0	0	0	0	0	48,679	0	0	48,679	61,490	333,361	271,871	2,726,144	169	
2016	140,754	7,038	133,716	133,716	0	0	0	0	0	26,743	0	0	26,743	33,781	217,907	184,127	2,910,271	104	
2017	51,218	2,561	48,657	48,657	0	0	0	0	0	9,731	0	0	9,731	12,292	126,470	114,178	3,024,449	59	
2018	-4,945	0	-4,945	0	0	0	4,945	0	0	0	0	0	0	0	66,462	66,462	3,090,911	31	
2019	-42,890	0	-42,890	0	0	0	42,890	0	0	0	0	0	0	0	26,578	26,578	3,117,489	11	
Sub	3,209,850	171,012	3,038,838	3,086,673	0	0	210,396	162,561	0	617,335	0	0	617,335	788,347	3,905,836	3,117,489	3,117,489	2,350	
Rem	387,146	24,287	362,859	315,024	0	0	98,592	146,427	0	63,005	0	0	63,005	87,292	387,146	299,854	3,417,343	-8	
Total	3,596,996	195,299	3,401,697	3,401,697	0	0	308,988	308,988	0	680,339	0	0	680,339	875,639	4,292,981	3,417,343	3,417,343	2,341	

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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	22	16	0	16	41,	0	5,9	0	0	107	35,	69,	625	0	0
2011	1,3	0	16	0	42,	0	16,	0	0	587	62,	69,	555	0	0
2012	1,2	0	0	0	0	0	18,	0	0	636	43,	69,	486	0	0
2013	88	0	0	0	0	0	12,	0	0	31,	31,	69,	416	0	0
2014	60	0	0	0	0	0	9,2	0	0	21,	21,	69,	347	0	0
2015	42	0	0	0	0	0	7,6	0	0	14,	14,	69,	277	0	0
2016	29	0	0	0	0	0	7,6	0	0	6,4	6,4	69,	208	0	0
2017	20	0	0	0	0	0	5,7	0	0	633	633	69,	138	0	0
2018	13	4,9	0	4,9	0	0	1,9	0	0	-1,3	-1,3	69,	69,	0	0
2019	90,	42,	0	47,	0	0	0	0	0	-1,3	-1,3	69,	0	0	0
Sub	5,4	21	16	47,	84,	0	85,	0	0	1,4	-1,3	694	0	0	0
Rem	69	98,	14	0	0	0	0	0	0	-53,	-1,3	0	0	0	0
Total	6,1	30	30	0	84,	0	85,	0	0	1,3	-1,3	694	0	0	0

NET PRESENT VALUES AFTER TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
%	\$	\$	\$	\$/BOE
0	4,149,804	732,461.6	3,417,343	40.54
5	3,359,269	658,172.0	2,701,097	32.04
10	2,972,781	631,446.9	2,341,334	27.77
12	2,849,268	623,044.6	2,226,223	26.41
15	2,683,604	611,322.8	2,072,282	24.58
20	2,447,490	593,249.5	1,854,241	21.99

CORPORATE OPENING TAX POOLS (M\$)

Cost Depletion Pool	694.68
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.
CDN DOLLARS
CASH FLOW TAX POOL
AJM June 30, 2010 Forecast Pricing

Selection : United States
Effective June 30, 2010

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 Mcf	WI Volume Mcf	RI Volume Mcf	Price \$/Mcf	Revenue M\$	Co. Share Volume It	Price \$/lt	WI Rates boe/d	Co. Share Rates boe/d
2010	1.0	38	6,900.0	3,726.0	0.0	80.05	224	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	20	20
2011	3.0	142	51,981.9	22,106.8	0.0	85.36	1,415	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	61	61
2012	3.0	183	66,945.0	20,253.3	0.0	90.63	1,377	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	55	55
2013	3.0	168	61,248.4	18,374.5	0.0	95.26	1,313	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	50	50
2014	3.0	146	53,319.9	15,996.0	0.0	100.05	1,200	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	44	44
2015	3.0	128	46,671.5	14,001.4	0.0	107.95	1,134	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	38	38
2016	3.0	112	41,154.9	12,346.5	0.0	116.05	1,075	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	34	34
2017	3.0	99	36,245.0	10,873.5	0.0	118.42	966	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	30	30
2018	3.0	88	32,131.5	9,639.5	0.0	120.84	874	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	26	26
2019	3.0	78	28,575.0	8,572.5	0.0	123.32	793	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	23	23
Sub			425,173.2	135,890.0	0.0	101.74	10,369			0.0	0.0	0.0	0.00	0	0.0	0.00		
Rem			247,163.3	74,149.0	0.0	150.44	8,366			752,934.6	225,880.4	0.0	17.80	3,015	0.0	0.00		
Total			672,336.5	210,039.0	0.0	118.93	18,735			752,934.6	225,880.4	0.0	17.80	3,015	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
2010	0.0	0.0	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
2011	0.0	0.0	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
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
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	1,129.4	0.0	232.46	196.9	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	1,129.4	0.0	847.1
Total	1,129.4	0.0	232.46	196.9	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	1,129.4	0.0	847.1

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\$
2010	224	0.0	0.0	0.0	13.2	6	211	0.0	0.0	3.6	1.8	0.0	5.4	0.0	205	334.0	-129	-129	-121
2011	1,415	0.0	0.0	0.0	83.4	6	1,332	0.0	0.0	17.6	18.9	0.0	36.4	0.0	1,295	340.7	955	826	867
2012	1,377	0.0	0.0	0.0	81.1	6	1,296	0.0	0.0	15.5	52.7	0.0	68.2	0.0	1,227	0.0	1,227	2,053	1,015
2013	1,313	0.0	0.0	0.0	77.3	6	1,235	0.0	0.0	15.7	84.2	0.0	99.9	0.0	1,136	0.0	1,136	3,189	853
2014	1,200	0.0	0.0	0.0	70.7	6	1,130	0.0	0.0	16.0	99.9	0.0	115.9	0.0	1,014	0.0	1,014	4,203	692
2015	1,134	0.0	0.0	0.0	66.8	6	1,067	0.0	0.0	16.3	116.0	0.0	132.3	0.0	934	0.0	934	5,137	580
2016	1,075	0.0	0.0	0.0	63.3	6	1,011	0.0	0.0	16.6	135.3	0.0	151.9	0.0	859	0.0	859	5,997	485
2017	966	0.0	0.0	0.0	56.9	6	909	0.0	0.0	17.0	157.5	0.0	174.4	0.0	734	0.0	734	6,731	377
2018	874	0.0	0.0	0.0	51.5	6	822	0.0	0.0	17.3	184.3	0.0	201.6	0.0	621	0.0	621	7,352	289
2019	793	0.0	0.0	0.0	46.7	6	746	0.0	0.0	17.7	216.5	0.0	234.2	0.0	512	0.0	512	7,863	217
Sub	10,369	0.0	0.0	0.0	610.7	6	9,758	0.0	0.0	153.3	1,067.0	0.0	1,220.3	0.0	8,538	674.7	7,863	7,863	5,254
Rem	11,578	0.0	0.0	0.0	681.9	6	10,896	0.0	0.0	720.1	8,933.0	0.0	9,653.1	104.4	1,138	91.6	1,047	8,910	129
Total	21,947	0.0	0.0	0.0	1,292.7	6	20,654	0.0	0.0	873.4	10,000.0	0.0	10,873.4	104.4	9,677	766.3	8,910	8,910	5,383

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	8.1
RLI (Principal Product)	15.3
Reserves Life	49.4
RLI (BOE)	15.3

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	672,337	210,039	210,039	157,529
Gas (Mcf)	752,935	225,880	225,880	169,410
Gas (boe)	125,489	37,647	37,647	28,235
*NGL (bbl)	0	0	0	0
Cond (bbl)	3,765	1,129	1,129	847
Total (boe)	801,590	248,815	248,815	186,611

*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\$	M\$	M\$	\$/BOE	\$/BOE
0	9,677	766.3	8,910	35.81				
5	7,171	672.2	6,499	26.12				
10	6,021	637.5	5,383	21.64				
12	5,649	627.4	5,022	20.18				
15	5,155	614.1	4,541	18.25				
20	4,473	594.5	3,879	15.59				

CAPITAL (undisc)

		Unrisked	Risked
Cost Of Prod.	\$/BOEPD	17,207.98	17,207.98
Cost Of Reserves	\$/BOE	3.08	3.08
Prob Of Success	%	100.00	100.00
Chance Of	%	100.00	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		7.0	7.0	5.4	4.3
NPV/Disc Invest		8.4	8.4	6.5	5.2
NPV/DIS Cap Exposure		844.4	844.4	649.4	516.7
NPV/BOEPD (M\$/boepd)		120.9	120.9	93.0	74.0

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Production (BOEPD)		45	45	45	45
Price (\$/BOE)		63.11	63.11	63.11	63.11
Royalties (\$/BOE)		3.72	3.72	3.72	3.72
Operating Costs (\$/BOE)		1.42	1.42	1.42	1.42
NetBack (\$/BOE)		57.97	57.97	57.97	57.97
Recycle Ratio (ratio)		18.82	18.82	18.82	18.82



Hillcrest Resources Ltd.
CDN DOLLARS
CASH FLOW TAX POOL
AJM June 30, 2010 Forecast Pricing

Selection : United States
Effective June 30, 2010

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\$
2010	-163	0	-163	0	0	0	163	0	0	0	0	0	0	0	-129	-129	-129	-121
2011	912	46	866	703	0	0	0	163	0	141	0	0	141	186	955	769	640	698
2012	1,140	57	1,083	1,083	0	0	0	0	0	217	0	0	217	274	1,227	954	1,594	789
2013	1,053	53	1,001	1,001	0	0	0	0	0	200	0	0	200	253	1,136	883	2,476	663
2014	935	47	888	888	0	0	0	0	0	178	0	0	178	224	1,014	789	3,266	539
2015	857	43	814	814	0	0	0	0	0	163	0	0	163	206	934	729	3,994	452
2016	782	39	743	743	0	0	0	0	0	149	0	0	149	188	859	672	4,666	379
2017	659	33	626	626	0	0	0	0	0	125	0	0	125	158	734	576	5,242	296
2018	549	27	522	522	0	0	0	0	0	104	0	0	104	132	621	489	5,731	228
2019	442	22	420	420	0	0	0	0	0	84	0	0	84	106	512	406	6,137	172
Sub	7,168	367	6,801	6,801	0	0	163	163	0	1,360	0	0	1,360	1,727	7,863	6,137	6,137	4,096
Rem	1,047	173	874	902	0	0	2,419	2,151	0	228	0	0	228	402	1,047	645	6,782	44
Total	8,214	540	7,675	7,703	0	0	2,581	2,314	0	1,588	0	0	1,588	2,128	8,910	6,782	6,782	4,140

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\$
2010	22	16	0	16	42	0	6	0	0	107	36	69	625	0	0
2011	1.4	0	16	0	43	0	16	0	0	587	62	69	556	0	0
2012	1.3	0	0	0	0	0	18	0	0	636	44	69	486	0	0
2013	1.3	0	0	0	0	0	13	0	0	31	31	69	417	0	0
2014	1.2	0	0	0	0	0	9	0	0	22	22	69	347	0	0
2015	1.1	0	0	0	0	0	8	0	0	14	14	69	278	0	0
2016	1.0	0	0	0	0	0	8	0	0	6	6	69	208	0	0
2017	96	0	0	0	0	0	6	0	0	1	1	69	139	0	0
2018	87	0	0	0	0	0	2	0	0	-1	-1	69	69	0	0
2019	79	0	0	0	0	0	0	0	0	-1	-1	69	0	0	0
Sub	10.	16	16	0	84	0	86	0	0	1.4	-1	695	0	0	0
Rem	11.	2.4	2.3	28	0	0	0	0	0	-54	-1	0	0	0	0
Total	21.	2.5	2.5	28	84	0	86	0	0	1.3	-1	695	0	0	0

NET PRESENT VALUES AFTER TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
	M\$	M\$	M\$	\$/BOE
0	7,548	766.3	6,782	27.26
5	5,617	672.2	4,944	19.87
10	4,778	637.5	4,140	16.64
12	4,500	627.4	3,873	15.57
15	4,127	614.1	3,513	14.12
20	3,603	594.5	3,009	12.09

CORPORATE OPENING TAX POOLS (M\$)

Cost Depletion Pool	694.68
Amortization Pool	0.00
Amortization Pool Life	10.00 yrs
Depreciation Pool	0.00
Depreciation Pool Life	10.00 yrs
NOL Pool	0.00



UNITED STATES
AJM 2010 06 30 FORECAST PRICES
(US DOLLARS)

Hillcrest Resources Ltd.
US DOLLARS
CASH FLOW TAX POOL
AJM June 30, 2010 Forecast Pricing

Selection : United States

Effective June 30, 2010

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 It	Price \$/lt	WI Rates boe/d	Co. Share Rates boe/d
2010	1.0	38	6,900.0	3,726.0	0.0	77.65	216,993	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	20	20
2011	1.0	61	22,317.2	8,293.5	0.0	82.80	515,023	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	23	23
2012	1.0	40	14,644.9	4,393.5	0.0	86.10	283,708	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	12	12
2013	1.0	26	9,557.0	2,867.1	0.0	90.50	194,604	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	8	8
2014	1.0	17	6,257.7	1,877.3	0.0	95.05	133,828	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	5	5
2015	1.0	11	4,097.4	1,229.2	0.0	102.55	94,541	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	3	3
2016	1.0	7	2,688.7	806.6	0.0	110.25	66,698	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	2	2
2017	1.0	5	1,754.6	526.4	0.0	112.50	44,414	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1
2018	1.0	3	1,148.9	344.7	0.0	114.80	29,676	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1
2019	1.0	2	752.3	225.7	0.0	117.15	19,829	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1
Sub			70,118.6	24,289.9	0.0	87.79	1,599,313			0.0	0.0	0.0	0.00	0	0.0	0.00		
Rem			565.1	169.5	0.0	119.86	15,239			0.0	0.0	0.0	0.00	0	0.0	0.00		
Total			70,683.7	24,459.4	0.0	88.01	1,614,552			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
2010	0.0	0.0	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
2011	0.0	0.0	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
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
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%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	216,993	0.0	0.0	0.0	12,780.9	6	204,212	0.0	0.0	3,510.0	1,714.3	0.0	5,224.3	0.0	198,988	0.0	198,988	198,988	193,167
2011	515,023	0.0	0.0	0.0	30,334.9	6	484,688	0.0	0.0	5,768.2	9,035.9	0.0	14,804.1	0.0	469,884	0.0	469,884	668,872	431,465
2012	283,708	0.0	0.0	0.0	16,710.4	6	266,998	0.0	0.0	4,869.0	15,569.5	0.0	20,438.6	0.0	246,559	0.0	246,559	915,431	204,517
2013	194,604	0.0	0.0	0.0	11,462.2	6	183,142	0.0	0.0	4,966.5	15,164.9	0.0	20,131.3	0.0	163,010	0.0	163,010	1,078,441	122,432
2014	133,828	0.0	0.0	0.0	7,882.5	6	125,945	0.0	0.0	5,065.8	14,637.2	0.0	19,703.0	0.0	106,242	0.0	106,242	1,184,684	72,546
2015	94,541	0.0	0.0	0.0	5,568.5	6	88,973	0.0	0.0	5,167.1	14,013.2	0.0	19,180.3	0.0	69,793	0.0	69,793	1,254,477	43,327
2016	66,698	0.0	0.0	0.0	3,928.5	6	62,769	0.0	0.0	5,270.4	13,390.9	0.0	18,661.3	0.0	44,108	0.0	44,108	1,298,584	24,888
2017	44,414	0.0	0.0	0.0	2,616.0	6	41,798	0.0	0.0	5,375.8	12,731.9	0.0	18,107.8	0.0	23,690	0.0	23,690	1,322,275	12,153
2018	29,676	0.0	0.0	0.0	1,747.9	6	27,928	0.0	0.0	5,483.4	12,177.6	0.0	17,661.0	0.0	10,267	0.0	10,267	1,332,541	4,788
2019	19,829	0.0	0.0	0.0	1,167.9	6	18,661	0.0	0.0	5,593.0	11,708.4	0.0	17,301.4	0.0	1,359	0.0	1,359	1,333,901	576
Sub	1,599,313	0.0	0.0	0.0	94,199.6	6	1,505,114	0.0	0.0	51,069.3	120,143.9	0.0	171,213.2	0.0	1,333,901	0.0	1,333,901	1,333,901	1,109,860
Rem	15,239	0.0	0.0	0.0	897.6	6	14,341	0.0	0.0	6,831.1	13,528.6	0.0	20,359.8	0.0	-6,018	0.0	-6,018	1,327,882	-2,270
Total	1,614,552	0.0	0.0	0.0	95,097.1	6	1,519,455	0.0	0.0	57,900.4	133,672.5	0.0	191,572.9	0.0	1,327,882	0.0	1,327,882	1,327,882	1,107,590

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	1.5
RLI (Principal Product)	2.6
Reserves Life	11.4
RLI (BOE)	2.6

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	70,684	24,459	24,459	18,345
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)	70,684	24,459	24,459	18,345

*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	1,327,882	0.0	1,327,882	54.29
5	1,206,561	0.0	1,206,561	49.33
10	1,107,590	0.0	1,107,590	45.28
12	1,072,988	0.0	1,072,988	43.87
15	1,025,551	0.0	1,025,551	41.93
20	956,572	0.0	956,572	39.11

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		ATAAX	
		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)	42.3	42.3	37.3	26.6

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Production	(BOEPD)	26	26	26	26
Price	(\$/BOE)	60.59	60.59	60.59	60.59
Royalties	(\$/BOE)	3.57	3.57	3.57	3.57
Operating Costs	(\$/BOE)	1.37	1.37	1.37	1.37
NetBack	(\$/BOE)	55.65	55.65	55.65	55.65
Recycle Ratio	(ratio)	0.00	0.00	0.00	0.00



Hillcrest Resources Ltd.
US DOLLARS
CASH FLOW TAX POOL
AJM June 30, 2010 Forecast Pricing

Selection : United States
Effective June 30, 2010

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%)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	86,681	4,334	82,347	82,347	0	0	0	0	0	16,469	0	0	16,469	20,803	198,988	178,184	178,184	173
2011	245,271	12,264	233,008	233,008	0	0	0	0	0	46,602	0	0	46,602	58,865	469,884	411,019	589,203	378
2012	134,253	6,713	127,540	127,540	0	0	0	0	0	25,508	0	0	25,508	32,221	246,559	214,339	803,542	178
2013	78,780	3,939	74,841	74,841	0	0	0	0	0	14,968	0	0	14,968	18,907	163,010	144,103	947,645	108
2014	50,089	2,504	47,585	47,585	0	0	0	0	0	9,517	0	0	9,517	12,021	106,242	94,221	1,041,866	64
2015	41,716	2,086	39,630	39,630	0	0	0	0	0	7,926	0	0	7,926	10,012	69,793	59,781	1,101,647	37
2016	16,031	802	15,230	15,230	0	0	0	0	0	3,046	0	0	3,046	3,848	44,108	40,260	1,141,907	23
2017	-4,386	0	-4,386	0	0	0	4,386	0	0	0	0	0	0	0	23,690	23,690	1,165,597	12
2018	10,267	513	9,753	5,367	0	0	0	4,386	0	1,073	0	0	1,073	1,587	10,267	8,680	1,174,277	4
2019	1,359	68	1,291	1,291	0	0	0	0	0	258	0	0	258	326	1,359	1,033	1,175,310	0
Sub	660,062	33,222	626,839	626,839	0	0	4,386	4,386	0	125,368	0	0	125,368	158,590	1,333,901	1,175,310	1,175,310	978
Rem	-6,018	0	-6,018	0	0	0	6,018	0	0	0	0	0	0	0	-6,018	-6,018	1,169,292	-2
Total	654,043	33,222	620,821	626,839	0	0	10,405	4,386	0	125,368	0	0	125,368	158,590	1,327,882	1,169,292	1,169,292	976

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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	21	0	0	0	0	0	0	0	0	0	0	0	0	112	561
2011	51	0	0	0	0	0	0	0	0	0	0	0	0	224	336
2012	28	0	0	0	0	0	0	0	0	0	0	0	0	112	224
2013	19	0	0	0	0	0	0	0	0	0	0	0	0	84	140
2014	13	0	0	0	0	0	0	0	0	0	0	0	0	56	84
2015	94	0	0	0	0	0	0	0	0	0	0	0	0	28	56
2016	66	0	0	0	0	0	0	0	0	0	0	0	0	28	28
2017	44	4,3	0	4,3	0	0	0	0	0	0	0	0	0	28	0
2018	29	0	4,3	0	0	0	0	0	0	0	0	0	0	0	0
2019	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub	1,5	4,3	4,3	0	0	0	0	0	0	0	0	0	0	673	0
Rem	15	6,0	0	6,0	0	0	0	0	0	0	0	0	0	0	0
Total	1,6	10	4,3	6,0	0	0	0	0	0	0	0	0	0	673	0

NET PRESENT VALUES AFTER TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
	\$	\$	\$	\$/BOE
0	1,169,292	0.0	1,169,292	47.81
5	1,062,720	0.0	1,062,720	43.45
10	975,856	0.0	975,856	39.90
12	945,506	0.0	945,506	38.66
15	903,917	0.0	903,917	36.96
20	843,482	0.0	843,482	34.48

CORPORATE OPENING TAX POOLS (M\$)

Cost Depletion Pool	673.84
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.
US DOLLARS
CASH FLOW TAX POOL
AJM June 30, 2010 Forecast Pricing

Selection : United States

Effective June 30, 2010

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
2010	1.0	38	6,900.0	3,726.0	0.0	77.65	216,993	0.0	0	0.0	0.0	0.0	0.0	0	0.0	0.00	20	20
2011	3.0	138	50,506.1	21,657.7	0.0	82.80	1,344,943	0.0	0	0.0	0.0	0.0	0.0	0	0.0	0.00	59	59
2012	3.0	160	58,420.5	17,702.2	0.0	86.10	1,143,117	0.0	0	0.0	0.0	0.0	0.0	0	0.0	0.00	48	48
2013	3.0	113	41,082.0	12,324.6	0.0	90.50	836,531	0.0	0	0.0	0.0	0.0	0.0	0	0.0	0.00	34	34
2014	3.0	73	26,757.1	8,027.1	0.0	95.05	572,234	0.0	0	0.0	0.0	0.0	0.0	0	0.0	0.00	22	22
2015	3.0	48	17,477.3	5,243.2	0.0	102.55	403,266	0.0	0	0.0	0.0	0.0	0.0	0	0.0	0.00	14	14
2016	3.0	31	11,473.5	3,442.1	0.0	110.25	284,615	0.0	0	0.0	0.0	0.0	0.0	0	0.0	0.00	9	9
2017	3.0	21	7,511.5	2,253.4	0.0	112.50	190,134	0.0	0	0.0	0.0	0.0	0.0	0	0.0	0.00	6	6
2018	3.0	14	4,947.7	1,484.3	0.0	114.80	127,799	0.0	0	0.0	0.0	0.0	0.0	0	0.0	0.00	4	4
2019	3.0	9	3,267.7	980.3	0.0	117.15	86,133	0.0	0	0.0	0.0	0.0	0.0	0	0.0	0.00	3	3
Sub			228,343.4	76,840.9	0.0	90.33	5,205,766			0.0	0.0	0.0	0.0	0	0.0	0.00		
Rem			3,903.0	1,170.9	0.0	121.30	106,520			122,175.6	36,652.7	0.0	18.78	516,136	0.0	0.00		
Total			232,246.4	78,011.8	0.0	90.79	5,312,285			122,175.6	36,652.7	0.0	18.78	516,136	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
2010	0.0	0.0	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
2011	0.0	0.0	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
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
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	183.3	0.0	245.28	33,713.1	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	183.3	0.0	137.4
Total	183.3	0.0	245.28	33,713.1	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	183.3	0.0	137.4

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%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	216,993	0.0	0.0	0.0	12,780.9	6	204,212	0.0	0.0	3,510.0	1,714.3	0.0	5,224.3	0.0	198,988	324,000.0	-125,012	-125,012	-116,933
2011	1,344,943	0.0	0.0	0.0	79,217.2	6	1,265,726	0.0	0.0	17,047.1	16,344.7	0.0	33,391.8	0.0	1,232,334	330,480.0	901,854	776,842	818,723
2012	1,143,117	0.0	0.0	0.0	67,329.6	6	1,075,787	0.0	0.0	14,714.5	38,890.8	0.0	53,605.3	0.0	1,022,182	0.0	1,022,182	1,799,024	846,390
2013	836,531	0.0	0.0	0.0	49,271.7	6	787,260	0.0	0.0	14,899.4	50,738.8	0.0	65,638.2	0.0	721,621	0.0	721,621	2,520,646	541,988
2014	572,234	0.0	0.0	0.0	33,704.6	6	538,530	0.0	0.0	15,197.3	49,654.5	0.0	64,851.8	0.0	473,678	0.0	473,678	2,994,324	323,444
2015	403,266	0.0	0.0	0.0	23,752.4	6	379,514	0.0	0.0	15,501.3	47,319.3	0.0	62,820.6	0.0	316,693	0.0	316,693	3,311,017	196,603
2016	284,615	0.0	0.0	0.0	16,763.8	6	267,851	0.0	0.0	15,811.3	45,027.1	0.0	60,838.4	0.0	207,012	0.0	207,012	3,518,029	116,807
2017	190,134	0.0	0.0	0.0	11,198.9	6	178,935	0.0	0.0	16,127.5	42,661.0	0.0	58,788.5	0.0	120,147	0.0	120,147	3,638,176	61,634
2018	127,799	0.0	0.0	0.0	7,527.4	6	120,272	0.0	0.0	16,450.1	40,682.1	0.0	57,132.2	0.0	63,139	0.0	63,139	3,701,315	29,447
2019	86,133	0.0	0.0	0.0	5,073.2	6	81,060	0.0	0.0	16,779.1	39,031.7	0.0	55,810.8	0.0	25,249	0.0	25,249	3,726,564	10,706
Sub	5,205,766	0.0	0.0	0.0	306,619.6	6	4,899,146	0.0	0.0	146,037.6	372,064.3	0.0	518,101.9	0.0	4,381,044	654,480.0	3,726,564	3,726,564	2,828,811
Rem	656,369	0.0	0.0	0.0	38,660.2	6	617,709	0.0	0.0	48,938.3	89,426.9	0.0	138,365.2	56,703.3	422,641	54,851.7	367,789	4,094,353	-6,759
Total	5,862,135	0.0	0.0	0.0	345,279.7	6	5,516,855	0.0	0.0	194,975.9	461,491.2	0.0	656,467.1	56,703.3	4,803,685	709,331.7	4,094,353	4,094,353	2,822,051

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	2.4
RLI (Principal Product)	5.2
Reserves Life	46.4
RLI (BOE)	5.2

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	232,246	78,012	78,012	58,509
Gas (Mcf)	122,176	36,653	36,653	27,490
Gas (boe)	20,363	6,109	6,109	4,582
*NGL (bbl)	0	0	0	0
Cond (bbl)	611	183	183	137
Total (boe)	253,220	84,304	84,304	63,228

*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	4,803,685	709,331.7	4,094,353	48.57
5	3,885,203	638,297.0	3,246,906	38.51
10	3,434,538	612,486.4	2,822,051	33.47
12	3,290,252	604,345.0	2,685,907	31.86
15	3,096,536	592,979.8	2,503,556	29.70
20	2,820,061	575,450.5	2,244,611	26.63

CAPITAL (undisc)

	Unrisked	Risked
Cost Of Prod.	\$/BOEPD 16,089.00	16,089.00
Cost Of Reserves	\$/BOE 8.41	8.41
Prob Of Success	% 100.00	100.00
Chance Of	% 100.00	100.00

ECONOMIC INDICATORS

		BTAX		ATAX	
		Unrisked	Risked	Unrisked	Risked
Discount Rate (%)	10.0	10.0	10.0	10.0	10.0
Payout (Yrs)	0.0	0.0	0.0	0.0	0.0
Discounted Payout (Yrs)	0.0	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	4.0	4.0	3.2	2.4	
NPV/Disc Invest	4.6	4.6	3.7	2.8	
NPV/DIS Cap Exposure	460.8	460.8	367.6	282.2	
NPV/BOEPD (M\$/boepd)	64.0	64.0	51.1	39.2	

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Production (BOEPD)	44	44	44	44	44
Price (\$/BOE)	61.21	61.21	61.21	61.21	61.21
Royalties (\$/BOE)	3.61	3.61	3.61	3.61	3.61
Operating Costs (\$/BOE)	1.36	1.36	1.36	1.36	1.36
NetBack (\$/BOE)	56.24	56.24	56.24	56.24	56.24
Recycle Ratio (ratio)	6.68	6.68	6.68	6.68	6.68



Hillcrest Resources Ltd.
US DOLLARS
CASH FLOW TAX POOL
AJM June 30, 2010 Forecast Pricing

Selection : United States
Effective June 30, 2010

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%)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	-122,774	0	-122,774	0	0	0	122,774	0	0	0	0	0	0	0	-125,012	-125,012	-125,012	-117
2011	756,853	37,843	719,011	596,237	0	0	0	122,774	0	119,247	0	0	119,247	157,090	901,854	744,764	619,752	676
2012	866,967	43,348	823,618	823,618	0	0	0	0	0	164,724	0	0	164,724	208,072	1,022,182	814,110	1,433,862	675
2013	603,797	30,190	573,607	573,607	0	0	0	0	0	114,721	0	0	114,721	144,911	721,621	576,710	2,010,572	433
2014	399,953	19,998	379,956	379,956	0	0	0	0	0	75,991	0	0	75,991	95,989	473,678	377,689	2,388,262	258
2015	268,799	13,440	255,359	255,359	0	0	0	0	0	51,072	0	0	51,072	64,512	316,693	252,181	2,640,443	157
2016	167,237	8,362	158,875	158,875	0	0	0	0	0	31,775	0	0	31,775	40,137	207,012	166,876	2,807,318	94
2017	90,296	4,515	85,781	85,781	0	0	0	0	0	17,156	0	0	17,156	21,671	120,147	98,476	2,905,794	51
2018	53,178	2,659	50,520	50,520	0	0	0	0	0	10,104	0	0	10,104	12,763	63,139	50,377	2,956,171	23
2019	17,130	857	16,274	16,274	0	0	0	0	0	3,255	0	0	3,255	4,111	25,249	21,138	2,977,308	9
Sub	3,101,436	161,211	2,940,226	2,940,226	0	0	122,774	122,774	0	588,045	0	0	588,045	749,256	3,726,564	2,977,308	2,977,308	2,259
Rem	319,078	20,637	298,441	298,441	0	0	93,662	93,662	0	59,688	0	0	59,688	80,325	367,789	287,464	3,264,772	-8
Total	3,420,514	181,848	3,238,666	3,238,666	0	0	216,436	216,436	0	647,733	0	0	647,733	829,581	4,094,353	3,264,772	3,264,772	2,252

TAXABLE INCOME

	Resource Revenue	NOL Generated	NOL Claimed	Rem NOL Pool	Class 7 Addds	Class 15 Addds	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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	21	12	0	12	40,	0	5,7	0	0	104	34,	0	0	32,	641
2011	1,3	0	12	0	41,	0	15,	0	0	569	60,	0	0	170	470
2012	1,1	0	0	0	0	0	17,	0	0	619	43,	0	0	138	332
2013	83	0	0	0	0	0	12,	0	0	30,	30,	0	0	105	227
2014	57	0	0	0	0	0	8,7	0	0	21,	21,	0	0	64,	162
2015	40	0	0	0	0	0	7,3	0	0	14,	14,	0	0	40,	121
2016	28	0	0	0	0	0	7,3	0	0	7,3	7,3	0	0	32,	89,
2017	19	0	0	0	0	0	5,4	0	0	1,8	1,8	0	0	24,	64,
2018	12	0	0	0	0	0	1,8	0	0	0	0	0	0	8,1	56,
2019	86,	0	0	0	0	0	0	0	0	0	0	0	0	8,1	48,
Sub	5,2	12	12	0	81,	0	81,	0	0	1,3	0	0	0	625	48,
Rem	65	93,	93,	0	0	0	0	0	0	0	0	0	0	48,	0
Total	5,8	21	21	0	81,	0	81,	0	0	1,3	0	0	0	673	0

NET PRESENT VALUES AFTER TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
%	\$	\$	\$	\$/BOE
0	3,974,104	709,331.7	3,264,772	38.73
5	3,227,748	638,297.0	2,589,451	30.72
10	2,864,118	612,486.4	2,251,631	26.71
12	2,747,673	604,345.0	2,143,328	25.42
15	2,591,188	592,979.8	1,998,208	23.70
20	2,367,483	575,450.5	1,792,032	21.26

CORPORATE OPENING TAX POOLS (M\$)

Cost Depletion Pool	673.84
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.
US DOLLARS
CASH FLOW TAX POOL
AJM June 30, 2010 Forecast Pricing

Selection : United States

Effective June 30, 2010

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 Mcf	WI Volume Mcf	RI Volume Mcf	Price \$/Mcf	Revenue M\$	Co. Share Volume It	Price \$/lt	WI Rates boe/d	Co. Share Rates boe/d
2010	1.0	38	6,900.0	3,726.0	0.0	77.65	217	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	20	20
2011	3.0	142	51,981.9	22,106.8	0.0	82.80	1,373	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	61	61
2012	3.0	183	66,945.0	20,253.3	0.0	86.10	1,308	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	55	55
2013	3.0	168	61,248.4	18,374.5	0.0	90.50	1,247	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	50	50
2014	3.0	146	53,319.9	15,996.0	0.0	95.05	1,140	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	44	44
2015	3.0	128	46,671.5	14,001.4	0.0	102.55	1,077	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	38	38
2016	3.0	112	41,154.9	12,346.5	0.0	110.25	1,021	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	34	34
2017	3.0	99	36,245.0	10,873.5	0.0	112.50	917	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	30	30
2018	3.0	88	32,131.5	9,639.5	0.0	114.80	830	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	26	26
2019	3.0	78	28,575.0	8,572.5	0.0	117.15	753	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	23	23
Sub			425,173.2	135,890.0	0.0	96.98	9,884			0.0	0.0	0.0	0.00	0	0.0	0.00		
Rem			247,163.3	74,149.0	0.0	142.92	7,948			752,934.6	225,880.4	0.0	16.91	2,864	0.0	0.00		
Total			672,336.5	210,039.0	0.0	113.19	17,831			752,934.6	225,880.4	0.0	16.91	2,864	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
2010	0.0	0.0	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
2011	0.0	0.0	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
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
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	1,129.4	0.0	220.84	187.1	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	1,129.4	0.0	847.1
Total	1,129.4	0.0	220.84	187.1	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	1,129.4	0.0	847.1

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\$
2010	217	0.0	0.0	0.0	12.8	6	204	0.0	0.0	3.5	1.7	0.0	5.2	0.0	199	324.0	-125	-125	-117
2011	1,373	0.0	0.0	0.0	80.9	6	1,292	0.0	0.0	17.0	18.3	0.0	35.3	0.0	1,257	330.5	926	801	841
2012	1,308	0.0	0.0	0.0	77.0	6	1,231	0.0	0.0	14.7	50.1	0.0	64.8	0.0	1,166	0.0	1,166	1,967	964
2013	1,247	0.0	0.0	0.0	73.5	6	1,174	0.0	0.0	14.9	80.0	0.0	94.9	0.0	1,079	0.0	1,079	3,046	810
2014	1,140	0.0	0.0	0.0	67.2	6	1,073	0.0	0.0	15.2	94.9	0.0	110.1	0.0	963	0.0	963	4,009	658
2015	1,077	0.0	0.0	0.0	63.4	6	1,013	0.0	0.0	15.5	110.2	0.0	125.7	0.0	888	0.0	888	4,897	551
2016	1,021	0.0	0.0	0.0	60.1	6	961	0.0	0.0	15.8	128.5	0.0	144.3	0.0	816	0.0	816	5,713	461
2017	917	0.0	0.0	0.0	54.0	6	863	0.0	0.0	16.1	149.6	0.0	165.7	0.0	698	0.0	698	6,411	358
2018	830	0.0	0.0	0.0	48.9	6	781	0.0	0.0	16.5	175.1	0.0	191.5	0.0	590	0.0	590	7,000	275
2019	753	0.0	0.0	0.0	44.4	6	709	0.0	0.0	16.8	205.7	0.0	222.5	0.0	486	0.0	486	7,487	206
Sub	9,884	0.0	0.0	0.0	582.1	6	9,301	0.0	0.0	146.0	1,014.1	0.0	1,160.1	0.0	8,141	654.5	7,487	7,487	5,006
Rem	10,999	0.0	0.0	0.0	647.8	6	10,351	0.0	0.0	684.1	8,486.4	0.0	9,170.5	99.2	1,082	87.0	995	8,481	123
Total	20,883	0.0	0.0	0.0	1,230.0	6	19,653	0.0	0.0	830.1	9,500.5	0.0	10,330.6	99.2	9,223	741.5	8,481	8,481	5,129

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	8.1
RLI (Principal Product)	15.3
Reserves Life	49.4
RLI (BOE)	15.3

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	672,337	210,039	210,039	157,529
Gas (Mcf)	752,935	225,880	225,880	169,410
Gas (boe)	125,489	37,647	37,647	28,235
*NGL (bbl)	0	0	0	0
Cond (bbl)	3,765	1,129	1,129	847
Total (boe)	801,590	248,815	248,815	186,611

*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\$	M\$	M\$	\$/BOE	\$/BOE
0	9,223	741.5	8,481	34.09				
5	6,841	651.6	6,190	24.88				
10	5,747	618.3	5,129	20.61				
12	5,394	608.5	4,785	19.23				
15	4,924	595.6	4,328	17.40				
20	4,275	576.7	3,698	14.86				

CAPITAL (undisc)

		Unrisked	Risked
Cost Of Prod.	\$/BOEPD	16,650.59	16,650.59
Cost Of Reserves	\$/BOE	2.98	2.98
Prob Of Success	%	100.00	100.00
Chance Of	%	100.00	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		6.9	6.9	5.3	4.2
NPV/Disc Invest		8.3	8.3	6.3	5.1
NPV/DIS Cap Exposure		829.6	829.6	632.3	507.4
NPV/BOEPD (M\$/boepd)		115.2	115.2	87.8	70.5

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Production (BOEPD)		45	45	45	45
Price (\$/BOE)		61.21	61.21	61.21	61.21
Royalties (\$/BOE)		3.61	3.61	3.61	3.61
Operating Costs (\$/BOE)		1.37	1.37	1.37	1.37
NetBack (\$/BOE)		56.23	56.23	56.23	56.23
Recycle Ratio (ratio)		18.87	18.87	18.87	18.87



Hillcrest Resources Ltd.
US DOLLARS
CASH FLOW TAX POOL
AJM June 30, 2010 Forecast Pricing

Selection : United States
Effective June 30, 2010

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\$
2010	-101	0	-101	0	0	0	101	0	0	0	0	0	0	0	-125	-125	-125	-117
2011	891	45	846	745	0	0	0	101	0	149	0	0	149	194	926	733	608	665
2012	1,094	55	1,039	1,039	0	0	0	0	0	208	0	0	208	262	1,166	904	1,511	748
2013	1,017	51	966	966	0	0	0	0	0	193	0	0	193	244	1,079	835	2,346	627
2014	910	46	865	865	0	0	0	0	0	173	0	0	173	218	963	745	3,091	508
2015	842	42	800	800	0	0	0	0	0	160	0	0	160	202	888	686	3,776	426
2016	776	39	737	737	0	0	0	0	0	147	0	0	147	186	816	630	4,407	356
2017	662	33	629	629	0	0	0	0	0	126	0	0	126	159	698	539	4,945	276
2018	563	28	535	535	0	0	0	0	0	107	0	0	107	135	590	454	5,400	212
2019	461	23	438	438	0	0	0	0	0	88	0	0	88	111	486	376	5,775	159
Sub	7,114	361	6,753	6,753	0	0	101	101	0	1,351	0	0	1,351	1,711	7,487	5,775	5,775	3,861
Rem	694	156	538	786	0	0	2,419	1,954	0	201	0	0	201	356	995	638	6,414	49
Total	7,808	516	7,291	7,539	0	0	2,521	2,055	0	1,551	0	0	1,551	2,068	8,481	6,414	6,414	3,909

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\$
2010	21	10	0	10	40	0	6	0	0	104	35	0	0	11	663
2011	1,3	0	10	0	41	0	16	0	0	569	60	0	0	61	602
2012	1,3	0	0	0	0	0	17	0	0	619	43	0	0	55	547
2013	1,2	0	0	0	0	0	12	0	0	31	31	0	0	50	497
2014	1,1	0	0	0	0	0	9	0	0	22	22	0	0	44	453
2015	1,0	0	0	0	0	0	7	0	0	15	15	0	0	39	414
2016	1,0	0	0	0	0	0	7	0	0	7	7	0	0	33	381
2017	91	0	0	0	0	0	5	0	0	2	2	0	0	30	351
2018	83	0	0	0	0	0	2	0	0	0	0	0	0	25	326
2019	75	0	0	0	0	0	0	0	0	0	0	0	0	25	301
Sub	9,8	10	10	0	82	0	82	0	0	1,3	0	0	0	373	301
Rem	10,	2,4	2,1	24	0	0	0	0	0	0	0	0	0	301	0
Total	20,	2,5	2,2	24	82	0	82	0	0	1,3	0	0	0	674	0

NET PRESENT VALUES AFTER TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
	M\$	M\$	M\$	\$/BOE
0	7,155	741.5	6,414	25.78
5	5,320	651.6	4,669	18.76
10	4,527	618.3	3,909	15.71
12	4,266	608.5	3,657	14.70
15	3,913	595.6	3,317	13.33
20	3,419	576.7	2,842	11.42

CORPORATE OPENING TAX POOLS (M\$)

Cost Depletion Pool	673.84
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.
TABLE 1
DETAILED ECONOMIC SUMMARY
AJM June 30, 2010 Constant Forecast Pricing (CAD)

Effective June 30, 2010

United States

	PDP	PDNP	PUD	TP	PB	P+P
Light and Medium Oil Mbbl						
Ultimate Remaining	70.7	0.0	161.6	232.2	440.1	672.3
WI Before Royalty	24.9	0.0	54.3	79.2	132.0	211.2
WI After Royalty	18.6	0.0	40.7	59.4	99.0	158.4
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	18.6	0.0	40.7	59.4	99.0	158.4
Total Oil Mbbl						
Ultimate Remaining	70.7	0.0	161.6	232.2	440.1	672.3
WI Before Royalty	24.9	0.0	54.3	79.2	132.0	211.2
WI After Royalty	18.6	0.0	40.7	59.4	99.0	158.4
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	18.6	0.0	40.7	59.4	99.0	158.4
Sales Gas MMcf						
Ultimate Remaining	0.0	0.0	122.2	122.2	630.8	752.9
WI Before Royalty	0.0	0.0	36.7	36.7	189.2	225.9
WI After Royalty	0.0	0.0	27.5	27.5	141.9	169.4
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	0.0	0.0	27.5	27.5	141.9	169.4
NGLs Mbbl						
Ultimate Remaining	0.0	0.0	0.6	0.6	3.2	3.8
WI Before Royalty	0.0	0.0	0.2	0.2	0.9	1.1
WI After Royalty	0.0	0.0	0.1	0.1	0.7	0.8
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	0.0	0.0	0.1	0.1	0.7	0.8
MBOE Mboe						
Ultimate Remaining	70.7	0.0	182.5	253.2	548.4	801.6
WI Before Royalty	24.9	0.0	60.6	85.5	164.5	250.0
WI After Royalty	18.6	0.0	45.4	64.1	123.4	187.5
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	18.6	0.0	45.4	64.1	123.4	187.5
Net Present Values - BTAX M\$						
Undiscounted	1,048.9	0.0	1,712.8	2,761.6	854.4	3,616.1
Discounted at 5%	965.5	0.0	1,418.9	2,384.4	1,285.2	3,669.5
Discounted at 10%	895.7	0.0	1,218.4	2,114.1	1,227.7	3,341.8
Discounted at 12%	871.0	0.0	1,150.2	2,021.2	1,163.3	3,184.4
Discounted at 15%	836.7	0.0	1,057.6	1,894.3	1,056.2	2,950.6

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.
TABLE 2
RESERVES RECONCILIATION SUMMARY
Working Interest

Effective June 30, 2010

United States

Opening: AJM June 30, 2009 Forecast Pricing

Closing: AJM June 30, 2010 Constant Forecast Pricing

	Proved Developed Producing						Proved						Probable						Proved Plus Probable										
	Light & Medium Oil		Assoc & Non Assoc Gas		Coalbed Methane	NGL	BOE	Light & Medium Oil		Assoc & Non Assoc Gas		Coalbed Methane	NGL	BOE	Light & Medium Oil		Assoc & Non Assoc Gas		Coalbed Methane	NGL	BOE								
	Mstb	Mstb	MMcf	MMcf				Mboe	Mstb	Mstb	MMcf				MMcf	Mboe	Mstb	Mstb				MMcf	MMcf	Mboe	Mstb	Mstb	MMcf	MMcf	Mboe
Opening Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Production	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Technical Revisions																													
Technical Revision	0.4	0.0	0.0	0.0	0.0	0.4	0.4	0.0	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.4
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	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	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	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	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	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	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	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	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	54.3	0.0	36.7	0.0	0.2	60.6	123.2	0.0	189.2	0.0	0.9	155.7	177.5	0.0	225.9	0.0	1.1	216.3					
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	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	0.0	0.0	0.0	0.0	0.0
Category Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	0.0	0.0	0.0	0.0	0.0
Exploration Discoveries	24.5	0.0	0.0	0.0	0.0	24.5	24.5	0.0	0.0	0.0	0.0	24.5	8.8	0.0	0.0	0.0	0.0	8.8	33.3	0.0	0.0	0.0	0.0	33.3					
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	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	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	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	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	0.0	0.0	0.0	0.0	0.0
Closing Balance	24.9	0.0	0.0	0.0	0.0	24.9	79.2	0.0	36.7	0.0	0.2	85.5	132.0	0.0	189.2	0.0	0.9	164.5	211.2	0.0	225.9	0.0	1.1	250.0					

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

Hillcrest Resources Ltd.
NI 51-101 FORECAST CASE
OIL AND GAS RESERVES SUMMARY
AJM June 30, 2010 Constant Forecast Pricing (CAD)

Effective June 30, 2010

United States

VOLUMES IN IMPERIAL UNITS																				
CATEGORY	Oil								Natural Gas								Sulphur		Total BOE	
	Light, Medium and Shale		Heavy		Bitumen		Solution		Associated and Non-Associated		Coalbed Methane		Natural Gas Liquids							
	W.I Gross Mstb	Co. Share Net Mstb	W.I Gross Mstb	Co. Share Net Mstb	W.I Gross Mstb	Co. Share Net Mstb	W.I Gross MMcf	Co. Share Net MMcf	W.I Gross MMcf	Co. Share Net MMcf	W.I Gross MMcf	Co. Share Net MMcf	W.I Gross Mstb	Co. Share Net Mstb	W.I Gross Mit	Co. Share Net Mit	W.I Gross Mboe	Co. Share Net Mboe		
PDP	24.9	18.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	24.9	18.6		
PUD	54.3	40.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	36.7	27.5	0.0	0.0	0.2	0.1	0.0	0.0	60.6	45.4	
TP	79.2	59.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	36.7	27.5	0.0	0.0	0.2	0.1	0.0	0.0	85.5	64.1	
PB	132.0	99.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	189.2	141.9	0.0	0.0	0.9	0.7	0.0	0.0	164.5	123.4	
P+P	211.2	158.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	225.9	169.4	0.0	0.0	1.1	0.8	0.0	0.0	250.0	187.5	
P+P+P	211.2	158.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	225.9	169.4	0.0	0.0	1.1	0.8	0.0	0.0	250.0	187.5	

VOLUMES IN METRIC UNITS																				
CATEGORY	Oil								Natural Gas								Sulphur		Total BOE	
	Light, Medium and Shale		Heavy		Bitumen		Solution		Associated and Non-Associated		Coalbed Methane		Natural Gas Liquids							
	W.I Gross E3m3	Co. Share Net E3m3	W.I Gross E3m3	Co. Share Net E3m3	W.I Gross E3m3	Co. Share Net E3m3	W.I Gross E6m3	Co. Share Net E6m3	W.I Gross E6m3	Co. Share Net E6m3	W.I Gross E6m3	Co. Share Net E6m3	W.I Gross E3m3	Co. Share Net E3m3	W.I Gross E3t	Co. Share Net E3t	W.I Gross E3m3e	Co. Share Net E3m3e		
PDP	3.9	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.9	3.0		
PUD	8.6	6.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.8	0.0	0.0	0.0	0.0	0.0	9.6	7.2		
TP	12.6	9.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.8	0.0	0.0	0.0	0.0	0.0	13.6	10.2		
PB	21.0	15.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.3	4.0	0.0	0.0	0.2	0.1	0.0	0.0	26.1	19.6	
P+P	33.6	25.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.4	4.8	0.0	0.0	0.2	0.1	0.0	0.0	39.7	29.8	
P+P+P	33.6	25.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.4	4.8	0.0	0.0	0.2	0.1	0.0	0.0	39.7	29.8	

Heavy includes Ultra 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 June 30, 2010 Constant Forecast Pricing (CAD)

Effective June 30, 2010

United States

RESERVES CATEGORY	Before Income Taxes					After Income Taxes					Unit Value
	5%	10%	12%	15%	20%	5%	10%	12%	15%	20%	Before Income Taxes
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	Discounted at 10%
Proved Developed Producing	965.5	895.7	871.0	836.7	786.1	605.8	563.5	548.4	527.6	496.9	48.05
Proved Undeveloped	1,418.9	1,218.4	1,150.2	1,057.6	924.9	822.9	701.0	659.5	603.0	522.1	26.81
Proved	2,384.4	2,114.1	2,021.2	1,894.3	1,711.0	1,428.7	1,264.5	1,207.9	1,130.6	1,019.0	32.99
Probable	1,285.2	1,227.7	1,163.3	1,056.2	883.6	702.5	728.9	700.3	644.3	545.4	9.95
Proved Plus Probable	3,669.5	3,341.8	3,184.4	2,950.6	2,594.6	2,131.3	1,993.4	1,908.1	1,774.9	1,564.4	17.83

Taxpool: Hillcrest Tax Pools US (CDN\$) Vintage: Hillcrest Tax Pools US (CDN\$) : 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 June 30, 2010 Constant Forecast Pricing (CAD)

Effective June 30, 2010

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	1,287.9	75.9	163.2	0.0	0.0	1,048.9	340.1	656.3
Proved Undeveloped	2,924.3	172.2	378.5	632.5	28.3	1,712.8	623.4	999.9
Proved	4,212.3	248.1	541.7	632.5	28.3	2,761.6	963.5	1,656.2
Probable	7,410.5	436.5	6,084.2	21.2	14.2	854.4	578.3	233.4
Proved Plus Probable	11,622.8	684.6	6,625.9	653.8	42.5	3,616.1	1,541.8	1,889.6
Proved Plus Probable Plus Possible	11,622.8	684.6	6,625.9	653.8	42.5	3,616.1	1,541.8	1,889.6

Taxpool: Hillcrest Tax Pools US (CDN\$) Vintage: Hillcrest Tax Pools US (CDN\$) : Canada. *Revenue includes product revenue and other income from facilities, wells and corporate if specified.

Hillcrest Resources Ltd.
NI 51-101 FORECAST CASE
NET PRESENT VALUE OF FUTURE NET REVENUE BY PRODUCTION GROUP
AJM June 30, 2010 Constant Forecast Pricing (CAD)

Effective June 30, 2010

United States

**Future Net Revenue
Before Income Taxes**
(Discounted at 10%)
M\$

PROVED

Light and Medium Oil (Including solution gas and by-products)	2,113.4
Associated and Non-Associated Gas (Including by-products)	0.7
Total	2,114.1

PROVED PLUS PROBABLE

Light and Medium Oil (Including solution gas and by-products)	3,316.6
Associated and Non-Associated Gas (Including by-products)	25.2
Total	3,341.8

PROVED PLUS PROBABLE PLUS POSSIBLE

Light and Medium Oil (Including solution gas and by-products)	3,316.6
Associated and Non-Associated Gas (Including by-products)	25.2
Total	3,341.8

Hillcrest Resources Ltd.
NI 51-101 FORECAST CASE
OIL AND GAS RESERVES AND NPVS BY PRODUCTION GROUP
AJM June 30, 2010 Constant Forecast Pricing (CAD)

Effective June 30, 2010

United States

	Reserves										Net Present Value Before Tax				
	Oil		Gas		Natural Gas Liquids										
	W.I. (Gross)	Co. Share (Net)	W.I. (Gross)	Co. Share (Net)	W.I. (Gross)	Co. Share (Net)	5%	10%	12%	15%	20%				
	Mstb	Mstb	MMcf	MMcf	Mstb	Mstb	M\$	M\$	M\$	M\$	M\$				
LIGHT & MEDIUM OIL															
Proved Developed Producing	24.9	18.6	0.0	0.0	0.0	0.0	965.5	895.7	871.0	836.7	786.1				
Proved Undeveloped	54.3	40.7	0.0	0.0	0.0	0.0	1,412.5	1,217.6	1,149.9	1,057.6	924.9				
Proved	79.2	59.4	0.0	0.0	0.0	0.0	2,378.0	2,113.4	2,020.8	1,894.2	1,711.0				
Probable	132.0	99.0	0.0	0.0	0.0	0.0	1,201.1	1,203.2	1,146.9	1,046.8	879.5				
Proved Plus Probable	211.2	158.4	0.0	0.0	0.0	0.0	3,579.1	3,316.6	3,167.7	2,941.0	2,590.5				
ASSOCIATED AND NON-ASSOCIATED GAS															
Proved Undeveloped	0.0	0.0	36.7	27.5	0.2	0.1	6.4	0.7	0.3	0.1	0.0				
Proved	0.0	0.0	36.7	27.5	0.2	0.1	6.4	0.7	0.3	0.1	0.0				
Probable	0.0	0.0	189.2	141.9	0.9	0.7	84.1	24.5	16.4	9.4	4.1				
Proved Plus Probable	0.0	0.0	225.9	169.4	1.1	0.8	90.5	25.2	16.7	9.5	4.1				
TOTAL															
Proved Developed Producing	24.9	18.6	0.0	0.0	0.0	0.0	965.5	895.7	871.0	836.7	786.1				
Proved Undeveloped	54.3	40.7	36.7	27.5	0.2	0.1	1,418.9	1,218.4	1,150.2	1,057.6	924.9				
Proved	79.2	59.4	36.7	27.5	0.2	0.1	2,384.4	2,114.1	2,021.2	1,894.3	1,711.0				
Probable	132.0	99.0	189.2	141.9	0.9	0.7	1,285.2	1,227.7	1,163.3	1,056.2	883.6				
Proved Plus Probable	211.2	158.4	225.9	169.4	1.1	0.8	3,669.5	3,341.8	3,184.4	2,950.6	2,594.6				

*Heavy oil includes ultra heavy in Alberta

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

Effective June 30, 2010

United States

Opening: AJM June 30, 2009 Forecast Pricing

Closing: AJM June 30, 2010 Constant 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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Production	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Technical Revisions	0.4	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Extensions & Improved Recovery	54.3	123.2	177.5	0.0	0.0	0.0	36.7	189.2	225.9	0.0	0.0	0.0
Discoveries	24.5	8.8	33.3	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	79.2	132.0	211.2	0.0	0.0	0.0	36.7	189.2	225.9	0.0	0.0	0.0

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

Hillcrest Resources Ltd.
CASH FLOW TAX POOL
AJM June 30, 2010 Constant Forecast Pricing (CAD)

Selection : United States

Effective June 30, 2010

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
2010	1.0	38	6,900.0	3,726.0	0.0	69.09	193,084	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	20	20
2011	1.0	61	22,317.2	8,687.7	0.0	69.09	450,202	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	24	24
2012	1.0	40	14,644.9	4,393.5	0.0	69.09	227,673	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	12	12
2013	1.0	26	9,557.0	2,867.1	0.0	69.09	148,575	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	8	8
2014	1.0	17	6,257.7	1,877.3	0.0	69.09	97,283	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	5	5
2015	1.0	11	4,097.4	1,229.2	0.0	69.09	63,698	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	3	3
2016	1.0	7	2,688.7	806.6	0.0	69.09	41,800	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	2	2
2017	1.0	5	1,754.6	526.4	0.0	69.09	27,278	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1
2018	1.0	3	1,148.9	344.7	0.0	69.09	17,861	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1
2019	1.0	2	752.3	225.7	0.0	69.09	11,695	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1
Sub			70,118.6	24,684.1	0.0	69.09	1,279,149			0.0	0.0	0.0	0.00	0	0.0	0.00		
Rem			565.1	169.5	0.0	69.09	8,785			0.0	0.0	0.0	0.00	0	0.0	0.00		
Total			70,683.7	24,853.6	0.0	69.09	1,287,934			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
2010	0.0	0.0	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
2011	0.0	0.0	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
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
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%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	193,084	0.0	0.0	0.0	11,372.7	6	181,711	0.0	0.0	3,311.3	1,617.3	0.0	4,928.6	0.0	176,783	0.0	176,783	176,783	171,611
2011	450,202	0.0	0.0	0.0	26,516.9	6	423,685	0.0	0.0	5,577.8	8,625.9	0.0	14,203.7	0.0	409,482	0.0	409,482	586,265	376,186
2012	227,673	0.0	0.0	0.0	13,409.9	6	214,263	0.0	0.0	4,415.1	14,117.9	0.0	18,532.9	0.0	195,730	0.0	195,730	781,995	162,361
2013	148,575	0.0	0.0	0.0	8,751.1	6	139,824	0.0	0.0	4,415.1	13,481.3	0.0	17,896.4	0.0	121,927	0.0	121,927	903,922	91,576
2014	97,283	0.0	0.0	0.0	5,730.0	6	91,553	0.0	0.0	4,415.1	12,757.1	0.0	17,172.2	0.0	74,381	0.0	74,381	978,303	50,790
2015	63,698	0.0	0.0	0.0	3,751.8	6	59,947	0.0	0.0	4,415.1	11,973.7	0.0	16,388.8	0.0	43,558	0.0	43,558	1,021,861	27,041
2016	41,800	0.0	0.0	0.0	2,462.0	6	39,338	0.0	0.0	4,415.1	11,217.7	0.0	15,632.8	0.0	23,705	0.0	23,705	1,045,566	13,376
2017	27,278	0.0	0.0	0.0	1,606.7	6	25,671	0.0	0.0	4,415.1	10,456.5	0.0	14,871.6	0.0	10,800	0.0	10,800	1,056,365	5,540
2018	17,861	0.0	0.0	0.0	1,052.0	6	16,809	0.0	0.0	4,415.1	9,805.2	0.0	14,220.3	0.0	2,589	0.0	2,589	1,058,954	1,207
2019	11,695	0.0	0.0	0.0	688.8	6	11,006	0.0	0.0	4,415.1	9,242.5	0.0	13,657.6	0.0	-2,652	0.0	-2,652	1,056,302	-1,124
Sub	1,279,149	0.0	0.0	0.0	75,341.9	6	1,203,807	0.0	0.0	44,209.8	103,295.1	0.0	147,505.0	0.0	1,056,302	0.0	1,056,302	1,056,302	898,564
Rem	8,785	0.0	0.0	0.0	517.4	6	8,267	0.0	0.0	5,269.6	10,437.6	0.0	15,707.2	0.0	-7,440	0.0	-7,440	1,048,862	-2,817
Total	1,287,934	0.0	0.0	0.0	75,859.3	6	1,212,074	0.0	0.0	49,479.5	113,732.7	0.0	163,212.2	0.0	1,048,862	0.0	1,048,862	1,048,862	895,746

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	1.5
RLI (Principal Product)	2.5
Reserves Life	11.4
RLI (BOE)	2.5

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	70,684	24,854	24,854	18,640
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)	70,684	24,854	24,854	18,640

*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	\$/BOE	
0		1,048,862	0.0	1,048,862	42.20			
5		965,512	0.0	965,512	38.85			
10		895,746	0.0	895,746	36.04			
12		870,972	0.0	870,972	35.04			
15		836,682	0.0	836,682	33.66			
20		786,135	0.0	786,135	31.63			

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	100.00
Chance Of	%	100.00	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		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)	32.9	32.9	20.7	20.7

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Production	(BOEPD)	27	27	27	27
Price	(\$/BOE)	51.82	51.82	51.82	51.82
Royalties	(\$/BOE)	3.05	3.05	3.05	3.05
Operating Costs	(\$/BOE)	1.28	1.28	1.28	1.28
NetBack	(\$/BOE)	47.49	47.49	47.49	47.49
Recycle Ratio	(ratio)	0.00	0.00	0.00	0.00

Hillcrest Resources Ltd.
CASH FLOW TAX POOL
AJM June 30, 2010 Constant Forecast Pricing (CAD)

Selection : United States

Effective June 30, 2010

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%)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	176,783	8,839	167,944	167,944	57,101	0	0	0	0	0	0	0	57,101	65,940	176,783	110,843	110,843	107,487
2011	409,482	20,474	389,008	389,008	132,263	0	0	0	0	0	0	0	132,263	152,737	409,482	256,745	367,588	237,868
2012	195,730	9,786	185,943	185,943	63,221	0	0	0	0	0	0	0	63,221	73,007	195,730	122,723	490,311	102,268
2013	121,927	6,096	115,831	115,831	39,383	0	0	0	0	0	0	0	39,383	45,479	121,927	76,448	566,759	57,418
2014	74,381	3,719	70,662	70,662	24,025	0	0	0	0	0	0	0	24,025	27,744	74,381	46,637	613,396	31,845
2015	43,558	2,178	41,380	41,380	14,069	0	0	0	0	0	0	0	14,069	16,247	43,558	27,311	640,707	16,955
2016	23,705	1,185	22,520	22,520	7,657	0	0	0	0	0	0	0	7,657	8,842	23,705	14,863	655,570	8,387
2017	10,800	540	10,260	10,260	3,488	0	0	0	0	0	0	0	3,488	4,028	10,800	6,771	662,341	3,474
2018	2,589	129	2,459	2,459	836	0	0	0	0	0	0	0	836	966	2,589	1,623	663,964	757
2019	-2,652	-133	-2,519	-2,519	-856	0	0	0	0	353	0	0	-504	-636	-2,652	-2,015	661,949	-854
Sub	1,056,302	52,815	1,003,487	1,003,487	341,186	0	0	0	0	353	0	0	341,538	394,353	1,056,302	661,949	661,949	565,604
Rem	-7,440	-372	-7,068	-7,068	-2,403	0	0	0	0	990	0	0	-1,414	-1,786	-7,440	-5,654	656,294	-2,141
Total	1,048,862	52,443	996,419	996,419	338,782	0	0	0	0	1,342	0	0	340,125	392,568	1,048,862	656,294	656,294	563,462

TAXABLE INCOME

	Resource Revenue	NOL Generated	NOL Claimed	Rem NOL Pool	Class 7 Addds	Class 15 Addds	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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2011	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2012	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2013	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2014	97	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2015	63	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2016	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2017	27	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2019	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub	1,2	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rem	8,7	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,2	0	0	0	0	0	0	0	0	0	0	0	0	0	0

NET PRESENT VALUES AFTER TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
%	\$	\$	\$	\$/BOE
0	656,294	0.0	656,294	26.41
5	605,801	0.0	605,801	24.37
10	563,462	0.0	563,462	22.67
12	548,416	0.0	548,416	22.07
15	527,583	0.0	527,583	21.23
20	496,862	0.0	496,862	19.99

CORPORATE OPENING TAX POOLS (M\$)

Cost Depletion Pool	694.68
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 June 30, 2010 Constant Forecast Pricing (CAD)

Selection : United States

Effective June 30, 2010

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
2010	1.0	38	6,900.0	3,726.0	0.0	69.09	193,084	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	20	20
2011	3.0	138	50,506.1	22,451.9	0.0	69.09	1,163,473	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	62	62
2012	3.0	160	58,420.5	18,055.4	0.0	69.09	935,643	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	49	49
2013	3.0	113	41,082.0	12,324.6	0.0	69.09	638,669	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	34	34
2014	3.0	73	26,757.1	8,027.1	0.0	69.09	415,972	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	22	22
2015	3.0	48	17,477.3	5,243.2	0.0	69.09	271,705	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	14	14
2016	3.0	31	11,473.5	3,442.1	0.0	69.09	178,370	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	9	9
2017	3.0	21	7,511.5	2,253.4	0.0	69.09	116,775	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	6	6
2018	3.0	14	4,947.7	1,484.3	0.0	69.09	76,918	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	4	4
2019	3.0	9	3,267.7	980.3	0.0	69.09	50,801	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	3	3
Sub			228,343.4	77,988.3	0.0	69.09	4,041,410			0.0	0.0	0.0	0.00	0	0.0	0.00		
Rem			3,903.0	1,170.9	0.0	69.09	60,677			122,175.6	36,652.7	0.0	3.66	100,622	0.0	0.00		
Total			232,246.4	79,159.2	0.0	69.09	4,102,087			122,175.6	36,652.7	0.0	3.66	100,622	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
2010	0.0	0.0	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
2011	0.0	0.0	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
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
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	183.3	0.0	69.42	9,542.2	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	183.3	0.0	137.4
Total	183.3	0.0	69.42	9,542.2	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	183.3	0.0	137.4

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%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	193,084	0.0	0.0	0.0	11,372.7	6	181,711	0.0	0.0	3,311.3	1,617.3	0.0	4,928.6	0.0	176,783	305,660.4	-128,878	-128,878	-120,936
2011	1,163,473	0.0	0.0	0.0	68,528.6	6	1,094,944	0.0	0.0	16,326.2	15,607.3	0.0	31,933.5	0.0	1,063,011	305,660.4	757,350	628,473	687,593
2012	935,643	0.0	0.0	0.0	55,109.4	6	880,534	0.0	0.0	13,537.9	35,418.1	0.0	48,956.0	0.0	831,578	0.0	831,578	1,460,050	689,181
2013	638,669	0.0	0.0	0.0	37,617.6	6	601,052	0.0	0.0	13,245.3	45,106.0	0.0	58,351.2	0.0	542,700	0.0	542,700	2,002,751	407,606
2014	415,972	0.0	0.0	0.0	24,500.8	6	391,471	0.0	0.0	13,245.3	43,276.5	0.0	56,521.8	0.0	334,950	0.0	334,950	2,337,701	228,715
2015	271,705	0.0	0.0	0.0	16,003.5	6	255,702	0.0	0.0	13,245.3	40,432.6	0.0	53,677.9	0.0	202,024	0.0	202,024	2,539,725	125,417
2016	178,370	0.0	0.0	0.0	10,506.0	6	167,864	0.0	0.0	13,245.3	37,719.6	0.0	50,964.9	0.0	116,899	0.0	116,899	2,656,624	65,961
2017	116,775	0.0	0.0	0.0	6,878.1	6	109,897	0.0	0.0	13,245.3	35,036.7	0.0	48,282.0	0.0	61,615	0.0	61,615	2,718,239	31,608
2018	76,918	0.0	0.0	0.0	4,530.5	6	72,387	0.0	0.0	13,245.3	32,756.4	0.0	46,001.7	0.0	26,386	0.0	26,386	2,744,624	12,306
2019	50,801	0.0	0.0	0.0	2,992.2	6	47,808	0.0	0.0	13,245.3	30,811.3	0.0	44,056.6	0.0	3,752	0.0	3,752	2,748,376	1,591
Sub	4,041,410	0.0	0.0	0.0	238,039.1	6	3,803,371	0.0	0.0	125,892.4	317,781.7	0.0	443,674.1	0.0	3,359,697	611,320.8	2,748,376	2,748,376	2,129,041
Rem	170,841	0.0	0.0	0.0	10,062.6	6	160,779	0.0	0.0	31,825.5	66,167.9	0.0	97,993.4	28,301.9	34,483	21,226.4	13,257	2,761,633	-14,932
Total	4,212,252	0.0	0.0	0.0	248,101.6	6	3,964,150	0.0	0.0	157,717.8	383,949.6	0.0	541,667.5	28,301.9	3,394,181	632,547.2	2,761,633	2,761,633	2,114,109

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	2.3
RLI (Principal Product)	5.2
Reserves Life	46.4
RLI (BOE)	5.2

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	232,246	79,159	79,159	59,369
Gas (Mcf)	122,176	36,653	36,653	27,490
Gas (boe)	20,363	6,109	6,109	4,582
*NGL (bbl)	0	0	0	0
Cond (bbl)	611	183	183	137
Total (boe)	253,220	85,451	85,451	64,088

*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	3,394,181	632,547.2	2,761,633	32.32
5	2,977,323	592,936.6	2,384,386	27.90
10	2,685,928	571,819.1	2,114,109	24.74
12	2,585,635	564,466.6	2,021,169	23.65
15	2,448,339	554,011.3	1,894,328	22.17
20	2,248,759	537,736.3	1,711,023	20.02

CAPITAL (undisc)

	Unrisked	Risked
Cost Of Prod.	\$/BOEPD 13,995.35	13,995.35
Cost Of Reserves	\$/BOE 7.40	7.40
Prob Of Success	% 100.00	100.00
Chance Of	% 100.00	100.00

ECONOMIC INDICATORS

		BTAX		ATAX	
		Unrisked	Risked	Unrisked	Risked
Discount Rate (%)	10.0	10.0	10.0	10.0	10.0
Payout (Yrs)	0.0	0.0	0.0	0.0	0.0
Discounted Payout (Yrs)	0.0	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	3.3	3.3	2.0	2.0	2.0
NPV/Disc Invest	3.7	3.7	2.2	2.2	2.2
NPV/DIS Cap Exposure	369.7	369.7	221.1	221.1	221.1
NPV/BOEPD (M\$/boepd)	46.8	46.8	28.0	28.0	28.0

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Production (BOEPD)	45	45	45	45	45
Price (\$/BOE)	51.82	51.82	51.82	51.82	51.82
Royalties (\$/BOE)	3.05	3.05	3.05	3.05	3.05
Operating Costs (\$/BOE)	1.27	1.27	1.27	1.27	1.27
NetBack (\$/BOE)	47.50	47.50	47.50	47.50	47.50
Recycle Ratio (ratio)	6.42	6.42	6.42	6.42	6.42

Hillcrest Resources Ltd.
CASH FLOW TAX POOL
AJM June 30, 2010 Constant Forecast Pricing (CAD)

Selection : United States
 Effective June 30, 2010

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%)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	-90,670	-4,533	-86,136	-86,136	-29,286	0	0	0	0	35,571	0	0	6,285	1,751	-128,878	-130,629	-130,629	-122,639
2011	795,558	39,778	755,780	755,780	256,965	0	0	0	0	1,598	0	0	258,563	298,341	757,350	459,009	328,380	417,415
2012	831,578	41,579	789,999	789,999	268,600	0	0	0	0	0	0	0	268,600	310,178	831,578	521,399	849,780	433,870
2013	542,700	27,135	515,565	515,565	175,292	0	0	0	0	0	0	0	175,292	202,427	542,700	340,273	1,190,053	255,569
2014	334,950	16,747	318,202	318,202	108,189	0	0	0	0	0	0	0	108,189	124,936	334,950	210,013	1,400,066	143,405
2015	202,024	10,101	191,923	191,923	65,254	0	0	0	0	0	0	0	65,254	75,355	202,024	126,669	1,526,735	78,636
2016	116,899	5,845	111,054	111,054	37,758	0	0	0	0	0	0	0	37,758	43,603	116,899	73,296	1,600,031	41,357
2017	61,615	3,081	58,534	58,534	19,902	0	0	0	0	0	0	0	19,902	22,982	61,615	38,633	1,638,664	19,818
2018	26,386	1,319	25,067	25,067	8,523	0	0	0	0	0	0	0	8,523	9,842	26,386	16,544	1,655,208	7,716
2019	3,752	188	3,564	3,564	1,212	0	0	0	0	478	0	0	1,689	1,877	3,752	1,875	1,657,082	795
Sub	2,824,791	141,240	2,683,552	2,683,552	912,408	0	0	0	0	37,647	0	0	950,054	1,091,294	2,748,376	1,657,082	1,657,082	1,275,943
Rem	13,257	663	12,594	12,594	4,282	0	0	0	0	9,199	0	0	13,481	14,144	13,257	-887	1,656,195	-11,485
Total	2,838,048	141,902	2,696,146	2,696,146	916,690	0	0	0	0	46,846	0	0	963,536	1,105,438	2,761,633	1,656,195	1,656,195	1,264,457

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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	19	0	0	0	38	0	0	0	0	0	0	0	0	0	0
2011	1,1	0	0	0	38	0	0	0	0	0	0	0	0	0	0
2012	93	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2013	63	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2014	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2015	27	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2016	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2017	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	76	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2019	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub	4,0	0	0	0	76	0	0	0	0	0	0	0	0	0	0
Rem	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	4,2	0	0	0	76	0	0	0	0	0	0	0	0	0	0

NET PRESENT VALUES AFTER TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
	\$	\$	\$	\$/BOE
0	2,288,742	632,547.2	1,656,195	19.38
5	2,021,676	592,936.6	1,428,739	16.72
10	1,836,276	571,819.1	1,264,457	14.80
12	1,772,334	564,466.6	1,207,867	14.14
15	1,684,621	554,011.3	1,130,609	13.23
20	1,556,710	537,736.3	1,018,974	11.92

CORPORATE OPENING TAX POOLS (M\$)

Cost Depletion Pool	694.68
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 June 30, 2010 Constant Forecast Pricing (CAD)

Selection : United States

Effective June 30, 2010

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 Mcf	WI Volume Mcf	RI Volume Mcf	Price \$/Mcf	Revenue M\$	Co. Share Volume It	Price \$/lt	WI Rates boe/d	Co. Share Rates boe/d
2010	1.0	38	6,900.0	3,726.0	0.0	69.09	193	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	20	20
2011	3.0	142	51,981.9	22,901.5	0.0	69.09	1,187	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	63	63
2012	3.0	183	66,945.0	20,606.1	0.0	69.09	1,068	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	56	56
2013	3.0	168	61,248.4	18,374.5	0.0	69.09	952	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	50	50
2014	3.0	146	53,319.9	15,996.0	0.0	69.09	829	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	44	44
2015	3.0	128	46,671.5	14,001.4	0.0	69.09	726	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	38	38
2016	3.0	112	41,154.9	12,346.5	0.0	69.09	640	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	34	34
2017	3.0	99	36,245.0	10,873.5	0.0	69.09	563	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	30	30
2018	3.0	88	32,131.5	9,639.5	0.0	69.09	500	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	26	26
2019	3.0	78	28,575.0	8,572.5	0.0	69.09	444	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	23	23
Sub			425,173.2	137,037.5	0.0	69.09	7,101			0.0	0.0	0.0	0.00	0	0.0	0.00		
Rem			247,163.3	74,149.0	0.0	69.09	3,842			752,934.6	225,880.4	0.0	3.66	620	0.0	0.00		
Total			672,336.5	211,186.5	0.0	69.09	10,944			752,934.6	225,880.4	0.0	3.66	620	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
2010	0.0	0.0	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
2011	0.0	0.0	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
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
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	1,129.4	0.0	69.42	58.8	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	1,129.4	0.0	847.1
Total	1,129.4	0.0	69.42	58.8	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	1,129.4	0.0	847.1

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\$
2010	193	0.0	0.0	0.0	11.4	6	182	0.0	0.0	3.3	1.6	0.0	4.9	0.0	177	305.7	-129	-129	-121
2011	1,187	0.0	0.0	0.0	69.9	6	1,117	0.0	0.0	16.3	17.5	0.0	33.8	0.0	1,083	305.7	777	649	706
2012	1,068	0.0	0.0	0.0	62.9	6	1,005	0.0	0.0	13.5	45.5	0.0	59.1	0.0	946	0.0	946	1,594	782
2013	952	0.0	0.0	0.0	56.1	6	896	0.0	0.0	13.2	71.1	0.0	84.3	0.0	812	0.0	812	2,406	610
2014	829	0.0	0.0	0.0	48.8	6	780	0.0	0.0	13.2	82.7	0.0	96.0	0.0	684	0.0	684	3,090	467
2015	726	0.0	0.0	0.0	42.7	6	683	0.0	0.0	13.2	94.2	0.0	107.4	0.0	575	0.0	575	3,666	357
2016	640	0.0	0.0	0.0	37.7	6	602	0.0	0.0	13.2	107.7	0.0	120.9	0.0	481	0.0	481	4,147	272
2017	563	0.0	0.0	0.0	33.2	6	530	0.0	0.0	13.2	122.9	0.0	136.1	0.0	394	0.0	394	4,541	202
2018	500	0.0	0.0	0.0	29.4	6	470	0.0	0.0	13.2	141.0	0.0	154.2	0.0	316	0.0	316	4,857	147
2019	444	0.0	0.0	0.0	26.2	6	418	0.0	0.0	13.2	162.4	0.0	175.6	0.0	242	0.0	242	5,099	103
Sub	7,101	0.0	0.0	0.0	418.3	6	6,683	0.0	0.0	125.9	846.5	0.0	972.3	0.0	5,711	611.3	5,099	5,099	3,525
Rem	4,521	0.0	0.0	0.0	266.3	6	4,255	0.0	0.0	367.7	5,285.9	0.0	5,653.5	42.5	-1,441	42.5	-1,483	3,616	-183
Total	11,623	0.0	0.0	0.0	684.6	6	10,938	0.0	0.0	493.5	6,132.4	0.0	6,625.9	42.5	4,270	653.8	3,616	3,616	3,342

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	8.1
RLI (Principal Product)	15.0
Reserves Life	49.4
RLI (BOE)	15.0

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	672,337	211,186	211,186	158,390
Gas (Mcf)	752,935	225,880	225,880	169,410
Gas (boe)	125,489	37,647	37,647	28,235
*NGL (bbl)	0	0	0	0
Cond (bbl)	3,765	1,129	1,129	847
Total (boe)	801,590	249,963	249,963	187,472

*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\$	M\$	M\$	\$/BOE	\$/BOE
0	4,270	653.8	3,616	14.47				
5	4,271	601.8	3,670	14.68				
10	3,917	575.6	3,342	13.37				
12	3,752	567.2	3,184	12.74				
15	3,506	555.7	2,951	11.80				
20	3,133	538.5	2,595	10.38				

CAPITAL (undisc)

	Unrisked	Risked
Cost Of Prod. \$/BOEPD	14,324.53	14,324.53
Cost Of Reserves \$/BOE	2.62	2.62
Prob Of Success %	100.00	100.00
Chance Of %	100.00	100.00

ECONOMIC INDICATORS

		BTAX		ATAX	
		Unrisked	Risked	Unrisked	Risked
Discount Rate (%)	10.0	10.0	10.0	10.0	10.0
Payout (Yrs)	0.0	0.0	0.0	0.0	0.0
Discounted Payout (Yrs)	0.0	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	5.1	5.1	3.0	3.0	
NPV/Disc Invest	5.8	5.8	3.5	3.5	
NPV/DIS Cap Exposure	580.5	580.5	346.3	346.3	
NPV/BOEPD (M\$/boepd)	73.2	73.2	43.7	43.7	

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Production (BOEPD)	46	46	46	46	46
Price (\$/BOE)	51.82	51.82	51.82	51.82	51.82
Royalties (\$/BOE)	3.05	3.05	3.05	3.05	3.05
Operating Costs (\$/BOE)	1.28	1.28	1.28	1.28	1.28
NetBack (\$/BOE)	47.49	47.49	47.49	47.49	47.49
Recycle Ratio (ratio)	18.16	18.16	18.16	18.16	18.16

Hillcrest Resources Ltd.
CASH FLOW TAX POOL
AJM June 30, 2010 Constant Forecast Pricing (CAD)

Selection : United States

Effective June 30, 2010

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\$
2010	-91	-5	-86	-86	-29	0	0	0	0	36	0	0	6	2	-129	-131	-131	-123
2011	816	41	775	775	263	0	0	0	0	2	0	0	265	306	777	472	341	429
2012	946	47	899	899	306	0	0	0	0	0	0	0	306	353	946	593	934	492
2013	812	41	771	771	262	0	0	0	0	0	0	0	262	303	812	509	1,443	382
2014	684	34	650	650	221	0	0	0	0	0	0	0	221	255	684	429	1,872	293
2015	575	29	547	547	186	0	0	0	0	0	0	0	186	215	575	361	2,233	224
2016	481	24	457	457	155	0	0	0	0	0	0	0	155	179	481	302	2,535	170
2017	394	20	374	374	127	0	0	0	0	0	0	0	127	147	394	247	2,782	127
2018	316	16	300	300	102	0	0	0	0	0	0	0	102	118	316	198	2,980	92
2019	242	12	230	230	78	0	0	0	0	0	0	0	78	90	242	152	3,132	64
Sub	5,176	259	4,917	4,917	1,672	0	0	0	0	37	0	0	1,709	1,968	5,099	3,132	3,132	2,151
Rem	-1,483	-74	-1,409	-1,409	-479	0	0	0	0	312	0	0	-167	-241	-1,483	-1,242	1,890	-158
Total	3,692	185	3,508	3,508	1,193	0	0	0	0	349	0	0	1,542	1,726	3,616	1,890	1,890	1,993

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\$
2010	19	0	0	0	38	0	0	0	0	0	0	0	0	0	0
2011	1,1	0	0	0	38	0	0	0	0	0	0	0	0	0	0
2012	1,0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2013	95	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2014	82	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2015	72	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2016	64	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2017	56	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2019	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub	7,1	0	0	0	76	0	0	0	0	0	0	0	0	0	0
Rem	4,5	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	11,	0	0	0	76	0	0	0	0	0	0	0	0	0	0

NET PRESENT VALUES AFTER TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
	M\$	M\$	M\$	\$/BOE
0	2,543	653.8	1,890	7.56
5	2,733	601.8	2,131	8.53
10	2,569	575.6	1,993	7.97
12	2,475	567.2	1,908	7.63
15	2,331	555.7	1,775	7.10
20	2,103	538.5	1,564	6.26

CORPORATE OPENING TAX POOLS (M\$)

Cost Depletion Pool	694.68
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.
TABLE 1 - US DOLLARS
DETAILED ECONOMIC SUMMARY
US AJM June 30, 2010 Constant Forecast Pricing (USD)

Effective June 30, 2010

United States

	PDP	PDNP	PUD	TP	PB	P+P
Light and Medium Oil Mbbl						
Ultimate Remaining	70.7	0.0	161.6	232.2	440.1	672.3
WI Before Royalty	24.9	0.0	54.3	79.2	132.0	211.2
WI After Royalty	18.6	0.0	40.7	59.4	99.0	158.4
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	18.6	0.0	40.7	59.4	99.0	158.4
Total Oil Mbbl						
Ultimate Remaining	70.7	0.0	161.6	232.2	440.1	672.3
WI Before Royalty	24.9	0.0	54.3	79.2	132.0	211.2
WI After Royalty	18.6	0.0	40.7	59.4	99.0	158.4
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	18.6	0.0	40.7	59.4	99.0	158.4
Sales Gas MMcf						
Ultimate Remaining	0.0	0.0	122.2	122.2	630.8	752.9
WI Before Royalty	0.0	0.0	36.7	36.7	189.2	225.9
WI After Royalty	0.0	0.0	27.5	27.5	141.9	169.4
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	0.0	0.0	27.5	27.5	141.9	169.4
NGLs Mbbl						
Ultimate Remaining	0.0	0.0	0.6	0.6	3.2	3.8
WI Before Royalty	0.0	0.0	0.2	0.2	0.9	1.1
WI After Royalty	0.0	0.0	0.1	0.1	0.7	0.8
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	0.0	0.0	0.1	0.1	0.7	0.8
MBOE Mboe						
Ultimate Remaining	70.7	0.0	182.5	253.2	548.4	801.6
WI Before Royalty	24.9	0.0	60.6	85.5	164.5	250.0
WI After Royalty	18.6	0.0	45.4	64.1	123.4	187.5
Royalty Interest	0.0	0.0	0.0	0.0	0.0	0.0
Total Net	18.6	0.0	45.4	64.1	123.4	187.5
Net Present Values - BTAX M\$						
Undiscounted	1,111.8	0.0	1,815.5	2,927.3	905.7	3,833.0
Discounted at 5%	1,023.4	0.0	1,504.0	2,527.4	1,362.3	3,889.7
Discounted at 10%	949.5	0.0	1,291.5	2,241.0	1,301.4	3,542.4
Discounted at 12%	923.2	0.0	1,219.2	2,142.4	1,233.0	3,375.5
Discounted at 15%	886.9	0.0	1,121.1	2,008.0	1,119.6	3,127.6

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.
US DOLLARS
CASH FLOW TAX POOL
US AJM June 30, 2010 Constant Forecast Pricing (USD)

Selection : United States
 Effective June 30, 2010

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 It	Price \$/lt	WI Rates boe/d	Co. Share Rates boe/d
2010	1.0	38	6,900.0	3,726.0	0.0	73.24	204,669	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	20	20
2011	1.0	61	22,317.2	8,687.7	0.0	73.24	477,214	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	24	24
2012	1.0	40	14,644.9	4,393.5	0.0	73.24	241,333	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	12	12
2013	1.0	26	9,557.0	2,867.1	0.0	73.24	157,489	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	8	8
2014	1.0	17	6,257.7	1,877.3	0.0	73.24	103,120	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	5	5
2015	1.0	11	4,097.4	1,229.2	0.0	73.24	67,520	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	3	3
2016	1.0	7	2,688.7	806.6	0.0	73.24	44,308	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	2	2
2017	1.0	5	1,754.6	526.4	0.0	73.24	28,914	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1
2018	1.0	3	1,148.9	344.7	0.0	73.24	18,932	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1
2019	1.0	2	752.3	225.7	0.0	73.24	12,396	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	1	1
Sub			70,118.6	24,684.1	0.0	73.24	1,355,898			0.0	0.0	0.0	0.00	0	0.0	0.00		
Rem			565.1	169.5	0.0	73.24	9,312			0.0	0.0	0.0	0.00	0	0.0	0.00		
Total			70,683.7	24,853.6	0.0	73.24	1,365,210			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
2010	0.0	0.0	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
2011	0.0	0.0	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
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
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%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	204,669	0.0	0.0	0.0	12,055.0	6	192,614	0.0	0.0	3,510.0	1,714.3	0.0	5,224.3	0.0	187,390	0.0	187,390	187,390	181,908
2011	477,214	0.0	0.0	0.0	28,107.9	6	449,107	0.0	0.0	5,912.4	9,143.5	0.0	15,055.9	0.0	434,051	0.0	434,051	621,440	398,757
2012	241,333	0.0	0.0	0.0	14,214.5	6	227,119	0.0	0.0	4,680.0	14,964.9	0.0	19,644.9	0.0	207,474	0.0	207,474	828,914	172,103
2013	157,489	0.0	0.0	0.0	9,276.1	6	148,213	0.0	0.0	4,680.0	14,290.2	0.0	18,970.2	0.0	129,243	0.0	129,243	958,157	97,070
2014	103,120	0.0	0.0	0.0	6,073.8	6	97,046	0.0	0.0	4,680.0	13,522.5	0.0	18,202.5	0.0	78,844	0.0	78,844	1,037,001	53,837
2015	67,520	0.0	0.0	0.0	3,977.0	6	63,543	0.0	0.0	4,680.0	12,692.2	0.0	17,372.2	0.0	46,171	0.0	46,171	1,083,172	28,663
2016	44,308	0.0	0.0	0.0	2,609.7	6	41,698	0.0	0.0	4,680.0	11,890.7	0.0	16,570.7	0.0	25,127	0.0	25,127	1,108,300	14,178
2017	28,914	0.0	0.0	0.0	1,703.1	6	27,211	0.0	0.0	4,680.0	11,083.9	0.0	15,763.9	0.0	11,447	0.0	11,447	1,119,747	5,872
2018	18,932	0.0	0.0	0.0	1,115.1	6	17,817	0.0	0.0	4,680.0	10,393.5	0.0	15,073.5	0.0	2,744	0.0	2,744	1,122,491	1,280
2019	12,396	0.0	0.0	0.0	730.2	6	11,666	0.0	0.0	4,680.0	9,797.1	0.0	14,477.1	0.0	-2,811	0.0	-2,811	1,119,680	-1,192
Sub	1,355,898	0.0	0.0	0.0	79,862.4	6	1,276,035	0.0	0.0	46,862.4	109,492.8	0.0	156,355.3	0.0	1,119,680	0.0	1,119,680	1,119,680	952,478
Rem	9,312	0.0	0.0	0.0	548.5	6	8,763	0.0	0.0	5,585.8	11,063.9	0.0	16,649.7	0.0	-7,886	0.0	-7,886	1,111,794	-2,986
Total	1,365,210	0.0	0.0	0.0	80,410.8	6	1,284,799	0.0	0.0	52,448.2	120,556.7	0.0	173,004.9	0.0	1,111,794	0.0	1,111,794	1,111,794	949,491

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	1.5
RLI (Principal Product)	2.5
Reserves Life	11.4
RLI (BOE)	2.5

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	70,684	24,854	24,854	18,640
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)	70,684	24,854	24,854	18,640

*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	1,111,794	0.0	1,111,794	44.73
5	1,023,443	0.0	1,023,443	41.18
10	949,491	0.0	949,491	38.20
12	923,230	0.0	923,230	37.15
15	886,883	0.0	886,883	35.68
20	833,303	0.0	833,303	33.53

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		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		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)		34.9	34.9	21.9	21.9

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Production (BOEPD)		27	27	27	27
Price (\$/BOE)		54.93	54.93	54.93	54.93
Royalties (\$/BOE)		3.24	3.24	3.24	3.24
Operating Costs (\$/BOE)		1.36	1.36	1.36	1.36
NetBack (\$/BOE)		50.34	50.34	50.34	50.34
Recycle Ratio (ratio)		0.00	0.00	0.00	0.00

Hillcrest Resources Ltd.
US DOLLARS
CASH FLOW TAX POOL
US AJM June 30, 2010 Constant Forecast Pricing (USD)

Selection : United States
Effective June 30, 2010

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%)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	187,390	9,369	178,020	178,020	60,527	0	0	0	0	0	0	0	60,527	69,896	187,390	117,493	117,493	113,936
2011	434,051	21,703	412,348	412,348	140,198	0	0	0	0	0	0	0	140,198	161,901	434,051	272,150	389,643	252,140
2012	207,474	10,374	197,100	197,100	67,014	0	0	0	0	0	0	0	67,014	77,388	207,474	130,086	519,729	108,404
2013	129,243	6,462	122,781	122,781	41,745	0	0	0	0	0	0	0	41,745	48,208	129,243	81,035	600,765	60,863
2014	78,844	3,942	74,902	74,902	25,467	0	0	0	0	0	0	0	25,467	29,409	78,844	49,435	650,200	33,756
2015	46,171	2,309	43,863	43,863	14,913	0	0	0	0	0	0	0	14,913	17,222	46,171	28,949	679,149	17,972
2016	25,127	1,256	23,871	23,871	8,116	0	0	0	0	0	0	0	8,116	9,373	25,127	15,755	694,904	8,890
2017	11,447	572	10,875	10,875	3,698	0	0	0	0	0	0	0	3,698	4,270	11,447	7,178	702,081	3,682
2018	2,744	137	2,607	2,607	886	0	0	0	0	0	0	0	886	1,023	2,744	1,720	703,802	802
2019	-2,811	-141	-2,670	-2,670	-908	0	0	0	0	374	0	0	-534	-675	-2,811	-2,136	701,666	-906
Sub	1,119,680	55,984	1,063,696	1,063,696	361,657	0	0	0	0	374	0	0	362,031	418,015	1,119,680	701,666	701,666	599,540
Rem	-7,886	-394	-7,492	-7,492	-2,547	0	0	0	0	1,049	0	0	-1,498	-1,893	-7,886	-5,994	695,672	-2,270
Total	1,111,794	55,590	1,056,204	1,056,204	359,109	0	0	0	0	1,423	0	0	360,532	416,122	1,111,794	695,672	695,672	597,270

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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2011	47	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2012	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2013	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2014	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2015	67	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2016	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2017	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2019	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub	1,3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rem	9,3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,3	0	0	0	0	0	0	0	0	0	0	0	0	0	0

NET PRESENT VALUES AFTER TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
%	\$	\$	\$	\$/BOE
0	695,672	0.0	695,672	27.99
5	642,149	0.0	642,149	25.84
10	597,270	0.0	597,270	24.03
12	581,321	0.0	581,321	23.39
15	559,238	0.0	559,238	22.50
20	526,673	0.0	526,673	21.19

CORPORATE OPENING TAX POOLS (M\$)

Cost Depletion Pool	655.01
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.
US DOLLARS
CASH FLOW TAX POOL
US AJM June 30, 2010 Constant Forecast Pricing (USD)

Selection : United States
Effective June 30, 2010

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
2010	1.0	38	6,900.0	3,726.0	0.0	73.24	204,669	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	20	20
2011	3.0	138	50,506.1	22,451.9	0.0	73.24	1,233,281	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	62	62
2012	3.0	160	58,420.5	18,055.4	0.0	73.24	991,781	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	49	49
2013	3.0	113	41,082.0	12,324.6	0.0	73.24	676,990	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	34	34
2014	3.0	73	26,757.1	8,027.1	0.0	73.24	440,931	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	22	22
2015	3.0	48	17,477.3	5,243.2	0.0	73.24	288,008	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	14	14
2016	3.0	31	11,473.5	3,442.1	0.0	73.24	189,072	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	9	9
2017	3.0	21	7,511.5	2,253.4	0.0	73.24	123,782	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	6	6
2018	3.0	14	4,947.7	1,484.3	0.0	73.24	81,533	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	4	4
2019	3.0	9	3,267.7	980.3	0.0	73.24	53,849	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	3	3
Sub			228,343.4	77,988.3	0.0	73.24	4,283,895			0.0	0.0	0.0	0.00	0	0.0	0.00		
Rem			3,903.0	1,170.9	0.0	73.24	64,318			122,175.6	36,652.7	0.0	3.88	106,659	0.0	0.00		
Total			232,246.4	79,159.2	0.0	73.24	4,348,213			122,175.6	36,652.7	0.0	3.88	106,659	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
2010	0.0	0.0	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
2011	0.0	0.0	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
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
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	183.3	0.0	73.59	10,114.8	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	183.3	0.0	137.4
Total	183.3	0.0	73.59	10,114.8	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	183.3	0.0	137.4

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%)
	\$	\$	\$	\$	\$	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	204,669	0.0	0.0	0.0	12,055.0	6	192,614	0.0	0.0	3,510.0	1,714.3	0.0	5,224.3	0.0	187,390	324,000.0	-136,610	-136,610	-128,192
2011	1,233,281	0.0	0.0	0.0	72,640.3	6	1,160,641	0.0	0.0	17,305.8	16,543.7	0.0	33,849.5	0.0	1,126,791	324,000.0	802,791	666,181	728,848
2012	991,781	0.0	0.0	0.0	58,415.9	6	933,366	0.0	0.0	14,350.1	37,543.2	0.0	51,893.3	0.0	881,472	0.0	881,472	1,547,653	730,532
2013	676,990	0.0	0.0	0.0	39,874.7	6	637,115	0.0	0.0	14,040.0	47,812.3	0.0	61,852.3	0.0	575,263	0.0	575,263	2,122,916	432,062
2014	440,931	0.0	0.0	0.0	25,970.8	6	414,960	0.0	0.0	14,040.0	45,873.1	0.0	59,913.1	0.0	355,047	0.0	355,047	2,477,963	242,438
2015	288,008	0.0	0.0	0.0	16,963.7	6	271,044	0.0	0.0	14,040.0	42,858.6	0.0	56,898.6	0.0	214,146	0.0	214,146	2,692,108	132,942
2016	189,072	0.0	0.0	0.0	11,136.3	6	177,936	0.0	0.0	14,040.0	39,982.8	0.0	54,022.8	0.0	123,913	0.0	123,913	2,816,021	69,918
2017	123,782	0.0	0.0	0.0	7,290.7	6	116,491	0.0	0.0	14,040.0	37,138.9	0.0	51,178.9	0.0	65,312	0.0	65,312	2,881,333	33,504
2018	81,533	0.0	0.0	0.0	4,802.3	6	76,731	0.0	0.0	14,040.0	34,721.8	0.0	48,761.8	0.0	27,969	0.0	27,969	2,909,302	13,044
2019	53,849	0.0	0.0	0.0	3,171.7	6	50,677	0.0	0.0	14,040.0	32,659.9	0.0	46,699.9	0.0	3,977	0.0	3,977	2,913,279	1,686
Sub	4,283,895	0.0	0.0	0.0	252,321.4	6	4,031,573	0.0	0.0	133,445.9	336,848.6	0.0	470,294.5	0.0	3,561,279	648,000.0	2,913,279	2,913,279	2,256,784
Rem	181,092	0.0	0.0	0.0	10,666.3	6	170,425	0.0	0.0	33,735.0	70,138.0	0.0	103,873.0	30,000.0	36,552	22,500.0	14,052	2,927,331	-15,828
Total	4,464,987	0.0	0.0	0.0	262,987.7	6	4,201,999	0.0	0.0	167,180.9	406,986.6	0.0	574,167.5	30,000.0	3,597,831	670,500.0	2,927,331	2,927,331	2,240,956

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	2.3
RLI (Principal Product)	5.2
Reserves Life	46.4
RLI (BOE)	5.2

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	232,246	79,159	79,159	59,369
Gas (Mcf)	122,176	36,653	36,653	27,490
Gas (boe)	20,363	6,109	6,109	4,582
*NGL (bbl)	0	0	0	0
Cond (bbl)	611	183	183	137
Total (boe)	253,220	85,451	85,451	64,088

*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	3,597,831	670,500.0	2,927,331	34.26
5	3,155,962	628,512.8	2,527,450	29.58
10	2,847,084	606,128.2	2,240,956	26.22
12	2,740,773	598,334.6	2,142,439	25.07
15	2,595,240	587,252.0	2,007,988	23.50
20	2,383,685	570,000.4	1,813,684	21.22

CAPITAL (undisc)

	Unrisked	Risked
Cost Of Prod.	\$/BOEPD 14,835.07	14,835.07
Cost Of Reserves	\$/BOE 7.85	7.85
Prob Of Success	% 100.00	100.00
Chance Of	% 100.00	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		3.3	3.3	2.0	2.0
NPV/Disc Invest		3.7	3.7	2.2	2.2
NPV/DIS Cap Exposure		369.7	369.7	221.1	221.1
NPV/BOEPD (M\$/boepd)		49.6	49.6	29.7	29.7

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Production (BOEPD)		45	45	45	45
Price (\$/BOE)		54.93	54.93	54.93	54.93
Royalties (\$/BOE)		3.24	3.24	3.24	3.24
Operating Costs (\$/BOE)		1.34	1.34	1.34	1.34
NetBack (\$/BOE)		50.35	50.35	50.35	50.35
Recycle Ratio (ratio)		6.42	6.42	6.42	6.42

Hillcrest Resources Ltd.
US DOLLARS
CASH FLOW TAX POOL
US AJM June 30, 2010 Constant Forecast Pricing (USD)

Selection : United States
Effective June 30, 2010

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%)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	-96,110	-4,806	-91,305	-91,305	-31,044	0	0	0	0	37,706	0	0	6,662	1,856	-136,610	-138,467	-138,467	-129,997
2011	843,291	42,165	801,127	801,127	272,383	0	0	0	0	1,694	0	0	274,077	316,242	802,791	486,550	348,083	442,460
2012	881,472	44,074	837,399	837,399	284,716	0	0	0	0	0	0	0	284,716	328,789	881,472	552,683	900,766	459,902
2013	575,263	28,763	546,499	546,499	185,810	0	0	0	0	0	0	0	185,810	214,573	575,263	360,690	1,261,456	270,903
2014	355,047	17,752	337,294	337,294	114,680	0	0	0	0	0	0	0	114,680	132,432	355,047	222,614	1,484,070	152,009
2015	214,146	10,707	203,438	203,438	69,169	0	0	0	0	0	0	0	69,169	79,876	214,146	134,269	1,618,340	83,354
2016	123,913	6,196	117,717	117,717	40,024	0	0	0	0	0	0	0	40,024	46,219	123,913	77,693	1,696,033	43,839
2017	65,312	3,266	62,046	62,046	21,096	0	0	0	0	0	0	0	21,096	24,361	65,312	40,951	1,736,983	21,007
2018	27,969	1,398	26,571	26,571	9,034	0	0	0	0	0	0	0	9,034	10,432	27,969	17,537	1,754,520	8,179
2019	3,977	199	3,778	3,778	1,285	0	0	0	0	506	0	0	1,791	1,990	3,977	1,987	1,756,507	843
Sub	2,994,279	149,714	2,844,565	2,844,565	967,152	0	0	0	0	39,906	0	0	1,007,058	1,156,772	2,913,279	1,756,507	1,756,507	1,352,499
Rem	14,052	703	13,350	13,350	4,539	0	0	0	0	9,751	0	0	14,290	14,993	14,052	-940	1,755,567	-12,174
Total	3,008,331	150,417	2,857,915	2,857,915	971,691	0	0	0	0	49,657	0	0	1,021,348	1,171,765	2,927,331	1,755,567	1,755,567	1,340,325

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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	20	0	0	0	40	0	0	0	0	0	0	0	0	0	0
2011	1,2	0	0	0	40	0	0	0	0	0	0	0	0	0	0
2012	99	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2013	67	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2014	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2015	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2016	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2017	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	81	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2019	53	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub	4,2	0	0	0	81	0	0	0	0	0	0	0	0	0	0
Rem	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	4,4	0	0	0	81	0	0	0	0	0	0	0	0	0	0

NET PRESENT VALUES AFTER TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
	\$	\$	\$	\$/BOE
0	2,426,067	670,500.0	1,755,567	20.54
5	2,142,977	628,512.8	1,514,464	17.72
10	1,946,453	606,128.2	1,340,325	15.69
12	1,878,674	598,334.6	1,280,339	14.98
15	1,785,698	587,252.0	1,198,446	14.02
20	1,650,113	570,000.4	1,080,113	12.64

CORPORATE OPENING TAX POOLS (M\$)

Cost Depletion Pool	655.01
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.
US DOLLARS
CASH FLOW TAX POOL
US AJM June 30, 2010 Constant Forecast Pricing (USD)

Selection : United States
 Effective June 30, 2010

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 Mcf	WI Volume Mcf	RI Volume Mcf	Price \$/Mcf	Revenue M\$	Co. Share Volume It	Price \$/lt	WI Rates boe/d	Co. Share Rates boe/d
2010	1.0	38	6,900.0	3,726.0	0.0	73.24	205	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	20	20
2011	3.0	142	51,981.9	22,901.5	0.0	73.24	1,258	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	63	63
2012	3.0	183	66,945.0	20,606.1	0.0	73.24	1,132	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	56	56
2013	3.0	168	61,248.4	18,374.5	0.0	73.24	1,009	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	50	50
2014	3.0	146	53,319.9	15,996.0	0.0	73.24	879	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	44	44
2015	3.0	128	46,671.5	14,001.4	0.0	73.24	769	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	38	38
2016	3.0	112	41,154.9	12,346.5	0.0	73.24	678	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	34	34
2017	3.0	99	36,245.0	10,873.5	0.0	73.24	597	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	30	30
2018	3.0	88	32,131.5	9,639.5	0.0	73.24	529	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	26	26
2019	3.0	78	28,575.0	8,572.5	0.0	73.24	471	0.0	0	0.0	0.0	0.0	0.00	0	0.0	0.00	23	23
Sub			425,173.2	137,037.5	0.0	73.24	7,527			0.0	0.0	0.0	0.00	0	0.0	0.00		
Rem			247,163.3	74,149.0	0.0	73.24	4,073			752,934.6	225,880.4	0.0	3.88	657	0.0	0.00		
Total			672,336.5	211,186.5	0.0	73.24	11,600			752,934.6	225,880.4	0.0	3.88	657	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
2010	0.0	0.0	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
2011	0.0	0.0	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
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
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	1,129.4	0.0	73.59	62.3	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	1,129.4	0.0	847.1
Total	1,129.4	0.0	73.59	62.3	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	1,129.4	0.0	847.1

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\$
2010	205	0.0	0.0	0.0	12.1	6	193	0.0	0.0	3.5	1.7	0.0	5.2	0.0	187	324.0	-137	-137	-128
2011	1,258	0.0	0.0	0.0	74.1	6	1,184	0.0	0.0	17.3	18.5	0.0	35.8	0.0	1,148	324.0	824	687	748
2012	1,132	0.0	0.0	0.0	66.7	6	1,065	0.0	0.0	14.3	48.3	0.0	62.6	0.0	1,003	0.0	1,003	1,690	829
2013	1,009	0.0	0.0	0.0	59.4	6	950	0.0	0.0	14.0	75.3	0.0	89.4	0.0	860	0.0	860	2,551	646
2014	879	0.0	0.0	0.0	51.8	6	827	0.0	0.0	14.0	87.7	0.0	101.7	0.0	725	0.0	725	3,276	495
2015	769	0.0	0.0	0.0	45.3	6	724	0.0	0.0	14.0	99.8	0.0	113.9	0.0	610	0.0	610	3,886	379
2016	678	0.0	0.0	0.0	39.9	6	638	0.0	0.0	14.0	114.1	0.0	128.2	0.0	510	0.0	510	4,396	288
2017	597	0.0	0.0	0.0	35.2	6	562	0.0	0.0	14.0	130.2	0.0	144.3	0.0	418	0.0	418	4,814	214
2018	529	0.0	0.0	0.0	31.2	6	498	0.0	0.0	14.0	149.4	0.0	163.5	0.0	335	0.0	335	5,148	156
2019	471	0.0	0.0	0.0	27.7	6	443	0.0	0.0	14.0	172.1	0.0	186.2	0.0	257	0.0	257	5,405	109
Sub	7,527	0.0	0.0	0.0	443.4	6	7,084	0.0	0.0	133.4	897.3	0.0	1,030.7	0.0	6,053	648.0	5,405	5,405	3,373
Rem	4,793	0.0	0.0	0.0	282.3	6	4,510	0.0	0.0	389.7	5,603.0	0.0	5,992.7	45.0	-1,527	45.0	-1,572	3,833	-194
Total	12,320	0.0	0.0	0.0	725.7	6	11,594	0.0	0.0	523.1	6,500.3	0.0	7,023.4	45.0	4,526	693.0	3,833	3,833	3,542

CO. SHARE RESERVES LIFE (years)

Reserves Half Life	8.1
RLI (Principal Product)	15.0
Reserves Life	49.4
RLI (BOE)	15.0

TOTAL RESERVES - SALES

	GROSS	WI	CO SH	NET
Oil (bbl)	672,337	211,186	211,186	158,390
Gas (Mcf)	752,935	225,880	225,880	169,410
Gas (boe)	125,489	37,647	37,647	28,235
*NGL (bbl)	0	0	0	0
Cond (bbl)	3,765	1,129	1,129	847
Total (boe)	801,590	249,963	249,963	187,472

*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\$	M\$	M\$	\$/BOE	\$/BOE
0	4,526	693.0	3,833	15.33				
5	4,528	637.9	3,890	15.56				
10	4,153	610.2	3,542	14.17				
12	3,977	601.3	3,375	13.50				
15	3,717	589.1	3,128	12.51				
20	3,321	570.8	2,750	11.00				

CAPITAL (undisc)

		Unrisked	Risked
Cost Of Prod.	\$/BOEPD	15,184.00	15,184.00
Cost Of Reserves	\$/BOE	2.77	2.77
Prob Of Success	%	100.00	100.00
Chance Of	%	100.00	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		5.1	5.1	3.0	3.0
NPV/Disc Invest		5.8	5.8	3.5	3.5
NPV/DIS Cap Exposure		580.5	580.5	346.3	346.3
NPV/BOEPD (M\$/boepd)		77.6	77.6	46.3	46.3

FIRST 12 MONTHS AVG. PERFORMANCE (undisc)

		WI		Co. Share	
		Unrisked	Risked	Unrisked	Risked
Production (BOEPD)		46	46	46	46
Price (\$/BOE)		54.93	54.93	54.93	54.93
Royalties (\$/BOE)		3.24	3.24	3.24	3.24
Operating Costs (\$/BOE)		1.36	1.36	1.36	1.36
NetBack (\$/BOE)		50.34	50.34	50.34	50.34
Recycle Ratio (ratio)		18.16	18.16	18.16	18.16

Hillcrest Resources Ltd.
US DOLLARS
CASH FLOW TAX POOL
US AJM June 30, 2010 Constant Forecast Pricing (USD)

Selection : United States
Effective June 30, 2010

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\$
2010	-96	-5	-91	-91	-31	0	0	0	0	38	0	0	7	2	-137	-138	-138	-130
2011	865	43	821	821	279	0	0	0	0	2	0	0	281	324	824	500	362	454
2012	1,003	50	952	952	324	0	0	0	0	0	0	0	324	374	1,003	629	990	522
2013	860	43	817	817	278	0	0	0	0	0	0	0	278	321	860	540	1,530	405
2014	725	36	689	689	234	0	0	0	0	0	0	0	234	270	725	455	1,984	310
2015	610	30	579	579	197	0	0	0	0	0	0	0	197	228	610	382	2,367	237
2016	510	26	485	485	165	0	0	0	0	0	0	0	165	190	510	320	2,687	180
2017	418	21	397	397	135	0	0	0	0	0	0	0	135	156	418	262	2,949	134
2018	335	17	318	318	108	0	0	0	0	0	0	0	108	125	335	210	3,159	98
2019	257	13	244	244	83	0	0	0	0	0	0	0	83	96	257	161	3,320	68
Sub	5,486	274	5,212	5,212	1,772	0	0	0	0	39	0	0	1,811	2,086	5,405	3,320	3,320	2,280
Rem	-1,572	-79	-1,494	-1,494	-508	0	0	0	0	331	0	0	-177	-256	-1,572	-1,317	2,003	-167
Total	3,914	196	3,718	3,718	1,264	0	0	0	0	370	0	0	1,634	1,830	3,833	2,003	2,003	2,113

TAXABLE INCOME

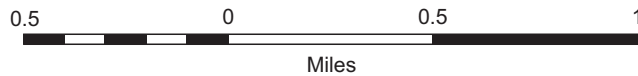
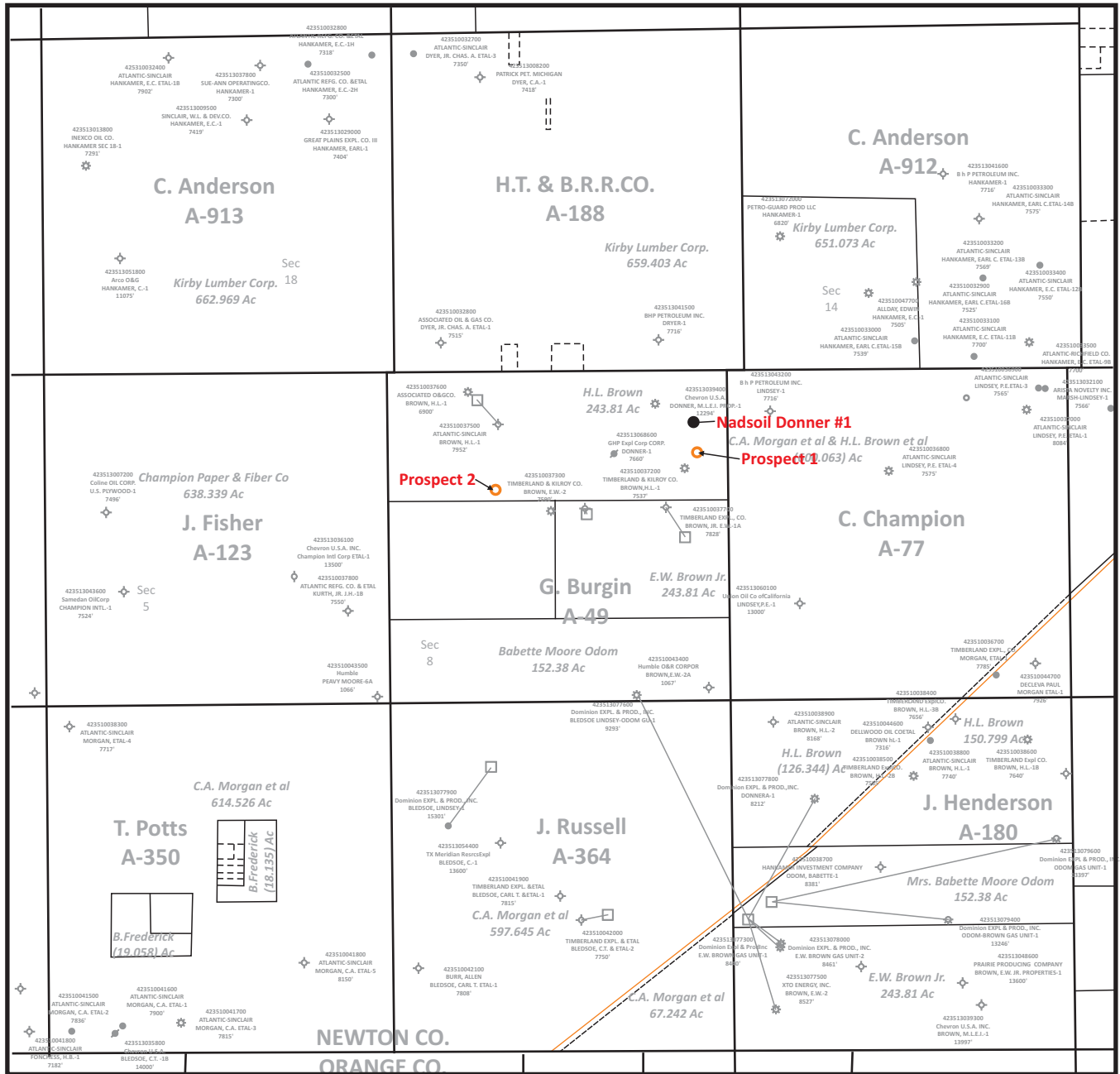
	Resource Revenue	NOL Generated	NOL Claimed	Rem NOL Pool	Class 7 Adds	Class 15 Adds	Class 7 Claimed	Class 15 Claimed	Open Bal. Deprec. Claimed	Total Deprec.	Rem. Deprec. Pool	Amort. Claimed	Rem. Amort. Pool	Depletion Claimed	Rem. Deplet. Pool
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2010	20	0	0	0	40	0	0	0	0	0	0	0	0	0	0
2011	1,2	0	0	0	40	0	0	0	0	0	0	0	0	0	0
2012	1,1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2013	1,0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2014	87	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2015	76	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2016	67	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2017	59	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2018	52	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2019	47	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub	7,5	0	0	0	81	0	0	0	0	0	0	0	0	0	0
Rem	4,7	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	12,	0	0	0	81	0	0	0	0	0	0	0	0	0	0

NET PRESENT VALUES AFTER TAX

Discount Rate	Op Income	Investment	Cash Flow	NPV/BOE
	M\$	M\$	M\$	\$/BOE
0	2,696	693.0	2,003	8.01
5	2,897	637.9	2,259	9.04
10	2,723	610.2	2,113	8.45
12	2,624	601.3	2,023	8.09
15	2,470	589.1	1,881	7.53
20	2,229	570.8	1,658	6.63

CORPORATE OPENING TAX POOLS (M\$)

Cost Depletion Pool	655.01
Amortization Pool	0.00
Amortization Pool Life	10.00 yrs
Depreciation Pool	0.00
Depreciation Pool Life	10.00 yrs
NOL Pool	0.00



Legend

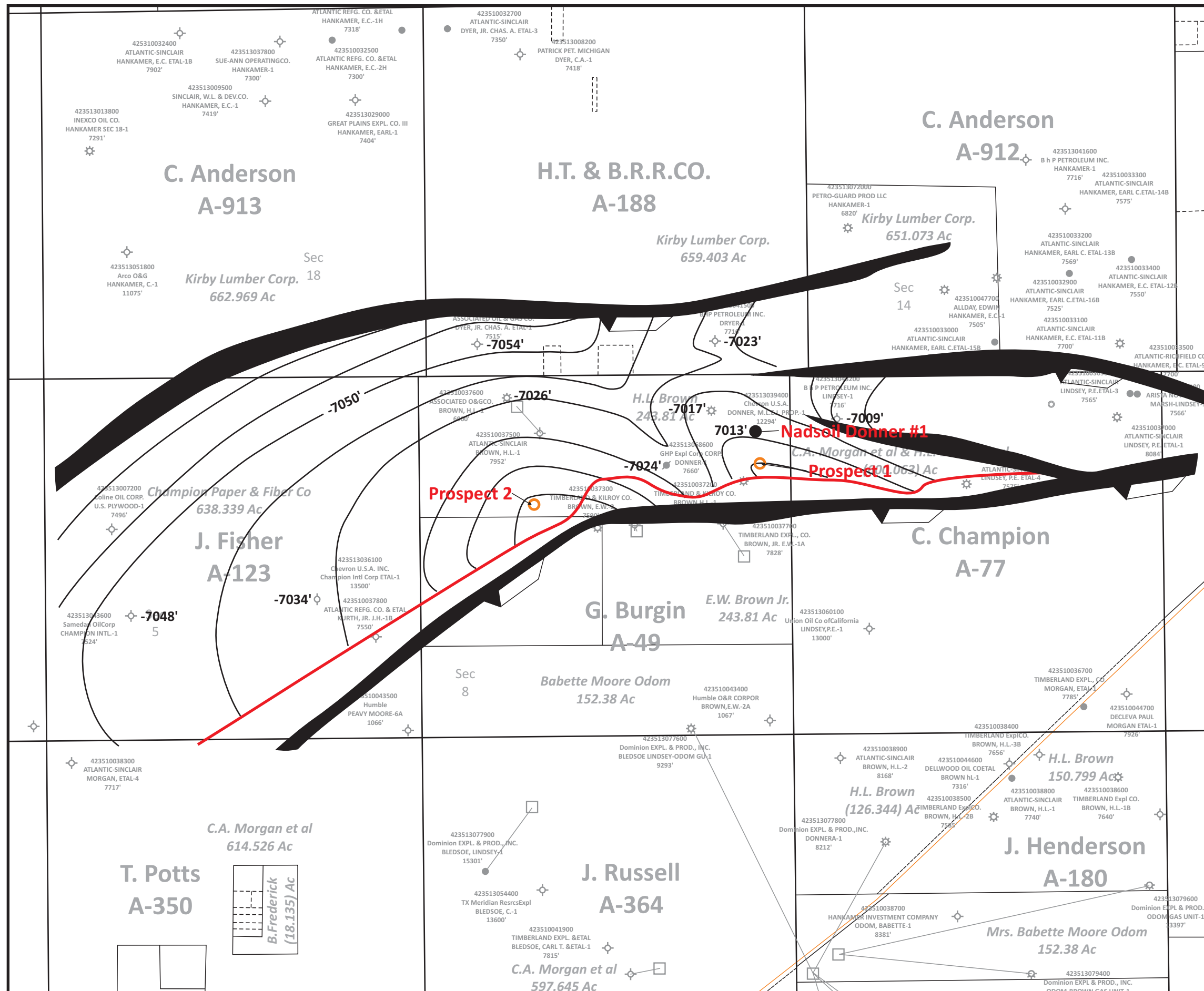
- Evaluated Well
- Evaluated Location
- Lease Area & Ownership Line

ajm Petroleum Consultants

Hillcrest Resources Ltd.
Newton County, Texas
Lease Summary

By : Hillcrest	Scale : 1:12,000	Date : 2010/12/22
Project : newton		
Source : Hillcrest Exploration Inc.		

This map was provided by Hillcrest Resources Ltd. and has been audited (and accepted) by AJM Petroleum Consultants.



Legend

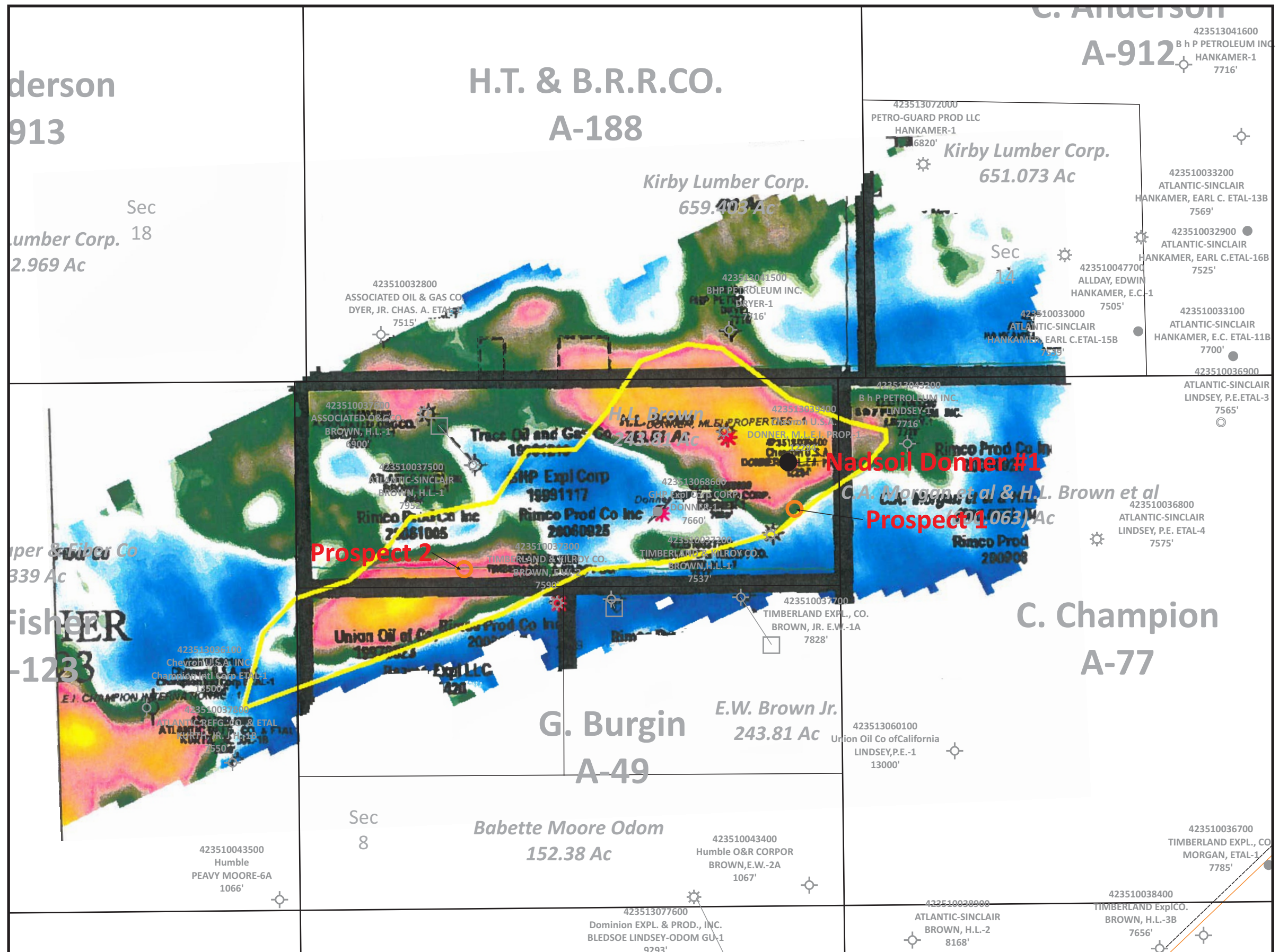
- Evaluated Well
- Evaluated Location
- Lease Area & Ownership Line
- Fault

ajm Petroleum Consultants

Hillcrest Resources Ltd.
Newton County, Texas
Top of Lower Hackberry Fm. Structure

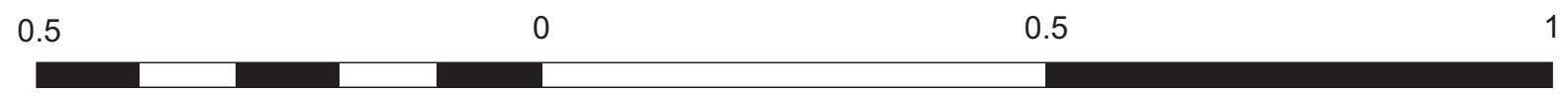
By: Hillcrest	Scale: 1:12,000	Date: 2010/12/22
Project: newton	C.I.: 10 feet	
Source: Hillcrest Exploration Inc.		

This map was provided by Hillcrest Resources Ltd. and has been audited (and accepted) by AJM Petroleum Consultants.



Anderson
913
Sec 18
Lumber Corp.
2.969 Ac

Super & Fiber Co
339 Ac
Fisher
A-1233



Miles

Legend

- Evaluated Well
- Evaluated Location
- Lease Area & Ownership Line

ajm Petroleum Consultants

Hillcrest Resources Ltd.
Newton County, Texas
Nonian Struma Amplitude

By : Hillcrest	Scale : 1:12,000	Date : 2010/12/22
Project : newton		
Source : Hillcrest Exploration Inc.		

This map was provided by Hillcrest Resources Ltd. and has been audited (and accepted) by AJM Petroleum Consultants.