

**CANOEL INTERNATIONAL ENERGY LTD.
STATEMENT OF RESERVES DATA
AND OTHER OIL AND GAS INFORMATION
(Form 51-101F1)**

Part 1 – Date of Statement

This statement of reserves data and other oil and gas information is dated March 31, 2011.

The effective date is March 31, 2011

The preparation date is July 22, 2011

Part 2 – Disclosure of Reserves Data

The following is a summary of the oil and natural gas reserves and the value of future net revenue of Canoe International Energy Ltd. (the "Company") as evaluated by Chapman Petroleum Engineering Ltd. ("Chapman") as at March 31, 2011, and dated July 22, 2011 (the "Chapman Report"). Chapman is an independent qualified reserves evaluator and auditor.

All evaluations of future revenue are after the deduction of future income tax expenses, unless otherwise noted in the tables, royalties, development costs, production costs and well abandonment costs but before consideration of indirect costs such as administrative, overhead and other miscellaneous expenses. The estimated future net revenue contained in the following tables does not necessarily represent the fair market value of the Company's reserves. There is no assurance that the forecast price and cost assumptions contained in the Chapman Report will be attained and variances could be material. Other assumptions and qualifications relating to costs and other matters are included in the Chapman Report. The recovery and reserves estimates on the Company's properties described herein are estimates only. The actual reserves on the Company's properties may be greater or less than those calculated.

SUMMARY OF OIL AND GAS RESERVES BASED ON FORECAST PRICES AND COSTS AS AT MARCH 31, 2011

Reserves Category	Company Reserves ⁽¹⁾							
	Light and Medium Oil		Heavy Oil		Natural Gas ⁽⁹⁾		Natural Gas Liquids	
	Gross MSTB	Net MSTB	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbbl	Net Mbbbl
PROVED								
Developed Producing ⁽²⁾⁽⁶⁾	154	140	0	0	0	0	0	0
Developed Non-Producing ⁽²⁾⁽⁷⁾	0	0	0	0	0	0	0	0
Undeveloped ⁽²⁾⁽⁸⁾	0	0	0	0	0	0	0	0
TOTAL PROVED⁽²⁾	154	140	0	0	0	0	0	0
TOTAL PROBABLE⁽³⁾	592	539	0	0	0	0	0	0
TOTAL PROVED + PROBABLE⁽²⁾⁽³⁾	746	679	0	0	0	0	0	0

SUMMARY OF NET PRESENT VALUES BASED ON FORECAST PRICES AND COSTS AS AT MARCH 31, 2011

Reserves Category	Net Present Values of Future Net Revenue									
	Before Income Tax Discounted at					After Income Tax Discounted at				
	0%/yr \$M	5%/yr. \$M	10%/yr. \$M	15%/yr. \$M	20%/yr. \$M	0%/yr \$M	5%/yr. \$M	10%/yr. \$M	15%/yr. \$M	20%/yr. \$M
PROVED										
Developed Producing ⁽²⁾⁽⁶⁾	2597	2540	2476	2409	2341	N/A	N/A	N/A	N/A	N/A
Developed Non-Producing ⁽²⁾⁽⁷⁾	0	0	0	0	0	N/A	N/A	N/A	N/A	N/A
Undeveloped ⁽²⁾⁽⁸⁾	0	0	0	0	0	N/A	N/A	N/A	N/A	N/A
TOTAL PROVED⁽²⁾	2597	2540	2476	2409	2341	N/A	N/A	N/A	N/A	N/A
TOTAL PROBABLE⁽³⁾	23931	17398	13634	11186	9464	N/A	N/A	N/A	N/A	N/A
TOTAL PROVED + PROBABLE⁽²⁾⁽³⁾	26528	19938	16110	13595	11805	N/A	N/A	N/A	N/A	N/A

**TOTAL FUTURE NET REVENUE
(UNDISCOUNTED)
BASED ON FORECAST PRICES AND COSTS
AS AT MARCH 31, 2011**

	Revenue (\$M)	Royalties (\$M)	Operating Costs (\$M)	Development Costs (\$M)	Abandonment and Reclamation Costs (\$M)	Future Net Revenue Before Income Taxes (\$M)	Income Taxes (\$M)	Future Net Revenue After Income Taxes (\$M)
Total Proved ⁽²⁾	8100	729	3854	0	920	2597	N/A	N/A
Total Proved Plus Probable ⁽²⁾⁽³⁾	39254	3533	7716	472	1006	26528	N/A	N/A

**FUTURE NET REVENUE BY PRODUCTION GROUP
BASED ON FORECAST PRICES AND COSTS
AS AT MARCH 31, 2011**

Reserve Category	Production Group	Future Net Revenue Before Income Taxes (Discounted at 10%/Year) (\$M)
Total Proved ⁽²⁾	Light and Medium Oil (including solution gas and other by-products)	2476
	Heavy Oil (including solution gas and other by-products)	0
	Natural Gas (including by-products but not solution gas)	0
Total Proved Plus Probable ⁽²⁾⁽³⁾	Light and Medium Oil (including solution gas and other by-products)	16110
	Heavy Oil (including solution gas and other by-products)	0
	Natural Gas (including by-products but not solution gas)	0

**OIL AND GAS RESERVES AND NET PRESENT VALUES BY PRODUCTION GROUP
BASED ON FORECAST PRICES AND COSTS
AS AT MARCH 31, 2011**

Reserve Group by Category	Reserves						Net Present Value (BIT) 10% M\$	Unit Values @ 10%/yr
	Oil		Gas ⁽⁹⁾		NGL			
	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbl	Net Mbbl		
Light and Medium Oil								
Proved								
Developed Producing	154	140	0	0	0	0	2476	17.69
Developed Non-Producing	0	0	0	0	0	0	0	N/A
Undeveloped	0	0	0	0	0	0	0	N/A
Total Proved	154	140	0	0	0	0	2476	17.69
Probable	592	539	0	0	0	0	13634	25.29
Proved Plus Probable	746	679	0	0	0	0	16110	23.73

Notes:

- "Gross Reserves" are the Company's working interest (operating or non-operating) share before deducting of royalties and without including any royalty interests of the Company. "Net Reserves" are the Company's working interest (operating or non-operating) share after deduction of royalty obligations, plus the Company's royalty interests in 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.
- "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.

4. "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.
5. "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.
6. "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.
7. "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.
8. "Undeveloped" reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.
9. Includes associated, non-associated and solution gas where applicable.

Part 3 - Pricing Assumptions

The following data detail the benchmark reference prices for the regions in which the Company operated, as at March 31, 2011 reflected in the reserves data disclosed above under "Part 2 – Disclosure of Reserves Data". The forecast price assumptions assume the continuance of current laws and regulations and take into account inflation with respect to future operating and capital costs. There will be adjustments to field prices from the benchmarks below

The Company's weighted average prices received this fiscal year are: \$52.60/STB for light oil.

Part 4 – Reconciliation of Changes in Reserves

The following table sets forth a reconciliation of the changes in the Company's gross reserves as at March 31, 2011 against such reserves as at March 31, 2010 based on the forecast price and cost assumptions:

RECONCILIATION OF COMPANY GROSS RESERVES BY PRINCIPAL PRODUCT TYPE BASED ON FORECAST PRICES AND COSTS AS AT MARCH 31, 2011

	Light and Medium Oil					Heavy Oil					Associated and Non-Associated Gas				
	Gross Proved (Mbbl)	Gross Probable (Mbbl)	Gross Proved Plus Probable (Mbbl)	Gross Possible (Mbbl)	Gross Proved Plus Probable Possible (Mbbl)	Gross Proved (Mbbl)	Gross Probable (Mbbl)	Gross Proved Plus Probable (Mbbl)	Gross Possible (Mbbl)	Gross Proved Plus Probable Possible (Mbbl)	Gross Proved (MMscf)	Gross Probable (MMscf)	Gross Proved Plus Probable (MMscf)	Gross Possible (MMscf)	Gross Proved Plus Probable Possible (MMscf)
At March 31, 2010	192	73	265	0	265	0	0	0	0	0	0	0	0	0	0
Production(Sales)	(43)	0	(43)	0	(43)	0	0	0	0	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dispositions															
Discoveries	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
Revisions to Previous Estimate															
Economic Factors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Technical	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Improved Recovery	5	519	524	0	524	0	0	0	0	0	0	0	0	0	0
At March 31, 2011	154	592	746	0	746	0	0	0	0	0	0	0	0	0	0

Part 5 – Additional Information Relating to Reserves Data

Undeveloped Reserves

The Company had no proved undeveloped reserve as at March 31, 2011 or in prior years.

The following table sets forth the volumes of probable undeveloped net reserves that were attributed for each of the Company's product types for the most recent three financial years and in the aggregate before that time:

	Light and Medium Oil (Mbbl)	Heavy Oil (Mbbl)	Natural Gas (MMscf)	Natural Gas Liquids (Mbbl)
Aggregate prior to 2009	0	0	0	0
2009	0	0	0	0
2010	0	0	0	0
2011	0	0	0	0

The following table sets forth the volumes of possible undeveloped reserves that were attributed for each of the Company's product types for the most recent three financial years and in the aggregate before such time:

	Light and Medium Oil (Mbbl)	Heavy Oil (Mbbl)	Natural Gas (MMscf)	Natural Gas Liquids (Mbbl)
Aggregate prior to 2009	0	0	0	0
2009	0	0	0	0
2010	0	0	0	0
2011	0	0	0	0

The following discussion generally describes the basis on which the Company attributes probable and possible undeveloped reserves and its plans for developing those undeveloped reserves.

Probable Undeveloped Reserves:

The Company's probable undeveloped reserves are zero.

Possible Undeveloped Reserves:

The Company's Possible Undeveloped reserves are the same only larger volumes as the Probable Undeveloped reserves and the same comments apply.

Significant Factors or Uncertainties

The estimation of reserves requires significant judgment and decisions based on available geological, geophysical, engineering and economic data. These estimates can change substantially as additional information from ongoing development activities and production performance becomes available and as economic and political conditions impact oil and gas prices and costs change. The Company's estimates are based on current production forecast, prices and economic conditions. All of the Company's reserves are evaluated by Chapman Petroleum Engineering Ltd., an independent engineering firm.

As circumstances change and additional data becomes available, reserve estimates also change. Based on new information, reserves estimates are reviewed and revised, either upward or downward, as warranted. Although every reasonable effort has been made by the Company to ensure that reserves estimate are accurate, revisions may arise as new information becomes available. As new geological, production and economic data is incorporated into the process of estimating reserves the accuracy of the reserve estimate improves.

Certain information regarding the Company set forth in this report, including management's assessment of the Company's future plans and operations contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These risks include, but are not limited to: the risks associated with the oil and gas industry, commodity prices and exchange rates; industry related risks could include, but are not limited to, operational risks in exploration, development and production, delays or changes in plans, risks associated with the uncertainty of reserve estimates, health and safety risks and the uncertainty of estimates and projections of production, costs and expenses. Competition from other producers, the lack of available qualified personnel or management, stock market volatility and ability to access sufficient capital from internal and external sources are additional risks the Company faces in this market. The Company's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward looking statements and accordingly, no assurance can be given that any events anticipated by the forward looking statements will transpire or occur, if any of them do, what benefits the Company can derive from. The reader is cautioned not to place undue reliance on this forward looking information.

Future Development Costs

The following table shows the development costs anticipated in the next five years, which have been deducted in the estimation of the future net revenues of the proved and probable reserves.

	Total Proved Estimated Using Forecast Prices and Costs (Undiscounted) (\$M)	Total Proved Plus Probable Estimated Using Forecast Prices and Costs (Undiscounted) (\$M)
2011	0	472
2012	0	0
2013	0	0
2014	0	0
2015	0	0
Total for five years	0	472
Remainder	0	0
Total for all years	0	472

The Company has been successful in raising its required capital through equity financings and plans to continue to do so for the development costs specified above. The effect of the costs of the expected funding would have no impact on the revenues or reserves currently being reported.

Part 6 – Other Oil and Gas Information

Oil and Gas Properties and Wells

The following table sets forth the number of wells in which the Company held a working interest as at March 31, 2011

	Oil		Natural Gas	
	Gross⁽¹⁾	Net⁽¹⁾	Gross⁽¹⁾	Net⁽¹⁾
Chubut Area			0	0
Producing	17	17	0	0
Non-producing	4	4	0	0

All of the Company's wells are located on-shore in the Chubut Province of Argentina. Only 17 wells are on production as of March 31, 2011. Company is planning to do work over on 11 currently producing wells and one suspended well.

All the Company's wells are currently tied-in to facilities and pipelines.

Properties with No Attributed Reserves

The Company does not have properties with no attributed reserves. The Company has signed a Farmout and Participation Agreement whereby it can earn an interest in 3 permits in Tunisia (Bazma, Jorf and Sud Tozeur) by paying a percentage of drilling costs in the first well drilled on each property. To date, no wells have been drilled and the permits have no attributable reserves.

Forward Contracts

Currently, the Company has no forward contracts.

Additional Information Concerning Abandonment and Reclamation Costs

The estimated abandonment and restoration costs used by Chapman are based on the AEUB Directive 11, which details the typical costs of abandonment and reclamation by well type in each specific geographic region. The Company expects to have costs relating to 18 Net wells, including the location to be drilled. All costs have been included in the Chapman report.

FUTURE ABANDONMENT AND RESTORATION COSTS

	Total Proved Estimated Using Forecast Prices and Costs (Undiscounted) (\$M)	Total Proved Estimated Using Forecast Prices and Costs (10% Discounted) (\$M)	Total Proved Plus Probable Estimated Using Forecast Prices and Costs (Undiscounted) (\$M)	Total Proved Plus Probable Estimated Using Forecast Prices and Costs (10% Discounted) (\$M)
2011	0	0	0	0
2012	0	0	0	0
2013	0	0	0	0
Total for three years	0	0	0	0
Remainder	920	571	1006	568
Total for all years	920	571	1006	568

Tax Horizon

The Company is not expected to become taxable under the proved plus probable cash flows forecast in this report.

Costs Incurred

The following table summarizes the capital expenditures made by the Company on oil and natural gas properties for the year ended March 31, 2011.

	Property Acquisition Costs (\$M)		Exploration Costs (\$M)	Development Costs (\$M)
	Proved Properties	Unproved Properties		
	5,133	0	0	0

The Company had no exploration costs on any projects which are not a conventional oil and gas property.

Exploration and Development Activities

The following table sets forth the number of exploratory and development wells which the Company completed during its 2011 financial year:

	Exploratory Wells		Development Wells	
	Gross⁽¹⁾	Net⁽¹⁾	Gross⁽¹⁾	Net⁽¹⁾
Oil Wells	0	0	0	0
Gas Wells	0	0	0	0
Service Wells	0	0	0	0
Dry Holes	0	0	0	0
Total Completed Wells	0	0	0	0

The Company did not drill or develop any additional reserves in the fiscal year. The Company conducted four well workovers during the fiscal year ended March 31, 2011

Production Estimates

The following table sets forth the volume of Gross production estimated by Chapman for 2011 (9 mo.):

TOTAL PROVED RESERVES				
AREA	Light and Medium Oil (Mbbl)	Heavy Oil (Mbbl)	Natural Gas (MMscf)	Natural Gas Liquids (Mbbl)
Chubut, Argentina	40	0	0	0
Total for all areas	40	0	0	0

TOTAL PROVED PLUS PROBABLE RESERVES				
AREA	Light and Medium Oil (Mbbl)	Heavy Oil (Mbbl)	Natural Gas (MMscf)	Natural Gas Liquids (Mbbl)
Chubut, Argentina	53	0	0	0
Total for all areas	53	0	0	0

These values are gross to Company's working interest before the deduction of royalties payable to others.

Production History

The following table sets forth certain information in respect of production, product prices received, royalties, production costs and netbacks received by the Company for each quarter of its most recently completed financial year:

	Three Months Ended June 30, 2010	Three Months Ended September 30, 2010	Three Months Ended December 31, 2010	Three Months Ended March 31, 2011
Average Daily Production				
Light and Medium Oil (Bbl/d)	0	121	102	117
Natural Gas (Mscf/d)	0	0	0	0
Average Net Prices Received				
Light and Medium Oil (\$/Bbl)	0	49.23	49.90	52.6
Natural Gas (\$/Mscf)	0	0	0	0
Royalties				
Light and Medium Oil (\$/Bbl)				
Natural Gas (\$/Mscf)	0	5.90	5.99	6.31
Production Costs				
Light and Medium Oil (\$/Bbl)				
Natural Gas (\$/Mscf)	0	16.70	28.86	50.49
Netback Received				
Light and Medium Oil (\$/Bbl)	0	26.63	15.05	(4.20)
Natural Gas (\$/Mscf)	0	0	0	0

ABBREVIATIONS AND CONVERSION

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

Oil and Natural Gas Liquids		Natural Gas	
Bbl	barrel	Mscf	thousand standard cubic
feet			
Bbls	barrels	MMscf	million standard cubic feet
Mbbls	thousand barrels	Mscf/d	thousand standard cubic feet
	per day		
MMbbls	million barrels	MMscf/d	million standard cubic feet
per day			
MSTB	1,000 stock tank barrels	MMBTU	million British Thermal
Units			
Bbls/d	barrels per day	Bscf	billion standard cubic feet
NGLs	natural gas liquids	GJ	gigajoule
STB	stock tank barrels of oil		
STB/d	stock tank barrels of oil per day		
Other			
AECO	Niska Gas Storage's natural gas storage facility located at Suffield, Alberta.		
BIT	Before Income Tax		
AIT	After Income Tax		
BOE	barrel of oil equivalent on the basis of 1 BOE to 6 Mscf of natural gas. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 1 BOE for 6 Mscf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.		
BOE/d	barrel of oil equivalent per day		
m ³	cubic metres		
\$M	thousands of dollars		
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade		

Chapman Petroleum Engineering Ltd.

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July 25, 2011

Canoel International Energy Ltd.
207, 525 - 11th Avenue SW
Calgary, AB
T2R 0C9

Attention: Board of Directors

**Re: Report on Reserves Data
by Chapman Petroleum Engineering Ltd. ("Chapman")
Qualified Reserves Evaluators**

To the board of directors of Canoel International Energy Ltd. (the "Company"):

1. We have evaluated the Company's reserves data as at March 31, 2011. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at March 31, 2011, estimated using forecast prices and costs
2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
4. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount of 10 percent, included in the reserves data of the Company evaluated

by us for the year ended March 31, 2011, and identifies the respective portions thereof that we have evaluated and reported on to the Company's management and board of directors:

Independent Qualified Reserves Evaluator	Description & Preparation Date of Evaluation Report	Location of Reserves	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate) - M\$			
			Audited	Evaluated	Reviewed	Total
Chapman	Alberto & Don Ernesto Fields Chubut Province, Argentina July 20, 2011	Argentina	-	16,110	-	16,110
Totals			-	16,110	-	16,110

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

Executed as to our report referred to above:

Chapman, Calgary, Alberta, Canada, July 25, 2011

[Original Signed By:]

C. W. Chapman
C. W. Chapman, P. Eng.

kvz/lml/5413

NATIONAL INSTRUMENT 51-101 FORM F3
REPORT OF MANAGEMENT AND DIRECTORS
ON RESERVES DATA AND OTHER INFORMATION

Management of Canoe International Energy Ltd. (the "**Company**") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which are estimates of proved reserves and probable reserves and related future net revenue as at March 31, 2011, estimated using forecast prices and costs.

An independent qualified reserves evaluator has evaluated the Company's reserves data. The report of the independent qualified reserves evaluator is presented below.

The board of directors of the Company has

- (a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation and, in the event of a proposal to change the independent qualified reserves evaluator, to inquire whether there had been disputes between the previous independent qualified reserves evaluator and management; and
- (c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has approved

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and
- (c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

Signed "Andrea Cattaneo"
Andrea Cattaneo
President and CEO

Signed "John Arne Farstad"
John Arne Farstad
CFO

Signed "Jose' Ramon Lopez Portillo"
Jose' Ramon Lopez Portillo
Chairman and Director

Signed "Dario Sodero"
Dario Sodero
Director

July 29, 2011