FORM 51-101F1: Statesman Resources Ltd.

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

PART 1 DATE OF STATEMENT Item 1.1 Relevant

Dates

Date of statement: July 27, 2010
Effective date of the information being provided: March 31, 2010, covering the fiscal year ending March 31, 2010.
Preparation date of the information being provided: July 27, 2010.

PART 2 DISCLOSURE OF RESERVES DATA

During the fiscal year ending March 31, 2010, Statesman Resources Ltd. (“Statesman” or the “Company”) has been evaluating and appraising its Reichel Gas Project in Rush County, Kansas. As part of this evaluation, Statesman drilled four appraisal wells, which it continues to test and appraise. While being tested, two of the wells produced natural gas and Statesman received a proportionate share (75% working interest, 60% net revenue interest) of the gross sales attributable to production of natural gas from October 2009 through March 31, 2010, as shown in the table below. Despite such sales and production, until appraisal is completed of all four wells, it is not possible to predict future net revenue. The Company intends to commission an independent reserve report once testing and appraisal are completed, which is anticipated to be in August 2010. Accordingly, at the time of this report, Statesman has no bookable reserves and is not able to state any related future net revenues.

Well Name	Spud Date	Gross sales volume, Mcf	Sales Revenues	Comments
Eberhardt #1-24	9Sept 09	30,257	$68,305	Sales Oct through 31Mar10
Dechant Farms #1-22	17Dec09	-	-	Temporarily abandoned
Brack #1-31	16Feb10	87	$162	Under production testing
Scheuerman #1-36	12Mar10	-	-	Under completion

Otherwise, Statesman’s portfolio was comprised of exploration activities and farmin interests in exploration operations in California and Kansas with no bookable reserves and hence no related future net revenue.

PART 3 PRICING ASSUMPTIONS

Not applicable.

PART 4 RECONCILIATIONS OF CHANGES IN RESERVES AND FUTURE NET

REVENUE

Not applicable.

PART 5 ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Item 5.1 Undeveloped Reserves

Not applicable

Item 5.2 Significant Factors or Uncertainties

RISK FACTORS

There are a number of risks and uncertainties that may materially adversely affect Statesman's business, financial condition and/or results of operations. Additional risks and uncertainties not currently known to the management of Statesman may also have an adverse effect on the business and the information set out below does not purport to be an exhaustive summary of the risks affecting Statesman.

Exploration, Appraisal and Reserve Risks

Statesman has no existing commercial reserves. Its future value is therefore dependent on the success or otherwise of Statesman's activities which are principally directed towards the further exploration, appraisal and development of its assets in California and Kansas. Exploration, appraisal and development of oil and gas reserves are speculative and involve a significant degree of risk. There is no guarantee that exploration of the properties in which Statesman holds an interest will lead to a commercial discovery or, if there is commercial discovery as appears to be the case with the producing gas well in the Reichel Project in Kansas, that Statesman will be able to realize such reserves as intended.

Risk of Loss of Farmout, Operating and Related Agreements

Statesman is a fractional interest holder (from 11.8750 – 26.5625%) in its California farmin assets, and a 75% working-interest holder in the Reichel farmin in Kansas. The remaining interest holders are responsible for funding their proportionate shares of the drilling and/or work programs. Although Statesman has no reason to believe that the other interest holders will not meet their respective commitments, failure by one or more of the other interest holders to meet funding obligations would cause delays and impose additional financial pressure on Statesman.

Title to Properties

Although the Company has taken steps to verify title to its exploration interests, and obtained drilling title opinions prior to drilling the Kansas wells, all in accordance with industry standards, these procedures do not guarantee the Company's title. Properties may be subject to unregistered prior agreements or inadvertent non-compliance with regulatory requirements.

Drilling and Operating Risks

Exploration and development activities may be delayed or adversely affected by factors outside the control of Statesman. These include adverse climatic and geographic conditions, labour disputes or shortages, the performance of other working interest owners, performance of the operator, shortages or delays in obtaining drilling rigs and other equipment and services. Problems may also arise due to the quality or failure of equipment and technical support and services, due to operational emergencies or accidents or other hazards and damages. Such problems may result in failure to achieve target dates and/or result in a requirement for greater expenditure. There also may be circumstances where Statesman's insurance, or that of the operator of a project, will not cover or be adequate to cover the consequences of such events or where Statesman may become liable for pollution or other operational hazards against which it either cannot insure or may elect not to insure on account of high premium costs. The occurrence of an event that is not fully covered by insurance could have a material adverse effect on Statesman's business, financial condition, operations and the results therefrom.

Market Risk

In the event of successful development of oil and gas reserves, the marketing of Statesman's prospective production of oil and gas from such reserves will / may be dependent on market fluctuations and the availability of transportation infrastructure, and processing and refining facilities. In particular, some of the natural gas expected to be produced in Kansas is low Btu which requires additional processing before it can be delivered into intra- or inter-state gas pipelines. Due to the geographic location of the potential assets and the current availability of adequate processing, these risks are not considered great.

Results to Date and Additional Requirements for Capital

Statesman is likely to remain cash flow negative for some time and there can be no certainty that Statesman will achieve or sustain profitability or positive case flow from its operating activities. Statesman will need to raise additional capital in the future to fund the work commitments on the properties. The future of Statesman is dependent upon its ability to raise the required funding. Statesman's ability to fund its obligations is dependent upon obtaining additional financing in the form of equity, debt, joint ventures, farm-outs or a combination thereof through to the discovery of economically recoverable petroleum and natural gas reserves and the commencement of commercial production. Statesman has limited debt capacity and therefore its exploration activities are expected to be financed through equity or third-party joint ventures. There is no assurance that additional financing will be available on terms acceptable to Statesman. Failure to obtain additional financing on a timely basis may cause Statesman to forfeit its interest in some or all of the properties and reduce or terminate its operations. In addition, future production, oil and gas prices, environmental rehabilitation or restitution, revenues, taxes, transportation, costs, capital expenditures and operating expenses and geological success are all factors which will have an impact on the amount of additional capital required. Any additional equity financing may be dilutive to shareholders and debt financing, if any, may involve restrictions on financing and operating activities.

Market Perception

Market perception of junior oil and gas exploration companies is volatile and changes could impact the value of investors' holdings and the ability of Statesman to raise funds by the issue of securities of Statesman.

Currency Risks

Most of Statesman's financial obligations are denominated in US dollars although its financial results are reported in Canadian dollars. As a result, a number of foreign currency effects may arise. Statesman does not engage in active hedging to minimize exchange rate risks.

Dependence on Key Personnel

Statesman has a small management team and the loss of a key individual or its inability to attract suitably qualified personnel in the future could materially and adversely affect Statesman.

PART 6 OTHER OIL AND GAS INFORMATION

Item 6.1 Oil and Gas Properties and Wells

As at March 31, 2010, Statesman had received revenues from the sale of natural gas from the Eberhardt #1-24 -- one of four appraisal wells drilled within its Reichel Project, Rush County, Kansas. Until appraisal is completed of all four wells, it is not possible to predict future net revenue nor attribute reserves. As at March 31, 2010 Statesman had earned a 75% working interest in all down-hole, well-head and/or surface equipment associated with three of the four appraisal wells. Upon completion of the fourth well, Statesman will likewise earn a 75% working interest in the associated equipment. Accordingly, as at March 31, 2010, Statesman did have ownership interest in limited well-site equipment, but did not have ownership interests in producing or non-producing oil and gas properties with attributed reserves, nor in plants, facilities or installations.

Item 6.2 Properties with No Attributed Reserves

Statesman's farmin exploration interests are located in the San Joaquin Basin, California, and in central Kansas. All said interests have been acquired under farmin arrangements with associated operating agreements, which follow the Model Form Operating Agreement AAPL Form 610-1989.

North Yowlumne Prospect (California)

In November 2005, Statesman gained access to a lease position and a working interest of 12.5% in the North Yowlumne Prospect, located in the San Joaquin Basin, California. Detailed supporting geologic and other technical information about this Prospect is presented in the NI51-101 compliant, independent Technical Evaluation of Statesman, filed March 29, 2006 via SEDAR under #908707.

In October 2007, Statesman increased its working interest in the Prospect by purchasing a portion of Ivanhoe Energy's (the major lessee in the Prospect) interest. As a result, Statesman's working interest ranges from 11.870% to 26.5625% in the leases within the Prospect. The Prospect's area of mutual interest consists of 12,240 acres; however, as at March 31, 2010, less than 100 acres were covered by unexpired leases. The Prospect are and leases are subject to a Joint Operating Agreement to which Statesman is a party and under which the Nahabedian Exploration Group ("NEG") is the operator.

To earn the above-stated working interests, Statesman was obligated to pay 25% of the drilling and testing costs of the first exploration well and 15.625% of the second exploration well, which obligations have been completed. Commercial production was not achieved from either well. Should a third exploration well be proposed within the Prospect, Statesman has the option, without forfeiting its earned working interest, to either participate or not. Should Statesman elect to not participate, its proportionate share of expenses will be paid by the other, participating working-interest owners who will then have the right to recover 300% of the associated drilling expenses from any production revenues. Once such cost recovery is achieved, Statesman will receive its proportionate share of all production revenues.

Multi-Lease Farmin (California)

Statesman Resources negotiated a decrease in its working interest from 25% to 15% in the San Joaquin Basin leases covered by Statesman's farmin agreement with Neon Energy Limited (formerly Salinas Energy Limited, referred to herein as "Neon"). Statesman has paid approximately US$772,000 of Neon's lease and exploration costs, and has the right to earn into the multiple leases held by Neon upon paying certain drilling costs through casing point. Exploration wells within the leases are expected to range in depth from 10,000 to 13,000 feet, and cost between US$3 and $4 million to drill and complete.

Reichel Natural Gas Leases (Kansas)

At the end of February 2009, Statesman signed a Farmout Agreement with Bear Petroleum, Inc., a Kansas operator, to earn a 75% working interest (60% net revenue interest) in leases that are currently held by production from the Reichel Gas Field, Rush County, Kansas ("Bear" Leases). Statesman's working interest will be limited to the portions of the leases that are not attributed to wells and formations producing at the time of the Agreement's execution. Accordingly, Statesman has no rights or interests in any production from the Bear Leases, unless Statesman achieves production through the drilling of new wells.

The terms of the Farmout Agreement with Bear Petroleum provide that once natural gas prices in central Kansas have stabilized at US$6/mcf or greater, Statesman will be obligated to drill a minimum of four development wells per year. Statesman will pay 100% of the costs to drill, test and complete the first four wells and 75% of the costs of all subsequent wells. As of March 31, 2010 had expended $1,088,248 on the first four wells and expects to spend an additional $200,000 to complete their testing and appraisal. The parties intend to tie the new wells into the Reichel Field's gathering system, owned and operated by Bear Petroleum, which system delivers gas pursuant to a gas-sales contract to a modular, nitrogen-stripping, processing facility owned and operated by IACX Energy LLC. Pursuant to the Farmout Agreement, Bear Petroleum is the field operator and becomes operator of each well once it is drilled and completed.

Additional Leases (Kansas)

Statesman has a 100% working interest (80% net revenue interest) in oil and gas leases covering approximately 5200 acres, the majority of which surround and complement the Bear Leases. Under the Farmout Agreement with Bear Petroleum, Statesman has the right to connect any gas wells on such leases to Bear's Reichel gathering system. Between March 31, 2009 and March 31, 2010, Statesman spent $42,750 to acquire these leases.

Item 6.3 Forward Contracts

Not Applicable

Item 6.4 Additional Information Concerning Abandonment and Reclamation Costs

Pursuant to the Model Form Operating Agreements AAPL Form 610-1989 which cover Statesman's California assets, and the simplified version of that Model Form Operating Agreement which covers the Kansas assets, abandonment and reclamation activities are conducted and related costs are incurred, in accordance with industry standards, by the operator. Such costs are then included in statements of financial estimates and invoices sent by the operator to the participating working-interest owners.

During the fiscal year ending March 31, 2010, no abandonment and reclamation costs were incurred.

Item 6.5 Tax Horizon

The Company was not required to pay income taxes for the financial year ending March 31, 2008. The Company may be subject to income taxes in future years depending on future exploration, appraisal and development activity undertaken by the Company.

Item 6.6 Costs Incurred

Refer to financial statements for March 31, 2010, filed concurrently with this report.

Item 6.7 Exploration and Development Activities

North Yowlumne Prospect (also known as the South Buena Vista Prospect) (California)

The objective of the first and second exploration wells is the Upper Miocene, Upper Stevens Sand, a unit of the Monterey Shale. Both the Stevens and the Monterey are highly productive in the San Joaquin Basin, the Stevens alone having produced about 1.8 billion barrels of oil by 2006, or 15% of the San Joaquin's cumulative production of 12 billion barrels.

The first exploration well, the North Yowlumne No. 1-26 well, reached its objective target in early February 2006. Subsequent electronic logs identified four particular zones of interest that were tested sequentially during March 2006 through January 2007. The testing confirmed oil saturation of all three lower zones and indicated pressure communication between them and the productive zones of the adjacent Yowlumne Field, considered an analog for the North Yowlumne Prospect. Since 1974, the Yowlumne Field has produced over 110 million barrels of oil and 96 billion cubic feet of gas from 133 wells.

Damage to the zones of interest incurred during the extended testing period as well as damage to the borehole during drilling and sidetracking, coupled with reservoir qualities and characteristics, resulted in NEG, the operator, recommending a second exploration well, to be located approximately one-half mile north of the location of the first well, where based on interpretation of 3D seismic a thicker target sand interval was expected. However, although encountered, the thicker sand interval in the second well did not result in appreciably improved reservoir quality. Currently, data on the second well's performance during its testing is being assembled for analysis with a view toward evaluating possible stimulation of the oil-saturated horizons.

Under its agreement with NEG, should Statesman have elected to not participate in the drilling of the second well, Statesman would have forfeited all of its rights and interests in the North Yowlumne Prospect.

Multi-Lease Farmin (California)

During 2006 and 2007, Statesman and Neon, the operator, cooperated in joint efforts to integrate regional geologic studies, well data, well logs, and 2D and 3D seismic surveys in order to evaluate numerous leads within the acreage and delineate prospects that merit exploration drilling. The geological and geophysical study covered 1000 square miles in the San Joaquin Basin and included building a digital database of 8,700 miles of 2D seismic, over 410 sq. miles of 3D seismic and over 42,000 wells. The work was undertaken by an international group of technicians who invested well over 5,000 hours of study. As a result, two prospects were scheduled for drilling. However, recognizing the continuing risk-averse market, Statesman and Neon decided to postpone exploration drilling under this farmin until at least the third quarter of 2010.

Kansas Projects

Detailed geologic analysis and reservoir evaluation of the natural gas Bear Leases and surrounding leases commenced in March 2009 and is being furthered by drilling four appraisal wells which are currently undergoing completion, production testing, and/or evaluation.

The Reichel Field was discovered in 1953 and was developed during the 1950's and early 1960's once the major 10-inch trunk line of the Reichel gathering system was constructed and tied into an interstate gas transportation pipeline. The Field has produced in excess of 44 billion cubic feet of gas to date from approximately 75 wells. Sixty of those wells, owned by Bear, continue to cumulatively produce about 1000mcf/day.

Statesman's geologic mapping and evaluation of the productive intervals and production histories of the producing wells in Reichel Field showed that even though production in the Field had come from about 12 different zones, numerous other zones remained untested, underdeveloped and in some cases undeveloped in the heart of the Field. In fact, the vast majority of wells in the Reichel Field were completed in just one formation, the Topeka (located about 100 feet above the Lansing-Kansas City), or just in two or three zones in the Lansing-Kansas City formation. This was despite good shows and good porosity indicated by electric logs in multiple other zones. Moreover, although the most prolific of the wells in the Reichel Field were completed and produce from several formations, anomalously such multiple completions were not the norm.

Most significantly, the shallowest formation, the Chase Group, was altogether overlooked in this area. Even though the Chase Group is responsible for most of the production in the Hugoton Field (the largest natural gas field in the United States, located in southwestern Kansas and extending into Oklahoma and Texas) and has been proven to overlie the Topeka and Lansing-Kansas City formations throughout western and central Kansas, the Chase Group remains an undeveloped resource. As shown by the current gas flows from the Chase in the Eberhardt #1-24 well, the Reichel Field is structurally favorable to drilling productive Chase wells.

The Eberhardt #1-24 well was drilled to a total depth of 3640 feet and the Granite Wash, the Lansing-Kansas City and the Chase formations were individually and sequentially perforated and treated. The Granite and Granite Wash initially exhibited oil and gas flows, but after being treated and stimulated with acid and a sand fracture treatment, predominantly water was produced. A plug was then set above the Granite & Granite Wash.

Four zones in the Lansing-Kansas City totaling 14 feet, between the elevations of 3339 and 3414ft. were perforated. Six zones in the Chase Group totaling 21 feet, between the elevations of 1964 and 2155ft. were perforated. Both formations flowed gas after being perforated and treated with acid, and in the case of the Lansing-Kansas City, with gelled water. It was decided to production test the Chase formation and return to the Lansing-Kansas City at a later time. The majority of the production recited in this report is from the Chase formation.

The three subsequent wells have focused on further appraisal of the Chase formation and thus have been drilled to depths approximately 2300 feet. The commerciality of the Chase reservoirs and the sustainability of gas flows is subject to current and planned production testing of the four appraisal wells.

Seismic Database

Statesman owns an exclusive license to approximately 40,000 miles of regional 2D seismic over the south San Joaquin Basin, as well as to approximately 370 square miles (236,800 acres) of 3D seismic over the gas prolific Sacramento Basin, California.

Other Interests

The Company does not own any other interests.

Item 6.8 Production Estimates

Because the Company does not currently have bookable reserves, no production estimates are stated at this time.

Item 6.9 Production History

The following table summarizes: the average daily natural gas production at the wellhead attributable to Statesman's 75% working interest; the gross volumes of natural gas after deductions for line loss, compression, processing (which increases Btu and recovers helium), and royalties, but before deduction of state severance taxes; net revenues received by Statesman, based on its 60% net revenue interest and after deduction of state severance taxes; and actual monthly production costs. Almost all of the production and revenues, as of March 31, 2010, area attributable to Statesman's first appraisal well – Eberhardt #1-24.

Month of gas sales	Aver daily production at wellhead, Mcf/d	Gross sales volume, Mcf	Net revenues received, $	Monthly production costs, $
Oct ‘09	378	1,581.70	2,831.69	-
Nov ‘09	373	5,244.44	8,434.14	1,420.00
Dec ‘09	593	3,943.63	15,021.18	2,303.00
Jan ‘10	510	6,410.68	15,452.75	3,135.69
Feb ‘10	484	6,437.22	14,454.58	2,334.50
Mar ‘10	484	6,726.52	12,272.12	3,049.10

END