

**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 July 3, 2014.

The effective date is March 31, 2014.

The preparation date is June 25, 2014.

## 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, 2014, and dated June 18, 2014 (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.

All monetary values presented in this document are expressed in terms of US dollars.

### SUMMARY OF OIL AND GAS RESERVES BASED ON FORECAST PRICES AND COSTS AS AT MARCH 31, 2014

Reserves Category	Company Reserves <sup>(1)</sup>							
	Light and Medium Oil		Heavy Oil		Natural Gas <sup>(9)</sup>		Natural Gas Liquids	
	Gross MSTB	Net MSTB	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbbl	Net Mbbbl
<b>Argentina</b>								
<b>PROVED</b>								
Developed Producing <sup>(2)(6)</sup>	187	170	0	0	0	0	0	0
Developed Non-Producing <sup>(2)(7)</sup>	0	0	0	0	0	0	0	0
Undeveloped <sup>(2)(8)</sup>	0	0	0	0	0	0	0	0
<b>TOTAL PROVED<sup>(2)</sup></b>	<b>187</b>	<b>170</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL PROBABLE<sup>(3)</sup></b>	<b>619</b>	<b>563</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL PROVED + PROBABLE<sup>(2)(3)</sup></b>	<b>806</b>	<b>734</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Reserves Category	Company Reserves <sup>(1)</sup>							
	Light and Medium Oil		Heavy Oil		Natural Gas <sup>(9)</sup>		Natural Gas Liquids	
	Gross MSTB	Net MSTB	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbbl	Net Mbbbl
<b>Italy</b>								
<b>PROVED</b>								
Developed Producing	0	0	0	0	374	374	2	2
Developed Non-Producing <sup>(2)(7)</sup>	0	0	0	0	0	0	0	0
Undeveloped <sup>(2)(8)</sup>	0	0	0	0	0	0	0	0
<b>TOTAL PROVED<sup>(2)</sup></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>374</b>	<b>374</b>	<b>2</b>	<b>2</b>
<b>TOTAL PROBABLE<sup>(3)</sup></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,287</b>	<b>7,287</b>	<b>102</b>	<b>102</b>
<b>TOTAL PROVED + PROBABLE<sup>(2)(3)</sup></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,661</b>	<b>7,661</b>	<b>104</b>	<b>104</b>

**SUMMARY OF NET PRESENT VALUES  
BASED ON FORECAST PRICES AND COSTS  
AS AT MARCH 31, 2014**

Reserves Category	Net Present Values of Future Net Revenue									
	Before Income Tax					After Income Tax				
	Discounted at					Discounted at				
0%/yr	5%/yr.	10%/yr.	15%/yr.	20%/yr.	0%/yr	5%/yr.	10%/yr.	15%/yr.	20%/yr.	
\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	
<b>PROVED</b>										
Developed Producing <sup>(2)(6)</sup>	6,636	6,044	5,538	5,106	4,735	6,636	6,044	5,538	5,106	4,735
Developed Non-Producing <sup>(2)(7)</sup>	0	0	0	0	0	0	0	0	0	0
Undeveloped <sup>(2)(8)</sup>	0	0	0	0	0	0	0	0	0	0
<b>TOTAL PROVED<sup>(2)</sup></b>	<b>6,636</b>	<b>6,044</b>	<b>5,538</b>	<b>5,106</b>	<b>4,735</b>	<b>6,636</b>	<b>6,044</b>	<b>5,538</b>	<b>5,106</b>	<b>4,735</b>
<b>TOTAL PROBABLE<sup>(3)</sup></b>	<b>22,595</b>	<b>17,927</b>	<b>14,584</b>	<b>12,129</b>	<b>10,282</b>	<b>22,595</b>	<b>17,927</b>	<b>14,584</b>	<b>12,129</b>	<b>10,282</b>
<b>TOTAL PROVED + PROBABLE<sup>(2)(3)</sup></b>	<b>29,231</b>	<b>23,971</b>	<b>20,121</b>	<b>17,235</b>	<b>15,017</b>	<b>29,231</b>	<b>23,971</b>	<b>20,121</b>	<b>17,235</b>	<b>15,017</b>

Reserves Category	Net Present Values of Future Net Revenue									
	Before Income Tax					After Income Tax				
	Discounted at					Discounted at				
0%/yr	5%/yr.	10%/yr.	15%/yr.	20%/yr.	0%/yr	5%/yr.	10%/yr.	15%/yr.	20%/yr.	
\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	
<b>PROVED</b>										
Developed Producing <sup>(2)(6)</sup>	2,395	2,185	2,011	1,863	1,737	2,395	2,185	2,011	1,863	1,737
Developed Non-Producing <sup>(2)(7)</sup>	0	0	0	0	0	0	0	0	0	0
Undeveloped <sup>(2)(8)</sup>	0	0	0	0	0	0	0	0	0	0
<b>TOTAL PROVED<sup>(2)</sup></b>	<b>2,395</b>	<b>2,185</b>	<b>2,011</b>	<b>1,863</b>	<b>1,737</b>	<b>2,395</b>	<b>2,185</b>	<b>2,011</b>	<b>1,863</b>	<b>1,737</b>
<b>TOTAL PROBABLE<sup>(3)</sup></b>	<b>65,999</b>	<b>28,775</b>	<b>16,010</b>	<b>10,354</b>	<b>7,334</b>	<b>65,999</b>	<b>28,775</b>	<b>16,010</b>	<b>10,354</b>	<b>7,334</b>
<b>TOTAL PROVED + PROBABLE<sup>(2)(3)</sup></b>	<b>68,394</b>	<b>30,960</b>	<b>18,021</b>	<b>12,217</b>	<b>9,071</b>	<b>68,394</b>	<b>30,960</b>	<b>18,021</b>	<b>12,217</b>	<b>9,071</b>

**TOTAL FUTURE NET REVENUE  
(UNDISCOUNTED)  
BASED ON FORECAST PRICES AND COSTS  
AS AT MARCH 31, 2014**

	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)
<b>Argentina</b>								
Total Proved <sup>(2)</sup>	11,166	1,005	2,822	0	703	6,636	0	6,636
Total Proved Plus Probable <sup>(2)(3)</sup>	48,089	4,328	12,031	757	1,741	29,231	0	29,231
<b>Italy</b>								
Total Proved	4,665	0	1,987	143	141	2,395	0	2,395
Total Proved Plus Probable <sup>(2)(3)</sup>	90,912	0	19,409	2,897	212	68,394	0	68,394

**FUTURE NET REVENUE BY PRODUCTION GROUP  
BASED ON FORECAST PRICES AND COSTS  
AS AT MARCH 31, 2014**

	Production Group	Future Net Revenue Before Income Taxes (Discounted at 10%/Year) (\$M)
<b>Argentina</b>		
Total Proved <sup>(2)</sup>	Light and Medium Oil (including solution gas and other by-products)	5,538
	Heavy Oil (including solution gas and other by-products)	0
Total Proved Plus Probable <sup>(2)(3)</sup>	Natural Gas (including by-products but not solution gas)	0
	Light and Medium Oil (including solution gas and other by-products)	20,121
	Heavy Oil (including solution gas and other by-products)	0
	Natural Gas (including by-products but not solution gas)	0
<b>Italy</b>		
Total Proved <sup>(2)</sup>	Light and Medium Oil (including solution gas and other by-products)	0
	Heavy Oil (including solution gas and other by-products)	0
Total Proved Plus Probable <sup>(2)(3)</sup>	Natural Gas (including by-products but not solution gas)	2,011
	Light and Medium Oil (including solution gas and other by-products)	0
	Heavy Oil (including solution gas and other by-products)	0
	Natural Gas (including by-products but not solution gas)	18,021

**OIL AND GAS RESERVES AND NET PRESENT VALUES BY PRODUCTION GROUP  
BASED ON FORECAST PRICES AND COSTS  
AS AT MARCH 31, 2014**

<b>Argentina</b> Reserve Group by Category	Reserves						Net Present Value (BIT) 10% M\$	Unit Values @ 10%/yr
	Oil		Gas <sup>(9)</sup>		NGL			
	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbbl	Net Mbbbl		
<b>Light and Medium Oil</b>								
<b>Proved</b>								
Developed Producing	187	170	0	0	0	0	5,538	32.58
Developed Non-Producing	0	0	0	0	0	0	0	N/A
Undeveloped	0	0	0	0	0	0	0	N/A
<b>Total Proved</b>	<b>187</b>	<b>170</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,538</b>	<b>32.58</b>
Probable	619	563	0	0	0	0	14,584	25.90
<b>Proved Plus Probable</b>	<b>806</b>	<b>734</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,121</b>	<b>27.41</b>

<b>Italy</b> Reserve Group by Category	Reserves						Net Present Value (BIT) 10% M\$	Unit Values @ 10%/yr
	Oil		Gas <sup>(9)</sup>		NGL			
	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbbl	Net Mbbbl		
<b>Assoc &amp; Non-Assoc Gas</b>								
<b>Proved</b>								
Developed Producing	0	0	374	374	2	2	2,011	5.38
Developed Non-Producing	0	0	0	0	0	0	0	N/A
Undeveloped	0	0	0	0	0	0	0	N/A
<b>Total Proved</b>	<b>0</b>	<b>0</b>	<b>374</b>	<b>374</b>	<b>2</b>	<b>2</b>	<b>2,011</b>	<b>5.38</b>
Probable	0	0	7,287	7,287	102	102	16,010	2.20
<b>Proved Plus Probable</b>	<b>0</b>	<b>0</b>	<b>7,661</b>	<b>7,661</b>	<b>104</b>	<b>104</b>	<b>18,021</b>	<b>2.35</b>

**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.
- "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.
- "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.
- "Developed Producing" reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
- "Developed Non-Producing" reserves are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.
- "Undeveloped" reserves are those reserves expected to be recovered from know 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.
- Includes associated, non-associated and solution gas where applicable.

### Part 3 - Pricing Assumptions

The following tables detail the benchmark reference prices for the regions in which the Company operated, as at March 31, 2014, 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

**CHAPMAN PETROLEUM ENGINEERING LTD.**  
**International Price - Crude Oil & Natural Gas**  
**HISTORICAL, CONSTANT, CURRENT AND FUTURE PRICES**

April 1, 2014

Date	WTI [1] \$US/STB	Brent Spot (ICE)[2] \$US/STB	Argentinean Oil [3] \$US/STB
<b>HISTORICAL PRICES</b>			
2004	41.48	38.03	N/A
2005	56.62	55.28	N/A
2006	65.91	66.09	N/A
2007	72.35	72.74	N/A
2008	99.70	98.33	N/A
2009	61.64	62.52	N/A
2010	79.42	80.22	N/A
2011	95.03	109.67	N/A
2012	94.16	108.75	N/A
2013	97.93	108.68	N/A
2014     3 mos	98.73	107.91	N/A

**CONSTANT PRICES (The average of the first-day-of-the-month price for the preceding 12 months-SEC)**

	98.74	107.58	<b>59.64</b>
--	-------	--------	--------------

**Constant thereafter**

- Notes:
- [1] West Texas Intermediate quality (D2/S2) crude landed in Cushing, Oklahoma.
  - [2] The Brent Spot price is estimated based on historic data.
  - [3] Argentinean oil price data was provided by client.

**CHAPMAN PETROLEUM ENGINEERING LTD.**  
**International Price - Crude Oil & Natural Gas**  
**HISTORICAL, CONSTANT, CURRENT AND FUTURE PRICES**

April 1, 2014

Year	M	Canadian NGL [1] C\$/STB	Torrente Cigno NGL [2] \$/US/STB	Henry Hub Gas[3] \$/US/Mcf	Torrente Cigno Gas[4] \$/US/Mcf	Misano Adriatico Gas[4] \$/US/Mcf	Lucera Gas[4] \$/US/Mcf	San Mauro Gas[4] \$/US/Mcf	San Andrea Gas[4] \$/US/Mcf
<b>HISTORICAL PRICES</b>									
2013		77.68	135.52	3.84	7.10	14.89	11.44	11.44	13.68
2014	3	80.78	N/A	5.11	N/A	12.56	9.93	9.93	13.05
<b>CONSTANT PRICES (The average of the first-day-of-the-month price for the preceding 12 months-SEC)</b>									
		80.48	N/A	4.17	N/A	N/A	N/A	N/A	N/A
<b>FORECAST PRICE</b>									
2014	9	72.64	130.48	4.93	8.19	15.98	12.53	12.53	14.77
2015		70.78	128.62	4.78	8.04	15.83	12.38	12.38	14.62
2016		68.91	126.75	4.88	8.14	15.93	12.48	12.48	14.72
2017		70.78	128.62	5.28	8.54	16.33	12.88	12.88	15.12
2018		72.27	130.11	5.48	8.74	16.53	13.08	13.08	15.32
2019		73.01	130.85	5.68	8.94	16.73	13.28	13.28	15.52
2020		74.50	132.34	5.88	9.14	16.93	13.48	13.48	15.72
2021		74.50	132.34	6.08	9.34	17.13	13.68	13.68	15.92
2022		75.99	133.83	6.28	9.54	17.33	13.88	13.88	16.12
2023		77.51	135.35	6.38	9.64	17.43	13.98	13.98	16.22
2024		79.06	136.90	6.48	9.74	17.53	14.08	14.08	16.32
2025		80.64	138.48	6.58	9.84	17.63	14.18	14.18	16.42
2026		82.25	140.09	6.68	9.94	17.73	14.28	14.28	16.52
2027		83.90	141.74	6.88	10.14	17.93	14.48	14.48	16.72
2028		85.58	143.42	6.98	10.24	18.03	14.58	14.58	16.82
2029		87.29	145.13	7.08	10.34	18.13	14.68	14.68	16.92

**Constant thereafter**

- Notes: [1] Canadian NGL blended mix price assuming typical liquid composition of 40% propane, 30% butane and 30% pentanes plus.
- [2] Torrente Cigno NGL price forecast is based on Chapman Canadian NGL forecast plus difference of actually received in T.C. in 2013.
- [3] Henry Hub is natural gas futures contracts traded on the New York Mercantile Exchange (NYMEX).
- [4] Italy gas price forecast is based on Chapman Henry Hub forecast plus difference of actually received in Italy field in 2013.

The Company's weighted average prices received this fiscal year are: \$12.58/Mscf for natural gas and \$59.64/STB for condensate.

## 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, 2014 against such reserves as at March 31, 2013 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, 2014

Argentina	Light and Medium Oil			Heavy Oil			Associated and Non-Associated Gas		
	Proved (Mbbl)	Probable (Mbbl)	Proved Plus Probable (Mbbl)	Proved (Mbbl)	Probable (Mbbl)	Proved Plus Probable (Mbbl)	Proved (MMscf)	Probable (MMscf)	Proved Plus Probable (MMscf)
	At March 31, 2013	<b>1,601</b>	<b>220</b>	<b>1,821</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Production(Sales)	(52)	0	(52)	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0	0	0	0
Dispositions									
Discoveries	0	0	0	0	0	0	0	0	0
Extensions & Improved Recovery	0	0	0	0	0	0	0	0	0
Economic Factors	<b>(1,362)</b>	<b>399</b>	<b>(963)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Technical Revisions									
At March 31, 2014	<b>187</b>	<b>619</b>	<b>806</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Italy	Light and Medium Oil			Heavy Oil			Associated and Non-Associated Gas		
	Proved (Mbbl)	Probable (Mbbl)	Proved Plus Probable (Mbbl)	Proved (Mbbl)	Probable (Mbbl)	Proved Plus Probable (Mbbl)	Proved (MMscf)	Probable (MMscf)	Proved Plus Probable (MMscf)
	At March 31, 2013	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Production(Sales)	0	0	0	0	0	0	(98)	0	(98)
Acquisitions	0	0	0	0	0	0	483	7,300	7,783
Dispositions									
Discoveries	0	0	0	0	0	0	0	0	0
Extensions & Improved Recovery	0	0	0	0	0	0	0	0	0
Economic Factors	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(11)</b>	<b>(13)</b>	<b>(24)</b>
Technical Revisions									
At March 31, 2014	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>374</b>	<b>7,287</b>	<b>7,661</b>

## **Part 5 – Additional Information Relating to Reserves Data**

### **Undeveloped Reserves**

The Company had no proved undeveloped reserve as at March 31, 2014 or in prior years.

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

<b>Argentina</b>	<b>Light and Medium Oil (Mbbbl)</b>	<b>Heavy Oil (Mbbbl)</b>	<b>Natural Gas (MMscf)</b>	<b>Natural Gas Liquids (Mbbbl)</b>
Aggregate prior to 2012	0	0	0	0
2012	0	0	0	0
2013	0	0	0	0
2014	0	0	0	0

<b>Italy</b>	<b>Light and Medium Oil (Mbbbl)</b>	<b>Heavy Oil (Mbbbl)</b>	<b>Natural Gas (MMscf)</b>	<b>Natural Gas Liquids (Mbbbl)</b>
Aggregate prior to 2012	0	0	0	0
2012	0	0	0	0
2013	0	0	0	0
2014	0	0	7,269	102

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 7,269 MMscf natural gas in Torento Cigno Gas Concession is expected to be drilled in 2015 as a horizontal well in location Masseria Vincelli 2 and it is expected to produce at a much higher rate of 2,000 Mscf/D.

### **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.

	<b>Total Proved Estimated Using Forecast Prices and Costs (Undiscounted) (\$M)</b>	<b>Total Proved Plus Probable Estimated Using Forecast Prices and Costs (Undiscounted) (\$M)</b>
<b>Argentina</b>		
2014	0	400
2015	0	357
2016	0	0
2017	0	0
2018	0	0
Total for five years	0	757
Remainder	0	0
Total for all years	0	757
	<b>Total Proved Estimated Using Forecast Prices and Costs (Undiscounted) (\$M)</b>	<b>Total Proved Plus Probable Estimated Using Forecast Prices and Costs (Undiscounted) (\$M)</b>
<b>Italy</b>		
2014	0	0
2015	143	2,897
2016	0	0
2017	0	0
2018	0	0
Total for five years	143	2,897
Remainder	0	0
Total for all years	143	2,897

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, 2014:

	Oil		Natural Gas	
	Gross <sup>(1)</sup>	Net <sup>(1)</sup>	Gross <sup>(1)</sup>	Net <sup>(1)</sup>
<b>Argentina</b>				
Producing	12	12	0	0
Non-producing	15	15	0	0
<b>Italy</b>				
Producing	0	0	7	2.39
Non-producing	0	0	1	0.45

All of the Company's oil wells are located onshore in two oil fields, Alberto and Don Ernesto, Chubut Province of Argentina. There are 12 producing oil wells and 15 currently suspended wells, for which well workovers are planned.

All of the Company's gas wells are located onshore in six concession of Italy: Lucera, Masseria Acquasalsa, Misno Adriatico, San Andrea, San Mauro, and Torrente Cigno. Each concession has one producing well except Lucera concession, which has 2 producing well and 1 suspended well. Masseria Acquasalsa concession has no remaining reserves. There is an additional horizontal location in Torrente Cigno concession, which is expected to be drilled in 2015.

### **Properties with No Attributed Reserves**

The Company has no properties with no attributed reserves.

### **Forward Contracts**

Currently, the Company has no forward contracts.

### **Additional Information Concerning Abandonment and Reclamation Costs**



### 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, 2014

#### Argentina

Property Acquisition Costs (\$M)		Exploration Costs (\$M)	Development Costs (\$M)
Proved Properties	Unproved Properties		
0	0	0	7

#### Italy

Property Acquisition Costs (\$M)		Exploration Costs (\$M)	Development Costs (\$M)
Proved Properties	Unproved Properties		
0	0	0	325

### Exploration and Development Activities

The following table sets forth the number of exploratory and development wells which the Company completed during its 2014 financial year:

#### Argentina

	Exploratory Wells		Development Wells	
	Gross <sup>(1)</sup>	Net <sup>(1)</sup>	Gross <sup>(1)</sup>	Net <sup>(1)</sup>
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

#### Italy

	Exploratory Wells		Development Wells	
	Gross <sup>(1)</sup>	Net <sup>(1)</sup>	Gross <sup>(1)</sup>	Net <sup>(1)</sup>
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.

## Production Estimates

The following table sets forth the volume of production estimated by Chapman for 2014 (9 mos.):

### Argentina

#### TOTAL PROVED RESERVES

AREA	Light and Medium Oil (Mbbbl)	Heavy Oil (Mbbbl)	Natural Gas (MMscf)	Natural Gas Liquids (Mbbbl)
Alberto and Don Ernesto field	34	0	0	0
<b>Total for all areas</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### TOTAL PROVED PLUS PROBABLE RESERVES

AREA	Light and Medium Oil (Mbbbl)	Heavy Oil (Mbbbl)	Natural Gas (MMscf)	Natural Gas Liquids (Mbbbl)
Alberto and Don Ernesto field	34	0	0	0
<b>Total for all areas</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Italy

#### TOTAL PROVED RESERVES

AREA	Light and Medium Oil (Mbbbl)	Heavy Oil (Mbbbl)	Natural Gas (MMscf)	Natural Gas Liquids (Mbbbl)
Lucera Concession	0	0	28	0
Misano Adriatico Concession	0	0	14	0
San Andrea Concession	0	0	5	0
San Mauro Concession	0	0	9	0
Torrente Cigno Concession	0	0	23	0.3
<b>Total for all areas</b>	<b>0</b>	<b>0</b>	<b>80</b>	<b>0.3</b>

#### TOTAL PROVED PLUS PROBABLE RESERVES

AREA	Light and Medium Oil (Mbbbl)	Heavy Oil (Mbbbl)	Natural Gas (MMscf)	Natural Gas Liquids (Mbbbl)
Lucera Concession	0	0	28	0
Misano Adriatico Concession	0	0	14	0
San Andrea Concession	0	0	5	0
San Mauro Concession	0	0	9	0
Torrente Cigno Concession	0	0	46	0.6
<b>Total for all areas</b>	<b>0</b>	<b>0</b>	<b>103</b>	<b>0.6</b>

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, 2013	Three Months Ended September 30, 2013	Three Months Ended December 31, 2013	Three Months Ended March 31, 2014
<b>Average Daily Production</b>				
Light and Medium Oil (Bbl/d)	129	139	135	151
Natural Gas (Mscf/d)	71	502	342	320
<b>Average Net Prices Received</b>				
Light and Medium Oil (\$/Bbl)	62.44	62.43	62.99	67.41
Natural Gas (\$/boe)	12.93	68.64	50.09	21.04
<b>Royalties</b>				
Light and Medium Oil (\$/Bbl)	6.67	13.44	8.80	4.87
Natural Gas (\$/boe)	0	0	0	0
<b>Production Costs</b>				
Light and Medium Oil (\$/Bbl)	13.23	37.31	21.66	35.16
Natural Gas (\$/boe)	12.64	27.32	31.59	40.55
<b>Netback Received</b>				
Light and Medium Oil (\$/Bbl)	42.54	11.68	32.53	27.38
Natural Gas (\$/boe)	0.29	41.32	18.50	(19.51)

## 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		
<b>Other</b>			
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 <sup>3</sup>	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		