

**EVALUATION OF CERTAIN P&NG RESERVES
OWNED BY POC GROWTH II LIMITED PARTNERSHIP
IN THE PROVOST AREA OF ALBERTA, CANADA
FOR
KR INVESTMENT LTD.
(As of December 31, 2012)**



Worldwide *Petroleum* Consultants

Copies: KR Investment Ltd. (2 copies)
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Sproule (1 copy)

Project No.: 4425.18916

Prepared For: KR Investment Ltd.

Authors: Brent A. Hawkwood, C.E.T., Project Leader
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Introduction

This report was prepared by Sproule Associates Limited ("Sproule") at the request of Mr. John Kim, Director, KR Investment Ltd. KR Investment Ltd. is hereinafter referred to as "the Company". The effective date of this report is December 31, 2012, and it consists of an evaluation of a 20 percent working interest in the properties of POC Growth II Limited Partnership in the Provost Area of Alberta, Canada for KR Investment Ltd. This report was prepared in December 2012 for the purpose of evaluating the oil reserves according to the Canadian Oil and Gas Evaluation Handbook (COGEH) reserve definitions that are consistent with the standards of National Instrument 51-101. This report was prepared for the Company's corporate purposes. Tax pools have been included.

This report is included in one (1) volume, which consists of an Introduction, Summary, Discussion, National Instrument 51-101, and Appendices. The Introduction includes the summary of evaluation standards and procedures and pertinent author certificates; the Summary includes high-level summaries of the evaluation; and the Discussion includes general commentaries pertaining to the evaluation of the P&NG reserves. The National Instrument 51-101 section presents Form 51-101F2 — Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor, Tables 1 to 5 using Forecast Prices and Costs, Table 6 - Reconciliation of Company Gross Reserves (Before Royalty) by Principal Product Type, and Table 7 - Undeveloped Reserves Vintage by Principal Product Type. Reserves definitions, product price forecasts, abbreviations, units, conversion factors and general evaluation parameters are included in Appendices A, B, C, and D. The Engagement Agreement has been included as Appendix E; it presents the terms and conditions of the consulting services, and the representations and warranties of the Company.

The Discussion section also contains detailed descriptions and evaluations for the property (area), including the following:

- Table 1 – Well List/Reservoir Data;
- Table 2 - Summary of the estimates of proved and probable oil reserves and net present values;
- Table 3 - Forecasts of proved and probable oil production, revenue, and net present values, before income taxes;
- Table 4 – Entity Interests;
- Land Map;

- Production history plots.

Field Operations

In the preparation of this evaluation, a field inspection of the properties was not performed. The relevant engineering data were made available by the Company or obtained from public sources and the non-confidential files at Sproule. No material information regarding the reserves evaluation would have been obtained by an on-site visit.

Historical Data, Interests and Burdens

1. All historical production, revenue and expense data, product prices actually received, and other data that were obtained from the Company or from public sources were accepted as represented, without any further investigation by Sproule.
2. Property descriptions, details of interests held, and well data, as supplied by the Company, were accepted as represented. No investigation was made into either the legal titles held or any operating agreements in place relating to the subject properties.
3. Lessor and overriding royalties and other burdens were obtained from the Company. No further investigation was undertaken by Sproule.
4. Sproule reserves the right to review all calculations made, referred to or included in this report and to revise the estimates as a result of erroneous data supplied by the Company or information that exists but was not made available to us, which becomes known subsequent to the preparation of this report.

Evaluation Standards

This report has been prepared by Sproule using current geological and engineering knowledge, techniques and computer software. It has been prepared within the Code of Ethics of the Association of Professional Engineers and Geoscientists of Alberta ("APEGA"). This report adheres in all material aspects to the "best practices" recommended in the COGE Handbook which are in accordance with principles and definitions established by the Calgary Chapter of the Society of Petroleum Evaluation Engineers. The COGE Handbook is incorporated by reference in National Instrument 51-101.

Evaluation Procedures

1. The Company provided Sproule with recent revenue statements to determine certain economic parameters.
2. The forecasts of product prices used in this evaluation were based on Sproule's November 30, 2012 price forecasts. Further discussion is included in Appendix B.
3. Well abandonment and disconnect costs were included in this report at the entity level for wells which have reserves assigned. No allowances for reclamation or salvage values were made. Further discussion is included in Appendix D.
4. The inclusion of future drilling locations and other future capital investments required a positive before tax net present value at a 5 percent discount rate.
5. The development forecast presented in this evaluation was based on a complete evaluation of the Company's lands for the zones identified by the Company to be prospective for economic development at this time. The development forecast represents full development of the lands for which reserves could be assigned to the best of our knowledge. Additional potential could exist within zones which were not identified by the Company.
6. For this evaluation, Sproule worked on the reserves evaluation model, Value Navigator (ValNav). The functionality of the program is not the responsibility of Sproule, and results were accepted as calculated by the model. Sproule's responsibility is limited to the quality of the data input and reasonableness of the outcoming results.

Evaluation Results

1. The analysis of the property as reported herein was conducted within the context and scope of an evaluation. Use of this report outside of this scope may not be appropriate.
2. The accuracy of reserves estimates and associated economic analysis is, in part, a function of the quality and quantity of available data and of engineering and geological interpretation and judgment. Given the data provided at the time this report was prepared, the estimates presented herein are considered reasonable. However, they should be accepted with the understanding that reservoir and financial performance subsequent to the date of the estimates may necessitate revision. These revisions may be material.

3. The net present values of the reserves presented in this report simply represent discounted future cash flow values at several discount rates. Though net present values form an integral part of fair market value estimations, without consideration for other economic criteria, they are not to be construed as Sproule's opinion of fair market value.
4. Due to rounding, certain totals may not be consistent from one presentation to the next.

BOE Cautionary Statement

BOE's (or 'McfGE's' or other applicable units of equivalency) may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 bbl (or 'An McfGE conversion ratio of 1 bbl:6 Mcf') is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Forward-Looking Statements

This report may contain forward-looking statements including expectations of future production revenues and capital expenditures. Information concerning reserves may also be deemed to be forward-looking as estimates involve the implied assessment 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 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., corporate commitment, regulatory approval, 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 estimations; the uncertainty of estimates and projections relating to production; costs and expenses; health, safety and environmental factors; commodity prices; and exchange rate fluctuation.

Exclusivity

This report has been prepared for the exclusive use of KR Investment Ltd. It may not be reproduced, distributed, or made available to any other company or person, regulatory body, or organization without the knowledge and written consent of Sproule, and without the complete contents of the report being made available to that party.

Certification

Report Preparation

The report entitled "Evaluation of Certain P&NG Reserves owned by POC Growth II Limited Partnership in the Provost Area of Alberta, Canada for KR Investment Ltd. (As of December 31, 2012)" was prepared by the following Sproule personnel:

Original Signed by Brent A. Hawkwood, C.E.T.

Brent A. Hawkwood, C.E.T.
Project Leader;
Senior Petroleum Technologist and Partner
21 / 12 /2012 dd/mm/yr

Original Signed by Alec Kovaltchouk, P.Geo.

Alec Kovaltchouk, P.Geo.
Manager, Geoscience and Partner
21 / 12 /2012 dd/mm/yr

Sproule Executive Endorsement

This report has been reviewed and endorsed by the following Executive of Sproule:

Original Signed by Cameron P. Six, P.Eng.

Cameron P. Six, P.Eng.
Vice-President, Engineering, Canada and Partner
21 / 12 /2012 dd/mm/yr

Permit to Practice

Sproule Associates Limited is a member of the Association of Professional Engineers and Geoscientists of Alberta and our permit number is P00417.

Certificate

Brent A. Hawkwood, C.E.T.

I, Brent A. Hawkwood, Senior Petroleum Technologist and Partner of Sproule, 900, 140 Fourth Ave SW, Calgary, Alberta, declare the following:

1. I hold the following diploma:
 - a. Petroleum Technology (Geology) Southern Alberta Institute of Technology, Calgary AB, Canada
2. I am a member of the following professional organization:
 - a. The Association of Science and Engineering Technology Professionals of Alberta (ASET)
3. I am a qualified reserves evaluator and reserves auditor as defined in National Instrument 51-101.
4. My contribution to the report entitled "Evaluation of Certain P&NG Reserves owned by POC Growth II Limited Partnership in the Provost Area of Alberta, Canada for KR Investment Ltd. (As of December 31, 2012)" is based on my engineering knowledge and the data provided to me by the Company, from public sources, and from the non-confidential files of Sproule. I did not undertake a field inspection of the properties.
5. I have no interest, direct or indirect, nor do I expect to receive any interest, direct or indirect, in the properties described in the above-named report or in the securities of KR Investment Ltd.

Original Signed by Brent A. Hawkwood, C.E.T.

Brent A. Hawkwood, C.E.T.

Certificate

Alec Kovaltchouk, M.Sc., P.Geol.

I, Alec Kovaltchouk, Manager, Geoscience and Partner of Sproule, 900, 140 Fourth Ave. SW, Calgary, Alberta, declare the following:

1. I hold the following degree:
 - a. M.Sc. Geochemistry (1981) University of Lviv, Lviv, Ukraine
2. I am a registered professional:
 - a. Professional Geologist (P.Geol.), Province of Alberta, Canada
3. I am a member of the following professional organizations:
 - a. Association of Professional Engineers and Geoscientists of Alberta (APEGA)
 - b. Canadian Society of Petroleum Geologists (CSPG)
4. I am a qualified reserves evaluator and reserves auditor as defined in National Instrument 51-101.
5. My contribution to the report entitled "Evaluation of Certain P&NG Reserves owned by POC Growth II Limited Partnership in the Provost Area of Alberta, Canada for KR Investment Ltd. (As of December 31, 2012)" is based on my geological knowledge and the data provided to me by the Company, from public sources, and from the non-confidential files of Sproule. I did not undertake a field inspection of the properties.
6. I have no interest, direct or indirect, nor do I expect to receive any interest, direct or indirect, in the properties described in the above-named report or in the securities of KR Investment Ltd.

Original Signed by Alec Kovaltchouk, P.Geol.

Alec Kovaltchouk, P.Geol.

Certificate

Cameron P. Six, B.Sc., P.Eng.

I, Cameron P. Six, Vice-President, Engineering, and Partner of Sproule, 900, 140 Fourth Ave SW, Calgary, Alberta, declare the following:

1. I hold the following degree:
 - a. B.Sc. Chemical Engineering (1979) University of Calgary, Calgary AB, Canada
2. I am a registered professional:
 - a. Professional Engineer (P.Eng.) Province of Alberta, Canada
3. I am a member of the following professional organizations:
 - a. Association of Professional Engineers and Geoscientists of Alberta (APEGA)
 - b. Society of Petroleum Engineers (SPE)
4. I am a qualified reserves evaluator and reserves auditor as defined in National Instrument 51-101.
5. My contribution to the report entitled "Evaluation of Certain P&NG Reserves owned by POC Growth II Limited Partnership in the Provost Area of Alberta, Canada for KR Investment Ltd. (As of December 31, 2012)" is based on my engineering knowledge and the data provided to me by the Company, from public sources, and from the non-confidential files of Sproule. I did not undertake a field inspection of the properties.
6. I have no interest, direct or indirect, nor do I expect to receive any interest, direct or indirect, in the properties described in the above-named report or in the securities of KR Investment Ltd.

Original Signed by Cameron P. Six, P.Eng.

Cameron P. Six, P.Eng.

Summary

Table S-1 summarizes our evaluation, after income taxes, and Table S-1A summarizes our evaluation, before income taxes, of a 20 percent working interest in the P&NG reserves currently owned by POC Growth II Limited Partnership in the Provost area of Alberta for KR Investment Ltd., as of December 31, 2012.

The reserves definitions and ownership classification used in this evaluation are the standards defined by COGEH reserve definitions and consistent with NI 51-101 and used by Sproule. The oil reserves are presented in thousands of barrels, at stock tank conditions.

The net present values of the reserves are presented (on a before and after income tax basis) in Canadian dollars and are based on annual projections of net revenue, which were discounted at various rates using the mid-period discounting method. These rates are 5, 10, 15 and 20 percent and undiscounted.

The price forecasts that formed the basis for the revenue projections in the evaluation were based on Sproule's November 30, 2012 pricing model. Table S-2 presents a summary of selected forecasts.

Summary forecasts of production and net revenue for the various reserves categories are presented in Tables S-3 through S-3D, respectively. Tax Pools have been included at the Corporate level. Well abandonment and disconnect costs have been included in this report at the entity level for all wells assigned reserves and are summarized in the Corporate totals for the various reserves categories.

Following Table S-3D are Figures S-1 through S-3, which are various graphs generated from the results of this evaluation.

Table S-1

KR Investment Ltd.

Consolidation**SUMMARY OF THE EVALUATION OF THE P. & N.G. RESERVES**

(As of Date: 2012-12-31)

	Remaining Reserves			Net Present Values After Income Taxes				
	Gross 100%	Company		@ 0%	@ 5%	@ 10%	@ 15%	@ 20%
		Gross	Net					
Heavy Oil (Mbbbl)								
Proved Developed Producing	104.0	20.8	18.0	827	689	590	518	463
Proved Undeveloped	180.0	36.0	27.9	671	519	405	318	250
Total Proved	284.0	56.8	45.9	1498	1208	996	836	713
Probable Developed Producing	37.2	7.4	6.4	336	205	136	97	73
Probable Undeveloped	45.0	9.0	7.0	273	208	165	134	112
Total Probable	82.2	16.4	13.4	609	414	301	231	185
Total Proved+Probable	366.2	73.2	59.3	2107	1621	1297	1067	898
Grand Total (Mboe)								
Proved Developed Producing	104.0	20.8	18.0	827	689	590	518	463
Proved Undeveloped	180.0	36.0	27.9	671	519	405	318	250
Total Proved	284.0	56.8	45.9	1498	1208	996	836	713
Probable Developed Producing	37.2	7.4	6.4	336	205	136	97	73
Probable Undeveloped	45.0	9.0	7.0	273	208	165	134	112
Total Probable	82.2	16.4	13.4	609	414	301	231	185
Total Proved+Probable	366.2	73.2	59.3	2107	1621	1297	1067	898

Table S-1A

KR Investment Ltd.

Provost

SUMMARY OF THE EVALUATION OF THE P. & N.G. RESERVES

(As of Date: 2012-12-31)

	Remaining Reserves			Net Present Values Before Income Taxes				
	Gross 100%	Company		@ 0%	@ 5%	@ 10%	@ 15%	@ 20%
		Gross	Net					
Heavy Oil (Mbbbl)								
Proved Developed Producing	104.0	20.8	18.0	829	690	592	519	464
Proved Undeveloped	180.0	36.0	27.9	842	667	535	434	354
Total Proved	284.0	56.8	45.9	1670	1357	1127	953	818
Probable Developed Producing	37.2	7.4	6.4	337	206	137	98	74
Probable Undeveloped	45.0	9.0	7.0	410	312	247	200	167
Total Probable	82.2	16.4	13.4	747	519	384	299	241
Total Proved+Probable	366.2	73.2	59.3	2417	1876	1511	1251	1058
Grand Total (Mboe)								
Proved Developed Producing	104.0	20.8	18.0	829	690	592	519	464
Proved Undeveloped	180.0	36.0	27.9	842	667	535	434	354
Total Proved	284.0	56.8	45.9	1670	1357	1127	953	818
Probable Developed Producing	37.2	7.4	6.4	337	206	137	98	74
Probable Undeveloped	45.0	9.0	7.0	410	312	247	200	167
Total Probable	82.2	16.4	13.4	747	519	384	299	241
Total Proved+Probable	366.2	73.2	59.3	2417	1876	1511	1251	1058

Table S-2					
Summary of Selected Price Forecasts					
(Effective November 30, 2012)					
Year	WTI Cushing ^a Oklahoma (\$US/bbl)	Edmonton Par Price 40° API (\$Cdn/bbl)	Alberta AECO-C Spot (\$Cdn/MMBTU)	Henry Hub (\$US/MMBtu)	Cromer LSB 35 API (\$Cdn/bbl)
Historical					
2006	66.09	73.30	7.16	7.23	
2007	72.27	77.06	6.65	6.86	
2008	99.59	102.85	8.15	9.04	
2009	61.63	66.20	4.19	4.01	63.86
2010	79.43	77.80	4.16	4.39	76.57
2011	95.00	95.16	3.72	4.04	89.68
Forecast					
2012	85.93	86.10	3.39	3.71	83.10
2013	88.57	88.74	3.60	3.91	85.74
2014	88.75	88.92	3.90	4.21	85.92
2015	88.24	88.40	4.09	4.41	85.40
2016	99.37	99.56	4.93	5.24	96.56
2017	101.35	101.55	5.60	5.91	98.55
2018	103.38	103.58	5.72	6.03	100.58
2019	105.45	105.65	5.84	6.15	102.65
2020	107.56	107.76	5.96	6.27	104.76
2021	109.71	109.92	6.09	6.40	106.92
2022	111.90	112.12	6.22	6.53	109.12
Escalation rate of 2.0% thereafter					

Note:

- a. 40 degrees API, 0.4% sulphur

Table S-3

Proved+Probable

KR Investment Ltd.

Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	366.2	0	0	0.0	0.0	0.0	0.0	0.0	0.0	366.2
Co Grs	0.0	73.2	0	0	0.0	0.0	0.0	0.0	0.0	0.0	73.2
Co Net	0.0	59.3	0	0	0.0	0.0	0.0	0.0	0.0	0.0	59.3

	Net Present Value									
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow	Income Taxes	After Tax Cash Flow	
	%	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
	0.0	562	2519	0	102	0	2417	310	2107	
	5.0	543	1935	0	59	0	1876	255	1621	
	8.0	532	1688	0	46	0	1641	229	1412	
	10.0	525	1551	0	40	0	1511	214	1297	
	12.0	518	1433	0	35	0	1397	202	1196	
	15.0	509	1281	0	30	0	1251	184	1067	
	20.0	494	1083	0	24	0	1058	161	898	
	25.0	480	931	0	21	0	910	143	767	

Reserve Life = 29.0 yrs Reserve Half Life = 3.8 yrs BOE Reserve Index = 8.8 Before Tax Payout = 1.2 yrs

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow	Income Tax	ATax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	23	0	23	642	0	0	32	108	129	0	562	0	-190	10	-200
2014	37	0	37	1037	0	0	30	203	196	0	0	19	589	81	508
2015	24	0	24	666	0	0	15	124	143	0	0	6	378	43	336
2016	18	0	18	584	0	0	14	106	134	0	0	0	331	41	290
2017	15	0	15	486	0	0	10	86	130	0	0	0	260	32	229
2018	13	0	13	420	0	0	8	73	128	0	0	0	211	26	186
2019	11	0	11	371	0	0	7	64	127	0	0	0	174	21	153
2020	10	0	10	334	0	0	6	57	126	0	0	0	145	18	128
2021	9	0	9	303	0	0	5	52	127	0	0	0	120	14	106
2022	8	0	8	279	0	0	5	47	127	0	0	0	100	12	89
2023	7	0	7	259	0	0	4	44	128	0	0	0	83	9	74
2024	6	0	6	214	0	0	4	34	112	0	0	23	41	0	41
2025	4	0	4	163	0	0	4	24	88	0	0	0	48	3	45
2026	4	0	4	150	0	0	3	21	85	0	0	8	32	0	32
2027	3	0	3	105	0	0	3	12	60	0	0	25	5	0	5
2028	1	0	1	54	0	0	3	1	31	0	0	0	19	0	19
2029	1	0	1	52	0	0	3	1	31	0	0	0	17	0	17
2030	1	0	1	50	0	0	3	1	32	0	0	0	14	0	14
2031	1	0	1	48	0	0	3	1	32	0	0	0	12	0	12
2032	1	0	1	43	0	0	3	1	30	0	0	9	1	0	1
SubT				6261	0	0	165	1059	1994	0	562	91	2391	310	2081
9yr				222	0	0	19	3	162	0	0	11	26	0	26
Total				6483	0	0	184	1062	2156	0	562	102	2417	310	2107
Discounted Cash	5%			4929	0	0	136	846	1469	0	543	59	1876	255	1621
Streams	10%			3980	0	0	110	700	1093	0	525	40	1511	214	1297
	15%			3346	0	0	95	597	864	0	509	30	1251	184	1067
	20%			2893	0	0	84	520	713	0	494	24	1058	161	898

Table S-3A

Proved

KR Investment Ltd.

Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	284.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	284.0
Co Grs	0.0	56.8	0	0	0.0	0.0	0.0	0.0	0.0	0.0	56.8
Co Net	0.0	45.9	0	0	0.0	0.0	0.0	0.0	0.0	0.0	45.9

	Net Present Value									
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow	Income Taxes	After Tax Cash Flow	
	%	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
	0.0	562	1766	0	96	0	1670	172	1498	
	5.0	543	1421	0	64	0	1357	149	1208	
	8.0	532	1263	0	52	0	1211	138	1073	
	10.0	525	1173	0	46	0	1127	131	996	
	12.0	518	1093	0	41	0	1052	125	926	
	15.0	509	988	0	35	0	953	117	836	
	20.0	494	846	0	29	0	818	105	713	
	25.0	480	735	0	25	0	710	95	615	

Reserve Life = 19.6 yrs

Reserve Half Life = 3.0 yrs

BOE Reserve Index = 7.0

Before Tax Payout = 1.2 yrs

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow	Income Tax	ATax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	22	0	22	625	0	0	30	105	128	0	562	0	-201	7	-208
2014	33	0	33	928	0	0	25	180	178	0	0	19	526	65	461
2015	21	0	21	582	0	0	11	107	137	0	0	6	321	28	292
2016	16	0	16	500	0	0	10	90	129	0	0	0	272	27	245
2017	13	0	13	409	0	0	7	72	125	0	0	0	205	18	187
2018	11	0	11	348	0	0	5	61	123	0	0	0	159	13	146
2019	9	0	9	303	0	0	4	52	122	0	0	0	124	9	116
2020	8	0	8	269	0	0	3	46	122	0	0	0	97	6	92
2021	7	0	7	233	0	0	3	40	119	0	0	22	49	0	49
2022	4	0	4	159	0	0	2	24	83	0	0	7	42	0	42
2023	4	0	4	130	0	0	2	19	70	0	0	0	39	0	39
2024	3	0	3	121	0	0	2	17	71	0	0	0	31	0	31
2025	2	0	2	91	0	0	2	11	61	0	0	24	-7	0	-7
2026	1	0	1	30	0	0	1	0	19	0	0	8	1	0	1
2027	1	0	1	24	0	0	1	0	15	0	0	0	7	0	7
2028	1	0	1	22	0	0	1	0	15	0	0	0	6	0	6
2029	0	0	0	21	0	0	1	0	15	0	0	0	4	0	4
2030	0	0	0	19	0	0	1	0	16	0	0	0	3	0	3
2031	0	0	0	18	0	0	1	0	16	0	0	0	1	0	1
2032	0	0	0	10	0	0	1	0	9	0	0	9	-9	0	-9
Total				4843	0	0	114	827	1574	0	562	96	1670	172	1498
Discounted Cash		5%		3926	0	0	96	685	1183	0	543	64	1357	149	1208
Streams		10%		3297	0	0	83	582	933	0	525	46	1127	131	996
		15%		2843	0	0	74	506	765	0	509	35	953	117	836
		20%		2502	0	0	68	448	646	0	494	29	818	105	713



Table S-3B

Proved Developed Producing

KR Investment Ltd.

Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	104.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	104.0
Co Grs	0.0	20.8	0	0	0.0	0.0	0.0	0.0	0.0	0.0	20.8
Co Net	0.0	18.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	18.0

	Net Present Value									
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow	Income Taxes	After Tax Cash Flow	
	%	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
	0.0	0	879	0	50	0	829	1	827	
	5.0	0	726	0	36	0	690	1	689	
	8.0	0	659	0	31	0	627	1	626	
	10.0	0	621	0	29	0	592	1	590	
	12.0	0	587	0	27	0	560	1	559	
	15.0	0	544	0	25	0	519	1	518	
	20.0	0	486	0	22	0	464	1	463	
	25.0	0	440	0	20	0	420	1	419	

Reserve Life = 19.6 yrs

Reserve Half Life = 3.2 yrs

BOE Reserve Index = 4.7

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow	Income Tax	ATax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	12	0	12	337	0	0	23	41	94	0	0	0	180	1	178
2014	9	0	9	242	0	0	14	26	69	0	0	19	115	0	115
2015	6	0	6	170	0	0	8	15	45	0	0	6	97	0	97
2016	5	0	5	159	0	0	9	13	42	0	0	0	95	0	95
2017	4	0	4	136	0	0	7	11	42	0	0	0	77	0	77
2018	4	0	4	118	0	0	5	9	41	0	0	0	63	0	63
2019	3	0	3	104	0	0	4	8	41	0	0	0	51	0	51
2020	3	0	3	92	0	0	3	7	41	0	0	0	41	0	41
2021	2	0	2	82	0	0	3	6	41	0	0	0	33	0	33
2022	2	0	2	74	0	0	2	5	41	0	0	7	18	0	18
2023	1	0	1	51	0	0	2	1	28	0	0	0	20	0	20
2024	1	0	1	47	0	0	2	1	28	0	0	0	16	0	16
2025	1	0	1	43	0	0	2	1	29	0	0	0	12	0	12
2026	1	0	1	30	0	0	1	0	19	0	0	8	1	0	1
2027	1	0	1	24	0	0	1	0	15	0	0	0	7	0	7
2028	1	0	1	22	0	0	1	0	15	0	0	0	6	0	6
2029	0	0	0	21	0	0	1	0	15	0	0	0	4	0	4
2030	0	0	0	19	0	0	1	0	16	0	0	0	3	0	3
2031	0	0	0	18	0	0	1	0	16	0	0	0	1	0	1
2032	0	0	0	10	0	0	1	0	9	0	0	9	-9	0	-9
Total				1801	0	0	92	143	687	0	0	50	829	1	827
Discounted		5%		1428	0	0	75	122	504	0	0	36	690	1	689
Cash		10%		1187	0	0	64	108	395	0	0	29	592	1	590
Streams		15%		1022	0	0	56	96	326	0	0	25	519	1	518
		20%		903	0	0	51	88	279	0	0	22	464	1	463

Table S-3C

Proved Undeveloped

KR Investment Ltd.

Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross Co Grs	0.0	180.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	180.0
Co Net	0.0	36.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	36.0
	0.0	27.9	0	0	0.0	0.0	0.0	0.0	0.0	0.0	27.9

	Net Present Value								
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow	Income Taxes	After Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	562	887	0	46	0	842	171	671
	5.0	543	695	0	27	0	667	148	519
	8.0	532	604	0	20	0	584	137	447
	10.0	525	552	0	17	0	535	130	405
	12.0	518	506	0	14	0	492	124	367
	15.0	509	445	0	11	0	434	116	318
	20.0	494	361	0	7	0	354	104	250
	25.0	480	294	0	5	0	290	94	195

Reserve Life = 12.2 yrs

Reserve Half Life = 2.2 yrs

BOE Reserve Index = 3.3

Before Tax Payout = 1.1 yrs

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow	Income Tax	ATax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	41	0	41	288	0	0	7	65	34	0	562	0	-380	6	-386
2014	24	0	24	686	0	0	11	154	109	0	0	0	412	65	346
2015	15	0	15	411	0	0	3	93	92	0	0	0	224	28	196
2016	11	0	11	341	0	0	1	77	86	0	0	0	177	27	150
2017	8	0	8	273	0	0	0	61	83	0	0	0	128	18	110
2018	7	0	7	230	0	0	0	52	82	0	0	0	96	13	83
2019	6	0	6	199	0	0	0	45	81	0	0	0	73	9	64
2020	5	0	5	177	0	0	0	40	81	0	0	0	56	6	50
2021	4	0	4	151	0	0	0	34	78	0	0	22	17	0	17
2022	2	0	2	85	0	0	0	19	42	0	0	0	24	0	24
2023	2	0	2	79	0	0	0	18	42	0	0	0	19	0	19
2024	2	0	2	74	0	0	0	17	43	0	0	0	15	0	15
2025	1	0	1	47	0	0	0	11	32	0	0	24	-19	0	-19
Total				3042	0	0	22	685	886	0	562	46	842	171	671
Discounted Cash Streams		5%		2499	0	0	21	562	679	0	543	27	667	148	519
		10%		2110	0	0	19	475	538	0	525	17	535	130	405
		15%		1821	0	0	18	410	439	0	509	11	434	116	318
		20%		1599	0	0	17	360	368	0	494	7	354	104	250

Table S-3D

Probable

KR Investment Ltd.

Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	82.2	0	0	0.0	0.0	0.0	0.0	0.0	0.0	82.2
Co Grs	0.0	16.4	0	0	0.0	0.0	0.0	0.0	0.0	0.0	16.4
Co Net	0.0	13.4	0	0	0.0	0.0	0.0	0.0	0.0	0.0	13.4

	Net Present Value									
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow	Income Taxes	After Tax Cash Flow	
	%	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
	0.0	0	753	0	6	0	747	138	609	
	5.0	0	514	0	-4	0	519	105	414	
	8.0	0	425	0	-6	0	430	91	339	
	10.0	0	378	0	-6	0	384	83	301	
	12.0	0	340	0	-6	0	345	76	269	
	15.0	0	293	0	-5	0	299	67	231	
	20.0	0	236	0	-5	0	241	56	185	
	25.0	0	196	0	-4	0	200	47	153	

Reserve Life = 29.0 yrs

Reserve Half Life = 9.5 yrs

BOE Reserve Index = 73.9

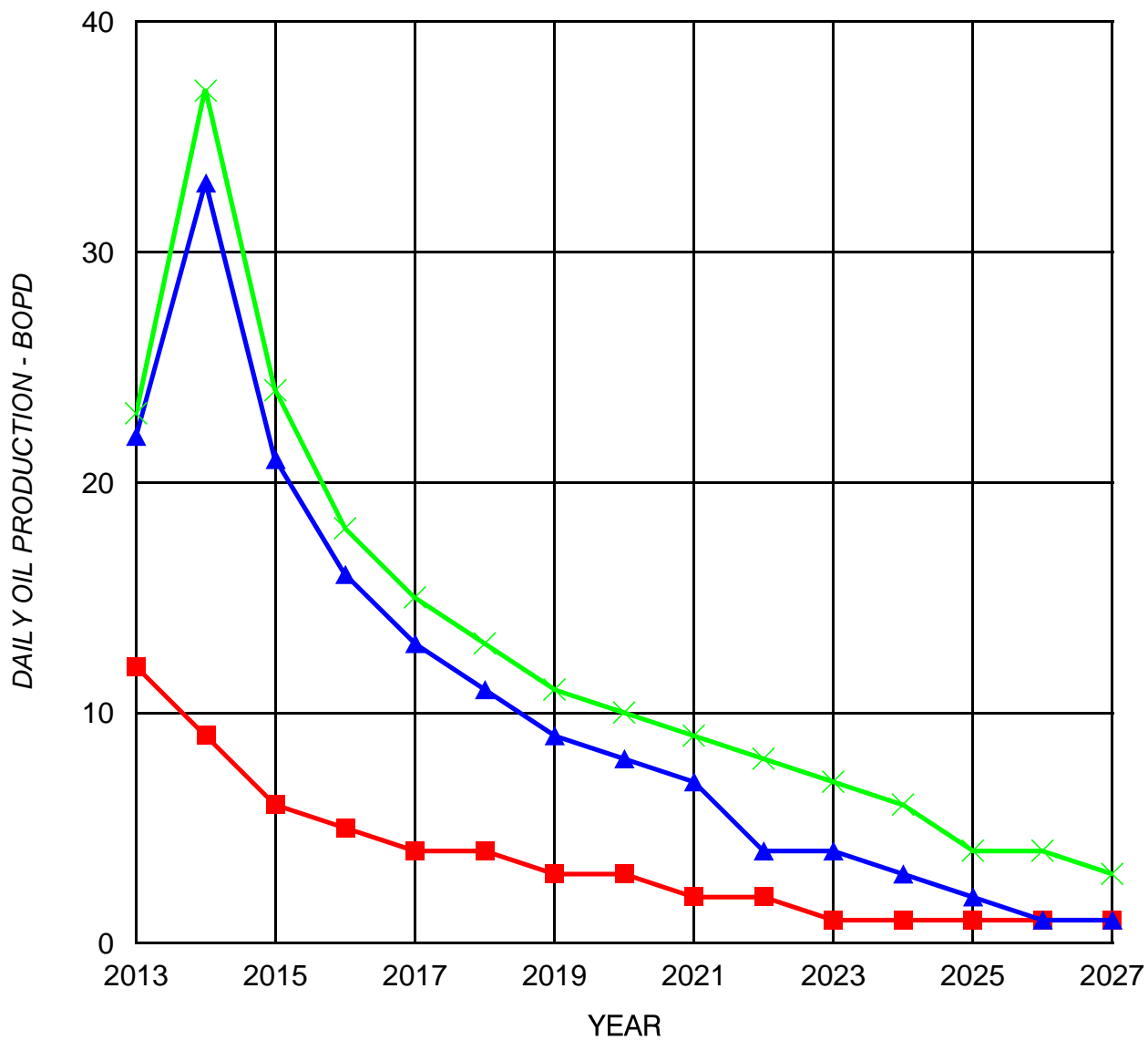
YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow	Income Tax	ATax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	1	0	1	17	0	0	2	3	1	0	0	0	11	3	8
2014	4	0	4	108	0	0	5	23	18	0	0	0	62	16	47
2015	3	0	3	84	0	0	4	17	6	0	0	0	58	14	43
2016	3	0	3	84	0	0	4	16	5	0	0	0	59	15	44
2017	2	0	2	77	0	0	3	14	5	0	0	0	55	14	41
2018	2	0	2	72	0	0	3	13	4	0	0	0	52	13	39
2019	2	0	2	68	0	0	2	12	4	0	0	0	50	12	37
2020	2	0	2	65	0	0	2	11	4	0	0	0	48	12	36
2021	2	0	2	70	0	0	2	12	7	0	0	-22	71	14	57
2022	3	0	3	120	0	0	2	23	44	0	0	-7	58	12	47
2023	3	0	3	129	0	0	2	25	58	0	0	0	44	9	35
2024	2	0	2	93	0	0	2	17	41	0	0	23	10	0	10
2025	2	0	2	73	0	0	2	12	27	0	0	-24	55	3	52
2026	3	0	3	120	0	0	2	21	66	0	0	0	31	0	31
2027	2	0	2	81	0	0	2	11	45	0	0	25	-2	0	-2
2028	1	0	1	32	0	0	2	0	16	0	0	0	14	0	14
2029	1	0	1	31	0	0	2	0	16	0	0	0	13	0	13
2030	1	0	1	30	0	0	2	0	16	0	0	0	12	0	12
2031	1	0	1	30	0	0	2	0	16	0	0	0	11	0	11
2032	1	0	1	33	0	0	2	0	21	0	0	0	10	0	10
SubT				1418	0	0	51	231	420	0	0	-5	721	138	583
9yr				222	0	0	19	3	162	0	0	11	26	0	26
Total				1639	0	0	70	235	582	0	0	6	747	138	609
Discounted Cash	5%			1002	0	0	40	161	286	0	0	-4	519	105	414
Streams	10%			683	0	0	27	118	160	0	0	-6	384	83	301
	15%			503	0	0	20	91	99	0	0	-5	299	67	231
	20%			392	0	0	16	72	67	0	0	-5	241	56	185

FIGURE S-1

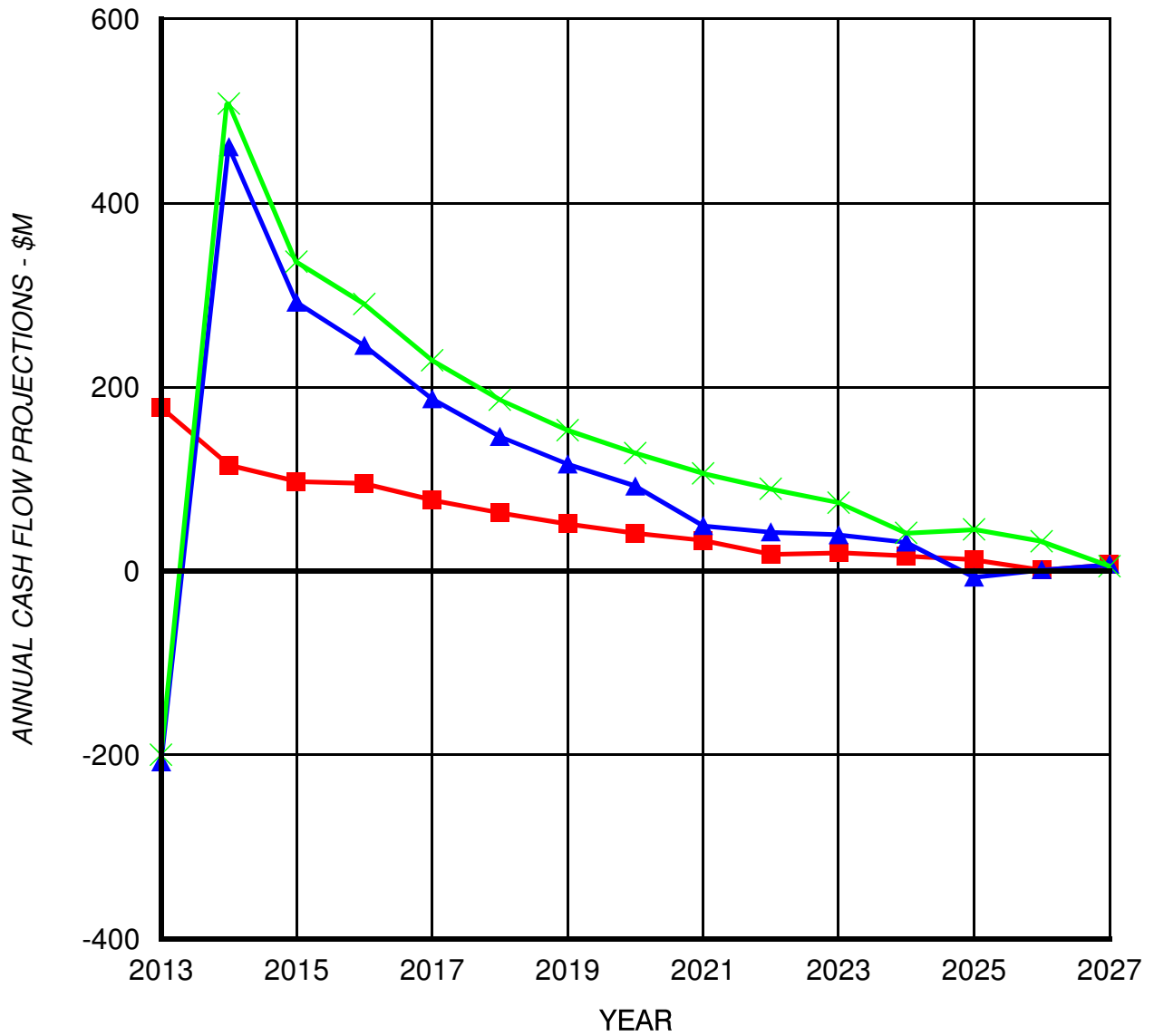
KR INVESTMENT LTD.
DAILY COMPANY GROSS OIL PRODUCTION FORECAST



PROVED PLUS PROBABLE
PROVED
PROVED DEVELOPED PRODUCING

FIGURE S-2

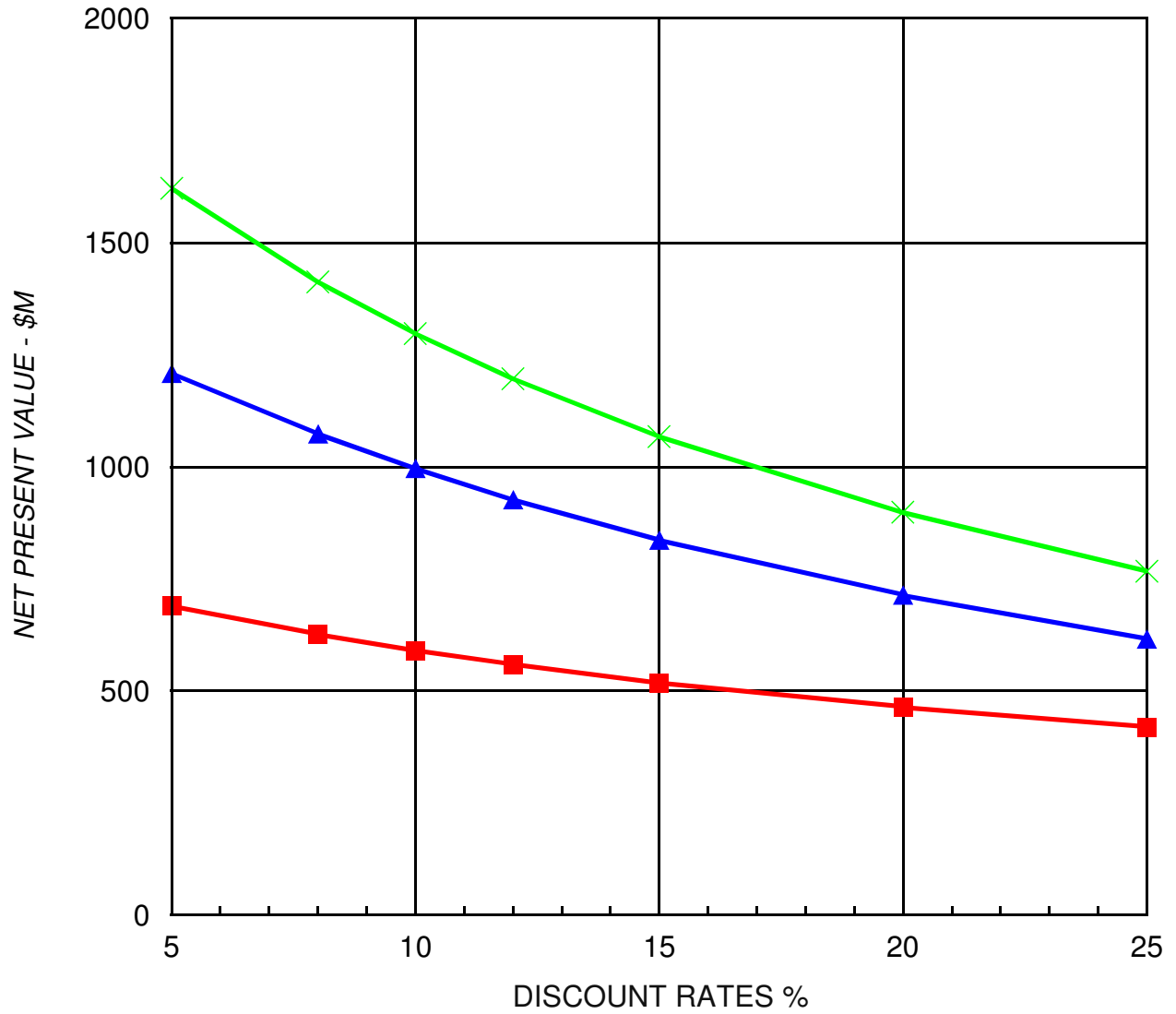
KR INVESTMENT LTD.
ANNUAL CASH FLOW (AFTER INCOME TAX)



- PROVED PLUS PROBABLE
- PROVED
- PROVED DEVELOPED PRODUCING

FIGURE S-3

KR INVESTMENT LTD.
NET PRESENT VALUE (AFTER INCOME TAX)



- PROVED PLUS PROBABLE
- PROVED
- PROVED DEVELOPED PRODUCING

Discussion

The Company's P&NG reserves are located in the province of Alberta, Canada.

Reserves and Production

The oil reserves were estimated from production decline curve analyses and analogy techniques.

Forecasts of net revenue were prepared by predicting annual production from the reserves, and product prices. Annual production was forecast taking into account historical production trends of the Company's producing wells, applicable regulatory conditions, and by comparison with other wells in the vicinity producing from similar reservoirs.

Net Present Values

Detailed forecasts of production and net revenue for the various reserves categories for the Company are presented in Table 3. Well abandonment and disconnect costs are included at the entity level for all entities that have reserves assigned.

Geological Setting

There are two producing and prospective zones within the Provost area within the KR Investment Ltd. lands located within Township 41 Range 3W4M. The zones include the Lloydminster Sand of the Lower Grand Rapids Formation and the underlying Cummings Member of the Clearwater Formation. Both of these formations are within the Lower Cretaceous Mannville Group.

Production from the Lloydminster Sand on these lands is from the Lloydminster NN Pool. A petrophysical review was done of the well logs on these lands with the following findings. Porosities of producing wells are overall within the 30% to 31% range with low water saturations of 10% to 15%. Net pays vary up to 7.5 metres but are more commonly about 2 metres in thickness. The volumetric values are in agreement with production to date. The Lloydminster is characterized as a clean, quartzose, unconsolidated sand. Quite commonly, and sometimes significantly, the Lloydminster sands on these lands are bound by both overlying and underlying coals. The Lloydminster is productive mainly on the east half of the

company-owned lands in Section 4 as well as the immediate offsetting LSD's in Section 3. Mapping of the net pays suggest a potential undrilled trend between the 03/5-3-41-3W4M well and the 00/11-3-41-3W4M well. Net pays for the Lloydminster in these two wells are 6.2 m and 1.2 m respectively, suggesting that the better undrilled locations for the Lloydminster would preferentially be to the west in the NE5-3, NW6-3 and SW11-3 LSD's.

Production from the Cummings Member on these lands is from three designated pools, the Cummings N6N, F3F and U6U pools. The productive wells are all in Section 3 with the exception of one that is in Section 4. Structurally, the formation drops off to the west and the zone is wet. The Cummings shows up on well logs as a clean sand with no associated coals. However the reservoir quality is not as good as the overlying Lloydminster sand, with porosities typically only ranging from 22% to 26%. Water saturations are also higher in this member, typically in the 40% range. Net pays of producing wells in this zone vary from 1.6 m to 2.5 m. The most favorable locations for the Cummings Member are in the NE5, NW6, S11, and SE12 LSD's.

Tax Pools

The following tax pools, effective as of December 31, 2012, have been provided by the Company and are included in the Corporate total net present values in Tables S-1, S-3 through S-3D, and D-2 through D-2D.

COGPE	:	\$	1,071,200
UCC Class 41	:	\$	267,800
Total	:	\$	1,339,000

Pertinent Data

KR Investment Ltd.

Provost

Land: WI of 20% on all entities.
 Crown on 2 entities with royalty categories of 2011
 Freehold on 11 entities
 Gross override's ranging from 1.5% to 2.5% on all entities.

Reserves Estimation: Oil by Decline (7 cases) on PDP
 Oil by Analog (6 cases) on PUD
 Oil by Decline (7 cases) on PPDP
 Oil by Analog (6 cases) on PPUD

Oil Production Rates:Proved Developed Producing

	Zone	Init. Rate bbl/d	Sales GOR scf/bbl	NGL/SalesG bbl/MMcf
102/05-03-041-03W4/0	Lloydminster Nn	4 (13-01)	0	0.0
103/05-03-041-03W4/0	Lloydminster Nn	20 (13-01)	0	0.0
104/05-03-041-03W4/2	Lloydminster Nn	3 (13-01)	0	0.0
100/11-03-041-03W4/0	Cummings N6n	4 (13-01)	0	0.0
100/12-03-041-03W4/0	Cummings U6u	4 (13-01)	0	0.0
105/08-04-041-03W4/0	Lloydminster Nn	18 (13-01)	0	0.0
100/09-04-041-03W4/0	Lloydminster Nn	16 (13-01)	0	0.0

Proved Undeveloped

	Zone	Init. Rate bbl/d	Sales GOR scf/bbl	NGL/SalesG bbl/MMcf
1xx/00-03-041-03W4/ - Cummings Loc 1	Cummings	20 (13-10)	0	0.0
1xx/00-03-041-03W4/ - Cummings Loc 2	Cummings	20 (13-10)	0	0.0
1xx/00-03-041-03W4/ - Cummings Loc 3	Cummings	20 (13-10)	0	0.0
1xx/00-03-041-03W4/ - Lloyd Loc 1	Lloydminster	60 (13-10)	0	0.0
1xx/00-03-041-03W4/ - Lloyd Loc 2	Lloydminster	60 (13-10)	0	0.0
1xx/00-03-041-03W4/ - Lloyd Loc 3	Lloydminster	60 (13-10)	0	0.0

P2 Developed Producing

	Zone	Init. Rate bbl/d	Sales GOR scf/bbl	NGL/SalesG bbl/MMcf
102/05-03-041-03W4/0	Lloydminster Nn	4 (13-01)	0	0.0
103/05-03-041-03W4/0	Lloydminster Nn	20 (13-01)	0	0.0
104/05-03-041-03W4/2	Lloydminster Nn	4 (13-01)	0	0.0
100/11-03-041-03W4/0	Cummings N6n	4 (13-01)	0	0.0
100/12-03-041-03W4/0	Cummings U6u	4 (13-01)	0	0.0
105/08-04-041-03W4/0	Lloydminster Nn	18 (13-01)	0	0.0
100/09-04-041-03W4/0	Lloydminster Nn	16 (13-01)	0	0.0

P2 Undeveloped

	Zone	Init. Rate bbl/d	Sales GOR scf/bbl	NGL/SalesG bbl/MMcf
1xx/00-03-041-03W4/ - Cummings Loc 1	Cummings	20 (13-10)	0	0.0
1xx/00-03-041-03W4/ - Cummings Loc 2	Cummings	20 (13-10)	0	0.0
1xx/00-03-041-03W4/ - Cummings Loc 3	Cummings	20 (13-10)	0	0.0
1xx/00-03-041-03W4/ - Lloyd Loc 1	Lloydminster	60 (13-10)	0	0.0
1xx/00-03-041-03W4/ - Lloyd Loc 2	Lloydminster	60 (13-10)	0	0.0
1xx/00-03-041-03W4/ - Lloyd Loc 3	Lloydminster	60 (13-10)	0	0.0

Operating Costs (2012\$)**Oil:**Proved Developed Producing

102/05-03-041-03W4/0	\$4100 per well per month.
103/05-03-041-03W4/0	\$4.85 per barrel of oil.
104/05-03-041-03W4/2	
100/11-03-041-03W4/0	
100/12-03-041-03W4/0	
105/08-04-041-03W4/0	
100/09-04-041-03W4/0	

Proved Undeveloped

1xx/00-03-041-03W4/ - Cummings Loc 1	\$4100 per well per month.
1xx/00-03-041-03W4/ - Cummings Loc 2	\$4.85 per barrel of oil.
1xx/00-03-041-03W4/ - Cummings Loc 3	
1xx/00-03-041-03W4/ - Lloyd Loc 1	
1xx/00-03-041-03W4/ - Lloyd Loc 2	
1xx/00-03-041-03W4/ - Lloyd Loc 3	

P2 Developed Producing

102/05-03-041-03W4/0	\$4100 per well per month.
103/05-03-041-03W4/0	\$4.85 per barrel of oil.
104/05-03-041-03W4/2	
100/11-03-041-03W4/0	
100/12-03-041-03W4/0	
105/08-04-041-03W4/0	
100/09-04-041-03W4/0	

P2 Undeveloped

1xx/00-03-041-03W4/ - Cummings Loc 1	\$4100 per well per month.
1xx/00-03-041-03W4/ - Cummings Loc 2	\$4.85 per barrel of oil.
1xx/00-03-041-03W4/ - Cummings Loc 3	
1xx/00-03-041-03W4/ - Lloyd Loc 1	
1xx/00-03-041-03W4/ - Lloyd Loc 2	
1xx/00-03-041-03W4/ - Lloyd Loc 3	

Capital Costs (2013\$)Proved Undeveloped

1xx/00-03-041-03W4/ - Cummings Loc 1	M\$50 CCA in 2013
1xx/00-03-041-03W4/ - Cummings Loc 2	M\$400 CDE in 2013
1xx/00-03-041-03W4/ - Cummings Loc 3	

1xx/00-03-041-03W4/ - Lloyd Loc 1
1xx/00-03-041-03W4/ - Lloyd Loc 2
1xx/00-03-041-03W4/ - Lloyd Loc 3

Prices: SK. Cromer Medium Oil price with a decrease of \$6.70 per barrel.

Abandonment: M\$30 on all entities.

KR Investment Ltd.

Provost

Pertinent Data Well List

(As of Date: 2012-12-31)

Entity	ResCat	Oil Gas Cash	ProdSt	Qf	WI	RI	CrR	Non CrR	Min Tax	Grs IntR	Init Wells	Surf Loss	Sales GOR	Sales NglR	Fix / Var Expense		Cap Exp	Aband Exp	Oth. Inc.	ITaxR	Life
															Boe	\$/boe					
			yy/mm	/day	%	%	%	%	%	boe/d		%	scf/bbl	bbl/MMcf			M\$	M\$	M\$	%	Yrs
1xx/00-03-041-03W4/ - Cummings Loc 1	PUD	Oil	13-10	3	20.0	0.0	0.0	22.5	0.6	20	1.0	0.0	0	0.0	7.32	5.05	468	40	0.00	25.0	12.0
1xx/00-03-041-03W4/ - Cummings Loc 1	PPUD	Oil	13-10	3	20.0	0.0	0.0	22.5	0.6	20	1.0	0.0	0	0.0	7.27	5.05	468	41	0.00	25.0	13.9
1xx/00-03-041-03W4/ - Cummings Loc 2	PUD	Oil	13-10	3	20.0	0.0	0.0	22.5	0.6	20	1.0	0.0	0	0.0	7.32	5.05	468	40	0.00	25.0	12.0
1xx/00-03-041-03W4/ - Cummings Loc 2	PPUD	Oil	13-10	3	20.0	0.0	0.0	22.5	0.6	20	1.0	0.0	0	0.0	7.27	5.05	468	41	0.00	25.0	13.9
1xx/00-03-041-03W4/ - Cummings Loc 3	PUD	Oil	13-10	3	20.0	0.0	0.0	22.5	0.6	20	1.0	0.0	0	0.0	7.32	5.05	468	40	0.00	25.0	12.0
1xx/00-03-041-03W4/ - Cummings Loc 3	PPUD	Oil	13-10	3	20.0	0.0	0.0	22.5	0.6	20	1.0	0.0	0	0.0	7.27	5.05	468	41	0.00	25.0	13.9
1xx/00-03-041-03W4/ - Lloyd Loc 1	PUD	Oil	13-10	3	20.0	0.0	0.0	22.5	3.3	60	1.0	0.0	0	0.0	2.84	5.05	468	37	0.00	25.0	8.2
1xx/00-03-041-03W4/ - Lloyd Loc 1	PPUD	Oil	13-10	3	20.0	0.0	0.0	22.5	3.4	60	1.0	0.0	0	0.0	2.72	5.05	468	39	0.00	25.0	10.8
1xx/00-03-041-03W4/ - Lloyd Loc 2	PUD	Oil	13-10	3	20.0	0.0	0.0	22.5	3.3	60	1.0	0.0	0	0.0	2.84	5.05	468	37	0.00	25.0	8.2
1xx/00-03-041-03W4/ - Lloyd Loc 2	PPUD	Oil	13-10	3	20.0	0.0	0.0	22.5	3.4	60	1.0	0.0	0	0.0	2.72	5.05	468	39	0.00	25.0	10.8
1xx/00-03-041-03W4/ - Lloyd Loc 3	PUD	Oil	13-10	3	20.0	0.0	0.0	22.5	3.3	60	1.0	0.0	0	0.0	2.84	5.05	468	37	0.00	25.0	8.2
1xx/00-03-041-03W4/ - Lloyd Loc 3	PPUD	Oil	13-10	3	20.0	0.0	0.0	22.5	3.4	60	1.0	0.0	0	0.0	2.72	5.05	468	39	0.00	25.0	10.8
102/05-03-041-03W4/0	PDP	Oil	13-01	1	20.0	0.0	0.0	22.5	0.0	4	1.0	0.0	0	0.0	45.28	5.05	0	32	0.00	0.0	1.1
102/05-03-041-03W4/0	PPDP	Oil	13-01	1	20.0	0.0	0.0	22.5	0.0	4	1.0	0.0	0	0.0	44.60	5.05	0	32	0.00	0.0	1.1
103/05-03-041-03W4/0	PDP	Oil	13-01	1	20.0	0.0	0.0	22.5	1.1	20	1.0	0.0	0	0.0	8.27	5.05	0	37	0.00	25.0	10.0
103/05-03-041-03W4/0	PPDP	Oil	13-01	1	20.0	0.0	0.0	22.5	1.2	20	1.0	0.0	0	0.0	8.14	5.05	0	40	0.00	25.0	13.8
104/05-03-041-03W4/2	PDP	Oil	13-01	1	20.0	0.0	0.0	22.5	0.0	3	1.0	0.0	0	0.0	44.31	5.05	0	32	0.00	0.0	1.4
104/05-03-041-03W4/2	PPDP	Oil	13-01	1	20.0	0.0	0.0	22.5	0.0	4	1.0	0.0	0	0.0	42.89	5.05	0	32	0.00	0.0	2.0
100/11-03-041-03W4/0	PDP	Oil	13-01	1	20.0	0.0	0.0	22.5	0.0	4	1.0	0.0	0	0.0	39.80	5.05	0	32	0.00	0.0	2.1
100/11-03-041-03W4/0	PPDP	Oil	13-01	1	20.0	0.0	0.0	22.5	0.0	4	1.0	0.0	0	0.0	39.38	5.05	0	32	0.00	0.0	2.1
100/12-03-041-03W4/0	PDP	Oil	13-01	1	20.0	0.0	0.0	22.5	0.0	4	1.0	0.0	0	0.0	40.37	5.05	0	32	0.00	0.0	1.6
100/12-03-041-03W4/0	PPDP	Oil	13-01	1	20.0	0.0	0.0	22.5	0.0	4	1.0	0.0	0	0.0	39.06	5.05	0	32	0.00	0.0	2.0
105/08-04-041-03W4/0	PDP	Oil	13-01	1	20.0	0.0	13.7	1.5	0.0	18	1.0	0.0	0	0.0	9.09	5.05	0	40	0.00	25.0	13.3
105/08-04-041-03W4/0	PPDP	Oil	13-01	1	20.0	0.0	14.2	1.5	0.0	18	1.0	0.0	0	0.0	8.85	5.05	0	45	0.00	25.0	19.8
100/09-04-041-03W4/0	PDP	Oil	13-01	1	20.0	0.0	12.4	1.5	0.0	16	1.0	0.0	0	0.0	9.66	5.05	0	45	0.00	25.0	19.6
100/09-04-041-03W4/0	PPDP	Oil	13-01	1	20.0	0.0	12.7	1.5	0.0	16	1.0	0.0	0	0.0	9.50	5.05	0	54	0.00	25.0	29.0

Table 1
KR Investment Ltd.
Provost
WELL LIST / RESERVOIR DATA
OIL RESERVES

Location	Reserve Category	Analysis Type	Drainage Area	Net Pay	Poros.	Water Sat	Shrink	Original Oil In-Place	Recov. Factor	Original Recoverable Oil
										ac
1xx/00-03-041-03W4/ - Cummings Loc 1	PUD	Analog								30.0
1xx/00-03-041-03W4/ - Cummings Loc 1	PPUD	Analog								35.0
1xx/00-03-041-03W4/ - Cummings Loc 2	PUD	Analog								30.0
1xx/00-03-041-03W4/ - Cummings Loc 2	PPUD	Analog								35.0
1xx/00-03-041-03W4/ - Cummings Loc 3	PUD	Analog								30.0
1xx/00-03-041-03W4/ - Cummings Loc 3	PPUD	Analog								35.0
1xx/00-03-041-03W4/ - Lloyd Loc 1	PUD	Analog								30.0
1xx/00-03-041-03W4/ - Lloyd Loc 1	PPUD	Analog								40.0
1xx/00-03-041-03W4/ - Lloyd Loc 2	PUD	Analog								30.0
1xx/00-03-041-03W4/ - Lloyd Loc 2	PPUD	Analog								40.0
1xx/00-03-041-03W4/ - Lloyd Loc 3	PUD	Analog								30.0
1xx/00-03-041-03W4/ - Lloyd Loc 3	PPUD	Analog								40.0
102/05-03-041-03W4/0	PDP	Decline								30.1*
102/05-03-041-03W4/0	PPDP	Decline								31.0*
103/05-03-041-03W4/0	PDP	Decline								94.7*
103/05-03-041-03W4/0	PPDP	Decline								105.1*
104/05-03-041-03W4/0	NRA									0.0
104/05-03-041-03W4/2	PDP	Decline								16.8*
104/05-03-041-03W4/2	PPDP	Decline								19.5*
100/11-03-041-03W4/0	PDP	Decline								24.8*
100/11-03-041-03W4/0	PPDP	Decline								26.5*
100/12-03-041-03W4/0	PDP	Decline								52.5*
100/12-03-041-03W4/0	PPDP	Decline								54.1*
100/08-04-041-03W4/0	NRA									0.0
102/08-04-041-03W4/0	NRA									29.6*
103/08-04-041-03W4/0	NRA									0.0
104/08-04-041-03W4/0	NRA									95.1*
104/08-04-041-03W4/2	NRA									5.7*
105/08-04-041-03W4/0	PDP	Decline								75.5*
105/08-04-041-03W4/0	PPDP	Decline								90.3*
100/09-04-041-03W4/0	PDP	Decline								176.1*
100/09-04-041-03W4/0	PPDP	Decline								198.6*
104/09-04-041-03W4/0	NRA									0.0
Total Technical Reserves										880.6
Adjusted To Econ. Reserves										707.3

* Reserves have been adjusted for economics.

Table 2
KR Investment Ltd.
Provost
ESTIMATES OF RESERVES AND NET PRESENT VALUES
(As of Date: 2012-12-31)

OIL RESERVES		Original Recoverable Oil	Cum Oil	Remaining Recoverable Oil	Initial Working Interest	Company Gross Oil	Burdens	Company Net Oil	NPV Before Tax			
Location / Pool	Analysis Type								Mbbl	Mbbl	Mbbl	%
		Mbbl	Mbbl	Mbbl	%	Mbbl		Mbbl	M\$	M\$	M\$	M\$
1xx/00-03-041-03W4/ - Cummings Loc 1 (1)												
Cummings (PUD)	Analog	30.0	0.0	30.0	20.00	6.0	FH	4.7	129	95	69	51
1xx/00-03-041-03W4/ - Cummings Loc 1 (1)												
Cummings (PPUD)	Analog	35.0	0.0	35.0	20.00	7.0	FH	5.4	174	125	92	67
1xx/00-03-041-03W4/ - Cummings Loc 2 (1)												
Cummings (PUD)	Analog	30.0	0.0	30.0	20.00	6.0	FH	4.7	129	95	69	51
1xx/00-03-041-03W4/ - Cummings Loc 2 (1)												
Cummings (PPUD)	Analog	35.0	0.0	35.0	20.00	7.0	FH	5.4	174	125	92	67
1xx/00-03-041-03W4/ - Cummings Loc 3 (1)												
Cummings (PUD)	Analog	30.0	0.0	30.0	20.00	6.0	FH	4.7	129	95	69	51
1xx/00-03-041-03W4/ - Cummings Loc 3 (1)												
Cummings (PPUD)	Analog	35.0	0.0	35.0	20.00	7.0	FH	5.4	174	125	92	67
1xx/00-03-041-03W4/ - Lloyd Loc 1 (1)												
Lloydminster (PUD)	Analog	30.0	0.0	30.0	20.00	6.0	FH	4.6	151	128	109	94
1xx/00-03-041-03W4/ - Lloyd Loc 1 (1)												
Lloydminster (PPUD)	Analog	40.0	0.0	40.0	20.00	8.0	FH	6.2	243	201	169	144
1xx/00-03-041-03W4/ - Lloyd Loc 2 (1)												
Lloydminster (PUD)	Analog	30.0	0.0	30.0	20.00	6.0	FH	4.6	151	128	109	94
1xx/00-03-041-03W4/ - Lloyd Loc 2 (1)												
Lloydminster (PPUD)	Analog	40.0	0.0	40.0	20.00	8.0	FH	6.2	243	201	169	144
1xx/00-03-041-03W4/ - Lloyd Loc 3 (1)												
Lloydminster (PUD)	Analog	30.0	0.0	30.0	20.00	6.0	FH	4.6	151	128	109	94
1xx/00-03-041-03W4/ - Lloyd Loc 3 (1)												
Lloydminster (PPUD)	Analog	40.0	0.0	40.0	20.00	8.0	FH	6.2	243	201	169	144
102/05-03-041-03W4/0 (1),(2)												
Lloydminster Nn (PDP)	Decline	27.4	26.2	1.2	20.00	0.2	FH	0.2	-4	-4	-4	-4
102/05-03-041-03W4/0 (1),(2)												
Lloydminster Nn (PPDP)	Decline	27.5	26.2	1.2	20.00	0.2	FH	0.2	-4	-4	-4	-3

(1) GOR(burden) 2.5% (2) Adjusted for Economics

Table 2
KR Investment Ltd.
Provost
ESTIMATES OF RESERVES AND NET PRESENT VALUES
(As of Date: 2012-12-31)

Location / Pool	Analysis Type	Original Recoverable Oil	Cum Oil	Remaining Recoverable Oil	Initial Working Interest	Company Gross Oil	Burdens	Company Net Oil	NPV Before Tax				
		Mbbl	Mbbl	Mbbl	%	Mbbl		Mbbl	0%	5%	10%	15%	
									M\$	M\$	M\$	M\$	
103/05-03-041-03W4/0 (1),(2)													
Lloydminster Nn (PDP)	Decline	91.2	64.6	26.6	20.00	5.3	FH	4.1	194	173	156	142	
103/05-03-041-03W4/0 (1),(2)													
Lloydminster Nn (PPDP)	Decline	98.7	64.6	34.1	20.00	6.8	FH	5.3	248	213	187	166	
104/05-03-041-03W4/2 (1),(2)													
Lloydminster Nn (PDP)	Decline	13.0	11.4	1.6	20.00	0.3	FH	0.2	-4	-3	-3	-3	
104/05-03-041-03W4/2 (1),(2)													
Lloydminster Nn (PPDP)	Decline	13.7	11.4	2.2	20.00	0.4	FH	0.3	-3	-2	-2	-2	
100/11-03-041-03W4/0 (1),(2)													
Cummings N6n (PDP)	Decline	20.2	17.7	2.4	20.00	0.5	FH	0.4	-1	-1	-1	0	
100/11-03-041-03W4/0 (1),(2)													
Cummings N6n (PPDP)	Decline	20.2	17.7	2.5	20.00	0.5	FH	0.4	-1	-1	0	0	
100/12-03-041-03W4/0 (1),(2)													
Cummings U6u (PDP)	Decline	50.0	48.1	1.9	20.00	0.4	FH	0.3	-2	-2	-2	-1	
100/12-03-041-03W4/0 (1),(2)													
Cummings U6u (PPDP)	Decline	50.5	48.1	2.4	20.00	0.5	FH	0.4	-1	-1	-1	0	
105/08-04-041-03W4/0 (3),(2)													
Lloydminster Nn (PDP)	Decline	71.8	43.6	28.2	20.00	5.6	Crown	5.2	250	215	189	168	
105/08-04-041-03W4/0 (3),(2)													
Lloydminster Nn (PPDP)	Decline	82.9	43.6	39.3	20.00	7.9	Crown	7.2	351	283	236	203	
100/09-04-041-03W4/0 (3),(2)													
Lloydminster Nn (PDP)	Decline	171.5	129.4	42.1	20.00	8.4	Crown	7.6	398	313	257	217	
100/09-04-041-03W4/0 (3),(2)													
Lloydminster Nn (PPDP)	Decline	188.8	129.4	59.4	20.00	11.9	Crown	10.7	575	408	313	253	

(1) GOR(burden) 2.5% (2) Adjusted for Economics (3) GOR(burden) 1.5%

Table 2
KR Investment Ltd.
Provost
ESTIMATES OF RESERVES AND NET PRESENT VALUES
(As of Date: 2012-12-31)

OIL RESERVES		Original Recoverable Oil Mbbl	Cum Oil Mbbl	Remaining Recoverable Oil Mbbl	Initial Working Interest %	Company Gross Oil Mbbl	Burdens	Company Net Oil Mbbl	NPV Before Tax			
Location / Pool	Analysis Type								0%	5%	10%	15%
								M\$	M\$	M\$	M\$	
Total PDP		445.1	341.2	104.0		20.8		18.0	829	690	592	519
Total PUD		180.0	0.0	180.0		36.0		27.9	842	667	535	434
Total Proved		625.1	341.2	284.0		56.8		45.9	1670	1357	1127	953
Total PBDP		37.2	0.0	37.2		7.4		6.4	337	206	137	98
Total PBUD		45.0	0.0	45.0		9.0		7.0	410	312	247	200
Total Prob		82.2	0.0	82.2		16.4		13.4	747	519	384	299
Total Prov+Prob		707.3	341.2	366.2		73.2		59.3	2417	1876	1511	1251

Table 3

Proved+Probable

KR Investment Ltd.

Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	366.2	0	0	0.0	0.0	0.0	0.0	0.0	0.0	366.2
Co Grs	0.0	73.2	0	0	0.0	0.0	0.0	0.0	0.0	0.0	73.2
Co Net	0.0	59.3	0	0	0.0	0.0	0.0	0.0	0.0	0.0	59.3

	Net Present Value									
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow	Income Taxes	After Tax Cash Flow	
	%	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
	0.0	562	2519	0	102	0	2417	310	2107	
	5.0	543	1935	0	59	0	1876	255	1621	
	8.0	532	1688	0	46	0	1641	229	1412	
	10.0	525	1551	0	40	0	1511	214	1297	
	12.0	518	1433	0	35	0	1397	202	1196	
	15.0	509	1281	0	30	0	1251	184	1067	
	20.0	494	1083	0	24	0	1058	161	898	
	25.0	480	931	0	21	0	910	143	767	

Reserve Life = 29.0 yrs Reserve Half Life = 3.8 yrs BOE Reserve Index = 8.8 Before Tax Payout = 1.2 yrs

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow	Income Tax	ATax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	23	0	23	642	0	0	32	108	129	0	562	0	-190	10	-200
2014	37	0	37	1037	0	0	30	203	196	0	0	19	589	81	508
2015	24	0	24	666	0	0	15	124	143	0	0	6	378	43	336
2016	18	0	18	584	0	0	14	106	134	0	0	0	331	41	290
2017	15	0	15	486	0	0	10	86	130	0	0	0	260	32	229
2018	13	0	13	420	0	0	8	73	128	0	0	0	211	26	186
2019	11	0	11	371	0	0	7	64	127	0	0	0	174	21	153
2020	10	0	10	334	0	0	6	57	126	0	0	0	145	18	128
2021	9	0	9	303	0	0	5	52	127	0	0	0	120	14	106
2022	8	0	8	279	0	0	5	47	127	0	0	0	100	12	89
2023	7	0	7	259	0	0	4	44	128	0	0	0	83	9	74
2024	6	0	6	214	0	0	4	34	112	0	0	23	41	0	41
2025	4	0	4	163	0	0	4	24	88	0	0	0	48	3	45
2026	4	0	4	150	0	0	3	21	85	0	0	8	32	0	32
2027	3	0	3	105	0	0	3	12	60	0	0	25	5	0	5
2028	1	0	1	54	0	0	3	1	31	0	0	0	19	0	19
2029	1	0	1	52	0	0	3	1	31	0	0	0	17	0	17
2030	1	0	1	50	0	0	3	1	32	0	0	0	14	0	14
2031	1	0	1	48	0	0	3	1	32	0	0	0	12	0	12
2032	1	0	1	43	0	0	3	1	30	0	0	9	1	0	1
SubT				6261	0	0	165	1059	1994	0	562	91	2391	310	2081
9yr				222	0	0	19	3	162	0	0	11	26	0	26
Total				6483	0	0	184	1062	2156	0	562	102	2417	310	2107
Discounted Cash	5%			4929	0	0	136	846	1469	0	543	59	1876	255	1621
Streams	10%			3980	0	0	110	700	1093	0	525	40	1511	214	1297
	15%			3346	0	0	95	597	864	0	509	30	1251	184	1067
	20%			2893	0	0	84	520	713	0	494	24	1058	161	898

Table 3

Proved+Probable

KR Investment Ltd.

Prod. Start: 2013-01-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbl	Hvy Oil Co Grs Mbbl	Hvy Oil Co Net Mbbl	Hvy Oil Price \$/bbl
2013	13	115	41.8	8.4	6.7	76.72
2014	13	185	67.4	13.5	10.6	76.88
2015	10	119	43.6	8.7	7.0	76.40
2016	9	92	33.6	6.7	5.4	86.88
2017	9	75	27.4	5.5	4.4	88.75
2018	9	63	23.2	4.6	3.7	90.66
2019	9	55	20.0	4.0	3.2	92.61
2020	9	48	17.7	3.5	2.9	94.60
2021	9	43	15.7	3.1	2.6	96.62
2022	9	39	14.1	2.8	2.3	98.69
2023	9	35	12.8	2.6	2.1	100.80
2024	9	28	10.4	2.1	1.7	102.95
2025	6	21	7.8	1.6	1.3	105.14
2026	6	19	7.0	1.4	1.2	107.38
2027	5	13	4.8	1.0	0.8	109.66
2028	2	7	2.4	0.5	0.4	111.99
2029	2	6	2.3	0.5	0.4	114.36
2030	2	6	2.1	0.4	0.4	116.78
2031	2	5	2.0	0.4	0.4	119.25
2032	2	5	1.8	0.4	0.3	121.77
SubT			357.9	71.6	57.8	
9yr			8.2	1.6	1.5	
Total			366.2	73.2	59.3	

Table 3

Proved+Probable

KR Investment Ltd.

Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Revenue						Royalties						NPI/ Other Expense	Oper Inc
	Oil M\$	Gas M\$	NGL M\$	Sul M\$	Roy M\$	Other Income M\$	Crown M\$	Prod M\$	Res'rc M\$	Adjust M\$	Min Taxes M\$	Opex M\$		
2013	642	0	0	0	0	0	23	94	14	0	9	129	0	372
2014	1037	0	0	0	0	0	15	178	24	0	15	196	0	608
2015	666	0	0	0	0	0	10	109	15	0	5	143	0	385
2016	584	0	0	0	0	0	11	92	13	0	2	134	0	331
2017	486	0	0	0	0	0	9	75	11	0	1	130	0	260
2018	420	0	0	0	0	0	8	64	9	0	0	128	0	211
2019	371	0	0	0	0	0	7	56	8	0	0	127	0	174
2020	334	0	0	0	0	0	6	50	8	0	0	126	0	145
2021	303	0	0	0	0	0	5	45	7	0	0	127	0	120
2022	279	0	0	0	0	0	5	41	6	0	0	127	0	100
2023	259	0	0	0	0	0	4	38	6	0	0	128	0	83
2024	214	0	0	0	0	0	4	30	5	0	0	112	0	64
2025	163	0	0	0	0	0	4	20	3	0	0	88	0	48
2026	150	0	0	0	0	0	3	18	3	0	0	85	0	40
2027	105	0	0	0	0	0	3	10	2	0	0	60	0	30
2028	54	0	0	0	0	0	3	0	1	0	0	31	0	19
2029	52	0	0	0	0	0	3	0	1	0	0	31	0	17
2030	50	0	0	0	0	0	3	0	1	0	0	32	0	14
2031	48	0	0	0	0	0	3	0	1	0	0	32	0	12
2032	43	0	0	0	0	0	3	0	1	0	0	30	0	10
SubT	6261	0	0	0	0	0	133	919	140	0	32	1994	0	3043
9yr	222	0	0	0	0	0	19	0	3	0	0	162	0	37
Total	6483	0	0	0	0	0	153	919	143	0	32	2156	0	3081

Year	Capital				Total Capital M\$	Net Rev M\$	Cum Net Rev M\$	Aband Cost M\$	SK Tax M\$	Cash Flow M\$	Inc. Tax M\$	AT Cash Flow M\$	Cum AT Cash M\$
	CEE M\$	CDE M\$	CCA M\$	COGPE M\$									
2013	0	499	62	0	562	-190	-190	0	0	-190	10	-200	-200
2014	0	0	0	0	0	608	418	0	19	589	81	508	308
2015	0	0	0	0	0	385	803	0	6	378	43	336	644
2016	0	0	0	0	0	331	1134	0	0	331	41	290	934
2017	0	0	0	0	0	260	1395	0	0	260	32	229	1162
2018	0	0	0	0	0	211	1606	0	0	211	26	186	1348
2019	0	0	0	0	0	174	1780	0	0	174	21	153	1501
2020	0	0	0	0	0	145	1925	0	0	145	18	128	1628
2021	0	0	0	0	0	120	2045	0	0	120	14	106	1734
2022	0	0	0	0	0	100	2145	0	0	100	12	89	1823
2023	0	0	0	0	0	83	2228	0	0	83	9	74	1897
2024	0	0	0	0	0	64	2292	0	23	41	0	41	1937
2025	0	0	0	0	0	48	2341	0	0	48	3	45	1982
2026	0	0	0	0	0	40	2381	0	8	32	0	32	2014
2027	0	0	0	0	0	30	2410	0	25	5	0	5	2019
2028	0	0	0	0	0	19	2429	0	0	19	0	19	2038
2029	0	0	0	0	0	17	2446	0	0	17	0	17	2054
2030	0	0	0	0	0	14	2460	0	0	14	0	14	2069
2031	0	0	0	0	0	12	2472	0	0	12	0	12	2080
2032	0	0	0	0	0	10	2482	0	9	1	0	1	2081
SubT	0	499	62	0	562	2482	0	91	0	2391	310	2081	0
9yr	0	0	0	0	0	37	0	11	0	26	0	26	0
Total	0	499	62	0	562	2519	0	102	0	2417	310	2107	0

	Discounted Cash Streams NPV (M\$)							
	discR%	5	10	12	15	18	20	25
BT Cash Flow		1876	1511	1397	1251	1129	1058	910
Inc. Tax		255	214	202	184	170	161	143
AT Cash Flow		1621	1297	1196	1067	959	898	767



Table 3

Proved+Probable

KR Investment Ltd.

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Fed Tax Inc M\$	Lease Exp M\$	Prod Roy M\$	CCA M\$	Resrce Allow M\$	Crown Deduct M\$	Other Inc M\$	Res Roy M\$	----- Capital Writeoff -----				Debt Int M\$
									CEE M\$	CDE M\$	COGPE M\$	FEDE M\$	
2013	642	129	94	75	0	32	0	14	0	150	107	0	0
2014	1037	196	178	64	0	30	0	24	0	105	96	0	0
2015	666	143	109	48	0	15	0	15	0	73	87	0	0
2016	584	134	92	36	0	14	0	13	0	51	78	0	0
2017	486	130	75	27	0	10	0	11	0	36	70	0	0
2018	420	128	64	20	0	8	0	9	0	25	63	0	0
2019	371	127	56	15	0	7	0	8	0	18	57	0	0
2020	334	126	50	11	0	6	0	8	0	12	51	0	0
2021	303	127	45	9	0	5	0	7	0	9	46	0	0
2022	279	127	41	6	0	5	0	6	0	6	42	0	0
2023	259	128	38	5	0	4	0	6	0	4	37	0	0
2024	214	112	30	4	0	4	0	5	0	3	34	0	0
2025	163	88	20	3	0	4	0	3	0	2	30	0	0
2026	150	85	18	2	0	3	0	3	0	1	27	0	0
2027	105	60	10	2	0	3	0	2	0	1	25	0	0
2028	54	31	0	1	0	3	0	1	0	1	22	0	0
2029	52	31	0	1	0	3	0	1	0	0	20	0	0
2030	50	32	0	1	0	3	0	1	0	0	18	0	0
2031	48	32	0	0	0	3	0	1	0	0	16	0	0
2032	43	30	0	0	0	3	0	1	0	0	14	0	0
SubT	6261	1994	919	329	0	165	0	140	0	499	941	0	0
9yr	222	162	0	1	0	19	0	3	0	0	80	0	0
Total	6483	2156	919	330	0	184	0	143	0	499	1021	0	0

Year	NPI / Oth Exp M\$	Aband Cost M\$	SKTax M\$	TaxRev Adj M\$	RoyTax Deduct. M\$	FedTax Inc M\$	Fed Taxes M\$	PrvTax Inc M\$	Prov Taxes M\$	Before Tax CF M\$	Total IncTax M\$	After Tax CF M\$	Cum AT CF M\$
2014	0	19	0	0	0	324	49	324	32	589	81	508	308
2015	0	6	0	0	0	170	26	170	17	378	43	336	644
2016	0	0	0	0	0	166	25	166	17	331	41	290	934
2017	0	0	0	0	0	127	19	127	13	260	32	229	1162
2018	0	0	0	0	0	103	15	103	10	211	26	186	1348
2019	0	0	0	0	0	84	13	84	8	174	21	153	1501
2020	0	0	0	0	0	70	11	70	7	145	18	128	1628
2021	0	0	0	0	0	57	9	57	6	120	14	106	1734
2022	0	0	0	0	0	46	7	46	5	100	12	89	1823
2023	0	0	0	0	0	37	5	37	4	83	9	74	1897
2024	0	23	0	0	0	1	0	1	0	41	0	41	1937
2025	0	0	0	0	0	13	2	13	1	48	3	45	1982
2026	0	8	0	0	0	1	0	1	0	32	0	32	2014
2027	0	25	0	22	0	0	0	0	0	5	0	5	2019
2028	0	0	0	5	0	0	0	0	0	19	0	19	2038
2029	0	0	0	5	0	0	0	0	0	17	0	17	2054
2030	0	0	0	5	0	0	0	0	0	14	0	14	2069
2031	0	0	0	5	0	0	0	0	0	12	0	12	2080
2032	0	9	0	14	0	0	0	0	0	1	0	1	2081
SubT	0	91	0	55	0	1239	186	1239	124	2391	310	2081	
9yr	0	11	0	55	0	0	0	0	0	26	0	26	
Total	0	102	0	110	0	1239	186	1239	124	2417	310	2107	

	----- Discounted Cash Streams (NPV) (M\$) -----							
	discR%	5	10	12	15	18	20	25
Inc. Tax		255	214	202	184	170	161	143
AT Cash Flow		1621	1297	1196	1067	959	898	767



Table 3

Proved

KR Investment Ltd.

Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross Co Grs	0.0	284.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	284.0
Co Net	0.0	56.8	0	0	0.0	0.0	0.0	0.0	0.0	0.0	56.8
	0.0	45.9	0	0	0.0	0.0	0.0	0.0	0.0	0.0	45.9

	Net Present Value									
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow	Income Taxes	After Tax Cash Flow	
	%	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
	0.0	562	1766	0	96	0	1670	172	1498	
	5.0	543	1421	0	64	0	1357	149	1208	
	8.0	532	1263	0	52	0	1211	138	1073	
	10.0	525	1173	0	46	0	1127	131	996	
	12.0	518	1093	0	41	0	1052	125	926	
	15.0	509	988	0	35	0	953	117	836	
	20.0	494	846	0	29	0	818	105	713	
	25.0	480	735	0	25	0	710	95	615	

Reserve Life = 19.6 yrs

Reserve Half Life = 3.0 yrs

BOE Reserve Index = 7.0

Before Tax Payout = 1.2 yrs

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow	Income Tax	ATax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	22	0	22	625	0	0	30	105	128	0	562	0	-201	7	-208
2014	33	0	33	928	0	0	25	180	178	0	0	19	526	65	461
2015	21	0	21	582	0	0	11	107	137	0	0	6	321	28	292
2016	16	0	16	500	0	0	10	90	129	0	0	0	272	27	245
2017	13	0	13	409	0	0	7	72	125	0	0	0	205	18	187
2018	11	0	11	348	0	0	5	61	123	0	0	0	159	13	146
2019	9	0	9	303	0	0	4	52	122	0	0	0	124	9	116
2020	8	0	8	269	0	0	3	46	122	0	0	0	97	6	92
2021	7	0	7	233	0	0	3	40	119	0	0	22	49	0	49
2022	4	0	4	159	0	0	2	24	83	0	0	7	42	0	42
2023	4	0	4	130	0	0	2	19	70	0	0	0	39	0	39
2024	3	0	3	121	0	0	2	17	71	0	0	0	31	0	31
2025	2	0	2	91	0	0	2	11	61	0	0	24	-7	0	-7
2026	1	0	1	30	0	0	1	0	19	0	0	8	1	0	1
2027	1	0	1	24	0	0	1	0	15	0	0	0	7	0	7
2028	1	0	1	22	0	0	1	0	15	0	0	0	6	0	6
2029	0	0	0	21	0	0	1	0	15	0	0	0	4	0	4
2030	0	0	0	19	0	0	1	0	16	0	0	0	3	0	3
2031	0	0	0	18	0	0	1	0	16	0	0	0	1	0	1
2032	0	0	0	10	0	0	1	0	9	0	0	9	-9	0	-9
Total				4843	0	0	114	827	1574	0	562	96	1670	172	1498
Discounted Cash		5%		3926	0	0	96	685	1183	0	543	64	1357	149	1208
Streams		10%		3297	0	0	83	582	933	0	525	46	1127	131	996
		15%		2843	0	0	74	506	765	0	509	35	953	117	836
		20%		2502	0	0	68	448	646	0	494	29	818	105	713

Table 3

Proved

KR Investment Ltd.

Prod. Start: 2013-01-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbl	Hvy Oil Co Grs Mbbl	Hvy Oil Co Net Mbbl	Hvy Oil Price \$/bbl
2013	13	112	40.7	8.1	6.5	76.72
2014	13	165	60.4	12.1	9.6	76.88
2015	10	104	38.1	7.6	6.1	76.40
2016	9	79	28.8	5.8	4.6	86.88
2017	9	63	23.1	4.6	3.7	88.75
2018	9	53	19.2	3.8	3.1	90.66
2019	9	45	16.4	3.3	2.7	92.61
2020	9	39	14.2	2.8	2.3	94.60
2021	9	33	12.1	2.4	2.0	96.62
2022	6	22	8.1	1.6	1.3	98.69
2023	5	18	6.5	1.3	1.1	100.80
2024	5	16	5.9	1.2	1.0	102.95
2025	5	12	4.3	0.9	0.7	105.14
2026	2	4	1.4	0.3	0.3	107.38
2027	1	3	1.1	0.2	0.2	109.66
2028	1	3	1.0	0.2	0.2	111.99
2029	1	2	0.9	0.2	0.2	114.36
2030	1	2	0.8	0.2	0.2	116.78
2031	1	2	0.8	0.2	0.1	119.25
2032	1	2	0.4	0.1	0.1	121.77
Total			284.0	56.8	45.9	

Table 3

Proved

KR Investment Ltd.

Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Revenue						Royalties						NPI/ Other Expense	Oper Inc
	Oil M\$	Gas M\$	NGL M\$	Sul M\$	Roy M\$	Other Income M\$	Crown M\$	Prod M\$	Res'rice M\$	Adjust M\$	Min Taxes M\$	Opex M\$		
2013	625	0	0	0	0	0	22	91	14	0	8	128	0	361
2014	928	0	0	0	0	0	13	158	22	0	12	178	0	545
2015	582	0	0	0	0	0	8	94	13	0	3	137	0	327
2016	500	0	0	0	0	0	9	78	11	0	1	129	0	272
2017	409	0	0	0	0	0	7	63	9	0	0	125	0	205
2018	348	0	0	0	0	0	5	53	8	0	0	123	0	159
2019	303	0	0	0	0	0	4	46	7	0	0	122	0	124
2020	269	0	0	0	0	0	3	40	6	0	0	122	0	97
2021	233	0	0	0	0	0	3	34	5	0	0	119	0	71
2022	159	0	0	0	0	0	2	21	3	0	0	83	0	49
2023	130	0	0	0	0	0	2	16	3	0	0	70	0	39
2024	121	0	0	0	0	0	2	15	3	0	0	71	0	31
2025	91	0	0	0	0	0	2	9	2	0	0	61	0	17
2026	30	0	0	0	0	0	1	0	0	0	0	19	0	9
2027	24	0	0	0	0	0	1	0	0	0	0	15	0	7
2028	22	0	0	0	0	0	1	0	0	0	0	15	0	6
2029	21	0	0	0	0	0	1	0	0	0	0	15	0	4
2030	19	0	0	0	0	0	1	0	0	0	0	16	0	3
2031	18	0	0	0	0	0	1	0	0	0	0	16	0	1
2032	10	0	0	0	0	0	1	0	0	0	0	9	0	0
Total	4843	0	0	0	0	0	90	719	109	0	24	1574	0	2328

Year	Capital				Total Capital M\$	Net Rev M\$	Cum Net Rev M\$	ARTC M\$	Aband Cost M\$	SK Tax M\$	Cash Flow M\$	Inc. Tax M\$	AT Cash Flow M\$	Cum AT Cash M\$
	CEE M\$	CDE M\$	CCA M\$	COGPE M\$										
2013	0	499	62	0	562	-201	-201	0	0	0	-201	7	-208	-208
2014	0	0	0	0	0	545	345	0	19	0	526	65	461	253
2015	0	0	0	0	0	327	672	0	6	0	321	28	292	545
2016	0	0	0	0	0	272	944	0	0	0	272	27	245	791
2017	0	0	0	0	0	205	1149	0	0	0	205	18	187	978
2018	0	0	0	0	0	159	1308	0	0	0	159	13	146	1125
2019	0	0	0	0	0	124	1432	0	0	0	124	9	116	1240
2020	0	0	0	0	0	97	1530	0	0	0	97	6	92	1332
2021	0	0	0	0	0	71	1601	0	22	0	49	0	49	1381
2022	0	0	0	0	0	49	1650	0	7	0	42	0	42	1423
2023	0	0	0	0	0	39	1689	0	0	0	39	0	39	1462
2024	0	0	0	0	0	31	1720	0	0	0	31	0	31	1493
2025	0	0	0	0	0	17	1737	0	24	0	-7	0	-7	1486
2026	0	0	0	0	0	9	1746	0	8	0	1	0	1	1486
2027	0	0	0	0	0	7	1753	0	0	0	7	0	7	1494
2028	0	0	0	0	0	6	1758	0	0	0	6	0	6	1499
2029	0	0	0	0	0	4	1762	0	0	0	4	0	4	1503
2030	0	0	0	0	0	3	1765	0	0	0	3	0	3	1506
2031	0	0	0	0	0	1	1766	0	0	0	1	0	1	1507
2032	0	0	0	0	0	0	1766	0	9	0	-9	0	-9	1498
Total	0	499	62	0	562	1766	0	96	0	1670	172	1498		

	Discounted Cash Streams NPV (M\$)							
	discR%	5	10	12	15	18	20	25
BT Cash Flow		1357	1127	1052	953	868	818	710
Inc. Tax		149	131	125	117	110	105	95
AT Cash Flow		1208	996	926	836	758	713	615

Table 3

Proved

KR Investment Ltd.

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Fed Tax Inc M\$	Lease Exp M\$	Prod Roy M\$	CCA M\$	Resrce Allow M\$	Crown Deduct M\$	Other Inc M\$	Res Roy M\$	Capital Writeoff				Debt Int M\$
									CEE M\$	CDE M\$	COGPE M\$	FEDE M\$	
2013	625	128	91	75	0	30	0	14	0	150	107	0	0
2014	928	178	158	64	0	25	0	22	0	105	96	0	0
2015	582	137	94	48	0	11	0	13	0	73	87	0	0
2016	500	129	78	36	0	10	0	11	0	51	78	0	0
2017	409	125	63	27	0	7	0	9	0	36	70	0	0
2018	348	123	53	20	0	5	0	8	0	25	63	0	0
2019	303	122	46	15	0	4	0	7	0	18	57	0	0
2020	269	122	40	11	0	3	0	6	0	12	51	0	0
2021	233	119	34	9	0	3	0	5	0	9	46	0	0
2022	159	83	21	6	0	2	0	3	0	6	42	0	0
2023	130	70	16	5	0	2	0	3	0	4	37	0	0
2024	121	71	15	4	0	2	0	3	0	3	34	0	0
2025	91	61	9	3	0	2	0	2	0	2	30	0	0
2026	30	19	0	2	0	1	0	0	0	1	27	0	0
2027	24	15	0	2	0	1	0	0	0	1	25	0	0
2028	22	15	0	1	0	1	0	0	0	1	22	0	0
2029	21	15	0	1	0	1	0	0	0	1	20	0	0
2030	19	16	0	1	0	1	0	0	0	0	18	0	0
2031	18	16	0	0	0	1	0	0	0	0	16	0	0
2032	10	9	0	0	0	1	0	0	0	0	14	0	0
Total	4843	1574	719	329	0	114	0	109	0	499	941	0	0

Year	NPI / Oth Exp M\$	Aband Cost M\$	SKTax M\$	TaxRev Adj M\$	RoyTax Deduct. M\$	FedTax Inc M\$	Fed Taxes M\$	PrvTax Inc M\$	Prov Taxes M\$	Before Tax CF M\$	Total IncTax M\$	After Tax CF M\$	Cum AT CF M\$
2013	0	0	0	0	0	29	4	29	3	-201	7	-208	-208
2014	0	19	0	0	0	261	39	261	26	526	65	461	253
2015	0	6	0	0	0	113	17	113	11	321	28	292	545
2016	0	0	0	0	0	107	16	107	11	272	27	245	791
2017	0	0	0	0	0	72	11	72	7	205	18	187	978
2018	0	0	0	0	0	50	8	50	5	159	13	146	1125
2019	0	0	0	0	0	34	5	34	3	124	9	116	1240
2020	0	0	0	0	0	22	3	22	2	97	6	92	1332
2021	0	22	0	14	0	0	0	0	0	49	0	49	1381
2022	0	7	0	12	0	0	0	0	0	42	0	42	1423
2023	0	0	0	7	0	0	0	0	0	39	0	39	1462
2024	0	0	0	9	0	0	0	0	0	31	0	31	1493
2025	0	24	0	42	0	0	0	0	0	-7	0	-7	1486
2026	0	8	0	30	0	0	0	0	0	1	0	1	1486
2027	0	0	0	20	0	0	0	0	0	7	0	7	1494
2028	0	0	0	18	0	0	0	0	0	6	0	6	1499
2029	0	0	0	17	0	0	0	0	0	4	0	4	1503
2030	0	0	0	16	0	0	0	0	0	3	0	3	1506
2031	0	0	0	16	0	0	0	0	0	1	0	1	1507
2032	0	9	0	24	0	0	0	0	0	-9	0	-9	1498
Total	0	96	0	226	0	689	103	689	69	1670	172	1498	

	Discounted Cash Streams (NPV) (M\$)						
discR%	5	10	12	15	18	20	25
Inc. Tax	149	131	125	117	110	105	95
AT Cash Flow	1208	996	926	836	758	713	615



Table 3

Proved Developed Producing

KR Investment Ltd.

Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross Co Grs	0.0	104.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	104.0
Co Net	0.0	20.8	0	0	0.0	0.0	0.0	0.0	0.0	0.0	20.8
	0.0	18.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	18.0

	Net Present Value									
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow	Income Taxes	After Tax Cash Flow	
	%	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
	0.0	0	879	0	50	0	829	1	827	
	5.0	0	726	0	36	0	690	1	689	
	8.0	0	659	0	31	0	627	1	626	
	10.0	0	621	0	29	0	592	1	590	
	12.0	0	587	0	27	0	560	1	559	
	15.0	0	544	0	25	0	519	1	518	
	20.0	0	486	0	22	0	464	1	463	
	25.0	0	440	0	20	0	420	1	419	

Reserve Life = 19.6 yrs

Reserve Half Life = 3.2 yrs

BOE Reserve Index = 4.7

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow	Income Tax	ATax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	12	0	12	337	0	0	23	41	94	0	0	0	180	1	178
2014	9	0	9	242	0	0	14	26	69	0	0	19	115	0	115
2015	6	0	6	170	0	0	8	15	45	0	0	6	97	0	97
2016	5	0	5	159	0	0	9	13	42	0	0	0	95	0	95
2017	4	0	4	136	0	0	7	11	42	0	0	0	77	0	77
2018	4	0	4	118	0	0	5	9	41	0	0	0	63	0	63
2019	3	0	3	104	0	0	4	8	41	0	0	0	51	0	51
2020	3	0	3	92	0	0	3	7	41	0	0	0	41	0	41
2021	2	0	2	82	0	0	3	6	41	0	0	0	33	0	33
2022	2	0	2	74	0	0	2	5	41	0	0	7	18	0	18
2023	1	0	1	51	0	0	2	1	28	0	0	0	20	0	20
2024	1	0	1	47	0	0	2	1	28	0	0	0	16	0	16
2025	1	0	1	43	0	0	2	1	29	0	0	0	12	0	12
2026	1	0	1	30	0	0	1	0	19	0	0	8	1	0	1
2027	1	0	1	24	0	0	1	0	15	0	0	0	7	0	7
2028	1	0	1	22	0	0	1	0	15	0	0	0	6	0	6
2029	0	0	0	21	0	0	1	0	15	0	0	0	4	0	4
2030	0	0	0	19	0	0	1	0	16	0	0	0	3	0	3
2031	0	0	0	18	0	0	1	0	16	0	0	0	1	0	1
2032	0	0	0	10	0	0	1	0	9	0	0	9	-9	0	-9
Total				1801	0	0	92	143	687	0	0	50	829	1	827
Discounted Cash		5%		1428	0	0	75	122	504	0	0	36	690	1	689
Streams		10%		1187	0	0	64	108	395	0	0	29	592	1	590
		15%		1022	0	0	56	96	326	0	0	25	519	1	518
		20%		903	0	0	51	88	279	0	0	22	464	1	463

Table 3

Proved Developed Producing

KR Investment Ltd.

Prod. Start: 2013-01-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbl	Hvy Oil Co Grs Mbbl	Hvy Oil Co Net Mbbl	Hvy Oil Price \$/bbl
2013	7	60	22.0	4.4	3.6	76.72
2014	7	43	15.8	3.2	2.6	76.88
2015	4	31	11.1	2.2	1.9	76.40
2016	3	25	9.2	1.8	1.6	86.88
2017	3	21	7.7	1.5	1.3	88.75
2018	3	18	6.5	1.3	1.1	90.66
2019	3	15	5.6	1.1	1.0	92.61
2020	3	13	4.9	1.0	0.9	94.60
2021	3	12	4.3	0.9	0.8	96.62
2022	3	10	3.7	0.7	0.7	98.69
2023	2	7	2.5	0.5	0.5	100.80
2024	2	6	2.3	0.5	0.4	102.95
2025	2	6	2.0	0.4	0.4	105.14
2026	2	4	1.4	0.3	0.3	107.38
2027	1	3	1.1	0.2	0.2	109.66
2028	1	3	1.0	0.2	0.2	111.99
2029	1	2	0.9	0.2	0.2	114.36
2030	1	2	0.8	0.2	0.2	116.78
2031	1	2	0.8	0.2	0.1	119.25
2032	1	2	0.4	0.1	0.1	121.77
Total			104.0	20.8	18.0	

Table 3

Proved Developed Producing

KR Investment Ltd.

Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Revenue						Royalties						NPI/ Other Expense	Oper Inc
	Oil M\$	Gas M\$	NGL M\$	Sul M\$	Roy M\$	Other Income M\$	Crown M\$	Prod M\$	Res'rice M\$	Adjust M\$	Min Taxes M\$	Opex M\$		
2013	337	0	0	0	0	0	22	34	7	0	1	94	0	180
2014	242	0	0	0	0	0	13	21	5	0	1	69	0	134
2015	170	0	0	0	0	0	8	11	3	0	0	45	0	103
2016	159	0	0	0	0	0	9	10	3	0	0	42	0	95
2017	136	0	0	0	0	0	7	8	2	0	0	42	0	77
2018	118	0	0	0	0	0	5	7	2	0	0	41	0	63
2019	104	0	0	0	0	0	4	6	2	0	0	41	0	51
2020	92	0	0	0	0	0	3	5	2	0	0	41	0	41
2021	82	0	0	0	0	0	3	4	1	0	0	41	0	33
2022	74	0	0	0	0	0	2	4	1	0	0	41	0	25
2023	51	0	0	0	0	0	2	0	1	0	0	28	0	20
2024	47	0	0	0	0	0	2	0	1	0	0	28	0	16
2025	43	0	0	0	0	0	2	0	1	0	0	29	0	12
2026	30	0	0	0	0	0	1	0	0	0	0	19	0	9
2027	24	0	0	0	0	0	1	0	0	0	0	15	0	7
2028	22	0	0	0	0	0	1	0	0	0	0	15	0	6
2029	21	0	0	0	0	0	1	0	0	0	0	15	0	4
2030	19	0	0	0	0	0	1	0	0	0	0	16	0	3
2031	18	0	0	0	0	0	1	0	0	0	0	16	0	1
2032	10	0	0	0	0	0	1	0	0	0	0	9	0	0
Total	1801	0	0	0	0	0	90	110	33	0	2	687	0	879

Year	Capital				Total Capital M\$	Net Rev M\$	Cum Net Rev M\$	ARTC M\$	Aband Cost M\$	SK Tax M\$	Cash Flow M\$	Inc. Tax M\$	AT Cash Flow M\$	Cum AT Cash M\$
	CEE M\$	CDE M\$	CCA M\$	COGPE M\$										
2013	0	0	0	0	0	180	180	0	0	0	180	1	178	178
2014	0	0	0	0	0	134	313	0	19	0	115	0	115	293
2015	0	0	0	0	0	103	416	0	6	0	97	0	97	389
2016	0	0	0	0	0	95	511	0	0	0	95	0	95	484
2017	0	0	0	0	0	77	589	0	0	0	77	0	77	562
2018	0	0	0	0	0	63	652	0	0	0	63	0	63	625
2019	0	0	0	0	0	51	703	0	0	0	51	0	51	676
2020	0	0	0	0	0	41	744	0	0	0	41	0	41	717
2021	0	0	0	0	0	33	777	0	0	0	33	0	33	750
2022	0	0	0	0	0	25	802	0	7	0	18	0	18	768
2023	0	0	0	0	0	20	822	0	0	0	20	0	20	787
2024	0	0	0	0	0	16	837	0	0	0	16	0	16	803
2025	0	0	0	0	0	12	849	0	0	0	12	0	12	815
2026	0	0	0	0	0	9	858	0	8	0	1	0	1	816
2027	0	0	0	0	0	7	866	0	0	0	7	0	7	823
2028	0	0	0	0	0	6	871	0	0	0	6	0	6	829
2029	0	0	0	0	0	4	875	0	0	0	4	0	4	833
2030	0	0	0	0	0	3	878	0	0	0	3	0	3	835
2031	0	0	0	0	0	1	879	0	0	0	1	0	1	836
2032	0	0	0	0	0	0	879	0	9	0	-9	0	-9	827
Total	0	0	0	0	0	879	0	0	50	0	829	1	827	0

	Discounted Cash Streams NPV (M\$)						
	5	10	12	15	18	20	25
discR%							
BT Cash Flow	690	592	560	519	484	464	420
Inc. Tax	1	1	1	1	1	1	1
AT Cash Flow	689	590	559	518	483	463	419

Table 3

Proved Developed Producing

KR Investment Ltd.

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Fed Tax Inc M\$	Lease Exp M\$	Prod Roy M\$	CCA M\$	Resrce Allow M\$	Crown Deduct M\$	Other Inc M\$	Res Roy M\$	CEE M\$	Capital Writeoff			Debt Int M\$
										CDE M\$	COGPE M\$	FEDE M\$	
2013	337	94	34	67	0	23	0	7	0	0	107	0	0
2014	242	69	21	50	0	14	0	5	0	0	96	0	0
2015	170	45	11	38	0	8	0	3	0	0	87	0	0
2016	159	42	10	28	0	9	0	3	0	0	78	0	0
2017	136	42	8	21	0	7	0	2	0	0	70	0	0
2018	118	41	7	16	0	5	0	2	0	0	63	0	0
2019	104	41	6	12	0	4	0	2	0	0	57	0	0
2020	92	41	5	9	0	3	0	2	0	0	51	0	0
2021	82	41	4	7	0	3	0	1	0	0	46	0	0
2022	74	41	4	5	0	2	0	1	0	0	42	0	0
2023	51	28	0	4	0	2	0	1	0	0	37	0	0
2024	47	28	0	3	0	2	0	1	0	0	34	0	0
2025	43	29	0	2	0	2	0	1	0	0	30	0	0
2026	30	19	0	2	0	1	0	0	0	0	27	0	0
2027	24	15	0	1	0	1	0	0	0	0	25	0	0
2028	22	15	0	1	0	1	0	0	0	0	22	0	0
2029	21	15	0	1	0	1	0	0	0	0	20	0	0
2030	19	16	0	1	0	1	0	0	0	0	18	0	0
2031	18	16	0	0	0	1	0	0	0	0	16	0	0
2032	10	9	0	0	0	1	0	0	0	0	14	0	0
Total	1801	687	110	267	0	92	0	33	0	0	941	0	0

Year	NPI / Oth Exp M\$	Aband Cost M\$	SKTax M\$	TaxRev Adj M\$	RoyTax Deduct. M\$	FedTax Inc M\$	Fed Taxes M\$	PrvTax Inc M\$	Prov Taxes M\$	Before Tax CF M\$	Total IncTax M\$	After Tax CF M\$	Cum AT CF M\$
2014	0	19	0	32	0	0	0	0	0	115	0	115	293
2015	0	6	0	28	0	0	0	0	0	97	0	97	389
2016	0	0	0	11	0	0	0	0	0	95	0	95	484
2017	0	0	0	14	0	0	0	0	0	77	0	77	562
2018	0	0	0	16	0	0	0	0	0	63	0	63	625
2019	0	0	0	18	0	0	0	0	0	51	0	51	676
2020	0	0	0	19	0	0	0	0	0	41	0	41	717
2021	0	0	0	20	0	0	0	0	0	33	0	33	750
2022	0	7	0	29	0	0	0	0	0	18	0	18	768
2023	0	0	0	21	0	0	0	0	0	20	0	20	787
2024	0	0	0	21	0	0	0	0	0	16	0	16	803
2025	0	0	0	20	0	0	0	0	0	12	0	12	815
2026	0	8	0	28	0	0	0	0	0	1	0	1	816
2027	0	0	0	19	0	0	0	0	0	7	0	7	823
2028	0	0	0	17	0	0	0	0	0	6	0	6	829
2029	0	0	0	17	0	0	0	0	0	4	0	4	833
2030	0	0	0	16	0	0	0	0	0	3	0	3	835
2031	0	0	0	15	0	0	0	0	0	1	0	1	836
2032	0	9	0	24	0	0	0	0	0	-9	0	-9	827
Total	0	50	0	385	0	5	1	5	1	829	1	827	

	Discounted Cash Streams (NPV) (M\$)							
	discR%	5	10	12	15	18	20	25
Inc. Tax		1	1	1	1	1	1	1
AT Cash Flow		689	590	559	518	483	463	419



Table 3

Proved Undeveloped

KR Investment Ltd.

Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross Co Grs	0.0	180.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	180.0
Co Net	0.0	36.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	36.0
	0.0	27.9	0	0	0.0	0.0	0.0	0.0	0.0	0.0	27.9

	Net Present Value								
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow	Income Taxes	After Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	562	887	0	46	0	842	171	671
	5.0	543	695	0	27	0	667	148	519
	8.0	532	604	0	20	0	584	137	447
	10.0	525	552	0	17	0	535	130	405
	12.0	518	506	0	14	0	492	124	367
	15.0	509	445	0	11	0	434	116	318
	20.0	494	361	0	7	0	354	104	250
	25.0	480	294	0	5	0	290	94	195

Reserve Life = 12.2 yrs

Reserve Half Life = 2.2 yrs

BOE Reserve Index = 3.3

Before Tax Payout = 1.1 yrs

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow	Income Tax	ATax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	41	0	41	288	0	0	7	65	34	0	562	0	-380	6	-386
2014	24	0	24	686	0	0	11	154	109	0	0	0	412	65	346
2015	15	0	15	411	0	0	3	93	92	0	0	0	224	28	196
2016	11	0	11	341	0	0	1	77	86	0	0	0	177	27	150
2017	8	0	8	273	0	0	0	61	83	0	0	0	128	18	110
2018	7	0	7	230	0	0	0	52	82	0	0	0	96	13	83
2019	6	0	6	199	0	0	0	45	81	0	0	0	73	9	64
2020	5	0	5	177	0	0	0	40	81	0	0	0	56	6	50
2021	4	0	4	151	0	0	0	34	78	0	0	22	17	0	17
2022	2	0	2	85	0	0	0	19	42	0	0	0	24	0	24
2023	2	0	2	79	0	0	0	18	42	0	0	0	19	0	19
2024	2	0	2	74	0	0	0	17	43	0	0	0	15	0	15
2025	1	0	1	47	0	0	0	11	32	0	0	24	-19	0	-19
Total				3042	0	0	22	685	886	0	562	46	842	171	671
Discounted Cash Streams		5%		2499	0	0	21	562	679	0	543	27	667	148	519
		10%		2110	0	0	19	475	538	0	525	17	535	130	405
		15%		1821	0	0	18	410	439	0	509	11	434	116	318
		20%		1599	0	0	17	360	368	0	494	7	354	104	250

Table 3

Proved Undeveloped

KR Investment Ltd.

Prod. Start: 2013-10-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbbl	Hvy Oil Co Grs Mbbbl	Hvy Oil Co Net Mbbbl	Hvy Oil Price \$/bbl
2013	6	204	18.8	3.8	2.9	76.72
2014	6	122	44.6	8.9	6.9	76.88
2015	6	74	26.9	5.4	4.2	76.40
2016	6	54	19.6	3.9	3.0	86.88
2017	6	42	15.4	3.1	2.4	88.75
2018	6	35	12.7	2.5	2.0	90.66
2019	6	29	10.8	2.2	1.7	92.61
2020	6	26	9.4	1.9	1.5	94.60
2021	6	21	7.8	1.6	1.2	96.62
2022	3	12	4.3	0.9	0.7	98.69
2023	3	11	3.9	0.8	0.6	100.80
2024	3	10	3.6	0.7	0.6	102.95
2025	3	8	2.3	0.5	0.3	105.14
Total			180.0	36.0	27.9	

Table 3

Proved Undeveloped

KR Investment Ltd.

Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

----- Revenue -----														----- Royalties -----	
Year	Oil	Gas	NGL	Sul	Roy	Other	Crown	Prod	Res'rc	Adjust	Min	Opex	NPI/ Other	Oper	
	M\$	M\$	M\$	M\$	M\$	Income	M\$	M\$	M\$	M\$	Taxes	M\$	Expense	Inc	
						M\$					M\$		M\$	M\$	
2013	288	0	0	0	0	0	0	58	7	0	7	34	0	181	
2014	686	0	0	0	0	0	0	137	17	0	11	109	0	412	
2015	411	0	0	0	0	0	0	82	10	0	3	92	0	224	
2016	341	0	0	0	0	0	0	68	9	0	1	86	0	177	
2017	273	0	0	0	0	0	0	55	7	0	0	83	0	128	
2018	230	0	0	0	0	0	0	46	6	0	0	82	0	96	
2019	199	0	0	0	0	0	0	40	5	0	0	81	0	73	
2020	177	0	0	0	0	0	0	35	4	0	0	81	0	56	
2021	151	0	0	0	0	0	0	30	4	0	0	78	0	39	
2022	85	0	0	0	0	0	0	17	2	0	0	42	0	24	
2023	79	0	0	0	0	0	0	16	2	0	0	42	0	19	
2024	74	0	0	0	0	0	0	15	2	0	0	43	0	15	
2025	47	0	0	0	0	0	0	9	1	0	0	32	0	5	
Total	3042	0	0	0	0	0	0	608	76	0	22	886	0	1449	

----- Capital -----														
Year	CEE	CDE	CCA	COGPE	Total	Net	Cum Net	ARTC	Aband	SK Tax	Cash	Inc. Tax	AT Cash	Cum AT
	M\$	M\$	M\$	M\$	Capital	Rev	Rev	M\$	Cost	M\$	Flow	M\$	Flow	Cash
					M\$	M\$	M\$		M\$		M\$		M\$	M\$
2013	0	499	62	0	562	-380	-380	0	0	0	-380	6	-386	-386
2014	0	0	0	0	0	412	31	0	0	0	412	65	346	-40
2015	0	0	0	0	0	224	255	0	0	0	224	28	196	156
2016	0	0	0	0	0	177	432	0	0	0	177	27	150	306
2017	0	0	0	0	0	128	561	0	0	0	128	18	110	416
2018	0	0	0	0	0	96	657	0	0	0	96	13	83	500
2019	0	0	0	0	0	73	730	0	0	0	73	9	64	564
2020	0	0	0	0	0	56	785	0	0	0	56	6	50	615
2021	0	0	0	0	0	39	824	0	22	0	17	0	17	631
2022	0	0	0	0	0	24	848	0	0	0	24	0	24	656
2023	0	0	0	0	0	19	868	0	0	0	19	0	19	675
2024	0	0	0	0	0	15	883	0	0	0	15	0	15	690
2025	0	0	0	0	0	5	887	0	24	0	-19	0	-19	671
Total	0	499	62	0	562	887		0	46	0	842	171	671	

----- Discounted Cash Streams NPV (M\$) -----							
discR%	5	10	12	15	18	20	25
BT Cash Flow	667	535	492	434	384	354	290
Inc. Tax	148	130	124	116	109	104	94
AT Cash Flow	519	405	367	318	275	250	195

Table 3

Proved Undeveloped

KR Investment Ltd.

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Fed Tax Inc M\$	Lease Exp M\$	Prod Roy M\$	CCA M\$	Resrce Allow M\$	Crown Deduct M\$	Other Inc M\$	Res Roy M\$	Capital Writeoff				Debt Int M\$
									CEE M\$	CDE M\$	COGPE M\$	FEDE M\$	
2013	288	34	58	8	0	7	0	7	0	150	0	0	0
2014	686	109	137	14	0	11	0	17	0	105	0	0	0
2015	411	92	82	10	0	3	0	10	0	73	0	0	0
2016	341	86	68	8	0	1	0	9	0	51	0	0	0
2017	273	83	55	6	0	0	0	7	0	36	0	0	0
2018	230	82	46	4	0	0	0	6	0	25	0	0	0
2019	199	81	40	3	0	0	0	5	0	18	0	0	0
2020	177	81	35	2	0	0	0	4	0	12	0	0	0
2021	151	78	30	2	0	0	0	4	0	9	0	0	0
2022	85	42	17	1	0	0	0	2	0	6	0	0	0
2023	79	42	16	1	0	0	0	2	0	4	0	0	0
2024	74	43	15	1	0	0	0	2	0	3	0	0	0
2025	47	32	9	1	0	0	0	1	0	2	0	0	0
Total	3042	886	608	62	0	22	0	76	0	499	0	0	0

Year	NPI / Oth Exp M\$	Aband Cost M\$	SKTax M\$	TaxRev Adj M\$	RoyTax Deduct. M\$	FedTax Inc M\$	Fed Taxes M\$	PrvTax Inc M\$	Prov Taxes M\$	Before Tax CF M\$	Total IncTax M\$	After Tax CF M\$	Cum AT CF M\$
2013	0	0	0	0	0	24	4	24	2	-380	6	-386	-386
2014	0	0	0	-32	0	261	39	261	26	412	65	346	-40
2015	0	0	0	-28	0	113	17	113	11	224	28	196	156
2016	0	0	0	-11	0	107	16	107	11	177	27	150	306
2017	0	0	0	-14	0	72	11	72	7	128	18	110	416
2018	0	0	0	-16	0	50	8	50	5	96	13	83	500
2019	0	0	0	-18	0	34	5	34	3	73	9	64	564
2020	0	0	0	-19	0	22	3	22	2	56	6	50	615
2021	0	22	0	-6	0	0	0	0	0	17	0	17	631
2022	0	0	0	-17	0	0	0	0	0	24	0	24	656
2023	0	0	0	-14	0	0	0	0	0	19	0	19	675
2024	0	0	0	-11	0	0	0	0	0	15	0	15	690
2025	0	24	0	22	0	0	0	0	0	-19	0	-19	671
Total	0	46	0	-159	0	684	103	684	68	842	171	671	

	Discounted Cash Streams (NPV (M\$))						
discR%	5	10	12	15	18	20	25
Inc. Tax	148	130	124	116	109	104	94
AT Cash Flow	519	405	367	318	275	250	195



Table 3

Probable

KR Investment Ltd.

Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	82.2	0	0	0.0	0.0	0.0	0.0	0.0	0.0	82.2
Co Grs	0.0	16.4	0	0	0.0	0.0	0.0	0.0	0.0	0.0	16.4
Co Net	0.0	13.4	0	0	0.0	0.0	0.0	0.0	0.0	0.0	13.4

	Net Present Value									
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow	Income Taxes	After Tax Cash Flow	
	%	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
	0.0	0	753	0	6	0	747	138	609	
	5.0	0	514	0	-4	0	519	105	414	
	8.0	0	425	0	-6	0	430	91	339	
	10.0	0	378	0	-6	0	384	83	301	
	12.0	0	340	0	-6	0	345	76	269	
	15.0	0	293	0	-5	0	299	67	231	
	20.0	0	236	0	-5	0	241	56	185	
	25.0	0	196	0	-4	0	200	47	153	

Reserve Life = 29.0 yrs

Reserve Half Life = 9.5 yrs

BOE Reserve Index = 73.9

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow	Income Tax	ATax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	1	0	1	17	0	0	2	3	1	0	0	0	11	3	8
2014	4	0	4	108	0	0	5	23	18	0	0	0	62	16	47
2015	3	0	3	84	0	0	4	17	6	0	0	0	58	14	43
2016	3	0	3	84	0	0	4	16	5	0	0	0	59	15	44
2017	2	0	2	77	0	0	3	14	5	0	0	0	55	14	41
2018	2	0	2	72	0	0	3	13	4	0	0	0	52	13	39
2019	2	0	2	68	0	0	2	12	4	0	0	0	50	12	37
2020	2	0	2	65	0	0	2	11	4	0	0	0	48	12	36
2021	2	0	2	70	0	0	2	12	7	0	0	-22	71	14	57
2022	3	0	3	120	0	0	2	23	44	0	0	-7	58	12	47
2023	3	0	3	129	0	0	2	25	58	0	0	0	44	9	35
2024	2	0	2	93	0	0	2	17	41	0	0	23	10	0	10
2025	2	0	2	73	0	0	2	12	27	0	0	-24	55	3	52
2026	3	0	3	120	0	0	2	21	66	0	0	0	31	0	31
2027	2	0	2	81	0	0	2	11	45	0	0	25	-2	0	-2
2028	1	0	1	32	0	0	2	0	16	0	0	0	14	0	14
2029	1	0	1	31	0	0	2	0	16	0	0	0	13	0	13
2030	1	0	1	30	0	0	2	0	16	0	0	0	12	0	12
2031	1	0	1	30	0	0	2	0	16	0	0	0	11	0	11
2032	1	0	1	33	0	0	2	0	21	0	0	0	10	0	10
SubT				1418	0	0	51	231	420	0	0	-5	721	138	583
9yr				222	0	0	19	3	162	0	0	11	26	0	26
Total				1639	0	0	70	235	582	0	0	6	747	138	609
Discounted Cash	5%			1002	0	0	40	161	286	0	0	-4	519	105	414
Streams	10%			683	0	0	27	118	160	0	0	-6	384	83	301
	15%			503	0	0	20	91	99	0	0	-5	299	67	231
	20%			392	0	0	16	72	67	0	0	-5	241	56	185

Table 3

Probable

KR Investment Ltd.

Prod. Start: 2013-01-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbl	Hvy Oil Co Grs Mbbl	Hvy Oil Co Net Mbbl	Hvy Oil Price \$/bbl
2013	0	3	1.1	0.2	0.2	76.72
2014	2	19	7.0	1.4	1.1	76.88
2015	0	15	5.5	1.1	0.9	76.40
2016	0	13	4.8	1.0	0.8	86.88
2017	0	12	4.3	0.9	0.7	88.75
2018	0	11	4.0	0.8	0.6	90.66
2019	0	10	3.7	0.7	0.6	92.61
2020	0	9	3.4	0.7	0.5	94.60
2021	0	10	3.6	0.7	0.6	96.62
2022	3	17	6.1	1.2	1.0	98.69
2023	4	17	6.4	1.3	1.0	100.80
2024	4	12	4.5	0.9	0.7	102.95
2025	1	9	3.5	0.7	0.6	105.14
2026	4	15	5.6	1.1	0.9	107.38
2027	4	10	3.7	0.7	0.6	109.66
2028	1	4	1.4	0.3	0.3	111.99
2029	1	4	1.4	0.3	0.2	114.36
2030	1	4	1.3	0.3	0.2	116.78
2031	1	3	1.2	0.2	0.2	119.25
2032	1	4	1.4	0.3	0.2	121.77
SubT			74.0	14.8	11.9	
9yr			8.2	1.6	1.5	
Total			82.2	16.4	13.4	

Table 3

Probable

KR Investment Ltd.

Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Revenue						Royalties						Opex	NPI/ Other Expense	Oper Inc
	Oil	Gas	NGL	Sul	Roy	Other Income	Crown	Prod	Res'rc	Adjust	Min Taxes				
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	17	0	0	0	0	0	1	3	0	0	1	1	0	11	
2014	108	0	0	0	0	0	2	20	3	0	3	18	0	62	
2015	84	0	0	0	0	0	2	15	2	0	2	6	0	58	
2016	84	0	0	0	0	0	3	14	2	0	1	5	0	59	
2017	77	0	0	0	0	0	3	12	2	0	1	5	0	55	
2018	72	0	0	0	0	0	3	11	2	0	0	4	0	52	
2019	68	0	0	0	0	0	2	10	2	0	0	4	0	50	
2020	65	0	0	0	0	0	2	9	1	0	0	4	0	48	
2021	70	0	0	0	0	0	2	10	2	0	0	7	0	49	
2022	120	0	0	0	0	0	2	20	3	0	0	44	0	51	
2023	129	0	0	0	0	0	2	22	3	0	0	58	0	44	
2024	93	0	0	0	0	0	2	15	2	0	0	41	0	33	
2025	73	0	0	0	0	0	2	11	2	0	0	27	0	32	
2026	120	0	0	0	0	0	2	18	3	0	0	66	0	31	
2027	81	0	0	0	0	0	2	10	2	0	0	45	0	22	
2028	32	0	0	0	0	0	2	0	0	0	0	16	0	14	
2029	31	0	0	0	0	0	2	0	0	0	0	16	0	13	
2030	30	0	0	0	0	0	2	0	0	0	0	16	0	12	
2031	30	0	0	0	0	0	2	0	0	0	0	16	0	11	
2032	33	0	0	0	0	0	2	0	0	0	0	21	0	10	
SubT	1418	0	0	0	0	0	43	200	31	0	8	420	0	716	
9yr	222	0	0	0	0	0	19	0	3	0	0	162	0	37	
Total	1639	0	0	0	0	0	63	200	35	0	8	582	0	753	

Year	Capital				Total Capital	Net Rev	Cum Net Rev	ARTC	Aband Cost	SK Tax	Cash Flow	Inc. Tax	AT Cash Flow	Cum AT Cash
	CEE	CDE	CCA	COGPE										
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	0	0	0	0	0	11	11	0	0	0	11	3	8	8
2014	0	0	0	0	0	62	74	0	0	0	62	16	47	55
2015	0	0	0	0	0	58	131	0	0	0	58	14	43	99
2016	0	0	0	0	0	59	190	0	0	0	59	15	44	143
2017	0	0	0	0	0	55	245	0	0	0	55	14	41	184
2018	0	0	0	0	0	52	298	0	0	0	52	13	39	223
2019	0	0	0	0	0	50	347	0	0	0	50	12	37	260
2020	0	0	0	0	0	48	395	0	0	0	48	12	36	296
2021	0	0	0	0	0	49	444	0	-22	0	71	14	57	353
2022	0	0	0	0	0	51	495	0	-7	0	58	12	47	400
2023	0	0	0	0	0	44	539	0	0	0	44	9	35	435
2024	0	0	0	0	0	33	572	0	23	0	10	0	10	445
2025	0	0	0	0	0	32	604	0	-24	0	55	3	52	497
2026	0	0	0	0	0	31	635	0	0	0	31	0	31	527
2027	0	0	0	0	0	22	657	0	25	0	-2	0	-2	525
2028	0	0	0	0	0	14	671	0	0	0	14	0	14	539
2029	0	0	0	0	0	13	684	0	0	0	13	0	13	551
2030	0	0	0	0	0	12	695	0	0	0	12	0	12	563
2031	0	0	0	0	0	11	706	0	0	0	11	0	11	573
2032	0	0	0	0	0	10	716	0	0	0	10	0	10	583
SubT	0	0	0	0	0	716	0	0	-5	0	721	138	583	0
9yr	0	0	0	0	0	37	0	0	11	0	26	0	26	0
Total	0	0	0	0	0	753	0	0	6	0	747	138	609	0

	Discounted Cash Streams NPV (M\$)							
	discR%	5	10	12	15	18	20	25
BT Cash Flow		519	384	345	299	262	241	200
Inc. Tax		105	83	76	67	60	56	47
AT Cash Flow		414	301	269	231	201	185	153



Table 3

Probable

KR Investment Ltd.

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Fed Tax Inc M\$	Lease Exp M\$	Prod Roy M\$	CCA M\$	Resrce Allow M\$	Crown Deduct M\$	Other Inc M\$	Res Roy M\$	----- Capital Writeoff -----				Debt Int M\$	
									CEE M\$	CDE M\$	COGPE M\$	FEDE M\$		
2013	17	1	3	0	0	2	0	0	0	0	0	0	0	0
2014	108	18	20	0	0	5	0	3	0	0	0	0	0	0
2015	84	6	15	0	0	4	0	2	0	0	0	0	0	0
2016	84	5	14	0	0	4	0	2	0	0	0	0	0	0
2017	77	5	12	0	0	3	0	2	0	0	0	0	0	0
2018	72	4	11	0	0	3	0	2	0	0	0	0	0	0
2019	68	4	10	0	0	2	0	2	0	0	0	0	0	0
2020	65	4	9	0	0	2	0	1	0	0	0	0	0	0
2021	70	7	10	0	0	2	0	2	0	0	0	0	0	0
2022	120	44	20	0	0	2	0	3	0	0	0	0	0	0
2023	129	58	22	0	0	2	0	3	0	0	0	0	0	0
2024	93	41	15	0	0	2	0	2	0	0	0	0	0	0
2025	73	27	11	0	0	2	0	2	0	0	0	0	0	0
2026	120	66	18	0	0	2	0	3	0	0	0	0	0	0
2027	81	45	10	0	0	2	0	2	0	0	0	0	0	0
2028	32	16	0	0	0	2	0	0	0	0	0	0	0	0
2029	31	16	0	0	0	2	0	0	0	0	0	0	0	0
2030	30	16	0	0	0	2	0	0	0	0	0	0	0	0
2031	30	16	0	0	0	2	0	0	0	0	0	0	0	0
2032	33	21	0	0	0	2	0	0	0	0	0	0	0	0
SubT	1418	420	200	0	0	51	0	31	0	0	0	0	0	0
9yr	222	162	0	1	0	19	0	3	0	0	80	0	0	0
Total	1639	582	200	1	0	70	0	35	0	0	80	0	0	0

Year	NPI / Oth Exp M\$	Aband Cost M\$	SKTax M\$	TaxRev Adj M\$	RoyTax Deduct. M\$	FedTax Inc M\$	Fed Taxes M\$	PrvTax Inc M\$	Prov Taxes M\$	Before Tax CF M\$	Total IncTax M\$	After Tax CF M\$	Cum AT CF M\$
2014	0	0	0	0	0	62	9	62	6	62	16	47	55
2015	0	0	0	0	0	58	9	58	6	58	14	43	99
2016	0	0	0	0	0	59	9	59	6	59	15	44	143
2017	0	0	0	0	0	55	8	55	5	55	14	41	184
2018	0	0	0	0	0	52	8	52	5	52	13	39	223
2019	0	0	0	0	0	50	7	50	5	50	12	37	260
2020	0	0	0	0	0	48	7	48	5	48	12	36	296
2021	0	-22	0	-14	0	57	9	57	6	71	14	57	353
2022	0	-7	0	-12	0	46	7	46	5	58	12	47	400
2023	0	0	0	-7	0	37	5	37	4	44	9	35	435
2024	0	23	0	-9	0	1	0	1	0	10	0	10	445
2025	0	-24	0	-42	0	13	2	13	1	55	3	52	497
2026	0	0	0	-30	0	1	0	1	0	31	0	31	527
2027	0	25	0	2	0	0	0	0	0	-2	0	-2	525
2028	0	0	0	-14	0	0	0	0	0	14	0	14	539
2029	0	0	0	-13	0	0	0	0	0	13	0	13	551
2030	0	0	0	-12	0	0	0	0	0	12	0	12	563
2031	0	0	0	-11	0	0	0	0	0	11	0	11	573
2032	0	0	0	-10	0	0	0	0	0	10	0	10	583
SubT	0	-5	0	-171	0	550	83	550	55	721	138	583	
9yr	0	11	0	55	0	0	0	0	0	26	0	26	
Total	0	6	0	-116	0	550	83	550	55	747	138	609	

	----- Discounted Cash Streams (NPV) (M\$) -----						
discR%	5	10	12	15	18	20	25
Inc. Tax	105	83	76	67	60	56	47
AT Cash Flow	414	301	269	231	201	185	153



Table 3

Probable

KR Investment Ltd.

Provost

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Fed Tax Inc M\$	Lease Exp M\$	Prod Roy M\$	CCA M\$	Resrce Allow M\$	Crown Deduct M\$	Other Inc M\$	Res Roy M\$	Capital Writeoff				Debt Int M\$
									CEE M\$	CDE M\$	COGPE M\$	FEDE M\$	
2013	17	1	3	0	0	2	0	0	0	0	0	0	0
2014	108	18	20	0	0	5	0	3	0	0	0	0	0
2015	84	6	15	0	0	4	0	2	0	0	0	0	0
2016	84	5	14	0	0	4	0	2	0	0	0	0	0
2017	77	5	12	0	0	3	0	2	0	0	0	0	0
2018	72	4	11	0	0	3	0	2	0	0	0	0	0
2019	68	4	10	0	0	2	0	2	0	0	0	0	0
2020	65	4	9	0	0	2	0	1	0	0	0	0	0
2021	70	7	10	0	0	2	0	2	0	0	0	0	0
2022	120	44	20	0	0	2	0	3	0	0	0	0	0
2023	129	58	22	0	0	2	0	3	0	0	0	0	0
2024	93	41	15	0	0	2	0	2	0	0	0	0	0
2025	73	27	11	0	0	2	0	2	0	0	0	0	0
2026	120	66	18	0	0	2	0	3	0	0	0	0	0
2027	81	45	10	0	0	2	0	2	0	0	0	0	0
2028	32	16	0	0	0	2	0	0	0	0	0	0	0
2029	31	16	0	0	0	2	0	0	0	0	0	0	0
2030	30	16	0	0	0	2	0	0	0	0	0	0	0
2031	30	16	0	0	0	2	0	0	0	0	0	0	0
2032	33	21	0	0	0	2	0	0	0	0	0	0	0
SubT	1418	420	200	0	0	51	0	31	0	0	0	0	0
31yr	222	162	0	0	0	19	0	3	0	0	0	0	0
Total	1639	582	200	0	0	70	0	35	0	0	0	0	0

Year	NPI / Oth Exp M\$	Aband Cost M\$	SKTax M\$	TaxRev Adj M\$	RoyTax Deduct. M\$	FedTax Inc M\$	Fed Taxes M\$	PrvTax Inc M\$	Prov Taxes M\$	Before Tax CF M\$	Total IncTax M\$	After Tax CF M\$	Cum AT CF M\$
2014	0	0	0	0	0	62	9	62	6	62	16	47	55
2015	0	0	0	0	0	58	9	58	6	58	14	43	99
2016	0	0	0	0	0	59	9	59	6	59	15	44	143
2017	0	0	0	0	0	55	8	55	5	55	14	41	184
2018	0	0	0	0	0	52	8	52	5	52	13	39	223
2019	0	0	0	0	0	50	7	50	5	50	12	37	260
2020	0	0	0	0	0	48	7	48	5	48	12	36	296
2021	0	-22	0	0	0	71	11	71	7	71	18	53	350
2022	0	-7	0	0	0	58	9	58	6	58	15	44	393
2023	0	0	0	0	0	44	7	44	4	44	11	33	426
2024	0	23	0	0	0	10	2	10	1	10	3	8	434
2025	0	-24	0	0	0	55	8	55	6	55	14	41	475
2026	0	0	0	0	0	31	5	31	3	31	8	23	499
2027	0	25	0	0	0	-2	0	-2	0	-2	-1	-2	497
2028	0	0	0	0	0	14	2	14	1	14	3	10	507
2029	0	0	0	0	0	13	2	13	1	13	3	9	517
2030	0	0	0	0	0	12	2	12	1	12	3	9	525
2031	0	0	0	0	0	11	2	11	1	11	3	8	533
2032	0	0	0	0	0	10	1	10	1	10	2	7	540
SubT	0	-5	0	0	0	721	108	721	72	721	180	540	
31yr	0	11	0	0	0	26	4	26	3	26	7	20	
Total	0	6	0	0	0	747	112	747	75	747	187	560	

	Discounted Cash Streams (NPV) (M\$)							
	discR%	5	10	12	15	18	20	25
Inc. Tax		130	96	86	75	65	60	50
AT Cash Flow		389	288	259	224	196	181	150



Table 3

Proved Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Cummings Loc 1

Zone: Cummings, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	30.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	30.0
Co Grs	0.0	6.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	6.0
Co Net	0.0	4.7	0	0	0.0	0.0	0.0	0.0	0.0	0.0	4.7

	Net Present Value						
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	94	137	0	8	0	129
	5.0	90	99	0	4	0	95
	8.0	89	82	0	3	0	79
	10.0	88	72	0	2	0	69
	12.0	86	63	0	2	0	61
	15.0	85	52	0	1	0	51
	20.0	82	37	0	1	0	37
	25.0	80	26	0	0	0	26

Reserve Life = 12.0 yrs

Reserve Half Life = 3.2 yrs

BOE Reserve Index = 4.9

Before Tax Payout = 2.0 yrs

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	4	0	4	27	0	0	0	6	4	0	94	0	-77
2014	3	0	3	86	0	0	1	19	16	0	0	0	49
2015	2	0	2	64	0	0	0	14	15	0	0	0	34
2016	2	0	2	58	0	0	0	13	14	0	0	0	30
2017	2	0	2	49	0	0	0	11	14	0	0	0	24
2018	1	0	1	42	0	0	0	10	14	0	0	0	19
2019	1	0	1	37	0	0	0	8	14	0	0	0	15
2020	1	0	1	34	0	0	0	8	14	0	0	0	12
2021	1	0	1	31	0	0	0	7	14	0	0	0	10
2022	1	0	1	28	0	0	0	6	14	0	0	0	8
2023	1	0	1	26	0	0	0	6	14	0	0	0	6
2024	1	0	1	25	0	0	0	6	14	0	0	0	5
2025	1	0	1	16	0	0	0	4	11	0	0	8	-6
2026	0	0	0	0	0	0	0	0	0	0	0	0	0
2027	0	0	0	0	0	0	0	0	0	0	0	0	0
2028	0	0	0	0	0	0	0	0	0	0	0	0	0
2029	0	0	0	0	0	0	0	0	0	0	0	0	0
2030	0	0	0	0	0	0	0	0	0	0	0	0	0
2031	0	0	0	0	0	0	0	0	0	0	0	0	0
2032	0	0	0	0	0	0	0	0	0	0	0	0	0
Total				522	0	0	2	118	172	0	94	8	129
Discounted		5%		410	0	0	1	92	127	0	90	4	95
Cash		10%		332	0	0	1	75	97	0	88	2	69
Streams		15%		277	0	0	1	62	77	0	85	1	51
		20%		237	0	0	1	53	63	0	82	1	37



Table 3

Proved Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Cummings Loc 1

Zone: Cummings, Prod. Start: 2013-10-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbbl	Hvy Oil Co Grs Mbbbl	Hvy Oil Co Net Mbbbl	Hvy Oil Price \$/bbl
2013	1	19	1.7	0.3	0.3	76.72
2014	1	15	5.6	1.1	0.9	76.88
2015	1	11	4.2	0.8	0.6	76.40
2016	1	9	3.3	0.7	0.5	86.88
2017	1	8	2.7	0.5	0.4	88.75
2018	1	6	2.3	0.5	0.4	90.66
2019	1	6	2.0	0.4	0.3	92.61
2020	1	5	1.8	0.4	0.3	94.60
2021	1	4	1.6	0.3	0.2	96.62
2022	1	4	1.4	0.3	0.2	98.69
2023	1	4	1.3	0.3	0.2	100.80
2024	1	3	1.2	0.2	0.2	102.95
2025	1	3	0.8	0.2	0.1	105.14
Total			30.0	6.0	4.7	

Table 3

Proved Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Cummings Loc 1

Zone: Cummings, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

----- Revenue -----													----- Royalties -----	
Year	Oil	Gas	NGL	Sul	Roy	Other	Crown	Adjust	FH/ Indian	ORR	Min Taxes	Opex	NPI/ Other Expense	
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
2013	27	0	0	0	0	0	0	0	5	1	0	4	0	
2014	86	0	0	0	0	0	0	0	17	2	1	16	0	
2015	64	0	0	0	0	0	0	0	13	2	0	15	0	
2016	58	0	0	0	0	0	0	0	12	1	0	14	0	
2017	49	0	0	0	0	0	0	0	10	1	0	14	0	
2018	42	0	0	0	0	0	0	0	8	1	0	14	0	
2019	37	0	0	0	0	0	0	0	7	1	0	14	0	
2020	34	0	0	0	0	0	0	0	7	1	0	14	0	
2021	31	0	0	0	0	0	0	0	6	1	0	14	0	
2022	28	0	0	0	0	0	0	0	6	1	0	14	0	
2023	26	0	0	0	0	0	0	0	5	1	0	14	0	
2024	25	0	0	0	0	0	0	0	5	1	0	14	0	
2025	16	0	0	0	0	0	0	0	3	0	0	11	0	
Total	522	0	0	0	0	0	0	0	104	13	2	172	0	

----- Capital -----														
Year	Oper Inc	CEE	CDE	CCA	COGPE	Total Capital	Net Rev	Cum Net Rev	ARTC	Aband Cost	SK Tax	Cash Flow	Cum Cash Flow	
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
2013	16	0	83	10	0	94	-77	-77	0	0	0	-77	-77	
2014	49	0	0	0	0	0	49	-28	0	0	0	49	-28	
2015	34	0	0	0	0	0	34	6	0	0	0	34	6	
2016	30	0	0	0	0	0	30	36	0	0	0	30	36	
2017	24	0	0	0	0	0	24	60	0	0	0	24	60	
2018	19	0	0	0	0	0	19	79	0	0	0	19	79	
2019	15	0	0	0	0	0	15	94	0	0	0	15	94	
2020	12	0	0	0	0	0	12	106	0	0	0	12	106	
2021	10	0	0	0	0	0	10	116	0	0	0	10	116	
2022	8	0	0	0	0	0	8	124	0	0	0	8	124	
2023	6	0	0	0	0	0	6	131	0	0	0	6	131	
2024	5	0	0	0	0	0	5	136	0	0	0	5	136	
2025	2	0	0	0	0	0	2	137	0	8	0	-6	129	
Total	231	0	83	10	0	94	137		0	8	0	129		

----- Discounted Cash Streams NPV (M\$) -----							
discR%	5	10	12	15	18	20	25
BT Net	99	72	63	52	43	37	26
BT Cash Flow	95	69	61	51	42	37	26

Table 3

Proved+Probable Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Cummings Loc 1

Zone: Cummings, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	35.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	35.0
Co Grs	0.0	7.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	7.0
Co Net	0.0	5.4	0	0	0.0	0.0	0.0	0.0	0.0	0.0	5.4

Net Present Value

Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
%	M\$	M\$	M\$	M\$	M\$	M\$
0.0	94	182	0	8	0	174
5.0	90	129	0	4	0	125
8.0	89	106	0	3	0	104
10.0	88	94	0	2	0	92
12.0	86	83	0	2	0	81
15.0	85	69	0	1	0	67
20.0	82	50	0	1	0	50
25.0	80	36	0	0	0	36

Reserve Life = 13.9 yrs

Reserve Half Life = 3.8 yrs

BOE Reserve Index = 5.6

Before Tax Payout = 1.8 yrs

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	4	0	4	27	0	0	0	6	4	0	94	0	-77
2014	3	0	3	89	0	0	1	20	16	0	0	0	51
2015	2	0	2	68	0	0	0	15	15	0	0	0	37
2016	2	0	2	63	0	0	0	14	15	0	0	0	34
2017	2	0	2	54	0	0	0	12	14	0	0	0	27
2018	1	0	1	47	0	0	0	11	14	0	0	0	22
2019	1	0	1	42	0	0	0	9	14	0	0	0	18
2020	1	0	1	38	0	0	0	9	14	0	0	0	15
2021	1	0	1	35	0	0	0	8	14	0	0	0	13
2022	1	0	1	32	0	0	0	7	14	0	0	0	11
2023	1	0	1	30	0	0	0	7	14	0	0	0	9
2024	1	0	1	28	0	0	0	6	14	0	0	0	8
2025	1	0	1	27	0	0	0	6	15	0	0	0	6
2026	1	0	1	25	0	0	0	6	15	0	0	0	5
2027	1	0	1	16	0	0	0	4	10	0	0	8	-6
2028	0	0	0	0	0	0	0	0	0	0	0	0	0
2029	0	0	0	0	0	0	0	0	0	0	0	0	0
2030	0	0	0	0	0	0	0	0	0	0	0	0	0
2031	0	0	0	0	0	0	0	0	0	0	0	0	0
2032	0	0	0	0	0	0	0	0	0	0	0	0	0
Total				621	0	0	2	140	204	0	94	8	174
Discounted		5%		471	0	0	2	106	143	0	90	4	125
Cash		10%		373	0	0	2	84	106	0	88	2	92
Streams		15%		306	0	0	1	69	82	0	85	1	67
		20%		258	0	0	1	58	66	0	82	1	50



Table 3

Proved+Probable Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Cummings Loc 1

Zone: Cummings, Prod. Start: 2013-10-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbbl	Hvy Oil Co Grs Mbbbl	Hvy Oil Co Net Mbbbl	Hvy Oil Price \$/bbl
2013	1	19	1.8	0.4	0.3	76.72
2014	1	16	5.8	1.2	0.9	76.88
2015	1	12	4.4	0.9	0.7	76.40
2016	1	10	3.6	0.7	0.6	86.88
2017	1	8	3.0	0.6	0.5	88.75
2018	1	7	2.6	0.5	0.4	90.66
2019	1	6	2.3	0.5	0.4	92.61
2020	1	6	2.0	0.4	0.3	94.60
2021	1	5	1.8	0.4	0.3	96.62
2022	1	4	1.6	0.3	0.3	98.69
2023	1	4	1.5	0.3	0.2	100.80
2024	1	4	1.4	0.3	0.2	102.95
2025	1	3	1.3	0.3	0.2	105.14
2026	1	3	1.2	0.2	0.2	107.38
2027	1	3	0.7	0.1	0.1	109.66
Total			35.0	7.0	5.4	

Table 3

Proved+Probable Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Cummings Loc 1

Zone: Cummings, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Revenue						Royalties							NPI/ Other Expense
	Oil M\$	Gas M\$	NGL M\$	Sul M\$	Roy M\$	Other Income M\$	Crown M\$	Adjust M\$	FH/ Indian M\$	ORR M\$	Min Taxes M\$	Opex M\$		
2013	27	0	0	0	0	0	0	0	5	1	0	4	0	
2014	89	0	0	0	0	0	0	0	18	2	1	16	0	
2015	68	0	0	0	0	0	0	0	14	2	0	15	0	
2016	63	0	0	0	0	0	0	0	13	2	0	15	0	
2017	54	0	0	0	0	0	0	0	11	1	0	14	0	
2018	47	0	0	0	0	0	0	0	9	1	0	14	0	
2019	42	0	0	0	0	0	0	0	8	1	0	14	0	
2020	38	0	0	0	0	0	0	0	8	1	0	14	0	
2021	35	0	0	0	0	0	0	0	7	1	0	14	0	
2022	32	0	0	0	0	0	0	0	6	1	0	14	0	
2023	30	0	0	0	0	0	0	0	6	1	0	14	0	
2024	28	0	0	0	0	0	0	0	6	1	0	14	0	
2025	27	0	0	0	0	0	0	0	5	1	0	15	0	
2026	25	0	0	0	0	0	0	0	5	1	0	15	0	
2027	16	0	0	0	0	0	0	0	3	0	0	10	0	
Total	621	0	0	0	0	0	0	0	124	16	2	204	0	

Year	Capital						Net Rev M\$	Cum Net Rev M\$	ARTC M\$	Aband Cost M\$	SK Tax M\$	Cash Flow M\$	Cum Cash Flow M\$
	Oper Inc M\$	CEE M\$	CDE M\$	CCA M\$	COGPE M\$	Total Capital M\$							
2013	16	0	83	10	0	94	-77	-77	0	0	0	-77	-77
2014	51	0	0	0	0	0	51	-26	0	0	0	51	-26
2015	37	0	0	0	0	0	37	11	0	0	0	37	11
2016	34	0	0	0	0	0	34	45	0	0	0	34	45
2017	27	0	0	0	0	0	27	72	0	0	0	27	72
2018	22	0	0	0	0	0	22	94	0	0	0	22	94
2019	18	0	0	0	0	0	18	113	0	0	0	18	113
2020	15	0	0	0	0	0	15	128	0	0	0	15	128
2021	13	0	0	0	0	0	13	141	0	0	0	13	141
2022	11	0	0	0	0	0	11	152	0	0	0	11	152
2023	9	0	0	0	0	0	9	161	0	0	0	9	161
2024	8	0	0	0	0	0	8	168	0	0	0	8	168
2025	6	0	0	0	0	0	6	175	0	0	0	6	175
2026	5	0	0	0	0	0	5	179	0	0	0	5	179
2027	3	0	0	0	0	0	3	182	0	8	0	-6	174
Total	276	0	83	10	0	94	182		0	8	0	174	

	Discounted Cash Streams NPV (M\$)							
	discR%	5	10	12	15	18	20	25
BT Net		129	94	83	69	57	50	36
BT Cash Flow		125	92	81	67	56	50	36

Table 3

Proved Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Cummings Loc 2

Zone: Cummings, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	30.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	30.0
Co Grs	0.0	6.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	6.0
Co Net	0.0	4.7	0	0	0.0	0.0	0.0	0.0	0.0	0.0	4.7

	Net Present Value						
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	94	137	0	8	0	129
	5.0	90	99	0	4	0	95
	8.0	89	82	0	3	0	79
	10.0	88	72	0	2	0	69
	12.0	86	63	0	2	0	61
	15.0	85	52	0	1	0	51
	20.0	82	37	0	1	0	37
	25.0	80	26	0	0	0	26

Reserve Life = 12.0 yrs

Reserve Half Life = 3.2 yrs

BOE Reserve Index = 4.9

Before Tax Payout = 2.0 yrs

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	4	0	4	27	0	0	0	6	4	0	94	0	-77
2014	3	0	3	86	0	0	1	19	16	0	0	0	49
2015	2	0	2	64	0	0	0	14	15	0	0	0	34
2016	2	0	2	58	0	0	0	13	14	0	0	0	30
2017	2	0	2	49	0	0	0	11	14	0	0	0	24
2018	1	0	1	42	0	0	0	10	14	0	0	0	19
2019	1	0	1	37	0	0	0	8	14	0	0	0	15
2020	1	0	1	34	0	0	0	8	14	0	0	0	12
2021	1	0	1	31	0	0	0	7	14	0	0	0	10
2022	1	0	1	28	0	0	0	6	14	0	0	0	8
2023	1	0	1	26	0	0	0	6	14	0	0	0	6
2024	1	0	1	25	0	0	0	6	14	0	0	0	5
2025	1	0	1	16	0	0	0	4	11	0	0	8	-6
2026	0	0	0	0	0	0	0	0	0	0	0	0	0
2027	0	0	0	0	0	0	0	0	0	0	0	0	0
2028	0	0	0	0	0	0	0	0	0	0	0	0	0
2029	0	0	0	0	0	0	0	0	0	0	0	0	0
2030	0	0	0	0	0	0	0	0	0	0	0	0	0
2031	0	0	0	0	0	0	0	0	0	0	0	0	0
2032	0	0	0	0	0	0	0	0	0	0	0	0	0
Total				522	0	0	2	118	172	0	94	8	129
Discounted		5%		410	0	0	1	92	127	0	90	4	95
Cash		10%		332	0	0	1	75	97	0	88	2	69
Streams		15%		277	0	0	1	62	77	0	85	1	51
		20%		237	0	0	1	53	63	0	82	1	37



Table 3

Proved Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Cummings Loc 2

Zone: Cummings, Prod. Start: 2013-10-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbl	Hvy Oil Co Grs Mbbl	Hvy Oil Co Net Mbbl	Hvy Oil Price \$/bbl
2013	1	19	1.7	0.3	0.3	76.72
2014	1	15	5.6	1.1	0.9	76.88
2015	1	11	4.2	0.8	0.6	76.40
2016	1	9	3.3	0.7	0.5	86.88
2017	1	8	2.7	0.5	0.4	88.75
2018	1	6	2.3	0.5	0.4	90.66
2019	1	6	2.0	0.4	0.3	92.61
2020	1	5	1.8	0.4	0.3	94.60
2021	1	4	1.6	0.3	0.2	96.62
2022	1	4	1.4	0.3	0.2	98.69
2023	1	4	1.3	0.3	0.2	100.80
2024	1	3	1.2	0.2	0.2	102.95
2025	1	3	0.8	0.2	0.1	105.14
Total			30.0	6.0	4.7	

Table 3

Proved Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Cummings Loc 2

Zone: Cummings, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Revenue													Royalties	
Year	Oil	Gas	NGL	Sul	Roy	Other	Crown	Adjust	FH/ Indian	ORR	Min Taxes	Opex	NPI/ Other Expense	
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
2013	27	0	0	0	0	0	0	0	5	1	0	4	0	
2014	86	0	0	0	0	0	0	0	17	2	1	16	0	
2015	64	0	0	0	0	0	0	0	13	2	0	15	0	
2016	58	0	0	0	0	0	0	0	12	1	0	14	0	
2017	49	0	0	0	0	0	0	0	10	1	0	14	0	
2018	42	0	0	0	0	0	0	0	8	1	0	14	0	
2019	37	0	0	0	0	0	0	0	7	1	0	14	0	
2020	34	0	0	0	0	0	0	0	7	1	0	14	0	
2021	31	0	0	0	0	0	0	0	6	1	0	14	0	
2022	28	0	0	0	0	0	0	0	6	1	0	14	0	
2023	26	0	0	0	0	0	0	0	5	1	0	14	0	
2024	25	0	0	0	0	0	0	0	5	1	0	14	0	
2025	16	0	0	0	0	0	0	0	3	0	0	11	0	
Total	522	0	0	0	0	0	0	0	104	13	2	172	0	

Capital													Cash	Cum Cash
Year	Oper Inc	CEE	CDE	CCA	COGPE	Total Capital	Net Rev	Cum Net Rev	ARTC	Aband Cost	SK Tax	Flow	Flow	
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
2013	16	0	83	10	0	94	-77	-77	0	0	0	-77	-77	
2014	49	0	0	0	0	0	49	-28	0	0	0	49	-28	
2015	34	0	0	0	0	0	34	6	0	0	0	34	6	
2016	30	0	0	0	0	0	30	36	0	0	0	30	36	
2017	24	0	0	0	0	0	24	60	0	0	0	24	60	
2018	19	0	0	0	0	0	19	79	0	0	0	19	79	
2019	15	0	0	0	0	0	15	94	0	0	0	15	94	
2020	12	0	0	0	0	0	12	106	0	0	0	12	106	
2021	10	0	0	0	0	0	10	116	0	0	0	10	116	
2022	8	0	0	0	0	0	8	124	0	0	0	8	124	
2023	6	0	0	0	0	0	6	131	0	0	0	6	131	
2024	5	0	0	0	0	0	5	136	0	0	0	5	136	
2025	2	0	0	0	0	0	2	137	0	8	0	-6	129	
Total	231	0	83	10	0	94	137		0	8	0	129		

Discounted Cash Streams NPV (M\$)							
discR%	5	10	12	15	18	20	25
BT Net	99	72	63	52	43	37	26
BT Cash Flow	95	69	61	51	42	37	26

Table 3

Proved+Probable Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Cummings Loc 2

Zone: Cummings, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	35.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	35.0
Co Grs	0.0	7.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	7.0
Co Net	0.0	5.4	0	0	0.0	0.0	0.0	0.0	0.0	0.0	5.4

Net Present Value

Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
%	M\$	M\$	M\$	M\$	M\$	M\$
0.0	94	182	0	8	0	174
5.0	90	129	0	4	0	125
8.0	89	106	0	3	0	104
10.0	88	94	0	2	0	92
12.0	86	83	0	2	0	81
15.0	85	69	0	1	0	67
20.0	82	50	0	1	0	50
25.0	80	36	0	0	0	36

Reserve Life = 13.9 yrs

Reserve Half Life = 3.8 yrs

BOE Reserve Index = 5.6

Before Tax Payout = 1.8 yrs

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	4	0	4	27	0	0	0	6	4	0	94	0	-77
2014	3	0	3	89	0	0	1	20	16	0	0	0	51
2015	2	0	2	68	0	0	0	15	15	0	0	0	37
2016	2	0	2	63	0	0	0	14	15	0	0	0	34
2017	2	0	2	54	0	0	0	12	14	0	0	0	27
2018	1	0	1	47	0	0	0	11	14	0	0	0	22
2019	1	0	1	42	0	0	0	9	14	0	0	0	18
2020	1	0	1	38	0	0	0	9	14	0	0	0	15
2021	1	0	1	35	0	0	0	8	14	0	0	0	13
2022	1	0	1	32	0	0	0	7	14	0	0	0	11
2023	1	0	1	30	0	0	0	7	14	0	0	0	9
2024	1	0	1	28	0	0	0	6	14	0	0	0	8
2025	1	0	1	27	0	0	0	6	15	0	0	0	6
2026	1	0	1	25	0	0	0	6	15	0	0	0	5
2027	1	0	1	16	0	0	0	4	10	0	0	8	-6
2028	0	0	0	0	0	0	0	0	0	0	0	0	0
2029	0	0	0	0	0	0	0	0	0	0	0	0	0
2030	0	0	0	0	0	0	0	0	0	0	0	0	0
2031	0	0	0	0	0	0	0	0	0	0	0	0	0
2032	0	0	0	0	0	0	0	0	0	0	0	0	0
Total				621	0	0	2	140	204	0	94	8	174
Discounted		5%		471	0	0	2	106	143	0	90	4	125
Cash		10%		373	0	0	2	84	106	0	88	2	92
Streams		15%		306	0	0	1	69	82	0	85	1	67
		20%		258	0	0	1	58	66	0	82	1	50



Table 3

Proved+Probable Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Cummings Loc 2

Zone: Cummings, Prod. Start: 2013-10-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbl	Hvy Oil Co Grs Mbbl	Hvy Oil Co Net Mbbl	Hvy Oil Price \$/bbl
2013	1	19	1.8	0.4	0.3	76.72
2014	1	16	5.8	1.2	0.9	76.88
2015	1	12	4.4	0.9	0.7	76.40
2016	1	10	3.6	0.7	0.6	86.88
2017	1	8	3.0	0.6	0.5	88.75
2018	1	7	2.6	0.5	0.4	90.66
2019	1	6	2.3	0.5	0.4	92.61
2020	1	6	2.0	0.4	0.3	94.60
2021	1	5	1.8	0.4	0.3	96.62
2022	1	4	1.6	0.3	0.3	98.69
2023	1	4	1.5	0.3	0.2	100.80
2024	1	4	1.4	0.3	0.2	102.95
2025	1	3	1.3	0.3	0.2	105.14
2026	1	3	1.2	0.2	0.2	107.38
2027	1	3	0.7	0.1	0.1	109.66
Total			35.0	7.0	5.4	

Table 3

Proved+Probable Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Cummings Loc 2

Zone: Cummings, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Revenue						Royalties						Opex	NPI/ Other Expense
	Oil M\$	Gas M\$	NGL M\$	Sul M\$	Roy M\$	Other Income M\$	Crown M\$	Adjust M\$	FH/ Indian M\$	ORR M\$	Min Taxes M\$			
2013	27	0	0	0	0	0	0	0	5	1	0	4	0	
2014	89	0	0	0	0	0	0	0	18	2	1	16	0	
2015	68	0	0	0	0	0	0	0	14	2	0	15	0	
2016	63	0	0	0	0	0	0	0	13	2	0	15	0	
2017	54	0	0	0	0	0	0	0	11	1	0	14	0	
2018	47	0	0	0	0	0	0	0	9	1	0	14	0	
2019	42	0	0	0	0	0	0	0	8	1	0	14	0	
2020	38	0	0	0	0	0	0	0	8	1	0	14	0	
2021	35	0	0	0	0	0	0	0	7	1	0	14	0	
2022	32	0	0	0	0	0	0	0	6	1	0	14	0	
2023	30	0	0	0	0	0	0	0	6	1	0	14	0	
2024	28	0	0	0	0	0	0	0	6	1	0	14	0	
2025	27	0	0	0	0	0	0	0	5	1	0	15	0	
2026	25	0	0	0	0	0	0	0	5	1	0	15	0	
2027	16	0	0	0	0	0	0	0	3	0	0	10	0	
Total	621	0	0	0	0	0	0	0	124	16	2	204	0	

Year	Capital						Total Capital M\$	Net Rev M\$	Cum Net Rev M\$	ARTC M\$	Aband Cost M\$	SK Tax M\$	Cash Flow M\$	Cum Cash Flow M\$
	Oper Inc M\$	CEE M\$	CDE M\$	CCA M\$	COGPE M\$									
2013	16	0	83	10	0	94	-77	-77	0	0	0	-77	-77	
2014	51	0	0	0	0	0	51	-26	0	0	0	51	-26	
2015	37	0	0	0	0	0	37	11	0	0	0	37	11	
2016	34	0	0	0	0	0	34	45	0	0	0	34	45	
2017	27	0	0	0	0	0	27	72	0	0	0	27	72	
2018	22	0	0	0	0	0	22	94	0	0	0	22	94	
2019	18	0	0	0	0	0	18	113	0	0	0	18	113	
2020	15	0	0	0	0	0	15	128	0	0	0	15	128	
2021	13	0	0	0	0	0	13	141	0	0	0	13	141	
2022	11	0	0	0	0	0	11	152	0	0	0	11	152	
2023	9	0	0	0	0	0	9	161	0	0	0	9	161	
2024	8	0	0	0	0	0	8	168	0	0	0	8	168	
2025	6	0	0	0	0	0	6	175	0	0	0	6	175	
2026	5	0	0	0	0	0	5	179	0	0	0	5	179	
2027	3	0	0	0	0	0	3	182	0	8	0	-6	174	
Total	276	0	83	10	0	94	182		0	8	0	174		

	Discounted Cash Streams NPV (M\$)							
	discR%	5	10	12	15	18	20	25
BT Net		129	94	83	69	57	50	36
BT Cash Flow		125	92	81	67	56	50	36

Table 3

Proved Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Cummings Loc 3

Zone: Cummings, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Reserves											
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	30.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	30.0
Co Grs	0.0	6.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	6.0
Co Net	0.0	4.7	0	0	0.0	0.0	0.0	0.0	0.0	0.0	4.7

Net Present Value							
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	94	137	0	8	0	129
	5.0	90	99	0	4	0	95
	8.0	89	82	0	3	0	79
	10.0	88	72	0	2	0	69
	12.0	86	63	0	2	0	61
	15.0	85	52	0	1	0	51
	20.0	82	37	0	1	0	37
	25.0	80	26	0	0	0	26

Reserve Life = 12.0 yrs

Reserve Half Life = 3.2 yrs

BOE Reserve Index = 4.9

Before Tax Payout = 2.0 yrs

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	4	0	4	27	0	0	0	6	4	0	94	0	-77
2014	3	0	3	86	0	0	1	19	16	0	0	0	49
2015	2	0	2	64	0	0	0	14	15	0	0	0	34
2016	2	0	2	58	0	0	0	13	14	0	0	0	30
2017	2	0	2	49	0	0	0	11	14	0	0	0	24
2018	1	0	1	42	0	0	0	10	14	0	0	0	19
2019	1	0	1	37	0	0	0	8	14	0	0	0	15
2020	1	0	1	34	0	0	0	8	14	0	0	0	12
2021	1	0	1	31	0	0	0	7	14	0	0	0	10
2022	1	0	1	28	0	0	0	6	14	0	0	0	8
2023	1	0	1	26	0	0	0	6	14	0	0	0	6
2024	1	0	1	25	0	0	0	6	14	0	0	0	5
2025	1	0	1	16	0	0	0	4	11	0	0	8	-6
2026	0	0	0	0	0	0	0	0	0	0	0	0	0
2027	0	0	0	0	0	0	0	0	0	0	0	0	0
2028	0	0	0	0	0	0	0	0	0	0	0	0	0
2029	0	0	0	0	0	0	0	0	0	0	0	0	0
2030	0	0	0	0	0	0	0	0	0	0	0	0	0
2031	0	0	0	0	0	0	0	0	0	0	0	0	0
2032	0	0	0	0	0	0	0	0	0	0	0	0	0
Total				522	0	0	2	118	172	0	94	8	129
Discounted		5%		410	0	0	1	92	127	0	90	4	95
Cash		10%		332	0	0	1	75	97	0	88	2	69
Streams		15%		277	0	0	1	62	77	0	85	1	51
		20%		237	0	0	1	53	63	0	82	1	37



Table 3

Proved Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Cummings Loc 3

Zone: Cummings, Prod. Start: 2013-10-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbl	Hvy Oil Co Grs Mbbl	Hvy Oil Co Net Mbbl	Hvy Oil Price \$/bbl
2013	1	19	1.7	0.3	0.3	76.72
2014	1	15	5.6	1.1	0.9	76.88
2015	1	11	4.2	0.8	0.6	76.40
2016	1	9	3.3	0.7	0.5	86.88
2017	1	8	2.7	0.5	0.4	88.75
2018	1	6	2.3	0.5	0.4	90.66
2019	1	6	2.0	0.4	0.3	92.61
2020	1	5	1.8	0.4	0.3	94.60
2021	1	4	1.6	0.3	0.2	96.62
2022	1	4	1.4	0.3	0.2	98.69
2023	1	4	1.3	0.3	0.2	100.80
2024	1	3	1.2	0.2	0.2	102.95
2025	1	3	0.8	0.2	0.1	105.14
Total			30.0	6.0	4.7	

Table 3

Proved Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Cummings Loc 3

Zone: Cummings, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Revenue													Royalties	
Year	Oil	Gas	NGL	Sul	Roy	Other	Crown	Adjust	FH/ Indian	ORR	Min Taxes	Opex	NPI/ Other Expense	
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
2013	27	0	0	0	0	0	0	0	5	1	0	4	0	
2014	86	0	0	0	0	0	0	0	17	2	1	16	0	
2015	64	0	0	0	0	0	0	0	13	2	0	15	0	
2016	58	0	0	0	0	0	0	0	12	1	0	14	0	
2017	49	0	0	0	0	0	0	0	10	1	0	14	0	
2018	42	0	0	0	0	0	0	0	8	1	0	14	0	
2019	37	0	0	0	0	0	0	0	7	1	0	14	0	
2020	34	0	0	0	0	0	0	0	7	1	0	14	0	
2021	31	0	0	0	0	0	0	0	6	1	0	14	0	
2022	28	0	0	0	0	0	0	0	6	1	0	14	0	
2023	26	0	0	0	0	0	0	0	5	1	0	14	0	
2024	25	0	0	0	0	0	0	0	5	1	0	14	0	
2025	16	0	0	0	0	0	0	0	3	0	0	11	0	
Total	522	0	0	0	0	0	0	0	104	13	2	172	0	

Capital														
Year	Oper Inc	CEE	CDE	CCA	COGPE	Total Capital	Net Rev	Cum Net Rev	ARTC	Aband Cost	SK Tax	Cash Flow	Cum Cash Flow	
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
2013	16	0	83	10	0	94	-77	-77	0	0	0	-77	-77	
2014	49	0	0	0	0	0	49	-28	0	0	0	49	-28	
2015	34	0	0	0	0	0	34	6	0	0	0	34	6	
2016	30	0	0	0	0	0	30	36	0	0	0	30	36	
2017	24	0	0	0	0	0	24	60	0	0	0	24	60	
2018	19	0	0	0	0	0	19	79	0	0	0	19	79	
2019	15	0	0	0	0	0	15	94	0	0	0	15	94	
2020	12	0	0	0	0	0	12	106	0	0	0	12	106	
2021	10	0	0	0	0	0	10	116	0	0	0	10	116	
2022	8	0	0	0	0	0	8	124	0	0	0	8	124	
2023	6	0	0	0	0	0	6	131	0	0	0	6	131	
2024	5	0	0	0	0	0	5	136	0	0	0	5	136	
2025	2	0	0	0	0	0	2	137	0	8	0	-6	129	
Total	231	0	83	10	0	94	137		0	8	0	129		

Discounted Cash Streams NPV (M\$)							
discR%	5	10	12	15	18	20	25
BT Net	99	72	63	52	43	37	26
BT Cash Flow	95	69	61	51	42	37	26

Table 3

Proved+Probable Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Cummings Loc 3

Zone: Cummings, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	35.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	35.0
Co Grs	0.0	7.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	7.0
Co Net	0.0	5.4	0	0	0.0	0.0	0.0	0.0	0.0	0.0	5.4

	Net Present Value						
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	94	182	0	8	0	174
	5.0	90	129	0	4	0	125
	8.0	89	106	0	3	0	104
	10.0	88	94	0	2	0	92
	12.0	86	83	0	2	0	81
	15.0	85	69	0	1	0	67
	20.0	82	50	0	1	0	50
	25.0	80	36	0	0	0	36

Reserve Life = 13.9 yrs

Reserve Half Life = 3.8 yrs

BOE Reserve Index = 5.6

Before Tax Payout = 1.8 yrs

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	4	0	4	27	0	0	0	6	4	0	94	0	-77
2014	3	0	3	89	0	0	1	20	16	0	0	0	51
2015	2	0	2	68	0	0	0	15	15	0	0	0	37
2016	2	0	2	63	0	0	0	14	15	0	0	0	34
2017	2	0	2	54	0	0	0	12	14	0	0	0	27
2018	1	0	1	47	0	0	0	11	14	0	0	0	22
2019	1	0	1	42	0	0	0	9	14	0	0	0	18
2020	1	0	1	38	0	0	0	9	14	0	0	0	15
2021	1	0	1	35	0	0	0	8	14	0	0	0	13
2022	1	0	1	32	0	0	0	7	14	0	0	0	11
2023	1	0	1	30	0	0	0	7	14	0	0	0	9
2024	1	0	1	28	0	0	0	6	14	0	0	0	8
2025	1	0	1	27	0	0	0	6	15	0	0	0	6
2026	1	0	1	25	0	0	0	6	15	0	0	0	5
2027	1	0	1	16	0	0	0	4	10	0	0	8	-6
2028	0	0	0	0	0	0	0	0	0	0	0	0	0
2029	0	0	0	0	0	0	0	0	0	0	0	0	0
2030	0	0	0	0	0	0	0	0	0	0	0	0	0
2031	0	0	0	0	0	0	0	0	0	0	0	0	0
2032	0	0	0	0	0	0	0	0	0	0	0	0	0
Total				621	0	0	2	140	204	0	94	8	174
Discounted		5%		471	0	0	2	106	143	0	90	4	125
Cash		10%		373	0	0	2	84	106	0	88	2	92
Streams		15%		306	0	0	1	69	82	0	85	1	67
		20%		258	0	0	1	58	66	0	82	1	50



Table 3

Proved+Probable Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Cummings Loc 3

Zone: Cummings, Prod. Start: 2013-10-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbl	Hvy Oil Co Grs Mbbl	Hvy Oil Co Net Mbbl	Hvy Oil Price \$/bbl
2013	1	19	1.8	0.4	0.3	76.72
2014	1	16	5.8	1.2	0.9	76.88
2015	1	12	4.4	0.9	0.7	76.40
2016	1	10	3.6	0.7	0.6	86.88
2017	1	8	3.0	0.6	0.5	88.75
2018	1	7	2.6	0.5	0.4	90.66
2019	1	6	2.3	0.5	0.4	92.61
2020	1	6	2.0	0.4	0.3	94.60
2021	1	5	1.8	0.4	0.3	96.62
2022	1	4	1.6	0.3	0.3	98.69
2023	1	4	1.5	0.3	0.2	100.80
2024	1	4	1.4	0.3	0.2	102.95
2025	1	3	1.3	0.3	0.2	105.14
2026	1	3	1.2	0.2	0.2	107.38
2027	1	3	0.7	0.1	0.1	109.66
Total			35.0	7.0	5.4	

Table 3

Proved+Probable Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Cummings Loc 3

Zone: Cummings, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Revenue						Royalties						Opex	NPI/ Other Expense
	Oil M\$	Gas M\$	NGL M\$	Sul M\$	Roy M\$	Other Income M\$	Crown M\$	Adjust M\$	FH/ Indian M\$	ORR M\$	Min Taxes M\$			
2013	27	0	0	0	0	0	0	0	5	1	0	4	0	
2014	89	0	0	0	0	0	0	0	18	2	1	16	0	
2015	68	0	0	0	0	0	0	0	14	2	0	15	0	
2016	63	0	0	0	0	0	0	0	13	2	0	15	0	
2017	54	0	0	0	0	0	0	0	11	1	0	14	0	
2018	47	0	0	0	0	0	0	0	9	1	0	14	0	
2019	42	0	0	0	0	0	0	0	8	1	0	14	0	
2020	38	0	0	0	0	0	0	0	8	1	0	14	0	
2021	35	0	0	0	0	0	0	0	7	1	0	14	0	
2022	32	0	0	0	0	0	0	0	6	1	0	14	0	
2023	30	0	0	0	0	0	0	0	6	1	0	14	0	
2024	28	0	0	0	0	0	0	0	6	1	0	14	0	
2025	27	0	0	0	0	0	0	0	5	1	0	15	0	
2026	25	0	0	0	0	0	0	0	5	1	0	15	0	
2027	16	0	0	0	0	0	0	0	3	0	0	10	0	
Total	621	0	0	0	0	0	0	0	124	16	2	204	0	

Year	Capital						Net Rev M\$	Cum Net Rev M\$	ARTC M\$	Aband Cost M\$	SK Tax M\$	Cash Flow M\$	Cum Cash Flow M\$
	Oper Inc M\$	CEE M\$	CDE M\$	CCA M\$	COGPE M\$	Total Capital M\$							
2013	16	0	83	10	0	94	-77	-77	0	0	0	-77	-77
2014	51	0	0	0	0	0	51	-26	0	0	0	51	-26
2015	37	0	0	0	0	0	37	11	0	0	0	37	11
2016	34	0	0	0	0	0	34	45	0	0	0	34	45
2017	27	0	0	0	0	0	27	72	0	0	0	27	72
2018	22	0	0	0	0	0	22	94	0	0	0	22	94
2019	18	0	0	0	0	0	18	113	0	0	0	18	113
2020	15	0	0	0	0	0	15	128	0	0	0	15	128
2021	13	0	0	0	0	0	13	141	0	0	0	13	141
2022	11	0	0	0	0	0	11	152	0	0	0	11	152
2023	9	0	0	0	0	0	9	161	0	0	0	9	161
2024	8	0	0	0	0	0	8	168	0	0	0	8	168
2025	6	0	0	0	0	0	6	175	0	0	0	6	175
2026	5	0	0	0	0	0	5	179	0	0	0	5	179
2027	3	0	0	0	0	0	3	182	0	8	0	-6	174
Total	276	0	83	10	0	94	182	0	0	8	0	174	0

	Discounted Cash Streams NPV (M\$)							
	discR%	5	10	12	15	18	20	25
BT Net		129	94	83	69	57	50	36
BT Cash Flow		125	92	81	67	56	50	36

Table 3

Proved Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Lloyd Loc 1

Zone: Lloydminster, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	30.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	30.0
Co Grs	0.0	6.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	6.0
Co Net	0.0	4.6	0	0	0.0	0.0	0.0	0.0	0.0	0.0	4.6

Net Present Value

Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
%	M\$	M\$	M\$	M\$	M\$	M\$
0.0	94	158	0	7	0	151
5.0	90	133	0	5	0	128
8.0	89	120	0	4	0	116
10.0	88	112	0	3	0	109
12.0	86	105	0	3	0	103
15.0	85	96	0	2	0	94
20.0	82	83	0	2	0	81
25.0	80	72	0	1	0	71

Reserve Life = 8.2 yrs

Reserve Half Life = 1.4 yrs

BOE Reserve Index = 2.5

Before Tax Payout = 0.7 yrs

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	10	0	10	69	0	0	2	16	7	0	94	0	-49
2014	5	0	5	143	0	0	3	32	20	0	0	0	88
2015	3	0	3	73	0	0	1	17	16	0	0	0	41
2016	2	0	2	56	0	0	0	13	14	0	0	0	29
2017	1	0	1	42	0	0	0	10	14	0	0	0	19
2018	1	0	1	34	0	0	0	8	13	0	0	0	13
2019	1	0	1	29	0	0	0	7	13	0	0	0	9
2020	1	0	1	25	0	0	0	6	13	0	0	0	6
2021	1	0	1	20	0	0	0	4	12	0	0	7	-4
2022	0	0	0	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0	0	0	0	0	0
2027	0	0	0	0	0	0	0	0	0	0	0	0	0
2028	0	0	0	0	0	0	0	0	0	0	0	0	0
2029	0	0	0	0	0	0	0	0	0	0	0	0	0
2030	0	0	0	0	0	0	0	0	0	0	0	0	0
2031	0	0	0	0	0	0	0	0	0	0	0	0	0
2032	0	0	0	0	0	0	0	0	0	0	0	0	0
Total				492	0	0	6	111	123	0	94	7	151
Discounted		5%		423	0	0	6	95	100	0	90	5	128
Cash		10%		371	0	0	5	83	83	0	88	3	109
Streams		15%		330	0	0	5	74	70	0	85	2	94
		20%		296	0	0	5	67	60	0	82	2	81



Table 3

Proved Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Lloyd Loc 1

Zone: Lloydminster, Prod. Start: 2013-10-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbbl	Hvy Oil Co Grs Mbbbl	Hvy Oil Co Net Mbbbl	Hvy Oil Price \$/bbl
2013	1	49	4.5	0.9	0.7	76.72
2014	1	25	9.3	1.9	1.4	76.88
2015	1	13	4.8	1.0	0.7	76.40
2016	1	9	3.2	0.6	0.5	86.88
2017	1	7	2.4	0.5	0.4	88.75
2018	1	5	1.9	0.4	0.3	90.66
2019	1	4	1.6	0.3	0.2	92.61
2020	1	4	1.3	0.3	0.2	94.60
2021	1	3	1.0	0.2	0.2	96.62
Total			30.0	6.0	4.6	

Table 3

Proved Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Lloyd Loc 1

Zone: Lloydminster, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

----- Revenue -----													----- Royalties -----	
Year	Oil	Gas	NGL	Sul	Roy	Other	Crown	Adjust	FH/ Indian	ORR	Min Taxes	Opex	NPI/ Other Expense	
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
2013	69	0	0	0	0	0	0	0	14	2	2	7	0	
2014	143	0	0	0	0	0	0	0	29	4	3	20	0	
2015	73	0	0	0	0	0	0	0	15	2	1	16	0	
2016	56	0	0	0	0	0	0	0	11	1	0	14	0	
2017	42	0	0	0	0	0	0	0	8	1	0	14	0	
2018	34	0	0	0	0	0	0	0	7	1	0	13	0	
2019	29	0	0	0	0	0	0	0	6	1	0	13	0	
2020	25	0	0	0	0	0	0	0	5	1	0	13	0	
2021	20	0	0	0	0	0	0	0	4	0	0	12	0	
Total	492	0	0	0	0	0	0	0	98	12	6	123	0	

----- Capital -----													
Year	Oper Inc	CEE	CDE	CCA	COGPE	Total Capital	Net Rev	Cum Net Rev	ARTC	Aband Cost	SK Tax	Cash Flow	Cum Cash Flow
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	44	0	83	10	0	94	-49	-49	0	0	0	-49	-49
2014	88	0	0	0	0	0	88	38	0	0	0	88	38
2015	41	0	0	0	0	0	41	79	0	0	0	41	79
2016	29	0	0	0	0	0	29	108	0	0	0	29	108
2017	19	0	0	0	0	0	19	127	0	0	0	19	127
2018	13	0	0	0	0	0	13	140	0	0	0	13	140
2019	9	0	0	0	0	0	9	149	0	0	0	9	149
2020	6	0	0	0	0	0	6	156	0	0	0	6	156
2021	3	0	0	0	0	0	3	158	0	7	0	-4	151
Total	252	0	83	10	0	94	158		0	7	0	151	

----- Discounted Cash Streams NPV (M\$) -----							
discR%	5	10	12	15	18	20	25
BT Net	133	112	105	96	88	83	72
BT Cash Flow	128	109	103	94	86	81	71

Table 3

Proved+Probable Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Lloyd Loc 1

Zone: Lloydminster, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	40.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	40.0
Co Grs	0.0	8.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	8.0
Co Net	0.0	6.2	0	0	0.0	0.0	0.0	0.0	0.0	0.0	6.2

Net Present Value

Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
%	M\$	M\$	M\$	M\$	M\$	M\$
0.0	94	251	0	8	0	243
5.0	90	206	0	4	0	201
8.0	89	184	0	3	0	181
10.0	88	172	0	3	0	169
12.0	86	160	0	2	0	158
15.0	85	145	0	2	0	144
20.0	82	125	0	1	0	124
25.0	80	108	0	1	0	108

Reserve Life = 10.8 yrs

Reserve Half Life = 1.9 yrs

BOE Reserve Index = 3.0

Before Tax Payout = 0.6 yrs

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	10	0	10	72	0	0	2	16	7	0	94	0	-47
2014	6	0	6	167	0	0	4	37	22	0	0	0	104
2015	3	0	3	92	0	0	1	21	17	0	0	0	53
2016	2	0	2	72	0	0	0	16	15	0	0	0	40
2017	2	0	2	56	0	0	0	12	14	0	0	0	28
2018	1	0	1	45	0	0	0	10	14	0	0	0	21
2019	1	0	1	39	0	0	0	9	14	0	0	0	16
2020	1	0	1	34	0	0	0	8	14	0	0	0	12
2021	1	0	1	30	0	0	0	7	14	0	0	0	9
2022	1	0	1	27	0	0	0	6	14	0	0	0	7
2023	1	0	1	25	0	0	0	6	14	0	0	0	5
2024	1	0	1	13	0	0	0	3	8	0	0	8	-6
2025	0	0	0	0	0	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0	0	0	0	0	0
2027	0	0	0	0	0	0	0	0	0	0	0	0	0
2028	0	0	0	0	0	0	0	0	0	0	0	0	0
2029	0	0	0	0	0	0	0	0	0	0	0	0	0
2030	0	0	0	0	0	0	0	0	0	0	0	0	0
2031	0	0	0	0	0	0	0	0	0	0	0	0	0
2032	0	0	0	0	0	0	0	0	0	0	0	0	0
Total				671	0	0	8	151	167	0	94	8	243
Discounted		5%		557	0	0	7	125	128	0	90	4	201
Cash		10%		474	0	0	7	107	102	0	88	3	169
Streams		15%		413	0	0	6	93	83	0	85	2	144
		20%		365	0	0	6	82	69	0	82	1	124



Table 3

Proved+Probable Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Lloyd Loc 1

Zone: Lloydminster, Prod. Start: 2013-10-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbl	Hvy Oil Co Grs Mbbl	Hvy Oil Co Net Mbbl	Hvy Oil Price \$/bbl
2013	1	51	4.7	0.9	0.7	76.72
2014	1	30	10.8	2.2	1.7	76.88
2015	1	17	6.0	1.2	0.9	76.40
2016	1	11	4.1	0.8	0.6	86.88
2017	1	9	3.1	0.6	0.5	88.75
2018	1	7	2.5	0.5	0.4	90.66
2019	1	6	2.1	0.4	0.3	92.61
2020	1	5	1.8	0.4	0.3	94.60
2021	1	4	1.5	0.3	0.2	96.62
2022	1	4	1.4	0.3	0.2	98.69
2023	1	3	1.2	0.2	0.2	100.80
2024	1	3	0.7	0.1	0.1	102.95
Total			40.0	8.0	6.2	

Table 3

Proved+Probable Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Lloyd Loc 1

Zone: Lloydminster, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Revenue						Royalties						Opex	NPI/ Other Expense
	Oil M\$	Gas M\$	NGL M\$	Sul M\$	Roy M\$	Other Income M\$	Crown M\$	Adjust M\$	FH/ Indian M\$	ORR M\$	Min Taxes M\$			
2013	72	0	0	0	0	0	0	0	14	2	2	7	0	
2014	167	0	0	0	0	0	0	0	33	4	4	22	0	
2015	92	0	0	0	0	0	0	0	18	2	1	17	0	
2016	72	0	0	0	0	0	0	0	14	2	0	15	0	
2017	56	0	0	0	0	0	0	0	11	1	0	14	0	
2018	45	0	0	0	0	0	0	0	9	1	0	14	0	
2019	39	0	0	0	0	0	0	0	8	1	0	14	0	
2020	34	0	0	0	0	0	0	0	7	1	0	14	0	
2021	30	0	0	0	0	0	0	0	6	1	0	14	0	
2022	27	0	0	0	0	0	0	0	5	1	0	14	0	
2023	25	0	0	0	0	0	0	0	5	1	0	14	0	
2024	13	0	0	0	0	0	0	0	3	0	0	8	0	
Total	671	0	0	0	0	0	0	0	134	17	8	167	0	

Year	Capital						Net Rev	Cum Net Rev	ARTC	Aband Cost	SK Tax	Cash Flow	Cum Cash Flow
	Oper Inc M\$	CEE M\$	CDE M\$	CCA M\$	COGPE M\$	Total Capital M\$							
2013	46	0	83	10	0	94	-47	-47	0	0	0	-47	-47
2014	104	0	0	0	0	0	104	56	0	0	0	104	56
2015	53	0	0	0	0	0	53	110	0	0	0	53	110
2016	40	0	0	0	0	0	40	150	0	0	0	40	150
2017	28	0	0	0	0	0	28	178	0	0	0	28	178
2018	21	0	0	0	0	0	21	199	0	0	0	21	199
2019	16	0	0	0	0	0	16	215	0	0	0	16	215
2020	12	0	0	0	0	0	12	227	0	0	0	12	227
2021	9	0	0	0	0	0	9	237	0	0	0	9	237
2022	7	0	0	0	0	0	7	244	0	0	0	7	244
2023	5	0	0	0	0	0	5	249	0	0	0	5	249
2024	2	0	0	0	0	0	2	251	0	8	0	-6	243
Total	345	0	83	10	0	94	251		0	8	0	243	

discR%	Discounted Cash Streams NPV (M\$)						
	5	10	12	15	18	20	25
BT Net	206	172	160	145	133	125	108
BT Cash Flow	201	169	158	144	131	124	108

Table 3

Proved Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Lloyd Loc 2

Zone: Lloydminster, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Reserves											
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	30.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	30.0
Co Grs	0.0	6.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	6.0
Co Net	0.0	4.6	0	0	0.0	0.0	0.0	0.0	0.0	0.0	4.6

Net Present Value							
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	94	158	0	7	0	151
	5.0	90	133	0	5	0	128
	8.0	89	120	0	4	0	116
	10.0	88	112	0	3	0	109
	12.0	86	105	0	3	0	103
	15.0	85	96	0	2	0	94
	20.0	82	83	0	2	0	81
	25.0	80	72	0	1	0	71

Reserve Life = 8.2 yrs

Reserve Half Life = 1.4 yrs

BOE Reserve Index = 2.5

Before Tax Payout = 0.7 yrs

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	10	0	10	69	0	0	2	16	7	0	94	0	-49
2014	5	0	5	143	0	0	3	32	20	0	0	0	88
2015	3	0	3	73	0	0	1	17	16	0	0	0	41
2016	2	0	2	56	0	0	0	13	14	0	0	0	29
2017	1	0	1	42	0	0	0	10	14	0	0	0	19
2018	1	0	1	34	0	0	0	8	13	0	0	0	13
2019	1	0	1	29	0	0	0	7	13	0	0	0	9
2020	1	0	1	25	0	0	0	6	13	0	0	0	6
2021	1	0	1	20	0	0	0	4	12	0	0	7	-4
2022	0	0	0	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0	0	0	0	0	0
2027	0	0	0	0	0	0	0	0	0	0	0	0	0
2028	0	0	0	0	0	0	0	0	0	0	0	0	0
2029	0	0	0	0	0	0	0	0	0	0	0	0	0
2030	0	0	0	0	0	0	0	0	0	0	0	0	0
2031	0	0	0	0	0	0	0	0	0	0	0	0	0
2032	0	0	0	0	0	0	0	0	0	0	0	0	0
Total				492	0	0	6	111	123	0	94	7	151
Discounted		5%		423	0	0	6	95	100	0	90	5	128
Cash		10%		371	0	0	5	83	83	0	88	3	109
Streams		15%		330	0	0	5	74	70	0	85	2	94
		20%		296	0	0	5	67	60	0	82	2	81



Table 3

Proved Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Lloyd Loc 2

Zone: Lloydminster, Prod. Start: 2013-10-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbbl	Hvy Oil Co Grs Mbbbl	Hvy Oil Co Net Mbbbl	Hvy Oil Price \$/bbl
2013	1	49	4.5	0.9	0.7	76.72
2014	1	25	9.3	1.9	1.4	76.88
2015	1	13	4.8	1.0	0.7	76.40
2016	1	9	3.2	0.6	0.5	86.88
2017	1	7	2.4	0.5	0.4	88.75
2018	1	5	1.9	0.4	0.3	90.66
2019	1	4	1.6	0.3	0.2	92.61
2020	1	4	1.3	0.3	0.2	94.60
2021	1	3	1.0	0.2	0.2	96.62
Total			30.0	6.0	4.6	

Table 3

Proved Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Lloyd Loc 2

Zone: Lloydminster, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

----- Revenue -----													----- Royalties -----	
Year	Oil M\$	Gas M\$	NGL M\$	Sul M\$	Roy M\$	Other Income M\$	Crown M\$	Adjust M\$	FH/ Indian M\$	ORR M\$	Min Taxes M\$	Opex M\$	NPI/ Other Expense M\$	
2013	69	0	0	0	0	0	0	0	14	2	2	7	0	
2014	143	0	0	0	0	0	0	0	29	4	3	20	0	
2015	73	0	0	0	0	0	0	0	15	2	1	16	0	
2016	56	0	0	0	0	0	0	0	11	1	0	14	0	
2017	42	0	0	0	0	0	0	0	8	1	0	14	0	
2018	34	0	0	0	0	0	0	0	7	1	0	13	0	
2019	29	0	0	0	0	0	0	0	6	1	0	13	0	
2020	25	0	0	0	0	0	0	0	5	1	0	13	0	
2021	20	0	0	0	0	0	0	0	4	0	0	12	0	
Total	492	0	0	0	0	0	0	0	98	12	6	123	0	

----- Capital -----													
Year	Oper Inc M\$	CEE M\$	CDE M\$	CCA M\$	COGPE M\$	Total Capital M\$	Net Rev M\$	Cum Net Rev M\$	ARTC M\$	Aband Cost M\$	SK Tax M\$	Cash Flow M\$	Cum Cash Flow M\$
2013	44	0	83	10	0	94	-49	-49	0	0	0	-49	-49
2014	88	0	0	0	0	0	88	38	0	0	0	88	38
2015	41	0	0	0	0	0	41	79	0	0	0	41	79
2016	29	0	0	0	0	0	29	108	0	0	0	29	108
2017	19	0	0	0	0	0	19	127	0	0	0	19	127
2018	13	0	0	0	0	0	13	140	0	0	0	13	140
2019	9	0	0	0	0	0	9	149	0	0	0	9	149
2020	6	0	0	0	0	0	6	156	0	0	0	6	156
2021	3	0	0	0	0	0	3	158	0	7	0	-4	151
Total	252	0	83	10	0	94	158		0	7	0	151	

----- Discounted Cash Streams NPV (M\$) -----							
discR%	5	10	12	15	18	20	25
BT Net	133	112	105	96	88	83	72
BT Cash Flow	128	109	103	94	86	81	71

Table 3

Proved+Probable Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Lloyd Loc 2

Zone: Lloydminster, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	40.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	40.0
Co Grs	0.0	8.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	8.0
Co Net	0.0	6.2	0	0	0.0	0.0	0.0	0.0	0.0	0.0	6.2

	Net Present Value						
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	94	251	0	8	0	243
	5.0	90	206	0	4	0	201
	8.0	89	184	0	3	0	181
	10.0	88	172	0	3	0	169
	12.0	86	160	0	2	0	158
	15.0	85	145	0	2	0	144
	20.0	82	125	0	1	0	124
	25.0	80	108	0	1	0	108

Reserve Life = 10.8 yrs

Reserve Half Life = 1.9 yrs

BOE Reserve Index = 3.0

Before Tax Payout = 0.6 yrs

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	10	0	10	72	0	0	2	16	7	0	94	0	-47
2014	6	0	6	167	0	0	4	37	22	0	0	0	104
2015	3	0	3	92	0	0	1	21	17	0	0	0	53
2016	2	0	2	72	0	0	0	16	15	0	0	0	40
2017	2	0	2	56	0	0	0	12	14	0	0	0	28
2018	1	0	1	45	0	0	0	10	14	0	0	0	21
2019	1	0	1	39	0	0	0	9	14	0	0	0	16
2020	1	0	1	34	0	0	0	8	14	0	0	0	12
2021	1	0	1	30	0	0	0	7	14	0	0	0	9
2022	1	0	1	27	0	0	0	6	14	0	0	0	7
2023	1	0	1	25	0	0	0	6	14	0	0	0	5
2024	1	0	1	13	0	0	0	3	8	0	0	8	-6
2025	0	0	0	0	0	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0	0	0	0	0	0
2027	0	0	0	0	0	0	0	0	0	0	0	0	0
2028	0	0	0	0	0	0	0	0	0	0	0	0	0
2029	0	0	0	0	0	0	0	0	0	0	0	0	0
2030	0	0	0	0	0	0	0	0	0	0	0	0	0
2031	0	0	0	0	0	0	0	0	0	0	0	0	0
2032	0	0	0	0	0	0	0	0	0	0	0	0	0
Total				671	0	0	8	151	167	0	94	8	243
Discounted		5%		557	0	0	7	125	128	0	90	4	201
Cash		10%		474	0	0	7	107	102	0	88	3	169
Streams		15%		413	0	0	6	93	83	0	85	2	144
		20%		365	0	0	6	82	69	0	82	1	124



Table 3

Proved+Probable Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Lloyd Loc 2

Zone: Lloydminster, Prod. Start: 2013-10-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbl	Hvy Oil Co Grs Mbbl	Hvy Oil Co Net Mbbl	Hvy Oil Price \$/bbl
2013	1	51	4.7	0.9	0.7	76.72
2014	1	30	10.8	2.2	1.7	76.88
2015	1	17	6.0	1.2	0.9	76.40
2016	1	11	4.1	0.8	0.6	86.88
2017	1	9	3.1	0.6	0.5	88.75
2018	1	7	2.5	0.5	0.4	90.66
2019	1	6	2.1	0.4	0.3	92.61
2020	1	5	1.8	0.4	0.3	94.60
2021	1	4	1.5	0.3	0.2	96.62
2022	1	4	1.4	0.3	0.2	98.69
2023	1	3	1.2	0.2	0.2	100.80
2024	1	3	0.7	0.1	0.1	102.95
Total			40.0	8.0	6.2	

Table 3

Proved+Probable Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Lloyd Loc 2

Zone: Lloydminster, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Revenue						Royalties						Opex	NPI/ Other Expense
	Oil M\$	Gas M\$	NGL M\$	Sul M\$	Roy M\$	Other Income M\$	Crown M\$	Adjust M\$	FH/ Indian M\$	ORR M\$	Min Taxes M\$			
2013	72	0	0	0	0	0	0	0	14	2	2	7	0	
2014	167	0	0	0	0	0	0	0	33	4	4	22	0	
2015	92	0	0	0	0	0	0	0	18	2	1	17	0	
2016	72	0	0	0	0	0	0	0	14	2	0	15	0	
2017	56	0	0	0	0	0	0	0	11	1	0	14	0	
2018	45	0	0	0	0	0	0	0	9	1	0	14	0	
2019	39	0	0	0	0	0	0	0	8	1	0	14	0	
2020	34	0	0	0	0	0	0	0	7	1	0	14	0	
2021	30	0	0	0	0	0	0	0	6	1	0	14	0	
2022	27	0	0	0	0	0	0	0	5	1	0	14	0	
2023	25	0	0	0	0	0	0	0	5	1	0	14	0	
2024	13	0	0	0	0	0	0	0	3	0	0	8	0	
Total	671	0	0	0	0	0	0	0	134	17	8	167	0	

Year	Capital						Net Rev M\$	Cum Net Rev M\$	ARTC M\$	Aband Cost M\$	SK Tax M\$	Cash Flow M\$	Cum Cash Flow M\$
	Oper Inc M\$	CEE M\$	CDE M\$	CCA M\$	COGPE M\$	Total Capital M\$							
2013	46	0	83	10	0	94	-47	-47	0	0	0	-47	-47
2014	104	0	0	0	0	0	104	56	0	0	0	104	56
2015	53	0	0	0	0	0	53	110	0	0	0	53	110
2016	40	0	0	0	0	0	40	150	0	0	0	40	150
2017	28	0	0	0	0	0	28	178	0	0	0	28	178
2018	21	0	0	0	0	0	21	199	0	0	0	21	199
2019	16	0	0	0	0	0	16	215	0	0	0	16	215
2020	12	0	0	0	0	0	12	227	0	0	0	12	227
2021	9	0	0	0	0	0	9	237	0	0	0	9	237
2022	7	0	0	0	0	0	7	244	0	0	0	7	244
2023	5	0	0	0	0	0	5	249	0	0	0	5	249
2024	2	0	0	0	0	0	2	251	0	8	0	-6	243
Total	345	0	83	10	0	94	251	0	8	0	0	243	0

	Discounted Cash Streams NPV (M\$)							
	discR%	5	10	12	15	18	20	25
BT Net		206	172	160	145	133	125	108
BT Cash Flow		201	169	158	144	131	124	108

Table 3

Proved Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Lloyd Loc 3

Zone: Lloydminster, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	30.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	30.0
Co Grs	0.0	6.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	6.0
Co Net	0.0	4.6	0	0	0.0	0.0	0.0	0.0	0.0	0.0	4.6

Net Present Value

Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
%	M\$	M\$	M\$	M\$	M\$	M\$
0.0	94	158	0	7	0	151
5.0	90	133	0	5	0	128
8.0	89	120	0	4	0	116
10.0	88	112	0	3	0	109
12.0	86	105	0	3	0	103
15.0	85	96	0	2	0	94
20.0	82	83	0	2	0	81
25.0	80	72	0	1	0	71

Reserve Life = 8.2 yrs

Reserve Half Life = 1.4 yrs

BOE Reserve Index = 2.5

Before Tax Payout = 0.7 yrs

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	10	0	10	69	0	0	2	16	7	0	94	0	-49
2014	5	0	5	143	0	0	3	32	20	0	0	0	88
2015	3	0	3	73	0	0	1	17	16	0	0	0	41
2016	2	0	2	56	0	0	0	13	14	0	0	0	29
2017	1	0	1	42	0	0	0	10	14	0	0	0	19
2018	1	0	1	34	0	0	0	8	13	0	0	0	13
2019	1	0	1	29	0	0	0	7	13	0	0	0	9
2020	1	0	1	25	0	0	0	6	13	0	0	0	6
2021	1	0	1	20	0	0	0	4	12	0	0	7	-4
2022	0	0	0	0	0	0	0	0	0	0	0	0	0
2023	0	0	0	0	0	0	0	0	0	0	0	0	0
2024	0	0	0	0	0	0	0	0	0	0	0	0	0
2025	0	0	0	0	0	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0	0	0	0	0	0
2027	0	0	0	0	0	0	0	0	0	0	0	0	0
2028	0	0	0	0	0	0	0	0	0	0	0	0	0
2029	0	0	0	0	0	0	0	0	0	0	0	0	0
2030	0	0	0	0	0	0	0	0	0	0	0	0	0
2031	0	0	0	0	0	0	0	0	0	0	0	0	0
2032	0	0	0	0	0	0	0	0	0	0	0	0	0
Total				492	0	0	6	111	123	0	94	7	151
Discounted		5%		423	0	0	6	95	100	0	90	5	128
Cash		10%		371	0	0	5	83	83	0	88	3	109
Streams		15%		330	0	0	5	74	70	0	85	2	94
		20%		296	0	0	5	67	60	0	82	2	81



Table 3

Proved Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Lloyd Loc 3

Zone: Lloydminster, Prod. Start: 2013-10-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbbl	Hvy Oil Co Grs Mbbbl	Hvy Oil Co Net Mbbbl	Hvy Oil Price \$/bbl
2013	1	49	4.5	0.9	0.7	76.72
2014	1	25	9.3	1.9	1.4	76.88
2015	1	13	4.8	1.0	0.7	76.40
2016	1	9	3.2	0.6	0.5	86.88
2017	1	7	2.4	0.5	0.4	88.75
2018	1	5	1.9	0.4	0.3	90.66
2019	1	4	1.6	0.3	0.2	92.61
2020	1	4	1.3	0.3	0.2	94.60
2021	1	3	1.0	0.2	0.2	96.62
Total			30.0	6.0	4.6	

Table 3

Proved Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Lloyd Loc 3

Zone: Lloydminster, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

----- Revenue -----													----- Royalties -----	
Year	Oil	Gas	NGL	Sul	Roy	Other	Crown	Adjust	FH/ Indian	ORR	Min Taxes	Opex	NPI/ Other Expense	
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
2013	69	0	0	0	0	0	0	0	14	2	2	7	0	
2014	143	0	0	0	0	0	0	0	29	4	3	20	0	
2015	73	0	0	0	0	0	0	0	15	2	1	16	0	
2016	56	0	0	0	0	0	0	0	11	1	0	14	0	
2017	42	0	0	0	0	0	0	0	8	1	0	14	0	
2018	34	0	0	0	0	0	0	0	7	1	0	13	0	
2019	29	0	0	0	0	0	0	0	6	1	0	13	0	
2020	25	0	0	0	0	0	0	0	5	1	0	13	0	
2021	20	0	0	0	0	0	0	0	4	0	0	12	0	
Total	492	0	0	0	0	0	0	0	98	12	6	123	0	

----- Capital -----													
Year	Oper Inc	CEE	CDE	CCA	COGPE	Total Capital	Net Rev	Cum Net Rev	ARTC	Aband Cost	SK Tax	Cash Flow	Cum Cash Flow
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	44	0	83	10	0	94	-49	-49	0	0	0	-49	-49
2014	88	0	0	0	0	0	88	38	0	0	0	88	38
2015	41	0	0	0	0	0	41	79	0	0	0	41	79
2016	29	0	0	0	0	0	29	108	0	0	0	29	108
2017	19	0	0	0	0	0	19	127	0	0	0	19	127
2018	13	0	0	0	0	0	13	140	0	0	0	13	140
2019	9	0	0	0	0	0	9	149	0	0	0	9	149
2020	6	0	0	0	0	0	6	156	0	0	0	6	156
2021	3	0	0	0	0	0	3	158	0	7	0	-4	151
Total	252	0	83	10	0	94	158		0	7	0	151	

----- Discounted Cash Streams NPV (M\$) -----							
discR%	5	10	12	15	18	20	25
BT Net	133	112	105	96	88	83	72
BT Cash Flow	128	109	103	94	86	81	71

Table 3

Proved+Probable Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Lloyd Loc 3

Zone: Lloydminster, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	40.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	40.0
Co Grs	0.0	8.0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	8.0
Co Net	0.0	6.2	0	0	0.0	0.0	0.0	0.0	0.0	0.0	6.2

	Net Present Value						
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	94	251	0	8	0	243
	5.0	90	206	0	4	0	201
	8.0	89	184	0	3	0	181
	10.0	88	172	0	3	0	169
	12.0	86	160	0	2	0	158
	15.0	85	145	0	2	0	144
	20.0	82	125	0	1	0	124
	25.0	80	108	0	1	0	108

Reserve Life = 10.8 yrs

Reserve Half Life = 1.9 yrs

BOE Reserve Index = 3.0

Before Tax Payout = 0.6 yrs

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	10	0	10	72	0	0	2	16	7	0	94	0	-47
2014	6	0	6	167	0	0	4	37	22	0	0	0	104
2015	3	0	3	92	0	0	1	21	17	0	0	0	53
2016	2	0	2	72	0	0	0	16	15	0	0	0	40
2017	2	0	2	56	0	0	0	12	14	0	0	0	28
2018	1	0	1	45	0	0	0	10	14	0	0	0	21
2019	1	0	1	39	0	0	0	9	14	0	0	0	16
2020	1	0	1	34	0	0	0	8	14	0	0	0	12
2021	1	0	1	30	0	0	0	7	14	0	0	0	9
2022	1	0	1	27	0	0	0	6	14	0	0	0	7
2023	1	0	1	25	0	0	0	6	14	0	0	0	5
2024	1	0	1	13	0	0	0	3	8	0	0	8	-6
2025	0	0	0	0	0	0	0	0	0	0	0	0	0
2026	0	0	0	0	0	0	0	0	0	0	0	0	0
2027	0	0	0	0	0	0	0	0	0	0	0	0	0
2028	0	0	0	0	0	0	0	0	0	0	0	0	0
2029	0	0	0	0	0	0	0	0	0	0	0	0	0
2030	0	0	0	0	0	0	0	0	0	0	0	0	0
2031	0	0	0	0	0	0	0	0	0	0	0	0	0
2032	0	0	0	0	0	0	0	0	0	0	0	0	0
Total				671	0	0	8	151	167	0	94	8	243
Discounted		5%		557	0	0	7	125	128	0	90	4	201
Cash		10%		474	0	0	7	107	102	0	88	3	169
Streams		15%		413	0	0	6	93	83	0	85	2	144
		20%		365	0	0	6	82	69	0	82	1	124



Table 3

Proved+Probable Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Lloyd Loc 3

Zone: Lloydminster, Prod. Start: 2013-10-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbl	Hvy Oil Co Grs Mbbl	Hvy Oil Co Net Mbbl	Hvy Oil Price \$/bbl
2013	1	51	4.7	0.9	0.7	76.72
2014	1	30	10.8	2.2	1.7	76.88
2015	1	17	6.0	1.2	0.9	76.40
2016	1	11	4.1	0.8	0.6	86.88
2017	1	9	3.1	0.6	0.5	88.75
2018	1	7	2.5	0.5	0.4	90.66
2019	1	6	2.1	0.4	0.3	92.61
2020	1	5	1.8	0.4	0.3	94.60
2021	1	4	1.5	0.3	0.2	96.62
2022	1	4	1.4	0.3	0.2	98.69
2023	1	3	1.2	0.2	0.2	100.80
2024	1	3	0.7	0.1	0.1	102.95
Total			40.0	8.0	6.2	

Table 3

Proved+Probable Undeveloped

KR Investment Ltd.

Provost

1xx/00-03-041-03W4/ - Lloyd Loc 3

Zone: Lloydminster, Prod. Start: 2013-10-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Revenue						Royalties						Opex	NPI/ Other Expense
	Oil M\$	Gas M\$	NGL M\$	Sul M\$	Roy M\$	Other Income M\$	Crown M\$	Adjust M\$	FH/ Indian M\$	ORR M\$	Min Taxes M\$			
2013	72	0	0	0	0	0	0	0	14	2	2	7	0	
2014	167	0	0	0	0	0	0	0	33	4	4	22	0	
2015	92	0	0	0	0	0	0	0	18	2	1	17	0	
2016	72	0	0	0	0	0	0	0	14	2	0	15	0	
2017	56	0	0	0	0	0	0	0	11	1	0	14	0	
2018	45	0	0	0	0	0	0	0	9	1	0	14	0	
2019	39	0	0	0	0	0	0	0	8	1	0	14	0	
2020	34	0	0	0	0	0	0	0	7	1	0	14	0	
2021	30	0	0	0	0	0	0	0	6	1	0	14	0	
2022	27	0	0	0	0	0	0	0	5	1	0	14	0	
2023	25	0	0	0	0	0	0	0	5	1	0	14	0	
2024	13	0	0	0	0	0	0	0	3	0	0	8	0	
Total	671	0	0	0	0	0	0	0	134	17	8	167	0	

Year	Capital						Net Rev M\$	Cum Net Rev M\$	ARTC M\$	Aband Cost M\$	SK Tax M\$	Cash Flow M\$	Cum Cash Flow M\$
	Oper Inc M\$	CEE M\$	CDE M\$	CCA M\$	COGPE M\$	Total Capital M\$							
2013	46	0	83	10	0	94	-47	-47	0	0	0	-47	-47
2014	104	0	0	0	0	0	104	56	0	0	0	104	56
2015	53	0	0	0	0	0	53	110	0	0	0	53	110
2016	40	0	0	0	0	0	40	150	0	0	0	40	150
2017	28	0	0	0	0	0	28	178	0	0	0	28	178
2018	21	0	0	0	0	0	21	199	0	0	0	21	199
2019	16	0	0	0	0	0	16	215	0	0	0	16	215
2020	12	0	0	0	0	0	12	227	0	0	0	12	227
2021	9	0	0	0	0	0	9	237	0	0	0	9	237
2022	7	0	0	0	0	0	7	244	0	0	0	7	244
2023	5	0	0	0	0	0	5	249	0	0	0	5	249
2024	2	0	0	0	0	0	2	251	0	8	0	-6	243
Total	345	0	83	10	0	94	251	0	8	0	0	243	0

	Discounted Cash Streams NPV (M\$)							
	discR%	5	10	12	15	18	20	25
BT Net		206	172	160	145	133	125	108
BT Cash Flow		201	169	158	144	131	124	108

Table 3

Proved Developed Producing

KR Investment Ltd.

Provost

102/05-03-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	1.2	0	0	0.0	0.0	0.0	0.0	0.0	0.0	1.2
Co Grs	0.0	0.2	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Co Net	0.0	0.2	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.2

	Net Present Value						
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	0	2	0	6	0	-4
	5.0	0	2	0	6	0	-4
	8.0	0	2	0	6	0	-4
	10.0	0	2	0	6	0	-4
	12.0	0	2	0	6	0	-4
	15.0	0	2	0	6	0	-4
	20.0	0	2	0	5	0	-3
	25.0	0	2	0	5	0	-3

Reserve Life = 1.1 yrs

Reserve Half Life = 0.5 yrs

BOE Reserve Index = 1.1

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	1	0	1	17	0	0	0	4	11	0	0	0	2
2014	1	0	1	1	0	0	0	0	1	0	0	6	-6
Total				19	0	0	0	4	12	0	0	6	-4
Discounted		5%		18	0	0	0	4	12	0	0	6	-4
Cash		10%		18	0	0	0	4	12	0	0	6	-4
Streams		15%		17	0	0	0	4	11	0	0	6	-4
		20%		17	0	0	0	4	11	0	0	5	-3

Table 3

Proved Developed Producing

KR Investment Ltd.

Provost

102/05-03-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbbl	Hvy Oil Co Grs Mbbbl	Hvy Oil Co Net Mbbbl	Hvy Oil Price \$/bbl
2013	1	3	1.1	0.2	0.2	76.72
2014	1	3	0.1	0.0	0.0	76.88
Total			1.2	0.2	0.2	

Table 3

Proved Developed Producing

KR Investment Ltd.

Provost

102/05-03-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Revenue													Royalties	
Year	Oil M\$	Gas M\$	NGL M\$	Sul M\$	Roy M\$	Other Income M\$	Crown M\$	Adjust M\$	FH/ Indian M\$	ORR M\$	Min Taxes M\$	Opex M\$	NPI/ Other Expense M\$	
2013	17	0	0	0	0	0	0	0	3	0	0	11	0	
2014	1	0	0	0	0	0	0	0	0	0	0	1	0	
Total	19	0	0	0	0	0	0	0	4	0	0	12	0	

Capital													Cash Flow M\$	Cum Cash Flow M\$
Year	Oper Inc M\$	CEE M\$	CDE M\$	CCA M\$	COGPE M\$	Total Capital M\$	Net Rev M\$	Cum Net Rev M\$	ARTC M\$	Aband Cost M\$	SK Tax M\$	Cash Flow M\$	Cum Cash Flow M\$	
2013	2	0	0	0	0	0	2	2	0	0	0	2	2	
2014	0	0	0	0	0	0	0	2	0	6	0	-6	-4	
Total	2	0	0	0	0	0	2		0	6	0	-4		

Discounted Cash Streams NPV (M\$)							
discR%	5	10	12	15	18	20	25
BT Net	2	2	2	2	2	2	2
BT Cash Flow	-4	-4	-4	-4	-3	-3	-3

Table 3

Proved+Probable Developed Producing

KR Investment Ltd.

Provost

102/05-03-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	1.2	0	0	0.0	0.0	0.0	0.0	0.0	0.0	1.2
Co Grs	0.0	0.2	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Co Net	0.0	0.2	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.2

	Net Present Value						
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	0	2	0	6	0	-4
	5.0	0	2	0	6	0	-4
	8.0	0	2	0	6	0	-4
	10.0	0	2	0	6	0	-4
	12.0	0	2	0	6	0	-3
	15.0	0	2	0	6	0	-3
	20.0	0	2	0	5	0	-3
	25.0	0	2	0	5	0	-3

Reserve Life = 1.1 yrs

Reserve Half Life = 0.5 yrs

BOE Reserve Index = 1.1

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	1	0	1	18	0	0	0	4	11	0	0	0	2
2014	1	0	1	1	0	0	0	0	1	0	0	6	-6
Total				19	0	0	0	4	12	0	0	6	-4
Discounted		5%		18	0	0	0	4	12	0	0	6	-4
Cash		10%		18	0	0	0	4	12	0	0	6	-4
Streams		15%		18	0	0	0	4	11	0	0	6	-3
		20%		17	0	0	0	4	11	0	0	5	-3

Table 3

Proved+Probable Developed Producing

KR Investment Ltd.

Provost

102/05-03-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbbl	Hvy Oil Co Grs Mbbbl	Hvy Oil Co Net Mbbbl	Hvy Oil Price \$/bbl
2013	1	3	1.1	0.2	0.2	76.72
2014	1	3	0.1	0.0	0.0	76.88
Total			1.2	0.2	0.2	

Table 3

Proved+Probable Developed Producing

KR Investment Ltd.

Provost

102/05-03-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

----- Revenue -----													----- Royalties -----	
Year	Oil	Gas	NGL	Sul	Roy	Other	Crown	Adjust	FH/ Indian	ORR	Min Taxes	Opex	NPI/ Other Expense	
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
2013	18	0	0	0	0	0	0	0	4	0	0	11	0	
2014	1	0	0	0	0	0	0	0	0	0	0	1	0	
Total	19	0	0	0	0	0	0	0	4	0	0	12	0	

----- Capital -----													
Year	Oper Inc	CEE	CDE	CCA	COGPE	Total Capital	Net Rev	Cum Net Rev	ARTC	Aband Cost	SK Tax	Cash Flow	Cum Cash Flow
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	2	0	0	0	0	0	2	2	0	0	0	2	2
2014	0	0	0	0	0	0	0	2	0	6	0	-6	-4
Total	2	0	0	0	0	0	2		0	6	0	-4	

----- Discounted Cash Streams NPV (M\$) -----							
discR%	5	10	12	15	18	20	25
BT Net	2	2	2	2	2	2	2
BT Cash Flow	-4	-4	-3	-3	-3	-3	-3

Table 3

Proved Developed Producing

KR Investment Ltd.

Provost

103/05-03-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	26.6	0	0	0.0	0.0	0.0	0.0	0.0	0.0	26.6
Co Grs	0.0	5.3	0	0	0.0	0.0	0.0	0.0	0.0	0.0	5.3
Co Net	0.0	4.1	0	0	0.0	0.0	0.0	0.0	0.0	0.0	4.1

	Net Present Value						
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	0	201	0	7	0	194
	5.0	0	177	0	5	0	173
	8.0	0	166	0	4	0	162
	10.0	0	159	0	3	0	156
	12.0	0	152	0	3	0	150
	15.0	0	144	0	2	0	142
	20.0	0	132	0	1	0	131
	25.0	0	122	0	1	0	121

Reserve Life = 10.0 yrs

Reserve Half Life = 2.6 yrs

BOE Reserve Index = 4.3

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	3	0	3	95	0	0	1	21	16	0	0	0	56
2014	3	0	3	72	0	0	1	16	15	0	0	0	40
2015	2	0	2	56	0	0	0	13	14	0	0	0	29
2016	2	0	2	51	0	0	0	11	14	0	0	0	25
2017	1	0	1	41	0	0	0	9	14	0	0	0	18
2018	1	0	1	34	0	0	0	8	13	0	0	0	13
2019	1	0	1	29	0	0	0	7	13	0	0	0	9
2020	1	0	1	25	0	0	0	6	13	0	0	0	6
2021	1	0	1	21	0	0	0	5	13	0	0	0	3
2022	1	0	1	18	0	0	0	4	13	0	0	7	-7
Total				443	0	0	2	100	141	0	0	7	194
Discounted Cash		5%		376	0	0	2	85	112	0	0	5	173
Streams		10%		326	0	0	2	73	92	0	0	3	156
		15%		288	0	0	2	65	78	0	0	2	142
		20%		259	0	0	2	58	67	0	0	1	131

Table 3

Proved Developed Producing

KR Investment Ltd.

Provost

103/05-03-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbbl	Hvy Oil Co Grs Mbbbl	Hvy Oil Co Net Mbbbl	Hvy Oil Price \$/bbl
2013	1	17	6.2	1.2	1.0	76.72
2014	1	13	4.7	0.9	0.7	76.88
2015	1	10	3.7	0.7	0.6	76.40
2016	1	8	2.9	0.6	0.5	86.88
2017	1	6	2.3	0.5	0.4	88.75
2018	1	5	1.9	0.4	0.3	90.66
2019	1	4	1.6	0.3	0.2	92.61
2020	1	4	1.3	0.3	0.2	94.60
2021	1	3	1.1	0.2	0.2	96.62
2022	1	3	0.9	0.2	0.1	98.69
Total			26.6	5.3	4.1	

Table 3

Proved Developed Producing

KR Investment Ltd.

Provost

103/05-03-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Revenue						Royalties						Opex	NPI/ Other Expense
	Oil M\$	Gas M\$	NGL M\$	Sul M\$	Roy M\$	Other Income M\$	Crown M\$	Adjust M\$	FH/ Indian M\$	ORR M\$	Min Taxes M\$			
2013	95	0	0	0	0	0	0	0	19	2	1	16	0	
2014	72	0	0	0	0	0	0	0	14	2	1	15	0	
2015	56	0	0	0	0	0	0	0	11	1	0	14	0	
2016	51	0	0	0	0	0	0	0	10	1	0	14	0	
2017	41	0	0	0	0	0	0	0	8	1	0	14	0	
2018	34	0	0	0	0	0	0	0	7	1	0	13	0	
2019	29	0	0	0	0	0	0	0	6	1	0	13	0	
2020	25	0	0	0	0	0	0	0	5	1	0	13	0	
2021	21	0	0	0	0	0	0	0	4	1	0	13	0	
2022	18	0	0	0	0	0	0	0	4	0	0	13	0	
Total	443	0	0	0	0	0	0	0	89	11	2	141	0	

Year	Capital						Net Rev	Cum Net Rev	ARTC M\$	Aband Cost M\$	SK Tax M\$	Cash Flow M\$	Cum Cash Flow M\$
	Oper Inc M\$	CEE M\$	CDE M\$	CCA M\$	COGPE M\$	Total Capital M\$							
2013	56	0	0	0	0	0	56	56	0	0	0	56	56
2014	40	0	0	0	0	0	40	96	0	0	0	40	96
2015	29	0	0	0	0	0	29	125	0	0	0	29	125
2016	25	0	0	0	0	0	25	150	0	0	0	25	150
2017	18	0	0	0	0	0	18	169	0	0	0	18	169
2018	13	0	0	0	0	0	13	182	0	0	0	13	182
2019	9	0	0	0	0	0	9	191	0	0	0	9	191
2020	6	0	0	0	0	0	6	197	0	0	0	6	197
2021	3	0	0	0	0	0	3	200	0	0	0	3	200
2022	1	0	0	0	0	0	1	201	0	7	0	-7	194
Total	201	0	0	0	0	0	201		0	7	0	194	

	Discounted Cash Streams NPV (M\$)							
	discR%	5	10	12	15	18	20	25
BT Net		177	159	152	144	137	132	122
BT Cash Flow		173	156	150	142	135	131	121

Table 3

Proved+Probable Developed Producing

KR Investment Ltd.

Provost

103/05-03-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	34.1	0	0	0.0	0.0	0.0	0.0	0.0	0.0	34.1
Co Grs	0.0	6.8	0	0	0.0	0.0	0.0	0.0	0.0	0.0	6.8
Co Net	0.0	5.3	0	0	0.0	0.0	0.0	0.0	0.0	0.0	5.3

	Net Present Value						
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	0	257	0	8	0	248
	5.0	0	217	0	4	0	213
	8.0	0	199	0	3	0	196
	10.0	0	189	0	2	0	187
	12.0	0	179	0	2	0	178
	15.0	0	167	0	1	0	166
	20.0	0	150	0	1	0	150
	25.0	0	137	0	0	0	137

Reserve Life = 13.8 yrs

Reserve Half Life = 3.5 yrs

BOE Reserve Index = 5.4

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	3	0	3	96	0	0	1	22	17	0	0	0	57
2014	3	0	3	76	0	0	1	17	16	0	0	0	43
2015	2	0	2	61	0	0	0	14	15	0	0	0	32
2016	2	0	2	57	0	0	0	13	14	0	0	0	30
2017	2	0	2	49	0	0	0	11	14	0	0	0	24
2018	1	0	1	42	0	0	0	10	14	0	0	0	19
2019	1	0	1	37	0	0	0	8	14	0	0	0	15
2020	1	0	1	33	0	0	0	7	14	0	0	0	12
2021	1	0	1	30	0	0	0	7	14	0	0	0	9
2022	1	0	1	27	0	0	0	6	14	0	0	0	7
2023	1	0	1	24	0	0	0	5	14	0	0	0	5
2024	1	0	1	22	0	0	0	5	14	0	0	0	3
2025	1	0	1	20	0	0	0	5	14	0	0	0	2
2026	0	0	0	14	0	0	0	3	11	0	0	8	-8
Total				589	0	0	2	132	198	0	0	8	248
Discounted Cash		5%		470	0	0	2	106	145	0	0	4	213
Streams		10%		390	0	0	2	88	112	0	0	2	187
		15%		334	0	0	2	75	90	0	0	1	166
		20%		293	0	0	2	66	75	0	0	1	150

Table 3

Proved+Probable Developed Producing

KR Investment Ltd.

Provost

103/05-03-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbl	Hvy Oil Co Grs Mbbl	Hvy Oil Co Net Mbbl	Hvy Oil Price \$/bbl
2013	1	17	6.3	1.3	1.0	76.72
2014	1	14	4.9	1.0	0.8	76.88
2015	1	11	4.0	0.8	0.6	76.40
2016	1	9	3.3	0.7	0.5	86.88
2017	1	8	2.7	0.5	0.4	88.75
2018	1	6	2.3	0.5	0.4	90.66
2019	1	5	2.0	0.4	0.3	92.61
2020	1	5	1.7	0.3	0.3	94.60
2021	1	4	1.5	0.3	0.2	96.62
2022	1	4	1.4	0.3	0.2	98.69
2023	1	3	1.2	0.2	0.2	100.80
2024	1	3	1.1	0.2	0.2	102.95
2025	1	3	1.0	0.2	0.2	105.14
2026	1	2	0.7	0.1	0.1	107.38
Total			34.1	6.8	5.3	

Table 3

Proved+Probable Developed Producing

KR Investment Ltd.

Provost

103/05-03-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

----- Revenue -----														----- Royalties -----	
Year	Oil	Gas	NGL	Sul	Roy	Other	Crown	Adjust	FH/ Indian	ORR	Min Taxes	Opex	NPI/ Other Expense		
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$		
2013	96	0	0	0	0	0	0	0	19	2	1	17	0		
2014	76	0	0	0	0	0	0	0	15	2	1	16	0		
2015	61	0	0	0	0	0	0	0	12	2	0	15	0		
2016	57	0	0	0	0	0	0	0	11	1	0	14	0		
2017	49	0	0	0	0	0	0	0	10	1	0	14	0		
2018	42	0	0	0	0	0	0	0	8	1	0	14	0		
2019	37	0	0	0	0	0	0	0	7	1	0	14	0		
2020	33	0	0	0	0	0	0	0	7	1	0	14	0		
2021	30	0	0	0	0	0	0	0	6	1	0	14	0		
2022	27	0	0	0	0	0	0	0	5	1	0	14	0		
2023	24	0	0	0	0	0	0	0	5	1	0	14	0		
2024	22	0	0	0	0	0	0	0	4	1	0	14	0		
2025	20	0	0	0	0	0	0	0	4	1	0	14	0		
2026	14	0	0	0	0	0	0	0	3	0	0	11	0		
Total	589	0	0	0	0	0	0	0	118	15	2	198	0		

----- Capital -----													
Year	Oper Inc	CEE	CDE	CCA	COGPE	Total Capital	Net Rev	Cum Net Rev	ARTC	Aband Cost	SK Tax	Cash Flow	Cum Cash Flow
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	57	0	0	0	0	0	57	57	0	0	0	57	57
2014	43	0	0	0	0	0	43	100	0	0	0	43	100
2015	32	0	0	0	0	0	32	132	0	0	0	32	132
2016	30	0	0	0	0	0	30	161	0	0	0	30	161
2017	24	0	0	0	0	0	24	185	0	0	0	24	185
2018	19	0	0	0	0	0	19	204	0	0	0	19	204
2019	15	0	0	0	0	0	15	219	0	0	0	15	219
2020	12	0	0	0	0	0	12	231	0	0	0	12	231
2021	9	0	0	0	0	0	9	240	0	0	0	9	240
2022	7	0	0	0	0	0	7	247	0	0	0	7	247
2023	5	0	0	0	0	0	5	251	0	0	0	5	251
2024	3	0	0	0	0	0	3	255	0	0	0	3	255
2025	2	0	0	0	0	0	2	256	0	0	0	2	256
2026	0	0	0	0	0	0	0	257	0	8	0	-8	248
Total	257	0	0	0	0	0	257		0	8	0	248	

----- Discounted Cash Streams NPV (M\$) -----							
discR%	5	10	12	15	18	20	25
BT Net	217	189	179	167	157	150	137
BT Cash Flow	213	187	178	166	156	150	137

Table 3

Proved Developed Producing

KR Investment Ltd.

Provost

104/05-03-041-03W4/2

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Reserves											
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	1.6	0	0	0.0	0.0	0.0	0.0	0.0	0.0	1.6
Co Grs	0.0	0.3	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Co Net	0.0	0.2	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.2

Net Present Value							
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	0	3	0	6	0	-4
	5.0	0	2	0	6	0	-3
	8.0	0	2	0	6	0	-3
	10.0	0	2	0	6	0	-3
	12.0	0	2	0	5	0	-3
	15.0	0	2	0	5	0	-3
	20.0	0	2	0	5	0	-3
	25.0	0	2	0	5	0	-2

Reserve Life = 1.4 yrs

Reserve Half Life = 0.6 yrs

BOE Reserve Index = 1.4

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	1	0	1	18	0	0	0	4	11	0	0	0	2
2014	1	0	1	6	0	0	0	1	5	0	0	6	-6
Total				24	0	0	0	5	16	0	0	6	-4
Discounted		5%		23	0	0	0	5	16	0	0	6	-3
Cash		10%		23	0	0	0	5	15	0	0	6	-3
Streams		15%		22	0	0	0	5	15	0	0	5	-3
		20%		21	0	0	0	5	14	0	0	5	-3

Table 3

Proved Developed Producing

KR Investment Ltd.

Provost

104/05-03-041-03W4/2

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbbl	Hvy Oil Co Grs Mbbbl	Hvy Oil Co Net Mbbbl	Hvy Oil Price \$/bbl
2013	1	3	1.2	0.2	0.2	76.72
2014	1	3	0.4	0.1	0.1	76.88
Total			1.6	0.3	0.2	

Table 3

Proved Developed Producing

KR Investment Ltd.

Provost

104/05-03-041-03W4/2

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

----- Revenue -----													----- Royalties -----	
Year	Oil M\$	Gas M\$	NGL M\$	Sul M\$	Roy M\$	Other Income M\$	Crown M\$	Adjust M\$	FH/ Indian M\$	ORR M\$	Min Taxes M\$	Opex M\$	NPI/ Other Expense M\$	
2013	18	0	0	0	0	0	0	0	4	0	0	11	0	
2014	6	0	0	0	0	0	0	0	1	0	0	5	0	
Total	24	0	0	0	0	0	0	0	5	1	0	16	0	

----- Capital -----														
Year	Oper Inc M\$	CEE M\$	CDE M\$	CCA M\$	COGPE M\$	Total Capital M\$	Net Rev M\$	Cum Net Rev M\$	ARTC M\$	Aband Cost M\$	SK Tax M\$	Cash Flow M\$	Cum Cash Flow M\$	
2013	2	0	0	0	0	0	2	2	0	0	0	2	2	
2014	0	0	0	0	0	0	0	3	0	6	0	-6	-4	
Total	3	0	0	0	0	0	3		0	6	0	-4		

----- Discounted Cash Streams NPV (M\$) -----							
discR%	5	10	12	15	18	20	25
BT Net	2	2	2	2	2	2	2
BT Cash Flow	-3	-3	-3	-3	-3	-3	-2

Table 3

Proved+Probable Developed Producing

KR Investment Ltd.

Provost

104/05-03-041-03W4/2

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	2.2	0	0	0.0	0.0	0.0	0.0	0.0	0.0	2.2
Co Grs	0.0	0.4	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
Co Net	0.0	0.3	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.3

	Net Present Value						
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	0	4	0	6	0	-3
	5.0	0	4	0	6	0	-2
	8.0	0	3	0	5	0	-2
	10.0	0	3	0	5	0	-2
	12.0	0	3	0	5	0	-2
	15.0	0	3	0	5	0	-2
	20.0	0	3	0	4	0	-1
	25.0	0	3	0	4	0	-1

Reserve Life = 2.0 yrs

Reserve Half Life = 0.9 yrs

BOE Reserve Index = 1.9

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	1	0	1	18	0	0	0	4	11	0	0	0	3
2014	1	0	1	16	0	0	0	4	12	0	0	6	-5
Total				34	0	0	0	8	23	0	0	6	-3
Discounted		5%		33	0	0	0	7	22	0	0	6	-2
Cash		10%		31	0	0	0	7	21	0	0	5	-2
Streams		15%		30	0	0	0	7	20	0	0	5	-2
		20%		29	0	0	0	7	19	0	0	4	-1

Table 3

Proved+Probable Developed Producing

KR Investment Ltd.

Provost

104/05-03-041-03W4/2

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbl	Hvy Oil Co Grs Mbbl	Hvy Oil Co Net Mbbl	Hvy Oil Price \$/bbl
2013	1	3	1.2	0.2	0.2	76.72
2014	1	3	1.0	0.2	0.2	76.88
Total			2.2	0.4	0.3	

Table 3

Proved+Probable Developed Producing

KR Investment Ltd.

Provost

104/05-03-041-03W4/2

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Revenue													Royalties	
Year	Oil M\$	Gas M\$	NGL M\$	Sul M\$	Roy M\$	Other Income M\$	Crown M\$	Adjust M\$	FH/ Indian M\$	ORR M\$	Min Taxes M\$	Opex M\$	NPI/ Other Expense M\$	
2013	18	0	0	0	0	0	0	0	4	0	0	11	0	
2014	16	0	0	0	0	0	0	0	3	0	0	12	0	
Total	34	0	0	0	0	0	0	0	7	1	0	23	0	

Capital													Cash Flow M\$	Cum Cash Flow M\$
Year	Oper Inc M\$	CEE M\$	CDE M\$	CCA M\$	COGPE M\$	Total Capital M\$	Net Rev M\$	Cum Net Rev M\$	ARTC M\$	Aband Cost M\$	SK Tax M\$	Cash Flow M\$	Cum Cash Flow M\$	
2013	3	0	0	0	0	0	3	3	0	0	0	3	3	
2014	1	0	0	0	0	0	1	4	0	6	0	-5	-3	
Total	4	0	0	0	0	0	4	7	0	6	0	-3	0	

Discounted Cash Streams NPV (M\$)							
discR%	5	10	12	15	18	20	25
BT Net	4	3	3	3	3	3	3
BT Cash Flow	-2	-2	-2	-2	-1	-1	-1

Table 3

Proved Developed Producing

KR Investment Ltd.

Provost

100/11-03-041-03W4/0

Zone: Cummings N6n, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	2.4	0	0	0.0	0.0	0.0	0.0	0.0	0.0	2.4
Co Grs	0.0	0.5	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Co Net	0.0	0.4	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.4

	Net Present Value						
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	0	5	0	6	0	-1
	5.0	0	5	0	6	0	-1
	8.0	0	5	0	6	0	-1
	10.0	0	5	0	5	0	-1
	12.0	0	5	0	5	0	0
	15.0	0	5	0	5	0	0
	20.0	0	4	0	4	0	0
	25.0	0	4	0	4	0	0

Reserve Life = 2.1 yrs

Reserve Half Life = 0.9 yrs

BOE Reserve Index = 1.9

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	1	0	1	20	0	0	0	4	12	0	0	0	4
2014	1	0	1	17	0	0	0	4	12	0	0	0	1
2015	1	0	1	1	0	0	0	0	1	0	0	6	-6
Total				38	0	0	0	8	24	0	0	6	-1
Discounted		5%		36	0	0	0	8	23	0	0	6	-1
Cash		10%		34	0	0	0	8	22	0	0	5	-1
Streams		15%		33	0	0	0	7	21	0	0	5	0
		20%		32	0	0	0	7	20	0	0	4	0

Table 3

Proved Developed Producing

KR Investment Ltd.

Provost**100/11-03-041-03W4/0****Zone: Cummings N6n, Prod. Start: 2013-01-01****PRODUCTION AND PRICE FORECAST**

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbbl	Hvy Oil Co Grs Mbbbl	Hvy Oil Co Net Mbbbl	Hvy Oil Price \$/bbl
2013	1	4	1.3	0.3	0.2	76.72
2014	1	3	1.1	0.2	0.2	76.88
2015	1	3	0.1	0.0	0.0	76.40
Total			2.4	0.5	0.4	

Table 3

Proved Developed Producing

KR Investment Ltd.

Provost

100/11-03-041-03W4/0

Zone: Cummings N6n, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

----- Revenue -----													----- Royalties -----	
Year	Oil	Gas	NGL	Sul	Roy	Other	Crown	Adjust	FH/ Indian	ORR	Min Taxes	Opex	NPI/ Other Expense	
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
2013	20	0	0	0	0	0	0	0	4	0	0	12	0	
2014	17	0	0	0	0	0	0	0	3	0	0	12	0	
2015	1	0	0	0	0	0	0	0	0	0	0	1	0	
Total	38	0	0	0	0	0	0	0	8	1	0	24	0	

----- Capital -----													
Year	Oper Inc	CEE	CDE	CCA	COGPE	Total Capital	Net Rev	Cum Net Rev	ARTC	Aband Cost	SK Tax	Cash Flow	Cum Cash Flow
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	4	0	0	0	0	0	4	4	0	0	0	4	4
2014	1	0	0	0	0	0	1	5	0	0	0	1	5
2015	0	0	0	0	0	0	0	5	0	6	0	-6	-1
Total	5	0	0	0	0	0	5	5	0	6	0	-1	-1

----- Discounted Cash Streams NPV (M\$) -----							
discR%	5	10	12	15	18	20	25
BT Net	5	5	5	5	4	4	4
BT Cash Flow	-1	-1	0	0	0	0	0

Table 3

Proved+Probable Developed Producing

KR Investment Ltd.

Provost

100/11-03-041-03W4/0

Zone: Cummings N6n, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	2.5	0	0	0.0	0.0	0.0	0.0	0.0	0.0	2.5
Co Grs	0.0	0.5	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Co Net	0.0	0.4	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.4

	Net Present Value						
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	0	6	0	6	0	-1
	5.0	0	5	0	6	0	-1
	8.0	0	5	0	6	0	0
	10.0	0	5	0	5	0	0
	12.0	0	5	0	5	0	0
	15.0	0	5	0	5	0	0
	20.0	0	5	0	4	0	0
	25.0	0	5	0	4	0	1

Reserve Life = 2.1 yrs

Reserve Half Life = 0.9 yrs

BOE Reserve Index = 1.9

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	1	0	1	20	0	0	0	4	12	0	0	0	4
2014	1	0	1	17	0	0	0	4	12	0	0	0	2
2015	1	0	1	1	0	0	0	0	1	0	0	6	-6
Total				38	0	0	0	9	24	0	0	6	-1
Discounted		5%		36	0	0	0	8	23	0	0	6	-1
Cash		10%		35	0	0	0	8	22	0	0	5	0
Streams		15%		33	0	0	0	8	21	0	0	5	0
		20%		32	0	0	0	7	20	0	0	4	0

Table 3

Proved+Probable Developed Producing

KR Investment Ltd.

Provost

100/11-03-041-03W4/0

Zone: Cummings N6n, Prod. Start: 2013-01-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbbl	Hvy Oil Co Grs Mbbbl	Hvy Oil Co Net Mbbbl	Hvy Oil Price \$/bbl
2013	1	4	1.3	0.3	0.2	76.72
2014	1	3	1.1	0.2	0.2	76.88
2015	1	3	0.1	0.0	0.0	76.40
Total			2.5	0.5	0.4	

Table 3

Proved+Probable Developed Producing

KR Investment Ltd.

Provost

100/11-03-041-03W4/0

Zone: Cummings N6n, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

----- Revenue -----													----- Royalties -----	
Year	Oil	Gas	NGL	Sul	Roy	Other	Crown	Adjust	FH/ Indian	ORR	Min Taxes	Opex	NPI/ Other Expense	
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
2013	20	0	0	0	0	0	0	0	4	0	0	12	0	
2014	17	0	0	0	0	0	0	0	3	0	0	12	0	
2015	1	0	0	0	0	0	0	0	0	0	0	1	0	
Total	38	0	0	0	0	0	0	0	8	1	0	24	0	

----- Capital -----													
Year	Oper Inc	CEE	CDE	CCA	COGPE	Total Capital	Net Rev	Cum Net Rev	ARTC	Aband Cost	SK Tax	Cash Flow	Cum Cash Flow
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	4	0	0	0	0	0	4	4	0	0	0	4	4
2014	2	0	0	0	0	0	2	6	0	0	0	2	6
2015	0	0	0	0	0	0	0	6	0	6	0	-6	-1
Total	6	0	0	0	0	0	6	6	0	6	0	-1	

----- Discounted Cash Streams NPV (M\$) -----							
discR%	5	10	12	15	18	20	25
BT Net	5	5	5	5	5	5	5
BT Cash Flow	-1	0	0	0	0	0	1

Table 3

Proved Developed Producing

KR Investment Ltd.

Provost

100/12-03-041-03W4/0

Zone: Cummings U6u, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	1.9	0	0	0.0	0.0	0.0	0.0	0.0	0.0	1.9
Co Grs	0.0	0.4	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
Co Net	0.0	0.3	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.3

	Net Present Value						
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	0	4	0	6	0	-2
	5.0	0	4	0	6	0	-2
	8.0	0	4	0	6	0	-2
	10.0	0	4	0	5	0	-2
	12.0	0	4	0	5	0	-2
	15.0	0	4	0	5	0	-1
	20.0	0	4	0	5	0	-1
	25.0	0	4	0	5	0	-1

Reserve Life = 1.6 yrs

Reserve Half Life = 0.7 yrs

BOE Reserve Index = 1.5

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	1	0	1	19	0	0	0	4	12	0	0	0	4
2014	1	0	1	9	0	0	0	2	7	0	0	6	-6
Total				29	0	0	0	6	18	0	0	6	-2
Discounted		5%		28	0	0	0	6	18	0	0	6	-2
Cash		10%		27	0	0	0	6	17	0	0	5	-2
Streams		15%		26	0	0	0	6	16	0	0	5	-1
		20%		25	0	0	0	6	16	0	0	5	-1

Table 3

Proved Developed Producing

KR Investment Ltd.

Provost

100/12-03-041-03W4/0

Zone: Cummings U6u, Prod. Start: 2013-01-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbbl	Hvy Oil Co Grs Mbbbl	Hvy Oil Co Net Mbbbl	Hvy Oil Price \$/bbl
2013	1	3	1.3	0.3	0.2	76.72
2014	1	3	0.6	0.1	0.1	76.88
Total			1.9	0.4	0.3	

Table 3

Proved Developed Producing

KR Investment Ltd.

Provost

100/12-03-041-03W4/0

Zone: Cummings U6u, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

----- Revenue -----													----- Royalties -----	
Year	Oil M\$	Gas M\$	NGL M\$	Sul M\$	Roy M\$	Other Income M\$	Crown M\$	Adjust M\$	FH/ Indian M\$	ORR M\$	Min Taxes M\$	Opex M\$	NPI/ Other Expense M\$	
2013	19	0	0	0	0	0	0	0	4	0	0	12	0	
2014	9	0	0	0	0	0	0	0	2	0	0	7	0	
Total	29	0	0	0	0	0	0	0	6	1	0	18	0	

----- Capital -----													
Year	Oper Inc M\$	CEE M\$	CDE M\$	CCA M\$	COGPE M\$	Total Capital M\$	Net Rev M\$	Cum Net Rev M\$	ARTC M\$	Aband Cost M\$	SK Tax M\$	Cash Flow M\$	Cum Cash Flow M\$
2013	4	0	0	0	0	0	4	4	0	0	0	4	4
2014	0	0	0	0	0	0	0	4	0	6	0	-6	-2
Total	4	0	0	0	0	0	4	4	0	6	0	-2	-2

----- Discounted Cash Streams NPV (M\$) -----							
discR%	5	10	12	15	18	20	25
BT Net	4	4	4	4	4	4	4
BT Cash Flow	-2	-2	-2	-1	-1	-1	-1

Table 3

Proved+Probable Developed Producing

KR Investment Ltd.

Provost

100/12-03-041-03W4/0

Zone: Cummings U6u, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	2.4	0	0	0.0	0.0	0.0	0.0	0.0	0.0	2.4
Co Grs	0.0	0.5	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Co Net	0.0	0.4	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.4

	Net Present Value						
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	0	5	0	6	0	-1
	5.0	0	5	0	6	0	-1
	8.0	0	5	0	5	0	-1
	10.0	0	5	0	5	0	-1
	12.0	0	5	0	5	0	0
	15.0	0	5	0	5	0	0
	20.0	0	5	0	4	0	0
	25.0	0	4	0	4	0	0

Reserve Life = 2.0 yrs

Reserve Half Life = 0.8 yrs

BOE Reserve Index = 1.8

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	1	0	1	20	0	0	0	5	12	0	0	0	4
2014	1	0	1	16	0	0	0	4	12	0	0	6	-5
Total				36	0	0	0	8	23	0	0	6	-1
Discounted		5%		35	0	0	0	8	22	0	0	6	-1
Cash		10%		33	0	0	0	7	21	0	0	5	-1
Streams		15%		32	0	0	0	7	20	0	0	5	0
		20%		31	0	0	0	7	19	0	0	4	0

Table 3

Proved+Probable Developed Producing

KR Investment Ltd.

Provost

100/12-03-041-03W4/0

Zone: Cummings U6u, Prod. Start: 2013-01-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbl	Hvy Oil Co Grs Mbbl	Hvy Oil Co Net Mbbl	Hvy Oil Price \$/bbl
2013	1	4	1.3	0.3	0.2	76.72
2014	1	3	1.1	0.2	0.2	76.88
Total			2.4	0.5	0.4	

Table 3

Proved+Probable Developed Producing

KR Investment Ltd.

Provost

100/12-03-041-03W4/0

Zone: Cummings U6u, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

----- Revenue -----													----- Royalties -----	
Year	Oil	Gas	NGL	Sul	Roy	Other	Crown	Adjust	FH/ Indian	ORR	Min Taxes	Opex	NPI/ Other Expense	
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
2013	20	0	0	0	0	0	0	0	4	1	0	12	0	
2014	16	0	0	0	0	0	0	0	3	0	0	12	0	
Total	36	0	0	0	0	0	0	0	7	1	0	23	0	

----- Capital -----													
Year	Oper Inc	CEE	CDE	CCA	COGPE	Total Capital	Net Rev	Cum Net Rev	ARTC	Aband Cost	SK Tax	Cash Flow	Cum Cash Flow
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	4	0	0	0	0	0	4	4	0	0	0	4	4
2014	1	0	0	0	0	0	1	5	0	6	0	-5	-1
Total	5	0	0	0	0	0	5		0	6	0	-1	

----- Discounted Cash Streams NPV (M\$) -----							
discR%	5	10	12	15	18	20	25
BT Net	5	5	5	5	5	5	4
BT Cash Flow	-1	-1	0	0	0	0	0

Table 3

Proved Developed Producing

KR Investment Ltd.

Provost

105/08-04-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Reserves											
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	28.2	0	0	0.0	0.0	0.0	0.0	0.0	0.0	28.2
Co Grs	0.0	5.6	0	0	0.0	0.0	0.0	0.0	0.0	0.0	5.6
Co Net	0.0	5.2	0	0	0.0	0.0	0.0	0.0	0.0	0.0	5.2

Net Present Value							
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	0	258	0	8	0	250
	5.0	0	219	0	4	0	215
	8.0	0	201	0	3	0	198
	10.0	0	191	0	2	0	189
	12.0	0	182	0	2	0	180
	15.0	0	169	0	1	0	168
	20.0	0	153	0	1	0	152
	25.0	0	139	0	0	0	139

Reserve Life = 13.3 yrs

Reserve Half Life = 3.2 yrs

BOE Reserve Index = 5.0

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	3	0	3	86	0	0	12	1	16	0	0	0	57
2014	2	0	2	66	0	0	6	1	15	0	0	0	44
2015	2	0	2	52	0	0	3	1	14	0	0	0	34
2016	1	0	1	48	0	0	3	1	14	0	0	0	30
2017	1	0	1	40	0	0	2	1	14	0	0	0	24
2018	1	0	1	34	0	0	2	1	13	0	0	0	19
2019	1	0	1	30	0	0	1	0	13	0	0	0	15
2020	1	0	1	26	0	0	1	0	13	0	0	0	12
2021	1	0	1	23	0	0	1	0	13	0	0	0	9
2022	1	0	1	21	0	0	1	0	14	0	0	0	6
2023	1	0	1	19	0	0	1	0	14	0	0	0	4
2024	0	0	0	17	0	0	1	0	14	0	0	0	3
2025	0	0	0	16	0	0	0	0	14	0	0	0	1
2026	0	0	0	5	0	0	0	0	5	0	0	8	-8
Total				483	0	0	33	7	185	0	0	8	250
Discounted		5%		391	0	0	29	6	137	0	0	4	215
Cash		10%		328	0	0	26	5	106	0	0	2	189
Streams		15%		283	0	0	23	4	86	0	0	1	168
		20%		249	0	0	22	4	71	0	0	1	152



Table 3

Proved Developed Producing

KR Investment Ltd.

Provost

105/08-04-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbbl	Hvy Oil Co Grs Mbbbl	Hvy Oil Co Net Mbbbl	Hvy Oil Price \$/bbl
2013	1	15	5.6	1.1	1.0	76.72
2014	1	12	4.3	0.9	0.8	76.88
2015	1	9	3.4	0.7	0.6	76.40
2016	1	7	2.7	0.5	0.5	86.88
2017	1	6	2.3	0.5	0.4	88.75
2018	1	5	1.9	0.4	0.4	90.66
2019	1	4	1.6	0.3	0.3	92.61
2020	1	4	1.4	0.3	0.3	94.60
2021	1	3	1.2	0.2	0.2	96.62
2022	1	3	1.1	0.2	0.2	98.69
2023	1	3	0.9	0.2	0.2	100.80
2024	1	2	0.8	0.2	0.2	102.95
2025	1	2	0.7	0.1	0.1	105.14
2026	1	2	0.2	0.0	0.0	107.38
Total			28.2	5.6	5.2	

Table 3

Proved Developed Producing

KR Investment Ltd.

Provost

105/08-04-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Revenue														Royalties			
Year	Oil M\$	Gas M\$	NGL M\$	Sul M\$	Roy M\$	Other Income M\$	Crown M\$	Adjust M\$	FH/ Indian M\$	ORR M\$	Min Taxes M\$	Opex M\$	NPI/ Other Expense M\$				
2013	86	0	0	0	0	0	12	0	0	1	0	16	0				
2014	66	0	0	0	0	0	6	0	0	1	0	15	0				
2015	52	0	0	0	0	0	3	0	0	1	0	14	0				
2016	48	0	0	0	0	0	3	0	0	1	0	14	0				
2017	40	0	0	0	0	0	2	0	0	1	0	14	0				
2018	34	0	0	0	0	0	2	0	0	1	0	13	0				
2019	30	0	0	0	0	0	1	0	0	0	0	13	0				
2020	26	0	0	0	0	0	1	0	0	0	0	13	0				
2021	23	0	0	0	0	0	1	0	0	0	0	13	0				
2022	21	0	0	0	0	0	1	0	0	0	0	14	0				
2023	19	0	0	0	0	0	1	0	0	0	0	14	0				
2024	17	0	0	0	0	0	1	0	0	0	0	14	0				
2025	16	0	0	0	0	0	0	0	0	0	0	14	0				
2026	5	0	0	0	0	0	0	0	0	0	0	5	0				
Total	483	0	0	0	0	0	33	0	0	7	0	185	0				

Capital													
Year	Oper Inc M\$	CEE M\$	CDE M\$	CCA M\$	COGPE M\$	Total Capital M\$	Net Rev M\$	Cum Net Rev M\$	ARTC M\$	Aband Cost M\$	SK Tax M\$	Cash Flow M\$	Cum Cash Flow M\$
2013	57	0	0	0	0	0	57	57	0	0	0	57	57
2014	44	0	0	0	0	0	44	102	0	0	0	44	102
2015	34	0	0	0	0	0	34	135	0	0	0	34	135
2016	30	0	0	0	0	0	30	165	0	0	0	30	165
2017	24	0	0	0	0	0	24	189	0	0	0	24	189
2018	19	0	0	0	0	0	19	208	0	0	0	19	208
2019	15	0	0	0	0	0	15	223	0	0	0	15	223
2020	12	0	0	0	0	0	12	234	0	0	0	12	234
2021	9	0	0	0	0	0	9	243	0	0	0	9	243
2022	6	0	0	0	0	0	6	250	0	0	0	6	250
2023	4	0	0	0	0	0	4	254	0	0	0	4	254
2024	3	0	0	0	0	0	3	257	0	0	0	3	257
2025	1	0	0	0	0	0	1	258	0	0	0	1	258
2026	0	0	0	0	0	0	0	258	0	8	0	-8	250
Total	258	0	0	0	0	0	258		0	8	0	250	

Discounted Cash Streams NPV (M\$)							
discR%	5	10	12	15	18	20	25
BT Net	219	191	182	169	159	153	139
BT Cash Flow	215	189	180	168	158	152	139

Table 3

Proved+Probable Developed Producing

KR Investment Ltd.

Provost

105/08-04-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	39.3	0	0	0.0	0.0	0.0	0.0	0.0	0.0	39.3
Co Grs	0.0	7.9	0	0	0.0	0.0	0.0	0.0	0.0	0.0	7.9
Co Net	0.0	7.2	0	0	0.0	0.0	0.0	0.0	0.0	0.0	7.2

	Net Present Value						
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	0	360	0	9	0	351
	5.0	0	286	0	4	0	283
	8.0	0	255	0	2	0	253
	10.0	0	237	0	1	0	236
	12.0	0	222	0	1	0	221
	15.0	0	203	0	1	0	203
	20.0	0	179	0	0	0	178
	25.0	0	160	0	0	0	160

Reserve Life = 19.8 yrs

Reserve Half Life = 4.8 yrs

BOE Reserve Index = 6.8

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	3	0	3	89	0	0	13	1	16	0	0	0	59
2014	3	0	3	71	0	0	7	1	15	0	0	0	47
2015	2	0	2	58	0	0	4	1	15	0	0	0	38
2016	2	0	2	55	0	0	4	1	14	0	0	0	36
2017	1	0	1	48	0	0	3	1	14	0	0	0	30
2018	1	0	1	43	0	0	3	1	14	0	0	0	26
2019	1	0	1	39	0	0	2	1	14	0	0	0	22
2020	1	0	1	35	0	0	2	1	14	0	0	0	19
2021	1	0	1	32	0	0	2	0	14	0	0	0	16
2022	1	0	1	30	0	0	1	0	14	0	0	0	14
2023	1	0	1	28	0	0	1	0	14	0	0	0	12
2024	1	0	1	26	0	0	1	0	14	0	0	0	10
2025	1	0	1	24	0	0	1	0	14	0	0	0	8
2026	1	0	1	23	0	0	1	0	15	0	0	0	7
2027	1	0	1	22	0	0	1	0	15	0	0	0	6
2028	1	0	1	21	0	0	1	0	15	0	0	0	4
2029	0	0	0	20	0	0	1	0	15	0	0	0	3
2030	0	0	0	19	0	0	1	0	15	0	0	0	2
2031	0	0	0	18	0	0	1	0	16	0	0	0	1
2032	0	0	0	15	0	0	1	0	13	0	0	9	-9
Total				714	0	0	51	11	291	0	0	9	351
Discounted		5%		521	0	0	41	8	186	0	0	4	283
Cash		10%		408	0	0	34	6	130	0	0	1	236
Streams		15%		337	0	0	30	5	98	0	0	1	203
		20%		288	0	0	27	4	78	0	0	0	178

Table 3

Proved+Probable Developed Producing

KR Investment Ltd.

Provost

105/08-04-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbl	Hvy Oil Co Grs Mbbl	Hvy Oil Co Net Mbbl	Hvy Oil Price \$/bbl
2013	1	16	5.8	1.2	1.0	76.72
2014	1	13	4.6	0.9	0.8	76.88
2015	1	10	3.8	0.8	0.7	76.40
2016	1	9	3.2	0.6	0.6	86.88
2017	1	7	2.7	0.5	0.5	88.75
2018	1	6	2.4	0.5	0.4	90.66
2019	1	6	2.1	0.4	0.4	92.61
2020	1	5	1.9	0.4	0.3	94.60
2021	1	5	1.7	0.3	0.3	96.62
2022	1	4	1.5	0.3	0.3	98.69
2023	1	4	1.4	0.3	0.3	100.80
2024	1	3	1.3	0.3	0.2	102.95
2025	1	3	1.2	0.2	0.2	105.14
2026	1	3	1.1	0.2	0.2	107.38
2027	1	3	1.0	0.2	0.2	109.66
2028	1	3	0.9	0.2	0.2	111.99
2029	1	2	0.9	0.2	0.2	114.36
2030	1	2	0.8	0.2	0.2	116.78
2031	1	2	0.8	0.2	0.1	119.25
2032	1	2	0.6	0.1	0.1	121.77
Total			39.3	7.9	7.2	

Table 3

Proved+Probable Developed Producing

KR Investment Ltd.

Provost

105/08-04-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Revenue													Royalties	
Year	Oil	Gas	NGL	Sul	Roy	Other	Crown	Adjust	FH/ Indian	ORR	Min Taxes	Opex	NPI/ Other Expense	
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
2013	89	0	0	0	0	0	13	0	0	1	0	16	0	
2014	71	0	0	0	0	0	7	0	0	1	0	15	0	
2015	58	0	0	0	0	0	4	0	0	1	0	15	0	
2016	55	0	0	0	0	0	4	0	0	1	0	14	0	
2017	48	0	0	0	0	0	3	0	0	1	0	14	0	
2018	43	0	0	0	0	0	3	0	0	1	0	14	0	
2019	39	0	0	0	0	0	2	0	0	1	0	14	0	
2020	35	0	0	0	0	0	2	0	0	1	0	14	0	
2021	32	0	0	0	0	0	2	0	0	0	0	14	0	
2022	30	0	0	0	0	0	1	0	0	0	0	14	0	
2023	28	0	0	0	0	0	1	0	0	0	0	14	0	
2024	26	0	0	0	0	0	1	0	0	0	0	14	0	
2025	24	0	0	0	0	0	1	0	0	0	0	14	0	
2026	23	0	0	0	0	0	1	0	0	0	0	15	0	
2027	22	0	0	0	0	0	1	0	0	0	0	15	0	
2028	21	0	0	0	0	0	1	0	0	0	0	15	0	
2029	20	0	0	0	0	0	1	0	0	0	0	15	0	
2030	19	0	0	0	0	0	1	0	0	0	0	15	0	
2031	18	0	0	0	0	0	1	0	0	0	0	16	0	
2032	15	0	0	0	0	0	1	0	0	0	0	13	0	
Total	714	0	0	0	0	0	51	0	0	11	0	291	0	

Capital													
Year	Oper Inc	CEE	CDE	CCA	COGPE	Total Capital	Net Rev	Cum Net Rev	ARTC	Aband Cost	SK Tax	Cash Flow	Cum Cash Flow
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	59	0	0	0	0	0	59	59	0	0	0	59	59
2014	47	0	0	0	0	0	47	106	0	0	0	47	106
2015	38	0	0	0	0	0	38	144	0	0	0	38	144
2016	36	0	0	0	0	0	36	180	0	0	0	36	180
2017	30	0	0	0	0	0	30	210	0	0	0	30	210
2018	26	0	0	0	0	0	26	236	0	0	0	26	236
2019	22	0	0	0	0	0	22	258	0	0	0	22	258
2020	19	0	0	0	0	0	19	277	0	0	0	19	277
2021	16	0	0	0	0	0	16	293	0	0	0	16	293
2022	14	0	0	0	0	0	14	307	0	0	0	14	307
2023	12	0	0	0	0	0	12	318	0	0	0	12	318
2024	10	0	0	0	0	0	10	328	0	0	0	10	328
2025	8	0	0	0	0	0	8	337	0	0	0	8	337
2026	7	0	0	0	0	0	7	344	0	0	0	7	344
2027	6	0	0	0	0	0	6	349	0	0	0	6	349
2028	4	0	0	0	0	0	4	354	0	0	0	4	354
2029	3	0	0	0	0	0	3	357	0	0	0	3	357
2030	2	0	0	0	0	0	2	359	0	0	0	2	359
2031	1	0	0	0	0	0	1	360	0	0	0	1	360
2032	0	0	0	0	0	0	0	360	0	9	0	-9	351
Total	360	0	0	0	0	0	360		0	9	0	351	

Discounted Cash Streams NPV (M\$)							
discR%	5	10	12	15	18	20	25
BT Net	286	237	222	203	188	179	160
BT Cash Flow	283	236	221	203	187	178	160



Table 3

Proved Developed Producing

KR Investment Ltd.

Provost

100/09-04-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	42.1	0	0	0.0	0.0	0.0	0.0	0.0	0.0	42.1
Co Grs	0.0	8.4	0	0	0.0	0.0	0.0	0.0	0.0	0.0	8.4
Co Net	0.0	7.6	0	0	0.0	0.0	0.0	0.0	0.0	0.0	7.6

	Net Present Value						
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	0	407	0	9	0	398
	5.0	0	317	0	4	0	313
	8.0	0	279	0	2	0	277
	10.0	0	258	0	1	0	257
	12.0	0	240	0	1	0	239
	15.0	0	218	0	1	0	217
	20.0	0	189	0	0	0	188
	25.0	0	167	0	0	0	167

Reserve Life = 19.6 yrs

Reserve Half Life = 5.1 yrs

BOE Reserve Index = 7.9

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	3	0	3	81	0	0	10	1	16	0	0	0	54
2014	3	0	3	71	0	0	7	1	15	0	0	0	47
2015	2	0	2	61	0	0	5	1	15	0	0	0	41
2016	2	0	2	61	0	0	6	1	15	0	0	0	40
2017	2	0	2	55	0	0	5	1	14	0	0	0	35
2018	2	0	2	50	0	0	4	1	14	0	0	0	31
2019	1	0	1	45	0	0	3	1	14	0	0	0	27
2020	1	0	1	41	0	0	3	1	14	0	0	0	24
2021	1	0	1	38	0	0	2	1	14	0	0	0	21
2022	1	0	1	35	0	0	2	1	14	0	0	0	18
2023	1	0	1	32	0	0	2	0	14	0	0	0	15
2024	1	0	1	30	0	0	1	0	15	0	0	0	13
2025	1	0	1	27	0	0	1	0	15	0	0	0	11
2026	1	0	1	25	0	0	1	0	15	0	0	0	9
2027	1	0	1	24	0	0	1	0	15	0	0	0	7
2028	1	0	1	22	0	0	1	0	15	0	0	0	6
2029	0	0	0	21	0	0	1	0	15	0	0	0	4
2030	0	0	0	19	0	0	1	0	16	0	0	0	3
2031	0	0	0	18	0	0	1	0	16	0	0	0	1
2032	0	0	0	10	0	0	1	0	9	0	0	9	-9
Total				766	0	0	57	11	291	0	0	9	398
Discounted		5%		556	0	0	44	8	187	0	0	4	313
Cash		10%		432	0	0	37	6	131	0	0	1	257
Streams		15%		353	0	0	31	5	99	0	0	1	217
		20%		300	0	0	27	4	79	0	0	0	188

Table 3

Proved Developed Producing

KR Investment Ltd.

Provost

100/09-04-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbl	Hvy Oil Co Grs Mbbl	Hvy Oil Co Net Mbbl	Hvy Oil Price \$/bbl
2013	1	15	5.3	1.1	0.9	76.72
2014	1	13	4.6	0.9	0.8	76.88
2015	1	11	4.0	0.8	0.7	76.40
2016	1	10	3.5	0.7	0.6	86.88
2017	1	8	3.1	0.6	0.6	88.75
2018	1	8	2.7	0.5	0.5	90.66
2019	1	7	2.4	0.5	0.4	92.61
2020	1	6	2.2	0.4	0.4	94.60
2021	1	5	1.9	0.4	0.4	96.62
2022	1	5	1.8	0.4	0.3	98.69
2023	1	4	1.6	0.3	0.3	100.80
2024	1	4	1.4	0.3	0.3	102.95
2025	1	4	1.3	0.3	0.2	105.14
2026	1	3	1.2	0.2	0.2	107.38
2027	1	3	1.1	0.2	0.2	109.66
2028	1	3	1.0	0.2	0.2	111.99
2029	1	2	0.9	0.2	0.2	114.36
2030	1	2	0.8	0.2	0.2	116.78
2031	1	2	0.8	0.2	0.1	119.25
2032	1	2	0.4	0.1	0.1	121.77
Total			42.1	8.4	7.6	

Table 3

Proved Developed Producing

KR Investment Ltd.

Provost

100/09-04-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Revenue						Royalties						Opex	NPI/ Other Expense
	Oil M\$	Gas M\$	NGL M\$	Sul M\$	Roy M\$	Other Income M\$	Crown M\$	Adjust M\$	FH/ Indian M\$	ORR M\$	Min Taxes M\$			
2013	81	0	0	0	0	0	10	0	0	1	0	16	0	
2014	71	0	0	0	0	0	7	0	0	1	0	15	0	
2015	61	0	0	0	0	0	5	0	0	1	0	15	0	
2016	61	0	0	0	0	0	6	0	0	1	0	15	0	
2017	55	0	0	0	0	0	5	0	0	1	0	14	0	
2018	50	0	0	0	0	0	4	0	0	1	0	14	0	
2019	45	0	0	0	0	0	3	0	0	1	0	14	0	
2020	41	0	0	0	0	0	3	0	0	1	0	14	0	
2021	38	0	0	0	0	0	2	0	0	1	0	14	0	
2022	35	0	0	0	0	0	2	0	0	1	0	14	0	
2023	32	0	0	0	0	0	2	0	0	0	0	14	0	
2024	30	0	0	0	0	0	1	0	0	0	0	15	0	
2025	27	0	0	0	0	0	1	0	0	0	0	15	0	
2026	25	0	0	0	0	0	1	0	0	0	0	15	0	
2027	24	0	0	0	0	0	1	0	0	0	0	15	0	
2028	22	0	0	0	0	0	1	0	0	0	0	15	0	
2029	21	0	0	0	0	0	1	0	0	0	0	15	0	
2030	19	0	0	0	0	0	1	0	0	0	0	16	0	
2031	18	0	0	0	0	0	1	0	0	0	0	16	0	
2032	10	0	0	0	0	0	1	0	0	0	0	9	0	
Total	766	0	0	0	0	0	57	0	0	11	0	291	0	

Year	Capital						Net Rev M\$	Cum Net Rev M\$	ARTC M\$	Aband Cost M\$	SK Tax M\$	Cash Flow M\$	Cum Cash Flow M\$
	Oper Inc M\$	CEE M\$	CDE M\$	CCA M\$	COGPE M\$	Total Capital M\$							
2013	54	0	0	0	0	0	54	54	0	0	0	54	54
2014	47	0	0	0	0	0	47	102	0	0	0	47	102
2015	41	0	0	0	0	0	41	142	0	0	0	41	142
2016	40	0	0	0	0	0	40	182	0	0	0	40	182
2017	35	0	0	0	0	0	35	217	0	0	0	35	217
2018	31	0	0	0	0	0	31	248	0	0	0	31	248
2019	27	0	0	0	0	0	27	275	0	0	0	27	275
2020	24	0	0	0	0	0	24	299	0	0	0	24	299
2021	21	0	0	0	0	0	21	320	0	0	0	21	320
2022	18	0	0	0	0	0	18	338	0	0	0	18	338
2023	15	0	0	0	0	0	15	353	0	0	0	15	353
2024	13	0	0	0	0	0	13	366	0	0	0	13	366
2025	11	0	0	0	0	0	11	377	0	0	0	11	377
2026	9	0	0	0	0	0	9	386	0	0	0	9	386
2027	7	0	0	0	0	0	7	393	0	0	0	7	393
2028	6	0	0	0	0	0	6	399	0	0	0	6	399
2029	4	0	0	0	0	0	4	403	0	0	0	4	403
2030	3	0	0	0	0	0	3	405	0	0	0	3	405
2031	1	0	0	0	0	0	1	407	0	0	0	1	407
2032	0	0	0	0	0	0	0	407	0	9	0	-9	398
Total	407	0	0	0	0	0	407		0	9	0	398	

discR%	Discounted Cash Streams NPV (M\$)						
	5	10	12	15	18	20	25
BT Net	317	258	240	218	199	189	167
BT Cash Flow	313	257	239	217	199	188	167



Table 3

Proved+Probable Developed Producing

KR Investment Ltd.

Provost

100/09-04-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

	Reserves										
	LtMed Oil	Heavy Oil	Solution Gas	Non-Assoc Assoc Gas	Ethane	Propane	Butane	Pentanes Plus	Total NGL	Sulphur	Equiv Oil
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mbbl	Mbbl	Mbbl	MLt	Mboe
Gross	0.0	59.4	0	0	0.0	0.0	0.0	0.0	0.0	0.0	59.4
Co Grs	0.0	11.9	0	0	0.0	0.0	0.0	0.0	0.0	0.0	11.9
Co Net	0.0	10.7	0	0	0.0	0.0	0.0	0.0	0.0	0.0	10.7

	Net Present Value						
	Discount Rate	Total Net Capital	Before Tax Net Rev	ARTC Cap GCA	Aband Cost	SK Tax Overhead	Before Tax Cash Flow
	%	M\$	M\$	M\$	M\$	M\$	M\$
	0.0	0	586	0	11	0	575
	5.0	0	411	0	3	0	408
	8.0	0	346	0	1	0	345
	10.0	0	313	0	1	0	313
	12.0	0	286	0	0	0	286
	15.0	0	254	0	0	0	253
	20.0	0	214	0	0	0	214
	25.0	0	185	0	0	0	185

Reserve Life = 29.0 yrs

Reserve Half Life = 7.6 yrs

BOE Reserve Index = 11.0

YEARLY SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Oil Comp Grs	Gas Comp Grs	BOE Comp Grs	Oil Rev	Gas Rev	Other Rev	Total Crown	Non-Crown	Lease Expen	Other Expen	Total Cap	Aband Etc	BTax Cash Flow
	bbl/d	Mcf/d	boe/d	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
2013	3	0	3	83	0	0	11	1	16	0	0	0	55
2014	3	0	3	74	0	0	8	1	15	0	0	0	49
2015	2	0	2	66	0	0	6	1	15	0	0	0	44
2016	2	0	2	67	0	0	7	1	15	0	0	0	44
2017	2	0	2	62	0	0	6	1	15	0	0	0	40
2018	2	0	2	58	0	0	5	1	15	0	0	0	37
2019	2	0	2	54	0	0	4	1	15	0	0	0	34
2020	1	0	1	51	0	0	4	1	15	0	0	0	31
2021	1	0	1	48	0	0	4	1	15	0	0	0	28
2022	1	0	1	45	0	0	3	1	15	0	0	0	26
2023	1	0	1	42	0	0	3	1	15	0	0	0	24
2024	1	0	1	40	0	0	3	1	15	0	0	0	22
2025	1	0	1	38	0	0	3	1	15	0	0	0	20
2026	1	0	1	36	0	0	2	1	15	0	0	0	18
2027	1	0	1	35	0	0	2	1	16	0	0	0	16
2028	1	0	1	33	0	0	2	1	16	0	0	0	15
2029	1	0	1	32	0	0	2	0	16	0	0	0	13
2030	1	0	1	31	0	0	2	0	16	0	0	0	12
2031	1	0	1	30	0	0	2	0	16	0	0	0	11
2032	1	0	1	29	0	0	2	0	17	0	0	0	10
SubT				953	0	0	82	14	308	0	0	0	549
9yr				222	0	0	19	3	162	0	0	11	26
Total				1175	0	0	101	18	470	0	0	11	575
Discounted		5%		732	0	0	66	11	245	0	0	3	408
Cash		10%		522	0	0	49	8	152	0	0	1	313
Streams		15%		407	0	0	39	6	108	0	0	0	253
		20%		335	0	0	34	5	83	0	0	0	214

Table 3

Proved+Probable Developed Producing

KR Investment Ltd.

Provost

100/09-04-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

PRODUCTION AND PRICE FORECAST

(As of Date: 2012-12-31)

Year	Hvy Oil Wells	Hvy Oil Daily bbl/d	Hvy Oil Gross Mbbl	Hvy Oil Co Grs Mbbl	Hvy Oil Co Net Mbbl	Hvy Oil Price \$/bbl
2013	1	15	5.4	1.1	0.9	76.72
2014	1	13	4.8	1.0	0.8	76.88
2015	1	12	4.3	0.9	0.8	76.40
2016	1	11	3.9	0.8	0.7	86.88
2017	1	10	3.5	0.7	0.6	88.75
2018	1	9	3.2	0.6	0.6	90.66
2019	1	8	2.9	0.6	0.5	92.61
2020	1	7	2.7	0.5	0.5	94.60
2021	1	7	2.5	0.5	0.4	96.62
2022	1	6	2.3	0.5	0.4	98.69
2023	1	6	2.1	0.4	0.4	100.80
2024	1	5	2.0	0.4	0.4	102.95
2025	1	5	1.8	0.4	0.3	105.14
2026	1	5	1.7	0.3	0.3	107.38
2027	1	4	1.6	0.3	0.3	109.66
2028	1	4	1.5	0.3	0.3	111.99
2029	1	4	1.4	0.3	0.3	114.36
2030	1	4	1.3	0.3	0.2	116.78
2031	1	3	1.2	0.2	0.2	119.25
2032	1	3	1.2	0.2	0.2	121.77
SubT			51.2	10.2	9.2	
9yr			8.2	1.6	1.5	
Total			59.4	11.9	10.7	

Table 3

Proved+Probable Developed Producing

KR Investment Ltd.

Provost

100/09-04-041-03W4/0

Zone: Lloydminster Nn, Prod. Start: 2013-01-01

SUMMARY OF RESERVES AND NET PRESENT VALUE

(As of Date: 2012-12-31)

Year	Revenue							Royalties						Opex	NPI/ Other Expense
	Oil M\$	Gas M\$	NGL M\$	Sul M\$	Roy M\$	Other Income M\$	Crown M\$	Adjust M\$	FH/ Indian M\$	ORR M\$	Min Taxes M\$				
2013	83	0	0	0	0	0	11	0	0	1	0	16	0		
2014	74	0	0	0	0	0	8	0	0	1	0	15	0		
2015	66	0	0	0	0	0	6	0	0	1	0	15	0		
2016	67	0	0	0	0	0	7	0	0	1	0	15	0		
2017	62	0	0	0	0	0	6	0	0	1	0	15	0		
2018	58	0	0	0	0	0	5	0	0	1	0	15	0		
2019	54	0	0	0	0	0	4	0	0	1	0	15	0		
2020	51	0	0	0	0	0	4	0	0	1	0	15	0		
2021	48	0	0	0	0	0	4	0	0	1	0	15	0		
2022	45	0	0	0	0	0	3	0	0	1	0	15	0		
2023	42	0	0	0	0	0	3	0	0	1	0	15	0		
2024	40	0	0	0	0	0	3	0	0	1	0	15	0		
2025	38	0	0	0	0	0	3	0	0	1	0	15	0		
2026	36	0	0	0	0	0	2	0	0	1	0	15	0		
2027	35	0	0	0	0	0	2	0	0	1	0	16	0		
2028	33	0	0	0	0	0	2	0	0	1	0	16	0		
2029	32	0	0	0	0	0	2	0	0	0	0	16	0		
2030	31	0	0	0	0	0	2	0	0	0	0	16	0		
2031	30	0	0	0	0	0	2	0	0	0	0	16	0		
2032	29	0	0	0	0	0	2	0	0	0	0	17	0		
SubT	953	0	0	0	0	0	82	0	0	14	0	308	0		
9yr	222	0	0	0	0	0	19	0	0	3	0	162	0		
Total	1175	0	0	0	0	0	101	0	0	18	0	470	0		

Year	Capital						Net Rev M\$	Cum Net Rev M\$	ARTC M\$	Aband Cost M\$	SK Tax M\$	Cash Flow M\$	Cum Cash Flow M\$
	Oper Inc M\$	CEE M\$	CDE M\$	CCA M\$	COGPE M\$	Total Capital M\$							
2013	55	0	0	0	0	0	55	55	0	0	0	55	55
2014	49	0	0	0	0	0	49	105	0	0	0	49	105
2015	44	0	0	0	0	0	44	148	0	0	0	44	148
2016	44	0	0	0	0	0	44	193	0	0	0	44	193
2017	40	0	0	0	0	0	40	233	0	0	0	40	233
2018	37	0	0	0	0	0	37	270	0	0	0	37	270
2019	34	0	0	0	0	0	34	303	0	0	0	34	303
2020	31	0	0	0	0	0	31	335	0	0	0	31	335
2021	28	0	0	0	0	0	28	363	0	0	0	28	363
2022	26	0	0	0	0	0	26	389	0	0	0	26	389
2023	24	0	0	0	0	0	24	413	0	0	0	24	413
2024	22	0	0	0	0	0	22	434	0	0	0	22	434
2025	20	0	0	0	0	0	20	454	0	0	0	20	454
2026	18	0	0	0	0	0	18	472	0	0	0	18	472
2027	16	0	0	0	0	0	16	489	0	0	0	16	489
2028	15	0	0	0	0	0	15	503	0	0	0	15	503
2029	13	0	0	0	0	0	13	517	0	0	0	13	517
2030	12	0	0	0	0	0	12	529	0	0	0	12	529
2031	11	0	0	0	0	0	11	539	0	0	0	11	539
2032	10	0	0	0	0	0	10	549	0	0	0	10	549
SubT	549	0	0	0	0	0	549	0	0	0	0	549	549
9yr	37	0	0	0	0	0	37	0	11	0	0	26	26
Total	586	0	0	0	0	0	586	0	11	0	0	575	575

discR%	Discounted Cash Streams NPV (M\$)						
	5	10	12	15	18	20	25
BT Net	411	313	286	254	228	214	185
BT Cash Flow	408	313	286	253	228	214	185

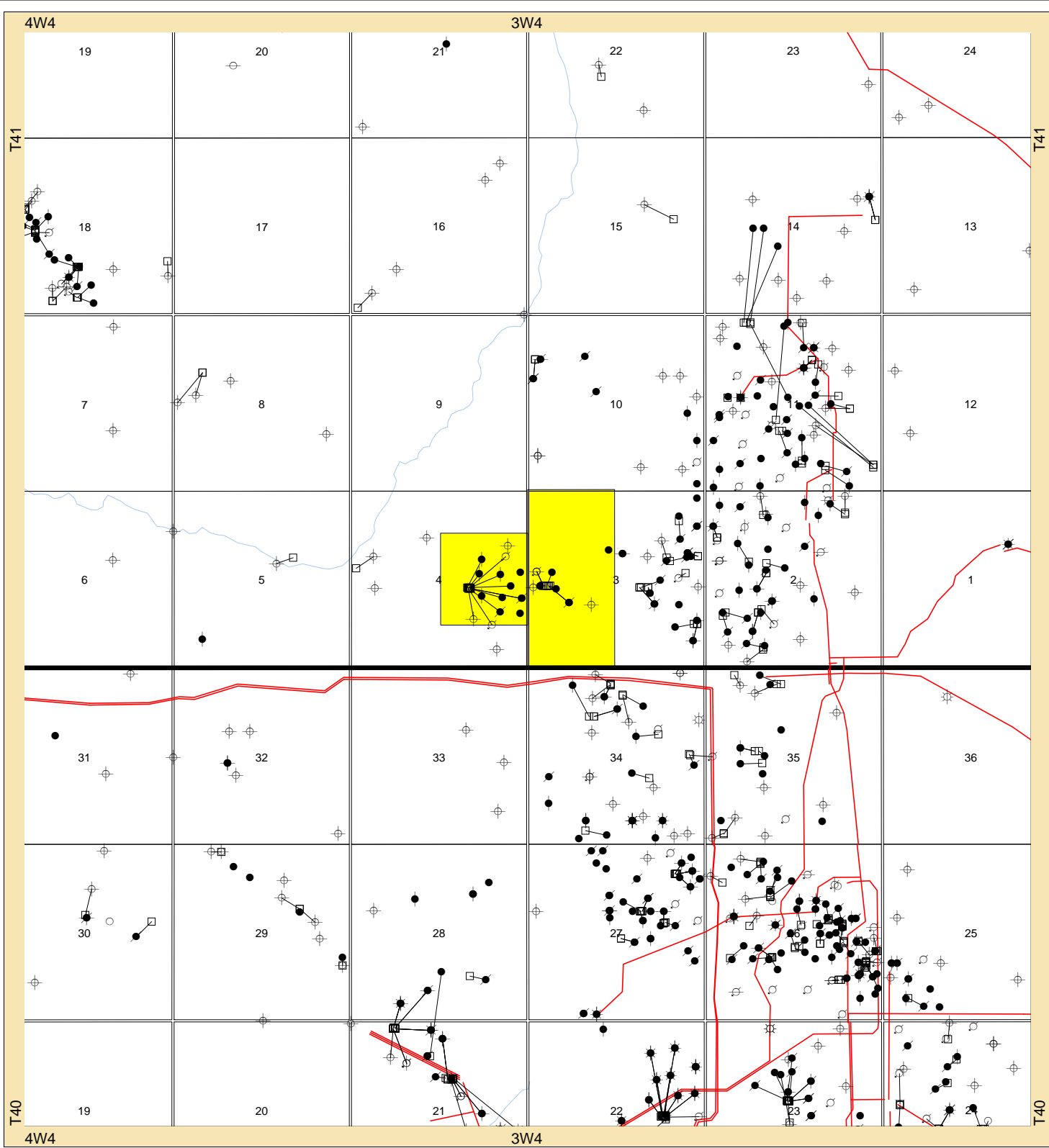


Table 4
KR Investment Ltd.
Provost
Entity Interests
as of December 31, 2012

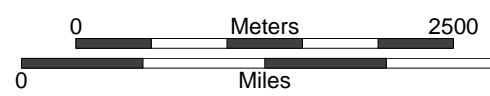
Location Interest Start Date	Formation Status	Type Price	Interests	Lessor: Production Class	Burdens
1xx/00-03-041-03W4/ - Cummings Loc 1	Cummings Location	Oil SK Cromer Medium	20% WI	Freehold Royalty: 20%	2.5% GOR
1xx/00-03-041-03W4/ - Cummings Loc 2	Cummings Location	Oil SK Cromer Medium	20% WI	Freehold Royalty: 20%	2.5% GOR
1xx/00-03-041-03W4/ - Cummings Loc 3	Cummings Location	Oil SK Cromer Medium	20% WI	Freehold Royalty: 20%	2.5% GOR
1xx/00-03-041-03W4/ - Lloyd Loc 1	Lloydminster Location	Oil SK Cromer Medium	20% WI	Freehold Royalty: 20%	2.5% GOR
1xx/00-03-041-03W4/ - Lloyd Loc 2	Lloydminster Location	Oil SK Cromer Medium	20% WI	Freehold Royalty: 20%	2.5% GOR
1xx/00-03-041-03W4/ - Lloyd Loc 3	Lloydminster Location	Oil SK Cromer Medium	20% WI	Freehold Royalty: 20%	2.5% GOR
102/05-03-041-03W4/0	Lloydminster Nn Producer: FLOWING OIL	Oil SK Cromer Medium	20% WI	Freehold Royalty: 20%	2.5% GOR
103/05-03-041-03W4/0	Lloydminster Nn Producer: FLOWING OIL	Oil SK Cromer Medium	20% WI	Freehold Royalty: 20%	2.5% GOR
104/05-03-041-03W4/2	Lloydminster Nn Producer: PUMPING OIL	Oil SK Cromer Medium	20% WI	Freehold Royalty: 20%	2.5% GOR
100/11-03-041-03W4/0	Cummings N6n Producer: FLOWING OIL	Oil SK Cromer Medium	20% WI	Freehold Royalty: 20%	2.5% GOR
100/12-03-041-03W4/0	Cummings U6u Producer: FLOWING OIL	Oil SK Cromer Medium	20% WI	Freehold Royalty: 20%	2.5% GOR
102/08-04-041-03W4/0	Lloydminster Nn Producer: SUSPENDED OIL	Oil SK Cromer Medium	20% WI	Crown: 2011	
104/08-04-041-03W4/0	Cummings F3f Producer: SUSPENDED OIL	Oil SK Cromer Medium	20% WI	Crown: 2011	
104/08-04-041-03W4/2	Lloydminster Nn Producer: PUMPING OIL	Oil SK Cromer Medium	20% WI	Crown: 2011	1.5% GOR
105/08-04-041-03W4/0	Lloydminster Nn Producer: PUMPING OIL	Oil SK Cromer Medium	20% WI	Crown: 2011	1.5% GOR

Table 4
 KR Investment Ltd.
Provost
Entity Interests
 as of December 31, 2012

Location	Formation	Type	Interests	Lessor: Production Class	Burdens
Interest Start Date	Status	Price			
100/09-04-041-03W4/0	Lloydminster Nn Producer: PUMPING OIL	Oil SK Cromer Medium	20% WI	Crown: 2011	1.5% GOR



Scale: 1:50,000



Well Symbols			
○	Location	⊗	Service
☀	Gas Well	⊕	Injector
●	Oil Well	⊖	Suspend
☀	Oil & Gas	⊖	Capped
•	Bitumen	⊕	D & A
○	Drilling	☀	Abdn Oil&Gas

Layer Legend	
*	IPL_Wells (Well Symbols)
—	IPL_Pipe_Sour_Gas (Pipeline Styles)
—	IPL_Pipe_Natural_Gas (Pipeline Styles)

KR INVESTMENT LTD.

PROVOST AREA
ALBERTA

Author: SPROULE ASSOCIATES LIMITED
Project: KR INVESTMENT LTD 18916.pdp
Map: AB PROVOST
Date: 2/4/2013

KR Investment Ltd.
 Provost, Alberta
 As of December 31, 2011
 Proved Undeveloped
 1xx/00-03-041-03W4/ - Cummings Loc 1

Status	Location	Aprox. On-time	100.00%
Field	Provost	Rig Release	
Pool	Cummings	WI	20.00%
Unit		RLI	4.2
Operator	ARTEMIS EXPLORATION INC.	Type	PUD
Licensee			Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbl)	30.0	0.0	30.0	6.0
Gas (MMcf)	0.0	0.0	0.0	0.0
Water (Mbbl)	0.0	0.0	0.0	0.0

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Oct 1, 2013	20.0	0.300098	0.90	200,000.0	3.0

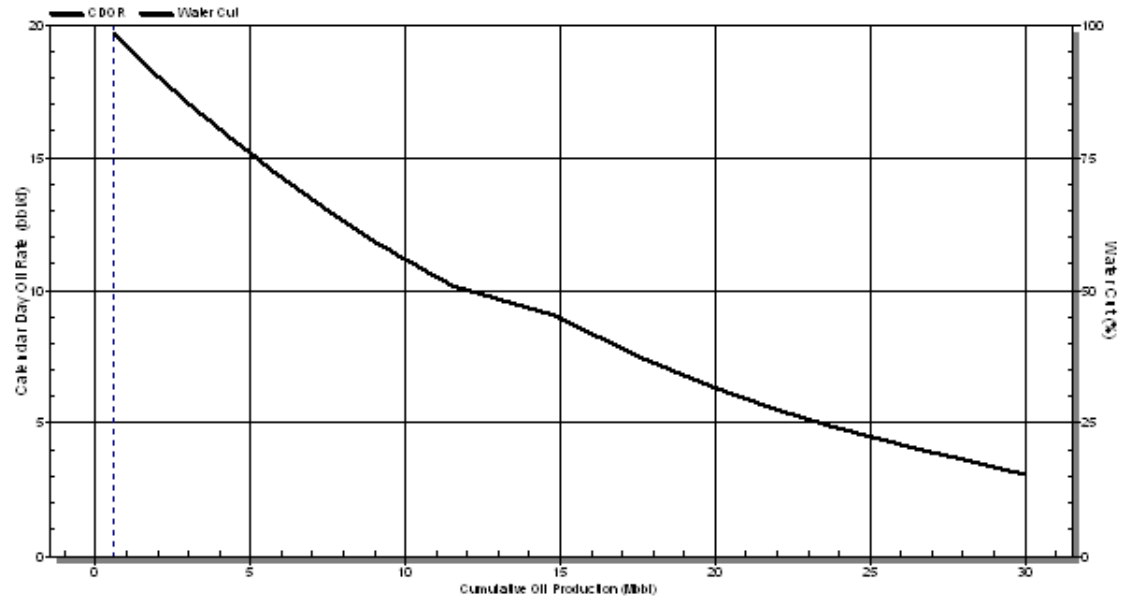
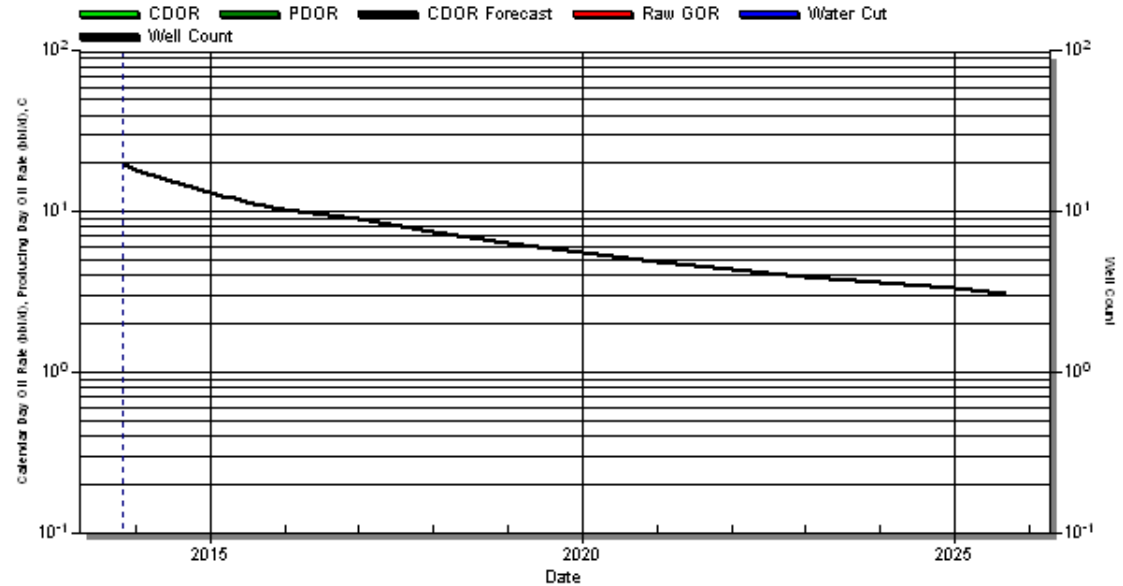
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (0 mo. History / 0 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
Oct 2013	1.0	20	0	0	100	0
Nov 2013	1.0	19	0	0	100	0
Dec 2013	1.0	18	0	0	100	0
Jan 2014	1.0	18	0	0	100	0
Feb 2014	1.0	17	0	0	100	0
Mar 2014	1.0	17	0	0	100	0



KR Investment Ltd.
 Provost, Alberta
 As of December 31, 2011
 Proved + Prob. Undeveloped
 1xx/00-03-041-03W4/ - Cummings Loc 1

Status	Location	Aprox. On-time	100.00%
Field	Provost	Rig Release	
Pool	Cummings	WI	20.00%
Unit		RLI	4.9
Operator	ARTEMIS EXPLORATION INC.	Type	P+PUD
Licensee			Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbl)	35.0	0.0	35.0	7.0
Gas (MMcf)	0.0	0.0	0.0	0.0
Water (Mbbl)	0.0	0.0	0.0	0.0

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Oct 1, 2013	20.0	0.268265	0.90	200,000.0	3.0

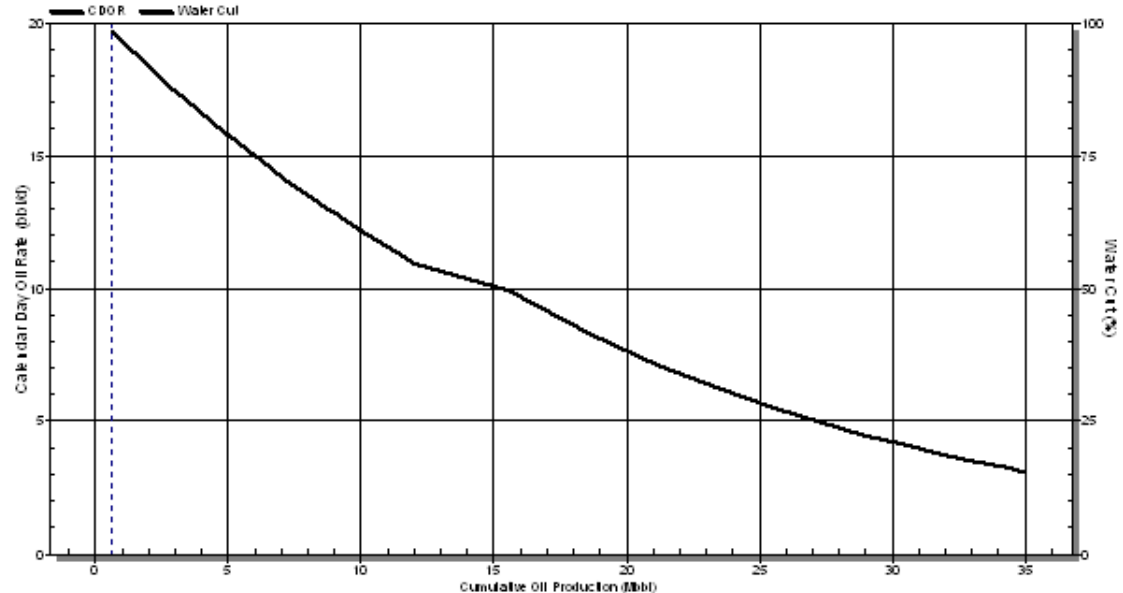
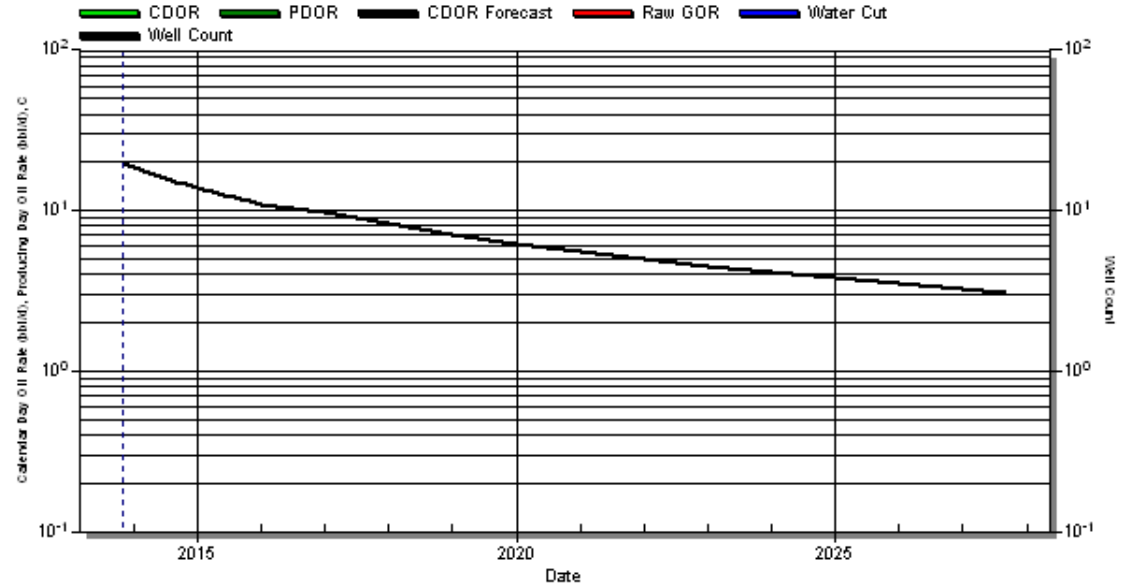
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (0 mo. History / 0 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
Oct 2013	1.0	20	0	0	100	0
Nov 2013	1.0	19	0	0	100	0
Dec 2013	1.0	19	0	0	100	0
Jan 2014	1.0	18	0	0	100	0
Feb 2014	1.0	18	0	0	100	0
Mar 2014	1.0	17	0	0	100	0



KR Investment Ltd.
 Provost, Alberta
 As of December 31, 2011
 Proved Undeveloped
 1xx/00-03-041-03W4/ - Cummings Loc 2

Status	Location	Aprox. On-time	100.00%
Field	Provost	Rig Release	
Pool	Cummings	WI	20.00%
Unit		RLI	4.2
Operator	ARTEMIS EXPLORATION INC.	Type	PUD
Licensee			Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	30.0	0.0	30.0	6.0
Gas (MMcf)	0.0	0.0	0.0	0.0
Water (Mbbbl)	0.0	0.0	0.0	0.0

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Oct 1, 2013	20.0	0.300098	0.90	200,000.0	3.0

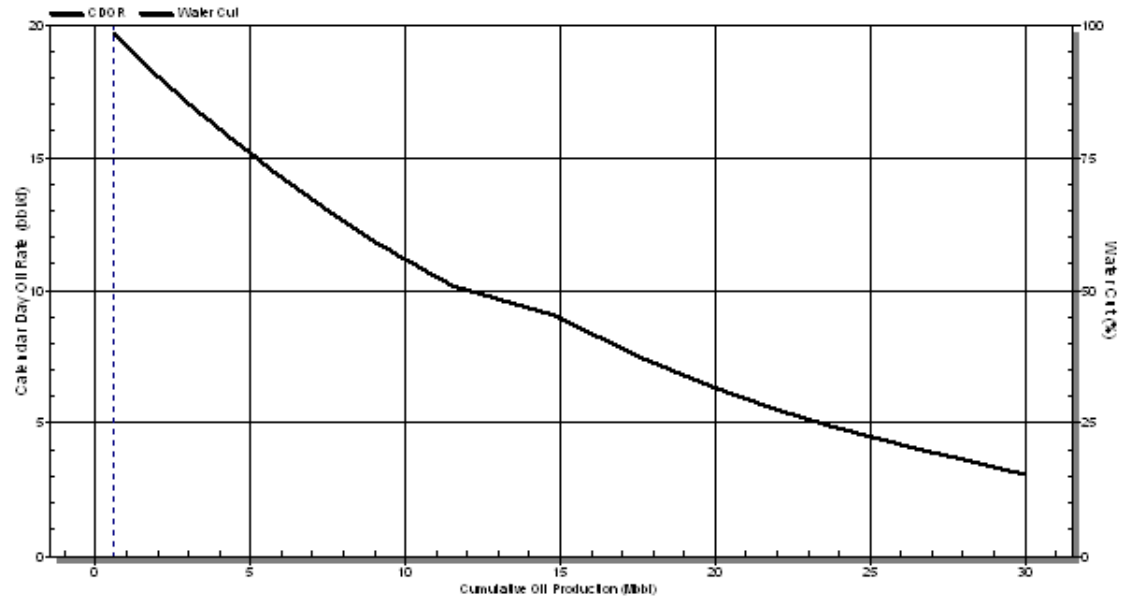
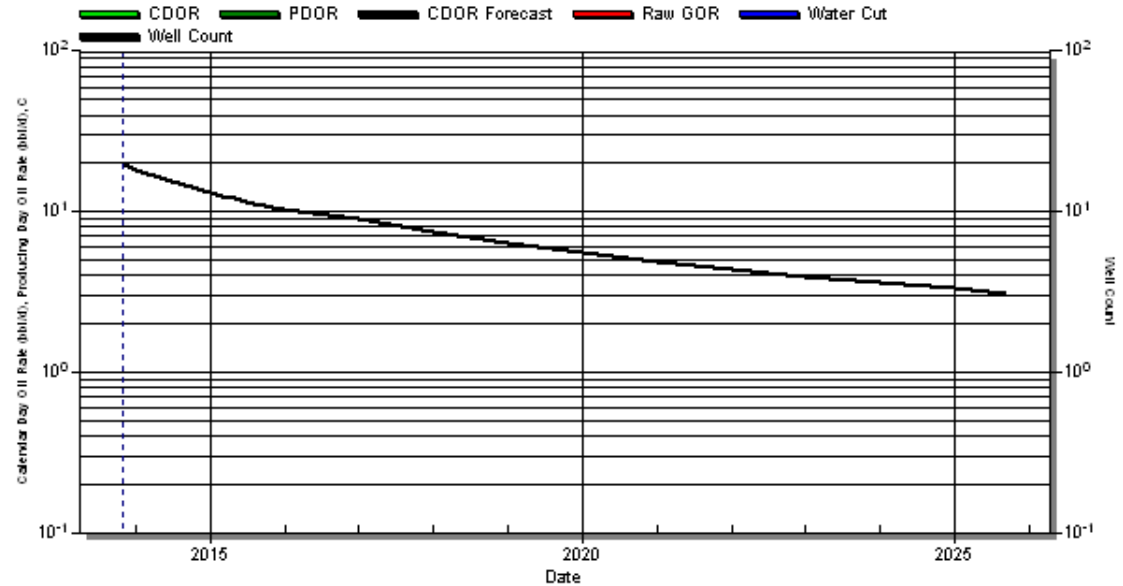
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (0 mo. History / 0 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
Oct 2013	1.0	20	0	0	100	0
Nov 2013	1.0	19	0	0	100	0
Dec 2013	1.0	18	0	0	100	0
Jan 2014	1.0	18	0	0	100	0
Feb 2014	1.0	17	0	0	100	0
Mar 2014	1.0	17	0	0	100	0



KR Investment Ltd.
 Provost, Alberta
 As of December 31, 2011
 Proved + Prob. Undeveloped
 1xx/00-03-041-03W4/ - Cummings Loc 2

Status	Location	Aprox. On-time	100.00%
Field	Provost	Rig Release	
Pool	Cummings	WI	20.00%
Unit		RLI	4.9
Operator	ARTEMIS EXPLORATION INC.	Type	P+PUD
Licensee			Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbl)	35.0	0.0	35.0	7.0
Gas (MMcf)	0.0	0.0	0.0	0.0
Water (Mbbl)	0.0	0.0	0.0	0.0

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Oct 1, 2013	20.0	0.268265	0.90	200,000.0	3.0

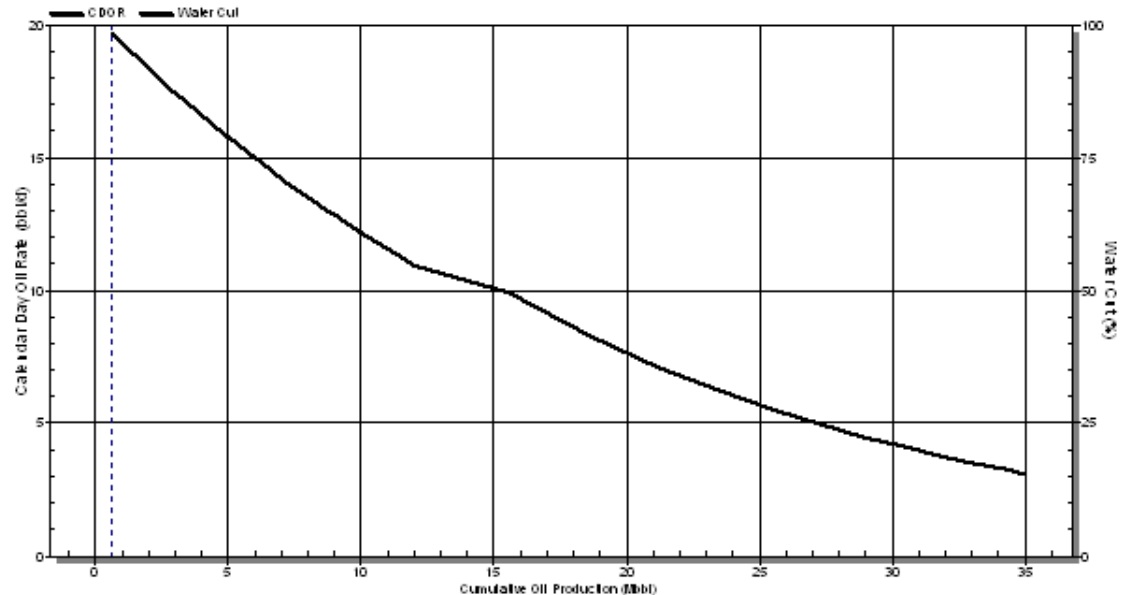
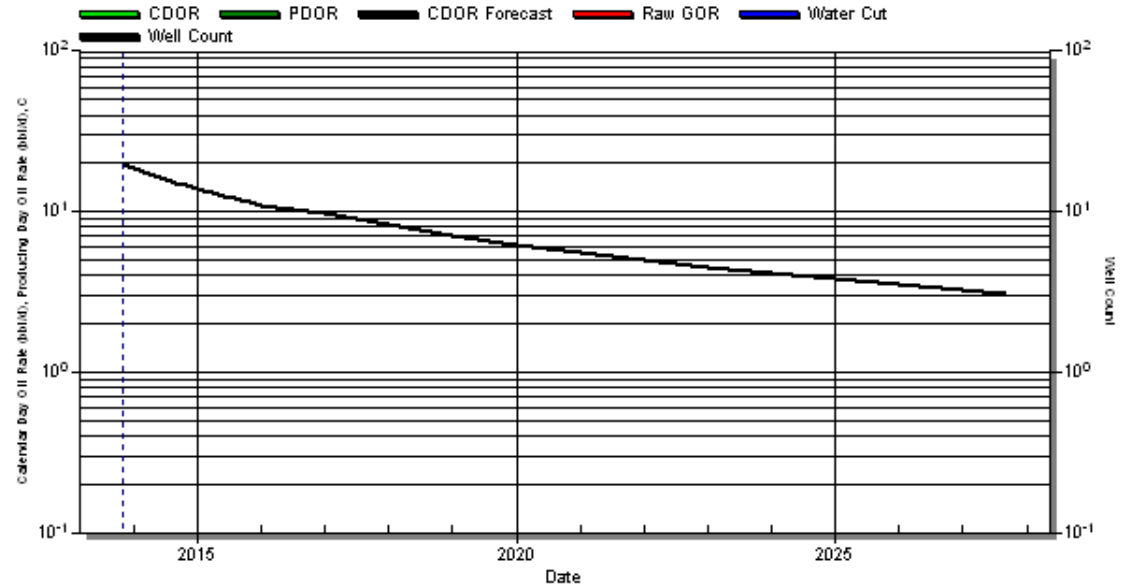
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (0 mo. History / 0 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
Oct 2013	1.0	20	0	0	100	0
Nov 2013	1.0	19	0	0	100	0
Dec 2013	1.0	19	0	0	100	0
Jan 2014	1.0	18	0	0	100	0
Feb 2014	1.0	18	0	0	100	0
Mar 2014	1.0	17	0	0	100	0



KR Investment Ltd.
 Provost, Alberta
 As of December 31, 2011
 Proved Undeveloped
 1xx/00-03-041-03W4/ - Cummings Loc 3

Status	Location	Aprox. On-time	100.00%
Field	Provost	Rig Release	
Pool	Cummings	WI	20.00%
Unit		RLI	4.2
Operator	ARTEMIS EXPLORATION INC.	Type	PUD
Licensee			Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	30.0	0.0	30.0	6.0
Gas (MMcf)	0.0	0.0	0.0	0.0
Water (Mbbbl)	0.0	0.0	0.0	0.0

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Oct 1, 2013	20.0	0.300098	0.90	200,000.0	3.0

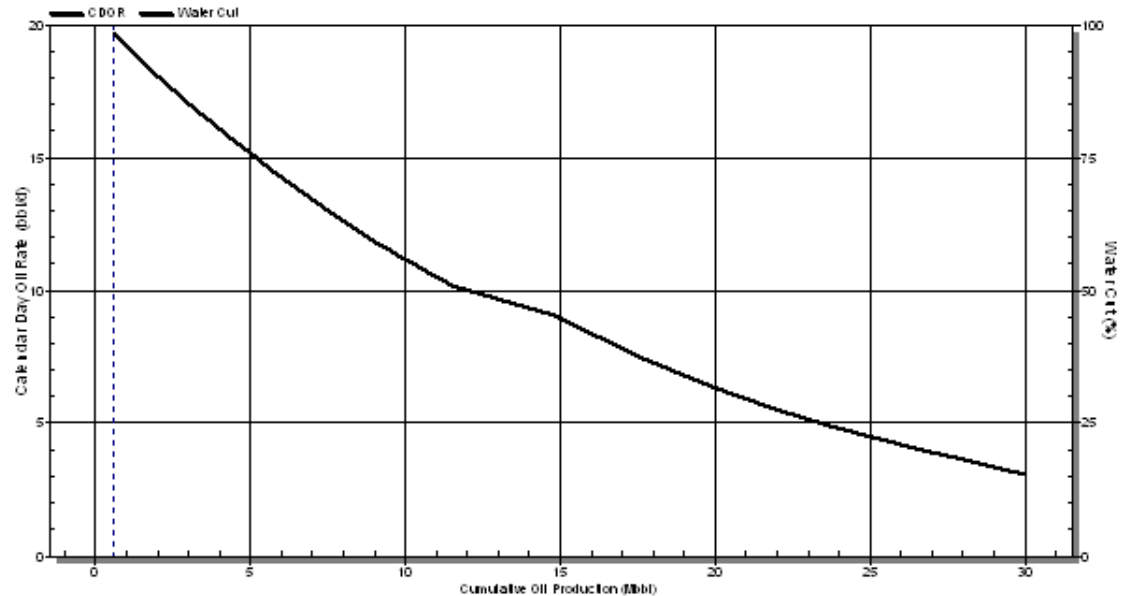
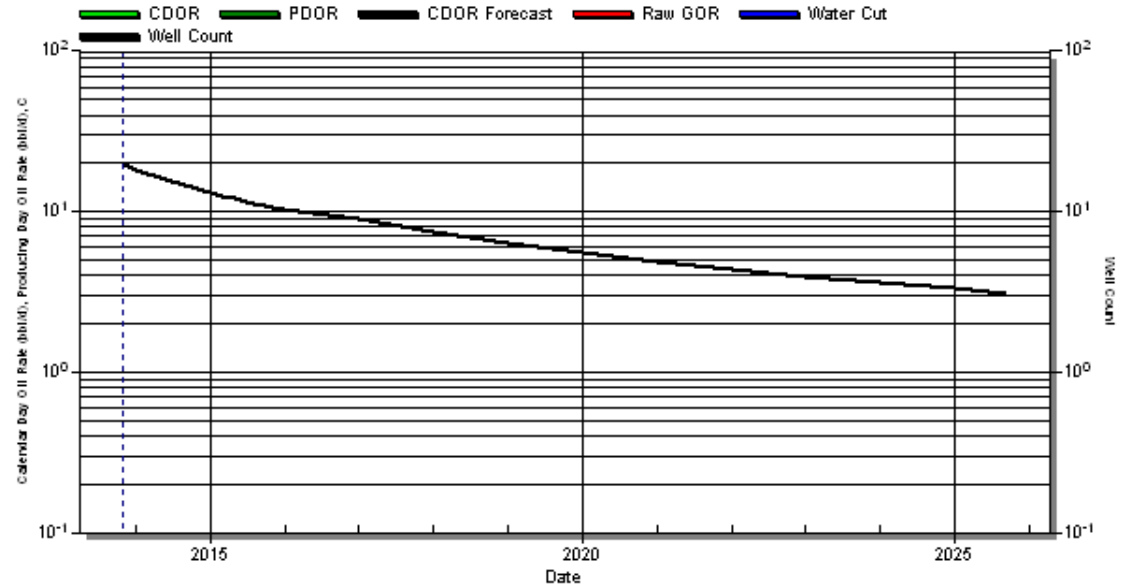
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (0 mo. History / 0 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
Oct 2013	1.0	20	0	0	100	0
Nov 2013	1.0	19	0	0	100	0
Dec 2013	1.0	18	0	0	100	0
Jan 2014	1.0	18	0	0	100	0
Feb 2014	1.0	17	0	0	100	0
Mar 2014	1.0	17	0	0	100	0



KR Investment Ltd.
 Provost, Alberta
 As of December 31, 2011
 Proved + Prob. Undeveloped
 1xx/00-03-041-03W4/ - Cummings Loc 3

Status	Location	Aprox. On-time	100.00%
Field	Provost	Rig Release	
Pool	Cummings	WI	20.00%
Unit		RLI	4.9
Operator	ARTEMIS EXPLORATION INC.	Type	P+PUD
Licensee			Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbl)	35.0	0.0	35.0	7.0
Gas (MMcf)	0.0	0.0	0.0	0.0
Water (Mbbl)	0.0	0.0	0.0	0.0

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Oct 1, 2013	20.0	0.268265	0.90	200,000.0	3.0

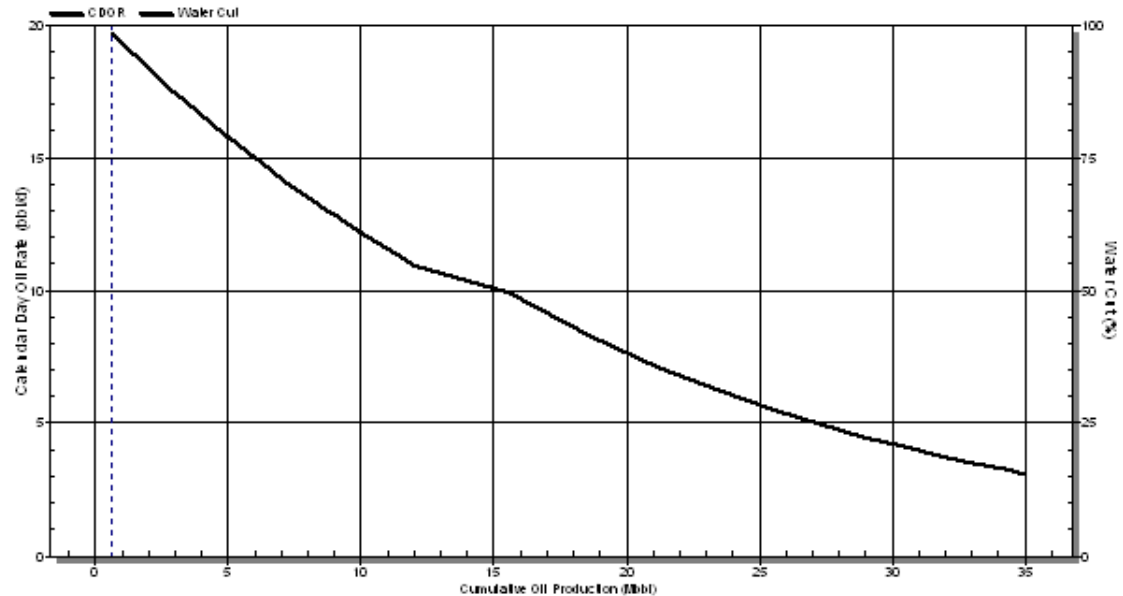
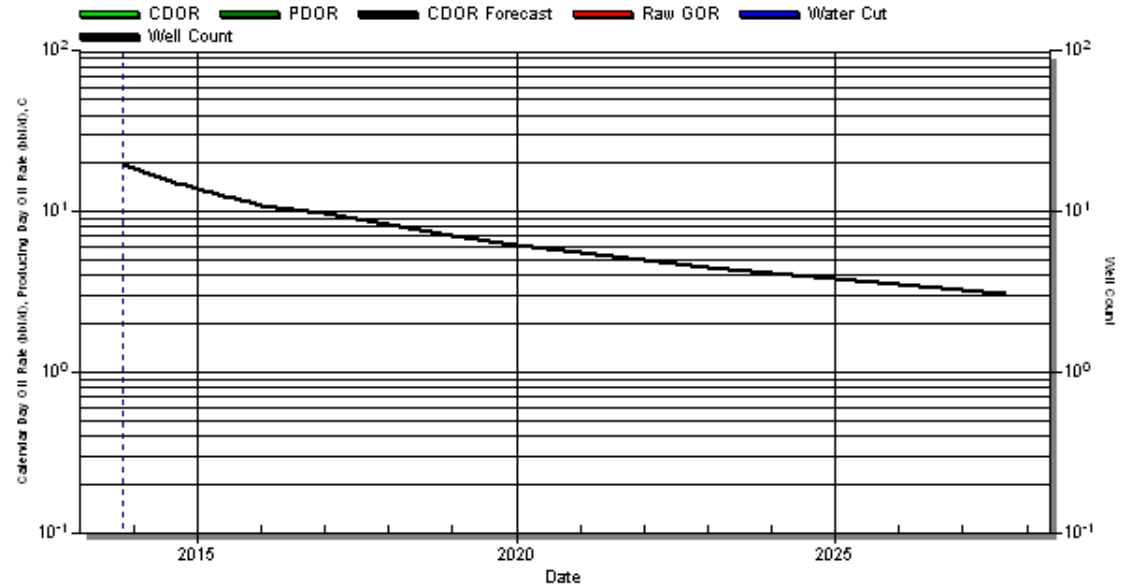
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (0 mo. History / 0 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
Oct 2013	1.0	20	0	0	100	0
Nov 2013	1.0	19	0	0	100	0
Dec 2013	1.0	19	0	0	100	0
Jan 2014	1.0	18	0	0	100	0
Feb 2014	1.0	18	0	0	100	0
Mar 2014	1.0	17	0	0	100	0



KR Investment Ltd.
 Provost, Alberta
 As of December 31, 2011
 Proved Undeveloped
 1xx/00-03-041-03W4/ - Lloyd Loc 1

Status	Location	Aprox. On-time	100.00%
Field	Provost	Rig Release	
Pool	Lloydminster	WI	20.00%
Unit		RLI	1.5
Operator	ARTEMIS EXPLORATION INC.	Type	PUD
Licensee			Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	30.0	0.0	30.0	6.0
Gas (MMcf)	0.0	0.0	0.0	0.0
Water (Mbbbl)	0.0	0.0	0.0	0.0

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Oct 1, 2013	60.0	0.668585	0.90	200,000.0	3.0

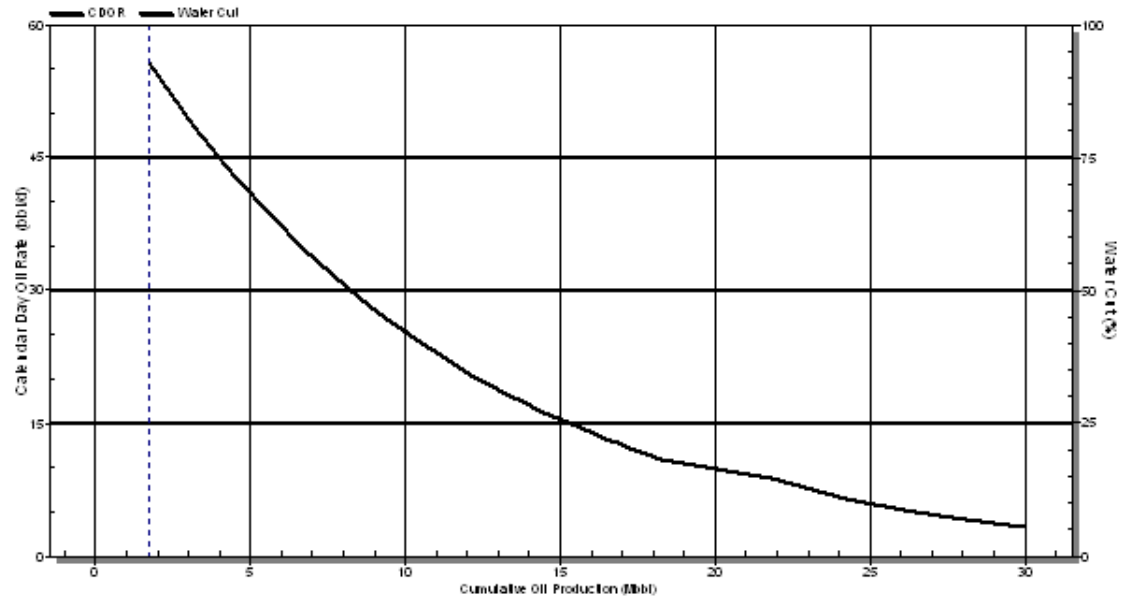
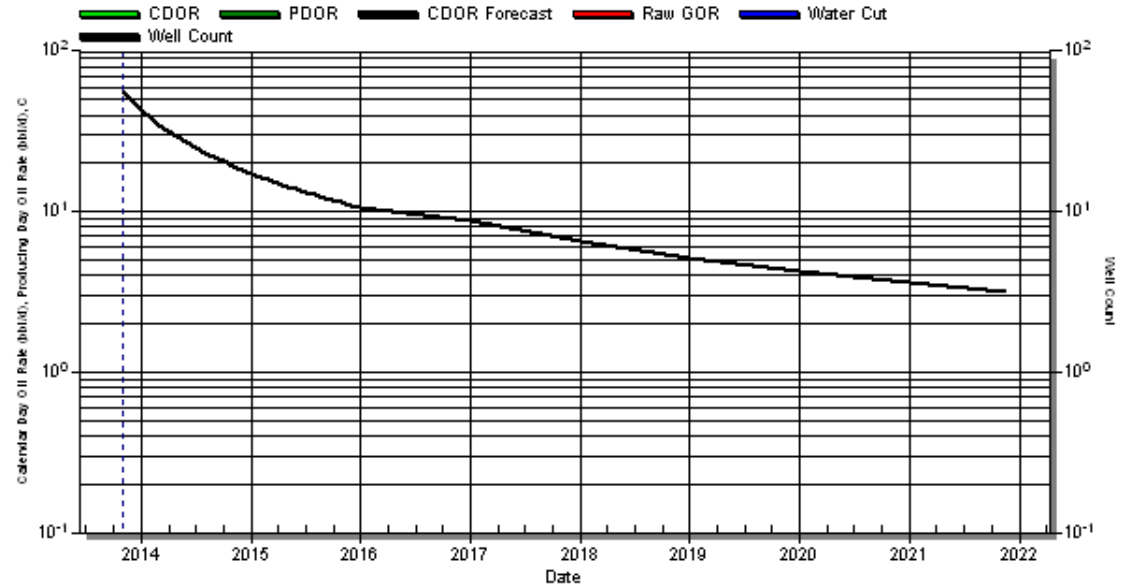
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (0 mo. History / 0 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
Oct 2013	1.0	56	0	0	100	0
Nov 2013	1.0	48	0	0	100	0
Dec 2013	1.0	43	0	0	100	0
Jan 2014	1.0	38	0	0	100	0
Feb 2014	1.0	35	0	0	100	0
Mar 2014	1.0	32	0	0	100	0



KR Investment Ltd.
 Provost, Alberta
 As of December 31, 2011
 Proved + Prob. Undeveloped
 1xx/00-03-041-03W4/ - Lloyd Loc 1

Status	Location	Aprox. On-time	100.00%
Field	Provost	Rig Release	
Pool	Lloydminster	WI	20.00%
Unit		RLI	1.9
Operator	ARTEMIS EXPLORATION INC.	Type	P+PUD
Licensee			Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	40.0	0.0	40.0	8.0
Gas (MMcf)	0.0	0.0	0.0	0.0
Water (Mbbbl)	0.0	0.0	0.0	0.0

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Oct 1, 2013	60.0	0.599082	0.90	200,000.0	3.0

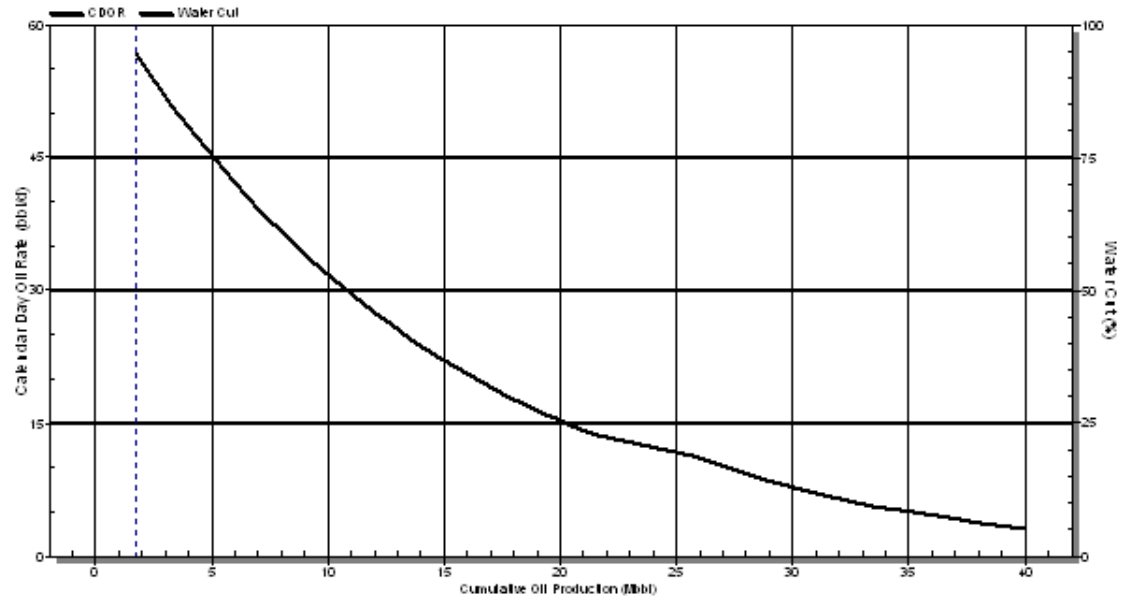
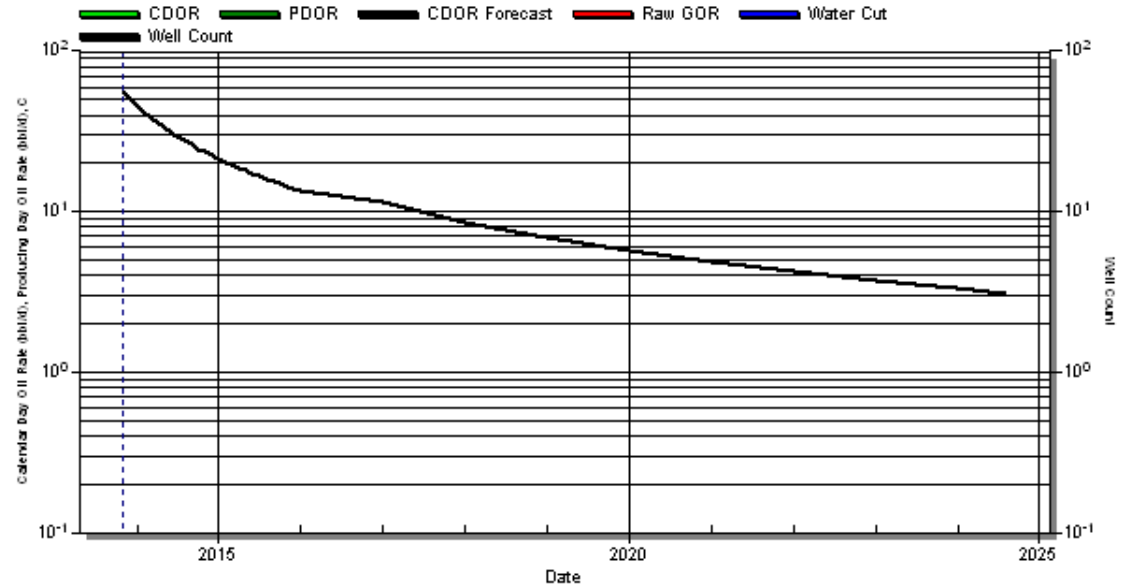
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (0 mo. History / 0 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
Oct 2013	1.0	57	0	0	100	0
Nov 2013	1.0	51	0	0	100	0
Dec 2013	1.0	46	0	0	100	0
Jan 2014	1.0	42	0	0	100	0
Feb 2014	1.0	39	0	0	100	0
Mar 2014	1.0	36	0	0	100	0



KR Investment Ltd.
 Provost, Alberta
 As of December 31, 2011
 Proved Undeveloped
 1xx/00-03-041-03W4/ - Lloyd Loc 2

Status	Location	Aprox. On-time	100.00%
Field	Provost	Rig Release	
Pool	Lloydminster	WI	20.00%
Unit		RLI	1.5
Operator	ARTEMIS EXPLORATION INC.	Type	PUD
Licensee			Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	30.0	0.0	30.0	6.0
Gas (MMcf)	0.0	0.0	0.0	0.0
Water (Mbbbl)	0.0	0.0	0.0	0.0

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Oct 1, 2013	60.0	0.668585	0.90	200,000.0	3.0

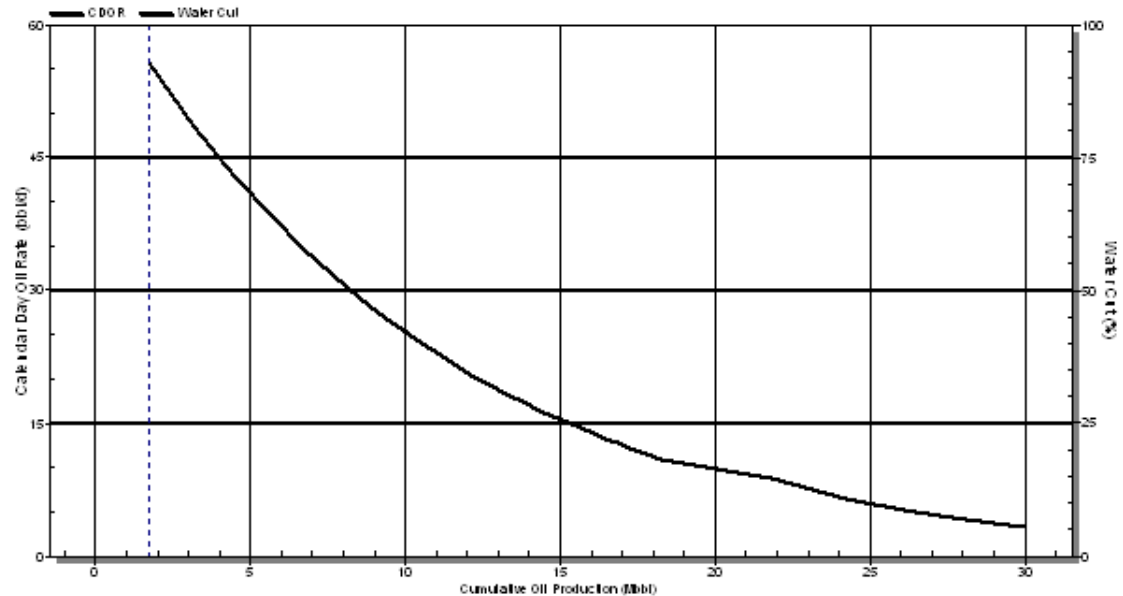
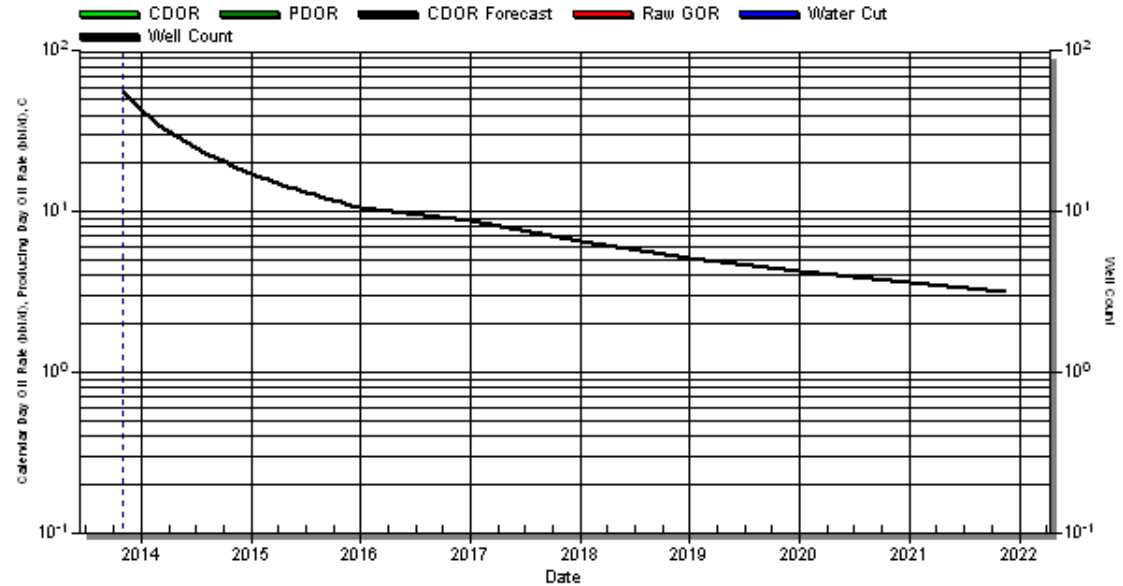
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (0 mo. History / 0 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
Oct 2013	1.0	56	0	0	100	0
Nov 2013	1.0	48	0	0	100	0
Dec 2013	1.0	43	0	0	100	0
Jan 2014	1.0	38	0	0	100	0
Feb 2014	1.0	35	0	0	100	0
Mar 2014	1.0	32	0	0	100	0



KR Investment Ltd.
 Provost, Alberta
 As of December 31, 2011
 Proved + Prob. Undeveloped
 1xx/00-03-041-03W4/ - Lloyd Loc 2

Status	Location	Aprox. On-time	100.00%
Field	Provost	Rig Release	
Pool	Lloydminster	WI	20.00%
Unit		RLI	1.9
Operator	ARTEMIS EXPLORATION INC.	Type	P+PUD
Licensee			Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	40.0	0.0	40.0	8.0
Gas (MMcf)	0.0	0.0	0.0	0.0
Water (Mbbbl)	0.0	0.0	0.0	0.0

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Oct 1, 2013	60.0	0.599082	0.90	200,000.0	3.0

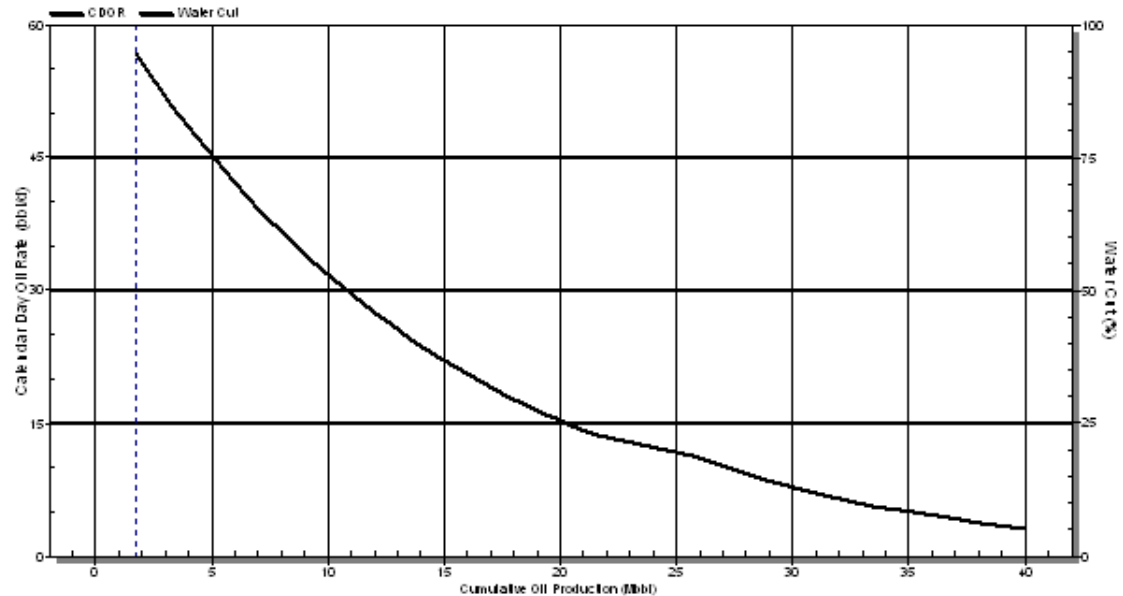
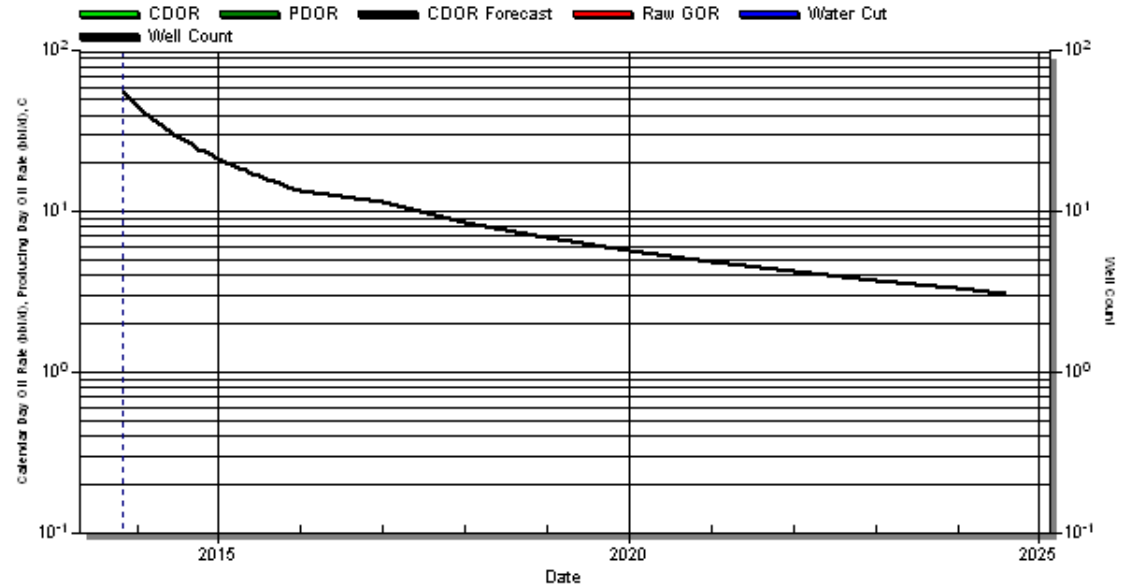
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bb/d, Gas Mcf/d, GOR scf/bbl

Production (0 mo. History / 0 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
Oct 2013	1.0	57	0	0	100	0
Nov 2013	1.0	51	0	0	100	0
Dec 2013	1.0	46	0	0	100	0
Jan 2014	1.0	42	0	0	100	0
Feb 2014	1.0	39	0	0	100	0
Mar 2014	1.0	36	0	0	100	0



KR Investment Ltd.
 Provost, Alberta
 As of December 31, 2011
 Proved Undeveloped
 1xx/00-03-041-03W4/ - Lloyd Loc 3

Status	Location	Aprox. On-time	100.00%
Field	Provost	Rig Release	
Pool	Lloydminster	WI	20.00%
Unit		RLI	1.5
Operator	ARTEMIS EXPLORATION INC.	Type	PUD
Licensee			Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	30.0	0.0	30.0	6.0
Gas (MMcf)	0.0	0.0	0.0	0.0
Water (Mbbbl)	0.0	0.0	0.0	0.0

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Oct 1, 2013	60.0	0.668585	0.90	200,000.0	3.0

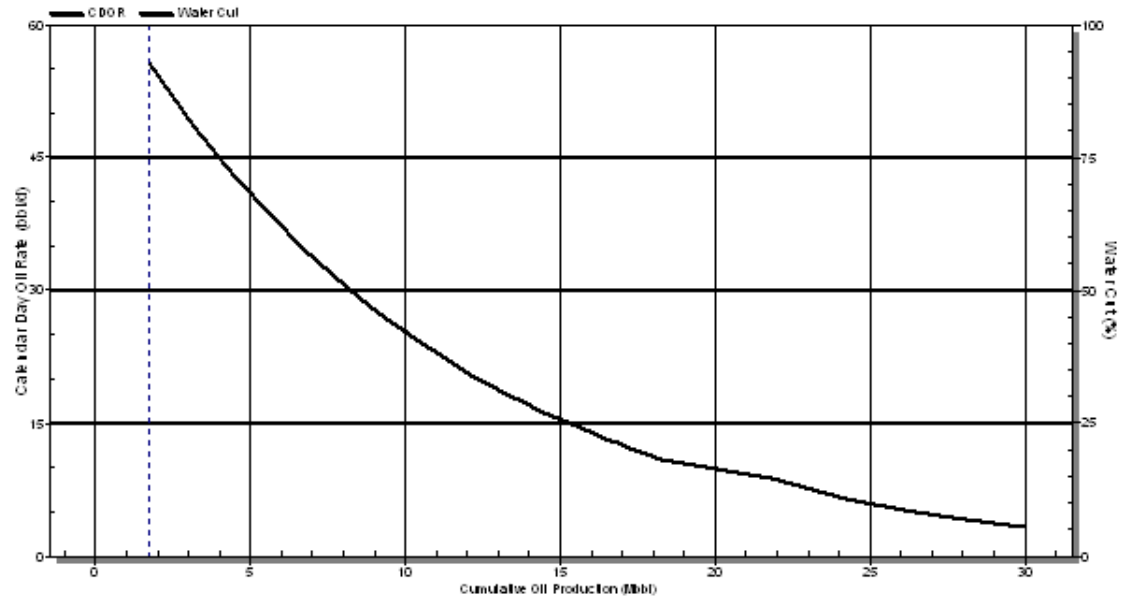
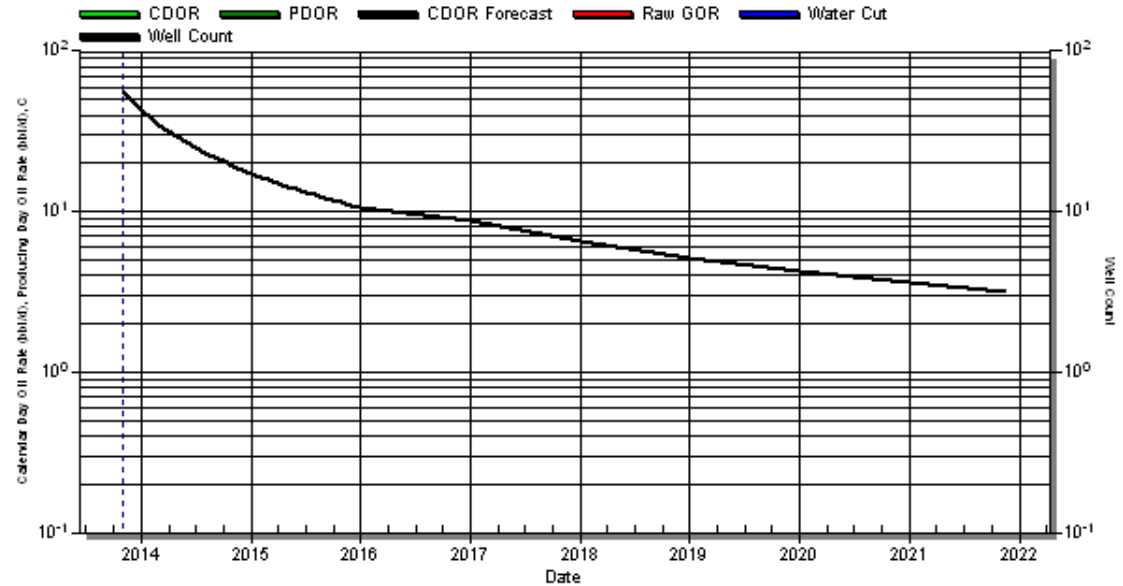
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (0 mo. History / 0 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
Oct 2013	1.0	56	0	0	100	0
Nov 2013	1.0	48	0	0	100	0
Dec 2013	1.0	43	0	0	100	0
Jan 2014	1.0	38	0	0	100	0
Feb 2014	1.0	35	0	0	100	0
Mar 2014	1.0	32	0	0	100	0



KR Investment Ltd.
 Provost, Alberta
 As of December 31, 2011
 Proved + Prob. Undeveloped
 1xx/00-03-041-03W4/ - Lloyd Loc 3

Status	Location	Aprox. On-time	100.00%
Field	Provost	Rig Release	
Pool	Lloydminster	WI	20.00%
Unit		RLI	1.9
Operator	ARTEMIS EXPLORATION INC.	Type	P+PUD
Licensee			Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	40.0	0.0	40.0	8.0
Gas (MMcf)	0.0	0.0	0.0	0.0
Water (Mbbbl)	0.0	0.0	0.0	0.0

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Oct 1, 2013	60.0	0.599082	0.90	200,000.0	3.0

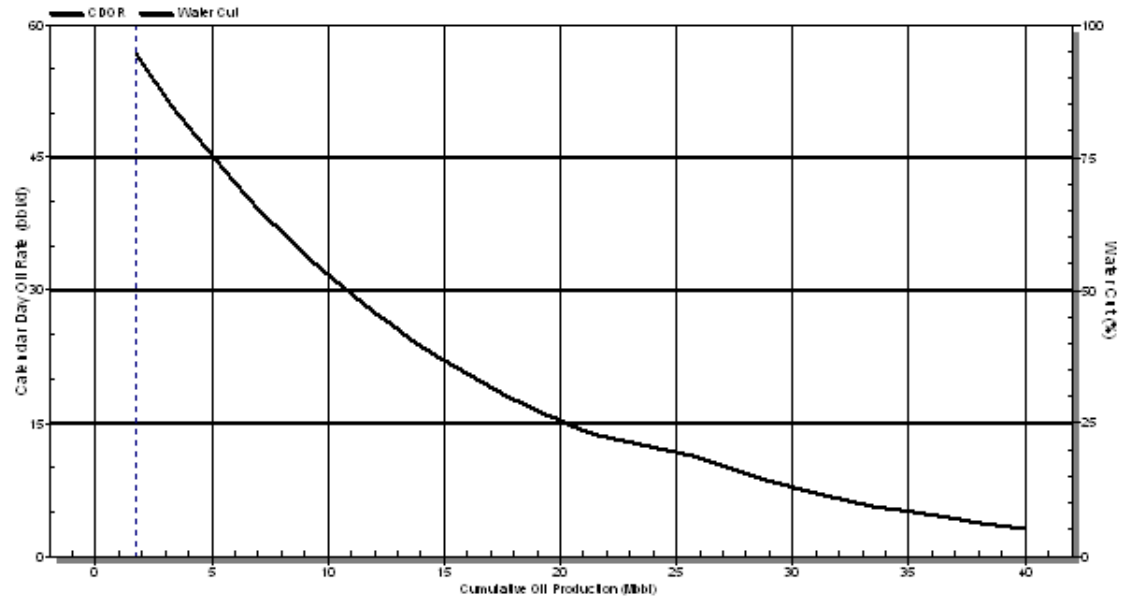
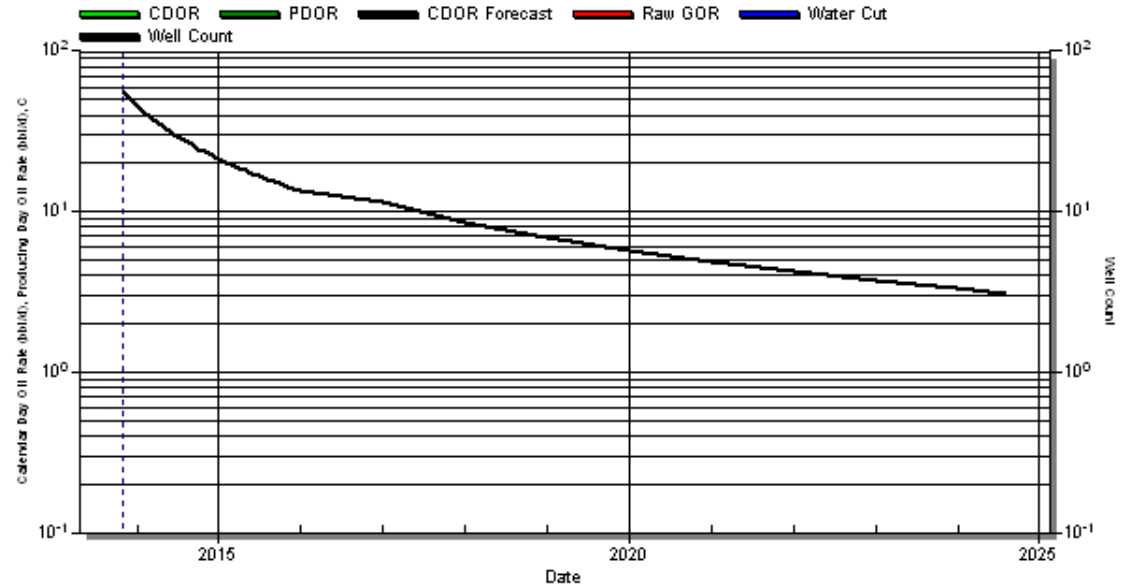
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (0 mo. History / 0 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
Oct 2013	1.0	57	0	0	100	0
Nov 2013	1.0	51	0	0	100	0
Dec 2013	1.0	46	0	0	100	0
Jan 2014	1.0	42	0	0	100	0
Feb 2014	1.0	39	0	0	100	0
Mar 2014	1.0	36	0	0	100	0



KR Investment Ltd.

Provost, Alberta

As of December 31, 2011

Proved Developed Producing

102/05-03-041-03W4/0

Status	Producer: FLOWING OIL	Aprox. On-time	100.00%
Field	Provost	Rig Release	Mar 2006
Pool	Lloydminster Nn	WI	20.00%
Unit		RLI	3.1
Operator	Conserve Oil 6th Corporation	Type	PDP
Licensee	ARTEMIS EXPLORATION INC.		Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	30.1	26.2	3.9	0.8
Gas (MMcf)	7.9	7.9	0.0	0.0
Water (Mbbl)	10.7	8.1	2.6	0.5

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Nov 1, 2012	3.7	0.23575	0.30	30.8	1.0

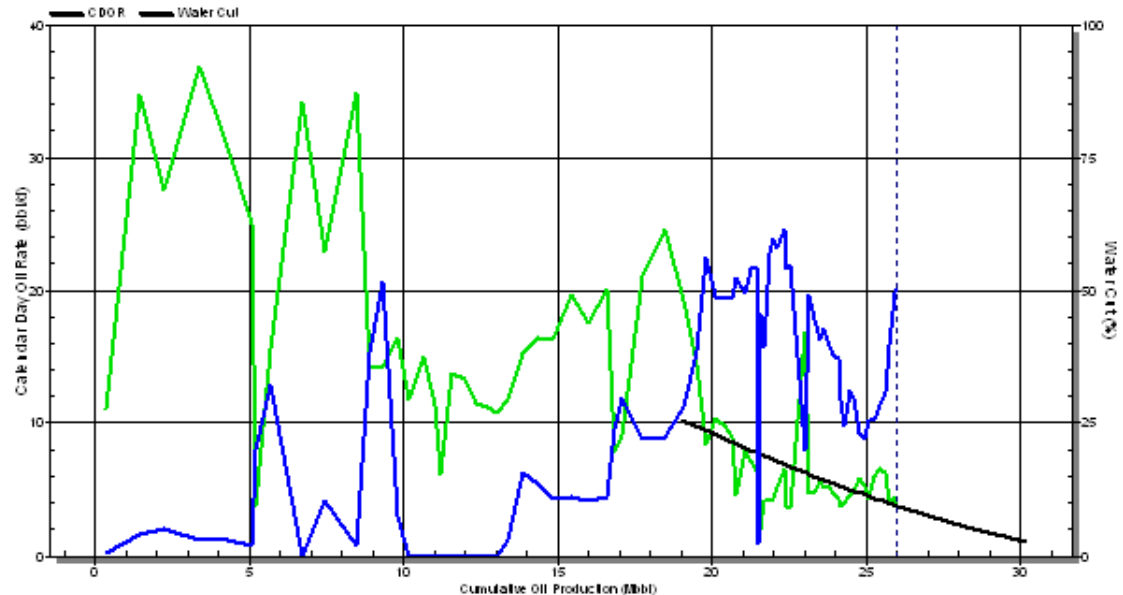
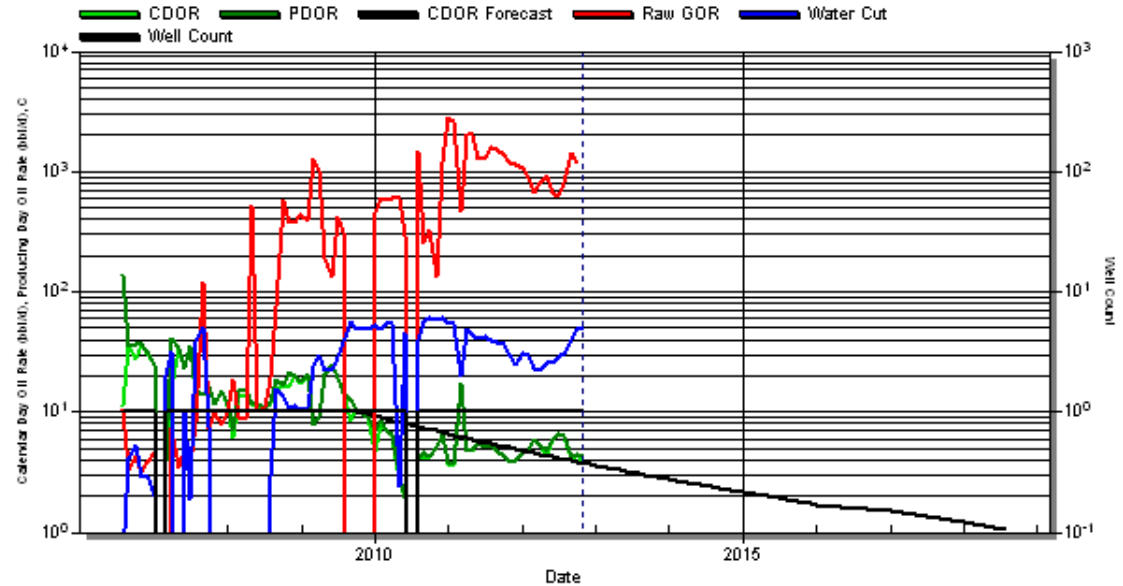
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (6 mo. History / 6 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
May 2012	1.0	6	4	2	74	676
Jun 2012	1.0	7	4	3	72	613
Jul 2012	1.0	6	5	3	69	806
Aug 2012	1.0	4	6	3	60	1,417
Sep 2012	1.0	4	5	4	50	1,176
Oct 2012	1.0	4	0	4	50	0
Nov 2012	1.0	4	0	2	60	0
Dec 2012	1.0	4	0	2	60	0
Jan 2013	1.0	3	0	2	60	0
Feb 2013	1.0	3	0	2	60	0
Mar 2013	1.0	3	0	2	60	0
Apr 2013	1.0	3	0	2	60	0



KR Investment Ltd.
Provost, Alberta
As of December 31, 2011
Proved + Prob. Developed Producing
102/05-03-041-03W4/0

Status	Producer: FLOWING OIL	Aprox. On-time	100.00%
Field	Provost	Rig Release	Mar 2006
Pool	Lloydminster Nn	WI	20.00%
Unit		RLI	3.7
Operator	Conserve Oil 6th Corporation	Type	P+PDP
Licensee	ARTEMIS EXPLORATION INC.		Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	31.0	26.2	4.8	1.0
Gas (MMcf)	7.9	7.9	0.0	0.0
Water (Mbbbl)	11.2	8.1	3.1	0.6

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Nov 1, 2012	3.7	0.216853	0.50	30.8	1.0

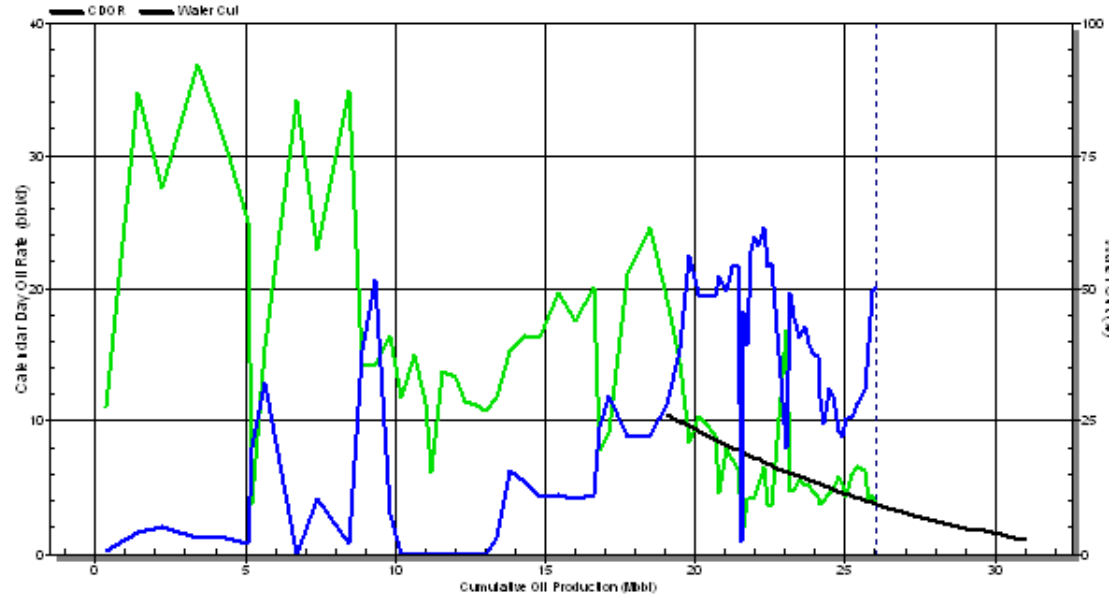
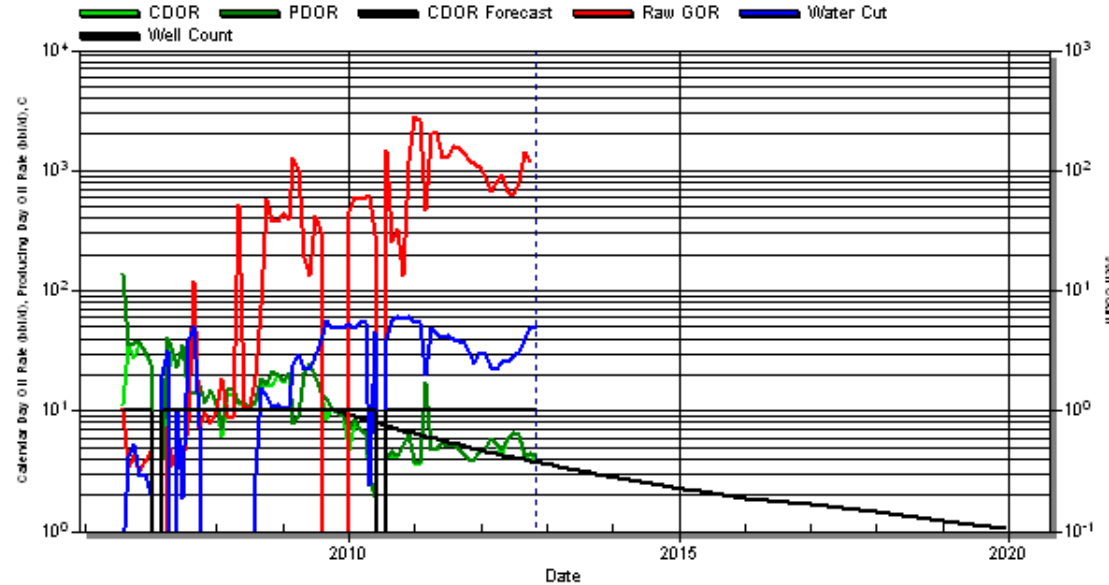
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (6 mo. History / 6 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
May 2012	1.0	6	4	2	74	676
Jun 2012	1.0	7	4	3	72	613
Jul 2012	1.0	6	5	3	69	806
Aug 2012	1.0	4	6	3	60	1,417
Sep 2012	1.0	4	5	4	50	1,176
Oct 2012	1.0	4	0	4	50	0
Nov 2012	1.0	4	0	2	60	0
Dec 2012	1.0	4	0	2	60	0
Jan 2013	1.0	4	0	2	60	0
Feb 2013	1.0	3	0	2	60	0
Mar 2013	1.0	3	0	2	60	0
Apr 2013	1.0	3	0	2	60	0



KR Investment Ltd.

Provost, Alberta

As of December 31, 2011

Proved Developed Producing

103/05-03-041-03W4/0

Status	Producer: FLOWING OIL	Aprox. On-time	100.00%
Field	Provost	Rig Release	Jan 2007
Pool	Lloydminster Nn	WI	20.00%
Unit		RLI	4.3
Operator	Conserve Oil 6th Corporation	Type	PDP
Licensee	ARTEMIS EXPLORATION INC.		Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	94.7	64.6	30.1	6.0
Gas (MMcf)	13.5	13.5	0.0	0.0
Water (Mbbbl)	39.0	25.9	13.1	2.6

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Nov 1, 2012	20.5	0.249683	0.30	64.7	1.0

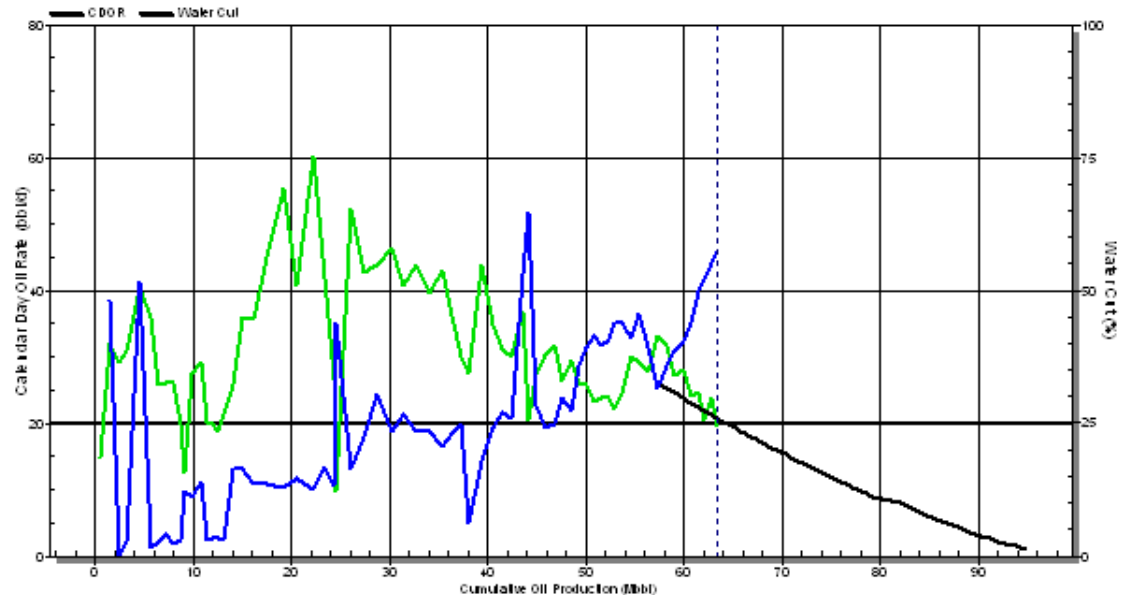
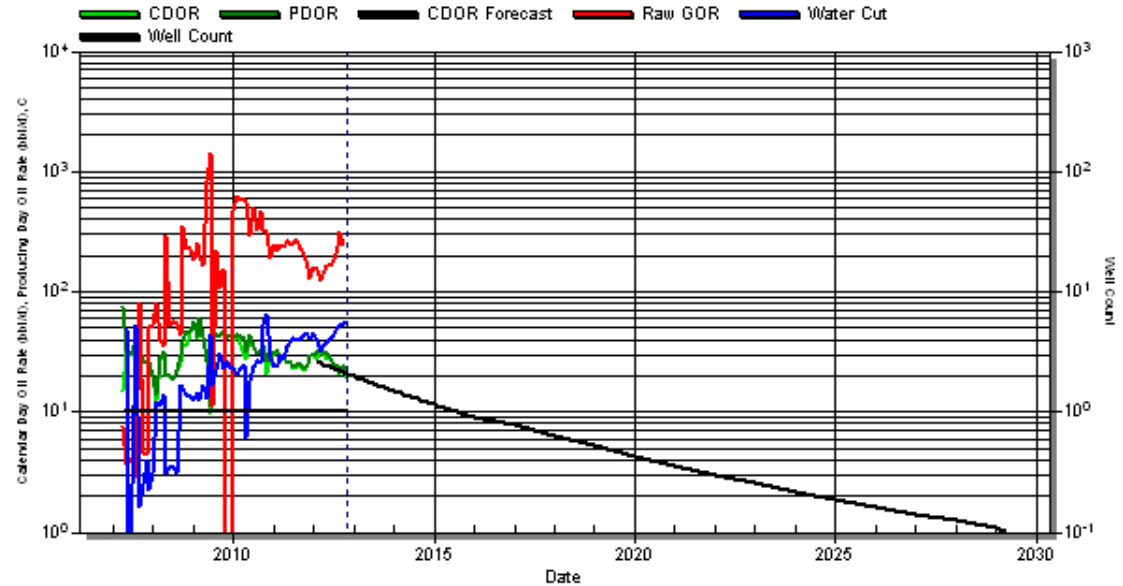
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (6 mo. History / 6 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
May 2012	1.0	28	5	19	60	163
Jun 2012	1.0	24	4	19	56	187
Jul 2012	1.0	25	6	25	50	233
Aug 2012	1.0	20	6	22	48	313
Sep 2012	1.0	24	6	29	45	248
Oct 2012	1.0	20	0	26	43	0
Nov 2012	1.0	20	0	9	70	0
Dec 2012	1.0	20	0	9	70	0
Jan 2013	1.0	19	0	8	70	0
Feb 2013	1.0	19	0	8	70	0
Mar 2013	1.0	18	0	8	70	0
Apr 2013	1.0	18	0	8	70	0



KR Investment Ltd.
 Provost, Alberta
 As of December 31, 2011
 Proved + Prob. Developed Producing
 103/05-03-041-03W4/0

Status	Producer: FLOWING OIL	Aprox. On-time	100.00%
Field	Provost	Rig Release	Jan 2007
Pool	Lloydminster Nn	WI	20.00%
Unit		RLI	5.7
Operator	Conserve Oil 6th Corporation	Type	P+PDP
Licensee	ARTEMIS EXPLORATION INC.		Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	105.1	64.6	40.4	8.1
Gas (MMcf)	13.5	13.5	0.0	0.0
Water (Mbbbl)	43.4	25.9	17.5	3.5

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Nov 1, 2012	20.5	0.230532	0.50	64.7	1.0

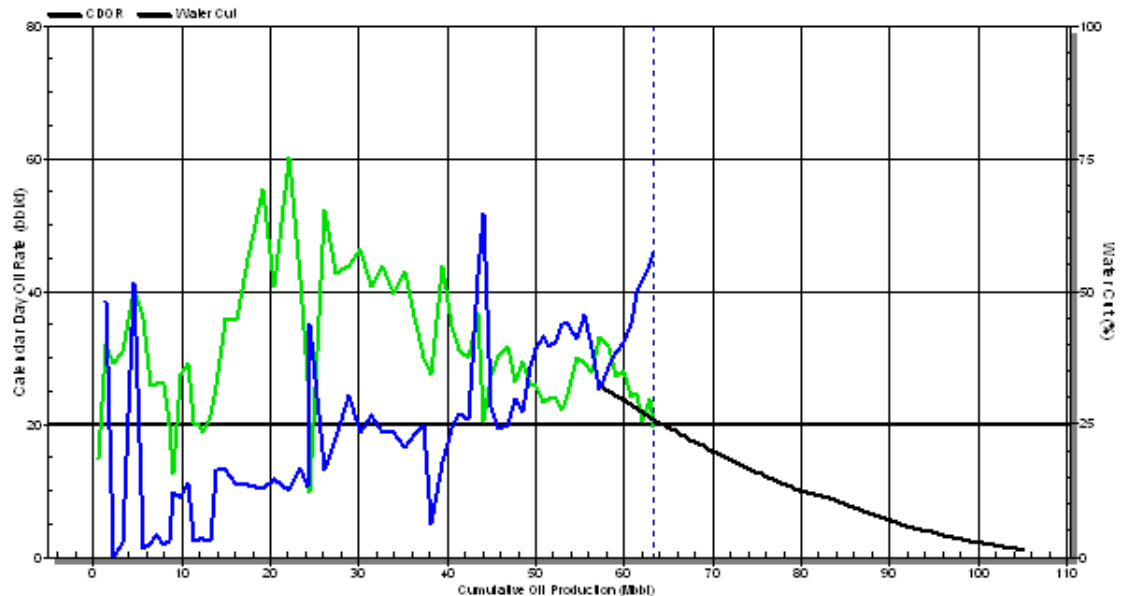
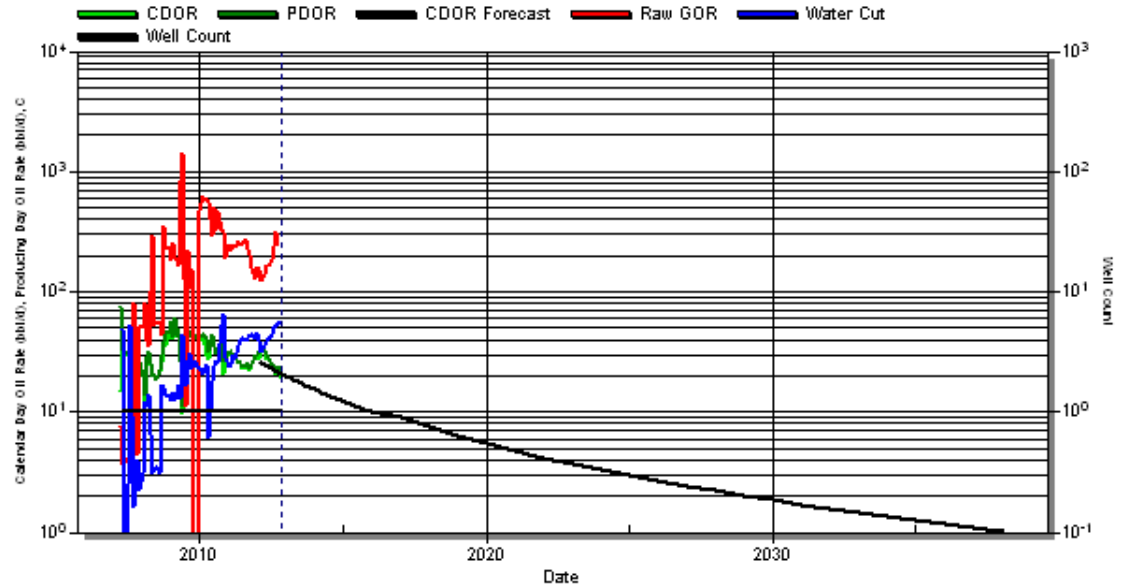
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (6 mo. History / 6 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
May 2012	1.0	28	5	19	60	163
Jun 2012	1.0	24	4	19	56	187
Jul 2012	1.0	25	6	25	50	233
Aug 2012	1.0	20	6	22	48	313
Sep 2012	1.0	24	6	29	45	248
Oct 2012	1.0	20	0	26	43	0
Nov 2012	1.0	20	0	9	70	0
Dec 2012	1.0	20	0	9	70	0
Jan 2013	1.0	19	0	8	70	0
Feb 2013	1.0	19	0	8	70	0
Mar 2013	1.0	19	0	8	70	0
Apr 2013	1.0	18	0	8	70	0



KR Investment Ltd.

Provost, Alberta

As of December 31, 2011

Proved Developed Producing

104/05-03-041-03W4/2

Status	Producer: PUMPING OIL	Aprox. On-time	100.00%
Field	Provost	Rig Release	Jan 2007
Pool	Lloydminster Nn	WI	20.00%
Unit		RLI	4.2
Operator	Conserve Oil 6th Corporation	Type	PDP
Licensee	ARTEMIS EXPLORATION INC.		Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	16.8	11.4	5.3	1.1
Gas (MMcf)	4.7	4.7	0.0	0.0
Water (Mbbbl)	35.2	25.5	9.7	1.9

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Nov 1, 2012	3.6	0.176531	0.30	23.6	1.0

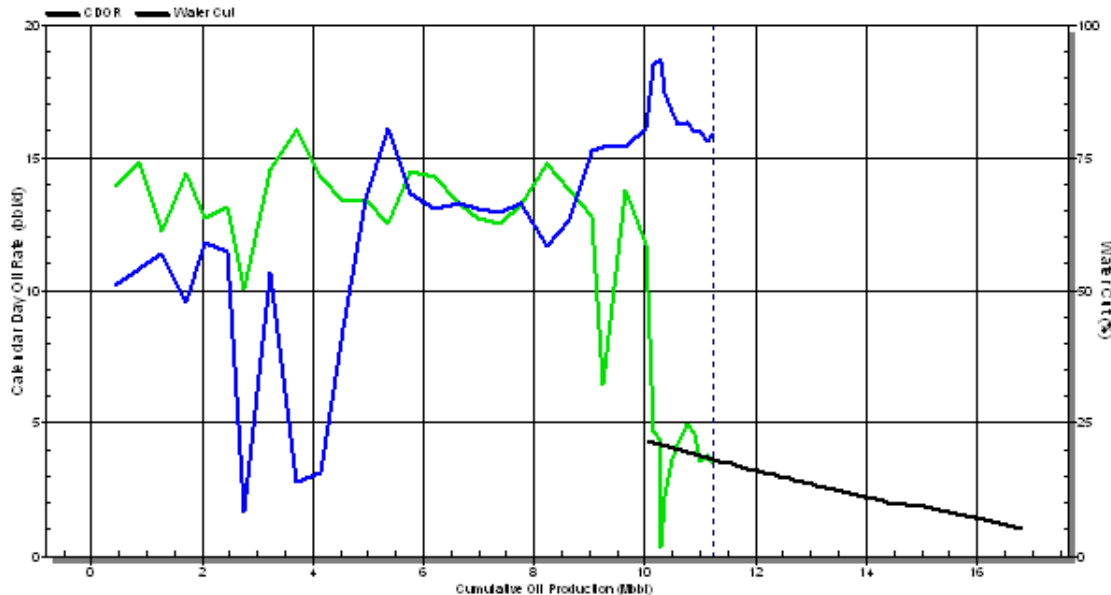
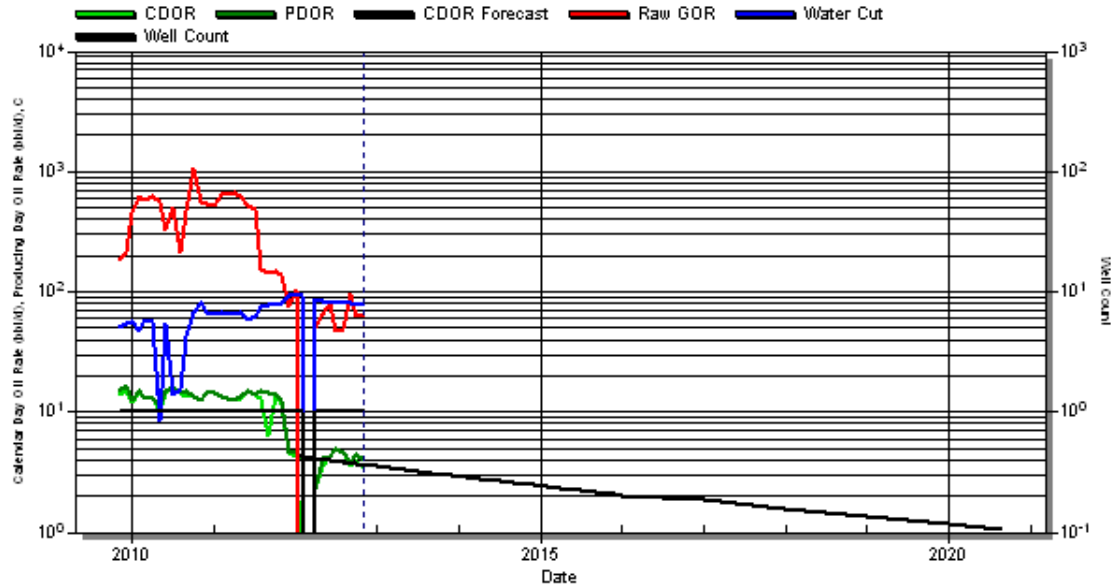
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (6 mo. History / 6 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
May 2012	1.0	4	0	18	19	81
Jun 2012	1.0	5	0	22	18	47
Jul 2012	1.0	5	0	18	20	50
Aug 2012	1.0	4	0	14	20	96
Sep 2012	1.0	4	0	14	22	62
Oct 2012	1.0	3	0	13	21	66
Nov 2012	1.0	4	0	6	36	0
Dec 2012	1.0	4	0	6	36	0
Jan 2013	1.0	3	0	6	36	0
Feb 2013	1.0	3	0	6	36	0
Mar 2013	1.0	3	0	6	36	0
Apr 2013	1.0	3	0	6	36	0



KR Investment Ltd.
 Provost, Alberta
 As of December 31, 2011
 Proved + Prob. Developed Producing
 104/05-03-041-03W4/2

Status	Producer: PUMPING OIL	Aprox. On-time	100.00%
Field	Provost	Rig Release	Jan 2007
Pool	Lloydminster Nn	WI	20.00%
Unit		RLI	6.3
Operator	Conserve Oil 6th Corporation	Type	P+PDP
Licensee	ARTEMIS EXPLORATION INC.		Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	19.5	11.5	8.1	1.6
Gas (MMcf)	4.7	4.7	0.0	0.0
Water (Mbbbl)	40.1	25.5	14.7	2.9

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Nov 1, 2012	3.6	0.134667	0.50	23.6	1.0

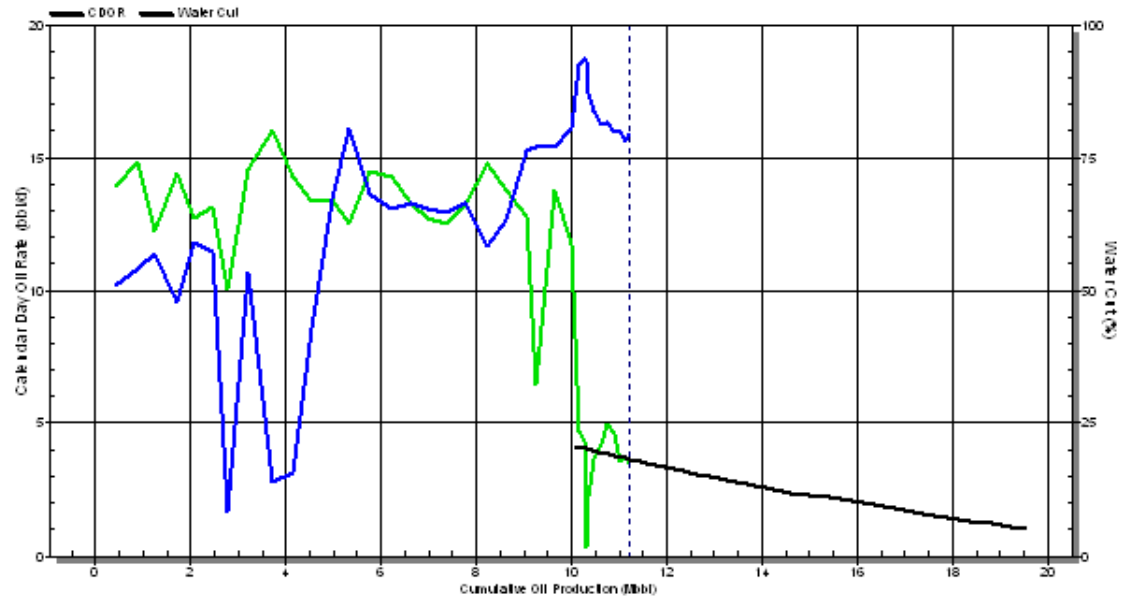
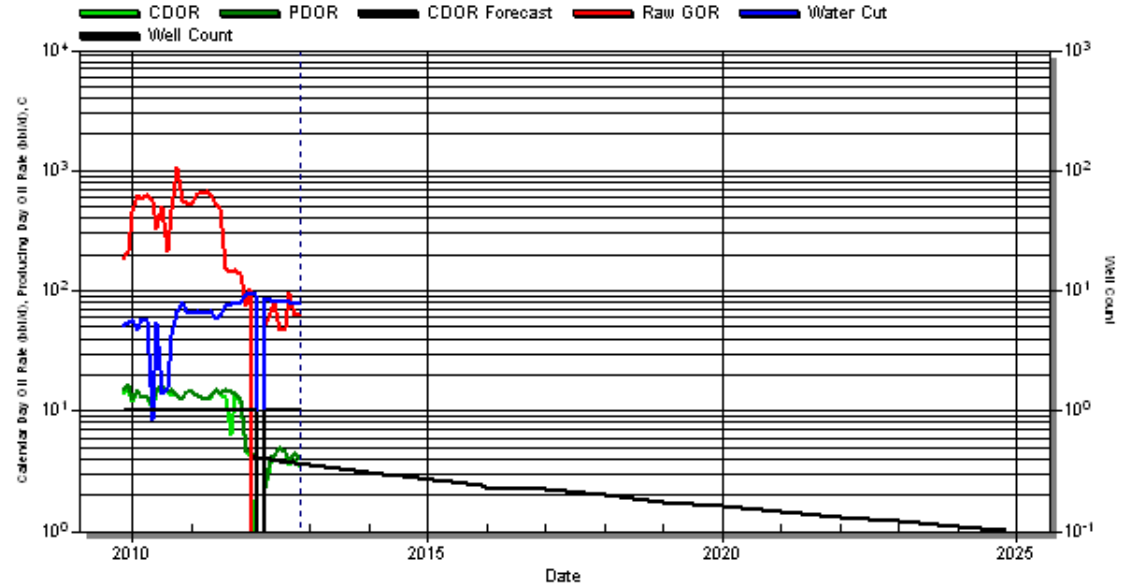
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (6 mo. History / 6 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
May 2012	1.0	4	0	18	19	81
Jun 2012	1.0	5	0	22	18	47
Jul 2012	1.0	5	0	18	20	50
Aug 2012	1.0	4	0	14	20	96
Sep 2012	1.0	4	0	14	22	62
Oct 2012	1.0	3	0	13	21	66
Nov 2012	1.0	4	0	6	36	0
Dec 2012	1.0	4	0	6	36	0
Jan 2013	1.0	3	0	6	36	0
Feb 2013	1.0	3	0	6	36	0
Mar 2013	1.0	3	0	6	36	0
Apr 2013	1.0	3	0	6	36	0



KR Investment Ltd.

Provost, Alberta

As of December 31, 2011

Proved Developed Producing

100/11-03-041-03W4/0

Status	Producer: FLOWING OIL	Aprox. On-time	100.00%
Field	Provost	Rig Release	Mar 2006
Pool	Cummings N6n	WI	20.00%
Unit		RLI	5.0
Operator	Conserve Oil 6th Corporation	Type	PDP
Licensee	ARTEMIS EXPLORATION INC.		Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	24.8	17.7	7.1	1.4
Gas (MMcf)	2.3	2.3	0.0	0.0
Water (Mbbbl)	285.5	200.1	85.4	17.1

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Nov 1, 2012	4.0	0.173554	0.50	18.8	1.0

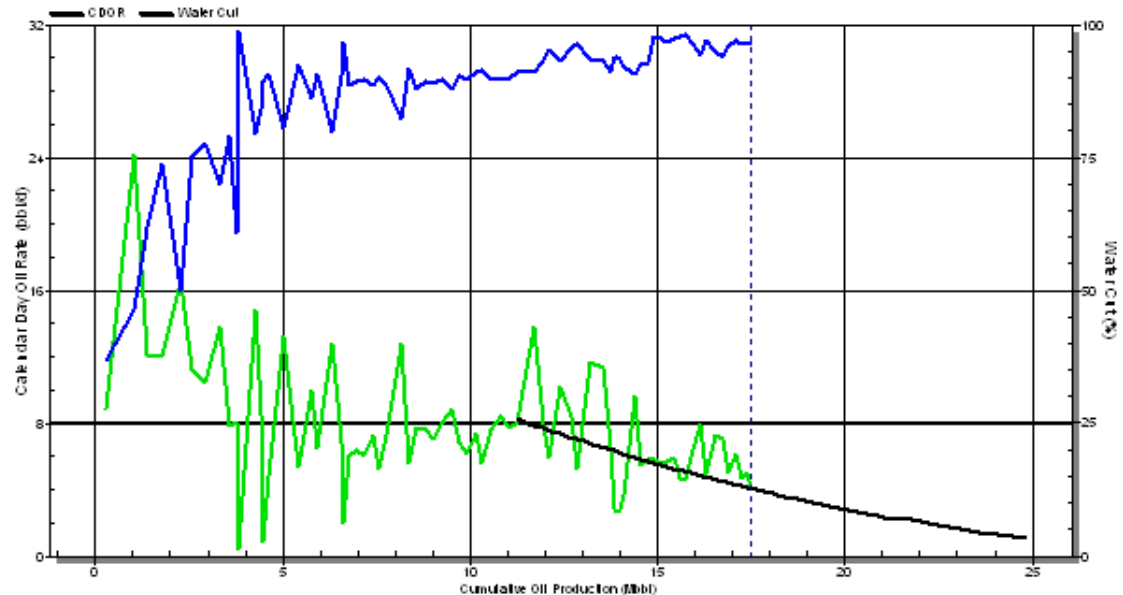
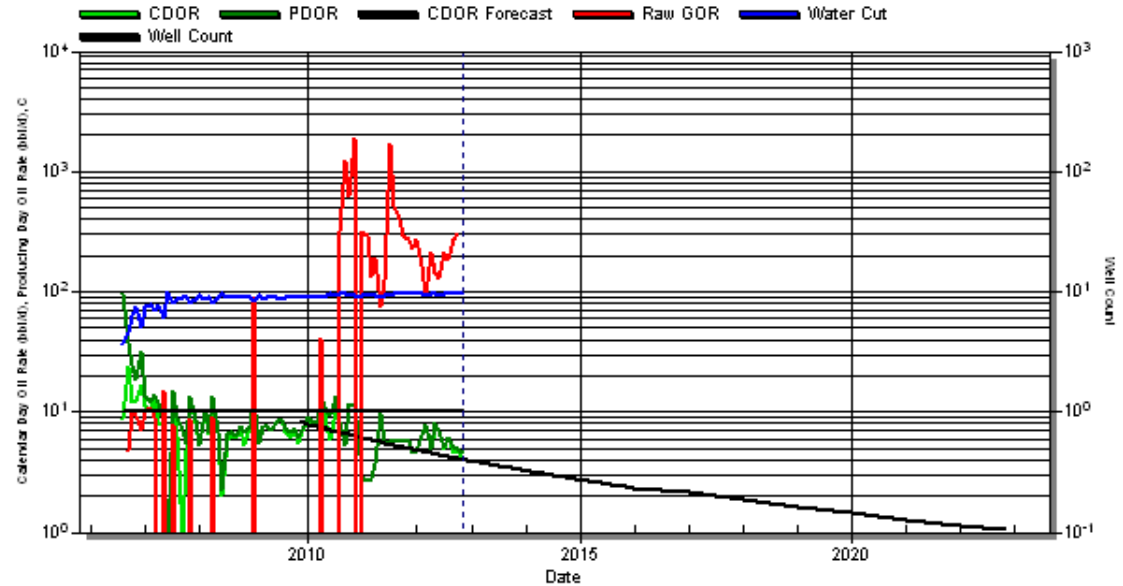
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (6 mo. History / 6 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
May 2012	1.0	7	1	108	6	129
Jun 2012	1.0	5	1	122	4	213
Jul 2012	1.0	6	1	204	3	186
Aug 2012	1.0	5	1	119	4	270
Sep 2012	1.0	5	2	131	4	308
Oct 2012	1.0	4	0	113	3	0
Nov 2012	1.0	4	0	48	8	0
Dec 2012	1.0	4	0	47	8	0
Jan 2013	1.0	4	0	46	8	0
Feb 2013	1.0	4	0	46	8	0
Mar 2013	1.0	4	0	45	8	0
Apr 2013	1.0	4	0	44	8	0



KR Investment Ltd.
 Provost, Alberta
 As of December 31, 2011
 Proved + Prob. Developed Producing
 100/11-03-041-03W4/0

Status	Producer: FLOWING OIL	Aprox. On-time	100.00%
Field	Provost	Rig Release	Mar 2006
Pool	Cummings N6n	WI	20.00%
Unit		RLI	6.2
Operator	Conserve Oil 6th Corporation	Type	P+PDP
Licensee	ARTEMIS EXPLORATION INC.		Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	26.5	17.7	8.7	1.7
Gas (MMcf)	2.3	2.3	0.0	0.0
Water (Mbbbl)	305.5	200.1	105.3	21.1

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Nov 1, 2012	4.0	0.159673	0.70	18.8	1.0

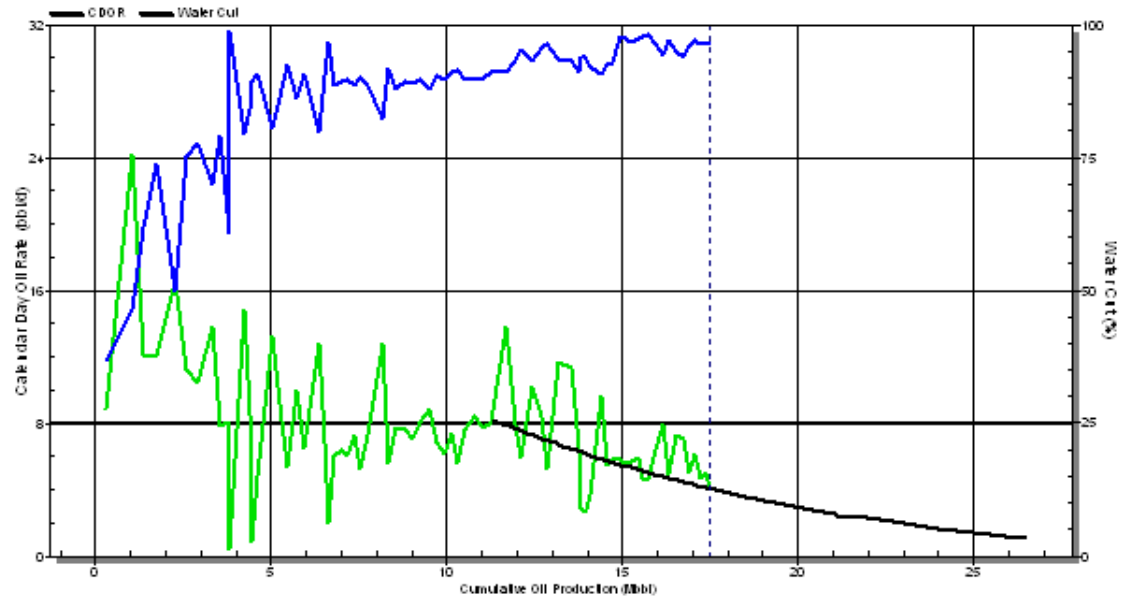
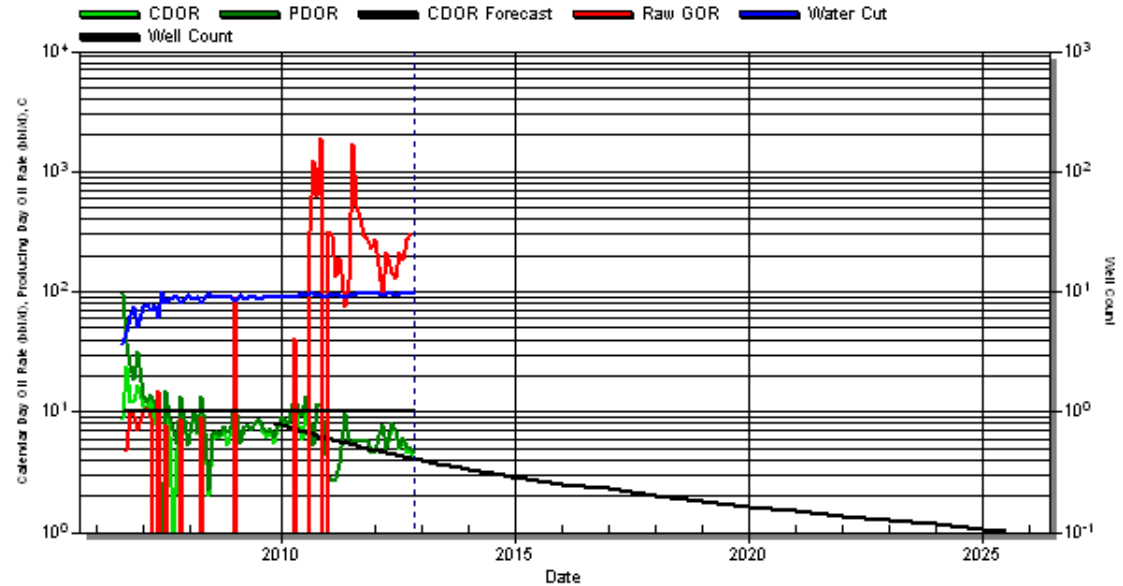
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (6 mo. History / 6 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
May 2012	1.0	7	1	108	6	129
Jun 2012	1.0	5	1	122	4	213
Jul 2012	1.0	6	1	204	3	186
Aug 2012	1.0	5	1	119	4	270
Sep 2012	1.0	5	2	131	4	308
Oct 2012	1.0	4	0	113	3	0
Nov 2012	1.0	4	0	48	8	0
Dec 2012	1.0	4	0	47	8	0
Jan 2013	1.0	4	0	47	8	0
Feb 2013	1.0	4	0	46	8	0
Mar 2013	1.0	4	0	45	8	0
Apr 2013	1.0	4	0	45	8	0



KR Investment Ltd.

Provost, Alberta

As of December 31, 2011

Proved Developed Producing

100/12-03-041-03W4/0

Status	Producer: FLOWING OIL	Aprox. On-time	100.00%
Field	Provost	Rig Release	Jan 2007
Pool	Cummings U6u	WI	20.00%
Unit		RLI	3.0
Operator	Conserve Oil 6th Corporation	Type	PDP
Licensee	ARTEMIS EXPLORATION INC.		Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	52.5	48.1	4.4	0.9
Gas (MMcf)	11.9	11.9	0.0	0.0
Water (Mbbl)	316.3	250.3	66.0	13.2

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Nov 1, 2012	4.2	0.249683	0.30	49.8	1.0

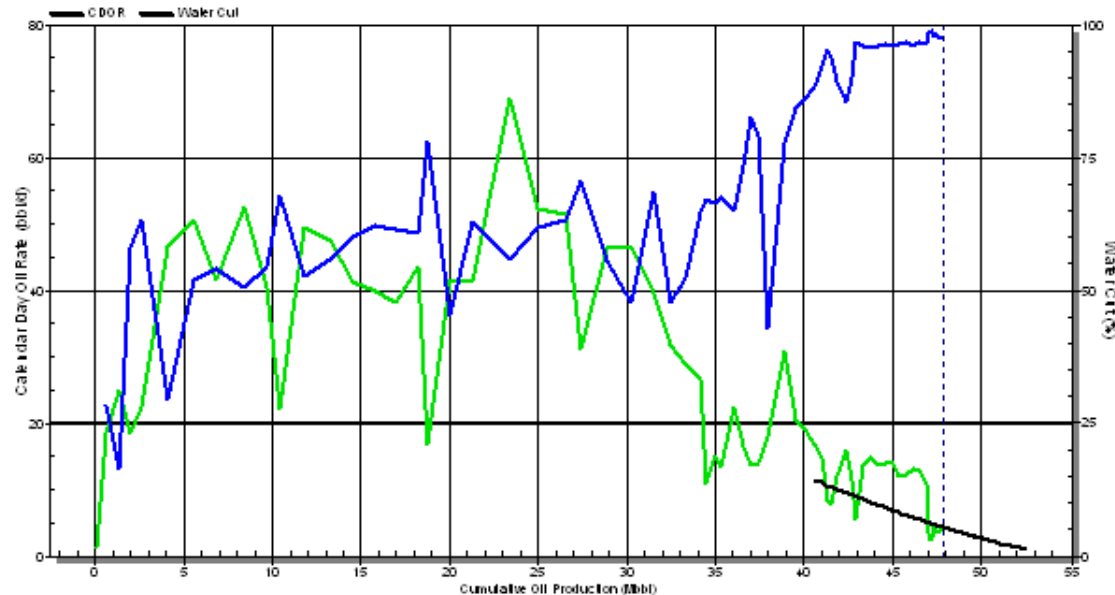
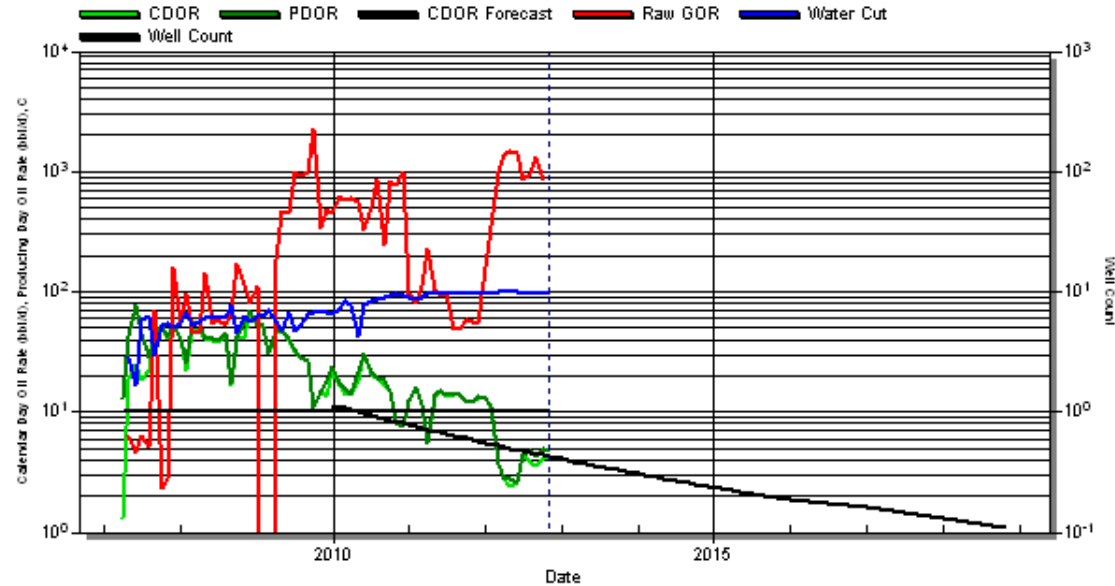
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (6 mo. History / 6 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
May 2012	1.0	3	4	182	1	1,421
Jun 2012	1.0	4	4	198	2	859
Jul 2012	1.0	4	4	178	2	970
Aug 2012	1.0	4	5	153	2	1,314
Sep 2012	1.0	4	4	159	3	855
Oct 2012	1.0	4	0	161	3	0
Nov 2012	1.0	4	0	62	6	0
Dec 2012	1.0	4	0	61	6	0
Jan 2013	1.0	4	0	59	6	0
Feb 2013	1.0	4	0	58	6	0
Mar 2013	1.0	4	0	57	6	0
Apr 2013	1.0	4	0	55	6	0



KR Investment Ltd.
 Provost, Alberta
 As of December 31, 2011
 Proved + Prob. Developed Producing
 100/12-03-041-03W4/0

Status	Producer: FLOWING OIL	Aprox. On-time	100.00%
Field	Provost	Rig Release	Jan 2007
Pool	Cummings U6u	WI	20.00%
Unit		RLI	4.1
Operator	Conserve Oil 6th Corporation	Type	P+PDP
Licensee	ARTEMIS EXPLORATION INC.		Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	54.1	48.1	6.0	1.2
Gas (MMcf)	11.9	11.9	0.0	0.0
Water (Mbbl)	341.2	250.3	90.9	18.2

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Nov 1, 2012	4.2	0.209877	0.50	49.8	1.0

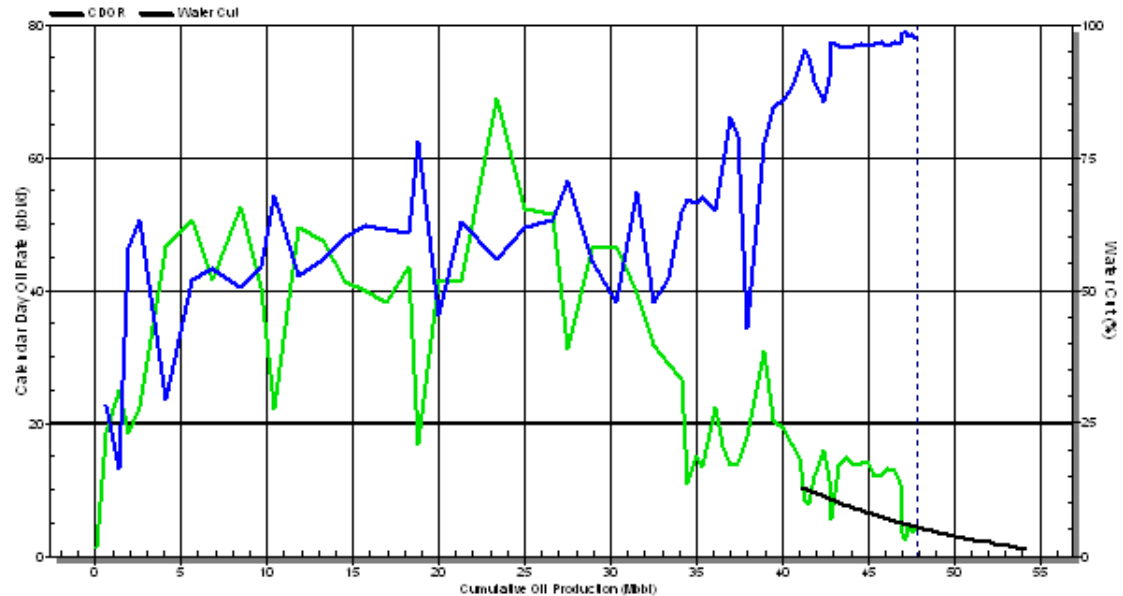
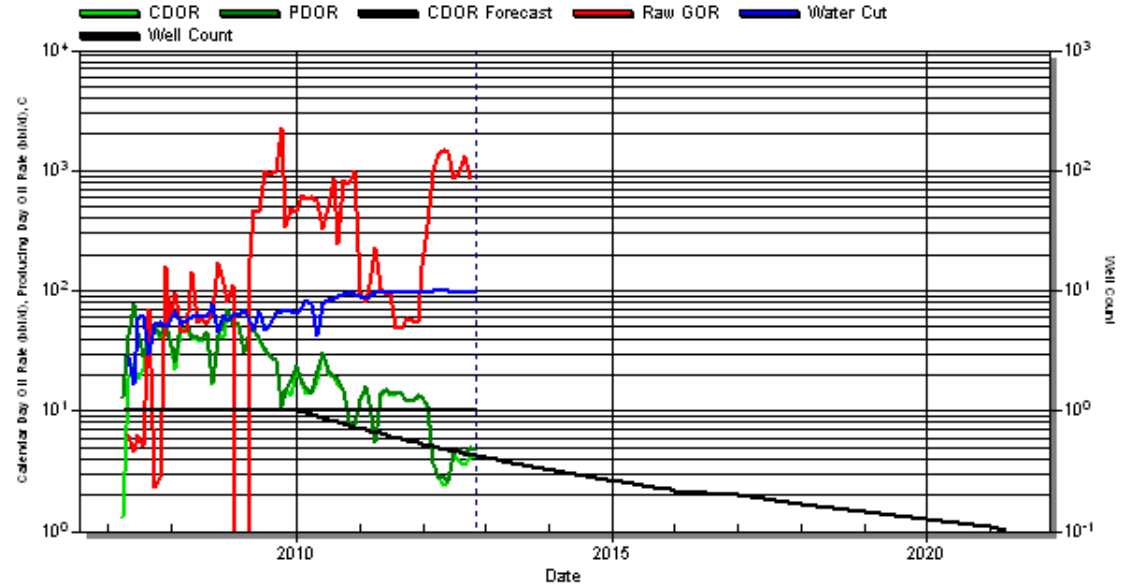
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (6 mo. History / 6 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
May 2012	1.0	3	4	182	1	1,421
Jun 2012	1.0	4	4	198	2	859
Jul 2012	1.0	4	4	178	2	970
Aug 2012	1.0	4	5	153	2	1,314
Sep 2012	1.0	4	4	159	3	855
Oct 2012	1.0	4	0	161	3	0
Nov 2012	1.0	4	0	63	6	0
Dec 2012	1.0	4	0	61	6	0
Jan 2013	1.0	4	0	60	6	0
Feb 2013	1.0	4	0	59	6	0
Mar 2013	1.0	4	0	58	6	0
Apr 2013	1.0	4	0	57	6	0



KR Investment Ltd.

Provost, Alberta

As of December 31, 2011

Proved Developed Producing

104/08-04-041-03W4/2

Status	Producer: PUMPING OIL	Aprox. On-time	100.00%
Field	Provost	Rig Release	May 1995
Pool	Lloydminster Nn	WI	20.00%
Unit		RLI	1.3
Operator	Conserve Oil 6th Corporation	Type	PDP
Licensee	ARTEMIS EXPLORATION INC.		Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	5.7	5.0	0.7	0.1
Gas (MMcf)	2.0	2.0	0.0	0.0
Water (Mbbl)	11.8	9.7	2.0	0.4

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Nov 1, 2012	1.6	0.249683	0.30	49.3	1.0

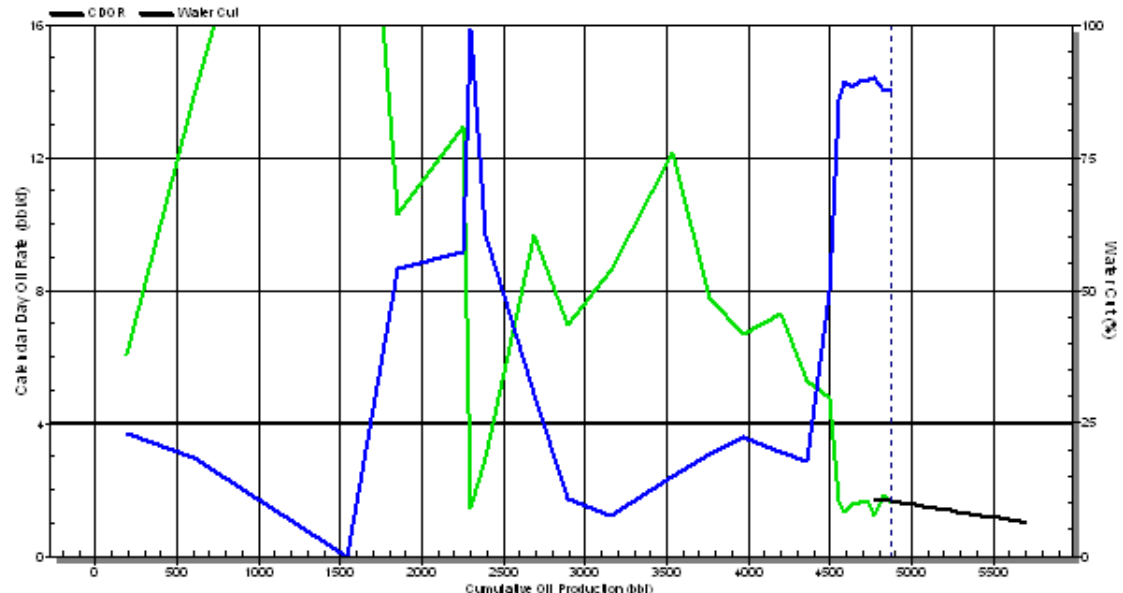
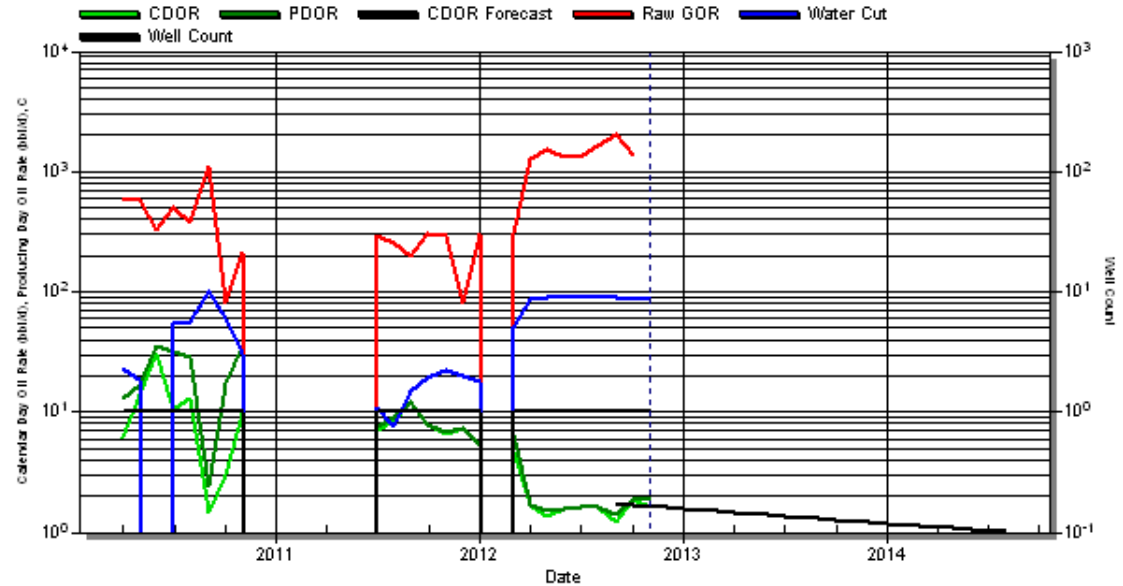
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (6 mo. History / 6 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
May 2012	1.0	2	2	12	12	1,336
Jun 2012	1.0	2	2	13	11	1,336
Jul 2012	1.0	2	3	14	10	1,622
Aug 2012	1.0	1	3	11	10	2,034
Sep 2012	1.0	2	2	13	12	1,346
Oct 2012	1.0	2	0	11	13	0
Nov 2012	1.0	2	0	5	26	0
Dec 2012	1.0	2	0	4	26	0
Jan 2013	1.0	2	0	4	26	0
Feb 2013	1.0	1	0	4	26	0
Mar 2013	1.0	1	0	4	26	0
Apr 2013	1.0	1	0	4	26	0



KR Investment Ltd.
 Provost, Alberta
 As of December 31, 2011
 Proved + Prob. Developed Producing
 104/08-04-041-03W4/2

Status	Producer: PUMPING OIL	Aprox. On-time	100.00%
Field	Provost	Rig Release	May 1995
Pool	Lloydminster Nn	WI	20.00%
Unit		RLI	1.6
Operator	Conserve Oil 6th Corporation	Type	P+PDP
Licensee	ARTEMIS EXPLORATION INC.		Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	5.9	5.0	0.9	0.2
Gas (MMcf)	2.0	2.0	0.0	0.0
Water (Mbbbl)	12.2	9.7	2.5	0.5

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Nov 1, 2012	1.6	0.214212	0.30	49.3	1.0

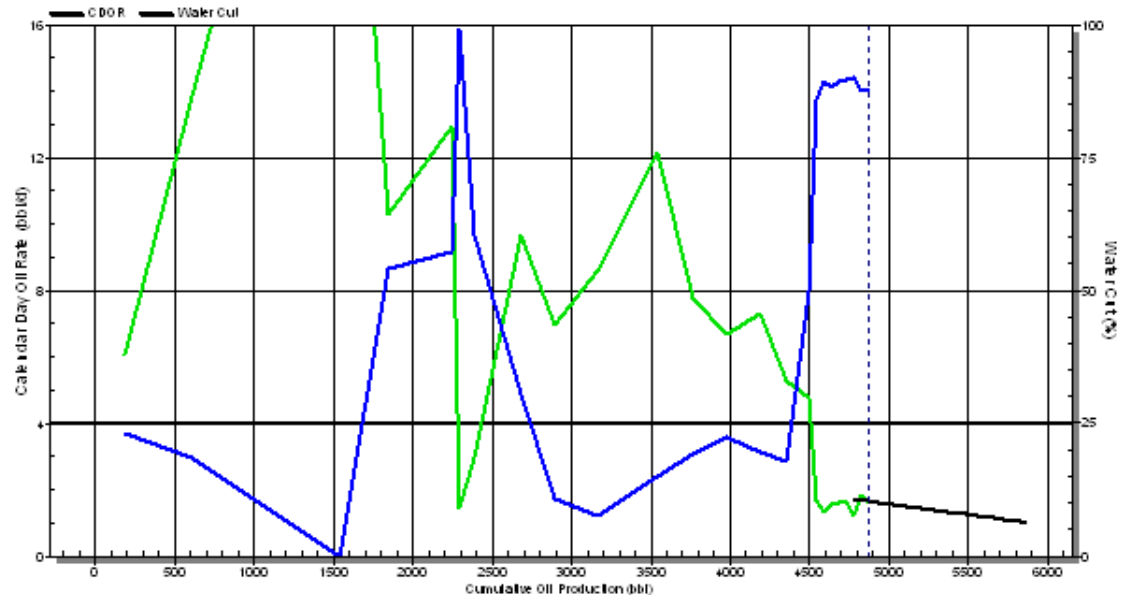
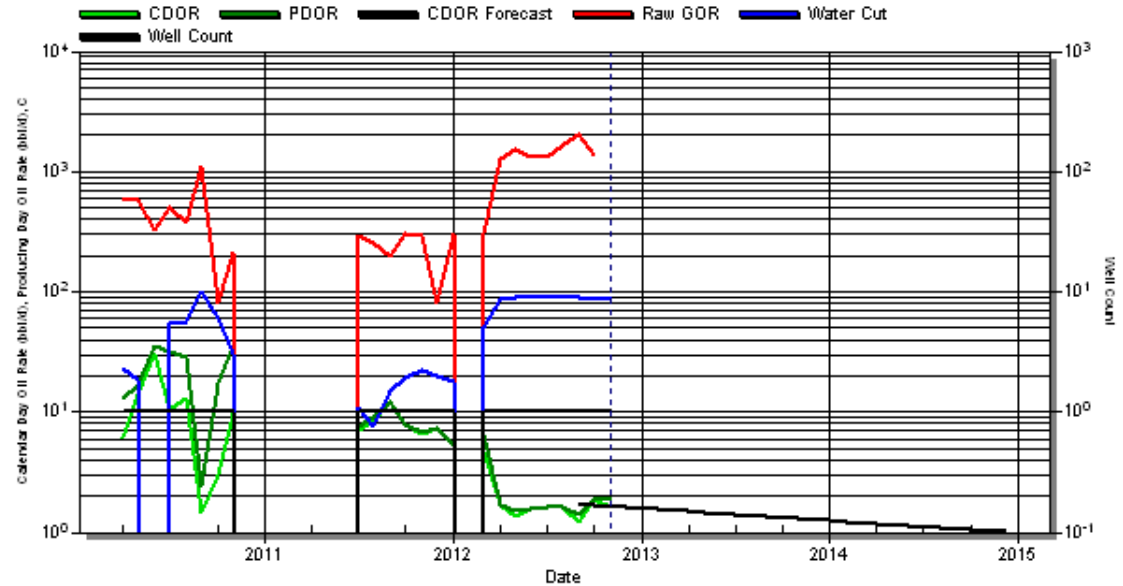
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (6 mo. History / 6 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
May 2012	1.0	2	2	12	12	1,336
Jun 2012	1.0	2	2	13	11	1,336
Jul 2012	1.0	2	3	14	10	1,622
Aug 2012	1.0	1	3	11	10	2,034
Sep 2012	1.0	2	2	13	12	1,346
Oct 2012	1.0	2	0	11	13	0
Nov 2012	1.0	2	0	5	26	0
Dec 2012	1.0	2	0	4	26	0
Jan 2013	1.0	2	0	4	26	0
Feb 2013	1.0	2	0	4	26	0
Mar 2013	1.0	1	0	4	26	0
Apr 2013	1.0	1	0	4	26	0



KR Investment Ltd.

Provost, Alberta

As of December 31, 2011

Proved Developed Producing

105/08-04-041-03W4/0

Status	Producer: PUMPING OIL	Aprox. On-time	100.00%
Field	Provost	Rig Release	Jun 1995
Pool	Lloydminster Nn	WI	20.00%
Unit		RLI	5.0
Operator	Conserve Oil 6th Corporation	Type	PDP
Licensee	ARTEMIS EXPLORATION INC.		Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	75.5	43.6	31.9	6.4
Gas (MMcf)	17.0	17.0	0.0	0.0
Water (Mbbl)	112.3	60.4	51.9	10.4

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Nov 1, 2012	18.8	0.256837	0.50	20.0	1.0

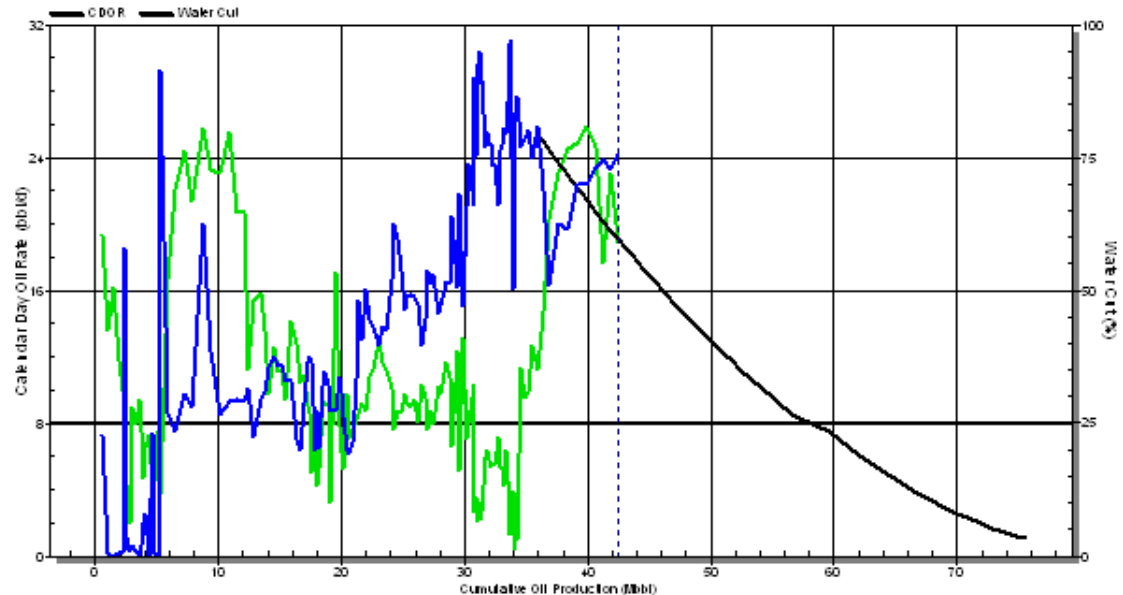
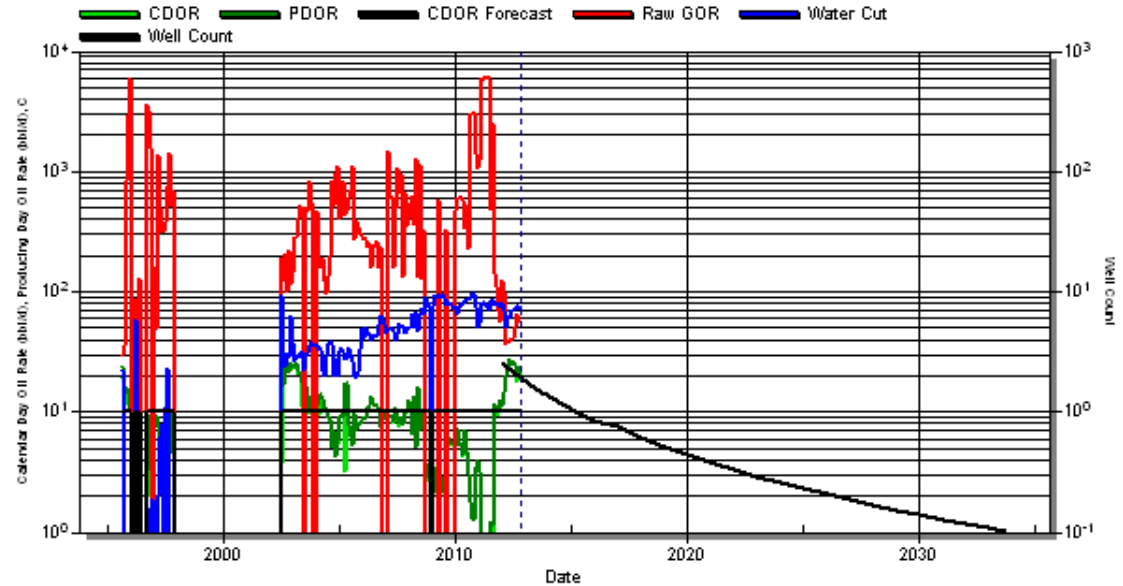
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (6 mo. History / 6 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
May 2012	1.0	25	1	58	30	41
Jun 2012	1.0	26	1	60	30	41
Jul 2012	1.0	25	1	67	27	51
Aug 2012	1.0	18	1	52	25	65
Sep 2012	1.0	23	1	62	27	56
Oct 2012	1.0	19	0	59	24	0
Nov 2012	1.0	19	0	30	38	0
Dec 2012	1.0	18	0	29	38	0
Jan 2013	1.0	18	0	29	38	0
Feb 2013	1.0	17	0	28	38	0
Mar 2013	1.0	17	0	27	38	0
Apr 2013	1.0	16	0	27	38	0



KR Investment Ltd.
 Provost, Alberta
 As of December 31, 2011
 Proved + Prob. Developed Producing
 105/08-04-041-03W4/0

Status	Producer: PUMPING OIL	Aprox. On-time	100.00%
Field	Provost	Rig Release	Jun 1995
Pool	Lloydminster Nn	WI	20.00%
Unit		RLI	7.2
Operator	Conserve Oil 6th Corporation	Type	P+PDP
Licensee	ARTEMIS EXPLORATION INC.		Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	90.3	43.6	46.7	9.3
Gas (MMcf)	17.0	17.0	0.0	0.0
Water (Mbbl)	136.4	60.4	76.0	15.2

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Nov 1, 2012	18.8	0.225618	0.70	20.0	1.0

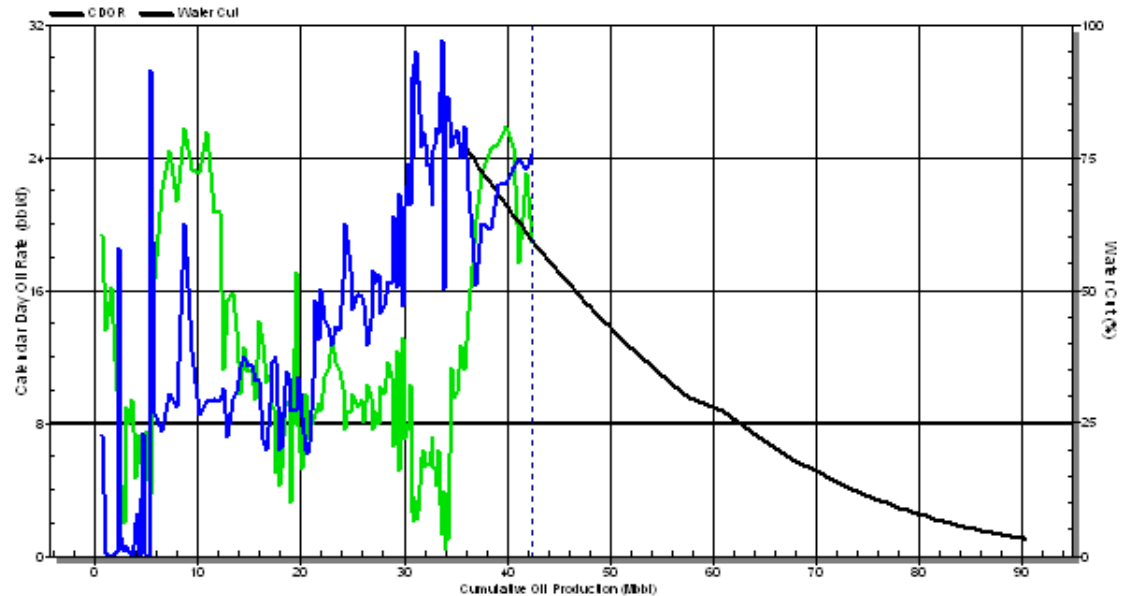
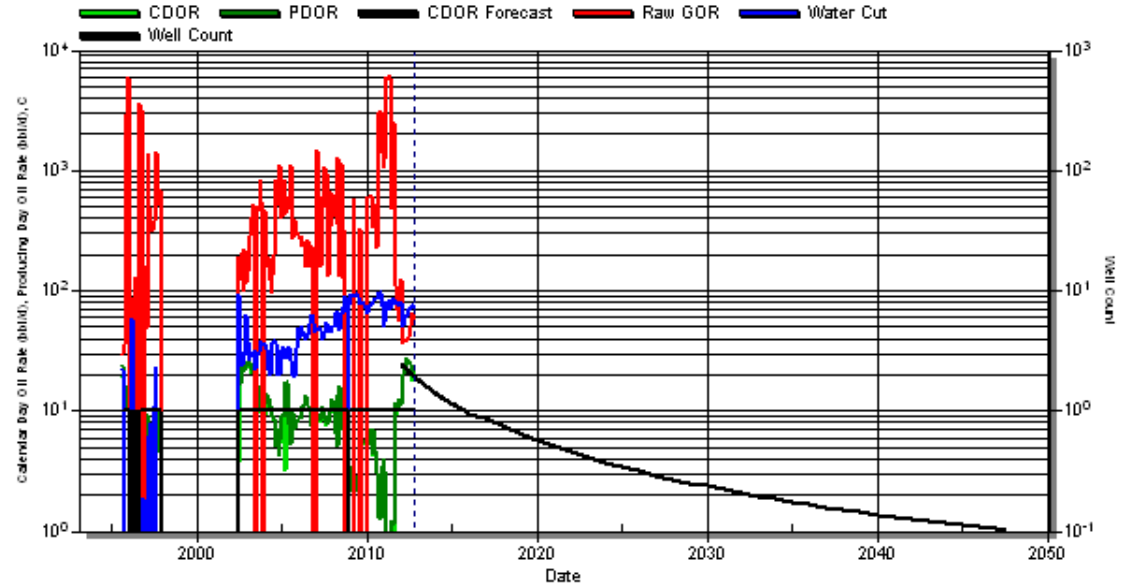
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (6 mo. History / 6 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
May 2012	1.0	25	1	58	30	41
Jun 2012	1.0	26	1	60	30	41
Jul 2012	1.0	25	1	67	27	51
Aug 2012	1.0	18	1	52	25	65
Sep 2012	1.0	23	1	62	27	56
Oct 2012	1.0	19	0	59	24	0
Nov 2012	1.0	19	0	30	38	0
Dec 2012	1.0	18	0	30	38	0
Jan 2013	1.0	18	0	29	38	0
Feb 2013	1.0	17	0	28	38	0
Mar 2013	1.0	17	0	28	38	0
Apr 2013	1.0	17	0	27	38	0



KR Investment Ltd.

Provost, Alberta

As of December 31, 2011

Proved Developed Producing

100/09-04-041-03W4/0

Status	Producer: PUMPING OIL	Aprox. On-time	100.00%
Field	Provost	Rig Release	Aug 1990
Pool	Lloydminster Nn	WI	20.00%
Unit		RLI	8.2
Operator	Conserve Oil 6th Corporation	Type	PDP
Licensee	ARTEMIS EXPLORATION INC.		Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	176.1	129.4	46.7	9.3
Gas (MMcf)	90.2	90.2	0.0	0.0
Water (Mbbbl)	178.2	99.6	78.7	15.7

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Nov 1, 2012	16.0	0.136467	0.30	36.6	1.0

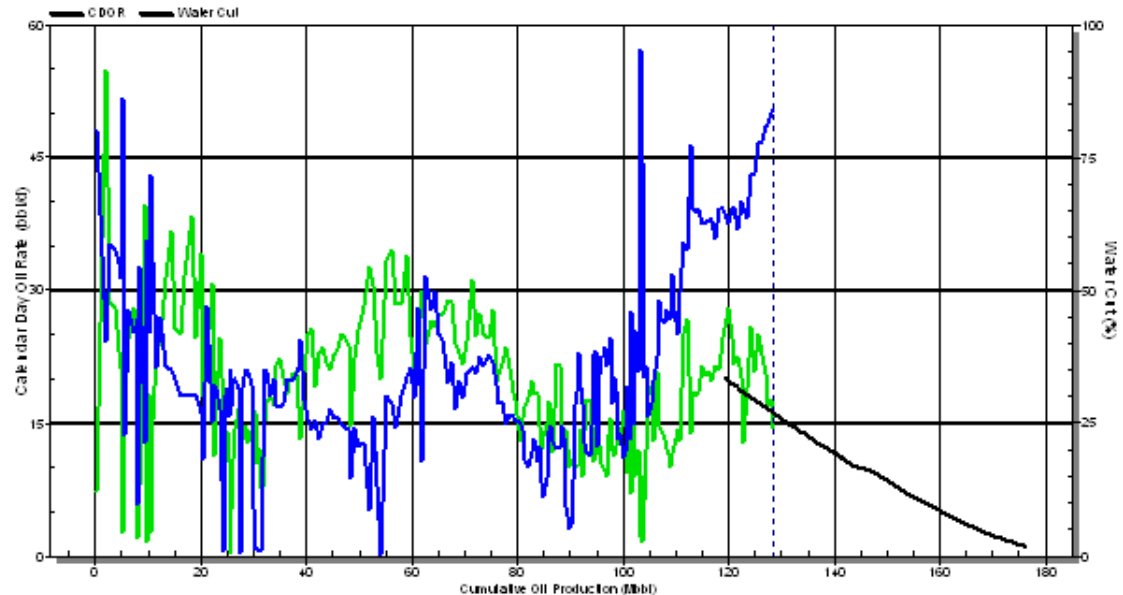
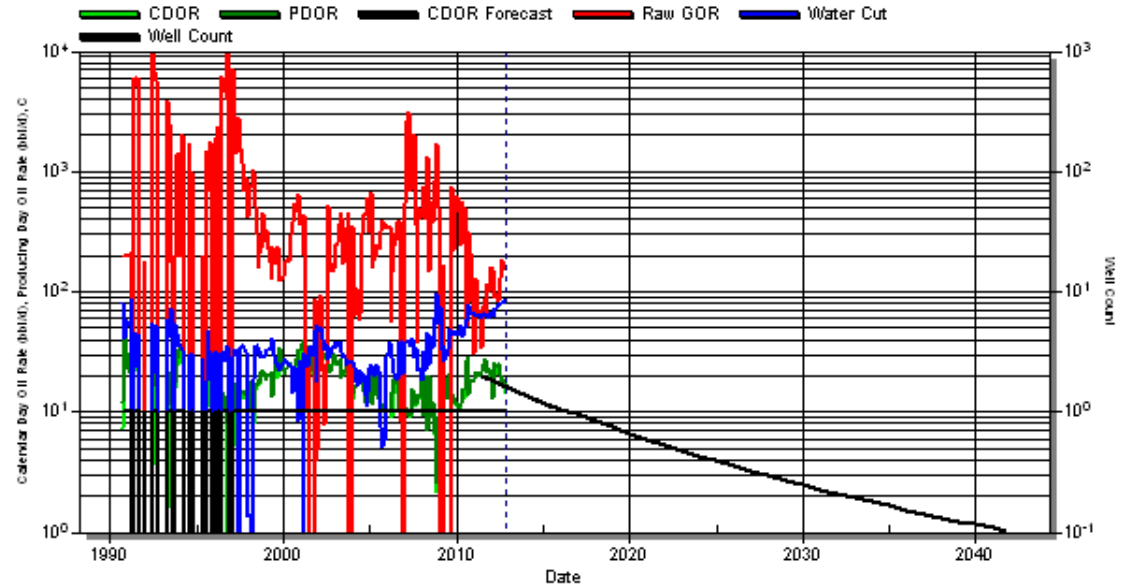
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (6 mo. History / 6 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
May 2012	1.0	25	2	87	22	83
Jun 2012	1.0	23	2	81	22	88
Jul 2012	1.0	21	3	86	19	128
Aug 2012	1.0	17	3	74	19	181
Sep 2012	1.0	18	3	87	17	154
Oct 2012	1.0	14	0	75	16	0
Nov 2012	1.0	16	0	27	37	0
Dec 2012	1.0	16	0	26	37	0
Jan 2013	1.0	16	0	26	37	0
Feb 2013	1.0	15	0	26	37	0
Mar 2013	1.0	15	0	26	37	0
Apr 2013	1.0	15	0	25	37	0



KR Investment Ltd.
 Provost, Alberta
 As of December 31, 2011
 Proved + Prob. Developed Producing
 100/09-04-041-03W4/0

Status	Producer: PUMPING OIL	Aprox. On-time	100.00%
Field	Provost	Rig Release	Aug 1990
Pool	Lloydminster Nn	WI	20.00%
Unit		RLI	12.1
Operator	Conserve Oil 6th Corporation	Type	P+PDP
Licensee	ARTEMIS EXPLORATION INC.		Raw

Technical Reserves at Jan 1, 2013 (Based on Dec. Analysis)

	Ultimate Reserves	Cumulative Production	Remaining Gross	Remaining WI
Oil (Mbbbl)	198.6	129.4	69.2	13.8
Gas (MMcf)	90.2	90.2	0.0	0.0
Water (Mbbbl)	216.1	99.6	116.5	23.3

Declines

Segment	Start Date	Qi*	Di** (Eff.Sec)	Ni	Max***	Qf*
Oil 1	Nov 1, 2012	16.0	0.114187	0.50	36.6	1.0

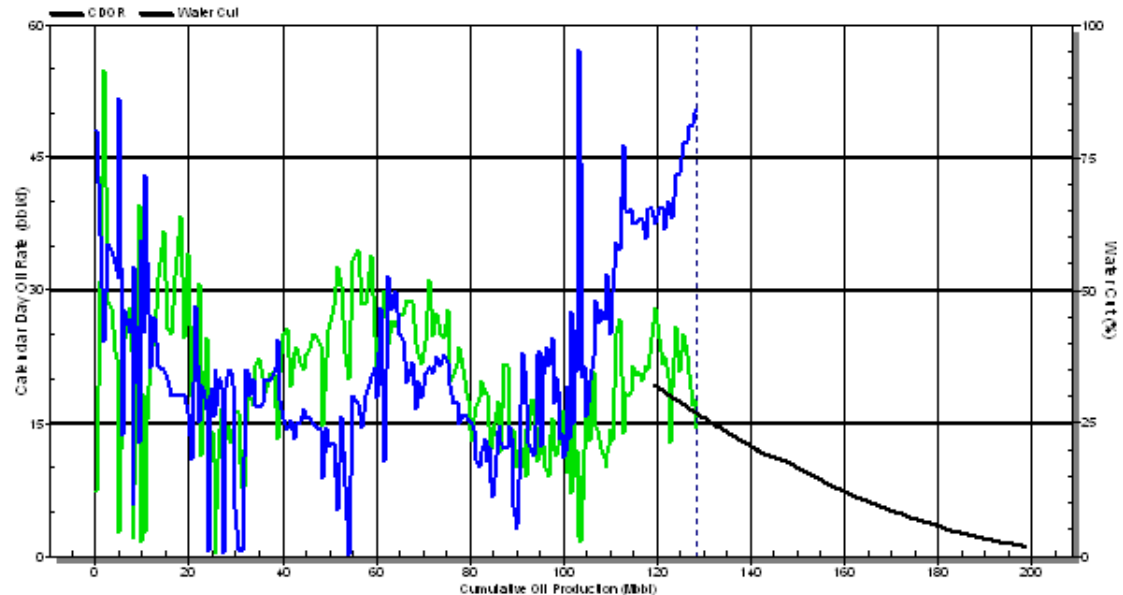
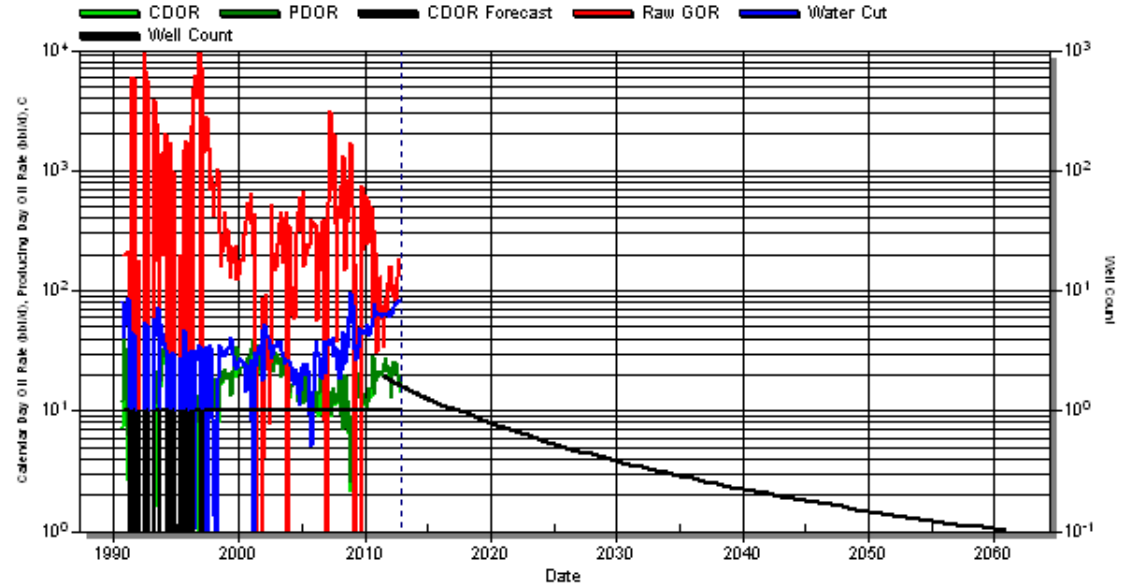
*Qi, Qf units: Oil bbl/d, 1+WOR bbl/bbl, Gas Mcf/d, GOR scf/bbl

**Di units: Oil #/yr, 1+WOR #/bbl, Gas #/yr, GOR #/bbl

***Max units: Oil bb/d, 1+WOR bbl/d, Gas Mcf/d, GOR scf/bbl

Production (6 mo. History / 6 mo. Forecast)

Date	Well Count	CDOR (bbl/d)	CDGR (Mcf/d)	CDWR (bbl/d)	Oil Cut (%)	GOR (scf/bbl)
May 2012	1.0	25	2	87	22	83
Jun 2012	1.0	23	2	81	22	88
Jul 2012	1.0	21	3	86	19	128
Aug 2012	1.0	17	3	74	19	181
Sep 2012	1.0	18	3	87	17	154
Oct 2012	1.0	14	0	75	16	0
Nov 2012	1.0	16	0	27	37	0
Dec 2012	1.0	16	0	27	37	0
Jan 2013	1.0	16	0	26	37	0
Feb 2013	1.0	15	0	26	37	0
Mar 2013	1.0	15	0	26	37	0
Apr 2013	1.0	15	0	25	37	0



National Instrument 51-101

This report was prepared for the purpose of evaluating the Company's P&NG reserves according to the Canadian Oil and Gas Evaluation Handbook (COGEH) reserve definitions and standards, which are consistent with National Instrument 51-101 (NI 51-101). In accordance with these standards, and by reference in NI 51-101, certain tables are presented for the forecast prices and costs case, which summarize the reserves and net present values, as of December 31, 2012.

Form 51-101F2, which follows, presents a Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor.

Forecast Prices and Costs

Table 1 presents a summary of the various reserves categories. Table 2 presents a summary of net present values of future net revenue, before and after income taxes. Table 3 presents the total future net revenue (undiscounted) for the total proved and total proved plus probable reserves categories. Table 4 presents the net present value of future net revenue by production group for the total proved and total proved plus probable reserves categories. Table 5 presents a summary of pricing and inflation rate assumptions.

Reconciliation

Table 6 presents the Reconciliation of the Company's Gross Reserves (Before Royalty) by Principal Product Type, using forecast prices and costs.

Undeveloped Reserves

Table 7 presents the Undeveloped Reserves Vintage by Principal Product Type, using forecast prices and costs.

Form 51-101F2

Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor

Report on Reserves Data

To the Board of Directors of KR Investment Ltd. (the "Company"):

1. We have evaluated the Company's reserves data as at December 31, 2012. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2012, 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 as of December 31, 2012, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company's management and Board of Directors:

Independent Qualified Reserves Evaluator or Auditor	Description and Preparation Date of Evaluation Report	Location of Reserves (Country)	Net Present Value of Future Net Revenue Before Income Taxes (10% Discount Rate)			
			Audited (M\$)	Evaluated (M\$)	Reviewed (M\$)	Total (M\$)
Sproule	Evaluation of Certain P&NG Reserves owned by POC Growth II Limited Partnership in the Provost Area of Alberta, Canada for KR Investment Ltd., As of December 31, 2012, prepared in December 2012	Canada				
Total			Nil	1,511	Nil	1,511

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

Executed as to our report referred to above:

Sproule Associates Limited
Calgary, Alberta
December 21, 2012

Original Signed by Brent A. Hawkwood, C.E.T.

Brent A. Hawkwood, C.E.T.
Senior Petroleum Technologist and Partner

Original Signed by Alec Kovaltchouk, P.Geo.

Alec Kovaltchouk, P.Geo.
Manager, Geoscience and Partner

Original Signed by Cameron P. Six, P.Eng.

Cameron P. Six, P.Eng.
Vice-President, Engineering, Canada and Partner

<p align="center">Table 1 NI 51-101 Summary of Oil and Gas Reserves as of December 31, 2012 Forecast Prices and Costs</p>								
<p align="center">Reserves</p>								
	Light and Medium Oil		Heavy Oil		Natural Gas (non-associated, associated & solution gas)		Natural Gas Liquids	
Reserve Category	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)
Proved								
Developed Producing	0.0	0.0	20.8	18.0	0	0	0.0	0.0
Developed Non-Producing	0.0	0.0	0.0	0.0	0	0	0.0	0.0
Undeveloped	0.0	0.0	36.0	27.9	0	0	0.0	0.0
Total Proved	0.0	0.0	56.8	45.9	0	0	0.0	0.0
Probable	0.0	0.0	16.4	13.4	0	0	0.0	0.0
Total Proved Plus Probable	0.0	0.0	73.2	59.3	0	0	0.0	0.0

Reference: Item 2.1(1) of Form 51-101F1

<p style="text-align: center;">Table 2 NI 51-101 Summary of Net Present Values of Future Net Revenue as of December 31, 2012 Forecast Prices and Costs</p>											
Net Present Values of Future Net Revenue											
Reserves Category	Before Income Taxes Discounted at (%/Year)					After Income Taxes Discounted at (%/Year)					Bef Tax Net Val
	0 (M\$)	5 (M\$)	10 (M\$)	15 (M\$)	20 (M\$)	0 (M\$)	5 (M\$)	10 (M\$)	15 (M\$)	20 (M\$)	10%/yr (\$/boe)
Proved											
Developed Producing	829	690	592	519	464	827	689	590	518	463	32.85
Developed Non-Producing	0	0	0	0	0	0	0	0	0	0	0.00
Undeveloped	842	667	535	434	354	671	519	405	318	250	19.19
Total Proved	1,670	1,357	1,127	953	818	1,498	1,208	996	836	713	24.55
Probable	747	519	384	299	241	609	414	301	231	185	28.75
Total Proved Plus Probable	2,417	1,876	1,511	1,251	1,058	2,107	1,621	1,297	1,067	898	25.50

Reference Item 2.1(2) of Form 51-101F1

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

Income Taxes:
 Includes all resource income
 Apply appropriate income tax calculations
 Include prior tax pools

Unit Values are based on net reserve volumes

<p style="text-align: center;">Table 3 NI 51-101 Total Future Net Revenue Undiscounted as of December 31, 2012 Forecast Prices and Costs</p>								
Reserves Category	Revenue (M\$)	* Royalties (M\$)	Operati- ng Costs (M\$)	Develop- ment Costs (M\$)	Well Abando- nment / Other Costs (M\$)	Future Net Revenue Before Income Taxes (M\$)	Income Taxes (M\$)	Future Net Revenue After Income Taxes (M\$)
Proved	4,843	942	1,574	562	96	1,670	172	1,498
Proved Plus Probable	6,483	1,246	2,156	562	102	2,417	310	2,107

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

Abandonment / Other Costs includes Saskatchewan Capital Surtax, if applicable

Table 4 NI 51-101 Net Present Value of Future Net Revenue by Production Group as of December 31, 2012 Forecast Prices and Costs			
Reserves Category	Production Group	Future Net Revenue Before Income Taxes (Discounted at 10%/Year)	Unit Value Before Income Taxes (Discounted at 10%/Year)
		(M\$)	(\$/boe)
Proved	Light and Medium Crude Oil (including solution gas and associated by-products)	0	0
	Heavy Oil (including solution gas and associated by-products)	1,127	24.55
	Natural Gas (including associated by-products)*	0	0
Proved Plus			
Probable	Light and Medium Crude Oil (including solution gas and associated by-products)	0	0
	Heavy Oil (including solution gas and associated by-products)	1,511	25.50
	Natural Gas (including associated by-products)*	0	0

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

Includes corporate Capital GCA, if applicable

Unit Values are based on net reserve volumes

Table 5
NI 51-101
Summary of Pricing and
Inflation Rate Assumptions
as of November 30, 2012
Forecast Prices and Costs

Year	WTI Cushing Oklahoma (\$US/bbl)	Edmonton Par Price 40° API (\$Cdn/bbl)	Cromer Medium 29.3° API (\$Cdn/bbl)	Natural Gas ¹ AECO Gas Prices (\$Cdn/MMBtu)	Pentanes Plus FOB Edmonton (\$Cdn/bbl)	Butanes F.O.B. Edmonton (\$Cdn/bbl)	Inflation Rate ² (%/Yr)	Exchange Rate ³ (\$US/\$Cdn)
Historical								
2007	72.27	77.06	65.36	6.65	77.33	63.71	2.0	0.935
2008	99.59	102.85	93.05	8.15	104.70	75.09	1.1	0.943
2009	61.63	66.20	62.77	4.19	68.13	49.34	2.0	0.880
2010	79.43	77.80	73.67	4.16	84.21	57.99	1.2	0.971
2011	95.00	95.16	87.86	3.72	104.12	70.93	1.5	1.012
Forecast								
2012	85.93	86.10	80.93	3.39	96.19	64.17	2.0	0.998
2013	88.57	88.74	83.42	3.60	95.01	66.14	2.0	0.998
2014	88.75	88.92	83.58	3.90	95.20	66.27	2.0	0.998
2015	88.24	88.40	83.10	4.09	94.65	65.89	2.0	0.998
2016	99.37	99.56	93.58	4.93	106.59	74.20	2.0	0.998
2017	101.35	101.55	95.45	5.60	108.72	75.69	2.0	0.998
2018	103.38	103.58	97.36	5.72	110.90	77.20	2.0	0.998
2019	105.45	105.65	99.31	5.84	113.12	78.74	2.0	0.998
2020	107.56	107.76	101.30	5.96	115.38	80.32	2.0	0.998
2021	109.71	109.92	103.32	6.09	117.69	81.93	2.0	0.998
2022	111.90	112.12	105.39	6.22	120.04	83.56	2.0	0.998
Thereafter				Escalation Rate of 2%				

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

(2) Inflation rates for forecasting prices and costs.

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

Notes:

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

Reference Item 3.2 of Form 51-101F1

Table 6
NI 51-101
Reconciliation of Company Gross⁽¹⁾ Reserves (Before Royalty)
by Principal Product Type
As of December 31, 2012
Forecast Prices and Costs

Factors	Light and Medium Oil			Heavy Oil			Associated and Non-Associated Gas			Natural Gas Solution			Natural Gas Liquids			BOE		
	Gross Proved (Mbb)	Gross Probable (Mbb)	Gross Proved Plus Probable (Mbb)	Gross Proved (Mbb)	Gross Probable (Mbb)	Gross Proved Plus Probable (Mbb)	Gross Proved (MMcf)	Gross Probable (MMcf)	Gross Proved Plus Probable (MMcf)	Gross Proved (MMcf)	Gross Probable (MMcf)	Gross Proved Plus Probable (MMcf)	Gross Proved (Mbb)	Gross Probable (Mbb)	Gross Proved Plus Probable (Mbb)	Gross Proved (Mbb)	Gross Probable (Mbb)	Gross Proved Plus Probable (Mbb)
December 31, 2011	0.0	0.0	0.0	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	0.0	0.0	0.0	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
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
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	0.0	0.0	0.0
Discoveries	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions	0.0	0.0	0.0	56.7	16.5	73.1	0	0	0	0	0	0	0.0	0.0	0.0	56.7	16.5	73.1
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
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
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
December 31, 2012	0.0	0.0	0.0	56.7	16.5	73.1	0	0	0	0	0	0	0.0	0.0	0.0	56.7	16.5	73.1

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

Reference: Item 4.1 of Form 51-101F1

Table 7
NI 51-101
Undeveloped Reserves Vintage by Principal Product Type
As of December 31, 2012
Forecast Prices and Costs

	Light and Medium Oil		Heavy Oil		Natural Gas		Natural Gas Liquids	
	First Attributed Gross Mbbbl	Booked Gross Mbbbl	First Attributed Gross Mbbbl	Booked Gross Mbbbl	First Attributed Gross MMcf	Booked Gross MMcf	First Attributed Gross Mbbbl	Booked Gross Mbbbl
Proved Undeveloped								
Prior to Dec. 31, 2010*	0.0	0.0	0.0	0.0	0	0	0.0	0.0
Dec. 31, 2010	0.0	0.0	0.0	0.0	0	0	0.0	0.0
Dec. 31, 2011	0.0	0.0	0.0	0.0	0	0	0.0	0.0
Dec. 31, 2012	0.0	0.0	36.0	36.0	0	0	0.0	0.0
Probable Undeveloped								
Prior to Dec. 31, 2010*	0.0	0.0	0.0	0.0	0	0	0.0	0.0
Dec. 31, 2010	0.0	0.0	0.0	0.0	0	0	0.0	0.0
Dec. 31, 2011	0.0	0.0	0.0	0.0	0	0	0.0	0.0
Dec. 31, 2012	0.0	0.0	9.0	9.0	0	0	0.0	0.0

Reference: Item 5.1(1)a, and 5.1(2)a of Form 51-101F1

*"First Attributed Gross" and "Booked Gross" values represented here are the remaining booked reserves from the prior year.

Appendix A — Definitions

The following definitions form the basis of our classification of reserves and values presented in this report. They have been prepared by the Standing Committee on Reserves Definitions of the Petroleum Society of the CIM (“CIM”), incorporated in the Society of Petroleum Evaluation Engineers (“SPEE”) Canadian Oil and Gas Evaluation Handbook (“COGE Handbook”) and specified by National Instrument 51-101 (“NI 51-101”).

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

- analysis of drilling, geological, geophysical and engineering data;
- the use of established technology;
- specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed; and
- a remaining reserve life of 50 years.

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

1. Proved Reserves

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

2. Probable Reserves

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

3. Possible Reserves

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves. Possible reserves have not been considered in this report.

Other criteria that must also be met for the categorization of reserves are provided in Section 5.5 of the COGE Handbook.

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

4. Developed Reserves

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

5. Developed Producing Reserves

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

6. Developed Non-Producing Reserves

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

7. Undeveloped Reserves

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

In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from

specific wells, facilities, and completion intervals in the pool and their respective development and production status.

8. Levels of Certainty for Reported Reserves

The qualitative certainty levels contained in the definitions in Sections 1, 2 and 3 are applicable to individual reserves entities, which refers to the lowest level at which reserves estimates are made, and to reported reserves, which refers to the highest level sum of individual entity estimates for which reserve estimates are made.

Reported total reserves estimated by deterministic or probabilistic methods, whether comprised of a single reserves entity or an aggregate estimate for multiple entities, should target the following levels of certainty under a specific set of economic conditions:

- a. There is a 90% probability that at least the estimated proved reserves will be recovered.
- b. There is a 50% probability that at least the sum of the estimated proved reserves plus probable reserves will be recovered.
- c. There is a 10% probability that at least the sum of the estimated proved reserves plus probable reserves plus possible reserves will be recovered.

A quantitative measure of the probability associated with a reserves estimate is generated only when a probabilistic estimate is conducted. The majority of reserves estimates will be performed using deterministic methods that do not provide a quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with reserves estimates and the effect of aggregation is provided in Section 5.5.3 of the COGE Handbook. Whether deterministic or probabilistic methods are used, evaluators are expressing their professional judgement as to what are reasonable estimates.

9. **Remaining Recoverable Reserves** are the total remaining recoverable reserves associated with the acreage in which the Company has an interest.
10. **Company Gross Reserves** are the Company's working interest share of the remaining reserves, before deduction of any royalties.

11. **Company Net Reserves** are the gross remaining reserves of the properties in which the Company has an interest, less all Crown, freehold, and overriding royalties and interests owned by others.
12. **Net Production Revenue** is income derived from the sale of net reserves of oil, non-associated and associated gas, and gas by-products, less all capital and operating costs.
13. **Fair Market Value** is defined as the price at which a purchaser seeking an economic and commercial return on investment would be willing to buy, and a vendor would be willing to sell, where neither is under compulsion to buy or sell and both are competent and have reasonable knowledge of the facts.
14. **Barrels of Oil Equivalent (BOE) Reserves** – BOE is the sum of the oil reserves, plus the gas reserves divided by a factor of 6, plus the natural gas liquid reserves, all expressed in barrels or thousands of barrels. Equivalent reserves can also be expressed in thousands of cubic feet of gas equivalent (McfGE) using a conversion ratio of 1 bbl:6 Mcf.
15. **Oil (or Crude Oil)** – a mixture consisting mainly of pentanes and heavier hydrocarbons that exists in the liquid phase in reservoirs and remains liquid at atmospheric pressure and temperature. Crude oil may contain small amounts of sulphur and other non-hydrocarbons, but does not include liquids obtained from the processing of natural gas.
16. **Gas (or Natural Gas)** – a mixture of lighter hydrocarbons that exist either in the gaseous phase or in solution in crude oil in reservoirs, but are gaseous at atmospheric conditions. Natural gas may contain sulphur or other non-hydrocarbon compounds.
17. **Non-Associated Gas** – an accumulation of natural gas in a reservoir where there is no crude oil.
18. **Associated Gas** – the gas cap overlying a crude oil accumulation in a reservoir.
19. **Solution Gas** – gas dissolved in crude oil.
20. **Natural Gas Liquids** – those hydrocarbon components that can be removed from natural gas as liquids including, but not limited to, ethane, propane, butanes, pentanes plus, condensate, and small quantities of non-hydrocarbons.

Appendix B — Prices (As of November 30, 2012)

Sproule's short-term outlook for oil and gas prices adopts the NYMEX futures market for the forecast period ending **November 30, 2015**. The forecast used in this evaluation was derived as of **November 30, 2012**, and reflects the arithmetic average of the futures market at the close of trading each day, for the month prior to the Termination of Trading date for a **December** contract. The oil price forecasts are based on the NYMEX Division light, sweet (low-sulphur) crude oil futures contract, which specifies the West Texas Intermediate crude as a deliverable, and the gas price forecasts are based on the NYMEX Division Henry Hub natural gas futures contract.

The NYMEX oil and gas futures prices are the foundation of Sproule's energy pricing models in the early years. This data is combined with Sproule's assumptions respecting long-term prices, inflation rates, and exchange rates, together with estimates of transportation costs and prices of competing fuels, to forecast wellhead and plantgate prices for Canadian oil, natural gas, and natural gas by-product production. The following paragraphs briefly describe some of the key considerations included in Sproule's long-term outlook for oil and natural gas price forecasts.

Oil Prices

In the long term, the price of oil will be governed by supply and demand, and the degree that OPEC is able to manage supply will be a major determinant in establishing oil prices for the next 10 years. A strong demand for crude oil, instability in the Middle East, and the increasing cost of exploration and development has served to increase the price of crude oil throughout the world. In recognition of these factors, Sproule's long-term forecast has been set at **\$90.00 US** per barrel (2012 dollars).

Transmission costs, a significant item in forecasting Canadian wellhead prices, are expected to increase at rates that are generally less than the rate of inflation. The exchange rate (\$U.S. per \$Canadian) reflects a projection of **1.00**.

The oil price forecasts set out in Table P-1 are based on a forecast of prices for West Texas Intermediate crude at Cushing, Oklahoma. The price of this marker crude is expected to directly reflect world oil prices over the forecast period. The Edmonton par price is for a 40 to 45 degree API crude having less than 0.5 percent sulphur. The actual wellhead price of oil will vary with the quality of the crude and the cost of the transportation from the wellhead to the trading hub in Edmonton. This cost, which is referred to as the price differential, is based on the actual difference between the revenue received at the wellhead and the

Edmonton par price postings of major crude oil purchasers. In the absence of actual crude oil price statistics, the differential is based on the price of similar quality crude in the area.

Natural Gas Prices

The New York Mercantile Exchange (NYMEX) posted price for gas bought and sold at the Henry Hub in Louisiana has become a common index for Canadian natural gas producers with access to the American marketplace. In Alberta and Saskatchewan, the AECO price at Suffield is a reflection of the market price for natural gas sold locally, and the Sumas price on the British Columbia/ Washington border is critical to the BC producer.

Developing a balance between supply and demand for natural gas produced in Western Canada has proved a challenge to the Canadian producer, where drilling activity, which leads to gas well completions, must serve to replace declining gas well production and fill new or expanded pipeline systems. In the early 1990's, the Alberta, Saskatchewan and BC price of natural gas has often been suppressed, relative to the market opportunities in the United States, because local natural gas delivery exceeded the pipeline capacity leaving the provinces. Various new pipeline projects have provided sufficient market access to allow Western Canadian producers to double their production since 1986. With each new pipeline, the drilling activity expanded to ensure the pipeline was full and continued until a surplus in local productive capacity would once again depress the price of natural gas in the western provinces. An additional 1.1 Bcf per day of pipeline capacity completed during the 1998/99 winter, followed by 1.2 Bcf per day of capacity in the Alliance Pipeline, created additional market access for Canadian gas. This has strengthened the Canadian gas price and has created an integrated North American market. The average long-term price at Alberta AECO-C is approximately **\$Cdn 5.00** per MMBtu in real terms. In the United States, Sproule maintains a long-term threshold of **\$5.25 U.S.** per MMBtu, in real terms. Detailed price schedules are set out in Table P-2. The actual plantgate price will vary with the heat content of the natural gas and the cost of transportation from the plantgate to the trading hub. In the absence of actual natural gas price statistics, the differential is based on the price of natural gas in the area.

The evaluation of uncontracted shut-in gas reserves in Western Canada considers the proximity to existing infrastructure, and the production start date varies with the magnitude of the reserves and the development plans of the operator. To the extent the plant and gathering facilities of sufficient capacity are currently available, the production start date is deferred a year or two and the economics of plant development may curtail the production of the reserves to an average daily rate of 1.0 MMcfpd per 3.5 Bcf of reserves. For reserves located in remote areas, or reserves that are considered of poor quality, the production start date is no earlier than **2015**.

Natural Gas By-Products

Ethane, propane, butanes, and pentanes plus prices were forecast to continue their historic relationships with crude prices in major Eastern Canadian and U.S. market areas. Ethane prices are expected to increase from present levels at a rate that corresponds to the local Alberta spot price of gas. Sulphur prices reflect the current market. The price forecasts for natural gas by-products are set out in Table P-1. The prices for these by-products were adjusted in this report to reflect the actual prices received at the plantgate.

Table P-1
Summary of Price Forecasts, Inflation and Exchange Rates (\$Cdn)
Effective November 30, 2012

Year	Light Crude Oil				Heavy & Medium Oil						Operating & Capital Cost Inflation Rate (%/Yr)	Exchange Rate (\$US/\$Cdn)
	WTI Cushing Oklahoma 40°API (\$US/bbl)	Edmonton Par Price 40°API (\$/bbl)	Synthetic Crude Oil Edmonton 32°API (\$/bbl)	Cromer LSB 35° API (\$/bbl)	Hardisty Heavy 12°API (\$/bbl)	Hardisty Lloyd Blend 20.5°API (\$/bbl)	Western Canada Select 20.5°API (\$/bbl)	Cromer Medium 29.3°API (\$/bbl)	Hardisty Bow River 24.9°API (\$/bbl)	Cold Lake Blend 22.6° API (\$/bbl)		
Historical												
2007	72.27	77.06			44.77	51.93	52.24	65.36	53.16		2.0	0.935
2008	99.59	102.85	107.11		76.32	82.58	83.62	93.05	83.85		1.1	0.943
2009	61.63	66.20	69.20	63.86	55.65	58.49	58.66	62.77	59.71	57.67	2.0	0.880
2010	79.43	77.80	80.89	76.57	62.30	67.17	67.21	73.67	68.27	65.96	1.2	0.971
2011	95.00	95.16	102.33	89.68	69.10	77.09	77.09	87.86	78.30	74.99	1.5	1.012
Forecast												
2012	85.93	86.10	92.10	83.10	65.43	73.18	73.18	80.93	74.04	72.32	2.0	0.998
2013	88.57	88.74	94.74	85.74	67.44	75.43	75.43	83.42	76.32	74.54	2.0	0.998
2014	88.75	88.92	94.92	85.92	67.58	75.58	75.58	83.58	76.47	74.69	2.0	0.998
2015	88.24	88.40	94.40	85.40	67.19	75.14	75.14	83.10	76.03	74.26	2.0	0.998
2016	99.37	99.56	105.56	96.56	75.66	84.62	84.62	93.58	85.62	83.63	2.0	0.998
2017	101.35	101.55	107.55	98.55	77.18	86.31	86.31	95.45	87.33	85.30	2.0	0.998
2018	103.38	103.58	109.58	100.58	78.72	88.04	88.04	97.36	89.08	87.00	2.0	0.998
2019	105.45	105.65	111.65	102.65	80.29	89.80	89.80	99.31	90.86	88.74	2.0	0.998
2020	107.56	107.76	113.76	104.76	81.90	91.60	91.60	101.30	92.68	90.52	2.0	0.998
2021	109.71	109.92	115.92	106.92	83.54	93.43	93.43	103.32	94.53	92.33	2.0	0.998
2022	111.90	112.12	118.12	109.12	85.21	95.30	95.30	105.39	96.42	94.18	2.0	0.998
Thereafter	Escalation Rate of 2%											

Table P-2
Natural Gas Price Forecasts, Various Trading Points (\$Cdn/MMbtu)
Effective November 30, 2012

Year	Henry Hub Price (\$US/MMbtu)	AECO-C Spot (\$/MMbtu)	Alliance Pipeline (\$/MMbtu)	B.C. Westcoast Station 2 (\$/MMbtu)	Huntingdon/Sumas 30-day Spot (\$/MMbtu)	Dawn (\$/MMbtu)	Ethane Plant Gate (\$/ Bbl)	Edmonton Propane (\$/ Bbl)	Edmonton Butane (\$/ Bbl)	Edmonton Pentanes Plus (\$/ Bbl)	Plant Gate Sulphur (\$/LT)
Historical											
2007	6.86	6.65	6.04	6.40	7.01	7.69	18.42	49.53	63.71	77.33	38.02
2008	9.04	8.15	7.91	8.20	8.78	9.60	22.59	58.80	75.09	104.70	303.84
2009	4.01	4.19	3.35	4.17	4.54	4.91	11.61	38.30	49.34	68.13	-5.08
2010	4.39	4.16	3.37	4.01	4.43	4.89	11.53	44.36	57.99	84.21	56.94
2011	4.04	3.72	2.88	3.39	3.88	4.33	10.30	50.17	70.93	104.12	101.60
Forecast											
2012	3.71	3.39	2.66	3.33	3.88	3.96	9.39	48.02	64.17	96.19	86.70
2013	3.91	3.60	2.97	3.54	4.09	4.17	9.96	49.51	66.14	95.01	88.43
2014	4.21	3.90	3.32	3.84	4.39	4.47	10.80	49.78	66.27	95.20	84.90
2015	4.41	4.09	3.57	4.03	4.58	4.67	11.34	49.59	65.89	94.65	81.18
2016	5.24	4.93	4.45	4.87	5.42	5.50	13.67	56.02	74.20	106.59	82.81
2017	5.91	5.60	5.12	5.54	6.09	6.17	15.52	57.47	75.69	108.72	84.46
2018	6.03	5.72	5.24	5.66	6.21	6.29	15.85	58.54	77.20	110.90	86.15
2019	6.15	5.84	5.36	5.78	6.33	6.41	16.18	59.64	78.74	113.12	87.87
2020	6.27	5.96	5.49	5.90	6.45	6.54	16.53	60.76	80.32	115.38	89.63
2021	6.40	6.09	5.61	6.03	6.58	6.66	16.87	61.90	81.93	117.69	91.42
2022	6.53	6.22	5.74	6.16	6.71	6.79	17.23	63.06	83.56	120.04	93.25
Thereafter	Escalation Rate of 2%										

Appendix C — Abbreviations

This appendix contains a list of abbreviations that may be found in Sproule reports, as well as a table comparing Imperial and Metric units. Two conversion tables, used to prepare this report, are also provided.

AOF	absolute open flow
ARTC	Alberta Royalty Tax Credit
BOE	barrels of oil equivalent
bopd	barrels of oil per day
bwpd	barrels of water per day
Cr	Crown
DCQ	daily contract quantity
DSU	drilling spacing unit
FH	Freehold
GCA	gas cost allowance
GOR	gas-oil ratio
GORR	gross overriding royalty
LPG	liquid petroleum gas
McfGE	thousands of cubic feet of gas equivalent
Mcfpd	thousands of cubic feet per day
MPR	maximum permissive rate
MRL	maximum rate limitation
NC	'new' Crown
NCI	net carried interest
NGL	natural gas liquids
NORR	net overriding royalty
NPI	net profits interest
OC	'old' Crown
ORRI	overriding royalty interest
P&NG	petroleum and natural gas
PSU	production spacing unit
PVT	pressure-volume-temperature
TCGSL	TransCanada Gas Services Limited
UOCR	Unit Operating Cost Rates for operating gas cost allowance
WI	working interest

Imperial Units			Metric Units	
M (10 ³)	one thousand	Prefixes	k (10 ³)	one thousand
MM (10 ⁶)	million		M (10 ⁶)	million
B (10 ⁹)	one billion		G (10 ⁹)	one billion
T (10 ¹²)	one trillion		T (10 ¹²)	one trillion
			E (10 ¹⁸)	one milliard
in.	inches	Length	cm	centimetres
ft	feet		m	metres
mi	mile		km	kilometres
ft ²	square feet	Area	m ²	square metres
ac	acres		ha	hectares
cf or ft ³	cubic feet	Volume	m ³	cubic metres
scf	standard cubic feet			
gal	gallons		L	litres
Mcf	thousand cubic feet			
Mcfpd	thousand cubic feet per day			
MMcf	million cubic feet			
MMcfpd	million cubic feet per day			
Bcf	billion cubic feet (10 ⁹)			
bbl	barrels		m ³	cubic metre
Mbbl	thousand barrels			
stb	stock tank barrel		stm ³	stock tank cubic metres
bbl/d	barrels per day		m ³ /d	cubic metre per day
bbl/mo	barrels per month			
Btu	British thermal units	Energy	J	joules
			MJ/m ³	megajoules per cubic metre (10 ⁶)
			TJ/d	terajoule per day (10 ¹²)
oz	ounce	Mass	g	gram
lb	pounds		kg	kilograms
ton	ton		t	tonne
lt	long tons			
Mlt	thousand long tons			
psi	pounds per square inch	Pressure	Pa	pascals
psia	pounds per square inch absolute		kPa	kilopascals (10 ³)
psig	pounds per square inch gauge			
°F	degrees Fahrenheit	Temperature	°C	degrees Celsius
°R	degrees Rankine		K	Kelvin
M\$	thousand dollars	Dollars	k\$	thousand dollars

Imperial Units		Time	Metric Units	
sec	second		s	second
min	minute	min	minute	
hr	hour	h	hour	
day	day	d	day	
wk	week		week	
mo	month		month	
yr	year	a	annum	

Conversion Factors — Metric to Imperial		
cubic metres (m ³) (@ 15°C)	x 6.29010	= barrels (bbl) (@ 60°F), water
m ³ (@ 15°C)	x 6.3300	= bbl (@ 60°F), Ethane
m ³ (@ 15°C)	x 6.30001	= bbl (@ 60°F), Propane
m ³ (@ 15°C)	x 6.29683	= bbl (@ 60°F), Butanes
m ³ (@ 15°C)	x 6.29287	= bbl (@ 60°F), oil, Pentanes Plus
m ³ (@ 101.325 kPaa, 15°C)	x 0.0354937	= thousands of cubic feet (Mcf) (@ 14.65 psia, 60°F)
1,000 cubic metres (10 ³ m ³) (@ 101.325 kPaa, 15°C)	x 35.49373	= Mcf (@ 14.65 psia, 60°F)
hectares (ha)	x 2.4710541	= acres
1,000 square metres (10 ³ m ²)	x 0.2471054	= acres
10,000 cubic metres (ha·m)	x 8.107133	= acre feet (ac-ft)
m ³ /10 ³ m ³ (@ 101.325 kPaa, 15° C)	x 0.0437809	= Mcf/Ac.ft. (@ 14.65 psia, 60°F)
joules (j)	x 0.000948213	= Btu
megajoules per cubic metre (MJ/m ³) (@ 101.325 kPaa, 15°C)	x 26.714952	= British thermal units per standard cubic foot (Btu/scf) (@ 14.65 psia, 60°F)
dollars per gigajoule (\$/GJ)	x 1.054615	= \$/Mcf (1,000 Btu gas)
metres (m)	x 3.28084	= feet (ft)
kilometres (km)	x 0.6213712	= miles (mi)
dollars per 1,000 cubic metres (\$/10 ³ m ³)	x 0.0288951	= dollars per thousand cubic feet (\$/Mcf) (@ 15.025 psia) B.C.
(\$/10 ³ m ³)	x 0.02817399	= \$/Mcf (@ 14.65 psia) Alta.
dollars per cubic metre (\$/m ³)	x 0.158910	= dollars per barrel (\$/bbl)
gas/oil ratio (GOR) (m ³ /m ³)	x 5.640309	= GOR (scf/bbl)
kilowatts (kW)	x 1.341022	= horsepower
kilopascals (kPa)	x 0.145038	= psi
tonnes (t)	x 0.9842064	= long tons (LT)
kilograms (kg)	x 2.204624	= pounds (lb)
litres (L)	x 0.2199692	= gallons (Imperial)
litres (L)	x 0.264172	= gallons (U.S.)
cubic metres per million cubic metres (m ³ /10 ⁶ m ³) (C ₃)	x 0.177496	= barrels per million cubic feet (bbl/MMcf) (@ 14.65 psia)
m ³ /10 ⁶ m ³ (C ₄)	x 0.1774069	= bbl/MMcf (@ 14.65 psia)
m ³ /10 ⁶ m ³ (C ₅₊)	x 0.1772953	= bbl/MMcf (@ 14.65 psia)
tonnes per million cubic metres (t/10 ⁶ m ³) (sulphur)	x 0.0277290	= LT/MMcf (@ 14.65 psia)
millilitres per cubic meter (mL/m ³) (C ₅₊)	x 0.0061974	= gallons (Imperial) per thousand cubic feet (gal (Imp)/Mcf)
(mL/m ³) (C ₅₊)	x 0.0074428	= gallons (U.S.) per thousand cubic feet (gal (U.S.)/Mcf)
Kelvin (K)	x 1.8	= degrees Rankine (°R)
millipascal seconds (mPa·s)	x 1.0	= centipoise

Conversion Factors — Imperial to Metric		
barrels (bbl) (@ 60°F)	x 0.15898	= cubic metres (m ³) (@ 15°C), water
bbl (@ 60°F)	x 0.15798	= m ³ (@ 15°C), Ethane
bbl (@ 60°F)	x 0.15873	= m ³ (@ 15°C), Propane
bbl (@ 60°F)	x 0.15881	= m ³ (@ 15°C), Butanes
bbl (@ 60°F)	x 0.15891	= m ³ (@ 15°C), oil, Pentanes Plus
thousands of cubic feet (Mcf) (@ 14.65 psia, 60°F)	x 28.17399	= m ³ (@ 101.325 kPaa, 15°C)
Mcf (@ 14.65 psia, 60°F)	x 0.02817399	= 1,000 cubic metres (10 ³ m ³) (@ 101.325 kPaa, 15°C)
acres	x 0.4046856	= hectares (ha)
acres	x 4.046856	= 1,000 square metres (10 ³ m ²)
acre feet (ac-ft)	x 0.123348	= 10,000 cubic metres (10 ⁴ m ³) (ha·m)
Mcf/ac-ft (@ 14.65 psia, 60°F)	x 22.841028	= 10 ³ m ³ /m ³ (@ 101.325 kPaa, 15°C)
Btu	x 1054.615	= joules (J)
British thermal units per standard cubic foot (Btu/Scf) (@ 14.65 psia, 60°F)	x 0.03743222	= megajoules per cubic metre (MJ/m ³) (@ 101.325 kPaa, 15°C)
\$/Mcf (1,000 Btu gas)	x 0.9482133	= dollars per gigajoule (\$/GJ)
\$/Mcf (@ 14.65 psia, 60°F) Alta.	x 35.49373	= \$/10 ³ m ³ (@ 101.325 kPaa, 15°C)
\$/Mcf (@ 15.025 psia, 60°F), B.C.	x 34.607860	= \$/10 ³ m ³ (@ 101.325 kPaa, 15°C)
feet (ft)	x 0.3048	= metres (m)
miles (mi)	x 1.609344	= kilometres (km)
\$/bbl	x 6.29287	= \$/m ³ (average for 30°-50° API)
GOR (scf/bbl)	x 0.177295	= gas/oil ratio (GOR) (m ³ /m ³)
horsepower	x 0.7456999	= kilowatts (kW)
psi	x 6.894757	= kilopascals (kPa)
long tons (LT)	x 1.016047	= tonnes (t)
pounds (lb)	x 0.453592	= kilograms (kg)
gallons (Imperial)	x 4.54609	= litres (L) (.001 m ³)
gallons (U.S.)	x 3.785412	= litres (L) (.001 m ³)
barrels per million cubic feet (bbl/MMcf) (@ 14.65 psia) (C ₃)	x 5.6339198	= cubic metres per million cubic metres (m ³ /10 ⁶ m ³)
bbl/MMcf (C ₄)	x 5.6367593	= (m ³ /10 ⁶ m ³)
bbl/MMcf (C ₅₊)	x 5.6403087	= (m ³ /10 ⁶ m ³)
LT/MMcf (sulphur)	x 36.063298	= tonnes per million cubic metres (t/10 ⁶ m ³)
gallons (Imperial) per thousand cubic feet (gal (Imp)/Mcf) (C ₅₊)	x 161.3577	= millilitres per cubic meter (mL/m ³)
gallons (U.S.) per thousand cubic feet (gal (U.S.)/Mcf) (C ₅₊)	x 134.3584	= (mL/m ³)
degrees Rankine (°R)	x 0.555556	= Kelvin (K)
centipoises	x 1.0	= millipascal seconds (mPa·s)

Appendix D — General Evaluation Parameters

Royalties and Mineral Taxes

The lessor and overriding royalties were based on existing agreements and government regulations. The Crown royalty rates and the Freehold Mineral Taxes were based upon existing provincial regulations.

Operating and Capital Costs

Operating and capital costs were based on the period for which accounting statements and historical authorizations for capital expenditures (AFE's) were received and were escalated to the dates when these costs would be incurred. When escalated, the operating costs and capital costs were escalated based upon the schedule of escalation factors included in Appendix B, Table P-1, which includes escalation in the first year of the evaluation forecast.

By-Product Reserves

Solution gas is not conserved in these assets. Therefore, no by-product reserves have been included in this report.

Abandonment and Reclamation

Well abandonment and disconnect costs were estimated and included in our report at the individual entity level for all wells that were assigned reserves. No allowance for surface lease reclamation and salvage value was included. No abandonment costs have been estimated for suspended wells, gathering systems, batteries, plants, or processing facilities.

Overhead Expenses

Operating Cost Overhead

Operating cost overhead charges and recoveries associated with several of the Company's non-operated properties evaluated have been excluded for the purposes of this evaluation.

Capital Cost Overhead

Capital cost overhead charges and/or recoveries have not been included in the evaluation and forecast of future capital cost spending.

Corporate Income Taxes

The procedure used in calculating Canadian income tax is set out below.

All royalties on production from Indian Lands are deductible. Non-Crown (that is, freehold or overriding) royalties are subdivided as follows, for income tax calculations:

- (a) Production royalties are those non-Crown royalties which are subject to payments to the Crown (including Freehold Mineral Taxes (Alberta), Freehold Production Taxes (Saskatchewan), and Incremental Taxes (Manitoba)).
- (b) Resource Royalties are those non-Crown royalties which are not subject to non-deductible Crown payments.

The procedure for calculating Canadian income taxes used in this report, is as follows:

1. Determine revenues from the production and sale of oil, gas, and by-products, including sulphur, from field processing of gas of other producers, and from gas production royalties. (This calculation is to be made gross of any Crown charges.)
2. Deduct operating and direct overhead costs.
3. Deduct capital cost allowance (depreciation).
4. Deduct production royalties paid or payable.
5. Deduct Crown charges (Crown royalties and freehold mineral taxes).
6. Deduct resource royalties paid.
7. Deduct intangible costs:
 - 10 percent of non-amortized balance at end of year for Canadian Oil and Gas Property Expense (COGPE),

- 30 percent of non-amortized balance at end of year for Canadian Development Expense (CDE),
 - 100 percent of Canadian Exploration Expense (CEE).
8. Deduct interest, NPI expenses, abandonment costs, and Saskatchewan capital tax.
 9. Deduct earned depletions. This deduction was discontinued many years ago. However, some companies could have a residual balance available. If so, the amount that can be claimed is the lesser of production profits (for this purpose includes resource royalties earned and is reduced by deduction for resource royalties paid or payable, and COGPE, CDE, and CEE deductions and interest) and the remaining balance of earned depletion.
 10. Add resource royalties received or receivable, and other income (including NPI income).
 11. Calculate taxable income for federal and provincial tax purposes, which equals the amount by which the aggregate of Items 1 and 10 exceed the aggregate of Items 2 through 9.
 12. Calculate federal income taxes payable by multiplying federal taxable income by the federal tax rate.
 13. Calculate provincial income taxes payable by multiplying provincial taxable income by the appropriate provincial tax rate.

Processing Income

Some clarification is required with regard to the definition of field processing plants. The following describes plants where the processing revenue would be included in the resource revenue.

- (a) Field separation and dehydration facilities.
- (b) A natural gas processing plant which processes raw natural gas to the point of acceptance by a common carrier, including the processing of hydrogen sulphide.
- (c) Fully integrated plants that take raw natural gas through the whole process of converting such gas to natural gas liquids and to further convert the natural gas liquids to liquefied petroleum products.

The following describes plants where the processing revenue would not be included in the resource revenue.

- (a) Straddle plants which enhance the recovery of natural gas liquids.
- (b) Any part of a natural gas processing plant that is devoted primarily to the recovery of ethane.
- (c) Plants used in the processing of heavy crude oil or a tar sands deposit.

Capital Cost Allowance

Capital cost allowance (CCA) is the rate at which the government allows depreciation on tangible capital investment items.

The principal classes of interest to an oil or gas producer for new capital investments are:

Class	Description	Write-Off
2	Oil or gas transmission pipelines of more than 15 years' life.	6% declining balance
7	Vessels, including offshore drilling vessels.	25% declining balance
8	Oil or gas transmission pipelines with a life of 15 years or less, any refineries, separators not included in Class 43, compressors.	20% declining balance
12	The cost, after November 16, 1978, of removing overburden after the start of production at a mine. Computer software, other than systems software.	100%
28	Mining assets acquired in a major expansion of a mine or before the start of production which would otherwise be in Class 41.	25% declining balance

Class	Description	Write-Off
41	Drilling rigs, gas or oil well equipment. Oil or gas gathering lines leading to a transmission pipeline or natural gas processing plant, and field processing plants. Automotive equipment. Mining buildings, equipment, social capital and spur lines not included in Class 28. Electric data processing equipment including systems software.	25% declining balance
43	Refineries acquired after May 8, 1972. Plants acquired after April 10, 1978 to upgrade heavy oil, straddle plants, and any part of a gas processing plant devoted primarily to the recovery of ethane.	30% declining balance

When using the declining balance, the prescribed rate is applied to the undepreciated portion of the capital costs in a particular class at the end of the fiscal year. It is not necessary to claim full capital cost allowance, and any amount from zero to the stated maximum can be claimed. In the year that the capital cost is incurred, only one-half of the stated maximum is allowed.

The asset descriptions contained in the Income Tax Act are drafted precisely. If an asset does not exactly fit the description of a class, then it is not to be included in that class.

Class 8 is a residual class. If property does not qualify for inclusion in any other class, and if it is not specifically excluded from Class 8, then it falls into Class 8.

Resource Allowance

As of January 1, 2007, there is no further deductible percentage for Resource Allowance.

Intangible Costs

Intangible costs are certain of the capital costs which, for taxable net income calculation purposes, are expensed or written off in the year of expenditures or at a specified rate over a number of years.

A distinction is made for tax purposes between **Canadian Exploration Expense**, **Canadian Development Expense**, and **Canadian Oil and Gas Property Expense**. All these expenses may be carried forward indefinitely. These expenses must be reduced by the amount of any incentive payments made by the Federal government for exploration or development.

- (a) **Canadian Exploration Expense (CEE)** includes intangible costs of drilling exploratory wells, as well as geological and geophysical expenses and all dry wells. These costs may be written off at the rate of 100 percent by principal business corporations in the year in which the expenditure was made.
- (b) **Canadian Development Expense (CDE)** includes intangible development drilling costs. Canadian Development Expense is written off at the rate of 30 percent per annum of the diminishing balance.
- (c) **Canadian Oil and Gas Property Expense (COGPE)** includes the cost of purchasing any producing oil and gas reserves and any unproven P&NG properties. This expense is written off at the rate of 10 percent per annum of the diminishing balance.

Income Tax Rates

The tax rates used for an escalated case reflect the current position of the Federal and Provincial governments with respect to income taxes in Canada. A constant case will reflect the current tax rates held flat for the projection period. The following table provides the taxation rates for the current year and the final year of the transition period.

Resource and Processing Income

	Resource Income				Processing Income ⁽¹⁾			
	2010	2011	2012	2013	2010	2011	2012	2013
Net Federal Rate:	18.0	16.5	15.0	15.0	18.0	16.5	15.0	15.0
Provincial Rates:								
Alberta	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
British Columbia	10.5	10.0	10.0	10.0	10.5	10.0	10.0	10.0
Manitoba	12.0	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Newfoundland	14.0	14.0	14.0	14.0	5.0	5.0	5.0	5.0
Nova Scotia	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Ontario	14.0	14.0	14.0	14.0	12.0	12.0	12.0	12.0
Saskatchewan	12.0	12.0	12.0	12.0	10.0	10.0	10.0	10.0

(1) Manufacturing and processing.

Successor Rules

Successor rules may apply where there has been an acquisition by a corporation, in which case resource tax pools that are transferred to the purchaser will be streamed so that they will only be allowed as deductions against proceeds attributable to the resource properties acquired from the vendor. This report does not reflect the impact of Successor Rules.

Net Present Values

The estimates of the P&NG reserves and their respective net present values are summarized by property and by reserves category in the Discussion section of this report.

Detailed forecasts of production and net revenue for the various reserves categories are presented in Tables in the Summary and Discussion sections.