

RESERVES REPORT

Form 51-101F1

Petro-Reef's proved plus probable net reserves, based on an independent engineering year-end evaluation, indicated an decrease of 23.6 percent to 1,744 MBOE from 2,281 MBOE in the previous year, after extensions, technical revisions, discoveries, acquisitions, economic factors, and net production.

Reserves were 73.8% natural gas and 26.2% crude oil and natural gas liquids.

Of the total net reserves reported (using forecast prices) Petro-Reef's reserves are 53.8% proved and 46.2% probable.

Reserves are classified according to the degree of certainty associated with the estimates.

1) Proved 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.

2) Probable 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.

3) Possible 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. Possible reserves have not been considered in this report.

RESERVES RECONCILIATION

The December 31, 2009 evaluation was prepared using definitions in accordance with National Instrument 51-101. Estimates are prepared such that there is a 90% probability that at least the estimated proved reserves will be recovered and a 50% probability that at least the sum of the estimated proved reserves plus probable reserves will be recovered. The reserves reconciliation reflects current proved plus probable reserves. Both the December 31, 2008 and the December 31, 2009 reports were prepared by Sproule Associates Limited.

1) Reserves Value

Using a ten percent (10%) NPV, the value of proved plus probable reserves at forecast prices and costs (before Income Taxes) decreased by 35.7% compared with last year's established reserves.

2) Reserve Life Index (as at December 31, 2009).

Based on established reserves and production volumes, Petro-Reef's reserve life index was 4.9 years on a proved producing basis at the end of 2009 compared with 7.1 years at the end of 2008. Petro-Reef's reserve life index (RLI) is an indication of the number of years it would take to deplete the Company's reserves. The RLI is obtained by dividing the year end reserves by the average daily production of oil, natural gas and natural gas liquids for a calendar year as estimated and determined by the independent reserves evaluator.

3) Evaluation Standards

This report has been prepared by Sproule Associates Limited using current geological and engineering knowledge, techniques and computer software. It has been prepared with the Code of Ethics of the Association of Professional Engineers, Geologists and Geophysicists of Alberta ("APEGGA"). Finally, this report adheres in all material aspects to the "best practices" recommended in the COGE Handbook which are in accordance with principals and definitions established by the Calgary Chapter of the Society of Petroleum Evaluation Engineers. The COGE Handbook is incorporated by reference in National Instrument 51-101.

4) The Evaluation of the petroleum and natural gas

The Evaluation of the petroleum and natural gas reserves of Petro-Reef Resources Ltd. has been approved by the company's reserve committee and the board of directors.

5) Statement of Reserves Data

Following is a detailed report on the reserves and future net revenue in six parts:

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FORM 51-101F1
STATEMENT OF RESERVES DATA
AND OTHER OIL AND GAS INFORMATION

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PART 1 DATE OF STATEMENT

1.1 Relevant Dates

1. Date the statement: April 21, 2010
2. Effective date: December 31, 2010
3. Preparation date: Between February 1 and April 15, 2010

PART 2 DISCLOSURE OF RESERVES DATA

2.1 Reserves Data (Forecast Prices and Costs)

2.1.1 Reserves Gross and Net (Forecast Prices and Costs)

Reserves Category	Light and Medium Oil		Heavy Oil		Natural Gas (non-associated & associated)		Natural Gas Liquids	
	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)
Proved								
Developed Producing	158.7	132.8	-	-	3,139	2,399	-	0.2
Developed Non-Producing	-	-	-	-	702	594	-	-
Undeveloped	82.8	69.1	-	-	342	293	-	-
Total Proved	241.4	202.0	-	-	4,184	3,287	-	0.2
Probable	216.2	174.9	-	-	3,532	2,878	-	0.1
Total Proved Plus Probable	457.6	376.9	-	-	7,716	6,165	-	0.2

2.1.2 Net Present Value of Future Net Revenue (Forecast Prices and Costs)

N1 51-101
Summary of Net Present Values of
Future Net Revenue
as of December 31, 2009
Forecast Prices and Costs

Net Present Values of Future Net Revenue

Reserves Category	Before Income Taxes Discounted at (% / Year)					After Income Taxes Discounted at (% / Year)					Future Net Value
	0 (M\$)	5 (M\$)	10 (M\$)	15 (M\$)	20 (M\$)	0 (M\$)	5 (M\$)	10 (M\$)	15 (M\$)	20 (M\$)	10%/yr (\$/boe)
Proved											
Developed Producing	17,461	15,558	14,058	12,848	11,854	17,461	15,558	14,058	12,848	11,854	26.38
Developed Non-Producing	2,883	2,487	2,227	2,043	1,904	2,883	2,487	2,227	2,043	1,904	22.48
Undeveloped	4,204	3,526	3,003	2,592	2,261	3,903	3,267	2,779	2,396	2,089	25.45
Total Proved	24,548	21,571	19,289	17,483	16,018	24,247	21,312	19,065	17,288	15,846	25.72
Probable	23,535	17,987	14,395	11,895	10,061	18,809	14,074	11,070	9,016	7,530	21.99
Total Proved Plus Probable	48,083	39,558	33,684	29,378	26,079	43,057	35,386	30,135	26,303	23,376	23.98

Notes:

- 1) NPV of FNR include all resource income:
 - Sale of oil, gas, by-product reserves
 - Processing third party reserves
 - Other income

- 2) Income Taxes
 - Includes all resource income
 - Apply appropriate income tax calculations
 - Include prior tax pools

2.1.3 Future Net Revenue Undiscounted (Forecast Prices and Costs)

N1 51-101 Total Future Net Revenue Undiscounted as of December 31, 2009 Forecast Prices and Costs								
Reserves Category	Revenue (M\$)	Royalties (M\$)	Operating Costs (M\$)	Development Costs (M\$)	Well Abandonment/ Other Costs (M\$)	Future Net Revenue Before Income Taxes (M\$)	Income Taxes (M\$)	Future Net Revenue After Income Taxes (M\$)
Proved	52,091	8,098	17,072	1,778	595	24,548	301	24,247
Proved Plus Probable	101,813	16,116	32,340	4,469	805	48,083	5,027	43,057

2.1.4 Future Net Revenue by Production Group before Income Tax (Using Forecast Prices and Costs – Using a discount rate of 10%)

N1 51-101 Net Present Value of Future Net Revenue By Production Group as of December 31, 2009 Forecast Prices and Costs			
Reserves Category	Production Group	Future Net Revenue Before Income Taxes Discounted at 10% Year MS	Unit Value Before Income Taxes Discounted at 10% Year \$/BOE
Proved	Light and Medium Crude Oil (including solution gas and associated by-products)	7,663	25.37
	Heavy Oil (including solution gas and associated by-products)	-	-
	Natural Gas (including associated by-products)	11,626	25.95
Proved Plus Probable Reserves	Light and Medium Crude Oil (including solution gas and associated by-products)	12,288	22.66
	Heavy Oil (including solution gas and associated by-products)	-	-
	Natural Gas (including associated by-products)	21,396	24.81

PART 3 PRICING ASSUMPTIONS

3.1 FORECAST PRICES USED IN ESTIMATES

**N1 51-101
Summary of Pricing and
Inflation Rate Assumptions
as of December 31, 2009
Forecast Prices and Costs**

Year	WTI Cushing Oklahoma (\$US/bbl)	Edmonton Par Price 40° API (\$Cdn/bbl)	Cromer Medium 29.3° API (\$Cdn/bbl)	Natural Gas ¹ AECO Gas Prices (\$Cdn/MMBtu)	Pentanes Plus F.O.B Field Gate (\$Cdn/bbl)	Butanes F.O.B. Field Gate (\$Cdn/bbl)	Inflation Rate ² (%/Yr)	Exchange Rate ³ (\$US/\$Cdn)
Historical								
2004	41.42	52.91	45.72	6.87	53.91	41.37	1.4	0.770
2005	56.46	69.29	57.36	8.58	69.13	45.20	1.3	0.826
2006	66.09	73.30	62.35	7.16	75.03	59.32	1.5	0.882
2007	72.27	77.06	65.36	6.65	77.33	63.71	2.0	0.935
2008	99.59	102.85	93.05	8.15	104.70	75.09	1.0	0.943
2009	61.63	66.2	62.77	4.19	68.13	47.07	2.0	0.880
Forecast								
2010	79.17	84.25	80.04	5.36	86.28	59.65	2.0	0.920
2011	84.46	89.99	84.59	6.21	92.16	63.72	2.0	0.920
2012	86.89	92.61	85.20	6.44	94.84	65.57	2.0	0.920
2013	90.20	96.19	87.53	7.23	98.51	68.11	2.0	0.920
2014	92.01	98.13	88.32	7.98	100.50	69.48	2.0	0.920
Thereafter			2.0% Escalation Rates					

- 1) This summary table identifies benchmark reference pricing schedules that might apply to a *reporting issuer*.
- 2) Inflation rates for forecasting prices and costs.
- 3) Exchange rates used to generate the benchmark reference prices in this table.

Notes:

Product sale prices will reflect these reference prices with further adjustments for quality and transportation to point of sale.

Forecast prices and costs as supplied by Sproule Associates Limited.

PART 4 RECONCILIATIONS OF CHANGES IN RESERVES AND FUTURE NET REVENUE

4.1 Reserves Reconciliation

<p align="center">N1 51-101 Reconciliation of Company Gross ⁽¹⁾ Reserves (Before Royalty) By Principal Product Type As of December 31, 2009 Forecast Prices and Costs ¹</p>												
	Light and Medium Oil			Associated and Non-Associated Gas			Natural Gas Solution			Natural Gas Liquids		
Factors	Gross Proved (Mbbl)	Gross Probable (Mbbl)	Gross Proved Plus Probable (Mbbl)	Gross Proved (MMcf)	Gross Probable (MMcf)	Gross Proved Plus Probable (MMcf)	Gross Proved (MMcf)	Gross Probable (MMcf)	Gross Proved Plus Probable (MMcf)	Gross Proved (Mbbl)	Gross Probable (Mbbl)	Gross Proved Plus Probable (Mbbl)
December 31, 2008	397.1	302.9	700.0	5,102	2,538	7,640	974	649	1,623	20.9	16.3	37.2
Extensions	-	62.9	62.9	-	1,139	1,139	-	92	92	-	-	-
Improved Recovery	-	-	-	-	-	-	-	-	-	-	-	-
Technical Revisions	(153.0)	(164.9)	(317.9)	(1,058)	(1,021)	(2,079)	(306)	(402)	(709)	(20.9)	(16.3)	(37.2)
Discoveries	44.8	12.6	57.4	670	349	1,018	213	115	327	-	-	-
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-	-	-	-	-	-	-
Economic Factors	1.1	2.7	3.8	(16)	66	50	(3)	7	5	-	-	-
Production	(48.6)	-	(48.6)	(1,215)	-	(1,215)	(177)	-	(177)	-	-	-
December 31, 2009	241.4	216.2	457.6	3,483	3,071	6,554	701	461	1,162	-	-	-

(1) Gross Reserves means the Company's working interest reserves before calculation of royalties, and before consideration of the Company's royalty interests.

PART 5 ADDITIONAL INFORMATION RELATING TO RESERVES DATA

5.1 Undeveloped Reserves

5.1.1 Proved Undeveloped Reserves

5.1.1(a)

Proved Undeveloped Reserves By Principal Product Type Forecast Prices and Costs								
December 31 Date	Light & Medium Oil		Natural Gas (non- associated & associated)		Natural Gas (solution)		Natural Gas Liquids	
	First Attributed Gross Mbbbl	Booked Gross Mbbbl	First Attributed Gross MMcf	Booked Gross MMcf	First Attributed Gross MMcf	Booked Gross MMcf	First Attributed Gross Mbbbl	Booked Gross Mbbbl
Prior to December 31, 2008	-	71.4	-	2,134	-	114	-	-
2008	-	83.2	-	-	-	131	-	-
2009	44.8	82.8	66	66	213	276	-	-

5.1.1(b)

Proved Undeveloped Reserves

Proved Undeveloped Reserves are those reserves expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production and meet the proved developed or proved developed producing reserves classification. Total net capital expenditures for 2010 are anticipated to be \$<> with no capital expenditures required for 2010. All Proved Undeveloped Reserves will be developed in 2010 commodity price permitting.

5.1.2 Probable Undeveloped Reserves

5.1.2(a)

Probable Undeveloped By Principal Product Type Forecast Prices and Costs								
December 31 Date	Light & Medium Oil		Natural Gas (non- associated & associated)		Natural Gas (solution)		Natural Gas Liquids	
	First Attributed Gross Mbbbl	Booked Gross Mbbbl	First Attributed Gross MMcf	Booked Gross MMcf	First Attributed Gross MMcf	Booked Gross MMcf	First Attributed Gross Mbbbl	Booked Gross Mbbbl
Prior to December 31, 2008	-	52.3	-	-	-	84	-	-
2008	62.5	62.5	538	538	87	87	-	-
2009	62.9	124.1	1,139	1,707	92	181	-	-

5.1.2(b)

Probable Undeveloped Reserves

Probable Undeveloped Reserves are those reserves expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production to meet the proved developed or proved developed producing reserves classification from the current probable undeveloped classification. Capital expenditures for 2010 are anticipated to be \$1,862,000 with an additional expenditure of \$825,000 for 2011. The Probable Undeveloped Reserves will be developed in 2010 with minor work in 2011 commodity prices permitting.

5.2 Significant Factors or Uncertainties

Credit Facility Risks

Recent economic conditions have negatively affected the availability of credit and increased the risk that certain counterparties for our oil and gas sales, financial derivatives, and our operating partners may fail to pay.

Commodity Price Risks

The Company's operating results and financial condition are dependent on the prices we receive for our crude oil and natural gas production. These prices have fluctuated widely in response to a variety of factors including global and domestic demand, weather conditions, the supply and price of imported oil and liquefied natural gas, the production and storage levels of North American natural gas, political stability, transportation facilities, the price and availability of alternative fuels and government regulations.

Oil and Gas Reserves and Resources Risk

The value of our Company is based on, among other things, the underlying value of the oil and gas reserves and resources. Geological and operational risks along with product price forecasts can affect the quantity and quality of reserves and resources and the cost of ultimately recovering those reserves and resources. Lower crude oil and natural gas prices may increase the risk of write-downs for our oil and gas property investments. Regulatory changes to reporting practices can also result in reserve or resource write-downs.

5.3 Future Development Costs

5.3.1 Development Costs of Future Net Revenue

Proved Reserves (Forecast Prices and Costs)		Proved Plus Probable Reserves (Forecast Prices and Costs)	
Undiscounted	Discount @ 10%	Undiscounted	Discount @ 10%
\$1,778,000	\$1,707,000	\$4,469,000	\$4,249,000

5.3.2 Development Costs of Future Net Revenue (by year)

5.3.2(a)

Proved Reserves (Forecast Prices and Costs)

2010	\$1,736,000
2011	\$ -
2012	\$ -
2013	\$ -
2014	\$ -

5.3.2(b)

Proved Plus Probable Reserves (Forecast Prices and Costs)

2010	\$3,598,000
2011	\$825,000
2012	\$ -
2013	\$ -
2014	\$ -

Note: Development costs will be funded by cash flow, and available bank credit

PART 6 OTHER OIL AND GAS INFORMATION

6.1 Oil and Gas Properties and Wells

Petro-Reef's Alexander property represents 95.1% of its net present value (for proved plus probable reserves using 10% discounted values – before income taxes). It is located in Central Alberta 35 miles Northwest of the City of Edmonton.

Petro-Reef's gas and oil plant is located on the property and has the following capacity:

- a) Natural Gas: 12.0 MMCF/D
- b) Sweet Oil: 750 bbl/D
- c) Sour Oil: 500 bbl/D

6.1.1 Producing Versus Non-Producing Reserves

Following is the Alexander property to which reserves have been attributed and are capable of producing but which are not producing as of the effective date, the percentage of those reserves to the total reserves, and the percentage of those reserves that are non-producing as of the dates indicated.

6.1.1(a)

(i) Alexander Total Proved plus Probable Reserves (as of December 31, 2009)

CRUDE OIL & NATURAL GAS LIQUIDS			NATURAL GAS *		
	Company			Company	
Gross Mbbl	Gross Mbbl	Net Mbbl	Gross MMcf	Gross MMcf	Net MMcf
566.7	457.6	376.7	9,629	7,655	6,101

(ii) Total Proved plus Probable Developed Non-Producing Reserves and Undeveloped Reserves (as of December 31, 2009)

CRUDE OIL & NATURAL GAS LIQUIDS				NATURAL GAS *		
	Company			Company		
	Gross Mbbl	Gross Mbbl	Net Mbbl	Gross MMcf	Gross MMcf	Net MMcf
	314.0	457.6	377.1	4,714	3,679	3,042
Percentage of Total Reserves Non-Producing	48.5%	54.5%	53.9%	40.9%	47.7%	49.3%

* Includes solution gas

6.1.1(b)

Other Properties

Other properties represent 4.9% of the total net present value (before income tax) with approximately 75% of those properties producing. The other properties are all non-operated.

6.1.2 Producing Versus Non-Producing Oil & Gas Wells:

Following is a list of oil and gas wells (gross and net) which are producing and non-producing (@ December 31, 2009). All the oil and gaswells are in Central Alberta, Canada.

Production is as of December 31, 2009

	Oilwells		Gaswells	
	Gross	Net	Gross	Net
Producing	5	4.7	12	9.0
Non-Producing	2	1.4	11	8.5
Non-Operated	-	-	19	2.9

6.1 Properties With No Attributed Reserves

6.2.1 Unproved Properties ⁽¹⁾

Location	Gross (Acres)	Net (Acres)
Total Unproved Properties	14,921	13,776

Note 1: Unproved Properties are those lands which have no reserves assigned by the independent reserves evaluator.

There are no work commitments required for fiscal year 2010.

6.2.2 The net area of unproved property which is expected to expire in fiscal year 2010 is 1,061 acres gross (891 acres net).

6.3 Forward Contracts

The Company is not bound by any agreement (including any transportation agreement) which would preclude it from fully realizing future market prices for oil or gas.

6.4 Additional Information Concerning Abandonment and Reclamation Costs.

- a) Petro-Reef estimates abandonment and reclamation cost based on historical average costs for the area net of salvage value at \$30,000 per well.
- b) Undiscounted cost to the Company is estimated at \$805,000 for reclamation and abandonment as determined by the independent engineering evaluators.

6.5 Tax Horizon

The Company does not expect to be required to pay income taxes for its 2009 financial year. It is anticipated that taxes will not become payable for fiscal year 2010.

6.6 Costs Incurred (for fiscal year 2009)

6.6.1 Cost for COGPE, CEE, and CDE (\$)

a) Property acquisition costs (COGPE) =	\$371,350
b) Exploration costs (CEE) =	\$1,167,750
c) Development costs (CDE) =	\$869,533
d) Class 39 & 41 =	\$2,098,829
e) Other =	(\$10,689)
f) Total =	\$4,496,774

6.7 Exploration and Development Activities

6.7.1 Wells for fiscal year 2009

Exploration wells	3	Gross	(3.0 net)
Development wells	-	Gross	(- net)

6.7.2 Wells for fiscal year 2008

Gaswells	2	Gross	(2.0 net)
Oilwells	1	Gross	(1.0 net)

Dry Holes - Gross (- net)

6.7.3 Success Ratio

Gross 3 out of 3 wells = 100.0%

Net 3.0 out of 3.0 wells = 100.0%

6.8 Production Estimates

6.8.1 Production estimates for 2010 (based on Company Interest) are:

Production Estimates (based on Company Interest) by Principal Product Type Forecast Prices and Costs			
Reserve Category	Light & Medium Oil and NGL's (bbls/d)	Natural Gas (Mcf/d)	Total (BOE/d)
Proved Producing	99	2,869	577
Total Proved	151	3,867	795
Proved Plus Probable	190	4,668	968

Note: Production estimates are 96.9% from the Alexander property.

6.9 Production History for fiscal year 2009

The following table summarizes certain information in respect of production, product prices received, royalties paid, operating expenses, and resulting netbacks for the periods indicated.

	QUARTER ENDED 2009			
	<u>MARCH 31</u>	<u>JUNE 30</u>	<u>SEPT. 30</u>	<u>DEC. 31</u>
Production per Quarter (BOE)				
- Crude Oil and NGL's (BBL /day)	154	137	131	119
- Natural Gas (MCF/day)	4,306	4,259	4,288	3,880
- Combined (BOE/day)	872	847	845	765
Average Price Received				
- Crude Oil and NGL's (\$/BBL)	\$43.45	\$58.49	\$65.88	\$71.43
- Natural Gas (\$/MCF)	\$5.13	\$3.42	\$3.76	\$4.59
- Combined (\$/BOE)	\$33.72	\$27.15	\$27.84	\$34.09
Royalties Paid				
- Crude Oil and NGL's (\$/BBL)	\$5.96	\$1.42	\$1.39	\$3.27
- Natural Gas (\$/MCF)	\$0.98	\$0.24	\$0.23	\$0.55
- Combined (\$/BOE)	\$5.96	\$1.42	\$1.39	\$3.27
Operating Expenses				
Combined (\$/BOE)	\$10.68	\$12.32	\$10.46	\$14.98
Netback Received				
Combined (\$/BOE)	\$17.14	\$8.26	\$10.46	\$14.45

Notes:

- 1) Production is stated after BTU adjustment.
- 2) Before deduction of royalties
- 3) Netbacks are calculated by subtracting royalties and operating costs from revenues.
- 4) Natural gas production is reported as part of the combined BOE/ day by converting at 6 MCF per 1 BBL.

Form 51-101F2

Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor

Report on Reserves Data

To the Board of Directors of Petro-Reef Resources Ltd. (the "Company"):

1. We have evaluated the Company's Reserves Data as at December 31, 2009. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2009, estimated using forecast prices and costs.
2. The Reserves Data are the responsibility of the Company's management. Our responsibility is to express an opinion on the Reserves Data based on our evaluation.

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

3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

4. The following table sets forth the estimated future net revenue attributed to proved plus probable reserves, estimated using forecast prices and costs on a before tax basis and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us as of December 31, 2009, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company's management and Board of Directors:

Independent Qualified Reserves Evaluator or Auditor	Description and Preparation Date of Evaluation Report	Location of Reserves (Country)	Net Present Value of Future Net Revenue Before Income Taxes (10% Discount Rate)			
			Audited (M\$)	Evaluated (M\$)	Reviewed (M\$)	Total (M\$)
Sproule	Evaluation of the P&NG Reserves of Petro-Reef Resources Ltd., As of December 31, 2009, prepared March to April 2010	Canada				
Total			Nil	33,684	Nil	33,684

5. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are presented in accordance with the COGE Handbook.
6. We have no responsibility to update the report referred to in paragraph 4 for events and circumstances occurring after its preparation date.
7. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

Executed as to our report referred to above:

Sproule Associates Limited
Calgary, Alberta
April 14, 2010

Original Signed by Robert R. Warholm, P.Eng.

Robert R. Warholm, P.Eng.
Manager, Engineering

Original Signed by John Hanko, P.Geol.

John Hanko, P.Geol.
Associate

Original Signed by Robert N. Johnson, P.Eng.

Robert N. Johnson, P.Eng.
Vice-President, Engineering

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

Management of Petro-Reef Resources 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 consists of the following:

- (i) proved and proved plus probable oil and gas reserves estimated as at December 31, 2009 using forecast prices and costs; and
- (ii) the related estimated future net revenue; and

An independent qualified reserves evaluator has evaluated and reviewed the Company's reserve 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 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; and
- 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 judgments regarding future events, actual results will vary and the variations may be material.

“Theodore M. Donhuysen”

Theodore M. Donhuysen
President & C.E.O.
Director

“N. Gary Van Nest”

N. Gary Van Nest
Director

“Alan P. Hallman”

Alan P. Hallman
Director

“John Pantazopoulos”

John Pantazopoulos
Vice President Finance and
Chief Financial Officer & Director

“Allan Rasmuson”

Allan Rasmuson
Director

“Peter Lubey”

Peter Lubey
Director

“Huba Sebo”

Huba A. Sebo
Director