Form 51-101 F1

Tower Energy Ltd.

Statement of Reserves Data

And Other Oil and Gas Information

As of October 31, 2010

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Glossary of Terms

Reserves	Estimated reserves of natural gas, natural gas liquids and crude oil.
Working interest	Those lands in which the Company receives its acreage share of net production revenues.
Gross reserves	Estimated reserves before royalties based on working interest.
Net reserves	Estimated reserves after royalties based on working interest.
Future net revenue	Working interest revenues after royalties, development costs, production costs and well abandonment costs, but before administrative, overhead and other such indirect costs. Future net revenue may be presented either before or after tax.
Proved reserve	Reserve 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	Reserve that is less certain than proved reserve at being recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserve.
Developed reserve	Reserve that is 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.
Possible reserve	"Those additional reserves that are less certain to be recovered"
Producing reserve	Reserve that is expected to be recovered from completion intervals open at the time of estimate. The category of reserve 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 reasonably certainty.
Non-prod. reserve	Reserve that either has not been on production, or has previously been on production, but is shut-in, and the date of resumption of production is unknown.
Stb/stock tank barrel	A 42-US gallon barrel of crude oil at standard conditions of 1 atmosphere and 60 ^{o}F.
M	Thousand (1,000).
Mbbl	1,000 barrels of oil and/or natural gas liquids.
MMBtu	A unit of heat energy equal to one million British thermal units.
Mcf	1,000 cubic feet of natural gas.
Bcf	One billion (1,000,000,000) cubic feet of natural gas
bbl or barrel	A 42-US gallon barrel of crude oil or natural gas liquids.
Undeveloped reserve	Reserve that is expected to be recovered from known accumulation where a significant expenditure is required to render them capable of production (e.g. in comparison to the costs of drilling a well). Such reserve must fully meet the requirements of the reserve classification to which they are assigned (proved or probable).

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Statement of Reserves Data and Other Oil and Gas Information for Tearlach Resources Limited

Part 1 DATE OF STATEMENT

Date of Statement: March 2, 2011
Effective Date: October 31, 2010
Preparation Date: March 2, 2011

As of October 31, 2010, Tower Energy Ltd. (the "Reporting Issuer") has no proved and no probable oil and gas reserves. During the year ended October 31, 2010 management of the Company resolved to relinquish its interest in the Sarcee 12-13-23-4W5M well.

PART 2 DISCLOSURE OF RESERVES DATA

Item 2.1 Reserves Data (Forecast Prices and Costs)

The reporting issuer has no proved + probable reserves attributed to the property as per definitions in the NI 51-101 policy.

Item 2.2 Reserves Data (Constant Prices and Costs)

The reporting issuer has no proved reserves attributed to the property as per definitions in the NI 51-101 policy.

Item 2.3 Reserves Disclosure Varies with Accounting

Not applicable.

Item 2.4 Future Net Revenue Disclosure Varies with Accounting

Not applicable.

PART 3 PRICING ASSUMPTIONS

Item 3.1 Constant Price Used in Supplemental Estimates

The reporting issuer has no proved reserves attributed to the property as per definitions in the NI 51-101 policy and as a result there is no constant price assumption.

Item 3.2 Forecast Prices Used in Estimates

The reporting issuer has no proved + probable reserves attributed to the property as per definitions in the NI 51-101 policy and as a result there is no forecast price assumption.

PART 4 RECONCILIATIONS OF CHANGES IN RESERVES

The following table sets forth a reconciliation of the changes in the Company's gross reserves as at October 31, 2009 against such reserves as at October 31, 2010 based on the forecast price and cost assumptions:

RECONCILIATION OF COMPANY GROSS RESERVES BY PRINCIPAL PRODUCT TYPE BASED ON FORECAST PRICES AND COSTS

	Light and Medium Oil			Heavy Oil			Associated and Non-Associated Gas		
	Gross Proved (Mbbl)	Gross Probable (Mbbl)	Gross Proved Plus Probable (Mbbl)	Gross Proved (Mbbl)	Gross Probable (Mbbl)	Gross Proved Plus Probable (Mbbl)	Gross Proved (MMscf)	Gross Probable (MMscf)	Gross Proved Plus Probable (MMscf)
At Oct. 31, 2009	**-**	**-**	**-**	**-**	**-**	**-**	**0**	**1,280**	**1,280**
Production(Sales)	-	-	-	-	-	-	0	0	0
Acquisitions	-	-	-	-	-	-	0	0	0
Dispositions	-	-	-	-	-	-	0	(1,280)	(1,280)
Discoveries	-	-	-	-	-	-	0	0	0
Extensions	-	-	-	-	-	-	0	0	0
Revisions to Previous Estimate									
Economic Factors	-	-	-	-	-	-	0	0	0
Technical	-	-	-	-	-	-	0	0	0
Improved Recovery	-	-	-	-	-	-	0	0	0
At Oct. 31, 2010	**-**	**-**	**-**	**-**	**-**	**-**	**0**	**0**	**0**

PART 5 ADDITIONAL INFORMATION RELATING TO RESERVE DATA

Item 5.1 Undeveloped Reserves

Not applicable

Item 5.2 Significant Factors or Uncertainties

Not applicable

Item 5.3 Future Development Costs (in $U.S.)

Not applicable.

PART 6 OTHER OIL AND GAS INFORMATION

Item 6.1 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 October 31, 2010

	Oil		Natural Gas	
	Gross[(1)]	**Net[(1)]**	**Gross[(1)]**	**Net[(1)]**
Strachan Area				
Producing	-	-	1	0.01
Non-producing	-	-	-	-
Sarcee Area				
Producing	-	-	-	-
Non-producing	-	-	1	0.05

All of the Company's wells are located onshore in western Alberta, Canada in active oil and gas producing areas.

The following descriptions are applicable to the Company properties as at October 31, 2010.

Sarcee, Alberta

The Company owns a five percent working interest in 2,560 acres of land in this area. These lands contain one non-producing gas well and one identified development drilling location. Production will be subject to Indian Royalties which are equivalent to Alberta Crown Royalties plus a 6.5 percent gross overriding royalty. The unit of interest is the Mississippian (Visean) age Turner Valley Formation of the Rundle Group. During the year ended October 31, 2010 management of the Company resolved to relinquish its interest in the Sarcee 12-13-23-4W5M well.

Strachan, Alberta

The Company owns a 1.2366 percent working interest in 640 acres of land containing one well which is on production from the Leduc D-3 Formation. Production is subject to Crown Royalties.

Item 6.2 Properties with No Attributed Reserves

The Company has no properties with no attributed reserves.

Item 6.3 Forward Contracts

Currently, the Company has no forward contracts.

Item 6.4 Additional Information Concerning Abandonment and Reclamation Costs

The estimated abandonment and restoration costs are based on the AEUB Directive 11, which details the typical costs of abandonment and reclamation by well type in each specific geographic region. The Company expects to have costs relating to .01 net wells.

Item 6.5 Tax Horizon

Not Applicable

Item 6.6 Costs Incurred

Not applicable.

Item 6.7 Exploration and Development Activities

Item 6.7.1

The Company did not drill or develop any additional reserves in the fiscal year.

Item 6.7.2

Item 6.8 Production Estimates

Not applicable.

Item 6.9 Production History

Not applicable