FIRSTLAND ENERGY LIMITED

FORM 51-101F1

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2004

APRIL 29, 2005

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GLOSSARY OF ABBREVIATIONS

ARTC	Alberta Royalty Tax Credit
bbl	Barrels
bbl/d	Barrels per day
Mbbl	Thousands of barrels
BOE	Barrel of oil equivalent (6:1)
BOE/d	Barrel of oil equivalent per day (6:1)
COGE	Canadian oil and gas evaluation
M$	Thousands of dollars
Mcf	Thousand cubic feet
Mcf/d	Thousand cubic feet per day
MMcf	Million cubic feet
MMcf/d	Million cubic feet per day

Where amounts are expressed on a barrel of oil equivalent basis, natural gas volumes have been converted to barrels of oil at six thousand cubic feet per barrel. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

INTRODUCTION

Citadel Engineering Ltd. (Citadel) prepared a report (the Citadel Report) dated April 10, 2005 evaluating the natural gas and oil reserves of FIRSTLAND Energy Limited (FIRSTLAND) in accordance with the standards contained in the COGE Handbook and the reserves definitions contained in National Instrument 51-101 — Standards of Disclosure for Oil and Gas Activities (NI 51-101). The Citadel Report was prepared effective December 31, 2004.

The following tables set forth information relating to FIRSTLAND s working interest share of reserves, net reserves after royalties and present worth values as at December 31, 2004. The reserves are reported using constant price and costs as well as forecast prices and costs. Columns may not add in the following tables due to rounding.

All evaluations of future net cash flow are stated prior to any provision for interest costs or general and administrative costs and after the deduction of estimated future capital expenditures for wells to which reserves have been assigned. It should not be assumed that the estimated future net cash flow is representative of the fair market value of FIRSTLAND s properties. There is no assurance that such prices and cost assumptions will be attained and variances could be material. The recovery and reserves estimates of crude oil and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil and natural gas reserves may be greater than or less than the estimates provided herein.

RESERVES DATA — CONSTANT PRICE AND COSTS

The following table summarizes the reserves evaluated at December 31, 2004, using constant price and costs.

	Light and Medium Oil		Natural Gas	
Reserves Category	Gross (bbl)	Net (bbl)	Gross (Mcf)	Net (Mcf)
Proved Developed Producing	13,867	13,646	471,665	435,282
Probable	3,546	3,499	79,250	79,250
Total Proved Plus Probable	17,413	17,145	550,915	514,532

Net present value of future net revenue — constant price and costs

The following table summarizes the net present value of future net revenue attributable to reserves evaluated at December 31, 2004 for the constant price and costs case. The net present values are reported before income tax and after income tax at discount values of 0 percent, 5 percent, 10 percent, 15 percent and 20 percent.

	Future Net Revenue (M$)									
	Before Income Taxes Discounted at (%/Year)					After Income Taxes Discounted at (%/Year)				
Reserves Category	0	5	10	15	20	0	5	10	15	20
Proved Developed Producing	2,815	2,378	2,071	1,843	1,667	1,971	1,665	1,449	1,290	1,167
Probable	657	497	387	308	250	460	348	271	215	175
Total Proved Plus Probable	3,472	2,875	2,458	2,151	1,917	2,431	2,013	1,720	1,505	1,342

Total future net revenue — constant price and costs

The following table summarizes the total undiscounted future net revenue (M$) evaluated at December 31, 2004, using constant price and costs.

Reserves Category	Revenue	Royalties (1)	Operating Costs	Development Costs	Well Abandonment Costs	Future Net Revenue Before Income Taxes	Income Taxes	Future Net Revenue After Income Taxes
Proved	3,875	213	762	-	45	2,855	884	1,971
Total Proved Plus Probable	4,592	216	819	-	45	3,512	1,081	2,431

(1) Includes Corporate ARTC.

Future net revenue by production group — constant price and costs

The following table summarizes the net present value of future net revenue by production group evaluated at December 31, 2004, using constant price and costs, discounted at 10 percent.

Reserves Category	Production Group	Future Net Revenue [1] Before Income Taxes (Discounted at 10%) (M$)
Proved	Light and Medium Crude Oil	279
	Natural Gas	1,791
Proved Plus Probable	Light and Medium Crude Oil	383
	Natural Gas	2,074

(1) Does not include Corporate ARTC.

RESERVES DATA — FORECAST PRICES AND COSTS

The following table summarizes the reserves evaluated at December 31, 2004, using Citadel s forecast prices and costs.

	Light and Medium Oil		Natural Gas	
Reserves Category	Gross (bbl)	Net (bbl)	Gross (Mcf)	Net (Mcf)
Proved Developed Producing	13,867	13,646	471,664	435,611
Probable	3,546	3,499	79,250	79,250
Total Proved Plus Probable	17,413	17,145	550,914	514,861

Net present value of future net revenue — forecast prices and costs

The following table summarizes the net present value of future net revenue attributable to reserves evaluated at December 31, 2004 for the Citadel forecast prices and costs case. The net present values are reported before income tax and after income tax at discount values of 0 percent, 5 percent, 10 percent, 15 percent and 20 percent.

	Future Net Revenue (M$)									
	Before Income Taxes Discounted at (%/Year)					After Income Taxes Discounted at (%/Year)				
Reserves Category	0	5	10	15	20	0	5	10	15	20
Proved Developed Producing	2,376	1,997	1,737	1,546	1,400	1,653	1,392	1,212	1,079	978
Probable	572	430	322	263	213	400	301	233	184	149
Total Proved Plus Probable	2,948	2,427	2,069	1,809	1,613	2,053	1,693	1,445	1,263	1,127

Total future net revenue — forecast prices and costs

The following table summarizes the total undiscounted future net revenue (M$) evaluated at December 31, 2004, using Citadel s forecast prices and costs.

Reserves Category	Revenue	Royalties [1]	Operating Costs	Development Costs	Well Abandonment Costs	Future Net Revenue Before Income Taxes	Income Taxes	Future Net Revenue After Income Taxes
Proved	3,400	216	763	-	45	2,376	723	1,653
Total Proved Plus Probable	4,031	218	819	-	45	2,949	895	2,054

(1) Includes Corporate ARTC.

Future net revenue by production group — forecast prices and costs

The following table summarizes the net present value of future net revenue by production group evaluated at December 31, 2004, using Citadel s forecast prices and costs, discounted at 10 percent.

Reserves Category	Production Group	Future Net Revenue [1] Before Income Taxes (Discounted at 10%) (M$)
Proved	Light and Medium Crude Oil	261
	Natural Gas	1,475
Proved Plus Probable	Light and Medium Crude Oil	357
	Natural Gas	1,712

[1] Does not include Corporate ARTC.

DEFINITIONS

The following definitions form the basis of classification of reserves and values presented in the Citadel Report:

(1) *Proved Reserves* are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

(2) *Probable Reserves* are those additional reserves that are less certain to be recovered than proved reserves. It is likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

(3) *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 (when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

(4) *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.

(5) *Developed Non-Producing Reserves* are those reserves that either have not been on production, or have previously been on production and the date of resumption of production is unknown.

(6) *Undeveloped Reserves* are those reserves expected to be recovered from known accumulations where a significant expenditure (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 to which they are assigned.

(7) *Company Gross Reserves* are the Company s working interest share of the remaining reserves, before deduction of any royalties.

(8) *Company Net Reserves* are the gross remaining reserves of the properties in which the Company has an interest, less all Crown, freehold, and overriding royalties and interests owned by others.

(9) *Net Production Revenue* is income derived from the sale of net reserves of oil, pipeline gas, and gas by-products, less all capital and operating costs.

SUMMARY OF PRICING ASSUMPTIONS

The following tables summarize the prices used in the Citadel Report in calculating the net present value of future net revenue attributable to reserves.

Constant price and costs

	Oil	Natural Gas
	($/bbl) (1)	($/Mcf) (1)
2004	53.65	6.64

(1) Prices based upon December 31, 2004 NYMEX quoted product prices. Prices shown have been adjusted for transportation and treating.

Forecast prices and cost

	Oil	Natural Gas
Year	$/Bbl (1)	$/Mcf (1)
Forecast		
2005	51.20	5.99
2006	49.41	5.65
2007	47.64	5.30
2008	48.35	5.38
2009(2)	49.08	5.46

(1) Price based upon future predicted product prices. Prices shown have not been adjusted for transportation and treating.
(2) Prices were escalated at a rate of 1.5 percent per annum thereafter.

2004 average prices received

FIRSTLAND s average prices for the 2004 financial year were as follows: $5.60 per Mcf for natural gas and $51.04 per bbl of oil.

RESERVE RECONCILIATIONS

The following table sets forth the reconciliation of FIRSTLAND s net reserves for the year ended December 31, 2004, as evaluated by Citadel using forecast prices and costs.

	Natural Gas (MMcf)			Light and Medium Oil (Mbbl)		
	Proved	Probable	Total	Proved	Probable	Total
January 1, 2004	402	44	446	13	3	16
Extensions and discoveries	54	18	72	—	—	—
Revisions	112	17	129	3	1	4
Production	(96)	—	(96)	(2)	—	(2)
December 31, 2004	472	79	551	14	4	18

The following table sets forth the Company s reconciliation of after-tax future net revenue attributable to net proved reserves from January 1, 2004 to December 31, 2004, using the constant price and costs case, discounted at 10 percent.

Period/Factor (M$)	
Present value of future net revenue at January 1, 2004	$ 1,366
Sale of production, net of production costs and royalties	(685)
Net change in prices, production costs and royalties related to future production	(52)
Changes in estimated future abandonment	13
Extensions and discoveries	214
Revisions	516
Accretion of discount	163
Net change in income taxes	(86)
Present value of future net revenue, December 31, 2004	$ 1,449

OTHER OIL AND GAS INFORMATION

FIRSTLAND Energy Limited produces oil and gas from 21 wells scattered throughout the Province of Alberta. Over 90 percent of the production is weighted to natural gas which averaged 330 Mcf per day in 2004. FIRSTLAND does not operate any of the production or own an interest in gas plants or facilities that process natural gas. Approximately one third of FIRSTLAND s natural gas revenue is royalty revenue.

FIRSTLAND held over 237,000 net acres of undeveloped land in the Province of Alberta at December 31, 2004. The Company prefers to farm out the lands to industry partners who earn an interest in the lands in exchange for drilling. This usually results in FIRSTLAND holding a royalty position in the well that may convert to a larger working interest at payout. Often the royalty may be non-convertible and FIRSTLAND would remain in a royalty. As a result, the Company s interests are varied in nature and widespread geographically throughout Alberta. The Company has no interests outside the province.

Our major natural gas properties are located at Etzicom (southern Alberta), Marwayne and Viking (central Alberta) and Chinchaga and Hotchkiss (northwest Alberta). These properties consist of 11 natural gas wells of which eight are royalty wells and make up approximately 70 percent of the current production. The Company produces approximately five barrels of oil per day from its property at Progress (Spirit River) in the Peace River Arch of northwest Alberta.

Reserves by principal property

The following is a summary, as of December 31, 2004, of FIRSTLAND s natural gas and oil reserves as evaluated by Citadel in the Citadel Report on a forecast price and cost basis for each of FIRSTLAND s principal properties.

	Natural Gas (Mcf)			Oil (bbl)		
	Proved	Probable	Total	Proved	Probable	Total
Chinchaga	93,084	42,300	135,384	-	-	-
Etzicom	54,462	18,000	72,462	-	-	-
Ghostpine	5,208	-	5,208	-	-	-
Hotchkiss	40,012	18,950	58,962	-	-	-
Marwayne	99,820	-	99,820	-	-	-
Spirit River	-	-	-	13,867	3,546	17,413
Sturgeon Lake	11,209	-	11,209	-	-	-
Viking Kinsella	167,871	-	167,871	-	-	-
Total	471,665	79,250	550,915	13,8676	3,546	17,413

Producing wells

The following tables summarize, as at December 31, 2004, the Company s interest in producing wells as evaluated by Citadel in the Citadel Report

Natural Gas Wells	Producing	
	Gross [1]	Net [2]
Chinchaga	1.0	0.15
Etzicom	4.0	0.60
Ghostpine	1.0	0.07
Hotchkiss	3.0	0.17
Marwayne	1.0	0.55
Sturgeon Lake	4.0	0.70
Viking Kinsella	2.0	0.50
Total	16.0	2.74

Oil Wells	Producing	
	Gross [1]	Net [2]
Spirit River	5.0	0.23

[1] Gross means the number of wells in which FIRSTLAND has an interest.
[2] Net means the product of the total number of gross wells multiplied by FIRSTLAND s percentage interest therein.

Properties with no attributed reserves

At December 31, 2004, FIRSTLAND held various interests in 245,000 gross (237,000 net) acres in undeveloped lands located in Alberta. Expiries of 37,000 gross (36,000 net) acres are anticipated in 2005.

Additional information concerning abandonment and reclamation costs

The provision for future abandonment and reclamation costs is determined by management in consultation with the Company s independent engineers and is based on prevailing regulations, costs, technology and industry standards. At December 31, 2004 the Company had 3.0 net wells capable of production for which it expects to incur abandonment and reclamation costs.

The Company s estimates of abandonment and reclamation costs, net of estimated salvage value, for surface leases and wells undiscounted and discounted at 10 percent are $123,000 and $67,000 respectively. The future net revenue disclosed in the Citadel Report does not contain an allowance for abandonment and reclamation costs for suspended wells. The Citadel Report deducted $44,592 (undiscounted) and $16,718 (10 percent discount) for abandonment and reclamation costs for wells only in estimating future net revenue from proved reserves using forecast prices and costs.

The Company s estimate of net abandonment and salvage costs to be incurred in the next three financial years undiscounted and discounted at 10 percent are $53,900 and $45,900 respectively.

Tax horizon

The Company was not taxable on income in 2004. The Company has approximately $1.5 million of tax pools remaining at December 31, 2004 and, depending on commodity prices and the amount and tax classification of expenditures, may be taxable on a current basis in 2005.

Costs incurred

The following table summarizes the capital expenditures incurred by FIRSTLAND for each quarter of the last two financial years.

Quarter Ended ($M) *(unaudited)*	Exploration	Development	Equipping and Facilities	Net Land Acquisition	Total
2004					
December 31	-	-	(1)	107	106
September 30	-	-	-	181	181
June 30	-	-	-	153	153
March 31	-	-	-	(24)	(24)
2003					
December 31	-	-	-	143	143
September 30	50	53	51	54	208
June 30	99	-	-	104	203
March 31	124	-	-	128	252

Exploration and development activities

The following table summarizes the number of wells that FIRSTLAND has drilled, or participated in drilling, for the years indicated.

	2004		2003	
	Gross [(1)]	Net [(2)]	Gross [(1)]	Net [(2)]
Development wells				
Gas	4.0	0.3	8.0	0.9
Subtotal	4.0	0.3	8.0	0.9
Exploratory wells				
Gas	1.0	0.04	1.0	0.5
Oil	1.0	0.05	—	—
Dry	1.0	0.15	2.0	0.8
Subtotal	3.0	0.24	3.0	1.3
Total	7.0	0.54	11.0	2.2

(1) Gross means the number of wells in which FIRSTLAND has an interest.
(2) Net means the product of the total number of gross wells multiplied by FIRSTLAND s percentage interest therein. The net interests shown here are largely current royalty interests. These royalty interests are in some cases converted to higher working interests after payout.

During the first quarter of 2005, one well was drilled and cased as a potential natural gas well on a 480 acre tract of Company lands in the Lone Pine area of south central Alberta. FIRSTLAND holds a non convertible GORR in the well and the lands. The partner has an option to drill additional wells on two sections of land held by FIRSTLAND in the immediate area.

Recently, a drilling option was entered into with an industry partner covering five sections of land in the Iosegun area of northwest Alberta. If the partner elects to drill on Company lands, FIRSTLAND will retain a 12.5 percent GORR in the well and spacing unit convertible to a 40 percent working interest after payout. In the Dixonville area of northwest Alberta, FIRSTLAND has entered into a seismic review option on a one section block of Company lands. If the partner elects to drill, FIRSTLAND would remain in a 12 percent GORR until payout with an election to convert to a 30 percent working interest. The Company has also received a drilling commitment from an industry partner tied to a review of certain of the Company s lands in the Chinchaga River and Iosegun areas of northwest Alberta. FIRSTLAND will have a 10 percent GORR in the commitment well and the related spacing unit, convertible to a 40 percent working interest at payout. The partner has an ongoing option to continue to drill to earn in additional lands.

In the first three months of 2005, FIRSTLAND purchased 4,976 net acres of petroleum and natural gas rights in Alberta for $26,586.

Production estimates

The following table summarizes the estimated production for 2005.

	Estimated Production			
	Constant Price and Costs		Forecast Prices and Costs	
	Proved	Proved Plus Probable	Proved	Proved Plus Probable
Natural gas (Mcf)	121,247	121,247	121,247	121,247
Light and medium oil (bbl)	1,035	1,035	1,035	1,035

The following table summarizes the estimated production for 2005 using forecast prices and costs by major field.

	Estimated Production - Forecast Prices and Costs			
	Viking		Chinchaga	
	Proved	Proved Plus Probable	Proved	Proved Plus Probable
Natural gas (Mcf)	36,500	36,500	27,375	27,375

Production history and netbacks

The following table summarizes the average daily natural gas and oil production and related netbacks for each quarter of the last financial year.

	Three Months Ended, 2004			
	March 31	June 30	September 30	December 31
Production				
Natural gas (Mcf/d)	444	317	291	272
Oil (bbl/d)	6	6	4	4
Oil equivalent (BOE/d)	74	53	52	50
Average prices received				
Natural gas ($/Mcf)	4.80	6.70	5.79	6.79
Oil ($/bbl)	44.79	48.96	55.59	51.66
$ per BOE				
Petroleum and natural gas revenue	32.88	41.44	34.36	41.00
Royalties	1.45	3.07	2.34	1.67
Operating costs	4.91	7.48	7.73	14.45
Field netback	18.85	20.36	17.40	17.26