KENSINGTON ENERGY LTD.

2003 Oil and Gas Activities and Reserves Data

As Defined by
NI 51-101
Standards of Disclosure for Oil and Gas Activities

March 31, 2004

Kensington Energy Ltd.

Oil and Gas Activities and Reserves Data

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National Instrument 51-101

Standards of Disclosure for Oil and Gas Activities

Form 51-101F1

Statement of Reserves Data and Other Oil and Gas Information

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National Instrument 51-101
Standards of Disclosure for Oil and Gas Activities

Form 51-101F1
Statement of Reserves Data and Other Oil and Gas Information

The Canadian Securities Administrators (CSA) has set out disclosure standards for Canadian publicly traded oil and gas companies in National Instrument 51-101 (NI 51-101).

This section presents reserves data in a format that follows CSA Form 51-101F1 and the sample tables contained in Appendix 2 to the NI 51-101 Companion Policy (51-101CP) for Kensington Energy Ltd. ("Company").

Terms for which a meaning is given in NI 51-101 have the same meaning in this Form 51-101F1.

Part 1 Date of Statement

1.1 Relevant Dates

1. The date of this statement is March 31, 2004.
2. The effective date of the information being provided is December 31, 2003.
3. The preparation date of the information being provided is March 8, 2004.

Part 2 Disclosure of Reserves Data

2.1 Reserves Data (Constant Prices and Costs)

1. Breakdown of Proved Reserves (Constant Case)
   Refer to Table CP-1
2. Net Present Value of Future Net Revenue (Constant Case)
   Refer to Table CP-1
3. Additional Information Concerning Future Net Revenue (Constant Case)
   (a) Undiscounted Revenue and Costs
       Refer to Table CP-2
   (b) Discounted Future Net Revenue by Production Group
       Refer to Table CP-3

2.2 Reserves Data (Forecast Prices and Costs)

1. Breakdown of Proved Reserves (Forecast Case)
   Refer to Table FP-1
2. Net Present Value of Future Net Revenue (Forecast Case)
   Refer to Table FP-1
3. Additional Information Concerning Future Net Revenue (Forecast Case)
   (a) Undiscounted Revenue and Costs
   Refer to Table FP-2
   (b) Discounted Future Net Revenue by Production Group
   Refer to Table FP-3

2.3 Reserves Disclosure Varies with Accounting

The Company has not filed consolidated financial statements, financial statements in which investments are proportionately consolidated, or financial statements in which investments are accounted for by the equity method.

2.4 Future Net Revenue Disclosure Varies with Accounting

Same response as Item 2.3

Part 3 Pricing Assumptions

3.1 Constant Prices Used in Estimates

The reference benchmark prices (reflecting the posted prices corresponding to the last day of the Company's most recent financial year) used in the constant price analysis, are provided in Table CP-4.

3.2 Forecast Prices Used in Estimates

The forecast reference prices used in preparing the Company's reserves data are provided in Table FP-4. This price forecast is the independent reserve evaluator's standard price forecast effective January 1, 2004. The Company's weighted average historical prices for 2003 are as follows:

Heavy Oil	$26.90/bbl
Light and Medium Crude Oil	$42.53/bbl
Natural Gas	$6.20/mcf
Propane	$25.37/bbl
Butane	$31.03/bbl
Pentanes Plus	$38.89/bbl

Part 4 Reconciliation of Changes in Reserves

4.1 Reserves Reconciliation

Table FP-5 provides a reconciliation of the Company's net reserves based on forecast prices and costs between this analysis and the Company's prior year-end evaluation. All of the Company's reserves are in Canada.

4.2 Future Net Revenue Reconciliation

Period and Factor ($ thousands)	
Estimated Before Tax Net Present Value at December 31, 2002	**20,742**
Estimated After Tax Net Present Value at December 31, 2002	**15,409**
Oil and Gas Sales During the Period Net of Production Costs and Royalties (1)	(6,583)
Changes due to Prices, Production Costs and Royalties Related to Forecast Production (2)	(580)
Development Costs During the Period (3)	10,908
Changes In Forecast Development Costs (4)	(11,181)
Changes Resulting from Extensions and Improved Recovery (5)	18,972
Changes Resulting from Discoveries (5)	1,252
Changes Resulting from Acquisitions of Reserves (5)	-
Changes Resulting from Dispositions of Reserves (5)	(4,068)
Accretion of Discount (6)	2,074
Net Change in Income Taxes (7)	(2,064)
Changes Resulting from Technical Reserves Revisions	(4,148)
All Other Changes	1,690
Estimated After Tax Net Present Value at December 31, 2003	**21,683**
Estimated Before Tax Net Present Value at December 31, 2003	**29,080**

Values are based on total proved reserves from the constant prices and costs case discounted at 10%

(1) Company actual before income taxes, excluding G&A.
(2) The impact of changes in prices and other economic factors on future net revenue.
(3) Actual capital expenditures relating to the exploration, development and production of oil and gas reserves.
(4) The change in forecast development costs for the properties evaluated at the beginning of the period.
(5) End of period net present value of the related reserves.
(6) Estimated as 10% of the beginning of period net present value.
(7) The difference between forecast income taxes at beginning of period and the actual taxes for the period plus forecast income taxes at the end of period.

Part 5 Additional Information Relating to Reserves Data

5.1 Undeveloped Reserves

Proved and probable undeveloped reserves have been estimated in accordance with procedures and standards contained in the COGE Handbook. All of the undeveloped reserves are scheduled to be developed during 2004, within one year of the effective date.

5.2 Significant Factors or Uncertainties

Subsequent to the preparation of the reserves data, forecasted prices for all product types have increased significantly. This will increase the future net revenue estimates above those disclosed in this document.

5.3 Future Development Costs

1. Tables CP-6 and FP-6 summarize capital development costs related to the recovery of the Company's reserves.
2. The Company expects the source of funding for estimated future development costs to be internally generated cash flow, debt and equity financing. The costs of this funding will be low and will not make development of any property uneconomic.

Part 6 Other Oil and Gas Information

6.1 Oil and Gas Properties and Wells

1. The Company's properties are onshore in Alberta, Canada. The Company's properties which are capable of producing but are not producing consists of wells which were recently drilled within the past 3 months. All these properties are expected to be placed on production during 2004 as the longest gas well tie-in is less than 2 miles. The Company does not have any significant statutory or mandatory relinquishments, surrenders, back-ins or changes in ownership. After payout, the Company's interests in two Markerville wells will be reduced and it will be increased at a significant well in Compeer.

2. Wells

	Oil Wells		**Gas Wells**		**Total**	
	Gross	**Net**	**Gross**	**Net**	**Gross**	**Net**
Producing Wells	11	9.6	19	9.4	30	19.0
Non-Producing Wells	5	2.8	11	8.8	16	11.6
Total	**16**	**12.4**	**30**	**18.2**	**46**	**30.6**

6.2 Properties with No Attributed Reserves

1. The Company has 79,742 gross acres (43,599 net acres) of unproved land. The Company has no work commitments on this land.
2. The Company has 11,016 net acres of unproved land with the potential to expire in 2004. The Company expects the actual amount that will expire to be significantly less due to the Company's aggressive growth strategy.

6.3 Forward Contracts

The Company is not bound by any agreement which will preclude receiving future market prices. The Company's transportation obligations or commitments for future physical deliveries of oil or gas do not exceed its expected related future production from its proved reserves.

6.4 Additional Information Concerning Abandonment and Reclamation Costs

The Company estimates abandonment and reclamation costs on a facility by facility basis. The Company expects to incur such costs for 30.6 net wells over the total life of all those wells.

Abandonment and Reclamation Costs	**Undiscounted**	**Discounted at 10%**
Total Costs	$935,435	$420,946

Portion of Costs (percent) Not Included in Reserves Data (Constant Prices and Costs)	Total Proved	8%	7%
	Proved Plus Probable	1%	10%

The Company expects to incur costs of $140,000 (15% of the total abandonment and reclamation liability) over the next three years. Abandonment and reclamation costs included in the reserves data are summarized in Tables CP-7 and FP-7 for the constant and forecast price cases, respectively.

6.5 Tax Horizon

The Company was not required to pay income taxes in 2003. The after tax forecasts in the reserves data indicate that income taxes will become payable in 2004. When the full implication of the Company's business plan is taken into account, the Company does not expect to be required to pay income taxes in 2004.

6.6 Costs Incurred in 2003

The Company's property acquisition costs were $1,769,867. This is split between proved properties ($960,469) and unproved properties ($809,398). Exploration costs were $4,926,468 and development costs were $10,908,373. The Company has no investments that are accounted for by the equity method.

6.7 Exploration and Development Activities

1. Wells Drilled in 2003

	Oil		**Gas**		**Service**		**D & A**		**Total**	
	Gross	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Exploratory	2	2.0	4	3.3	0	0.0	2	0.6	8	5.9
Development	4	4.0	8	4.6	0	0.0	0	0.0	12	8.6
Total	**6**	**6.0**	**12**	**7.9**	**0**	**0.0**	**2**	**0.6**	**20**	**14.5**

2. The Company plans to continue with similar exploration and development activities. All of the Company's current exploration and development activities are in Canada.

6.8 Production Estimates

Tables CP-8 and FP-8 present a forecast of the Company's production by product type in the first year of forecast. All production is from Canada. Production for properties which individually account for 20 percent or more of the Company's forecast production (total proved plus probable reserves, BOE basis) in the first year of forecast has been identified separately in these tables.

6.9 Production History

1. Production Volumes in 2003

	Oil bbls/d	**Gas mcf/d**	**NGL bbls/d**	**Total boe/d**
Markerville	1	1,191	78	**278**
Compeer	14	988	-	**179**
Minor Properties	61	1,650	28	**363**
Total	76	3,829	106	**820**

2. Operating Margin Analysis in 2003

Light and Medium Oil					
	2003				
	Q1	Q2	Q3	Q4	Annual
Daily Production Volumes					
Oil (bbl/d)	101	104	28	13	62
NGL's (bbl/d)	2	1	1	3	2
Gas (mcf/d)	129	132	53	47	90
Boe equivalent (boe/d)	125	127	38	24	78
Average					
Price ($/boe)	49.28	39.63	37.86	31.99	39.69
Royalty ($/boe)	9.53	7.48	5.41	3.47	6.47
Op. Costs ($/boe)	6.75	5.93	15.54	13.81	10.51
Netback ($/boe)	33.01	26.22	16.90	14.72	22.71

Heavy Oil					
	2003				
	Q1	Q2	Q3	Q4	Annual
Daily Production Volumes					
Oil (bbl/d)	0	11	28	16	14
Average					
Price ($/boe)	0.00	28.95	27.57	24.41	26.94
Royalty ($/boe)	0.00	0.80	1.67	1.83	1.54
Op. Costs ($/boe)	0.00	29.11	24.13	28.59	27.12
Netback ($/boe)	0.00	-0.97	1.77	-6.02	-1.72

Natural Gas					
	2003				
	Q1	Q2	Q3	Q4	Annual
Daily Production Volumes					
Gas (mcf/d)	1523	3294	4552	5534	3739
NGL's (bbl/d)	43	66	124	186	104
Boe equivalent (boe/d)	297	615	883	1108	728
Average					
Price ($/mcf)	7.95	6.65	5.79	5.49	6.07
Royalty ($/mcf)	1.38	1.54	1.55	1.64	1.56
Op. Costs ($/mcf)	0.71	0.88	0.84	0.79	0.82
Netback ($/mcf)	5.86	4.22	3.40	3.06	3.69

TABLE CP-1

Summary of Reserves and Values

Company: **Kensington Energy Ltd.**
Property: **Corporate**
Description: **After Tax Analysis**

Pricing: **Posted (2003-Dec-31) Constant**
Effective Date: **January 01, 2004**

MARKETABLE RESERVES	Proved Producing	Proved Developed Non-producing	Proved Undeveloped	Total Proved	Total Probable	Total Proved Plus Probable
Light/Medium Oil - MSTB						
Total Company Interest	4.8	0.8	0.0	5.6	1.2	6.8
Working Interest	4.8	0.0	0.0	4.8	1.0	5.8
Net After Royalty	4.7	0.8	0.0	5.5	1.2	6.7
Heavy Oil - MSTB						
Total Company Interest	129.0	110.3	0.0	239.3	125.9	365.2
Working Interest	129.0	110.3	0.0	239.3	125.9	365.2
Net After Royalty	122.6	105.5	0.0	228.0	117.7	345.7
Gas - MMCF						
Total Company Interest	7451	1121	401	8974	1665	10639
Working Interest	7445	1121	401	8968	1665	10633
Net After Royalty	5801	875	306	6982	1326	8308
Natural Gas Liquids - MSTB						
Total Company Interest	268.0	61.6	0.0	329.6	62.4	392.0
Working Interest	267.9	61.6	0.0	329.5	62.4	391.9
Net After Royalty	210.2	42.4	0.0	252.6	48.1	300.7
Oil Equivalent - MBOE						
Total Company Interest	1643.6	359.6	66.9	2070.1	467.1	2537.1
Working Interest	1642.5	358.7	66.9	2068.1	466.8	2535.0
Net After Royalty	1304.3	294.6	50.9	1649.8	388.0	2037.8
BEFORE TAX PRESENT VALUE - $M						
0.0%	35100	7405	1041	43547	8979	52526
5.0%	27724	5844	875	34443	6241	40684
10.0%	23494	4835	751	29080	4828	33908
12.0%	22250	4525	710	27485	4426	31912
15.0%	20689	4133	655	25477	3931	29408
18.0%	19399	3807	608	23814	3529	27343
20.0%	18653	3620	580	22852	3301	26154
AFTER TAX PRESENT VALUE - $M						
0.0%	25857	-	-	31239	-	36713
5.0%	21068	-	-	25296	-	29057
10.0%	18208	-	-	21683	-	24544
12.0%	17349	-	-	20591	-	23195
15.0%	16257	-	-	19204	-	21490
18.0%	15343	-	-	18044	-	20074
20.0%	14811	-	-	17369	-	19253

Oil Equivalent Factors:

Li/Med Oil - 1.0 bbl/boe   Heavy Oil - 1.0 bbl/boe   Sales Gas - 6.0 mcf/boe   Condensate - 1.0 bbl/boe
Butane - 1.0 bbl/boe   Propane - 1.0 bbl/boe

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Table CP-2

Total Future Net Revenue (Undiscounted)

Company:	**Kensington Energy Ltd.**	Reserve Class:	**Various**
Property:	**Corporate**	Development Class:	**Classifications**
Description:	**After Tax Analysis**	Pricing:	**Posted (2003-Dec-31) Constant**
		Effective Date:	**January 01, 2004**

	Revenue (M$)	Royalties (M$)	Operating Costs (M$)	Capital Development Costs (M$)	Abandonment Costs (M$)	Future Net Revenue Before Income Taxes (M$)	Income Tax (M$)	Future Net Revenue After Income Taxes (M$)
Proved Producing	57026	11107	10146	0	672	35100	9244	25857
Proved Developed Nonproducing	11999	1605	2381	467	141	7405	-	-
Proved Undeveloped	2334	434	652	161	45	1041	-	-
Total Proved	71358	13146	13180	628	858	43547	12308	31239
Total Probable	15492	2553	2886	1010	64	8979	-	-
Total Proved Plus Probable	86850	15699	16066	1638	922	52526	15813	36713

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Table CP-3

Summary of Oil and Gas Reserves and Net Present Values of Future Net Revenue

Company: **Kensington Energy Ltd.**
Property: **Corporate**

Reserve Class: **Various**
Development Class: **Classifications**
Pricing: **Posted (2003-Dec-31) Constant**
Effective Date: **January 01, 2004**

	Reserves										Net Present Value of Future Net Revenue				
	Light and Medium Oil		Heavy Oil		Natural Gas		Natural Gas Liquids		Oil Equivalent		Before Income Taxes Discounted at Various Rates				
	W.I. Mbbl	Net Mbbl	W.I. Mbbl	Net Mbbl	W.I. Mmcf	Net Mmcf	W.I. Mbbl	Net Mbbl	W.I. Mbbl	Net Mbbl	0% M$	5% M$	10% M$	15% M$	20% M$
Proved Producing															
Heavy Oil Properties	0	0	129	123	1236	920	0	0	335	276	5817	5321	4909	4561	4266
Natural Gas Properties	5	5	0	0	6209	4881	268	210	1307	1028	28557	21726	17948	15522	13809
Other Company Revenue/Costs	0	0	0	0	0	0	0	0	0	0	726	676	637	605	577
Proved Producing	5	5	129	123	7445	5801	268	210	1643	1304	35100	27724	23494	20689	18653
Total Proved															
Heavy Oil Properties	0	0	239	228	1236	920	0	0	445	381	7160	6372	5759	5269	4869
Natural Gas Properties	5	6	0	0	7731	6062	329	253	1623	1268	35125	26943	22291	19255	17092
Other Company Revenue/Costs	0	0	0	0	0	0	0	0	0	0	1262	1128	1029	953	890
Total Proved	5	6	239	228	8968	6982	329	253	2068	1650	43547	34443	29080	25477	22852
Total Proved Plus Probable															
Heavy Oil Properties	0	0	365	346	1346	1000	0	0	589	512	9008	7770	6851	6144	5587
Natural Gas Properties	6	7	0	0	9287	7308	392	301	1946	1525	42013	31612	25892	22200	19583
Other Company Revenue/Costs	0	0	0	0	0	0	0	0	0	0	1505	1302	1165	1064	984
Total Proved Plus Probable	6	7	365	346	10633	8308	392	301	2535	2038	52526	40684	33908	29408	26154

Summary of Oil and Gas Reserves and Net Present Values of Future Net Revenue

Reserves										Net Present Value of Future Net Revenue				
Light and Medium Oil		Heavy Oil		Natural Gas		Natural Gas Liquids		Oil Equivalent		Before Income Taxes Discounted at Various Rates				
W.I. Mbbl	Net Mbbl	W.I. Mbbl	Net Mbbl	W.I. Mmcf	Net Mmcf	W.I. Mbbl	Net Mbbl	W.I. Mbbl	Net Mbbl	0% M$	5% M$	10% M$	15% M$	20% M$

BOE Factors:								
	OIL	1.00000	RES GAS	6.00000	PROPANE	1.00000	ETHANE	1.00000
	COND	1.00000	SLN GAS	6.00000	BUTANE	1.00000	SULPHUR	0.00000

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TABLE CP-4
DECEMBER 31, 2003 CONSTANT PRICES

Crude Oil and Natural Gas Prices

Year	Inflation %	Exchange Rate $US/$Cdn	West Texas Intermediate Crude Oil at Cushing Oklahoma Then Current $US/bbl	Brent Blend Crude Oil FOB North Sea Then Current $US/bbl	Light, Sweet Crude Oil (40 API, 0.3%S) at Edmonton Then Current $Cdn/bbl	Bow River Crude Oil Stream Quality at Hardisty Then Current $Cdn/bbl	Heavy Crude Oil Proxy (12 API) at Hardisty Then Current $Cdn/bbl	Medium Crude Oil (29 API, 2.0%S) at Cromer Then Current $Cdn/bbl	Alberta Natural Gas Liquids (Then Current Dollars) Spec Ethane $Cdn/bbl	Edmonton Propane $Cdn/bbl	Edmonton Butane $Cdn/bbl	Edmonton Pentanes Plus $Cdn/bbl
1993	1.8	0.7750	18.46	17.03	21.94	16.73	13.26	17.59	n/a	14.10	13.64	21.17
1994	0.2	0.7300	17.18	15.82	22.22	18.47	15.02	19.30	n/a	12.53	13.45	21.69
1995	2.2	0.7290	18.39	17.04	24.23	20.80	17.28	21.69	n/a	13.90	13.79	24.11
1996	1.6	0.7334	21.99	20.43	29.39	25.13	20.06	26.10	n/a	22.31	17.15	30.06
1997	1.6	0.7224	20.61	19.18	27.85	21.17	14.41	23.72	n/a	18.62	18.73	30.91
1998	0.9	0.6723	14.42	12.83	20.36	14.64	9.45	16.95	n/a	11.15	12.44	21.83
1999	1.7	0.6750	19.29	17.81	27.69	23.84	19.67	25.42	n/a	15.89	18.70	27.71
2000	2.7	0.6740	30.22	28.35	44.56	35.25	27.34	39.91	n/a	32.18	35.60	46.31
2001	2.6	0.6448	25.97	24.37	39.40	27.70	16.94	31.56	n/a	31.85	31.17	42.48
2002	2.2	0.6376	26.08	24.99	40.33	31.83	26.57	35.48	n/a	21.39	27.08	40.73
2003 (e)	2.8	0.7213	30.96	29.00	43.51	32.01	26.01	37.26	n/a	32.01	34.01	44.01
2004	**0.0**	**0.7738**	**32.52**	**31.02**	**40.81**	**29.81**	**23.31**	**34.81**	**19.50**	**29.81**	**31.81**	**41.31**

Constant Thereafter

Natural Gas and Sulphur

Year	US Gulf Coast Gas Price @ Henry Hub Then Current $US/mmbtu	Midwest Price @ Chicago Then Current $US/mmbtu	AECO-C Spot Then Current $Cdn/mmbtu	Alberta Plant Gate: Spot Then Current $/mmbtu	Alberta Plant Gate: ARP $/mmbtu	Alberta Plant Gate: Aggregator $/mmbtu	Alberta Plant Gate: Alliance $/mmbtu	Saskatchewan Plant Gate: SaskEnergy $/mmbtu	Saskatchewan Plant Gate: Spot $/mmbtu	Sumas Spot $US/mmbtu	British Columbia: CanWest Plant Gate $/mmbtu	British Columbia: Spot Plant Gate $/mmbtu	Sulphur FOB Vancouver $US/LT	Alberta Sulphur at Plant Gate $Cdn/LT
1993	2.11	2.31	2.26	2.16	1.71	n/a	n/a	1.48	2.07	1.89	1.73	2.10	30.22	-9.68
1994	1.94	2.11	1.98	1.86	1.81	n/a	n/a	1.88	1.87	1.59	1.81	1.87	44.96	16.57
1995	1.70	1.69	1.15	1.02	1.31	n/a	n/a	1.35	0.98	1.03	1.29	1.12	54.99	30.07
1996	2.52	2.73	1.39	1.26	1.63	n/a	n/a	1.52	1.28	1.32	1.50	1.47	36.28	14.44
1997	2.47	2.75	1.84	1.69	1.96	n/a	n/a	1.84	1.74	1.70	1.80	1.98	34.75	11.50
1998	2.16	2.20	2.03	1.88	1.94	n/a	n/a	2.05	2.13	1.60	1.94	2.00	24.59	-6.51
1999	2.32	2.34	2.92	2.75	2.48	n/a	n/a	2.83	2.97	2.15	2.51	2.78	33.74	6.93
2000	4.33	4.38	5.08	4.92	4.50	4.60	n/a	4.79	5.16	4.17	5.27	4.88	38.14	13.59
2001	4.05	4.17	6.21	6.07	5.41	5.30	5.61	5.71	6.20	4.56	6.76	6.29	18.29	-14.66
2002	3.36	3.30	4.04	3.88	3.88	3.83	3.82	4.04	4.08	2.68	3.64	3.93	29.38	3.04
2003 (e)	5.43	5.46	6.66	6.49	6.33	5.85	6.83	6.60	6.68	4.66	5.69	6.32	59.81	40.01
2004	**5.77**	**5.86**	**6.09**	**5.83**	**5.73**	**5.43**	**5.83**	**5.88**	**5.98**	**5.49**	**5.43**	**5.78**	**59.50**	**35.00**

Constant Thereafter

Unless otherwise stated, the gas price reference point is the receipt point on the applicable provincial gas transmission system known as the plant gate.
The plant gate price represents the price before raw gas gathering and processing charges are deducted.
Spot refers to weighted average one month price.

Note: These prices are actual posted prices at the referenced date; other reference prices are derived based on estimated price offsets.

TABLE CP-5

RESERVES RECONCILIATION

The reserves reconciliation has only been prepared for the forecast price analysis. Refer to Table FP-5.

Table CP-6

Company Annual Capital Expenditures (M$)

Company:	**Kensington Energy Ltd.**	Reserve Class:	**Various**
Property:	**Corporate**	Development Class:	**Classifications**
Description:	**After Tax Analysis**	Pricing:	**Posted (2003-Dec-31) Constant**
		Effective Date:	**January 01, 2004**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Subtotal	Remainder	Total	10% Discounted
Proved Producing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Proved	578	0	0	0	0	50	0	0	0	0	0	0	628	0	628	581
Total Proved Plus Probable	1588	0	0	0	0	50	0	0	0	0	0	0	1638	0	1638	1544

p:/s1046345/rems/econ/Posted_2003-Dec-31_Constant/_Corporate_After_Tax_Analysis_RC00_cs4.htm

Table CP-7

Company Annual Abandonment Costs (M$)

Company: **Kensington Energy Ltd.**
Property: **Corporate**
Description: **After Tax Analysis**

Reserve Class: **Various**
Development Class: **Classifications**
Pricing: **Posted (2003-Dec-31) Constant**
Effective Date: **January 01, 2004**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Subtotal	Remainder	Total	10% Discounted
Proved Producing	20	75	70	15	75	25	30	102	8	30	0	60	510	162	672	332
Total Proved	20	75	70	15	75	25	45	102	23	30	30	60	570	288	858	391
Total Proved Plus Probable	20	30	90	55	15	45	59	45	72	0	45	8	483	438	922	378

p:/s1046345/rems/econ/Posted_2003-Dec-31_Constant/_Corporate_After_Tax_Analysis_RC00_cs5.htm

Table CP-8

Summary of First Year Production and Oil and Gas Reserves

Company:	**Kensington Energy Ltd.**	Reserve Class:	**Various**
Property:	**Corporate**	Development Class:	**Classifications**
		Pricing:	**GLJ (2004-01)**
		Effective Date:	**January 01, 2004**

	2004 Average Daily Production										Reserves									
	Light and Medium Oil		Heavy Oil		Natural Gas		Natural Gas Liquids		Oil Equivalent		Light and Medium Oil		Heavy Oil		Natural Gas		Natural Gas Liquids		Oil Equivalent	
	W.I. bbl/d	Net bbl/d	W.I. bbl/d	Net bbl/d	W.I. mcf/d	Net mcf/d	W.I. bbl/d	Net bbl/d	W.I. bbl/d	Net bbl/d	W.I. Mbbl	Net Mbbl	W.I. Mbbl	Net Mbbl	W.I. Mmcf	Net Mmcf	W.I. Mbbl	Net Mbbl	W.I. Mbbl	Net Mbbl
Proved Producing																				
Major Properties																				
Compeer	0	0	35	33	1498	1053	0	0	284	209	0	0	73	70	1222	907	0	0	276	221
Markerville	0	0	0	0	1771	1336	107	80	402	302	0	0	0	0	4002	3233	229	184	896	723
Total Major Properties	0	0	35	33	3270	2389	107	80	686	511	0	0	73	70	5224	4140	229	184	1172	944
Other Properties	8	8	23	20	1795	1245	30	20	360	255	5	5	39	36	2181	1622	40	26	446	337
Proved Producing	8	8	58	53	5065	3634	137	99	1047	766	5	5	111	106	7405	5762	268	211	1619	1281
Total Proved																				
Major Properties																				
Compeer	0	0	65	61	1498	1053	0	0	314	237	0	0	176	168	1222	907	0	0	379	319
Markerville	0	0	0	0	2257	1676	139	102	515	382	0	0	0	0	4885	3919	288	225	1102	878
Total Major Properties	0	0	65	61	3755	2729	139	102	830	618	0	0	176	168	6107	4826	288	225	1481	1198
Other Properties	8	9	23	20	2119	1475	31	20	415	295	5	6	39	36	2794	2093	42	28	551	418
Total Proved	8	9	88	81	5874	4204	171	123	1245	913	5	6	214	204	8901	6919	330	253	2033	1616
Total Proved Plus Probable																				
Major Properties																				
Compeer	0	0	83	77	1535	1079	0	0	339	257	0	0	266	254	1336	990	0	0	489	419
Markerville	0	0	0	0	2507	1873	151	111	569	423	0	0	0	0	5750	4622	343	268	1301	1038
Total Major Properties	0	0	83	77	4043	2952	151	111	907	680	0	0	266	254	7087	5613	343	268	1790	1458
Other Properties	8	9	32	27	2299	1603	33	21	456	325	6	7	63	57	3482	2635	50	33	699	536

Summary of First Year Production and Oil and Gas Reserves

	2004 Average Daily Production										Reserves									
	Light and Medium Oil		Heavy Oil		Natural Gas		Natural Gas Liquids		Oil Equivalent		Light and Medium Oil		Heavy Oil		Natural Gas		Natural Gas Liquids		Oil Equivalent	
	W.I. bbl/d	Net bbl/d	W.I. bbl/d	Net bbl/d	W.I. mcf/d	Net mcf/d	W.I. bbl/d	Net bbl/d	W.I. bbl/d	Net bbl/d	W.I. Mbbl	Net Mbbl	W.I. Mbbl	Net Mbbl	W.I. Mmcf	Net Mmcf	W.I. Mbbl	Net Mbbl	W.I. Mbbl	Net Mbbl
Total Proved Plus Probable	8	9	115	104	6341	4555	183	132	1363	1005	6	7	329	311	10569	8248	392	301	2488	1994

BOE Factors:	OIL	1.00000	RES GAS	6.00000	PROPANE	1.00000	ETHANE	1.00000
	COND	1.00000	SLN GAS	6.00000	BUTANE	1.00000	SULPHUR	0.00000

p:/s1046345/rems/econ/GLJ_2004-01/_Corporate_Table_CP-8_RC00_cs6.htm

TABLE FP-1

Summary of Reserves and Values

Company: **Kensington Energy Ltd.**
Property: **Corporate**
Description: **After Tax Analysis**

Pricing: **GLJ (2004-01)**
Effective Date: **January 01, 2004**

	Proved Producing	Proved Developed Non-producing	Proved Undeveloped	Total Proved	Total Probable	Total Proved Plus Probable
MARKETABLE RESERVES						
Light/Medium Oil - MSTB						
Total Company Interest	4.8	0.8	0.0	5.6	1.2	6.8
Working Interest	4.8	0.0	0.0	4.8	1.0	5.8
Net After Royalty	4.7	0.8	0.0	5.5	1.2	6.7
Heavy Oil - MSTB						
Total Company Interest	111.2	103.0	0.0	214.2	114.5	328.7
Working Interest	111.2	103.0	0.0	214.2	114.5	328.7
Net After Royalty	105.5	98.6	0.0	204.1	107.1	311.2
Gas - MMCF						
Total Company Interest	7411	1121	375	8907	1668	10575
Working Interest	7405	1121	375	8901	1668	10569
Net After Royalty	5762	875	282	6919	1329	8248
Natural Gas Liquids - MSTB						
Total Company Interest	268.6	61.6	0.0	330.2	62.4	392.6
Working Interest	268.5	61.6	0.0	330.1	62.4	392.5
Net After Royalty	210.5	42.6	0.0	253.1	48.2	301.3
Oil Equivalent - MBOE						
Total Company Interest	1619.8	352.3	62.5	2034.5	456.1	2490.6
Working Interest	1618.6	351.4	62.5	2032.6	455.9	2488.4
Net After Royalty	1281.0	287.9	47.0	1615.9	378.0	1993.9
BEFORE TAX PRESENT VALUE - $M						
0.0%	27829	5605	721	34154	6896	41050
5.0%	22231	4495	614	27340	4685	32025
10.0%	19050	3778	533	23360	3614	26974
12.0%	18117	3556	505	22178	3315	25493
15.0%	16946	3272	469	20687	2948	23635
18.0%	15976	3035	437	19449	2651	22100
20.0%	15415	2897	419	18731	2482	21213
AFTER TAX PRESENT VALUE - $M						
0.0%	21355	-	-	25376	-	29506
5.0%	17687	-	-	20881	-	23660
10.0%	15474	-	-	18133	-	20233
12.0%	14806	-	-	17298	-	19206
15.0%	13953	-	-	16233	-	17906
18.0%	13237	-	-	15338	-	16820
20.0%	12818	-	-	14815	-	16188

Oil Equivalent Factors:

Li/Med Oil - 1.0 bbl/boe   Heavy Oil - 1.0 bbl/boe   Sales Gas - 6.0 mcf/boe   Condensate - 1.0 bbl/boe
Butane - 1.0 bbl/boe   Propane - 1.0 bbl/boe

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Table FP-2

Total Future Net Revenue (Undiscounted)

Company:	**Kensington Energy Ltd.**	Reserve Class:	**Various**
Property:	**Corporate**	Development Class:	**Classifications**
Description:	**After Tax Analysis**	Pricing:	**GLJ (2004-01)**
		Effective Date:	**January 01, 2004**

	Revenue (M$)	Royalties (M$)	Operating Costs (M$)	Capital Development Costs (M$)	Abandonment Costs (M$)	Future Net Revenue Before Income Taxes (M$)	Income Tax (M$)	Future Net Revenue After Income Taxes (M$)
Proved Producing	48706	9493	10590	0	794	27829	6474	21355
Proved Developed Nonproducing	9983	1300	2449	470	158	5605	-	-
Proved Undeveloped	1852	358	561	161	50	721	-	-
Total Proved	60541	11152	13601	632	1002	34154	8778	25376
Total Probable	13302	2171	3128	1010	97	6896	-	-
Total Proved Plus Probable	73842	13323	16729	1642	1099	41050	11544	29506

p:/s1046345/rems/econ/GLJ_2004-01/_Corporate_After_Tax_Analysis_RC00_cs3.htm

Table FP-3

Summary of Oil and Gas Reserves and Net Present Values of Future Net Revenue

Company: **Kensington Energy Ltd.**
Property: **Corporate**

Reserve Class: **Various**
Development Class: **Classifications**
Pricing: **GLJ (2004-01)**
Effective Date: **January 01, 2004**

	Reserves										Net Present Value of Future Net Revenue				
	Light and Medium Oil		Heavy Oil		Natural Gas		Natural Gas Liquids		Oil Equivalent		Before Income Taxes Discounted at Various Rates				
	W.I. Mbbl	Net Mbbl	W.I. Mbbl	Net Mbbl	W.I. Mmcf	Net Mmcf	W.I. Mbbl	Net Mbbl	W.I. Mbbl	Net Mbbl	0% M$	5% M$	10% M$	15% M$	20% M$
Proved Producing															
Heavy Oil Properties	0	0	111	106	1222	907	0	0	315	257	4614	4278	3992	3746	3533
Natural Gas Properties	5	5	0	0	6183	4855	268	211	1304	1024	22615	17387	14519	12683	11385
Other Company Revenue/Costs	0	0	0	0	0	0	0	0	0	0	600	566	539	517	497
Proved Producing	5	5	111	106	7405	5762	268	211	1619	1281	27829	22231	19050	16946	15415
Total Proved															
Heavy Oil Properties	0	0	214	204	1222	907	0	0	418	355	5450	4961	4563	4232	3955
Natural Gas Properties	5	6	0	0	7679	6012	330	253	1615	1261	27648	21420	17912	15626	13994
Other Company Revenue/Costs	0	0	0	0	0	0	0	0	0	0	1055	958	886	829	782
Total Proved	5	6	214	204	8901	6919	330	253	2033	1616	34154	27340	23360	20687	18731
Total Proved Plus Probable															
Heavy Oil Properties	0	0	329	311	1336	990	0	0	551	476	6660	5912	5325	4854	4469
Natural Gas Properties	6	7	0	0	9233	7258	392	301	1937	1518	33144	25019	20657	17866	15888
Other Company Revenue/Costs	0	0	0	0	0	0	0	0	0	0	1246	1094	991	915	855
Total Proved Plus Probable	6	7	329	311	10569	8248	392	301	2488	1994	41050	32025	26974	23635	21213

Summary of Oil and Gas Reserves and Net Present Values of Future Net Revenue

Reserves										Net Present Value of Future Net Revenue				
Light and Medium Oil		Heavy Oil		Natural Gas		Natural Gas Liquids		Oil Equivalent		Before Income Taxes Discounted at Various Rates				
W.I. Mbbl	Net Mbbl	W.I. Mbbl	Net Mbbl	W.I. Mmcf	Net Mmcf	W.I. Mbbl	Net Mbbl	W.I. Mbbl	Net Mbbl	0% M$	5% M$	10% M$	15% M$	20% M$

BOE Factors:								
	OIL	1.00000	RES GAS	6.00000	PROPANE	1.00000	ETHANE	1.00000
	COND	1.00000	SLN GAS	6.00000	BUTANE	1.00000	SULPHUR	0.00000

p:/s1046345/rems/econ/GLJ_2004-01/_Corporate_Table_FP-3_RC00_cs1bt.htm

Table FP-4
FORECAST PRICES USED IN PREPARING RESERVES DATA

Gilbert Laustsen Jung Associates Ltd.
Crude Oil and Natural Gas Liquids
Price Forecast
Effective January 1, 2004

Year	Inflation %	Exchange Rate $US/$Cdn	West Texas Intermediate Crude Oil at Cushing Oklahoma Constant 2004 $ $US/bbl	Then Current $US/bbl	Brent Blend Crude Oil FOB North Sea Constant 2004 $ $US/bbl	Then Current $US/bbl	Light, Sweet Crude Oil (40 API, 0.3%S) at Edmonton Constant 2004 $ $Cdn/bbl	Then Current $Cdn/bbl	Bow River Crude Oil Stream Quality at Hardisty Constant 2004 $ $Cdn/bbl	Then Current $Cdn/bbl	Heavy Crude Oil Proxy (12 API) at Hardisty Constant 2004 $ $Cdn/bbl	Then Current $Cdn/bbl	Medium Crude Oil (29 API, 2.0%S) at Cromer Constant 2004 $ $Cdn/bbl	Then Current $Cdn/bbl	Spec Ethane $Cdn/bbl	Alberta Natural Gas Liquids (Then Current Dollars) Edmonton Propane $Cdn/bbl	Edmonton Butane $Cdn/bbl	Edmonton Pentanes Plus $Cdn/bbl
1993	1.8	0.775	22.55	18.46	20.80	17.03	26.80	21.94	20.44	16.73	16.20	13.26	21.49	17.59	n/a	14.10	13.64	21.17
1994	0.2	0.730	20.62	17.18	18.98	15.82	26.66	22.22	22.16	18.47	18.02	15.02	23.16	19.30	n/a	12.53	13.45	21.69
1995	2.2	0.729	22.02	18.39	20.41	17.04	29.02	24.23	24.91	20.80	20.69	17.28	25.98	21.69	n/a	13.90	13.79	24.11
1996	1.6	0.733	25.78	21.99	23.95	20.43	34.45	29.39	29.46	25.13	23.51	20.06	30.59	26.10	n/a	22.31	17.15	30.06
1997	1.6	0.722	23.78	20.61	22.13	19.18	32.13	27.85	24.42	21.17	16.62	14.41	27.37	23.72	n/a	18.62	18.73	30.91
1998	0.9	0.672	16.37	14.42	14.57	12.83	23.12	20.36	16.62	14.64	10.73	9.45	19.25	16.95	n/a	11.15	12.44	21.83
1999	1.7	0.675	21.71	19.29	20.04	17.81	31.16	27.69	26.83	23.84	22.14	19.67	28.61	25.42	n/a	15.89	18.70	27.71
2000	2.7	0.674	33.44	30.22	31.37	28.35	49.31	44.56	39.01	35.25	30.25	27.34	44.16	39.91	n/a	32.18	35.60	46.31
2001	2.6	0.645	27.98	25.97	26.26	24.37	42.45	39.40	29.85	27.70	18.25	16.94	34.01	31.56	n/a	31.85	31.17	42.48
2002	2.2	0.638	27.39	26.08	26.24	24.99	42.35	40.33	33.43	31.83	27.90	26.57	37.26	35.48	n/a	21.39	27.08	40.73
2003 (e)	2.8	0.721	31.82	30.96	29.80	29.00	44.71	43.51	32.89	32.01	26.73	26.01	38.29	37.26	n/a	32.01	34.01	44.01
2004 Q1	1.5	0.750	30.50	30.50	29.00	29.00	39.75	39.75	27.75	27.75	21.00	21.00	33.25	33.25	23.25	28.75	30.75	40.25
2004 Q2	1.5	0.750	29.50	29.50	28.00	28.00	38.50	38.50	28.50	28.50	22.50	22.50	33.00	33.00	18.00	27.50	29.50	39.00
2004 Q3	1.5	0.750	28.25	28.25	26.75	26.75	36.75	36.75	26.75	26.75	20.75	20.75	31.25	31.25	18.00	25.75	27.75	37.25
2004 Q4	1.5	0.750	27.50	27.50	26.00	26.00	35.75	35.75	23.75	23.75	17.00	17.00	29.25	29.25	18.75	24.75	26.75	36.25
2004 Full Year	1.5	0.750	29.00	29.00	27.50	27.50	37.75	37.75	26.75	26.75	20.25	20.25	31.75	31.75	19.50	26.75	28.75	38.25
2005	1.5	0.750	25.50	26.00	24.25	24.50	33.25	33.75	25.25	25.75	20.00	20.25	28.25	28.75	17.00	21.75	23.75	34.25
2006	1.5	0.750	24.25	25.00	22.75	23.50	31.50	32.50	25.25	26.00	20.50	21.00	27.75	28.50	16.50	20.50	22.50	33.00
2007	1.5	0.750	24.00	25.00	22.50	23.50	31.00	32.50	24.75	26.00	20.00	21.00	27.25	28.50	16.50	20.50	22.50	33.00
2008	1.5	0.750	23.50	25.00	22.25	23.50	30.50	32.50	24.50	26.00	19.75	21.00	26.75	28.50	16.50	20.50	22.50	33.00
2009	1.5	0.750	23.25	25.00	21.75	23.50	30.25	32.50	24.25	26.00	19.50	21.00	26.50	28.50	16.50	20.50	22.50	33.00
2010	1.5	0.750	22.75	25.00	21.50	23.50	29.75	32.50	23.75	26.00	19.25	21.00	26.00	28.50	16.50	20.50	22.50	33.00
2011	1.5	0.750	22.50	25.00	21.25	23.50	29.25	32.50	23.50	26.00	19.00	21.00	25.75	28.50	16.50	20.50	22.50	33.00
2012	1.5	0.750	22.25	25.00	20.75	23.50	28.75	32.50	23.00	26.00	18.75	21.00	25.25	28.50	16.50	20.50	22.50	33.00
2013	1.5	0.750	21.75	25.00	20.50	23.50	28.50	32.50	22.75	26.00	18.25	21.00	25.00	28.50	16.50	20.50	22.50	33.00
2014	1.5	0.750	21.50	25.00	20.25	23.50	28.00	32.50	22.50	26.00	18.00	21.00	24.50	28.50	16.50	20.50	22.50	33.00
2015+	1.5	0.750	21.50	+1.5%/yr	20.25	+1.5%/yr	28.00	+1.5%/yr	22.50	+1.5%/yr	18.00	+1.5%/yr	24.50	+1.5%/yr		Escalate at 1.5 % per year		

Revised December 15, 2003 1:00 PM

Table FP-4 (continued)
FORECAST PRICES USED IN PREPARING RESERVES DATA

Gilbert Laustsen Jung Associates Ltd.
Natural Gas and Sulphur
Price Forecast
Effective January 1, 2004

	US Gulf Coast Gas Price @ Henry Hub		Midwest Price @ Chicago	AECO-C Spot	Alberta Plant Gate					Saskatchewan Plant Gate			British Columbia		Sulphur	Alberta Sulphur
					Spot											
	Constant 2004 $	Then Current	Then Current	Then Current	Constant 2004 $	Then Current	ARP	Aggregator	Alliance	SaskEnergy	Spot	Sumas Spot	CanWest Plant Gate	Spot Plant Gate	FOB Vancouver	at Plant Gate
Year	$US/mmbtu	$US/mmbtu	$US/mmbtu	$Cdn/mmbtu	$/mmbtu	$/mmbtu	$/mmbtu	$/mmbtu	$/mmbtu	$/mmbtu	$/mmbtu	$US/mmbtu	$/mmbtu	$/mmbtu	$US/LT	$Cdn/LT
1993	2.58	2.11	2.31	2.26	2.64	2.16	1.71	n/a	n/a	1.48	2.07	1.89	1.73	2.10	30.22	-9.68
1994	2.33	1.94	2.11	1.98	2.23	1.86	1.81	n/a	n/a	1.88	1.87	1.59	1.81	1.87	44.96	16.57
1995	2.04	1.70	1.69	1.15	1.22	1.02	1.31	n/a	n/a	1.35	0.98	1.03	1.29	1.12	54.99	30.07
1996	2.95	2.52	2.73	1.39	1.48	1.26	1.63	n/a	n/a	1.52	1.28	1.32	1.50	1.47	36.28	14.44
1997	2.85	2.47	2.75	1.84	1.95	1.69	1.96	n/a	n/a	1.84	1.74	1.70	1.80	1.98	34.75	11.50
1998	2.45	2.16	2.20	2.03	2.13	1.88	1.94	n/a	n/a	2.05	2.13	1.60	1.94	2.00	24.59	-6.51
1999	2.61	2.32	2.34	2.92	3.09	2.75	2.48	n/a	n/a	2.83	2.97	2.15	2.51	2.78	33.74	6.93
2000	4.79	4.33	4.38	5.08	5.44	4.92	4.50	4.60	n/a	4.79	5.16	4.17	5.27	4.88	38.14	13.59
2001	4.36	4.05	4.17	6.21	6.54	6.07	5.41	5.30	5.61	5.71	6.20	4.56	6.76	6.29	18.29	-14.66
2002	3.53	3.36	3.30	4.04	4.07	3.88	3.88	3.83	3.82	4.04	4.08	2.68	3.64	3.93	29.38	3.04
2003 (e)	5.58	5.43	5.46	6.66	6.67	6.49	6.33	5.85	6.83	6.60	6.68	4.66	5.69	6.32	59.81	40.01
2004 Q1	6.00	6.00	6.25	7.00	6.70	6.70	6.60	6.20	6.85	6.75	6.90	5.40	5.95	6.70	49.00	21.50
2004 Q2	4.75	4.75	4.85	5.40	5.15	5.15	5.05	4.80	5.05	5.20	5.30	4.10	4.80	5.00	67.00	46.00
2004 Q3	4.75	4.75	4.85	5.40	5.15	5.15	5.05	4.80	5.05	5.20	5.30	4.10	4.75	5.00	65.00	43.00
2004 Q4	4.90	4.90	5.15	5.65	5.40	5.40	5.30	5.00	5.45	5.45	5.55	4.50	5.30	5.55	55.00	30.00
2004 Full Year	5.10	5.10	5.30	5.85	5.60	5.60	5.50	5.20	5.60	5.65	5.75	4.55	5.20	5.55	59.00	35.00
2005	4.45	4.50	4.70	5.15	4.85	4.90	4.85	4.70	4.90	5.00	5.05	4.00	4.65	4.90	45.00	16.50
2006	4.20	4.35	4.60	5.00	4.60	4.75	4.75	4.70	4.75	4.90	4.90	3.90	4.75	4.75	45.00	16.50
2007	4.15	4.35	4.60	5.00	4.55	4.75	4.75	4.75	4.75	4.90	4.90	3.90	4.75	4.75	45.00	16.50
2008	4.10	4.35	4.60	5.00	4.50	4.75	4.75	4.75	4.75	4.90	4.90	3.90	4.75	4.75	45.00	16.50
2009	4.05	4.35	4.60	5.00	4.40	4.75	4.75	4.75	4.75	4.90	4.90	3.90	4.75	4.75	46.00	18.00
2010	4.00	4.35	4.60	5.00	4.35	4.75	4.75	4.75	4.75	4.90	4.90	3.90	4.75	4.75	47.00	19.00
2011	3.90	4.35	4.60	5.00	4.30	4.75	4.75	4.75	4.75	4.90	4.90	3.90	4.75	4.75	48.00	20.50
2012	3.85	4.35	4.60	5.00	4.20	4.75	4.75	4.75	4.75	4.90	4.90	3.90	4.75	4.75	49.00	22.00
2013	3.80	4.35	4.60	5.00	4.15	4.75	4.75	4.75	4.75	4.90	4.90	3.90	4.75	4.75	50.00	23.50
2014	3.75	4.35	4.60	5.00	4.10	4.75	4.75	4.75	4.75	4.90	4.90	3.90	4.75	4.75	51.00	25.00
2015+	3.75	+1.5%/yr	+1.5%/yr	+1.5%/yr	4.10	+1.5%/yr				Escalate at 1.5 % per year					+1.5%/yr	

Unless otherwise stated, the gas price reference point is the receipt point on the applicable provincial gas transmission system known as the plant gate.
The plant gate price represents the price before raw gas gathering and processing charges are deducted.
Spot refers to weighted average one month price.

Revised December 15, 2003 1:00 PM

TABLE FP-5

RECONCILIATION OF COMPANY NET RESERVES

BY PRINCIPAL PRODUCT TYPE

FORECAST PRICES AND COSTS

	Light and Medium Oil			Heavy Oil			Conventional Natural Gas			Natural Gas Liquids			BOE		
FACTORS	Net Proved (Mbbl)	Net Probable (Mbbl)	Net Proved Plus Probable (Mbbl)	Net Proved (Mbbl)	Net Probable (Mbbl)	Net Proved Plus Probable (Mbbl)	Net Proved (MMcf)	Net Probable (MMcf)	Net Proved Plus Probable (MMcf)	Net Proved (Mbbl)	Net Probable (Mbbl)	Net Proved Plus Probable (Mbbl)	Net Proved (Mboe)	Net Probable (Mboe)	Net Proved Plus Probable (Mboe)
January 1, 2003	199	84	283	41	60	101	3,863	4,104	7,967	38	132	170	922	960	1882
Extensions	0	0	0	63	17	79	4,320	-2,985	1,335	207	-145	62	990	-626	364
Improved Recovery	1	0	1	0	0	0	613	58	671	9	0	9	112	10	122
Technical Revisions	2	5	7	70	9	79	-1,268	197	-1,071	24	62	85	-117	109	-8
Discoveries	0	0	0	36	21	57	286	199	485	3	1	4	87	55	142
Acquisitions	0	0	0	0	0	0	291	46	337	0	0	0	49	8	56
Dispositions	-175	-88	-263	0	0	0	-128	-290	-418	-1	-2	-2	-197	-138	-334
Economic Factors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Production	-21		-21	-5		-5	-1,058	0	-1,058	-28	0	-28	-230		-230
January 1, 2004	6	1	7	204	107	311	6,919	1,329	8,248	253	48	301	1616	378	1994

Note: The previous evaluation was prepared using Canadian National Policy 2-B reserves definitions. Under those definitions, probable reserves were adjusted by a factor to account for the risk associated with their recovery. The Company previously applied a risk factor of 50 percent in reporting its probable reserves. Under current NI 51-101 reserves definitions, estimates are prepared such that the full proved plus probable reserves are estimated to be recoverable (proved plus probable reserves are effectively a "best estimate"). The above reconciliation reflects current probable reserves versus previous risk adjusted (50 percent) probable reserves reported by the Company.

The negative drilling extension values in the probable reserves category for conventional natural gas and natural gas liquids are the result of the reclassification of previously booked probable reserves into the proved reserves category.

The Technical Revisions presented above include additions associated with Infill Drilling, to be consistent with companies reporting under U.S. FASB regulations. The following are the additions associated with Infill Drilling:

	Net Proved	Net Probable	Net Proved Plus Probable
Light and Medium Oil - Mbbls	0	0	0
Heavy Oil - Mbbls	0	0	0
Gas - MMcf	0	0	0
NGL's - Mbbls	0	0	0

The Company has no unconventional reserves (Bitumen, Synthetic Crude Oil, Natural Gas from Coal, etc.).

The January 1, 2003 opening balance values presented in this table were prepared by Martin & Brusset Associates who conducted the corporate evaluation of Kensington's reserves at that date.

Table FP-6

Company Annual Capital Expenditures (M$)

Company:	**Kensington Energy Ltd.**	Reserve Class:	**Various**
Property:	**Corporate**	Development Class:	**Classifications**
Description:	**After Tax Analysis**	Pricing:	**GLJ (2004-01)**
		Effective Date:	**January 01, 2004**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Subtotal	Remainder	Total	10% Discounted
Proved Producing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Proved	578	0	0	0	0	54	0	0	0	0	0	0	632	0	632	583
Total Proved Plus Probable	1588	0	0	0	0	54	0	0	0	0	0	0	1642	0	1642	1546

p:/s1046345/rems/econ/GLJ_2004-01/_Corporate_After_Tax_Analysis_RC00_cs4.htm

Table FP-7

Company Annual Abandonment Costs (M$)

Company:	**Kensington Energy Ltd.**	Reserve Class:	**Various**
Property:	**Corporate**	Development Class:	**Classifications**
Description:	**After Tax Analysis**	Pricing:	**GLJ (2004-01)**
		Effective Date:	**January 01, 2004**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Subtotal	Remainder	Total	10% Discounted
Proved Producing	20	107	87	0	80	43	96	33	76	0	0	0	542	252	794	382
Total Proved	20	107	87	16	80	43	112	33	110	0	0	35	643	359	1002	460
Total Proved Plus Probable	20	61	93	42	16	48	97	130	0	0	139	9	655	444	1099	453

p:/s1046345/rems/econ/GLJ_2004-01/_Corporate_After_Tax_Analysis_RC00_cs5.htm

Table FP-8

Summary of First Year Production and Oil and Gas Reserves

Company: **Kensington Energy Ltd.**
Property: **Corporate**

Reserve Class: **Various**
Development Class: **Classifications**
Pricing: **GLJ (2004-01)**
Effective Date: **January 01, 2004**

	2004 Average Daily Production										Reserves									
	Light and Medium Oil		Heavy Oil		Natural Gas		Natural Gas Liquids		Oil Equivalent		Light and Medium Oil		Heavy Oil		Natural Gas		Natural Gas Liquids		Oil Equivalent	
	W.I. bbl/d	Net bbl/d	W.I. bbl/d	Net bbl/d	W.I. mcf/d	Net mcf/d	W.I. bbl/d	Net bbl/d	W.I. bbl/d	Net bbl/d	W.I. Mbbl	Net Mbbl	W.I. Mbbl	Net Mbbl	W.I. Mmcf	Net Mmcf	W.I. Mbbl	Net Mbbl	W.I. Mbbl	Net Mbbl
Proved Producing																				
Major Properties																				
Compeer	0	0	35	33	1498	1053	0	0	284	209	0	0	73	70	1222	907	0	0	276	221
Markerville	0	0	0	0	1771	1336	107	80	402	302	0	0	0	0	4002	3233	229	184	896	723
Total Major Properties	0	0	35	33	3270	2389	107	80	686	511	0	0	73	70	5224	4140	229	184	1172	944
Other Properties	8	8	23	20	1795	1245	30	20	360	255	5	5	39	36	2181	1622	40	26	446	337
Proved Producing	8	8	58	53	5065	3634	137	99	1047	766	5	5	111	106	7405	5762	268	211	1619	1281
Total Proved																				
Major Properties																				
Compeer	0	0	65	61	1498	1053	0	0	314	237	0	0	176	168	1222	907	0	0	379	319
Markerville	0	0	0	0	2257	1676	139	102	515	382	0	0	0	0	4885	3919	288	225	1102	878
Total Major Properties	0	0	65	61	3755	2729	139	102	830	618	0	0	176	168	6107	4826	288	225	1481	1198
Other Properties	8	9	23	20	2119	1475	31	20	415	295	5	6	39	36	2794	2093	42	28	551	418
Total Proved	8	9	88	81	5874	4204	171	123	1245	913	5	6	214	204	8901	6919	330	253	2033	1616
Total Proved Plus Probable																				
Major Properties																				
Compeer	0	0	83	77	1535	1079	0	0	339	257	0	0	266	254	1336	990	0	0	489	419
Markerville	0	0	0	0	2507	1873	151	111	569	423	0	0	0	0	5750	4622	343	268	1301	1038
Total Major Properties	0	0	83	77	4043	2952	151	111	907	680	0	0	266	254	7087	5613	343	268	1790	1458
Other Properties	8	9	32	27	2299	1603	33	21	456	325	6	7	63	57	3482	2635	50	33	699	536

Table FP-8

Summary of First Year Production and Oil and Gas Reserves

	2004 Average Daily Production										Reserves									
	Light and Medium Oil		Heavy Oil		Natural Gas		Natural Gas Liquids		Oil Equivalent		Light and Medium Oil		Heavy Oil		Natural Gas		Natural Gas Liquids		Oil Equivalent	
	W.I. bbl/d	Net bbl/d	W.I. bbl/d	Net bbl/d	W.I. mcf/d	Net mcf/d	W.I. bbl/d	Net bbl/d	W.I. bbl/d	Net bbl/d	W.I. Mbbl	Net Mbbl	W.I. Mbbl	Net Mbbl	W.I. Mmcf	Net Mmcf	W.I. Mbbl	Net Mbbl	W.I. Mbbl	Net Mbbl
Total Proved Plus Probable	8	9	115	104	6341	4555	183	132	1363	1005	6	7	329	311	10569	8248	392	301	2488	1994

BOE Factors:	OIL	1.00000	RES GAS	6.00000	PROPANE	1.00000	ETHANE	1.00000
	COND	1.00000	SLN GAS	6.00000	BUTANE	1.00000	SULPHUR	0.00000

p:/s1046345/rems/econ/GLJ_2004-01/_Corporate_Table_FP-8_RC00_cs6.htm

FORM 51-101F2

REPORT ON RESERVES DATA
BY
INDEPENDENT QUALIFIED RESERVES
EVALUATOR OR AUDITOR

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

1. We have prepared an evaluation of the Company's reserves data as at December 31, 2003. The reserves data consist of the following:

   (a) (i) proved and proved plus probable oil and gas reserves estimated as at December 31, 2003, using forecast prices and costs; and

   (ii) the related estimated future net revenue; and

   (b) (i) proved oil and gas reserves estimated as at December 31, 2003, using constant prices and costs; and

   (ii) the related estimated future net revenue.

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 in the COGE Handbook.

4. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us for the year ended December 31, 2003, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company's board of directors:

Description and Preparation Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate - $M)			
		Audited	Evaluated	Reviewed	Total
February 27, 2004	Canada	-	26,974	-	26,974

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.

6. We have no responsibility to update this evaluation for events and circumstances occurring after the preparation dates.

7. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

Gilbert Laustsen Jung Associates Ltd., Calgary, Alberta, Canada Dated February 27, 2004

"signed"

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Myron J. Hladyshevsky, P. Eng.

FORM 51-101F3

FORM 51-101F3
REPORT OF
MANAGEMENT AND DIRECTORS
ON OIL AND GAS DISCLOSURE

This is the form referred to in item 3 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("*NI 51-101*"). This form does not apply in British Columbia.

1. Terms to which a meaning is ascribed in *NI 51-101* have the same meaning in this form.

2. The report referred to in item 3 of section 2.1 of *NI 51-101* shall in all material respects be as follows:

Report of Management and Directors
On Reserves Data and Other Information

Management of Kensington 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 consist of the following:

(a) (i) proved and proved plus probable oil and gas reserves estimated as at December 31, 2003 using forecast prices and costs; and

(ii) the related estimated future net revenue; and

(b) (i) proved oil and gas reserves estimated as at December 31, 2003 using constant prices and costs; and

(ii) the related estimated future net revenue.

An independent qualified reserves evaluator has evaluated the Company's reserves data. The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of 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, because of the 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 Reserves Committee of 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, on the recommendation of the Reserves Committee, approved

(a) the content and filing with securities regulatory authorities of the reserves data and other oil and gas information;

(b) the filing of 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 judgements regarding future events, actual results will vary and the variations may be material.

"signed"

Donald S. Wood
President and Chief Executive Officer

"signed"

Scott T. Bonli
Vice President, Finance and Chief Financial Officer

"signed"

Richard R. Couillard
Director and Chairman of the Reserve Committee

"signed"

David Erickson
Director and Member of the Reserve Committee

March 31, 2004