Cedar Technical Services
P. O. Box 451 Baldwin City, Kansas 66006 (785) 594-2540

September 30, 2010

Ms. Sasha Karpov
Statesman Resources, Ltd,
1500-885 West Georgia St.
Vancouver, BC, Canada V6C 3E8

Dear Ms. Karpov:

As requested, Cedar Technical Services has prepared an estimate of the reserves, future production, and income attributable to certain leasehold interests of Statesman Resources, Ltd., as of August 1, 2010.

The estimated reserves and future income amounts presented in this report are related to natural gas prices. Gas prices utilized in this report are August 1, 2010 adjusted net NYMEX gas price. The price used reflects the historical trend in the Reichel Field, and was held constant for future projections. Actual prices received in the future will likely vary from those used in this evaluation, therefore, volumes of reserves recovered and amounts of income actually received may differ significantly from the estimated quantities presented in this report. Following is a summary of the results of this study, based on a gas price of $3.25.

Estimated Net Reserves and Income Data
Statesman Resources, Ltd.
As of August 1, 2010

	Proved				
	Developed			Total	
	Producing	Non-Producing	Undeveloped	Proved	Probable
Net Remaining Reserves					
Gas (mcf)	223,891	391,433	1,829,580	2,444,904	3,961,260
Income Data					
Future Net Income	$ 403,809	$ 623,486	$ 1,069,770	$ 2,097,065	$ 3,492,676
Discounted FNI @10%	$ 316,638	$ 496,125	$ 255,434	$ 1,068,197	$ 1,670,157

Proved, developed producing reserves were estimated by extrapolation of historical production decline curves, and by pressure depletion analysis. Proved undeveloped reserves represent the reserves anticipated from the drilling of new wells. Undeveloped reserves were estimated by volumetric calculations, and by comparison to analogous wells with application of a proper risk factor. The reserves of this report are within the guidelines of reserve definitions of the Society of Petroleum Engineers and the Securities and Exchange Commission.

In addition, estimates of helium reserve values are included in this report. Volumes of helium (mcf) are indicated on each individual cash flow calculation spreadsheet. The revenue from the helium is included in the net operating revenues column on the sheets.

Future cash flows were discounted at 10% per year, compounded annually in mid-year. Discounted net cash flow values represent the time value of money and should not be construed as a fair market value estimate.

The reserve values stated in this report are estimates and should not be interpreted as being exact quantities. They may or may not be actually recovered and the revenues so stated in the report may be more or less than what will ultimately be recovered. While reserve estimates presented herein are believed reasonable, they should be accepted with the understanding that economics, operations and reservoir performance after the date of the estimate may justify their revision.

Statesman Resources, Ltd. provided product prices, operating costs, production histories, and working and net revenue interests. Severance and ad valorem taxes were included in the tax columns. Operating costs and product prices were held constant for the productive life remaining. No deductions were made for general administration and overhead expenses, loan repayments, interest expenses, pipeline taps, and exploration and development costs that are not charged directly to the leases or wells. Neither salvage values nor costs to plug and abandon wells were considered.

Personnel of Cedar Technical Services did not make any field examination of the subject properties for the purposes of this report. No consideration or evaluation was made concerning any potential environmental liabilities, if any, caused by past operations.

This report has been prepared for the exclusive use of Statesman Resources, Ltd. The report shall not be reproduced, distributed or made available to any other person or company without the written consent of Cedar Technical Services. Cedar Technical Services has no interests, monetarily or otherwise, in the properties or company subject of this report. Any relationship with Statesman Resources, Ltd.., its officers and agents or other interested parties involved with the assets of this report is strictly on a consulting basis.

Very truly yours,

CEDAR TECHNICAL SERVICES

Dwayne McCune

Dwayne McCune, P.E. (KS 7034)

CERTIFICATION OF QUALIFICATION

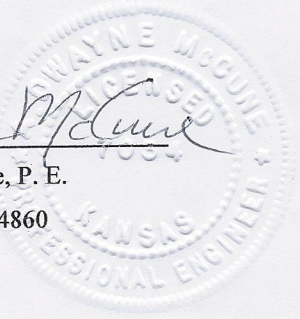
I, Dwayne McCune, Professional Engineer (Kansas #7034, Colorado #14860); 1884 N. 500 Road; Baldwin City, Kansas; hereby certify:

1. That I am the president and engineer of Cedar Technical Services, a consulting petroleum engineering firm, and did personally prepare an estimated economic forecast of the interests of Statesman Resources, Ltd. in the Reichel Field in Rush County, Kansas, USA. The effective date of said report being August 1, 2010.

2. That I do not have, nor do I expect to receive any direct or indirect interest in the securities of Statesman Resources, Ltd., or any of its affiliated companies.

3. That I attended the University of Kansas and graduated with a Bachelor of Science Degree in Petroleum Engineering in 1970; that I am a Registered Professional Engineer in the States of Kansas and Colorado; and that I have forty years of experience in petroleum engineering and geology in the oil and gas fields of Kansas.

4. That a recent personal inspection of the field was not made; however, such an inspection was not considered necessary in view of the information available from the files of Statesman Resources, Ltd., the operator of the field.



Dwayne McCune, P. E.
KS#7034; CO#14860

STATESMAN RESOURCES, LTD.

REICHEL FIELD
GAS RESERVE ESTIMATE AND EVALUATION
RUSH COUNTY, KANSAS

August 1, 2010

Dwayne McCune, P. E. KS 7034
September 30, 2010

GAS RESERVE ESTIMATE AND EVALUATION
STATESMAN RESOURCES, LTD.
REICHEL FIELD
RUSH COUNTY, KANSAS
August 1, 2010

INTRODUCTION

This report is an estimate of the gas reserves and associated economic values for the various reserve categories of interests of Statesman Resources, Ltd. (Statesman) in certain properties located in Rush County, Kansas, in the multi-zoned Reichel Field. The report is prepared for at the request of Ms. Sasha Karpov of Statesman.

COMMENTS

Data utilized in preparing this report were furnished by Statesman Resources, Rod Andersen, geologist, the Kansas Geological Survey, IHS Energy Group and the files of McCune Engineering. The data consisted of production histories, maps, well logs, and operational and geological information.

Included in this report are cash flow analyses based upon production decline curves for certain wells exhibiting proved, producing reserve capability. These analyses show annual anticipated flow rates, revenues and expenses. The reserves of the majority of the leases were determined volumetrically and/or probabilistically due to their undeveloped status.

The accuracy of any reserve estimate, especially when based on volumetric analysis, is a function of the quality of the available data and of engineering interpretation and judgment. While reserve estimates presented herein are believed reasonable,

they should be accepted with the understanding that reservoir performance subsequent to the date of the estimate may justify their revision

This report has been prepared for the exclusive use of Statesman Resources, Ltd., their accountants, bank and advisors. The report shall not be reproduced, distributed or made available to any other person or company without the written consent of Cedar Technical Services. Cedar Technical Services has no interests, monetarily or otherwise, in the properties or company subject of this report. Any relationship with Statesman, its officers and agents or other interested parties involved in any way in the assets of this report is strictly on a consulting basis.

The Reichel Field, according to State records has produced in excess of 45 BCF of gas, and minor amounts of oil, during its productive life. The majority of this production has come from two zones – the Topeka and the Lansing-Kansas City. Other zones contributing lesser amounts of gas are the Chase section, Wabaunsee, Howard, Tarkio, Basal Penn (Granite Wash), and Granite.

LOCATION

The gas reserves of this report are produced from a number of reservoirs within the Reichel Field situated in Central Kansas. The study involves the following townships and ranges:

Twp. 16 South; Ranges 16, 17 & 18 West

Twp. 17 South; Ranges 16, 17 & 18 West

Twp. 18 South; Ranges 16 & 17 West

SOCIETY OF PETROLEUM ENGINEERS
DEFINITIONS OF OIL AND GAS RESERVES

RESERVES

Reserves are estimated volumes of crude oil, condensate, natural gas, natural gas liquids and associated substances anticipated to be commercially recoverable from known accumulations from a given date forward, under existing economic conditions, by established operating practices, and under current government regulations.

PROVED RESERVES

Proved reserves can be estimated with reasonable certainty to be recoverable under current economic conditions. Current economic conditions include prices and costs prevailing at the time of the estimate. Proved reserves may be **developed** or **undeveloped.**

DEVELOPED RESERVES: *Developed reserves are those expected to be recovered from existing wells (including reserves behind pipe). Improved recovery reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor. Developed reserves may be subcategorized as producing or non-producing.*

UNDEVELOPED RESERVES: *Undeveloped reserves are those expected to be recovered: (1) from new wells on undrilled acreage, (2) from deepening existing wells to a different reservoir, or (3) where a relatively large expenditure is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.*

UNPROVED RESERVES

Unproved reserves are based on geologic and/or engineering data similar to that used in estimates of proved reserves; but technical, contractual, economic or regulatory uncertainties preclude such reserves being classified as proved. They may be estimated assuming future economic conditions different from those prevailing at the time of the estimate. Unproved reserves may be divided into two subclassifications: **probable** and **possible.**

PROBABLE RESERVES: *Probable reserves are less certain than proved reserves and can be estimated with a degree of certainty sufficient to indicate they are more likely to be recovered than not.*

PROVED DEVELOPED, PRODUCING RESERVES

The reserves of this category are from two wells – the Eberhardt #1-24 and the Scheuerman #1-36. The both of these wells are producing from the Chase Group.

The following parameters were utilized in determining the valuation of these reserves;

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Gas Price	August 2010: $3.25/mcf 72% of Nymex, remaining constant. Additional scenarios @ $4.00, $6.00, $8.00 and $10.00 net to Nymex.
Helium Price	$60.00/mcf
Operating Expenses	$ 1250/well-month
Working Interest	100% Statesman's leases 75% Farm-in leases
Net Revenue Interest	84.84% Statesman's leases 59.28% Farm-in leases
Ad Valorem Taxes	4% of gross revenue
Severance Tax (when applicable)	4.33% of gross revenue
Present Worth Factor	10% per year

Utilizing these parameters, the PDP reserves are:

GROSS REMAINING PROVED, DEV., PRODUCING RESERVES

GAS 376,477 MCF

NET REMAINING PROVED, DEV., PRODUCING RESERVES

GAS 223,891 MCF

The economic value of the evaluated interest in this category is;

FUTURE NET CASH FLOW	$ 403,809
DISCOUNTED (10%) F.N.C.F.	$ 316,638

Similar analyses were performed at adjusted net Nymex gas prices of $4.00, $6.00, $8.00 and $10.00.

PROVED, DEVELOPED NON-PRODUCING RESERVES

Reserves in geologic formations existing behind pipe in existing wells situated within the confines of geologic structures known to be productive (via tests or production) from that geologic formation, are assigned proved, developed, non-producing (behind pipe) reserves.

In any case, the presence of the gas must be confirmed by wireline log interpretation, and/or flow tests. Gas volumes for each individual well and zone are estimated volumetrically.

Three wells merit recompleting behind-pipe reserves – the Stremel A #1, Stremel #1 and Brack #1-31.

These reserves are anticipated to be recovered primarily from the Chase Group, with contribution from the Lansing-Kansas City, Topeka, and Granite Wash formations.

Utilizing the aforementioned economic parameters, the PDNP reserves are:

GROSS REMAINING PROVED, DEV., NON-PRODUCING RESERVES

GAS	503,959 MCF

NET REMAINING PROVED, DEV., NON-PRODUCING RESERVES

GAS	391,433 MCF

The economic value of the evaluated interest in this category is;

FUTURE NET CASH FLOW	$ 623,486
DISCOUNTED (10%) F.N.C.F.	$ 496,125

Similar analyses were performed at gas prices of $4.00, $6.00, $8.00 and $10.00.

PROVED UNDEVELOPED RESERVES

The proved undeveloped (PUD) reserves are those volumes of gas anticipated to be recovered from undrilled locations directly offsetting wells exhibiting commercial production or flow tests in the objective formations, and exhibiting positive geologic characteristics. In addition, the locations must conform to existing well spacings, and operational facilities to produce and market the products are in place, or can reasonably be expected to be installed. According to convention, the PUD reserves are risk-factored, for this reserve study, an 80% success factor was applied to drilling and volumetric recoverable gas resource.

Anticipated capital expenditures allocated to drill, complete, and equip the wells for production are:

Gas well, Chase Group	$ 220,000/well
Gas well; deeper horizons	$ 300,000/well
Gas well; re-entry of old wellbore	$ 145,000/well
Dry and abandoned	$ 85,000/location

Other economic parameters, stated in PDP reserves, are applicable to PUD reserves.

Utilizing the aforementioned economic parameters, the PUD reserves are:

GROSS REMAINING PROVED, UNDEVELOPED RESERVES

GAS	2.933,790 MCF

NET REMAINING PROVED, UNDEVELOPED RESERVES

GAS	1,829,580 MCF

The economic value of the evaluated interest in this category is;

FUTURE NET CASH FLOW	$ 1,069,770
DISCOUNTED (10%) F.N.C.F.	$ 255,434

Similar analyses were performed at gas prices of $4.00, $6.00, $8.00 and $10.00. Due to the estimated volumetric reserves of each location, the number of wells assigned to this category varies for each gas price scenario, according to the following:

	Statesman Acreage		Farm-In Acreage	
	Gas wells	Dry & Abd.	Gas Wells	Dry & Abd.
$3.25/mcf	1	0	9	2
$4.00/mcf	1	0	11	3
$6.00/mcf	1	0	11	3
$8.00/mcf	1	0	11	3
$10.00/mcf	1	0	11	3

PROBABLE RESERVES

Probable reserves are assigned to locations which geological and engineering data suggest are more likely than not to be recoverable. For this reserve study, a 70% probability was applied to successful drilling and volumetric recoverable gas resource. Probable reserves are assigned to undrilled step-out locations which; are 1) acceptable to the provisions of the farm-in agreement, 2) lack adequate geological and engineering data to qualify as proved, and 3) are within, or adjacent to, known producing areas.

Due to the estimated volumetric reserves of each location, the number of wells assigned to this category varies for each gas price scenario, according to the following:

	Statesman Acreage		Farm-In Acreage	
	Gas wells	Dry & Abd.	Gas Wells	Dry & Abd.
$3.25/mcf	8	3	10	4
$4.00/mcf	8	3	10	4
$6.00/mcf	11	4	19	8
$8.00/mcf	11	5	23	10
$10.00/mcf	11	5	23	10

The capital expenditure for drilling, completing and equipping to produce is:

Gas well, Chase Group	$ 220,000/well
Gas well; deeper horizons	$ 300,000/well
Gas well; re-entry of old wellbore	$ 145,000/well
Dry and abandoned	$ 85,000/location

Other economic parameters, stated in PDP reserves, are applicable to Probable reserves.

Utilizing the aforementioned economic parameters, the Probable reserves are:

GROSS REMAINING PROBABLE RESERVES	
GAS	5,475,000 MCF
NET REMAINING PROBABLE RESERVES	
GAS	3,961,259 MCF

The economic value of the evaluated interest in this category is;

FUTURE NET CASH FLOW	$ 3,492,676
DISCOUNTED (10%) F.N.C.F.	$ 1,670,157

Similar analyses were performed at gas prices of $4.00, $6.00, $8.00 and $10.00.

COMMENTS CONCERNING HELIUM

Gas analyses from the Reichel Field indicate the presence of helium, with concentrations of 1.6% to 1.9% of the gross gas stream. The contract with the gas processor provides Statesman with 25% of the helium sold until the plant is paid-out (early 2011), and 50% thereafter. For this analysis, the estimated helium portion paid to Statesman (including associated royalties) equates to 1.06% of the gas. Helium revenues are included in the Net Operating Revenue stream on the individual cash flow analyses, in units of one-thousand standard cubic feet (MCF).

At a gas price of $3.25, and a helium price of $60/mcf, the quantity and gross value of the helium to Statesman's interest is:

	Gross Helium	Net Helium	Helium Revenue
PROVED	44,519 mcf	28,415 mcf	$1,704,900
PROBABLE	66,310 mcf	47,774 mcf	$2,866,440
TOTAL	110,829 mcf	76,189 mcf	$4,571,340

SUMMARY OF NET RESERVE ESTIMATES AND EVALUATIONS

AT VARIOUS GAS PRICES

Gas Price ($/mcf) Nymex adjusted

	$3.25	$4.00	$6.00	$8.00	$10.00
Proved, BCF	2.44	2.69	2.69	2.69	2.69
Probable, BCF	3.96	3.96	5.47	5.77	5.77
Total 2P; BCF	6.41	6.65	8.16	8.46	8.46
NPV;10%	$2.7MM	$5.0MM	$11.4MM	$19.2MM	$27MM

The reserve and economic values are summarized at the beginning of each of the following gas price sections.

$3.25 GAS PRICE SCENARIO

PROVED GAS RESERVE SUMMARY - STATESMAN RESOURCES, LTD.

August 1, 2010

GAS PRICE = $3.25/MCF	ULTIMATE RESERVE	CUMULATIVE PRODUCTION	REMAINING RESERVE	NET REM. RESERVE	FUTURE NET CASH FLOW	DISCOUNTED FNCF
PROVED, DEVELOPED PRODUCING	(MCF)	August 1, 2010	(MCF)	(MCF)		
Eberhardt #1-24	400,000	81,610	318,390	189,347	$ 348,837	$ 268,007
Scheuerman #1-36	67,000	8,913	58,087	34,544	$ 54,972	$ 48,631
PROV. DEV. PROD. TOTAL	467,000	90,523	376,477	223,891	$403,809	$316,638
PROVED, DEVELOPED NON-PRODUCING						
Stremel A#1	163,567	0	163,567	138,769	$217,075	$175,997
Brack #1-31	143,615	1,223	142,392	84,681	$124,480	$97,327
Stremel #1	198,000	0	198,000	167,983	$281,931	$222,801
PROV., D. N. P. TOTAL	505,182	1,223	503,959	391,433	$623,486	$496,125
PROVED, UNDEVELOPED :						
Statesman Acreage	353,790	0	353,790	300,155	$236,331	$109,111
Farm-In Acreage	2,580,000	0	2,580,000	1,529,424	$833,439	$146,323
PROVED, UND. TOTAL	2,933,790	0	2,933,790	1,829,579	$1,069,770	$255,434
TOTAL ALL PROVED RESERVES	3,905,972	91,746	3,814,226	2,444,903	2,097,065	1,068,197

PROBABLE GAS RESERVE SUMMARY - STATESMAN RESOURCES, LTD.

AUGUST , 2010

PROBABLE		ULTIMATE RESERVE (MCF)	CUMULATIVE PRODUCTION August 1, 2010	REMAINING RESERVE (MCF)	NET REM. RESERVE (MCF)	FUTURE NET CASH FLOW	DISCOUNTED FNCF
	Statesman Acreage	2,800,000	0	2,800,000	2,375,520	$ 2,532,769	$ 1,322,408
	Farm-In Acreage	2,675,000	0	2,675,000	1,585,740	$ 959,907	$ 347,749
PROBABLE TOTAL		5,475,000	0	5,475,000	3,961,260	3,492,676	1,670,157
TOTAL ALL PROVED + PROBABLE		**9,380,972**	**91,746**	**9,289,226**	**6,406,163**	**5,589,741**	**2,738,354**

PROVED + PROB RESERVES
PRICE = $3.25/MCF
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:34:03
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPP3
.OUT: SRPP3

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	86.174	.000	60.030	.00	3.25	235.178	12.122	84.667	300.000	-161.611	-154.023
12-11	.000	661.309	.000	475.168	.00	3.25	1872.136	102.779	597.357	3832.860	-2660.860	-2592.746
12-12	.000	1510.659	.000	1092.058	.00	3.25	4320.490	225.744	1393.997	1422.245	1278.504	-1524.216
12-13	.000	1637.817	.000	1100.323	.00	3.25	4370.811	226.722	1524.249	1362.855	1256.985	-587.959
12-14	.000	1215.709	.000	807.808	.00	3.25	3210.078	166.588	1219.068	.000	1824.422	668.109
12-15	.000	830.685	.000	558.941	.00	3.25	2219.040	115.476	966.024	.000	1137.540	1380.065
12-16	.000	641.001	.000	434.060	.00	3.25	1722.516	89.767	839.840	.000	792.909	1831.210
12-17	.000	525.293	.000	357.085	.00	3.25	1416.366	73.883	762.063	.000	580.420	2131.433
12-18	.000	446.592	.000	304.371	.00	3.25	1206.888	62.999	708.795	.000	435.094	2336.025
12-19	.000	389.292	.000	265.806	.00	3.25	1053.950	55.030	669.829	.000	329.091	2476.705
12-20	.000	339.238	.000	232.509	.00	3.25	921.855	48.160	624.936	.000	248.759	2573.377
12-21	.000	298.888	.000	204.050	.00	3.25	809.263	42.299	581.178	.000	185.786	2639.013
12-22	.000	232.167	.000	161.700	.00	3.25	640.485	33.598	476.969	.000	129.918	2680.812
12-23	.000	174.679	.000	124.630	.00	3.25	492.708	25.982	373.432	.000	93.294	2708.052
12-24	.000	159.723	.000	114.230	.00	3.25	451.828	23.828	358.539	.000	69.461	2726.498
12-25	.000	92.348	.000	72.966	.00	3.25	288.319	15.388	237.149	.000	35.782	2735.182
12-26	.000	47.652	.000	40.428	.00	3.25	159.472	8.736	136.489	.000	14.247	2738.354
12-27												
12-28												
12-29												
S TOT	.000	9289.226	.000	6406.163	.00	3.25	25391.383	1329.101	11554.581	6917.960	5589.741	2738.354
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	2738.354
TOTAL	.000	9289.226	.000	6406.163	.00	3.25	25391.383	1329.101	11554.581	6917.960	5589.741	2738.354
CUM.	.000	91.746										
ULT.	.000	9380.972										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	20820.043		
TOTAL REVENUES (M$)	25391.383		
BTAX RATE OF RETURN (PCT)	38.99	PROJECT LIFE (YEARS)	16.417
BTAX PAYOUT	02/28/2014	DISCOUNT RATE (PCT)	10.000
BTAX PAYOUT (DISC)	06/19/2014	GROSS OIL WELLS	.000
BTAX NET INCOME/INVEST	1.81	GROSS GAS WELLS	33.000
BTAX NET INCOME/INVEST (DISC)	1.46	GROSS WELLS	33.000

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	5589.741	30.0	453.336
2.0	4839.515	35.0	175.010
5.0	3908.325	40.0	-44.045
8.0	3158.750	45.0	-218.152
10.0	2738.354	50.0	-357.650
12.0	2369.892	60.0	-561.286
15.0	1897.833	70.0	-695.862
18.0	1504.494	80.0	-785.428
20.0	1278.064	90.0	-844.782
25.0	811.212	100.0	-883.374

ALL PROVED RESERVES
PRICE = $3.25/MCF
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:34:31
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRALL3
.OUT: SRPVD3

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	86.174	.000	60.030	.00	3.25	235.178	12.122	84.667	300.000	-161.611	-154.023
12-11	.000	496.599	.000	335.428	.00	3.25	1319.521	74.420	438.682	2032.500	-1226.081	-1286.808
12-12	.000	739.499	.000	464.927	.00	3.25	1837.594	98.397	632.824	.000	1106.373	-365.158
12-13	.000	473.171	.000	300.085	.00	3.25	1185.398	63.751	483.156	.000	638.491	118.376
12-14	.000	346.706	.000	221.007	.00	3.25	872.834	47.046	393.639	.000	432.149	415.920
12-15	.000	278.984	.000	178.168	.00	3.25	703.607	37.938	348.777	.000	316.892	614.254
12-16	.000	235.549	.000	150.517	.00	3.25	594.541	32.042	320.835	.000	241.664	751.755
12-17	.000	204.621	.000	130.766	.00	3.25	516.309	27.815	300.882	.000	187.612	848.798
12-18	.000	181.375	.000	115.891	.00	3.25	457.527	24.639	285.846	.000	147.042	917.941
12-19	.000	163.207	.000	104.249	.00	3.25	411.769	22.154	274.087	.000	115.528	967.327
12-20	.000	142.249	.000	91.104	.00	3.25	359.809	19.385	249.554	.000	90.870	1002.641
12-21	.000	124.382	.000	78.302	.00	3.25	309.562	16.713	221.621	.000	71.228	1027.805
12-22	.000	113.188	.000	70.780	.00	3.25	279.835	15.117	209.388	.000	55.330	1045.578
12-23	.000	101.161	.000	62.257	.00	3.25	246.076	13.325	190.408	.000	42.343	1057.942
12-24	.000	91.513	.000	56.361	.00	3.25	222.954	12.083	180.065	.000	30.806	1066.128
12-25	.000	28.703	.000	18.970	.00	3.25	74.792	4.430	62.591	.000	7.771	1068.053
12-26	.000	7.145	.000	6.062	.00	3.25	23.542	1.761	21.123	.000	.658	1068.197
12-27												
12-28												
12-29												
S TOT	.000	3814.226	.000	2444.904	.00	3.25	9650.848	523.138	4698.145	2332.500	2097.065	1068.197
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	1068.197
TOTAL	.000	3814.226	.000	2444.904	.00	3.25	9650.848	523.138	4698.145	2332.500	2097.065	1068.197
CUM.	.000	91.746		NET OIL REVENUES (M$)				.000				
				NET GAS REVENUES (M$)				7945.948				
ULT.	.000	3905.972		TOTAL REVENUES (M$)				9650.848				

BTAX RATE OF RETURN (PCT)	40.20	PROJECT LIFE (YEARS)	16.417		
BTAX PAYOUT	06/09/2013	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	09/30/2013	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	1.90	GROSS GAS WELLS	15.000		
BTAX NET INCOME/INVEST (DISC)	1.49	GROSS WELLS	15.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	2097.065	30.0	205.149
2.0	1828.531	35.0	93.253
5.0	1493.461	40.0	2.933
8.0	1221.708	45.0	-70.786
10.0	1068.197	50.0	-131.524
12.0	932.796	60.0	-224.075
15.0	757.868	70.0	-289.336
18.0	610.495	80.0	-336.102
20.0	524.814	90.0	-369.934
25.0	345.620	100.0	-394.492

ALL PROVED RESERVES
PRICE = $3.25/MCF
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:34:31
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRALL3
.OUT: SRPVD3

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(3)PROVED UNDEVELOPED (STATES)	.000	353.790	.000	300.156	1166.847	87.227	543.289	300.000	236.331	109.111
(13)STREMEL A #1	.000	163.567	.000	138.769	540.221	27.927	295.219	.000	217.075	175.997
(14)EBERHARDT #1-24	.000	318.390	.000	189.347	736.039	38.076	349.126	.000	348.837	268.007
(15)SCHEUERMAN #1-36	.000	58.087	.000	34.544	136.629	7.010	74.647	.000	54.972	48.631
(16)BRACK #1-31	.000	142.392	.000	84.681	333.116	17.137	191.499	.000	124.480	97.327
(20)STREMEL #1	.000	198.000	.000	167.983	666.185	34.144	350.110	.000	281.931	222.801
(21)PROVED UNDEVELOPED (FARMIN)	.000	2580.000	.000	1529.424	6071.811	311.617	2894.255	2032.500	833.439	146.323
(-1) SUMMARY: ALL PROVED RESERVES	.000	3814.226	.000	2444.904	9650.848	523.138	4698.145	2332.500	2097.065	1068.197

PROVED DEVEL. PRODUCING

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:35:18
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPDP
.OUT: SRPDP3

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	49.300	.000	29.318	.00	3.25	114.424	5.908	38.948	.000	69.568	68.201
12-11	.000	79.296	.000	47.158	.00	3.25	184.103	9.505	70.058	.000	104.540	163.995
12-12	.000	54.234	.000	32.253	.00	3.25	125.942	6.500	55.016	.000	64.426	217.665
12-13	.000	41.762	.000	24.836	.00	3.25	97.038	5.007	47.538	.000	44.493	251.360
12-14	.000	25.618	.000	15.235	.00	3.25	59.294	3.065	28.220	.000	28.009	270.670
12-15	.000	20.276	.000	12.058	.00	3.25	46.869	2.425	23.435	.000	21.009	283.819
12-16	.000	17.538	.000	10.430	.00	3.25	40.558	2.098	21.787	.000	16.673	293.306
12-17	.000	15.477	.000	9.204	.00	3.25	35.793	1.851	20.552	.000	13.390	300.232
12-18	.000	13.867	.000	8.247	.00	3.25	32.023	1.658	19.581	.000	10.784	305.303
12-19	.000	12.573	.000	7.477	.00	3.25	29.040	1.503	18.806	.000	8.731	309.035
12-20	.000	11.509	.000	6.844	.00	3.25	26.623	1.377	18.165	.000	7.081	311.787
12-21	.000	10.619	.000	6.315	.00	3.25	24.544	1.270	17.629	.000	5.645	313.781
12-22	.000	9.860	.000	5.864	.00	3.25	22.778	1.179	17.176	.000	4.423	315.202
12-23	.000	9.209	.000	5.477	.00	3.25	21.280	1.101	16.783	.000	3.396	316.194
12-24	.000	5.339	.000	3.175	.00	3.25	12.359	.639	10.079	.000	1.641	316.638
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	376.477	.000	223.891	.00	3.25	872.668	45.086	423.773	.000	403.809	316.638
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	316.638
TOTAL	.000	376.477	.000	223.891	.00	3.25	872.668	45.086	423.773	.000	403.809	316.638
CUM.	.000	90.523										
ULT.	.000	467.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	727.648				
TOTAL REVENUES (M$)	872.668				
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	14.027		
BTAX PAYOUT	07/31/2010	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	07/31/2010	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS	2.000		
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS	2.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	403.809	30.0	232.676
2.0	381.732	35.0	219.928
5.0	353.608	40.0	208.993
8.0	330.182	45.0	199.492
10.0	316.638	50.0	191.145
12.0	304.454	60.0	177.128
15.0	288.326	70.0	165.779
18.0	274.309	80.0	156.364
20.0	265.935	90.0	148.409
25.0	247.761	100.0	141.583

PROVED DEVEL. PRODUCING

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:35:18
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPDP
.OUT: SRPDP3

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(14)EBERHARDT #1-24	.000	318.390	.000	189.347	736.039	38.076	349.126	.000	348.837	268.007
(15)SCHEUERMAN #1-36	.000	58.087	.000	34.544	136.629	7.010	74.647	.000	54.972	48.631
(-1) SUMMARY: PROVED DEVEL. PRODUCING	.000	376.477	.000	223.891	872.668	45.086	423.773	.000	403.809	316.638

EBERHARDT #1-24
STATESMAN RESOURCES, LTD.
RUSH COUNTY, KANSAS
PROVED, DEVEL. PRODUCING

DATE: 09/28/10
TIME: 10:35:18
FILE: STATESMA
PROP: 14
STID: BASE
.CMD: SRPDP
.OUT: SRPDP3

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	38.748	.000	23.043	.00	3.25	89.590	4.634	27.971	.000	56.985	55.865
12-11	.000	59.863	.000	35.601	.00	3.25	138.383	7.159	47.223	.000	84.001	132.838
12-12	.000	39.557	.000	23.525	.00	3.25	91.456	4.730	35.018	.000	51.708	175.913
12-13	.000	29.853	.000	17.754	.00	3.25	69.041	3.570	29.190	.000	36.281	203.389
12-14	.000	24.102	.000	14.333	.00	3.25	55.702	2.882	25.731	.000	27.089	222.039
12-15	.000	20.276	.000	12.058	.00	3.25	46.869	2.425	23.435	.000	21.009	235.188
12-16	.000	17.538	.000	10.430	.00	3.25	40.558	2.098	21.787	.000	16.673	244.675
12-17	.000	15.477	.000	9.204	.00	3.25	35.793	1.851	20.552	.000	13.390	251.601
12-18	.000	13.867	.000	8.247	.00	3.25	32.023	1.658	19.581	.000	10.784	256.672
12-19	.000	12.573	.000	7.477	.00	3.25	29.040	1.503	18.806	.000	8.731	260.404
12-20	.000	11.509	.000	6.844	.00	3.25	26.623	1.377	18.165	.000	7.081	263.156
12-21	.000	10.619	.000	6.315	.00	3.25	24.544	1.270	17.629	.000	5.645	265.150
12-22	.000	9.860	.000	5.864	.00	3.25	22.778	1.179	17.176	.000	4.423	266.571
12-23	.000	9.209	.000	5.477	.00	3.25	21.280	1.101	16.783	.000	3.396	267.563
12-24	.000	5.339	.000	3.175	.00	3.25	12.359	.639	10.079	.000	1.641	268.007
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	318.390	.000	189.347	.00	3.25	736.039	38.076	349.126	.000	348.837	268.007
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	268.007
TOTAL	.000	318.390	.000	189.347	.00	3.25	736.039	38.076	349.126	.000	348.837	268.007
CUM.	.000	81.610										
ULT.	.000	400.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	615.379				
TOTAL REVENUES (M$)	736.039				

BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	14.027		
BTAX PAYOUT	07/31/2010	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	07/31/2010	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS	1.000		
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS	1.000		
INITIAL W.I. FRACTION	.750000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	.750000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	8/01/10	INITIAL NET GAS FRACTION	.594700		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.594700		
HELIUM GROSS PROD. (MU)	3.383	HELIUM NET PRODUCTION (MU)	2.011		
FUEL GROSS PROD. (MU)	78.490	FUEL NET PRODUCTION (MU)	.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	348.837	30.0	192.733
2.0	328.177	35.0	181.609
5.0	302.029	40.0	172.138
8.0	280.421	45.0	163.967
10.0	268.007	50.0	156.830
12.0	256.897	60.0	144.939
15.0	242.278	70.0	135.393
18.0	229.659	80.0	127.529
20.0	222.164	90.0	120.919
25.0	206.012	100.0	115.273

HELIUM NET REVENUES (M$) 120.660
FUEL NET REVENUES (M$) .000

SCHEUERMAN #1-36
STATESMAN RESOURCES, LTD.
RUSH COUNTY, KANSAS
PROVED, DEVEL. PRODUCING

DATE: 09/28/10
TIME: 10:35:18
FILE: STATESMA
PROP: 15
STID: BASE
.CMD: SRPDP
.OUT: SRPDP3

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	10.552	.000	6.275	.00	3.25	24.834	1.274	10.977	.000	12.583	12.336
12-11	.000	19.433	.000	11.557	.00	3.25	45.720	2.346	22.835	.000	20.539	31.157
12-12	.000	14.677	.000	8.728	.00	3.25	34.486	1.770	19.998	.000	12.718	41.752
12-13	.000	11.909	.000	7.082	.00	3.25	27.997	1.437	18.348	.000	8.212	47.971
12-14	.000	1.516	.000	.902	.00	3.25	3.592	.183	2.489	.000	.920	48.631
12-15												
12-16												
12-17												
12-18												
12-19												
12-20												
12-21												
12-22												
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	58.087	.000	34.544	.00	3.25	136.629	7.010	74.647	.000	54.972	48.631
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	48.631
TOTAL	.000	58.087	.000	34.544	.00	3.25	136.629	7.010	74.647	.000	54.972	48.631
CUM.	.000	8.913										
ULT.	.000	67.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	112.269				
TOTAL REVENUES (M$)	136.629				
PROJECT LIFE (YEARS)	3.558				
DISCOUNT RATE (PCT)	10.000				
GROSS OIL WELLS	.000				
GROSS GAS WELLS	1.000				
GROSS WELLS	1.000				
INITIAL NET OIL FRACTION	.000000				
FINAL NET OIL FRACTION	.000000				
INITIAL NET GAS FRACTION	.594700				
FINAL NET GAS FRACTION	.594700				
HELIUM NET PRODUCTION (MU)	.406				
FUEL NET PRODUCTION (MU)	.000				

---PRESENT WORTH PROFILE---

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	54.972	30.0	39.943
2.0	53.555	35.0	38.319
5.0	51.579	40.0	36.855
8.0	49.761	45.0	35.525
10.0	48.631	50.0	34.315
12.0	47.557	60.0	32.189
15.0	46.048	70.0	30.386
18.0	44.650	80.0	28.835
20.0	43.771	90.0	27.490
25.0	41.749	100.0	26.310

HELIUM NET REVENUES (M$) 24.360
FUEL NET REVENUES (M$) .000

BTAX RATE OF RETURN (PCT)	100.00
BTAX PAYOUT	07/31/2010
BTAX PAYOUT (DISC)	07/31/2010
BTAX NET INCOME/INVEST	.00
BTAX NET INCOME/INVEST (DISC)	.00
INITIAL W.I. FRACTION	.750000
FINAL W.I. FRACTION	.750000
PRODUCTION START DATE	8/01/10
MONTHS IN FIRST LINE	5.00
HELIUM GROSS PROD. (MU)	.683
FUEL GROSS PROD. (MU)	14.205

ALL PROVED DEV. NON-PRODUCING

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:35:42
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPNP
.OUT: SRPNP3

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	36.874	.000	30.712	.00	3.25	120.754	6.214	45.719	.000	68.821	67.197
12-11	.000	98.502	.000	77.451	.00	3.25	304.456	15.667	119.513	.000	169.276	222.312
12-12	.000	83.789	.000	62.828	.00	3.25	247.092	12.713	104.733	.000	129.646	330.312
12-13	.000	60.803	.000	46.086	.00	3.25	181.160	9.323	87.816	.000	84.021	393.942
12-14	.000	47.245	.000	36.129	.00	3.25	142.080	7.311	77.756	.000	57.013	433.193
12-15	.000	38.917	.000	29.890	.00	3.25	117.543	6.048	71.454	.000	40.041	458.254
12-16	.000	33.195	.000	25.557	.00	3.25	100.581	5.173	67.072	.000	28.336	474.376
12-17	.000	28.991	.000	22.352	.00	3.25	87.884	4.522	63.835	.000	19.527	484.477
12-18	.000	25.764	.000	19.881	.00	3.25	78.114	4.022	61.337	.000	12.755	490.474
12-19	.000	23.202	.000	17.913	.00	3.25	70.517	3.626	59.348	.000	7.543	493.699
12-20	.000	14.780	.000	12.540	.00	3.25	49.276	2.536	42.672	.000	4.068	495.280
12-21	.000	7.224	.000	6.129	.00	3.25	24.299	1.246	21.195	.000	1.858	495.936
12-22	.000	4.673	.000	3.965	.00	3.25	15.766	.807	14.378	.000	.581	496.125
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	503.959	.000	391.433	.00	3.25	1539.522	79.208	836.828	.000	623.486	496.125
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	496.125
TOTAL	.000	503.959	.000	391.433	.00	3.25	1539.522	79.208	836.828	.000	623.486	496.125
CUM.	.000	1.223		NET OIL REVENUES (M$)			.000					
				NET GAS REVENUES (M$)			1272.162					
ULT.	.000	505.182		TOTAL REVENUES (M$)			1539.522					

BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	12.108		
BTAX PAYOUT	07/31/2010	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	07/31/2010	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS	3.000		
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS	3.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	623.486	30.0	358.395
2.0	592.677	35.0	336.356
5.0	552.044	40.0	317.283
8.0	516.953	45.0	300.619
10.0	496.125	50.0	285.925
12.0	477.053	60.0	261.200
15.0	451.306	70.0	241.182
18.0	428.481	80.0	224.626
20.0	414.656	90.0	210.691
25.0	384.156	100.0	198.786

ALL PROVED DEV. NON-PRODUCING

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:35:42
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPNP
.OUT: SRPNP3

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(13)STREMEL A #1	.000	163.567	.000	138.769	540.221	27.927	295.219	.000	217.075	175.997
(16)BRACK #1-31	.000	142.392	.000	84.681	333.116	17.137	191.499	.000	124.480	97.327
(20)STREMEL #1	.000	198.000	.000	167.983	666.185	34.144	350.110	.000	281.931	222.801
(-1) SUMMARY: ALL PROVED DEV. NON-PRODUCING	.000	503.959	.000	391.433	1539.522	79.208	836.828	.000	623.486	496.125

STREMEL A #1
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS
PROVED, DEVELOPED NON-PRODUCING

DATE: 09/28/10
TIME: 10:35:42
FILE: STATESMA
PROP: 13
STID: BASE
.CMD: SRPNP
.OUT: SRPNP3

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	16.194	.000	13.739	.00	3.25	53.472	2.765	18.881	.000	31.826	31.077
12-11	.000	34.796	.000	29.521	.00	3.25	114.903	5.940	44.832	.000	64.131	89.843
12-12	.000	23.968	.000	20.334	.00	3.25	79.166	4.092	35.547	.000	39.527	122.770
12-13	.000	18.302	.000	15.527	.00	3.25	60.423	3.124	30.688	.000	26.611	142.923
12-14	.000	14.811	.000	12.566	.00	3.25	48.880	2.528	27.698	.000	18.654	155.766
12-15	.000	12.439	.000	10.553	.00	3.25	41.137	2.125	25.663	.000	13.349	164.121
12-16	.000	10.724	.000	9.098	.00	3.25	35.449	1.832	24.194	.000	9.423	169.482
12-17	.000	9.425	.000	7.996	.00	3.25	31.087	1.608	23.080	.000	6.399	172.792
12-18	.000	8.407	.000	7.132	.00	3.25	27.739	1.435	22.205	.000	4.099	174.719
12-19	.000	7.587	.000	6.437	.00	3.25	25.120	1.297	21.503	.000	2.320	175.711
12-20	.000	6.914	.000	5.866	.00	3.25	22.845	1.181	20.928	.000	.736	175.997
12-21												
12-22												
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	163.567	.000	138.769	.00	3.25	540.221	27.927	295.219	.000	217.075	175.997
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	175.997
TOTAL	.000	163.567	.000	138.769	.00	3.25	540.221	27.927	295.219	.000	217.075	175.997
CUM.	.000	.000										
ULT.	.000	163.567										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	451.001				
TOTAL REVENUES (M$)	540.221				
PROJECT LIFE (YEARS)	10.417				
DISCOUNT RATE (PCT)	10.000				
GROSS OIL WELLS	.000				
GROSS GAS WELLS	1.000				
GROSS WELLS	1.000				
INITIAL NET OIL FRACTION	.000000				
FINAL NET OIL FRACTION	.000000				
INITIAL NET GAS FRACTION	.848400				
FINAL NET GAS FRACTION	.848400				
HELIUM NET PRODUCTION (MU)	1.487				
FUEL NET PRODUCTION (MU)	.000				

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	217.075	30.0	130.694
2.0	207.206	35.0	123.349
5.0	194.124	40.0	116.967
8.0	182.767	45.0	111.371
10.0	175.997	50.0	106.420
12.0	169.780	60.0	98.051
15.0	161.360	70.0	91.232
18.0	153.868	80.0	85.560
20.0	149.319	90.0	80.760
25.0	139.243	100.0	76.636

BTAX RATE OF RETURN (PCT)	100.00		
BTAX PAYOUT	08/31/2010		
BTAX PAYOUT (DISC)	08/31/2010		
BTAX NET INCOME/INVEST	.00		
BTAX NET INCOME/INVEST (DISC)	.00		
INITIAL W.I. FRACTION	1.000000		
FINAL W.I. FRACTION	1.000000		
PRODUCTION START DATE	9/01/10		
MONTHS IN FIRST LINE	5.00		
HELIUM GROSS PROD. (MU)	1.752	HELIUM	NET REVENUES (M$) 89.220
FUEL GROSS PROD. (MU)	43.144	FUEL	NET REVENUES (M$) .000

BRACK #1-31
STATESMAN RESOURCES, LTD.
RUSH COUNTY, KANSAS
PROVED, DEVELOPED NON-PRODUCING

DATE: 09/28/10
TIME: 10:35:42
FILE: STATESMA
PROP: 16
STID: BASE
.CMD: SRPNP
.OUT: SRPNP3

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	2.255	.000	1.341	.00	3.25	5.258	.271	6.043	.000	-1.056	-1.035
12-11	.000	24.116	.000	14.342	.00	3.25	56.392	2.902	25.741	.000	27.749	24.393
12-12	.000	32.551	.000	19.358	.00	3.25	76.174	3.918	30.809	.000	41.447	58.920
12-13	.000	21.676	.000	12.891	.00	3.25	50.716	2.609	24.276	.000	23.831	76.967
12-14	.000	15.583	.000	9.267	.00	3.25	36.478	1.876	20.615	.000	13.987	86.596
12-15	.000	12.325	.000	7.330	.00	3.25	28.803	1.483	18.655	.000	8.665	92.019
12-16	.000	10.269	.000	6.107	.00	3.25	24.048	1.236	17.419	.000	5.393	95.087
12-17	.000	8.843	.000	5.259	.00	3.25	20.692	1.064	16.564	.000	3.064	96.672
12-18	.000	7.792	.000	4.634	.00	3.25	18.181	.937	15.932	.000	1.312	97.289
12-19	.000	6.982	.000	4.152	.00	3.25	16.374	.841	15.445	.000	.088	97.327
12-20												
12-21												
12-22												
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	142.392	.000	84.681	.00	3.25	333.116	17.137	191.499	.000	124.480	97.327
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	97.327
TOTAL	.000	142.392	.000	84.681	.00	3.25	333.116	17.137	191.499	.000	124.480	97.327
CUM.	.000	1.223										
ULT.	.000	143.615										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	275.216				
TOTAL REVENUES (M$)	333.116				
PROJECT LIFE (YEARS)	9.417				
DISCOUNT RATE (PCT)	10.000				
GROSS OIL WELLS	.000				
GROSS GAS WELLS	1.000				
GROSS WELLS	1.000				
INITIAL NET OIL FRACTION	.000000				
FINAL NET OIL FRACTION	.000000				
INITIAL NET GAS FRACTION	.594700				
FINAL NET GAS FRACTION	.594700				
HELIUM NET PRODUCTION (MU)	.965				
FUEL NET PRODUCTION (MU)	.000				

---PRESENT WORTH PROFILE---

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	124.480	30.0	66.174
2.0	118.064	35.0	61.056
5.0	109.454	40.0	56.611
8.0	101.881	45.0	52.722
10.0	97.327	50.0	49.291
12.0	93.118	60.0	43.530
15.0	87.379	70.0	38.897
18.0	82.238	80.0	35.095
20.0	79.100	90.0	31.926
25.0	72.123	100.0	29.252

BTAX RATE OF RETURN (PCT)	100.00
BTAX PAYOUT	01/14/2011
BTAX PAYOUT (DISC)	01/15/2011
BTAX NET INCOME/INVEST	.00
BTAX NET INCOME/INVEST (DISC)	.00
INITIAL W.I. FRACTION	.750000
FINAL W.I. FRACTION	.750000
PRODUCTION START DATE	8/01/10
MONTHS IN FIRST LINE	5.00
HELIUM GROSS PROD. (MU)	1.622
FUEL GROSS PROD. (MU)	35.102

HELIUM NET REVENUES (M$)	57.900
FUEL NET REVENUES (M$)	.000

STREMEL #1
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS
PROVED, DEVELOPED NON-PRODUCING

DATE: 09/28/10
TIME: 10:35:42
FILE: STATESMA
PROP: 20
STID: BASE
.CMD: SRPNP
.OUT: SRPNP3

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	18.425	.000	15.632	.00	3.25	62.024	3.178	20.795	.000	38.051	37.155
12-11	.000	39.590	.000	33.588	.00	3.25	133.161	6.825	48.940	.000	77.396	108.076
12-12	.000	27.270	.000	23.136	.00	3.25	91.752	4.703	38.377	.000	48.672	148.622
12-13	.000	20.825	.000	17.668	.00	3.25	70.021	3.590	32.852	.000	33.579	174.052
12-14	.000	16.851	.000	14.296	.00	3.25	56.722	2.907	29.443	.000	24.372	190.831
12-15	.000	14.153	.000	12.007	.00	3.25	47.603	2.440	27.136	.000	18.027	202.114
12-16	.000	12.202	.000	10.352	.00	3.25	41.084	2.105	25.459	.000	13.520	209.807
12-17	.000	10.723	.000	9.097	.00	3.25	36.105	1.850	24.191	.000	10.064	215.013
12-18	.000	9.565	.000	8.115	.00	3.25	32.194	1.650	23.200	.000	7.344	218.466
12-19	.000	8.633	.000	7.324	.00	3.25	29.023	1.488	22.400	.000	5.135	220.661
12-20	.000	7.866	.000	6.674	.00	3.25	26.431	1.355	21.744	.000	3.332	221.956
12-21	.000	7.224	.000	6.129	.00	3.25	24.299	1.246	21.195	.000	1.858	222.612
12-22	.000	4.673	.000	3.965	.00	3.25	15.766	.807	14.378	.000	.581	222.801
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	198.000	.000	167.983	.00	3.25	666.185	34.144	350.110	.000	281.931	222.801
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	222.801
TOTAL	.000	198.000	.000	167.983	.00	3.25	666.185	34.144	350.110	.000	281.931	222.801
CUM.	.000	.000		NET OIL REVENUES (M$)			.000					
				NET GAS REVENUES (M$)			545.945					
ULT.	.000	198.000		TOTAL REVENUES (M$)			666.185					

					---------PRESENT WORTH PROFILE---------			
					DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	12.108		.0	281.931	30.0	161.527
BTAX PAYOUT	08/31/2010	DISCOUNT RATE (PCT)	10.000		2.0	267.407	35.0	151.951
BTAX PAYOUT (DISC)	08/31/2010	GROSS OIL WELLS	.000		5.0	248.466	40.0	143.705
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS	1.000		8.0	232.305	45.0	136.526
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS	1.000		10.0	222.801	50.0	130.214
					12.0	214.155	60.0	119.619
INITIAL W.I. FRACTION	1.000000	INITIAL NET OIL FRACTION	.000000		15.0	202.567	70.0	111.053
FINAL W.I. FRACTION	1.000000	FINAL NET OIL FRACTION	.000000		18.0	192.375	80.0	103.971
PRODUCTION START DATE	9/01/10	INITIAL NET GAS FRACTION	.848400		20.0	186.237	90.0	98.005
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.848400		25.0	172.790	100.0	92.898
HELIUM GROSS PROD. (MU)	2.360	HELIUM NET PRODUCTION (MU)	2.004		HELIUM NET REVENUES (M$)		120.240	
FUEL GROSS PROD. (MU)	52.226	FUEL NET PRODUCTION (MU)	.000		FUEL NET REVENUES (M$)		.000	

ALL PROVED UNDEVELOPED

DATE: 09/28/10
TIME: 10:36:17
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PROP: -1
STID: BASE
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STATESMAN RESOURCES LTD.
REICHEL FIELD

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	.00	.000	.000	.000	300.000	-300.000	-289.421
12-11	.000	318.801	.000	210.819	.00	3.25	830.962	49.248	249.111	2032.500	-1499.897	-1673.115
12-12	.000	601.476	.000	369.846	.00	3.25	1464.560	79.184	473.075	.000	912.301	-913.135
12-13	.000	370.606	.000	229.163	.00	3.25	907.200	49.421	347.802	.000	509.977	-526.926
12-14	.000	273.843	.000	169.643	.00	3.25	671.460	36.670	287.663	.000	347.127	-287.943
12-15	.000	219.791	.000	136.220	.00	3.25	539.195	29.465	253.888	.000	255.842	-127.819
12-16	.000	184.816	.000	114.530	.00	3.25	453.402	24.771	231.976	.000	196.655	-15.927
12-17	.000	160.153	.000	99.210	.00	3.25	392.632	21.442	216.495	.000	154.695	64.089
12-18	.000	141.744	.000	87.763	.00	3.25	347.390	18.959	204.928	.000	123.503	122.164
12-19	.000	127.432	.000	78.859	.00	3.25	312.212	17.025	195.933	.000	99.254	164.593
12-20	.000	115.960	.000	71.720	.00	3.25	283.910	15.472	188.717	.000	79.721	195.574
12-21	.000	106.539	.000	65.858	.00	3.25	260.719	14.197	182.797	.000	63.725	218.088
12-22	.000	98.655	.000	60.951	.00	3.25	241.291	13.131	177.834	.000	50.326	234.251
12-23	.000	91.952	.000	56.780	.00	3.25	224.796	12.224	173.625	.000	38.947	245.623
12-24	.000	86.174	.000	53.186	.00	3.25	210.595	11.444	169.986	.000	29.165	253.365
12-25	.000	28.703	.000	18.970	.00	3.25	74.792	4.430	62.591	.000	7.771	255.290
12-26	.000	7.145	.000	6.062	.00	3.25	23.542	1.761	21.123	.000	.658	255.434
12-27												
12-28												
12-29												
S TOT	.000	2933.790	.000	1829.580	.00	3.25	7238.658	398.844	3437.544	2332.500	1069.770	255.434
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	255.434
TOTAL	.000	2933.790	.000	1829.580	.00	3.25	7238.658	398.844	3437.544	2332.500	1069.770	255.434
CUM.	.000	.000										
ULT.	.000	2933.790										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	5946.138		
TOTAL REVENUES (M$)	7238.658		
BTAX RATE OF RETURN (PCT)	15.49	PROJECT LIFE (YEARS)	16.417
BTAX PAYOUT	02/14/2015	DISCOUNT RATE (PCT)	10.000
BTAX PAYOUT (DISC)	03/12/2017	GROSS OIL WELLS	.000
BTAX NET INCOME/INVEST	1.46	GROSS GAS WELLS	10.000
BTAX NET INCOME/INVEST (DISC)	1.12	GROSS WELLS	10.000

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	1069.770	30.0	-385.922
2.0	854.122	35.0	-463.031
5.0	587.809	40.0	-523.343
8.0	374.573	45.0	-570.897
10.0	255.434	50.0	-608.594
12.0	151.289	60.0	-662.403
15.0	18.236	70.0	-696.297
18.0	-92.295	80.0	-717.092
20.0	-155.777	90.0	-729.034
25.0	-286.297	100.0	-734.861

ALL PROVED UNDEVELOPED

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:36:17
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPUD3
.OUT: SRPUD3

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(3)PROVED UNDEVELOPED (STATES)	.000	353.790	.000	300.156	1166.847	87.227	543.289	300.000	236.331	109.111
(21)PROVED UNDEVELOPED (FARMIN)	.000	2580.000	.000	1529.424	6071.811	311.617	2894.255	2032.500	833.439	146.323
(-1) SUMMARY: ALL PROVED UNDEVELOPED	.000	2933.790	.000	1829.580	7238.658	398.844	3437.544	2332.500	1069.770	255.434

PROVED UNDEVELOPED (STATES)
STATESMAN ACREAGE
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS

DATE: 09/28/10
TIME: 10:36:17
FILE: STATESMA
PROP: 3
STID: BASE
.CMD: SRPUD3
.OUT: SRPUD3

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	3.25	.000	.000	.000	300.000	-300.000	-289.421
12-11	.000	85.422	.000	72.472	.00	3.25	281.734	21.060	88.229	.000	172.445	-131.403
12-12	.000	51.999	.000	44.116	.00	3.25	171.457	12.818	59.574	.000	99.065	-48.878
12-13	.000	37.039	.000	31.424	.00	3.25	122.168	9.132	46.753	.000	66.283	1.319
12-14	.000	28.595	.000	24.260	.00	3.25	94.265	7.048	39.515	.000	47.702	34.160
12-15	.000	23.192	.000	19.676	.00	3.25	76.547	5.720	34.880	.000	35.947	56.658
12-16	.000	19.450	.000	16.501	.00	3.25	64.188	4.797	31.673	.000	27.718	72.429
12-17	.000	16.710	.000	14.177	.00	3.25	55.075	4.118	29.326	.000	21.631	83.618
12-18	.000	14.622	.000	12.405	.00	3.25	48.236	3.606	27.535	.000	17.095	91.657
12-19	.000	12.980	.000	11.012	.00	3.25	42.809	3.200	26.128	.000	13.481	97.420
12-20	.000	11.656	.000	9.889	.00	3.25	38.439	2.874	24.991	.000	10.574	101.529
12-21	.000	10.568	.000	8.966	.00	3.25	34.840	2.605	24.061	.000	8.174	104.417
12-22	.000	9.657	.000	8.193	.00	3.25	31.847	2.381	23.278	.000	6.188	106.404
12-23	.000	8.885	.000	7.538	.00	3.25	29.299	2.191	22.618	.000	4.490	107.715
12-24	.000	8.222	.000	6.976	.00	3.25	27.172	2.030	22.046	.000	3.096	108.537
12-25	.000	7.648	.000	6.489	.00	3.25	25.229	1.886	21.559	.000	1.784	108.967
12-26	.000	7.145	.000	6.062	.00	3.25	23.542	1.761	21.123	.000	.658	109.111
12-27												
12-28												
12-29												
S TOT	.000	353.790	.000	300.156	.00	3.25	1166.847	87.227	543.289	300.000	236.331	109.111
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	109.111
TOTAL	.000	353.790	.000	300.156	.00	3.25	1166.847	87.227	543.289	300.000	236.331	109.111
CUM.	.000	.000										
ULT.	.000	353.790										

NET OIL REVENUES (M$)	.000
NET GAS REVENUES (M$)	975.507
TOTAL REVENUES (M$)	1166.847

BTAX RATE OF RETURN (PCT)	29.00
BTAX PAYOUT	06/05/2013
BTAX PAYOUT (DISC)	12/21/2013
BTAX NET INCOME/INVEST	1.79
BTAX NET INCOME/INVEST (DISC)	1.38
INITIAL W.I. FRACTION	1.000000
FINAL W.I. FRACTION	1.000000
PRODUCTION START DATE	1/01/11
MONTHS IN FIRST LINE	5.00
HELIUM GROSS PROD. (MU)	3.759
FUEL GROSS PROD. (MU)	93.319

PROJECT LIFE (YEARS)	16.417
DISCOUNT RATE (PCT)	10.000
GROSS OIL WELLS	.000
GROSS GAS WELLS	1.000
GROSS WELLS	1.000
INITIAL NET OIL FRACTION	.000000
FINAL NET OIL FRACTION	.000000
INITIAL NET GAS FRACTION	.848400
FINAL NET GAS FRACTION	.848400
HELIUM NET PRODUCTION (MU)	3.189
FUEL NET PRODUCTION (MU)	.000

--------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	236.331	30.0	-3.839
2.0	203.489	35.0	-19.549
5.0	162.210	40.0	-32.587
8.0	128.392	45.0	-43.541
10.0	109.111	50.0	-52.841
12.0	91.971	60.0	-67.675
15.0	69.594	70.0	-78.857
18.0	50.490	80.0	-87.476
20.0	39.257	90.0	-94.231
25.0	15.367	100.0	-99.594

HELIUM NET REVENUES (M$) 191.340
FUEL NET REVENUES (M$) .000

PROVED UNDEVELOPED (FARMIN)
FARMIN ACREAGE
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS

DATE: 09/28/10
TIME: 10:36:17
FILE: STATESMA
PROP: 21
STID: BASE
.CMD: SRPUD3
.OUT: SRPUD3

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	3.25	.000	.000	.000	.000	.000	.000
12-11	.000	233.379	.000	138.347	.00	3.25	549.228	28.188	160.882	2032.500	-1672.342	-1541.712
12-12	.000	549.477	.000	325.730	.00	3.25	1293.103	66.366	413.501	.000	813.236	-864.257
12-13	.000	333.567	.000	197.739	.00	3.25	785.032	40.289	301.049	.000	443.694	-528.245
12-14	.000	245.248	.000	145.383	.00	3.25	577.195	29.622	248.148	.000	299.425	-322.103
12-15	.000	196.599	.000	116.544	.00	3.25	462.648	23.745	219.008	.000	219.895	-184.477
12-16	.000	165.366	.000	98.029	.00	3.25	389.214	19.974	200.303	.000	168.937	-88.356
12-17	.000	143.443	.000	85.033	.00	3.25	337.557	17.324	187.169	.000	133.064	-19.529
12-18	.000	127.122	.000	75.358	.00	3.25	299.154	15.353	177.393	.000	106.408	30.507
12-19	.000	114.452	.000	67.847	.00	3.25	269.403	13.825	169.805	.000	85.773	67.173
12-20	.000	104.304	.000	61.831	.00	3.25	245.471	12.598	163.726	.000	69.147	94.045
12-21	.000	95.971	.000	56.892	.00	3.25	225.879	11.592	158.736	.000	55.551	113.671
12-22	.000	88.998	.000	52.758	.00	3.25	209.444	10.750	154.556	.000	44.138	127.847
12-23	.000	83.067	.000	49.242	.00	3.25	195.497	10.033	151.007	.000	34.457	137.908
12-24	.000	77.952	.000	46.210	.00	3.25	183.423	9.414	147.940	.000	26.069	144.828
12-25	.000	21.055	.000	12.481	.00	3.25	49.563	2.544	41.032	.000	5.987	146.323
12-26												
12-27												
12-28												
12-29												
S TOT	.000	2580.000	.000	1529.424	.00	3.25	6071.811	311.617	2894.255	2032.500	833.439	146.323
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	146.323
TOTAL	.000	2580.000	.000	1529.424	.00	3.25	6071.811	311.617	2894.255	2032.500	833.439	146.323
CUM.	.000	.000		NET OIL REVENUES (M$)				.000				
				NET GAS REVENUES (M$)				4970.631				
ULT.	.000	2580.000		TOTAL REVENUES (M$)				6071.811				

BTAX RATE OF RETURN (PCT)	13.61	PROJECT LIFE (YEARS)	14.697		--------PRESENT WORTH PROFILE---------			
BTAX PAYOUT	07/11/2015	DISCOUNT RATE (PCT)	10.000	DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
BTAX PAYOUT (DISC)	05/21/2018	GROSS OIL WELLS	.000	5.0	425.599	40.0	-490.756
BTAX NET INCOME/INVEST	1.41	GROSS GAS WELLS	9.000	8.0	246.181	45.0	-527.356
BTAX NET INCOME/INVEST (DISC)	1.08	GROSS WELLS	9.000	10.0	146.323	50.0	-555.753
				12.0	59.318	60.0	-594.728
INITIAL W.I. FRACTION	.750000	INITIAL NET OIL FRACTION	.000000	15.0	-51.358	70.0	-617.440
FINAL W.I. FRACTION	.750000	FINAL NET OIL FRACTION	.000000	18.0	-142.785	80.0	-629.616
PRODUCTION START DATE	3/01/11	INITIAL NET GAS FRACTION	.592800	20.0	-195.034	90.0	-634.803
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.592800	25.0	-301.664	100.0	-635.267
HELIUM GROSS PROD. (MU)	30.960	HELIUM NET PRODUCTION (MU)	18.353	HELIUM NET REVENUES (M$)			1101.180
FUEL GROSS PROD. (MU)	633.996	FUEL NET PRODUCTION (MU)	.000	FUEL NET REVENUES (M$)			.000

ALL PROBABLE
GAS PRICE = $3.25
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:36:56
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPRB3
.OUT: SRPRB3

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	.000
12-11	.000	164.710	.000	139.740	.00	3.25	552.615	28.359	158.675	1800.360	-1434.779	-1305.938
12-12	.000	771.160	.000	627.131	.00	3.25	2482.896	127.347	761.173	1422.245	172.131	-1159.058
12-13	.000	1164.646	.000	800.238	.00	3.25	3185.413	162.971	1041.093	1362.855	618.494	-706.335
12-14	.000	869.003	.000	586.801	.00	3.25	2337.244	119.542	825.429	.000	1392.273	252.189
12-15	.000	551.701	.000	380.773	.00	3.25	1515.433	77.538	617.247	.000	820.648	765.811
12-16	.000	405.452	.000	283.543	.00	3.25	1127.975	57.725	519.005	.000	551.245	1079.455
12-17	.000	320.672	.000	226.319	.00	3.25	900.057	46.068	461.181	.000	392.808	1282.635
12-18	.000	265.217	.000	188.480	.00	3.25	749.361	38.360	422.949	.000	288.052	1418.084
12-19	.000	226.085	.000	161.557	.00	3.25	642.181	32.876	395.742	.000	213.563	1509.378
12-20	.000	196.989	.000	141.405	.00	3.25	562.046	28.775	375.382	.000	157.889	1570.736
12-21	.000	174.506	.000	125.748	.00	3.25	499.701	25.586	359.557	.000	114.558	1611.208
12-22	.000	118.979	.000	90.920	.00	3.25	360.650	18.481	267.581	.000	74.588	1635.234
12-23	.000	73.518	.000	62.373	.00	3.25	246.632	12.657	183.024	.000	50.951	1650.110
12-24	.000	68.210	.000	57.869	.00	3.25	228.874	11.745	178.474	.000	38.655	1660.370
12-25	.000	63.645	.000	53.996	.00	3.25	213.527	10.958	174.558	.000	28.011	1667.129
12-26	.000	40.507	.000	34.366	.00	3.25	135.930	6.975	115.366	.000	13.589	1670.157
12-27												
12-28												
12-29												
S TOT	.000	5475.000	.000	3961.259	.00	3.25	15740.535	805.963	6856.436	4585.460	3492.676	1670.157
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	1670.157
TOTAL	.000	5475.000	.000	3961.259	.00	3.25	15740.535	805.963	6856.436	4585.460	3492.676	1670.157
CUM.	.000	.000										
ULT.	.000	5475.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	12874.095		
TOTAL REVENUES (M$)	15740.535		
BTAX RATE OF RETURN (PCT)	38.18	PROJECT LIFE (YEARS)	16.089
BTAX PAYOUT	06/17/2014	DISCOUNT RATE (PCT)	10.000
BTAX PAYOUT (DISC)	09/26/2014	GROSS OIL WELLS	.000
BTAX NET INCOME/INVEST	1.76	GROSS GAS WELLS	18.000
BTAX NET INCOME/INVEST (DISC)	1.43	GROSS WELLS	18.000

---------PRESENT WORTH PROFILE--------- DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	3492.676	30.0	248.187
2.0	3010.984	35.0	81.757
5.0	2414.864	40.0	-46.978
8.0	1937.042	45.0	-147.366
10.0	1670.157	50.0	-226.126
12.0	1437.096	60.0	-337.211
15.0	1139.965	70.0	-406.526
18.0	893.999	80.0	-449.326
20.0	753.250	90.0	-474.848
25.0	465.592	100.0	-488.882

ALL PROBABLE
GAS PRICE = $3.25
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:36:56
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPRB3
.OUT: SRPRB3

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(8)PROBABLE (FARMIN)3	.000	2675.000	.000	1585.739	6346.813	323.893	2678.013	2385.000	959.907	347.749
(9)PROBABLE (STATESMAN)3	.000	2800.000	.000	2375.520	9393.722	482.070	4178.423	2200.460	2532.769	1322.408
(-1) SUMMARY: ALL PROBABLE	.000	5475.000	.000	3961.259	15740.535	805.963	6856.436	4585.460	3492.676	1670.157

PROBABLE (FARMIN)3
FARMIN ACREAGE
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS

DATE: 09/28/10
TIME: 10:36:56
FILE: STATESMA
PROP: 8
STID: BASE
.CMD: SRPRB3
.OUT: SRPRB3

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	3.25	.000	.000	.000	.000	.000	.000
12-11	.000	.000	.000	.000	.00	3.25	.000	.000	.000	.000	.000	.000
12-12	.000	106.108	.000	62.901	.00	3.25	251.768	12.848	71.058	1022.145	-854.283	-696.032
12-13	.000	734.928	.000	435.665	.00	3.25	1743.751	88.987	552.715	1362.855	-260.806	-909.208
12-14	.000	588.656	.000	348.955	.00	3.25	1396.664	71.275	465.101	.000	860.288	-316.934
12-15	.000	341.510	.000	202.447	.00	3.25	810.293	41.351	317.060	.000	451.882	-34.113
12-16	.000	236.470	.000	140.179	.00	3.25	561.062	28.632	254.143	.000	278.287	124.225
12-17	.000	178.948	.000	106.080	.00	3.25	424.560	21.667	219.689	.000	183.204	218.987
12-18	.000	142.919	.000	84.722	.00	3.25	339.067	17.304	198.107	.000	123.656	277.133
12-19	.000	118.365	.000	70.167	.00	3.25	280.843	14.332	183.400	.000	83.111	312.661
12-20	.000	100.629	.000	59.653	.00	3.25	238.752	12.184	172.777	.000	53.791	333.565
12-21	.000	87.258	.000	51.727	.00	3.25	206.993	10.565	164.765	.000	31.663	344.751
12-22	.000	39.209	.000	23.243	.00	3.25	93.060	4.748	79.198	.000	9.114	347.749
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	2675.000	.000	1585.739	.00	3.25	6346.813	323.893	2678.013	2385.000	959.907	347.749
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	347.749
TOTAL	.000	2675.000	.000	1585.739	.00	3.25	6346.813	323.893	2678.013	2385.000	959.907	347.749
CUM.	.000	.000										
ULT.	.000	2675.000										

		NET OIL REVENUES (M$)	.000		
		NET GAS REVENUES (M$)	5153.653		
		TOTAL REVENUES (M$)	6346.813		
BTAX RATE OF RETURN (PCT)	23.46	PROJECT LIFE (YEARS)	11.912		
BTAX PAYOUT	07/24/2015	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	03/18/2016	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	1.40	GROSS GAS WELLS	10.000		
BTAX NET INCOME/INVEST (DISC)	1.19	GROSS WELLS	10.000		
INITIAL W.I. FRACTION	.750000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	.750000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	9/01/12	INITIAL NET GAS FRACTION	.592800		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.592800		
HELIUM GROSS PROD. (MU)	33.438	HELIUM NET PRODUCTION (MU)	19.886		
FUEL GROSS PROD. (MU)	657.354	FUEL NET PRODUCTION (MU)	.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	959.907	30.0	-84.202
2.0	796.793	35.0	-124.941
5.0	595.594	40.0	-152.988
8.0	435.859	45.0	-171.855
10.0	347.749	50.0	-184.031
12.0	271.782	60.0	-195.008
15.0	176.762	70.0	-195.198
18.0	100.256	80.0	-189.656
20.0	57.654	90.0	-181.200
25.0	-25.758	100.0	-171.426

HELIUM NET REVENUES (M$) 1193.160
FUEL NET REVENUES (M$) .000

PROBABLE (STATESMAN)3
STATESMAN ACREAGE
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS

DATE: 09/28/10
TIME: 10:36:56
FILE: STATESMA
PROP: 9
STID: BASE
.CMD: SRPRB3
.OUT: SRPRB3

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	3.25	.000	.000	.000	.000	.000	.000
12-11	.000	164.710	.000	139.740	.00	3.25	552.615	28.359	158.675	1800.360	-1434.779	-1305.938
12-12	.000	665.052	.000	564.230	.00	3.25	2231.128	114.499	690.115	400.100	1026.414	-463.026
12-13	.000	429.718	.000	364.573	.00	3.25	1441.662	73.984	488.378	.000	879.300	202.873
12-14	.000	280.347	.000	237.846	.00	3.25	940.580	48.267	360.328	.000	531.985	569.123
12-15	.000	210.191	.000	178.326	.00	3.25	705.140	36.187	300.187	.000	368.766	799.924
12-16	.000	168.982	.000	143.364	.00	3.25	566.913	29.093	264.862	.000	272.958	955.230
12-17	.000	141.724	.000	120.239	.00	3.25	475.497	24.401	241.492	.000	209.604	1063.648
12-18	.000	122.298	.000	103.758	.00	3.25	410.294	21.056	224.842	.000	164.396	1140.951
12-19	.000	107.720	.000	91.390	.00	3.25	361.338	18.544	212.342	.000	130.452	1196.717
12-20	.000	96.360	.000	81.752	.00	3.25	323.294	16.591	202.605	.000	104.098	1237.171
12-21	.000	87.248	.000	74.021	.00	3.25	292.708	15.021	194.792	.000	82.895	1266.457
12-22	.000	79.770	.000	67.677	.00	3.25	267.590	13.733	188.383	.000	65.474	1287.485
12-23	.000	73.518	.000	62.373	.00	3.25	246.632	12.657	183.024	.000	50.951	1302.361
12-24	.000	68.210	.000	57.869	.00	3.25	228.874	11.745	178.474	.000	38.655	1312.621
12-25	.000	63.645	.000	53.996	.00	3.25	213.527	10.958	174.558	.000	28.011	1319.380
12-26	.000	40.507	.000	34.366	.00	3.25	135.930	6.975	115.366	.000	13.589	1322.408
12-27												
12-28												
12-29												
S TOT	.000	2800.000	.000	2375.520	.00	3.25	9393.722	482.070	4178.423	2200.460	2532.769	1322.408
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	1322.408
TOTAL	.000	2800.000	.000	2375.520	.00	3.25	9393.722	482.070	4178.423	2200.460	2532.769	1322.408
CUM.	.000	.000										
ULT.	.000	2800.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	7720.442				
TOTAL REVENUES (M$)	9393.722				
BTAX RATE OF RETURN (PCT)	46.84	PROJECT LIFE (YEARS)	16.089		
BTAX PAYOUT	06/18/2013	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	09/11/2013	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	2.15	GROSS GAS WELLS	8.000		
BTAX NET INCOME/INVEST (DISC)	1.67	GROSS WELLS	8.000		
INITIAL W.I. FRACTION	1.000000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	1.000000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	7/01/11	INITIAL NET GAS FRACTION	.848400		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.848400		
HELIUM GROSS PROD. (MU)	32.872	HELIUM NET PRODUCTION (MU)	27.888		
FUEL GROSS PROD. (MU)	738.556	FUEL NET PRODUCTION (MU)	.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	2532.769	30.0	332.389
2.0	2214.191	35.0	206.698
5.0	1819.270	40.0	106.010
8.0	1501.183	45.0	24.489
10.0	1322.408	50.0	-42.095
12.0	1165.314	60.0	-142.203
15.0	963.203	70.0	-211.328
18.0	793.743	80.0	-259.670
20.0	695.596	90.0	-293.648
25.0	491.350	100.0	-317.456

HELIUM NET REVENUES (M$) 1673.280
FUEL NET REVENUES (M$) .000

$4.00 GAS PRICE SCENARIO

PROVED GAS RESERVE SUMMARY - STATESMAN RESOURCES, LTD.

August 1, 2010

GAS PRICE = $4.00/MCF	ULTIMATE RESERVE	CUMULATIVE PRODUCTION	REMAINING RESERVE	NET REM. RESERVE	FUTURE NET CASH FLOW	DISCOUNTED FNCF
PROVED, DEVELOPED PRODUCING	(MCF)	August 1, 2010	(MCF)	(MCF)		
Eberhardt #1-24	400,000	81,610	318,390	189,347	$ 438,678	$ 330,954
Scheuerman #1-36	67,000	8,913	58,087	34,544	$ 71,423	$ 62,927
PROV. DEV. PROD. TOTAL	467,000	90,523	376,477	223,891	$510,101	$393,881
PROVED, DEVELOPED NON-PRODUCING						
Stremel A#1	174,000	0	174,000	147,622	$285,541	$225,358
Brack #1-31	150,000	1,223	148,777	88,478	$165,488	$126,809
Stremel #1	198,000	0	198,000	167,983	$361,635	$279,570
PROV., D. N. P. TOTAL	522,000	1,223	520,777	404,082	$812,664	$631,737
PROVED, UNDEVELOPED :						
Statesman Acreage	369,000	0	369,000	313,060	$376,905	$200,892
Farm-In Acreage	2,950,000	0	2,950,000	1,748,760	$1,270,752	$343,733
PROVED, UND. TOTAL	3,319,000	0	3,319,000	2,061,820	$1,647,657	$544,625
TOTAL ALL PROVED RESERVES	4,308,000	91,746	4,216,254	2,689,793	2,970,422	1,570,243

PROBABLE GAS RESERVE SUMMARY - STATESMAN RESOURCES, LTD.

AUGUST , 2010

PROBABLE		ULTIMATE RESERVE (MCF)	CUMULATIVE PRODUCTION August 1, 2010	REMAINING RESERVE (MCF)	NET REM. RESERVE (MCF)	FUTURE NET CASH FLOW	DISCOUNTED FNCF
	Statesman Acreage	2,800,000	0	2,800,000	2,375,520	$ 4,230,730	$ 2,396,569
	Farm-In Acreage	2,675,000	0	2,675,000	1,585,740	$ 2,082,036	$ 1,056,241
PROBABLE TOTAL		5,475,000	0	5,475,000	3,961,260	6,312,766	3,452,810
TOTAL ALL PROVED + PROBABLE		**9,783,000**	**91,746**	**9,691,254**	**6,651,053**	**9,283,188**	**5,023,053**

PROVED + PROB. RESERVES
PRICE = $4.00/MCF
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/27/10
TIME: 15:56:05
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPP4
.OUT: SRPP4

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	86.174	.000	60.030	.00	4.00	280.200	14.665	98.652	300.000	-133.117	-126.145
12-11	.000	689.905	.000	492.120	.00	4.00	2308.560	128.457	696.631	3982.860	-2499.388	-2413.955
12-12	.000	1569.235	.000	1126.782	.00	4.00	5303.448	281.408	1562.445	1785.995	1673.600	-1028.482
12-13	.000	1670.067	.000	1119.440	.00	4.00	5286.260	278.644	1640.483	1362.855	2004.278	473.704
12-14	.000	1238.569	.000	821.359	.00	4.00	3879.856	204.609	1309.954	.000	2365.293	2102.153
12-15	.000	848.665	.000	569.599	.00	4.00	2688.556	142.154	1043.323	.000	1503.079	3042.889
12-16	.000	655.948	.000	442.921	.00	4.00	2089.864	110.651	908.455	.000	1070.758	3652.124
12-17	.000	538.157	.000	364.711	.00	4.00	1720.204	91.161	824.537	.000	804.506	4068.254
12-18	.000	457.928	.000	311.091	.00	4.00	1466.904	77.785	766.676	.000	622.443	4360.944
12-19	.000	399.453	.000	271.830	.00	4.00	1281.720	67.982	724.129	.000	489.609	4570.243
12-20	.000	354.802	.000	241.748	.00	4.00	1139.672	60.468	691.415	.000	387.789	4720.946
12-21	.000	313.755	.000	214.485	.00	4.00	1011.180	53.672	650.009	.000	307.499	4829.582
12-22	.000	244.086	.000	169.810	.00	4.00	799.780	42.592	536.370	.000	220.818	4900.717
12-23	.000	181.977	.000	128.956	.00	4.00	606.604	32.471	415.828	.000	158.305	4946.938
12-24	.000	166.562	.000	118.284	.00	4.00	556.656	23.090	399.224	.000	134.342	4982.612
12-25	.000	151.227	.000	107.870	.00	4.00	507.740	20.933	380.309	.000	106.498	5008.310
12-26	.000	109.534	.000	77.112	.00	4.00	362.928	15.610	284.246	.000	63.072	5022.325
12-27	.000	6.702	.000	5.686	.00	4.00	26.344	1.999	22.072	.000	2.273	5022.778
12-28	.000	6.308	.000	5.352	.00	4.00	24.828	1.883	21.656	.000	1.289	5023.012
12-29	.000	2.200	.000	1.866	.00	4.00	8.664	.657	7.765	.000	.242	5023.053
S TOT	.000	9691.254	.000	6651.052	.00	4.00	31349.968	1650.891	12984.179	7431.710	9283.188	5023.053
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	5023.053
TOTAL	.000	9691.254	.000	6651.052	.00	4.00	31349.968	1650.891	12984.179	7431.710	9283.188	5023.053
CUM.	.000	91.746										
ULT.	.000	9783.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	26604.208		
TOTAL REVENUES (M$)	31349.968		
PROJECT LIFE (YEARS)	18.780		
DISCOUNT RATE (PCT)	10.000		
GROSS OIL WELLS	.000		
GROSS GAS WELLS	35.000		
GROSS WELLS	35.000		

BTAX RATE OF RETURN (PCT)	62.43
BTAX PAYOUT	09/09/2013
BTAX PAYOUT (DISC)	10/24/2013
BTAX NET INCOME/INVEST	2.25
BTAX NET INCOME/INVEST (DISC)	1.78

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	9283.188	30.0	1631.326
2.0	8154.080	35.0	1210.605
5.0	6761.351	40.0	875.544
8.0	5646.430	45.0	605.489
10.0	5023.053	50.0	385.595
12.0	4477.485	60.0	55.542
15.0	3779.054	70.0	-173.085
18.0	3196.870	80.0	-334.694
20.0	2861.287	90.0	-450.562
25.0	2167.157	100.0	-534.364

ALL PROVED RESERVES
PRICE = $4.00/MCF
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:50:21
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRALL4
.OUT: SRPVD4

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	86.174	.000	60.030	.00	4.00	280.200	14.665	98.652	300.000	-133.117	-126.145
12-11	.000	525.195	.000	352.380	.00	4.00	1651.140	94.179	537.956	2182.500	-1163.495	-1196.496
12-12	.000	798.075	.000	499.651	.00	4.00	2350.204	127.495	801.272	363.750	1057.687	-326.431
12-13	.000	505.421	.000	319.202	.00	4.00	1500.668	81.775	599.390	.000	819.503	294.184
12-14	.000	369.566	.000	234.558	.00	4.00	1102.512	60.209	484.525	.000	557.778	678.231
12-15	.000	296.964	.000	188.826	.00	4.00	887.544	48.486	426.076	.000	412.982	936.706
12-16	.000	250.496	.000	159.378	.00	4.00	749.232	40.915	389.450	.000	318.867	1118.134
12-17	.000	217.485	.000	138.392	.00	4.00	650.408	35.506	363.356	.000	251.546	1248.246
12-18	.000	192.711	.000	122.611	.00	4.00	576.184	31.441	343.727	.000	201.016	1342.769
12-19	.000	173.368	.000	110.273	.00	4.00	518.372	28.262	328.387	.000	161.723	1411.903
12-20	.000	157.813	.000	100.343	.00	4.00	471.572	25.703	316.033	.000	129.836	1462.361
12-21	.000	139.249	.000	88.737	.00	4.00	417.168	22.759	290.452	.000	103.957	1499.088
12-22	.000	125.107	.000	78.890	.00	4.00	370.940	20.259	268.789	.000	81.892	1525.404
12-23	.000	108.459	.000	66.583	.00	4.00	313.192	17.172	232.804	.000	63.216	1543.861
12-24	.000	98.352	.000	60.415	.00	4.00	284.380	15.602	220.750	.000	48.028	1556.625
12-25	.000	87.582	.000	53.874	.00	4.00	253.716	13.947	205.751	.000	34.018	1564.834
12-26	.000	69.027	.000	42.746	.00	4.00	201.224	11.163	168.880	.000	21.181	1569.515
12-27	.000	6.702	.000	5.686	.00	4.00	26.344	1.999	22.072	.000	2.273	1569.968
12-28	.000	6.308	.000	5.352	.00	4.00	24.828	1.883	21.656	.000	1.289	1570.202
12-29	.000	2.200	.000	1.866	.00	4.00	8.664	.657	7.765	.000	.242	1570.243
S TOT	.000	4216.254	.000	2689.793	.00	4.00	12638.492	694.077	6127.743	2846.250	2970.422	1570.243
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	1570.243
TOTAL	.000	4216.254	.000	2689.793	.00	4.00	12638.492	694.077	6127.743	2846.250	2970.422	1570.243
CUM.	.000	91.746										
ULT.	.000	4308.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	10759.172		
TOTAL REVENUES (M$)	12638.492		
PROJECT LIFE (YEARS)	18.780		
DISCOUNT RATE (PCT)	10.000		
GROSS OIL WELLS	.000		
GROSS GAS WELLS	17.000		
GROSS WELLS	17.000		

BTAX RATE OF RETURN (PCT)	51.13
BTAX PAYOUT	04/16/2013
BTAX PAYOUT (DISC)	07/10/2013
BTAX NET INCOME/INVEST	2.04
BTAX NET INCOME/INVEST (DISC)	1.60

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	2970.422	30.0	442.216
2.0	2599.383	35.0	299.055
5.0	2141.876	40.0	183.957
8.0	1775.407	45.0	90.289
10.0	1570.243	50.0	13.266
12.0	1390.414	60.0	-103.987
15.0	1159.657	70.0	-186.750
18.0	966.639	80.0	-246.312
20.0	855.001	90.0	-289.749
25.0	622.895	100.0	-321.665

ALL PROVED RESERVES
PRICE = $4.00/MCF
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:50:21
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRALL4
.OUT: SRPVD4

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(3)PROVED UNDEVELOPED (STATES)	.000	369.000	.000	313.060	1451.800	110.126	664.769	300.000	376.905	200.892
(4)PROVED UNDEVELOPED (FARMIN)	.000	2950.000	.000	1748.761	8254.084	430.508	4006.574	2546.250	1270.752	343.733
(13)STREMEL A #1	.000	174.000	.000	147.620	685.400	35.962	363.897	.000	285.541	225.358
(14)EBERHARDT #1-24	.000	318.390	.000	189.347	878.048	46.093	393.277	.000	438.678	330.954
(15)SCHEUERMAN #1-36	.000	58.087	.000	34.544	162.536	8.475	82.638	.000	71.423	62.927
(16)BRACK #1-31	.000	148.777	.000	88.478	414.452	21.654	227.310	.000	165.488	126.809
(20)STREMEL #1	.000	198.000	.000	167.983	792.172	41.259	389.278	.000	361.635	279.570
(-1) SUMMARY: ALL PROVED RESERVES	.000	4216.254	.000	2689.793	12638.492	694.077	6127.743	2846.250	2970.422	1570.243

PROVED DEVEL. PRODUCING

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/27/10
TIME: 15:56:50
FILE: STATESMA
PROP: -1
STID: BASE
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R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	49.300	.000	29.318	.00	4.00	136.412	7.150	45.772	.000	83.490	81.849
12-11	.000	79.296	.000	47.158	.00	4.00	219.472	11.503	81.033	.000	126.936	198.165
12-12	.000	54.234	.000	32.253	.00	4.00	150.132	7.867	62.520	.000	79.745	264.595
12-13	.000	41.762	.000	24.836	.00	4.00	115.664	6.060	53.316	.000	56.288	307.222
12-14	.000	25.618	.000	15.235	.00	4.00	70.720	3.710	31.771	.000	35.239	331.522
12-15	.000	20.276	.000	12.058	.00	4.00	55.912	2.935	26.247	.000	26.730	348.252
12-16	.000	17.538	.000	10.430	.00	4.00	48.380	2.539	24.219	.000	21.622	360.554
12-17	.000	15.477	.000	9.204	.00	4.00	42.696	2.241	22.698	.000	17.757	369.739
12-18	.000	13.867	.000	8.247	.00	4.00	38.208	2.007	21.504	.000	14.697	376.650
12-19	.000	12.573	.000	7.477	.00	4.00	34.648	1.819	20.550	.000	12.279	381.899
12-20	.000	11.509	.000	6.844	.00	4.00	31.756	1.667	19.761	.000	10.328	385.913
12-21	.000	10.619	.000	6.315	.00	4.00	29.280	1.537	19.101	.000	8.642	388.966
12-22	.000	9.860	.000	5.864	.00	4.00	27.176	1.427	18.543	.000	7.206	391.280
12-23	.000	9.209	.000	5.477	.00	4.00	25.388	1.333	18.060	.000	5.995	393.030
12-24	.000	5.339	.000	3.175	.00	4.00	14.740	.773	10.820	.000	3.147	393.881
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	376.477	.000	223.891	.00	4.00	1040.584	54.568	475.915	.000	510.101	393.881
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	393.881
TOTAL	.000	376.477	.000	223.891	.00	4.00	1040.584	54.568	475.915	.000	510.101	393.881
CUM.	.000	90.523										
ULT.	.000	467.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	895.564		
TOTAL REVENUES (M$)	1040.564		
PROJECT LIFE (YEARS)	14.027		
DISCOUNT RATE (PCT)	10.000		
GROSS OIL WELLS	.000		
GROSS GAS WELLS	2.000		
GROSS WELLS	2.000		

BTAX RATE OF RETURN (PCT)	100.00
BTAX PAYOUT	07/31/2010
BTAX PAYOUT (DISC)	07/31/2010
BTAX NET INCOME/INVEST	.00
BTAX NET INCOME/INVEST (DISC)	.00

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	510.101	30.0	285.652
2.0	480.323	35.0	269.537
5.0	442.715	40.0	255.772
8.0	411.696	45.0	243.856
10.0	393.881	50.0	233.416
12.0	377.948	60.0	215.949
15.0	356.968	70.0	201.850
18.0	338.853	80.0	190.196
20.0	328.086	90.0	180.363
25.0	304.824	100.0	171.940

PROVED DEVEL. PRODUCING

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/27/10
TIME: 15:56:50
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPDP
.OUT: SRPDP4

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(14)EBERHARDT #1-24	.000	318.390	.000	189.347	878.048	46.093	393.277	.000	438.678	330.954
(15)SCHEUERMAN #1-36	.000	58.087	.000	34.544	162.536	8.475	82.638	.000	71.423	62.927
(-1) SUMMARY: PROVED DEVEL. PRODUCING	.000	376.477	.000	223.891	1040.584	54.568	475.915	.000	510.101	393.881

EBERHARDT #1-24
STATESMAN RESOURCES, LTD.
RUSH COUNTY, KANSAS
PROVED, DEVEL. PRODUCING

DATE: 09/27/10
TIME: 15:56:50
FILE: STATESMA
PROP: 14
STID: BASE
.CMD: SRPDP
.OUT: SRPDP4

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	38.748	.000	23.043	.00	4.00	106.872	5.610	33.344	.000	67.918	66.583
12-11	.000	59.863	.000	35.601	.00	4.00	165.084	8.667	55.524	.000	100.893	159.035
12-12	.000	39.557	.000	23.525	.00	4.00	109.100	5.727	40.503	.000	62.870	211.408
12-13	.000	29.853	.000	17.754	.00	4.00	82.356	4.323	33.330	.000	44.703	245.262
12-14	.000	24.102	.000	14.333	.00	4.00	66.452	3.488	29.073	.000	33.891	268.595
12-15	.000	20.276	.000	12.058	.00	4.00	55.912	2.935	26.247	.000	26.730	285.325
12-16	.000	17.538	.000	10.430	.00	4.00	48.380	2.539	24.219	.000	21.622	297.627
12-17	.000	15.477	.000	9.204	.00	4.00	42.696	2.241	22.698	.000	17.757	306.812
12-18	.000	13.867	.000	8.247	.00	4.00	38.208	2.007	21.504	.000	14.697	313.723
12-19	.000	12.573	.000	7.477	.00	4.00	34.648	1.819	20.550	.000	12.279	318.972
12-20	.000	11.509	.000	6.844	.00	4.00	31.756	1.667	19.761	.000	10.328	322.986
12-21	.000	10.619	.000	6.315	.00	4.00	29.280	1.537	19.101	.000	8.642	326.039
12-22	.000	9.860	.000	5.864	.00	4.00	27.176	1.427	18.543	.000	7.206	328.353
12-23	.000	9.209	.000	5.477	.00	4.00	25.388	1.333	18.060	.000	5.995	330.103
12-24	.000	5.339	.000	3.175	.00	4.00	14.740	.773	10.820	.000	3.147	330.954
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	318.390	.000	189.347	.00	4.00	878.048	46.093	393.277	.000	438.678	330.954
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	330.954
TOTAL	.000	318.390	.000	189.347	.00	4.00	878.048	46.093	393.277	.000	438.678	330.954
CUM.	.000	81.610										
ULT.	.000	400.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	757.388				
TOTAL REVENUES (M$)	878.048				

BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	14.027		
BTAX PAYOUT	07/31/2010	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	07/31/2010	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS	1.000		
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS	1.000		
INITIAL W.I. FRACTION	.750000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	.750000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	8/01/10	INITIAL NET GAS FRACTION	.594700		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.594700		
HELIUM GROSS PROD. (MU)	3.383	HELIUM NET PRODUCTION (MU)	2.011		
FUEL GROSS PROD. (MU)	78.490	FUEL NET PRODUCTION (MU)	.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	438.678	30.0	234.296
2.0	410.800	35.0	220.334
5.0	375.843	40.0	208.509
8.0	347.255	45.0	198.350
10.0	330.954	50.0	189.509
12.0	316.454	60.0	174.844
15.0	297.488	70.0	163.116
18.0	281.238	80.0	153.494
20.0	271.640	90.0	145.423
25.0	251.069	100.0	138.542

HELIUM NET REVENUES (M$) 120.660
FUEL NET REVENUES (M$) .000

SCHEUERMAN #1-36
STATESMAN RESOURCES, LTD.
RUSH COUNTY, KANSAS
PROVED, DEVEL. PRODUCING

DATE: 09/27/10
TIME: 15:56:50
FILE: STATESMA
PROP: 15
STID: BASE
.CMD: SRPDP
.OUT: SRPDP4

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	10.552	.000	6.275	.00	4.00	29.540	1.540	12.428	.000	15.572	15.266
12-11	.000	19.433	.000	11.557	.00	4.00	54.388	2.836	25.509	.000	26.043	39.130
12-12	.000	14.677	.000	8.728	.00	4.00	41.032	2.140	22.017	.000	16.875	53.187
12-13	.000	11.909	.000	7.082	.00	4.00	33.308	1.737	19.986	.000	11.585	61.960
12-14	.000	1.516	.000	.902	.00	4.00	4.268	.222	2.698	.000	1.348	62.927
12-15												
12-16												
12-17												
12-18												
12-19												
12-20												
12-21												
12-22												
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	58.087	.000	34.544	.00	4.00	162.536	8.475	82.638	.000	71.423	62.927
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	62.927
TOTAL	.000	58.087	.000	34.544	.00	4.00	162.536	8.475	82.638	.000	71.423	62.927
CUM.	.000	8.913										
ULT.	.000	67.000										

		NET OIL REVENUES (M$)	.000					
		NET GAS REVENUES (M$)	138.176					
		TOTAL REVENUES (M$)	162.536					
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	3.558					
BTAX PAYOUT	07/31/2010	DISCOUNT RATE (PCT)	10.000					
BTAX PAYOUT (DISC)	07/31/2010	GROSS OIL WELLS	.000					
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS	1.000					
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS	1.000					
INITIAL W.I. FRACTION	.750000	INITIAL NET OIL FRACTION	.000000					
FINAL W.I. FRACTION	.750000	FINAL NET OIL FRACTION	.000000					
PRODUCTION START DATE	8/01/10	INITIAL NET GAS FRACTION	.594700					
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.594700					
HELIUM GROSS PROD. (MU)	.683	HELIUM NET PRODUCTION (MU)	.406					
FUEL GROSS PROD. (MU)	14.205	FUEL NET PRODUCTION (MU)	.000					

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	71.423	30.0	51.356
2.0	69.523	35.0	49.203
5.0	66.872	40.0	47.263
8.0	64.441	45.0	45.506
10.0	62.927	50.0	43.907
12.0	61.494	60.0	41.105
15.0	59.480	70.0	38.734
18.0	57.615	80.0	36.702
20.0	56.446	90.0	34.940
25.0	53.755	100.0	33.398

HELIUM NET REVENUES (M$) 24.360
FUEL NET REVENUES (M$) .000

ALL PROVED DEV. NON-PRODUCING

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/27/10
TIME: 15:57:31
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPNP
.OUT: SRPNP4

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	36.874	.000	30.712	.00	4.00	143.788	7.515	52.880	.000	83.393	81.427
12-11	.000	98.502	.000	77.451	.00	4.00	362.544	18.950	137.573	.000	206.021	270.212
12-12	.000	83.789	.000	62.828	.00	4.00	294.212	15.375	119.382	.000	159.455	403.044
12-13	.000	60.803	.000	46.086	.00	4.00	215.724	11.275	98.562	.000	105.887	483.233
12-14	.000	47.245	.000	36.129	.00	4.00	169.176	8.841	86.180	.000	74.155	534.286
12-15	.000	38.917	.000	29.890	.00	4.00	139.960	7.313	78.424	.000	54.223	568.223
12-16	.000	33.195	.000	25.557	.00	4.00	119.748	6.255	73.031	.000	40.462	591.245
12-17	.000	28.991	.000	22.352	.00	4.00	104.648	5.469	69.046	.000	30.133	606.831
12-18	.000	25.764	.000	19.881	.00	4.00	93.024	4.862	65.973	.000	22.189	617.265
12-19	.000	23.202	.000	17.913	.00	4.00	83.952	4.384	63.525	.000	16.043	624.124
12-20	.000	21.116	.000	16.308	.00	4.00	76.332	3.990	61.532	.000	10.810	628.326
12-21	.000	13.622	.000	11.544	.00	4.00	54.096	2.827	44.454	.000	6.815	630.734
12-22	.000	8.757	.000	7.430	.00	4.00	34.820	1.819	29.923	.000	3.078	631.737
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	520.777	.000	404.081	.00	4.00	1892.024	98.875	980.485	.000	812.664	631.737
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	631.737
TOTAL	.000	520.777	.000	404.081	.00	4.00	1892.024	98.875	980.485	.000	812.664	631.737
CUM.	.000	1.223										
ULT.	.000	522.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	1616.324				
TOTAL REVENUES (M$)	1892.024				
PROJECT LIFE (YEARS)	12.108				
DISCOUNT RATE (PCT)	10.000				
GROSS OIL WELLS	.000				
GROSS GAS WELLS	3.000				
GROSS WELLS	3.000				

BTAX RATE OF RETURN (PCT)	100.00
BTAX PAYOUT	07/31/2010
BTAX PAYOUT (DISC)	07/31/2010
BTAX NET INCOME/INVEST	.00
BTAX NET INCOME/INVEST (DISC)	.00

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	812.664	30.0	446.373
2.0	768.058	35.0	417.656
5.0	710.046	40.0	393.004
8.0	660.697	45.0	371.602
10.0	631.737	50.0	352.840
12.0	605.439	60.0	321.458
15.0	570.257	70.0	296.238
18.0	539.381	80.0	275.483
20.0	520.820	90.0	258.085
25.0	480.252	100.0	243.272

ALL PROVED DEV. NON-PRODUCING

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/27/10
TIME: 15:57:31
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPNP
.OUT: SRPNP4

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(13)STREMEL A #1	.000	174.000	.000	147.620	685.400	35.962	363.897	.000	285.541	225.358
(16)BRACK #1-31	.000	148.777	.000	88.478	414.452	21.654	227.310	.000	165.488	126.809
(20)STREMEL #1	.000	198.000	.000	167.983	792.172	41.259	389.278	.000	361.635	279.570
(-1) SUMMARY: ALL PROVED DEV. NON-PRODUCING	.000	520.777	.000	404.081	1892.024	98.875	980.485	.000	812.664	631.737

STREMEL A #1
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS
PROVED, DEVELOPED NON-PRODUCING

DATE: 09/27/10
TIME: 15:57:31
FILE: STATESMA
PROP: 13
STID: BASE
.CMD: SRPNP
.OUT: SRPNP4

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	16.194	.000	13.739	.00	4.00	63.776	3.347	22.084	.000	38.345	37.442
12-11	.000	34.796	.000	29.521	.00	4.00	137.044	7.191	51.716	.000	78.137	109.042
12-12	.000	23.968	.000	20.334	.00	4.00	94.416	4.954	40.288	.000	49.174	150.006
12-13	.000	18.302	.000	15.527	.00	4.00	72.068	3.782	34.308	.000	33.978	175.738
12-14	.000	14.811	.000	12.566	.00	4.00	58.304	3.060	30.628	.000	24.616	192.685
12-15	.000	12.439	.000	10.553	.00	4.00	49.052	2.572	28.124	.000	18.356	204.174
12-16	.000	10.724	.000	9.098	.00	4.00	42.272	2.217	26.316	.000	13.739	211.991
12-17	.000	9.425	.000	7.996	.00	4.00	37.084	1.947	24.944	.000	10.193	217.263
12-18	.000	8.407	.000	7.132	.00	4.00	33.088	1.737	23.868	.000	7.483	220.782
12-19	.000	7.587	.000	6.437	.00	4.00	29.948	1.569	23.004	.000	5.375	223.080
12-20	.000	6.914	.000	5.866	.00	4.00	27.244	1.429	22.296	.000	3.519	224.448
12-21	.000	6.349	.000	5.386	.00	4.00	25.024	1.313	21.700	.000	2.011	225.158
12-22	.000	4.084	.000	3.465	.00	4.00	16.080	.844	14.621	.000	.615	225.358
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	174.000	.000	147.620	.00	4.00	685.400	35.962	363.897	.000	285.541	225.358
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	225.358
TOTAL	.000	174.000	.000	147.620	.00	4.00	685.400	35.962	363.897	.000	285.541	225.358
CUM.	.000	.000										
ULT.	.000	174.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	590.480		
TOTAL REVENUES (M$)	685.400		
PROJECT LIFE (YEARS)	12.104		
DISCOUNT RATE (PCT)	10.000		
GROSS OIL WELLS	.000		
GROSS GAS WELLS	1.000		
GROSS WELLS	1.000		
INITIAL NET OIL FRACTION	.000000		
FINAL NET OIL FRACTION	.000000		
INITIAL NET GAS FRACTION	.848400		
FINAL NET GAS FRACTION	.848400		
HELIUM NET PRODUCTION (MU)	1.582		
FUEL NET PRODUCTION (MU)	.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	285.541	30.0	163.183
2.0	270.742	35.0	153.483
5.0	251.456	40.0	145.135
8.0	235.020	45.0	137.871
10.0	225.358	50.0	131.485
12.0	216.575	60.0	120.765
15.0	204.805	70.0	112.107
18.0	194.460	80.0	104.947
20.0	188.234	90.0	98.915
25.0	174.599	100.0	93.757

BTAX RATE OF RETURN (PCT)	100.00		
BTAX PAYOUT	08/31/2010		
BTAX PAYOUT (DISC)	08/31/2010		
BTAX NET INCOME/INVEST	.00		
BTAX NET INCOME/INVEST (DISC)	.00		
INITIAL W.I. FRACTION	1.000000		
FINAL W.I. FRACTION	1.000000		
PRODUCTION START DATE	9/01/10		
MONTHS IN FIRST LINE	5.00		
HELIUM GROSS PROD. (MU)	1.864	HELIUM NET REVENUES (M$)	94.920
FUEL GROSS PROD. (MU)	45.896	FUEL NET REVENUES (M$)	.000

BRACK #1-31
STATESMAN RESOURCES, LTD.
RUSH COUNTY, KANSAS
PROVED, DEVELOPED NON-PRODUCING

DATE: 09/27/10
TIME: 15:57:31
FILE: STATESMA
PROP: 16
STID: BASE
.CMD: SRPNP
.OUT: SRPNP4

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	2.255	.000	1.341	.00	4.00	6.264	.328	6.356	.000	-.420	-.412
12-11	.000	24.116	.000	14.342	.00	4.00	67.148	3.510	29.085	.000	34.553	31.250
12-12	.000	32.551	.000	19.358	.00	4.00	90.692	4.738	35.322	.000	50.632	73.428
12-13	.000	21.676	.000	12.891	.00	4.00	60.384	3.155	27.282	.000	29.947	96.107
12-14	.000	15.583	.000	9.267	.00	4.00	43.428	2.269	22.776	.000	18.383	108.763
12-15	.000	12.325	.000	7.330	.00	4.00	34.300	1.793	20.364	.000	12.143	116.363
12-16	.000	10.269	.000	6.107	.00	4.00	28.628	1.495	18.843	.000	8.290	121.080
12-17	.000	8.843	.000	5.259	.00	4.00	24.636	1.287	17.790	.000	5.559	123.955
12-18	.000	7.792	.000	4.634	.00	4.00	21.656	1.132	17.013	.000	3.511	125.606
12-19	.000	6.982	.000	4.152	.00	4.00	19.488	1.017	16.413	.000	2.058	126.486
12-20	.000	6.336	.000	3.768	.00	4.00	17.652	.922	15.936	.000	.794	126.795
12-21	.000	.049	.000	.029	.00	4.00	.176	.008	.130	.000	.038	126.809
12-22												
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	148.777	.000	88.478	.00	4.00	414.452	21.654	227.310	.000	165.488	126.809
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	126.809
TOTAL	.000	148.777	.000	88.478	.00	4.00	414.452	21.654	227.310	.000	165.488	126.809
CUM.	.000	1.223										
ULT.	.000	150.000										

		NET OIL REVENUES (M$)		.000	---------PRESENT WORTH PROFILE---------			
		NET GAS REVENUES (M$)		353.912	DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
		TOTAL REVENUES (M$)		414.452	----	---------	----	---------
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)		10.425	.0	165.488	30.0	84.605
BTAX PAYOUT	01/05/2011	DISCOUNT RATE (PCT)		10.000	2.0	156.182	35.0	77.876
BTAX PAYOUT (DISC)	01/05/2011	GROSS OIL WELLS		.000	5.0	143.859	40.0	72.075
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS		1.000	8.0	133.170	45.0	67.030
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS		1.000	10.0	126.809	50.0	62.607
					12.0	120.977	60.0	55.222
INITIAL W.I. FRACTION	.750000	INITIAL NET OIL FRACTION		.000000	15.0	113.088	70.0	49.322
FINAL W.I. FRACTION	.750000	FINAL NET OIL FRACTION		.000000	18.0	106.087	80.0	44.504
PRODUCTION START DATE	8/01/10	INITIAL NET GAS FRACTION		.594700	20.0	101.846	90.0	40.507
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION		.594700	25.0	92.493	100.0	37.139
HELIUM GROSS PROD. (MU)	1.695	HELIUM NET PRODUCTION (MU)		1.009	HELIUM NET REVENUES (M$)			60.540
FUEL GROSS PROD. (MU)	36.677	FUEL NET PRODUCTION (MU)		.000	FUEL NET REVENUES (M$)			.000

STREMEL #1
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS
PROVED, DEVELOPED NON-PRODUCING

DATE: 09/27/10
TIME: 15:57:31
FILE: STATESMA
PROP: 20
STID: BASE
.CMD: SRPNP
.OUT: SRPNP4

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	18.425	.000	15.632	.00	4.00	73.748	3.840	24.440	.000	45.468	44.397
12-11	.000	39.590	.000	33.588	.00	4.00	158.352	8.249	56.772	.000	93.331	129.920
12-12	.000	27.270	.000	23.136	.00	4.00	109.104	5.683	43.772	.000	59.649	179.610
12-13	.000	20.825	.000	17.668	.00	4.00	83.272	4.338	36.972	.000	41.962	211.388
12-14	.000	16.851	.000	14.296	.00	4.00	67.444	3.512	32.776	.000	31.156	232.838
12-15	.000	14.153	.000	12.007	.00	4.00	56.608	2.948	29.936	.000	23.724	247.686
12-16	.000	12.202	.000	10.352	.00	4.00	48.848	2.543	27.872	.000	18.433	258.174
12-17	.000	10.723	.000	9.097	.00	4.00	42.928	2.235	26.312	.000	14.381	265.613
12-18	.000	9.565	.000	8.115	.00	4.00	38.280	1.993	25.092	.000	11.195	270.877
12-19	.000	8.633	.000	7.324	.00	4.00	34.516	1.798	24.108	.000	8.610	274.558
12-20	.000	7.866	.000	6.674	.00	4.00	31.436	1.639	23.300	.000	6.497	277.083
12-21	.000	7.224	.000	6.129	.00	4.00	28.896	1.506	22.624	.000	4.766	278.767
12-22	.000	4.673	.000	3.965	.00	4.00	18.740	.975	15.302	.000	2.463	279.570
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	198.000	.000	167.983	.00	4.00	792.172	41.259	389.278	.000	361.635	279.570
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	279.570
TOTAL	.000	198.000	.000	167.983	.00	4.00	792.172	41.259	389.278	.000	361.635	279.570
CUM.	.000	.000		NET OIL REVENUES (M$)			.000	---------PRESENT WORTH PROFILE---------				
				NET GAS REVENUES (M$)			671.932	DISC	PW OF NET	DISC	PW OF NET	
ULT.	.000	198.000		TOTAL REVENUES (M$)			792.172	RATE	BTAX, M$	RATE	BTAX, M$	
								----	---------	----	---------	
BTAX RATE OF RETURN (PCT)		100.00	PROJECT LIFE (YEARS)				12.108	.0	361.635	30.0	198.585	
BTAX PAYOUT		08/31/2010	DISCOUNT RATE (PCT)				10.000	2.0	341.134	35.0	186.297	
BTAX PAYOUT (DISC)		08/31/2010	GROSS OIL WELLS				.000	5.0	314.731	40.0	175.794	
BTAX NET INCOME/INVEST		.00	GROSS GAS WELLS				1.000	8.0	292.507	45.0	166.701	
BTAX NET INCOME/INVEST (DISC)		.00	GROSS WELLS				1.000	10.0	279.570	50.0	158.748	
								12.0	267.887	60.0	145.471	
INITIAL W.I. FRACTION		1.000000	INITIAL NET OIL FRACTION				.000000	15.0	252.364	70.0	134.809	
FINAL W.I. FRACTION		1.000000	FINAL NET OIL FRACTION				.000000	18.0	238.834	80.0	126.032	
PRODUCTION START DATE		9/01/10	INITIAL NET GAS FRACTION				.848400	20.0	230.740	90.0	118.663	
MONTHS IN FIRST LINE		5.00	FINAL NET GAS FRACTION				.848400	25.0	213.160	100.0	112.376	
HELIUM GROSS PROD. (MU)		2.360	HELIUM NET PRODUCTION (MU)				2.004	HELIUM NET REVENUES (M$)			120.240	
FUEL GROSS PROD. (MU)		52.226	FUEL NET PRODUCTION (MU)				.000	FUEL NET REVENUES (M$)			.000	

ALL PROVED UNDEVELOPED

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/27/10
TIME: 15:58:00
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPUD
.OUT: SRPUD4

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	.00	.000	.000	.000	300.000	-300.000	-289.421
12-11	.000	347.397	.000	227.771	.00	4.00	1069.124	63.726	319.350	2182.500	-1496.452	-1664.873
12-12	.000	660.052	.000	404.570	.00	4.00	1905.860	104.253	619.370	363.750	818.487	-994.070
12-13	.000	402.856	.000	248.280	.00	4.00	1169.280	64.440	447.512	.000	657.328	-496.271
12-14	.000	296.703	.000	183.194	.00	4.00	862.616	47.658	366.574	.000	448.384	-187.577
12-15	.000	237.771	.000	146.878	.00	4.00	691.672	38.238	321.405	.000	332.029	20.231
12-16	.000	199.763	.000	123.391	.00	4.00	581.104	32.121	292.200	.000	256.783	166.335
12-17	.000	173.017	.000	106.836	.00	4.00	503.064	27.796	271.612	.000	203.656	271.676
12-18	.000	153.080	.000	94.483	.00	4.00	444.952	24.572	256.250	.000	164.130	348.854
12-19	.000	137.593	.000	84.883	.00	4.00	399.772	22.059	244.312	.000	133.401	405.880
12-20	.000	125.188	.000	77.191	.00	4.00	363.484	20.046	234.740	.000	108.698	448.122
12-21	.000	115.008	.000	70.878	.00	4.00	333.792	18.395	226.897	.000	88.500	479.388
12-22	.000	106.490	.000	65.596	.00	4.00	308.944	17.013	220.323	.000	71.608	502.387
12-23	.000	99.250	.000	61.106	.00	4.00	287.804	15.839	214.744	.000	57.221	519.094
12-24	.000	93.013	.000	57.240	.00	4.00	269.640	14.829	209.930	.000	44.881	531.007
12-25	.000	87.582	.000	53.874	.00	4.00	253.716	13.947	205.751	.000	34.018	539.216
12-26	.000	69.027	.000	42.746	.00	4.00	201.224	11.163	168.880	.000	21.181	543.897
12-27	.000	6.702	.000	5.686	.00	4.00	26.344	1.999	22.072	.000	2.273	544.350
12-28	.000	6.308	.000	5.352	.00	4.00	24.828	1.883	21.656	.000	1.289	544.584
12-29	.000	2.200	.000	1.866	.00	4.00	8.664	.657	7.765	.000	.242	544.625
S TOT	.000	3319.000	.000	2061.821	.00	4.00	9705.884	540.634	4671.343	2846.250	1647.657	544.625
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	544.625
TOTAL	.000	3319.000	.000	2061.821	.00	4.00	9705.884	540.634	4671.343	2846.250	1647.657	544.625
CUM.	.000	.000		NET OIL REVENUES (M$)				.000				
				NET GAS REVENUES (M$)				8247.284				
ULT.	.000	3319.000		TOTAL REVENUES (M$)				9705.884				

BTAX RATE OF RETURN (PCT)	20.18	PROJECT LIFE (YEARS)	18.780		
BTAX PAYOUT	09/18/2014	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	11/26/2015	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	1.58	GROSS GAS WELLS	12.000		
BTAX NET INCOME/INVEST (DISC)	1.21	GROSS WELLS	12.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	1647.657	30.0	-289.809
2.0	1351.002	35.0	-388.138
5.0	989.115	40.0	-464.819
8.0	703.014	45.0	-525.169
10.0	544.625	50.0	-572.990
12.0	407.027	60.0	-641.394
15.0	232.432	70.0	-684.838
18.0	88.405	80.0	-711.991
20.0	6.095	90.0	-728.197
25.0	-162.181	100.0	-736.877

ALL PROVED UNDEVELOPED

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/27/10
TIME: 15:58:00
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPUD
.OUT: SRPUD4

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(3)PROVED UNDEVELOPED (STATES)	.000	369.000	.000	313.060	1451.800	110.126	664.769	300.000	376.905	200.892
(4)PROVED UNDEVELOPED (FARMIN)	.000	2950.000	.000	1748.761	8254.084	430.508	4006.574	2546.250	1270.752	343.733
(-1) SUMMARY: ALL PROVED UNDEVELOPED	.000	3319.000	.000	2061.821	9705.884	540.634	4671.343	2846.250	1647.657	544.625

PROVED UNDEVELOPED (STATES)
STATESMAN ACREAGE
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS

DATE: 09/27/10
TIME: 15:58:00
FILE: STATESMA
PROP: 3
STID: BASE
.CMD: SRPUD
.OUT: SRPUD4

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	4.00	.000	.000	.000	300.000	-300.000	-289.421
12-11	.000	85.422	.000	72.472	.00	4.00	336.088	25.493	105.128	.000	205.467	-101.143
12-12	.000	51.999	.000	44.116	.00	4.00	204.544	15.517	69.860	.000	119.167	-1.873
12-13	.000	37.039	.000	31.424	.00	4.00	145.736	11.055	54.080	.000	80.601	59.167
12-14	.000	28.595	.000	24.260	.00	4.00	112.460	8.532	45.172	.000	58.756	99.618
12-15	.000	23.192	.000	19.676	.00	4.00	91.304	6.924	39.468	.000	44.912	127.727
12-16	.000	19.450	.000	16.501	.00	4.00	76.564	5.806	35.520	.000	35.238	147.777
12-17	.000	16.710	.000	14.177	.00	4.00	65.708	4.985	32.632	.000	28.091	162.307
12-18	.000	14.622	.000	12.405	.00	4.00	57.540	4.365	30.428	.000	22.747	173.003
12-19	.000	12.980	.000	11.012	.00	4.00	51.068	3.873	28.696	.000	18.499	180.911
12-20	.000	11.656	.000	9.889	.00	4.00	45.856	3.479	27.296	.000	15.081	186.772
12-21	.000	10.568	.000	8.966	.00	4.00	41.564	3.153	26.152	.000	12.259	191.103
12-22	.000	9.657	.000	8.193	.00	4.00	37.992	2.882	25.188	.000	9.922	194.290
12-23	.000	8.885	.000	7.538	.00	4.00	34.952	2.652	24.376	.000	7.924	196.604
12-24	.000	8.222	.000	6.976	.00	4.00	32.404	2.456	23.672	.000	6.276	198.270
12-25	.000	7.648	.000	6.489	.00	4.00	30.096	2.283	23.072	.000	4.741	199.414
12-26	.000	7.145	.000	6.062	.00	4.00	28.088	2.132	22.536	.000	3.420	200.164
12-27	.000	6.702	.000	5.686	.00	4.00	26.344	1.999	22.072	.000	2.273	200.617
12-28	.000	6.308	.000	5.352	.00	4.00	24.828	1.883	21.656	.000	1.289	200.851
12-29	.000	2.200	.000	1.866	.00	4.00	8.664	.657	7.765	.000	.242	200.892
S TOT	.000	369.000	.000	313.060	.00	4.00	1451.800	110.126	664.769	300.000	376.905	200.892
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	200.892
TOTAL	.000	369.000	.000	313.060	.00	4.00	1451.800	110.126	664.769	300.000	376.905	200.892
CUM.	.000	.000										
ULT.	.000	369.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	1252.240				
TOTAL REVENUES (M$)	1451.800				

BTAX RATE OF RETURN (PCT)	45.32	PROJECT LIFE (YEARS)	18.780		
BTAX PAYOUT	10/16/2012	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	01/12/2013	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	2.26	GROSS GAS WELLS	1.000		
BTAX NET INCOME/INVEST (DISC)	1.69	GROSS WELLS	1.000		
INITIAL W.I. FRACTION	1.000000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	1.000000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	1/01/11	INITIAL NET GAS FRACTION	.848400		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.848400		
HELIUM GROSS PROD. (MU)	3.921	HELIUM NET PRODUCTION (MU)	3.326		
FUEL GROSS PROD. (MU)	97.331	FUEL NET PRODUCTION (MU)	.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	376.905	30.0	52.276
2.0	330.435	35.0	31.911
5.0	273.066	40.0	15.007
8.0	226.898	45.0	.786
10.0	200.892	50.0	-11.319
12.0	177.954	60.0	-30.739
15.0	148.252	70.0	-45.525
18.0	123.094	80.0	-57.061
20.0	108.369	90.0	-66.232
25.0	77.216	100.0	-73.634

HELIUM NET REVENUES (M$) 199.560
FUEL NET REVENUES (M$) .000

PROVED UNDEVELOPED (FARMIN)
FARMIN ACREAGE
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS

DATE: 09/27/10
TIME: 15:58:00
FILE: STATESMA
PROP: 4
STID: BASE
.CMD: SRPUD
.OUT: SRPUD4

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	4.00	.000	.000	.000	.000	.000	.000
12-11	.000	261.975	.000	155.299	.00	4.00	733.036	38.233	214.222	2182.500	-1701.919	-1563.730
12-12	.000	608.053	.000	360.454	.00	4.00	1701.316	88.736	549.510	363.750	699.320	-992.197
12-13	.000	365.817	.000	216.856	.00	4.00	1023.544	53.385	393.432	.000	576.727	-555.438
12-14	.000	268.108	.000	158.934	.00	4.00	750.156	39.126	321.402	.000	389.628	-287.195
12-15	.000	214.579	.000	127.202	.00	4.00	600.368	31.314	281.937	.000	287.117	-107.496
12-16	.000	180.313	.000	106.890	.00	4.00	504.540	26.315	256.680	.000	221.545	18.558
12-17	.000	156.307	.000	92.659	.00	4.00	437.356	22.811	238.980	.000	175.565	109.369
12-18	.000	138.458	.000	82.078	.00	4.00	387.412	20.207	225.822	.000	141.383	175.851
12-19	.000	124.613	.000	73.871	.00	4.00	348.704	18.186	215.616	.000	114.902	224.969
12-20	.000	113.532	.000	67.302	.00	4.00	317.628	16.567	207.444	.000	93.617	261.350
12-21	.000	104.440	.000	61.912	.00	4.00	292.228	15.242	200.745	.000	76.241	288.285
12-22	.000	96.833	.000	57.403	.00	4.00	270.952	14.131	195.135	.000	61.686	308.097
12-23	.000	90.365	.000	53.568	.00	4.00	252.852	13.187	190.368	.000	49.297	322.490
12-24	.000	84.791	.000	50.264	.00	4.00	237.236	12.373	186.258	.000	38.605	332.737
12-25	.000	79.934	.000	47.385	.00	4.00	223.620	11.664	182.679	.000	29.277	339.802
12-26	.000	61.882	.000	36.684	.00	4.00	173.136	9.031	146.344	.000	17.761	343.733
12-27												
12-28												
12-29												
S TOT	.000	2950.000	.000	1748.761	.00	4.00	8254.084	430.508	4006.574	2546.250	1270.752	343.733
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	343.733
TOTAL	.000	2950.000	.000	1748.761	.00	4.00	8254.084	430.508	4006.574	2546.250	1270.752	343.733
CUM.	.000	.000										
ULT.	.000	2950.000										

		NET OIL REVENUES (M$)	.000		
		NET GAS REVENUES (M$)	6995.044		
		TOTAL REVENUES (M$)	8254.084		
BTAX RATE OF RETURN (PCT)	17.12	PROJECT LIFE (YEARS)	16.231		
BTAX PAYOUT	02/16/2015	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	11/08/2016	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	1.50	GROSS GAS WELLS	11.000		
BTAX NET INCOME/INVEST (DISC)	1.15	GROSS WELLS	11.000		
INITIAL W.I. FRACTION	.750000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	.750000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	3/01/11	INITIAL NET GAS FRACTION	.592800		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.592800		
HELIUM GROSS PROD. (MU)	35.400	HELIUM NET PRODUCTION (MU)	20.984		
FUEL GROSS PROD. (MU)	724.918	FUEL NET PRODUCTION (MU)	.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	1270.752	30.0	-342.085
2.0	1020.567	35.0	-420.049
5.0	716.049	40.0	-479.826
8.0	476.116	45.0	-525.955
10.0	343.733	50.0	-561.671
12.0	229.073	60.0	-610.655
15.0	84.180	70.0	-639.313
18.0	-34.689	80.0	-654.930
20.0	-102.274	90.0	-661.965
25.0	-239.397	100.0	-663.243

HELIUM NET REVENUES (M$) 1259.040
FUEL NET REVENUES (M$) .000

ALL PROBABLE
GAS PRICE = $4.00
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/27/10
TIME: 16:18:20
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPRB4
.OUT: SRPRB4

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	.000
12-11	.000	164.710	.000	139.740	.00	4.00	657.420	34.278	158.675	1800.360	-1335.893	-1217.459
12-12	.000	771.160	.000	627.131	.00	4.00	2953.244	153.913	761.173	1422.245	615.913	-702.051
12-13	.000	1164.646	.000	800.238	.00	4.00	3785.592	196.869	1041.093	1362.855	1184.775	179.520
12-14	.000	869.003	.000	586.801	.00	4.00	2777.344	144.400	825.429	.000	1807.515	1423.922
12-15	.000	551.701	.000	380.773	.00	4.00	1801.012	93.668	617.247	.000	1090.097	2106.183
12-16	.000	405.452	.000	283.543	.00	4.00	1340.632	69.736	519.005	.000	751.891	2533.990
12-17	.000	320.672	.000	226.319	.00	4.00	1069.796	55.655	461.181	.000	552.960	2820.008
12-18	.000	265.217	.000	188.480	.00	4.00	890.720	46.344	422.949	.000	421.427	3018.175
12-19	.000	226.085	.000	161.557	.00	4.00	763.348	39.720	395.742	.000	327.886	3158.340
12-20	.000	196.989	.000	141.405	.00	4.00	668.100	34.765	375.382	.000	257.953	3258.585
12-21	.000	174.506	.000	125.748	.00	4.00	594.012	30.913	359.557	.000	203.542	3330.494
12-22	.000	118.979	.000	90.920	.00	4.00	428.840	22.333	267.581	.000	138.926	3375.313
12-23	.000	73.518	.000	62.373	.00	4.00	293.412	15.299	183.024	.000	95.089	3403.077
12-24	.000	68.210	.000	57.869	.00	4.00	272.276	7.488	178.474	.000	86.314	3425.987
12-25	.000	63.645	.000	53.996	.00	4.00	254.024	6.986	174.558	.000	72.480	3443.476
12-26	.000	40.507	.000	34.366	.00	4.00	161.704	4.447	115.366	.000	41.891	3452.810
12-27												
12-28												
12-29												
S TOT	.000	5475.000	.000	3961.259	.00	4.00	18711.476	956.814	6856.436	4585.460	6312.766	3452.810
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	3452.810
TOTAL	.000	5475.000	.000	3961.259	.00	4.00	18711.476	956.814	6856.436	4585.460	6312.766	3452.810
CUM.	.000	.000										
ULT.	.000	5475.000										

		NET OIL REVENUES (M$)	.000		
		NET GAS REVENUES (M$)	15845.036		
		TOTAL REVENUES (M$)	18711.476		
BTAX RATE OF RETURN (PCT)	71.34	PROJECT LIFE (YEARS)	16.089		
BTAX PAYOUT	10/25/2013	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	11/27/2013	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	2.38	GROSS GAS WELLS	18.000		
BTAX NET INCOME/INVEST (DISC)	1.90	GROSS WELLS	18.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	6312.766	30.0	1189.110
2.0	5554.697	35.0	911.550
5.0	4619.475	40.0	691.587
8.0	3871.023	45.0	515.200
10.0	3452.810	50.0	372.329
12.0	3087.071	60.0	159.529
15.0	2619.397	70.0	13.665
18.0	2230.231	80.0	-88.382
20.0	2006.286	90.0	-160.813
25.0	1544.262	100.0	-212.699

ALL PROBABLE
GAS PRICE = $4.00
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/27/10
TIME: 16:18:20
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPRB4
.OUT: SRPRB4

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(22)PROBABLE (STATESMAN)4	.000	2800.000	.000	2375.520	11175.360	565.747	4178.423	2200.460	4230.730	2396.569
(23)PROBABLE (FARMIN)4	.000	2675.000	.000	1585.739	7536.116	391.067	2678.013	2385.000	2082.036	1056.241
(-1) SUMMARY: ALL PROBABLE	.000	5475.000	.000	3961.259	18711.476	956.814	6856.436	4585.460	6312.766	3452.810

PROBABLE (STATESMAN)4
STATESMAN ACREAGE
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS

DATE: 09/27/10
TIME: 16:18:20
FILE: STATESMA
PROP: 22
STID: BASE
.CMD: SRPRB4
.OUT: SRPRB4

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	4.00	.000	.000	.000	.000	.000	.000
12-11	.000	164.710	.000	139.740	.00	4.00	657.420	34.278	158.675	1800.360	-1335.893	-1217.459
12-12	.000	665.052	.000	564.230	.00	4.00	2654.300	138.400	690.115	400.100	1425.685	-41.939
12-13	.000	429.718	.000	364.573	.00	4.00	1715.092	89.427	488.378	.000	1137.287	819.335
12-14	.000	280.347	.000	237.846	.00	4.00	1118.964	58.343	360.328	.000	700.293	1301.459
12-15	.000	210.191	.000	178.326	.00	4.00	838.884	43.741	300.187	.000	494.956	1611.238
12-16	.000	168.982	.000	143.364	.00	4.00	674.436	35.166	264.862	.000	374.408	1824.267
12-17	.000	141.724	.000	120.239	.00	4.00	565.676	29.494	241.492	.000	294.690	1976.695
12-18	.000	122.298	.000	103.758	.00	4.00	488.112	25.451	224.842	.000	237.819	2088.524
12-19	.000	107.720	.000	91.390	.00	4.00	429.880	22.416	212.342	.000	195.122	2171.935
12-20	.000	96.360	.000	81.752	.00	4.00	384.608	20.054	202.605	.000	161.949	2234.871
12-21	.000	87.248	.000	74.021	.00	4.00	348.224	18.157	194.792	.000	135.275	2282.662
12-22	.000	79.770	.000	67.677	.00	4.00	318.348	16.600	188.383	.000	113.365	2319.072
12-23	.000	73.518	.000	62.373	.00	4.00	293.412	15.299	183.024	.000	95.089	2346.836
12-24	.000	68.210	.000	57.869	.00	4.00	272.276	7.488	178.474	.000	86.314	2369.746
12-25	.000	63.645	.000	53.996	.00	4.00	254.024	6.986	174.558	.000	72.480	2387.235
12-26	.000	40.507	.000	34.366	.00	4.00	161.704	4.447	115.366	.000	41.891	2396.569
12-27												
12-28												
12-29												
S TOT	.000	2800.000	.000	2375.520	.00	4.00	11175.360	565.747	4178.423	2200.460	4230.730	2396.569
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	2396.569
TOTAL	.000	2800.000	.000	2375.520	.00	4.00	11175.360	565.747	4178.423	2200.460	4230.730	2396.569
CUM.	.000	.000										
ULT.	.000	2800.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	9502.080		
TOTAL REVENUES (M$)	11175.360		
BTAX RATE OF RETURN (PCT)	79.51	PROJECT LIFE (YEARS)	16.089
BTAX PAYOUT	12/13/2012	DISCOUNT RATE (PCT)	10.000
BTAX PAYOUT (DISC)	01/18/2013	GROSS OIL WELLS	.000
BTAX NET INCOME/INVEST	2.92	GROSS GAS WELLS	8.000
BTAX NET INCOME/INVEST (DISC)	2.21	GROSS WELLS	8.000
INITIAL W.I. FRACTION	1.000000	INITIAL NET OIL FRACTION	.000000
FINAL W.I. FRACTION	1.000000	FINAL NET OIL FRACTION	.000000
PRODUCTION START DATE	7/01/11	INITIAL NET GAS FRACTION	.848400
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.848400
HELIUM GROSS PROD. (MU)	32.872	HELIUM NET PRODUCTION (MU)	27.888
FUEL GROSS PROD. (MU)	738.556	FUEL NET PRODUCTION (MU)	.000

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	4230.730	30.0	925.896
2.0	3742.083	35.0	737.129
5.0	3142.326	40.0	584.372
8.0	2663.850	45.0	459.151
10.0	2396.569	50.0	355.385
12.0	2162.540	60.0	195.468
15.0	1862.367	70.0	80.432
18.0	1611.194	80.0	-4.156
20.0	1465.785	90.0	-67.384
25.0	1162.799	100.0	-115.234

HELIUM NET REVENUES (M$) 1673.280
FUEL NET REVENUES (M$) .000

PROBABLE (FARMIN)4
FARMIN ACREAGE
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS

DATE: 09/27/10
TIME: 16:18:20
FILE: STATESMA
PROP: 23
STID: BASE
.CMD: SRPRB4
.OUT: SRPRB4

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	4.00	.000	.000	.000	.000	.000	.000
12-11	.000	.000	.000	.000	.00	4.00	.000	.000	.000	.000	.000	.000
12-12	.000	106.108	.000	62.901	.00	4.00	298.944	15.513	71.058	1022.145	-809.772	-660.112
12-13	.000	734.928	.000	435.665	.00	4.00	2070.500	107.442	552.715	1362.855	47.488	-639.815
12-14	.000	588.656	.000	348.955	.00	4.00	1658.380	86.057	465.101	.000	1107.222	122.463
12-15	.000	341.510	.000	202.447	.00	4.00	962.128	49.927	317.060	.000	595.141	494.945
12-16	.000	236.470	.000	140.179	.00	4.00	666.196	34.570	254.143	.000	377.483	709.723
12-17	.000	178.948	.000	106.080	.00	4.00	504.120	26.161	219.689	.000	258.270	843.313
12-18	.000	142.919	.000	84.722	.00	4.00	402.608	20.893	198.107	.000	183.608	929.651
12-19	.000	118.365	.000	70.167	.00	4.00	333.468	17.304	183.400	.000	132.764	986.405
12-20	.000	100.629	.000	59.653	.00	4.00	283.492	14.711	172.777	.000	96.004	1023.714
12-21	.000	87.258	.000	51.727	.00	4.00	245.788	12.756	164.765	.000	68.267	1047.832
12-22	.000	39.209	.000	23.243	.00	4.00	110.492	5.733	79.198	.000	25.561	1056.241
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	2675.000	.000	1585.739	.00	4.00	7536.116	391.067	2678.013	2385.000	2082.036	1056.241
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	1056.241
TOTAL	.000	2675.000	.000	1585.739	.00	4.00	7536.116	391.067	2678.013	2385.000	2082.036	1056.241
CUM.	.000	.000										
ULT.	.000	2675.000										

		NET OIL REVENUES (M$)	.000		
		NET GAS REVENUES (M$)	6342.956		
		TOTAL REVENUES (M$)	7536.116		
BTAX RATE OF RETURN (PCT)	53.20	PROJECT LIFE (YEARS)	11.912		
BTAX PAYOUT	09/09/2014	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	11/03/2014	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	1.87	GROSS GAS WELLS	10.000		
BTAX NET INCOME/INVEST (DISC)	1.56	GROSS WELLS	10.000		
INITIAL W.I. FRACTION	.750000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	.750000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	9/01/12	INITIAL NET GAS FRACTION	.592800		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.592800		
HELIUM GROSS PROD. (MU)	33.438	HELIUM NET PRODUCTION (MU)	19.886		
FUEL GROSS PROD. (MU)	657.354	FUEL NET PRODUCTION (MU)	.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	2082.036	30.0	263.214
2.0	1812.614	35.0	174.421
5.0	1477.149	40.0	107.215
8.0	1207.173	45.0	56.049
10.0	1056.241	50.0	16.944
12.0	924.531	60.0	-35.939
15.0	757.030	70.0	-66.767
18.0	619.037	80.0	-84.226
20.0	540.501	90.0	-93.429
25.0	381.463	100.0	-97.465

HELIUM NET REVENUES (M$) 1193.160
FUEL NET REVENUES (M$) .000

$6.00 GAS PRICE SCENARIO

PROVED GAS RESERVE SUMMARY - STATESMAN RESOURCES, LTD.

August 1, 2010

GAS PRICE = $6.00/MCF	ULTIMATE RESERVE	CUMULATIVE PRODUCTION	REMAINING RESERVE	NET REM. RESERVE	FUTURE NET CASH FLOW	DISCOUNTED FNCF
PROVED, DEVELOPED PRODUCING	(MCF)	August 1, 2010	(MCF)	(MCF)		
Eberhardt #1-24	400,000	81,610	318,390	189,347	$ 678,244	$ 498,814
Scheuerman #1-36	67,000	8,913	58,087	34,544	$ 115,301	$ 101,063
PROV. DEV. PROD. TOTAL	467,000	90,523	376,477	223,891	$793,545	$599,877
PROVED, DEVELOPED NON-PRODUCING						
Stremel A#1	174,000	0	174,000	147,622	$472,313	$358,396
Brack #1-31	150,000	1,223	148,777	88,478	$277,432	$206,439
Stremel #1	198,000	0	198,000	167,983	$574,172	$430,948
PROV., D. N. P. TOTAL	522,000	1,223	520,777	404,082	$1,323,917	$995,783
PROVED, UNDEVELOPED :						
Statesman Acreage	369,000	0	369,000	313,060	$757,292	$446,633
Farm-In Acreage	2,950,000	0	2,950,000	1,748,760	$3,483,011	$1,720,897
PROVED, UND. TOTAL	3,319,000	0	3,319,000	2,061,820	$4,240,303	$2,167,530
TOTAL ALL PROVED RESERVES	4,308,000	91,746	4,216,254	2,689,793	6,357,765	3,763,190

PROBABLE GAS RESERVE SUMMARY - STATESMAN RESOURCES, LTD.

AUGUST , 2010

PROBABLE		ULTIMATE RESERVE (MCF)	CUMULATIVE PRODUCTION August 1, 2010	REMAINING RESERVE (MCF)	NET REM. RESERVE (MCF)	FUTURE NET CASH FLOW	DISCOUNTED FNCF
	Statesman Acreage	3,355,000	0	3,355,000	2,846,382	$ 8,288,916	$ 4,947,932
	Farm-In Acreage	4,420,000	0	4,420,000	2,620,176	$ 5,421,954	$ 2,708,262
PROBABLE TOTAL		7,775,000	0	7,775,000	5,466,558	13,710,870	7,656,194
TOTAL ALL PROVED + PROBABLE		**12,083,000**	**91,746**	**11,991,254**	**8,156,351**	**20,068,635**	**11,419,384**

PROVED + PROB. RESERVES
PRICE = $6.00/MCF
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 09:52:43
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPP6
.OUT: SRPP6

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	86.174	.000	60.030	.00	6.00	400.260	21.446	135.946	300.000	-57.132	-51.797
12-11	.000	722.848	.000	520.069	.00	6.00	3480.114	197.720	1042.663	3950.730	-1710.999	-1625.671
12-12	.000	1702.287	.000	1239.663	.00	6.00	8313.738	451.411	2404.770	2579.185	2878.372	749.886
12-13	.000	1749.054	.000	1188.260	.00	6.00	7985.280	431.337	2479.739	2073.330	3000.874	3021.909
12-14	.000	1678.159	.000	1096.299	.00	6.00	7375.374	397.399	2348.720	1554.998	3074.258	5125.448
12-15	.000	1199.160	.000	788.132	.00	6.00	5300.772	286.016	1853.874	.000	3160.882	7103.759
12-16	.000	891.192	.000	591.024	.00	6.00	3973.704	214.732	1538.307	.000	2220.665	8367.261
12-17	.000	713.935	.000	476.167	.00	6.00	3200.562	173.120	1353.239	.000	1674.203	9233.243
12-18	.000	597.608	.000	400.153	.00	6.00	2689.158	145.552	1230.162	.000	1313.444	9850.860
12-19	.000	514.978	.000	345.826	.00	6.00	2323.896	125.834	1141.877	.000	1056.185	10302.358
12-20	.000	453.073	.000	304.935	.00	6.00	2048.790	110.977	1075.216	.000	862.597	10637.579
12-21	.000	399.110	.000	269.549	.00	6.00	1811.034	98.135	1005.468	.000	707.431	10887.508
12-22	.000	357.060	.000	240.865	.00	6.00	1618.410	87.726	948.377	.000	582.307	11074.588
12-23	.000	317.848	.000	213.264	.00	6.00	1433.004	77.720	880.977	.000	474.307	11213.073
12-24	.000	289.128	.000	194.433	.00	6.00	1306.638	70.879	845.397	.000	390.362	11316.724
12-25	.000	192.349	.000	135.505	.00	6.00	909.510	49.633	590.526	.000	269.351	11381.904
12-26	.000	112.081	.000	79.273	.00	6.00	531.618	29.387	350.186	.000	152.045	11415.714
12-27	.000	6.702	.000	5.686	.00	6.00	37.716	2.927	25.608	.000	9.181	11417.545
12-28	.000	6.308	.000	5.352	.00	6.00	35.532	2.756	24.984	.000	7.792	11418.958
12-29	.000	2.200	.000	1.866	.00	6.00	12.396	.961	8.925	.000	2.510	11419.384
S TOT	.000	11991.254	.000	8156.351	.00	6.00	54787.506	2975.668	21284.961	10458.243	20068.635	11419.384
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	11419.384
TOTAL	.000	11991.254	.000	8156.351	.00	6.00	54787.506	2975.668	21284.961	10458.243	20068.635	11419.384
CUM.	.000	91.746		NET OIL REVENUES (M$)			.000					
				NET GAS REVENUES (M$)			48938.106					
ULT.	.000	12083.000		TOTAL REVENUES (M$)			54787.506					

BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	18.780		
BTAX PAYOUT	06/30/2013	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	06/29/2013	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	2.92	GROSS GAS WELLS	47.000		
BTAX NET INCOME/INVEST (DISC)	2.31	GROSS WELLS	47.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	20068.634	30.0	4805.807
2.0	17740.874	35.0	3996.153
5.0	14903.572	40.0	3349.714
8.0	12661.257	45.0	2825.917
10.0	11419.384	50.0	2396.066
12.0	10339.630	60.0	1740.483
15.0	8967.045	70.0	1272.772
18.0	7830.991	80.0	929.185
20.0	7179.286	90.0	670.760
25.0	5837.526	100.0	472.608

ALL PROVED RESERVES
PRICE = $6.00/MCF
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:51:19
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRALL6
.OUT: SRPVD6

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	86.174	.000	60.030	.00	6.00	400.260	21.446	135.946	300.000	-57.132	-51.797
12-11	.000	525.195	.000	352.380	.00	6.00	2355.900	137.646	757.013	2182.500	-721.259	-718.333
12-12	.000	798.075	.000	499.651	.00	6.00	3349.506	186.220	1111.909	363.750	1687.627	676.495
12-13	.000	505.421	.000	319.202	.00	6.00	2139.072	119.451	797.835	.000	1221.786	1601.761
12-14	.000	369.566	.000	234.558	.00	6.00	1571.628	87.954	630.371	.000	853.303	2189.297
12-15	.000	296.964	.000	188.826	.00	6.00	1265.196	70.829	543.490	.000	650.877	2596.664
12-16	.000	250.496	.000	159.378	.00	6.00	1067.988	59.769	488.551	.000	519.668	2892.341
12-17	.000	217.485	.000	138.392	.00	6.00	927.192	51.869	449.409	.000	425.914	3112.645
12-18	.000	192.711	.000	122.611	.00	6.00	821.406	45.930	419.966	.000	355.510	3279.816
12-19	.000	173.368	.000	110.273	.00	6.00	738.918	41.288	396.956	.000	300.674	3408.348
12-20	.000	157.813	.000	100.343	.00	6.00	672.258	37.547	378.425	.000	256.286	3507.946
12-21	.000	139.249	.000	88.737	.00	6.00	594.642	33.244	345.634	.000	215.764	3584.174
12-22	.000	125.107	.000	78.890	.00	6.00	528.720	29.595	317.841	.000	181.284	3642.457
12-23	.000	108.459	.000	66.583	.00	6.00	446.358	25.081	274.206	.000	147.071	3685.398
12-24	.000	98.352	.000	60.415	.00	6.00	405.210	22.787	258.316	.000	124.107	3718.376
12-25	.000	87.582	.000	53.874	.00	6.00	361.464	20.368	239.252	.000	101.844	3742.951
12-26	.000	69.027	.000	42.746	.00	6.00	286.716	16.301	195.457	.000	74.958	3759.520
12-27	.000	6.702	.000	5.686	.00	6.00	37.716	2.927	25.608	.000	9.181	3761.351
12-28	.000	6.308	.000	5.352	.00	6.00	35.532	2.756	24.984	.000	7.792	3762.764
12-29	.000	2.200	.000	1.866	.00	6.00	12.396	.961	8.925	.000	2.510	3763.190
S TOT	.000	4216.254	.000	2689.793	.00	6.00	18018.078	1013.969	7800.094	2846.250	6357.765	3763.190
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	3763.190
TOTAL	.000	4216.254	.000	2689.793	.00	6.00	18018.078	1013.969	7800.094	2846.250	6357.765	3763.190
CUM.	.000	91.746										
ULT.	.000	4308.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	16138.758		
TOTAL REVENUES (M$)	18018.078		
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	18.780
BTAX PAYOUT	07/21/2012	DISCOUNT RATE (PCT)	10.000
BTAX PAYOUT (DISC)	08/08/2012	GROSS OIL WELLS	.000
BTAX NET INCOME/INVEST	3.23	GROSS GAS WELLS	17.000
BTAX NET INCOME/INVEST (DISC)	2.45	GROSS WELLS	17.000

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	6357.765	30.0	1728.542
2.0	5659.711	35.0	1467.420
5.0	4809.573	40.0	1254.971
8.0	4136.831	45.0	1079.536
10.0	3763.190	50.0	932.833
12.0	3437.252	60.0	703.030
15.0	3020.794	70.0	533.203
18.0	2673.506	80.0	404.232
20.0	2472.846	90.0	304.157
25.0	2055.238	100.0	225.138

ALL PROVED RESERVES
PRICE = $6.00/MCF
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:51:19
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRALL6
.OUT: SRPVD6

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(3)PROVED UNDEVELOPED (STATES)	.000	369.000	.000	313.060	2077.920	161.197	859.431	300.000	757.292	446.633
(4)PROVED UNDEVELOPED (FARMIN)	.000	2950.000	.000	1748.761	11751.606	628.392	5093.953	2546.250	3483.011	1720.897
(13)STREMEL A #1	.000	174.000	.000	147.620	980.640	52.638	455.689	.000	472.313	358.396
(14)EBERHARDT #1-24	.000	318.390	.000	189.347	1256.742	67.482	511.016	.000	678.244	498.814
(15)SCHEUERMAN #1-36	.000	58.087	.000	34.544	231.624	12.376	103.947	.000	115.301	101.063
(16)BRACK #1-31	.000	148.777	.000	88.478	591.408	31.648	282.328	.000	277.432	206.439
(20)STREMEL #1	.000	198.000	.000	167.983	1128.138	60.236	493.730	.000	574.172	430.948
(-1) SUMMARY: ALL PROVED RESERVES	.000	4216.254	.000	2689.793	18018.078	1013.969	7800.094	2846.250	6357.765	3763.190

PROVED DEVEL. PRODUCING

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 09:57:54
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPDP
.OUT: SRPDP6

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	49.300	.000	29.318	.00	6.00	195.048	10.462	63.970	.000	120.616	118.245
12-11	.000	79.296	.000	47.158	.00	6.00	313.788	16.828	110.300	.000	186.660	289.289
12-12	.000	54.234	.000	32.253	.00	6.00	214.638	11.510	82.531	.000	120.597	389.751
12-13	.000	41.762	.000	24.836	.00	6.00	165.336	8.865	68.724	.000	87.747	456.202
12-14	.000	25.618	.000	15.235	.00	6.00	101.190	5.432	41.240	.000	54.518	493.807
12-15	.000	20.276	.000	12.058	.00	6.00	80.028	4.297	33.746	.000	41.985	520.084
12-16	.000	17.538	.000	10.430	.00	6.00	69.240	3.718	30.704	.000	34.818	539.895
12-17	.000	15.477	.000	9.204	.00	6.00	61.104	3.281	28.422	.000	29.401	555.103
12-18	.000	13.867	.000	8.247	.00	6.00	54.702	2.939	26.631	.000	25.132	566.921
12-19	.000	12.573	.000	7.477	.00	6.00	49.602	2.664	25.200	.000	21.738	576.214
12-20	.000	11.509	.000	6.844	.00	6.00	45.444	2.440	24.017	.000	18.987	583.593
12-21	.000	10.619	.000	6.315	.00	6.00	41.910	2.250	23.027	.000	16.633	589.469
12-22	.000	9.860	.000	5.864	.00	6.00	38.904	2.089	22.190	.000	14.625	594.166
12-23	.000	9.209	.000	5.477	.00	6.00	36.342	1.951	21.465	.000	12.926	597.940
12-24	.000	5.339	.000	3.175	.00	6.00	21.090	1.132	12.796	.000	7.162	599.877
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	376.477	.000	223.891	.00	6.00	1488.366	79.858	614.963	.000	793.545	599.877
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	599.877
TOTAL	.000	376.477	.000	223.891	.00	6.00	1488.366	79.858	614.963	.000	793.545	599.877
CUM.	.000	90.523										
ULT.	.000	467.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	1343.346		
TOTAL REVENUES (M$)	1488.366		
PROJECT LIFE (YEARS)	14.027		
DISCOUNT RATE (PCT)	10.000		
GROSS OIL WELLS	.000		
GROSS GAS WELLS	2.000		
GROSS WELLS	2.000		

BTAX RATE OF RETURN (PCT)	100.00
BTAX PAYOUT	07/31/2010
BTAX PAYOUT (DISC)	07/31/2010
BTAX NET INCOME/INVEST	.00
BTAX NET INCOME/INVEST (DISC)	.00

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	793.545	30.0	426.930
2.0	743.238	35.0	401.832
5.0	680.353	40.0	380.519
8.0	629.062	45.0	362.159
10.0	599.877	50.0	346.145
12.0	573.932	60.0	319.467
15.0	540.023	70.0	298.054
18.0	510.976	80.0	280.410
20.0	493.809	90.0	265.576
25.0	457.004	100.0	252.900

PROVED DEVEL. PRODUCING

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 09:57:54
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPDP
.OUT: SRPDP6

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(14)EBERHARDT #1-24	.000	318.390	.000	189.347	1256.742	67.482	511.016	.000	678.244	498.814
(15)SCHEUERMAN #1-36	.000	58.087	.000	34.544	231.624	12.376	103.947	.000	115.301	101.063
(-1) SUMMARY: PROVED DEVEL. PRODUCING	.000	376.477	.000	223.891	1488.366	79.858	614.963	.000	793.545	599.877

EBERHARDT #1-24
STATESMAN RESOURCES, LTD.
RUSH COUNTY, KANSAS
PROVED, DEVEL. PRODUCING

DATE: 09/28/10
TIME: 09:57:54
FILE: STATESMA
PROP: 14
STID: BASE
.CMD: SRPDP
.OUT: SRPDP6

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	38.748	.000	23.043	.00	6.00	152.958	8.213	47.672	.000	97.073	95.165
12-11	.000	59.863	.000	35.601	.00	6.00	236.286	12.688	77.661	.000	145.937	228.893
12-12	.000	39.557	.000	23.525	.00	6.00	156.150	8.384	55.130	.000	92.636	306.062
12-13	.000	29.853	.000	17.754	.00	6.00	117.864	6.328	44.370	.000	67.166	356.927
12-14	.000	24.102	.000	14.333	.00	6.00	95.118	5.108	37.985	.000	52.025	392.744
12-15	.000	20.276	.000	12.058	.00	6.00	80.028	4.297	33.746	.000	41.985	419.021
12-16	.000	17.538	.000	10.430	.00	6.00	69.240	3.718	30.704	.000	34.818	438.832
12-17	.000	15.477	.000	9.204	.00	6.00	61.104	3.281	28.422	.000	29.401	454.040
12-18	.000	13.867	.000	8.247	.00	6.00	54.702	2.939	26.631	.000	25.132	465.858
12-19	.000	12.573	.000	7.477	.00	6.00	49.602	2.664	25.200	.000	21.738	475.151
12-20	.000	11.509	.000	6.844	.00	6.00	45.444	2.440	24.017	.000	18.987	482.530
12-21	.000	10.619	.000	6.315	.00	6.00	41.910	2.250	23.027	.000	16.633	488.406
12-22	.000	9.860	.000	5.864	.00	6.00	38.904	2.089	22.190	.000	14.625	493.103
12-23	.000	9.209	.000	5.477	.00	6.00	36.342	1.951	21.465	.000	12.926	496.877
12-24	.000	5.339	.000	3.175	.00	6.00	21.090	1.132	12.796	.000	7.162	498.814
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	318.390	.000	189.347	.00	6.00	1256.742	67.482	511.016	.000	678.244	498.814
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	498.814
TOTAL	.000	318.390	.000	189.347	.00	6.00	1256.742	67.482	511.016	.000	678.244	498.814
CUM.	.000	81.610										
ULT.	.000	400.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	1136.082				
TOTAL REVENUES (M$)	1256.742				

BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	14.027
BTAX PAYOUT	07/31/2010	DISCOUNT RATE (PCT)	10.000
BTAX PAYOUT (DISC)	07/31/2010	GROSS OIL WELLS	.000
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS	1.000
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS	1.000
INITIAL W.I. FRACTION	.750000	INITIAL NET OIL FRACTION	.000000
FINAL W.I. FRACTION	.750000	FINAL NET OIL FRACTION	.000000
PRODUCTION START DATE	8/01/10	INITIAL NET GAS FRACTION	.594700
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.594700
HELIUM GROSS PROD. (MU)	3.383	HELIUM NET PRODUCTION (MU)	2.011
FUEL GROSS PROD. (MU)	78.490	FUEL NET PRODUCTION (MU)	.000

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	678.244	30.0	345.136
2.0	631.129	35.0	323.604
5.0	572.687	40.0	305.499
8.0	525.469	45.0	290.040
10.0	498.814	50.0	276.659
12.0	475.264	60.0	254.583
15.0	444.718	70.0	237.054
18.0	418.781	80.0	222.730
20.0	403.560	90.0	210.767
25.0	371.229	100.0	200.597

HELIUM NET REVENUES (M$) 120.660
FUEL NET REVENUES (M$) .000

SCHEUERMAN #1-36
STATESMAN RESOURCES, LTD.
RUSH COUNTY, KANSAS
PROVED, DEVEL. PRODUCING

DATE: 09/28/10
TIME: 09:57:54
FILE: STATESMA
PROP: 15
STID: BASE
.CMD: SRPDP
.OUT: SRPDP6

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	10.552	.000	6.275	.00	6.00	42.090	2.249	16.298	.000	23.543	23.080
12-11	.000	19.433	.000	11.557	.00	6.00	77.502	4.140	32.639	.000	40.723	60.396
12-12	.000	14.677	.000	8.728	.00	6.00	58.488	3.126	27.401	.000	27.961	83.689
12-13	.000	11.909	.000	7.082	.00	6.00	47.472	2.537	24.354	.000	20.581	99.275
12-14	.000	1.516	.000	.902	.00	6.00	6.072	.324	3.255	.000	2.493	101.063
12-15												
12-16												
12-17												
12-18												
12-19												
12-20												
12-21												
12-22												
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	58.087	.000	34.544	.00	6.00	231.624	12.376	103.947	.000	115.301	101.063
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	101.063
TOTAL	.000	58.087	.000	34.544	.00	6.00	231.624	12.376	103.947	.000	115.301	101.063
CUM.	.000	8.913										
ULT.	.000	67.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	207.264				
TOTAL REVENUES (M$)	231.624				
PROJECT LIFE (YEARS)	3.558				
DISCOUNT RATE (PCT)	10.000				
GROSS OIL WELLS	.000				
GROSS GAS WELLS	1.000				
GROSS WELLS	1.000				
INITIAL NET OIL FRACTION	.000000				
FINAL NET OIL FRACTION	.000000				
INITIAL NET GAS FRACTION	.594700				
FINAL NET GAS FRACTION	.594700				
HELIUM NET PRODUCTION (MU)	.406				
FUEL NET PRODUCTION (MU)	.000				

--------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	115.301	30.0	81.794
2.0	112.109	35.0	78.228
5.0	107.666	40.0	75.020
8.0	103.593	45.0	72.119
10.0	101.063	50.0	69.486
12.0	98.668	60.0	64.884
15.0	95.305	70.0	61.000
18.0	92.195	80.0	57.680
20.0	90.249	90.0	54.809
25.0	85.775	100.0	52.303

BTAX RATE OF RETURN (PCT)	100.00
BTAX PAYOUT	07/31/2010
BTAX PAYOUT (DISC)	07/31/2010
BTAX NET INCOME/INVEST	.00
BTAX NET INCOME/INVEST (DISC)	.00
INITIAL W.I. FRACTION	.750000
FINAL W.I. FRACTION	.750000
PRODUCTION START DATE	8/01/10
MONTHS IN FIRST LINE	5.00
HELIUM GROSS PROD. (MU)	.683
FUEL GROSS PROD. (MU)	14.205

HELIUM NET REVENUES (M$)	24.360
FUEL NET REVENUES (M$)	.000

ALL PROVED DEV. NON-PRODUCING

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 09:58:44
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPNP
.OUT: SRPNP6

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	36.874	.000	30.712	.00	6.00	205.212	10.984	71.976	.000	122.252	119.379
12-11	.000	98.502	.000	77.451	.00	6.00	517.446	27.697	185.735	.000	304.014	397.959
12-12	.000	83.789	.000	62.828	.00	6.00	419.868	22.472	158.448	.000	238.948	597.011
12-13	.000	60.803	.000	46.086	.00	6.00	307.896	16.481	127.218	.000	164.197	721.359
12-14	.000	47.245	.000	36.129	.00	6.00	241.434	12.922	108.645	.000	119.867	803.882
12-15	.000	38.917	.000	29.890	.00	6.00	199.740	10.690	97.011	.000	92.039	861.487
12-16	.000	33.195	.000	25.557	.00	6.00	170.862	9.143	88.922	.000	72.797	902.906
12-17	.000	28.991	.000	22.352	.00	6.00	149.352	7.994	82.944	.000	58.414	933.120
12-18	.000	25.764	.000	19.881	.00	6.00	132.786	7.109	78.335	.000	47.342	955.382
12-19	.000	23.202	.000	17.913	.00	6.00	119.778	6.409	74.663	.000	38.706	971.928
12-20	.000	21.116	.000	16.308	.00	6.00	108.948	5.832	71.673	.000	31.443	984.147
12-21	.000	13.622	.000	11.544	.00	6.00	77.184	4.130	51.636	.000	21.418	991.715
12-22	.000	8.757	.000	7.430	.00	6.00	49.680	2.659	34.541	.000	12.480	995.783
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	520.777	.000	404.081	.00	6.00	2700.186	144.522	1231.747	.000	1323.917	995.783
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	995.783
TOTAL	.000	520.777	.000	404.081	.00	6.00	2700.186	144.522	1231.747	.000	1323.917	995.783
CUM.	.000	1.223										
ULT.	.000	522.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	2424.486		
TOTAL REVENUES (M$)	2700.186		
PROJECT LIFE (YEARS)	12.108		
DISCOUNT RATE (PCT)	10.000		
GROSS OIL WELLS	.000		
GROSS GAS WELLS	3.000		
GROSS WELLS	3.000		

BTAX RATE OF RETURN (PCT)	100.00
BTAX PAYOUT	07/31/2010
BTAX PAYOUT (DISC)	07/31/2010
BTAX NET INCOME/INVEST	.00
BTAX NET INCOME/INVEST (DISC)	.00

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	1323.917	30.0	681.384
2.0	1241.224	35.0	634.738
5.0	1135.387	40.0	595.110
8.0	1046.965	45.0	561.018
10.0	995.783	50.0	531.351
12.0	949.780	60.0	482.209
15.0	888.954	70.0	443.077
18.0	836.251	80.0	411.121
20.0	804.883	90.0	384.487
25.0	737.118	100.0	361.908

ALL PROVED DEV. NON-PRODUCING

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 09:58:44
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPNP
.OUT: SRPNP6

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(13)STREMEL A #1	.000	174.000	.000	147.620	980.640	52.638	455.689	.000	472.313	358.396
(16)BRACK #1-31	.000	148.777	.000	88.478	591.408	31.648	282.328	.000	277.432	206.439
(20)STREMEL #1	.000	198.000	.000	167.983	1128.138	60.236	493.730	.000	574.172	430.948
(-1) SUMMARY: ALL PROVED DEV. NON-PRODUCING	.000	520.777	.000	404.081	2700.186	144.522	1231.747	.000	1323.917	995.783

STREMEL A #1
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS
PROVED, DEVELOPED NON-PRODUCING

DATE: 09/28/10
TIME: 09:58:44
FILE: STATESMA
PROP: 13
STID: BASE
.CMD: SRPNP
.OUT: SRPNP6

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	16.194	.000	13.739	.00	6.00	91.254	4.899	30.626	.000	55.729	54.417
12-11	.000	34.796	.000	29.521	.00	6.00	196.086	10.525	70.074	.000	115.487	160.242
12-12	.000	23.968	.000	20.334	.00	6.00	135.084	7.251	52.932	.000	74.901	222.637
12-13	.000	18.302	.000	15.527	.00	6.00	103.122	5.536	43.962	.000	53.624	263.247
12-14	.000	14.811	.000	12.566	.00	6.00	83.436	4.480	38.442	.000	40.514	291.139
12-15	.000	12.439	.000	10.553	.00	6.00	70.158	3.764	34.686	.000	31.708	310.984
12-16	.000	10.724	.000	9.098	.00	6.00	60.468	3.245	31.974	.000	25.249	325.350
12-17	.000	9.425	.000	7.996	.00	6.00	53.076	2.850	29.916	.000	20.310	335.855
12-18	.000	8.407	.000	7.132	.00	6.00	47.352	2.542	28.302	.000	16.508	343.618
12-19	.000	7.587	.000	6.437	.00	6.00	42.822	2.297	27.006	.000	13.519	349.397
12-20	.000	6.914	.000	5.866	.00	6.00	38.976	2.092	25.944	.000	10.940	353.648
12-21	.000	6.349	.000	5.386	.00	6.00	35.796	1.921	25.050	.000	8.825	356.766
12-22	.000	4.084	.000	3.465	.00	6.00	23.010	1.236	16.775	.000	4.999	358.396
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	174.000	.000	147.620	.00	6.00	980.640	52.638	455.689	.000	472.313	358.396
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	358.396
TOTAL	.000	174.000	.000	147.620	.00	6.00	980.640	52.638	455.689	.000	472.313	358.396
CUM.	.000	.000										
ULT.	.000	174.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	885.720				
TOTAL REVENUES (M$)	980.640				
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	12.104		
BTAX PAYOUT	08/31/2010	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	08/31/2010	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS	1.000		
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS	1.000		
INITIAL W.I. FRACTION	1.000000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	1.000000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	9/01/10	INITIAL NET GAS FRACTION	.848400		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.848400		
HELIUM GROSS PROD. (MU)	1.864	HELIUM NET PRODUCTION (MU)	1.582		
FUEL GROSS PROD. (MU)	45.896	FUEL NET PRODUCTION (MU)	.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	472.313	30.0	250.034
2.0	443.515	35.0	233.983
5.0	406.747	40.0	220.339
8.0	376.102	45.0	208.589
10.0	358.396	50.0	198.356
12.0	342.501	60.0	181.362
15.0	321.508	70.0	167.782
18.0	303.342	80.0	156.650
20.0	292.536	90.0	147.339
25.0	269.211	100.0	139.412

HELIUM NET REVENUES (M$) 94.920
FUEL NET REVENUES (M$) .000

BRACK #1-31
STATESMAN RESOURCES, LTD.
RUSH COUNTY, KANSAS
PROVED, DEVELOPED NON-PRODUCING

DATE: 09/28/10
TIME: 09:58:44
FILE: STATESMA
PROP: 16
STID: BASE
.CMD: SRPNP
.OUT: SRPNP6

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	2.255	.000	1.341	.00	6.00	8.946	.479	7.190	.000	1.277	1.252
12-11	.000	24.116	.000	14.342	.00	6.00	95.832	5.129	38.003	.000	52.700	49.543
12-12	.000	32.551	.000	19.358	.00	6.00	129.408	6.925	47.358	.000	75.125	112.125
12-13	.000	21.676	.000	12.891	.00	6.00	86.166	4.611	35.298	.000	46.257	147.156
12-14	.000	15.583	.000	9.267	.00	6.00	61.962	3.315	28.539	.000	30.108	167.884
12-15	.000	12.325	.000	7.330	.00	6.00	48.960	2.621	24.921	.000	21.418	181.289
12-16	.000	10.269	.000	6.107	.00	6.00	40.842	2.185	22.640	.000	16.017	190.402
12-17	.000	8.843	.000	5.259	.00	6.00	35.154	1.881	21.060	.000	12.213	196.719
12-18	.000	7.792	.000	4.634	.00	6.00	30.924	1.657	19.895	.000	9.372	201.126
12-19	.000	6.982	.000	4.152	.00	6.00	27.792	1.486	18.995	.000	7.311	204.251
12-20	.000	6.336	.000	3.768	.00	6.00	25.188	1.348	18.279	.000	5.561	206.412
12-21	.000	.049	.000	.029	.00	6.00	.234	.011	.150	.000	.073	206.439
12-22												
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	148.777	.000	88.478	.00	6.00	591.408	31.648	282.328	.000	277.432	206.439
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	206.439
TOTAL	.000	148.777	.000	88.478	.00	6.00	591.408	31.648	282.328	.000	277.432	206.439
CUM.	.000	1.223										
ULT.	.000	150.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	530.868				
TOTAL REVENUES (M$)	591.408				
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	10.425		
BTAX PAYOUT	07/31/2010	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	07/31/2010	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS	1.000		
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS	1.000		
INITIAL W.I. FRACTION	.750000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	.750000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	8/01/10	INITIAL NET GAS FRACTION	.594700		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.594700		
HELIUM GROSS PROD. (MU)	1.695	HELIUM NET PRODUCTION (MU)	1.009		
FUEL GROSS PROD. (MU)	36.677	FUEL NET PRODUCTION (MU)	.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	277.432	30.0	133.947
2.0	259.968	35.0	122.865
5.0	237.208	40.0	113.413
8.0	217.822	45.0	105.263
10.0	206.439	50.0	98.166
12.0	196.105	60.0	86.433
15.0	182.296	70.0	77.139
18.0	170.191	80.0	69.610
20.0	162.929	90.0	63.392
25.0	147.098	100.0	58.175

HELIUM NET REVENUES (M$) 60.540
FUEL NET REVENUES (M$) .000

STREMEL #1
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS
PROVED, DEVELOPED NON-PRODUCING

DATE: 09/28/10
TIME: 09:58:44
FILE: STATESMA
PROP: 20
STID: BASE
.CMD: SRPNP
.OUT: SRPNP6

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	18.425	.000	15.632	.00	6.00	105.012	5.606	34.160	.000	65.246	63.710
12-11	.000	39.590	.000	33.588	.00	6.00	225.528	12.043	77.658	.000	135.827	188.174
12-12	.000	27.270	.000	23.136	.00	6.00	155.376	8.296	58.158	.000	88.922	262.249
12-13	.000	20.825	.000	17.668	.00	6.00	118.608	6.334	47.958	.000	64.316	310.956
12-14	.000	16.851	.000	14.296	.00	6.00	96.036	5.127	41.664	.000	49.245	344.859
12-15	.000	14.153	.000	12.007	.00	6.00	80.622	4.305	37.404	.000	38.913	369.214
12-16	.000	12.202	.000	10.352	.00	6.00	69.552	3.713	34.308	.000	31.531	387.154
12-17	.000	10.723	.000	9.097	.00	6.00	61.122	3.263	31.968	.000	25.891	400.546
12-18	.000	9.565	.000	8.115	.00	6.00	54.510	2.910	30.138	.000	21.462	410.638
12-19	.000	8.633	.000	7.324	.00	6.00	49.164	2.626	28.662	.000	17.876	418.280
12-20	.000	7.866	.000	6.674	.00	6.00	44.784	2.392	27.450	.000	14.942	424.087
12-21	.000	7.224	.000	6.129	.00	6.00	41.154	2.198	26.436	.000	12.520	428.510
12-22	.000	4.673	.000	3.965	.00	6.00	26.670	1.423	17.766	.000	7.481	430.948
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	198.000	.000	167.983	.00	6.00	1128.138	60.236	493.730	.000	574.172	430.948
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	430.948
TOTAL	.000	198.000	.000	167.983	.00	6.00	1128.138	60.236	493.730	.000	574.172	430.948
CUM.	.000	.000										
ULT.	.000	198.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	1007.898		
TOTAL REVENUES (M$)	1128.138		
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	12.108
BTAX PAYOUT	08/31/2010	DISCOUNT RATE (PCT)	10.000
BTAX PAYOUT (DISC)	08/31/2010	GROSS OIL WELLS	.000
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS	1.000
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS	1.000
INITIAL W.I. FRACTION	1.000000	INITIAL NET OIL FRACTION	.000000
FINAL W.I. FRACTION	1.000000	FINAL NET OIL FRACTION	.000000
PRODUCTION START DATE	9/01/10	INITIAL NET GAS FRACTION	.848400
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.848400
HELIUM GROSS PROD. (MU)	2.360	HELIUM NET PRODUCTION (MU)	2.004
FUEL GROSS PROD. (MU)	52.226	FUEL NET PRODUCTION (MU)	.000

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	574.172	30.0	297.403
2.0	537.741	35.0	277.890
5.0	491.432	40.0	261.358
8.0	453.041	45.0	247.166
10.0	430.948	50.0	234.829
12.0	411.174	60.0	214.414
15.0	385.150	70.0	198.156
18.0	362.718	80.0	184.861
20.0	349.418	90.0	173.756
25.0	320.809	100.0	164.321

HELIUM NET REVENUES (M$) 120.240
FUEL NET REVENUES (M$) .000

ALL PROVED UNDEVELOPED

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 09:59:14
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPUD
.OUT: SRPUD6

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	.00	.000	.000	.000	300.000	-300.000	-289.421
12-11	.000	347.397	.000	227.771	.00	6.00	1524.666	93.121	460.978	2182.500	-1211.933	-1405.581
12-12	.000	660.052	.000	404.570	.00	6.00	2715.000	152.238	870.930	363.750	1328.082	-310.267
12-13	.000	402.856	.000	248.280	.00	6.00	1665.840	94.105	601.893	.000	969.842	424.200
12-14	.000	296.703	.000	183.194	.00	6.00	1229.004	69.600	480.486	.000	678.918	891.608
12-15	.000	237.771	.000	146.878	.00	6.00	985.428	55.842	412.733	.000	516.853	1215.093
12-16	.000	199.763	.000	123.391	.00	6.00	827.886	46.908	368.925	.000	412.053	1449.540
12-17	.000	173.017	.000	106.836	.00	6.00	716.736	40.594	338.043	.000	338.099	1624.422
12-18	.000	153.080	.000	94.483	.00	6.00	633.918	35.882	315.000	.000	283.036	1757.513
12-19	.000	137.593	.000	84.883	.00	6.00	569.538	32.215	297.093	.000	240.230	1860.206
12-20	.000	125.188	.000	77.191	.00	6.00	517.866	29.275	282.735	.000	205.856	1940.206
12-21	.000	115.008	.000	70.878	.00	6.00	475.548	26.864	270.971	.000	177.713	2002.990
12-22	.000	106.490	.000	65.596	.00	6.00	440.136	24.847	261.110	.000	154.179	2052.508
12-23	.000	99.250	.000	61.106	.00	6.00	410.016	23.130	252.741	.000	134.145	2091.675
12-24	.000	93.013	.000	57.240	.00	6.00	384.120	21.655	245.520	.000	116.945	2122.716
12-25	.000	87.582	.000	53.874	.00	6.00	361.464	20.368	239.252	.000	101.844	2147.291
12-26	.000	69.027	.000	42.746	.00	6.00	286.716	16.301	195.457	.000	74.958	2163.860
12-27	.000	6.702	.000	5.686	.00	6.00	37.716	2.927	25.608	.000	9.181	2165.691
12-28	.000	6.308	.000	5.352	.00	6.00	35.532	2.756	24.984	.000	7.792	2167.104
12-29	.000	2.200	.000	1.866	.00	6.00	12.396	.961	8.925	.000	2.510	2167.530
S TOT	.000	3319.000	.000	2061.821	.00	6.00	13829.526	789.589	5953.384	2846.250	4240.303	2167.530
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	2167.530
TOTAL	.000	3319.000	.000	2061.821	.00	6.00	13829.526	789.589	5953.384	2846.250	4240.303	2167.530
CUM.	.000	.000										
ULT.	.000	3319.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	12370.926		
TOTAL REVENUES (M$)	13829.526		
BTAX RATE OF RETURN (PCT)	53.59	PROJECT LIFE (YEARS)	18.780
BTAX PAYOUT	03/09/2013	DISCOUNT RATE (PCT)	10.000
BTAX PAYOUT (DISC)	06/03/2013	GROSS OIL WELLS	.000
BTAX NET INCOME/INVEST	2.49	GROSS GAS WELLS	12.000
BTAX NET INCOME/INVEST (DISC)	1.83	GROSS WELLS	12.000

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	4240.303	30.0	620.228
2.0	3675.249	35.0	430.850
5.0	2993.833	40.0	279.342
8.0	2460.804	45.0	156.359
10.0	2167.530	50.0	55.337
12.0	1913.540	60.0	-98.646
15.0	1591.817	70.0	-207.928
18.0	1326.279	80.0	-287.299
20.0	1174.154	90.0	-345.906
25.0	861.116	100.0	-389.670

ALL PROVED UNDEVELOPED

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 09:59:14
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPUD
.OUT: SRPUD6

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(3)PROVED UNDEVELOPED (STATES)	.000	369.000	.000	313.060	2077.920	161.197	859.431	300.000	757.292	446.633
(4)PROVED UNDEVELOPED (FARMIN)	.000	2950.000	.000	1748.761	11751.606	628.392	5093.953	2546.250	3483.011	1720.897
(-1) SUMMARY: ALL PROVED UNDEVELOPED	.000	3319.000	.000	2061.821	13829.526	789.589	5953.384	2846.250	4240.303	2167.530

PROVED UNDEVELOPED (STATES)
STATESMAN ACREAGE
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS

DATE: 09/28/10
TIME: 09:59:14
FILE: STATESMA
PROP: 3
STID: BASE
.CMD: SRPUD
.OUT: SRPUD6

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	6.00	.000	.000	.000	300.000	-300.000	-289.421
12-11	.000	85.422	.000	72.472	.00	6.00	481.032	37.316	150.192	.000	293.524	-20.453
12-12	.000	51.999	.000	44.116	.00	6.00	292.776	22.714	97.290	.000	172.772	123.472
12-13	.000	37.039	.000	31.424	.00	6.00	208.584	16.181	73.620	.000	118.783	213.427
12-14	.000	28.595	.000	24.260	.00	6.00	160.980	12.490	60.258	.000	88.232	274.171
12-15	.000	23.192	.000	19.676	.00	6.00	130.656	10.134	51.702	.000	68.820	317.244
12-16	.000	19.450	.000	16.501	.00	6.00	109.566	8.498	45.780	.000	55.288	348.701
12-17	.000	16.710	.000	14.177	.00	6.00	94.062	7.298	41.448	.000	45.316	372.141
12-18	.000	14.622	.000	12.405	.00	6.00	82.350	6.388	38.142	.000	37.820	389.925
12-19	.000	12.980	.000	11.012	.00	6.00	73.092	5.670	35.544	.000	31.878	403.552
12-20	.000	11.656	.000	9.889	.00	6.00	65.634	5.092	33.444	.000	27.098	414.083
12-21	.000	10.568	.000	8.966	.00	6.00	59.496	4.616	31.728	.000	23.152	422.262
12-22	.000	9.657	.000	8.193	.00	6.00	54.378	4.219	30.282	.000	19.877	428.646
12-23	.000	8.885	.000	7.538	.00	6.00	50.028	3.881	29.064	.000	17.083	433.634
12-24	.000	8.222	.000	6.976	.00	6.00	46.356	3.594	28.008	.000	14.754	437.550
12-25	.000	7.648	.000	6.489	.00	6.00	43.074	3.342	27.108	.000	12.624	440.596
12-26	.000	7.145	.000	6.062	.00	6.00	40.212	3.120	26.304	.000	10.788	442.963
12-27	.000	6.702	.000	5.686	.00	6.00	37.716	2.927	25.608	.000	9.181	444.794
12-28	.000	6.308	.000	5.352	.00	6.00	35.532	2.756	24.984	.000	7.792	446.207
12-29	.000	2.200	.000	1.866	.00	6.00	12.396	.961	8.925	.000	2.510	446.633
S TOT	.000	369.000	.000	313.060	.00	6.00	2077.920	161.197	859.431	300.000	757.292	446.633
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	446.633
TOTAL	.000	369.000	.000	313.060	.00	6.00	2077.920	161.197	859.431	300.000	757.292	446.633
CUM.	.000	.000										
ULT.	.000	369.000										

		NET OIL REVENUES (M$)	.000		
		NET GAS REVENUES (M$)	1878.360		
		TOTAL REVENUES (M$)	2077.920		
BTAX RATE OF RETURN (PCT)	96.57	PROJECT LIFE (YEARS)	18.780		
BTAX PAYOUT	01/14/2012	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	02/22/2012	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	3.52	GROSS GAS WELLS	1.000		
BTAX NET INCOME/INVEST (DISC)	2.54	GROSS WELLS	1.000		
INITIAL W.I. FRACTION	1.000000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	1.000000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	1/01/11	INITIAL NET GAS FRACTION	.848400		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.848400		
HELIUM GROSS PROD. (MU)	3.921	HELIUM NET PRODUCTION (MU)	3.326		
FUEL GROSS PROD. (MU)	97.331	FUEL NET PRODUCTION (MU)	.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	757.292	30.0	201.958
2.0	672.830	35.0	169.162
5.0	570.978	40.0	141.944
8.0	490.958	45.0	118.996
10.0	446.633	50.0	99.404
12.0	407.968	60.0	67.753
15.0	358.464	70.0	43.359
18.0	316.979	80.0	24.045
20.0	292.878	90.0	8.432
25.0	242.237	100.0	-4.402

HELIUM NET REVENUES (M$) 199.560
FUEL NET REVENUES (M$) .000

PROVED UNDEVELOPED (FARMIN)
FARMIN ACREAGE
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS

DATE: 09/28/10
TIME: 09:59:14
FILE: STATESMA
PROP: 4
STID: BASE
.CMD: SRPUD
.OUT: SRPUD6

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	6.00	.000	.000	.000	.000	.000	.000
12-11	.000	261.975	.000	155.299	.00	6.00	1043.634	55.805	310.786	2182.500	-1505.457	-1385.128
12-12	.000	608.053	.000	360.454	.00	6.00	2422.224	129.524	773.640	363.750	1155.310	-433.739
12-13	.000	365.817	.000	216.856	.00	6.00	1457.256	77.924	528.273	.000	851.059	210.773
12-14	.000	268.108	.000	158.934	.00	6.00	1068.024	57.110	420.228	.000	590.686	617.437
12-15	.000	214.579	.000	127.202	.00	6.00	854.772	45.708	361.031	.000	448.033	897.849
12-16	.000	180.313	.000	106.890	.00	6.00	718.320	38.410	323.145	.000	356.765	1100.839
12-17	.000	156.307	.000	92.659	.00	6.00	622.674	33.296	296.595	.000	292.783	1252.281
12-18	.000	138.458	.000	82.078	.00	6.00	551.568	29.494	276.858	.000	245.216	1367.588
12-19	.000	124.613	.000	73.871	.00	6.00	496.446	26.545	261.549	.000	208.352	1456.654
12-20	.000	113.532	.000	67.302	.00	6.00	452.232	24.183	249.291	.000	178.758	1526.123
12-21	.000	104.440	.000	61.912	.00	6.00	416.052	22.248	239.243	.000	154.561	1580.728
12-22	.000	96.833	.000	57.403	.00	6.00	385.758	20.628	230.828	.000	134.302	1623.862
12-23	.000	90.365	.000	53.568	.00	6.00	359.988	19.249	223.677	.000	117.062	1658.041
12-24	.000	84.791	.000	50.264	.00	6.00	337.764	18.061	217.512	.000	102.191	1685.166
12-25	.000	79.934	.000	47.385	.00	6.00	318.390	17.026	212.144	.000	89.220	1706.695
12-26	.000	61.882	.000	36.684	.00	6.00	246.504	13.181	169.153	.000	64.170	1720.897
12-27												
12-28												
12-29												
S TOT	.000	2950.000	.000	1748.761	.00	6.00	11751.606	628.392	5093.953	2546.250	3483.011	1720.897
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	1720.897
TOTAL	.000	2950.000	.000	1748.761	.00	6.00	11751.606	628.392	5093.953	2546.250	3483.011	1720.897
CUM.	.000	.000										
ULT.	.000	2950.000										

BTAX RATE OF RETURN (PCT)	47.29	PROJECT LIFE (YEARS)	16.231	NET OIL REVENUES (M$)	.000
BTAX PAYOUT	05/29/2013	DISCOUNT RATE (PCT)	10.000	NET GAS REVENUES (M$)	10492.566
BTAX PAYOUT (DISC)	09/03/2013	GROSS OIL WELLS	.000	TOTAL REVENUES (M$)	11751.606
BTAX NET INCOME/INVEST	2.37	GROSS GAS WELLS	11.000		
BTAX NET INCOME/INVEST (DISC)	1.74	GROSS WELLS	11.000		
INITIAL W.I. FRACTION	.750000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	.750000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	3/01/11	INITIAL NET GAS FRACTION	.592800		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.592800		
HELIUM GROSS PROD. (MU)	35.400	HELIUM NET PRODUCTION (MU)	20.984		
FUEL GROSS PROD. (MU)	724.918	FUEL NET PRODUCTION (MU)	.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	3483.011	30.0	418.270
2.0	3002.419	35.0	261.688
5.0	2422.855	40.0	137.398
8.0	1969.846	45.0	37.363
10.0	1720.897	50.0	-44.067
12.0	1505.572	60.0	-166.399
15.0	1233.353	70.0	-251.287
18.0	1009.300	80.0	-311.344
20.0	881.276	90.0	-354.338
25.0	618.879	100.0	-385.268

HELIUM NET REVENUES (M$) 1259.040
FUEL NET REVENUES (M$) .000

ALL PROBABLE
GAS PRICE = $6.00
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 09:59:42
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPRB6
.OUT: SRPRB6

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	.000
12-11	.000	197.653	.000	167.689	.00	6.00	1124.214	60.074	285.650	1768.230	-989.740	-907.338
12-12	.000	904.212	.000	740.012	.00	6.00	4964.232	265.191	1292.861	2215.435	1190.745	73.391
12-13	.000	1243.633	.000	869.058	.00	6.00	5846.208	311.886	1681.904	2073.330	1779.088	1420.148
12-14	.000	1308.593	.000	861.741	.00	6.00	5803.746	309.445	1718.349	1554.998	2220.955	2936.151
12-15	.000	902.196	.000	599.306	.00	6.00	4035.576	215.187	1310.384	.000	2510.005	4507.095
12-16	.000	640.696	.000	431.646	.00	6.00	2905.716	154.963	1049.756	.000	1700.997	5474.920
12-17	.000	496.450	.000	337.775	.00	6.00	2273.370	121.251	903.830	.000	1248.289	6120.598
12-18	.000	404.897	.000	277.542	.00	6.00	1867.752	99.622	810.196	.000	957.934	6571.044
12-19	.000	341.610	.000	235.553	.00	6.00	1584.978	84.546	744.921	.000	755.511	6894.010
12-20	.000	295.260	.000	204.592	.00	6.00	1376.532	73.430	696.791	.000	606.311	7129.633
12-21	.000	259.861	.000	180.812	.00	6.00	1216.392	64.891	659.834	.000	491.667	7303.334
12-22	.000	231.953	.000	161.975	.00	6.00	1089.690	58.131	630.536	.000	401.023	7432.131
12-23	.000	209.389	.000	146.681	.00	6.00	986.646	52.639	606.771	.000	327.236	7527.675
12-24	.000	190.776	.000	134.018	.00	6.00	901.428	48.092	587.081	.000	266.255	7598.348
12-25	.000	104.767	.000	81.631	.00	6.00	548.046	29.265	351.274	.000	167.507	7638.953
12-26	.000	43.054	.000	36.527	.00	6.00	244.902	13.086	154.729	.000	77.087	7656.194
12-27												
12-28												
12-29												
S TOT	.000	7775.000	.000	5466.558	.00	6.00	36769.428	1961.699	13484.867	7611.993	13710.870	7656.194
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	7656.194
TOTAL	.000	7775.000	.000	5466.558	.00	6.00	36769.428	1961.699	13484.867	7611.993	13710.870	7656.194
CUM.	.000	.000		NET OIL REVENUES (M$)			.000					
				NET GAS REVENUES (M$)			32799.348					
ULT.	.000	7775.000		TOTAL REVENUES (M$)			36769.428					

BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	16.010		
BTAX PAYOUT	11/21/2013	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	11/19/2013	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	2.80	GROSS GAS WELLS	30.000		
BTAX NET INCOME/INVEST (DISC)	2.25	GROSS WELLS	30.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	13710.869	30.0	3077.265
2.0	12081.163	35.0	2528.733
5.0	10093.999	40.0	2094.743
8.0	8524.426	45.0	1746.381
10.0	7656.194	50.0	1463.233
12.0	6902.378	60.0	1037.453
15.0	5946.251	70.0	739.569
18.0	5157.485	80.0	524.953
20.0	4706.440	90.0	366.603
25.0	3782.288	100.0	247.470

ALL PROBABLE
GAS PRICE = $6.00
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 09:59:42
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPRB6
.OUT: SRPRB6

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(5)PROBABLE (STATESMAN)6	.000	3355.000	.000	2846.381	19083.306	1019.726	6827.664	2947.000	8288.916	4947.932
(11)PROBABLE (FARMIN)6	.000	4420.000	.000	2620.177	17686.122	941.973	6657.203	4664.993	5421.954	2708.262
(-1) SUMMARY: ALL PROBABLE	.000	7775.000	.000	5466.558	36769.428	1961.699	13484.867	7611.993	13710.870	7656.194

PROBABLE (STATESMAN)6
STATESMAN ACREAGE
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS

DATE: 09/28/10
TIME: 09:59:42
FILE: STATESMA
PROP: 5
STID: BASE
.CMD: SRPRB6
.OUT: SRPRB6

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	6.00	.000	.000	.000	.000	.000	.000
12-11	.000	197.653	.000	167.689	.00	6.00	1124.214	60.074	285.650	1768.230	-989.740	-907.338
12-12	.000	798.104	.000	677.111	.00	6.00	4539.666	242.578	1187.580	1178.770	1930.738	677.287
12-13	.000	515.776	.000	437.584	.00	6.00	2933.724	156.766	845.230	.000	1931.728	2140.196
12-14	.000	336.490	.000	285.478	.00	6.00	1913.988	102.274	608.780	.000	1202.934	2968.368
12-15	.000	252.286	.000	214.039	.00	6.00	1435.014	76.680	497.725	.000	860.609	3507.000
12-16	.000	202.823	.000	172.075	.00	6.00	1153.650	61.646	432.495	.000	659.509	3882.244
12-17	.000	170.107	.000	144.319	.00	6.00	967.554	51.702	389.345	.000	526.507	4154.580
12-18	.000	146.789	.000	124.536	.00	6.00	834.936	44.615	358.595	.000	431.726	4357.589
12-19	.000	129.292	.000	109.691	.00	6.00	735.426	39.298	335.515	.000	360.613	4511.744
12-20	.000	115.658	.000	98.124	.00	6.00	657.864	35.154	317.535	.000	305.175	4630.340
12-21	.000	104.721	.000	88.845	.00	6.00	595.650	31.829	303.115	.000	260.706	4722.445
12-22	.000	95.746	.000	81.231	.00	6.00	544.626	29.102	291.270	.000	224.254	4794.469
12-23	.000	88.241	.000	74.864	.00	6.00	501.924	26.821	281.380	.000	193.723	4851.031
12-24	.000	81.870	.000	69.459	.00	6.00	465.654	24.883	272.970	.000	167.801	4895.571
12-25	.000	76.390	.000	64.809	.00	6.00	434.514	23.218	265.750	.000	145.546	4930.691
12-26	.000	43.054	.000	36.527	.00	6.00	244.902	13.086	154.729	.000	77.087	4947.932
12-27												
12-28												
12-29												
S TOT	.000	3355.000	.000	2846.381	.00	6.00	19083.306	1019.726	6827.664	2947.000	8288.916	4947.932
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	4947.932
TOTAL	.000	3355.000	.000	2846.381	.00	6.00	19083.306	1019.726	6827.664	2947.000	8288.916	4947.932
CUM.	.000	.000										
ULT.	.000	3355.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	17078.286				
TOTAL REVENUES (M$)	19083.306				

BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	16.010		
BTAX PAYOUT	09/12/2012	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	09/27/2012	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	3.81	GROSS GAS WELLS	11.000		
BTAX NET INCOME/INVEST (DISC)	2.90	GROSS WELLS	11.000		
INITIAL W.I. FRACTION	1.000000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	1.000000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	7/01/11	INITIAL NET GAS FRACTION	.848400		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.848400		
HELIUM GROSS PROD. (MU)	39.388	HELIUM NET PRODUCTION (MU)	33.417		
FUEL GROSS PROD. (MU)	884.948	FUEL NET PRODUCTION (MU)	.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	8288.916	30.0	2282.061
2.0	7395.547	35.0	1937.052
5.0	6302.339	40.0	1656.136
8.0	5432.771	45.0	1424.166
10.0	4947.932	50.0	1230.312
12.0	4523.846	60.0	927.239
15.0	3980.328	70.0	704.184
18.0	3525.657	80.0	535.713
20.0	3262.353	90.0	405.815
25.0	2712.996	100.0	303.970

HELIUM NET REVENUES (M$) 2005.020
FUEL NET REVENUES (M$) .000

PROBABLE (FARMIN)6
FARMIN ACREAGE
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS

DATE: 09/28/10
TIME: 09:59:42
FILE: STATESMA
PROP: 11
STID: BASE
.CMD: SRPRB6
.OUT: SRPRB6

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	6.00	.000	.000	.000	.000	.000	.000
12-11	.000	.000	.000	.000	.00	6.00	.000	.000	.000	.000	.000	.000
12-12	.000	106.108	.000	62.901	.00	6.00	424.566	22.613	105.281	1036.665	-739.993	-603.896
12-13	.000	727.857	.000	431.474	.00	6.00	2912.484	155.120	836.674	2073.330	-152.640	-720.048
12-14	.000	972.103	.000	576.263	.00	6.00	3889.758	207.171	1109.569	1554.998	1018.021	-32.217
12-15	.000	649.910	.000	385.267	.00	6.00	2600.562	138.507	812.659	.000	1649.396	1000.095
12-16	.000	437.873	.000	259.571	.00	6.00	1752.066	93.317	617.261	.000	1041.488	1592.676
12-17	.000	326.343	.000	193.456	.00	6.00	1305.816	69.549	514.485	.000	721.782	1966.018
12-18	.000	258.108	.000	153.006	.00	6.00	1032.816	55.007	451.601	.000	526.208	2213.455
12-19	.000	212.318	.000	125.862	.00	6.00	849.552	45.248	409.406	.000	394.898	2382.266
12-20	.000	179.602	.000	106.468	.00	6.00	718.668	38.276	379.256	.000	301.136	2499.293
12-21	.000	155.140	.000	91.967	.00	6.00	620.742	33.062	356.719	.000	230.961	2580.889
12-22	.000	136.207	.000	80.744	.00	6.00	545.064	29.029	339.266	.000	176.769	2637.662
12-23	.000	121.148	.000	71.817	.00	6.00	484.722	25.818	325.391	.000	133.513	2676.644
12-24	.000	108.906	.000	64.559	.00	6.00	435.774	23.209	314.111	.000	98.454	2702.777
12-25	.000	28.377	.000	16.822	.00	6.00	113.532	6.047	85.524	.000	21.961	2708.262
12-26												
12-27												
12-28												
12-29												
S TOT	.000	4420.000	.000	2620.177	.00	6.00	17686.122	941.973	6657.203	4664.993	5421.954	2708.262
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	2708.262
TOTAL	.000	4420.000	.000	2620.177	.00	6.00	17686.122	941.973	6657.203	4664.993	5421.954	2708.262
CUM.	.000	.000										
ULT.	.000	4420.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	15721.062				
TOTAL REVENUES (M$)	17686.122				
BTAX RATE OF RETURN (PCT)	77.67	PROJECT LIFE (YEARS)	14.694		
BTAX PAYOUT	12/13/2014	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	01/12/2015	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	2.16	GROSS GAS WELLS	19.000		
BTAX NET INCOME/INVEST (DISC)	1.77	GROSS WELLS	19.000		
INITIAL W.I. FRACTION	.750000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	.750000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	9/01/12	INITIAL NET GAS FRACTION	.592800		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.592800		
HELIUM GROSS PROD. (MU)	55.250	HELIUM NET PRODUCTION (MU)	32.751		
FUEL GROSS PROD. (MU)	1086.171	FUEL NET PRODUCTION (MU)	.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	5421.953	30.0	795.204
2.0	4685.616	35.0	591.681
5.0	3791.660	40.0	438.607
8.0	3091.655	45.0	322.215
10.0	2708.262	50.0	232.921
12.0	2378.532	60.0	110.214
15.0	1965.923	70.0	35.385
18.0	1631.828	80.0	-10.760
20.0	1444.087	90.0	-39.212
25.0	1069.292	100.0	-56.500

HELIUM NET REVENUES (M$) 1965.060
FUEL NET REVENUES (M$) .000

$8.00 GAS PRICE SCENARIO

PROVED GAS RESERVE SUMMARY - STATESMAN RESOURCES, LTD.

August 1, 2010

GAS PRICE = $8.00/MCF	ULTIMATE RESERVE	CUMULATIVE PRODUCTION	REMAINING RESERVE	NET REM. RESERVE	FUTURE NET CASH FLOW	DISCOUNTED FNCF
PROVED, DEVELOPED PRODUCING	(MCF)	August 1, 2010	(MCF)	(MCF)		
Eberhardt #1-24	400,000	81,610	318,390	189,347	$ 917,815	$ 666,674
Scheuerman #1-36	67,000	8,913	58,087	34,544	$ 159,181	$ 139,199
PROV. DEV. PROD. TOTAL	467,000	90,523	376,477	223,891	$1,076,996	$805,873
PROVED, DEVELOPED NON-PRODUCING						
Stremel A#1	174,000	0	174,000	147,622	$659,087	$491,436
Brack #1-31	150,000	1,223	148,777	88,478	$389,381	$286,071
Stremel #1	198,000	0	198,000	167,983	$786,711	$582,329
PROV., D. N. P. TOTAL	522,000	1,223	520,777	404,082	$1,835,179	$1,359,836
PROVED, UNDEVELOPED :						
Statesman Acreage	369,000	0	369,000	313,060	$1,137,678	$692,376
Farm-In Acreage	2,950,000	0	2,950,000	1,748,760	$5,695,275	$3,098,062
PROVED, UND. TOTAL	3,319,000	0	3,319,000	2,061,820	$6,832,953	$3,790,438
TOTAL ALL PROVED RESERVES	4,308,000	91,746	4,216,254	2,689,793	9,745,128	5,956,147

PROBABLE GAS RESERVE SUMMARY - STATESMAN RESOURCES, LTD.

AUGUST , 2010

PROBABLE		ULTIMATE RESERVE (MCF)	CUMULATIVE PRODUCTION August 1, 2010	REMAINING RESERVE (MCF)	NET REM. RESERVE (MCF)	FUTURE NET CASH FLOW	DISCOUNTED FNCF
	Statesman Acreage	3,430,000	0	3,430,000	2,910,012	$ 13,027,139	$ 8,170,044
	Farm-In Acreage	4,825,000	0	4,825,000	2,860,260	$ 9,537,230	$ 5,081,204
PROBABLE TOTAL		8,255,000	0	8,255,000	5,770,272	22,564,369	13,251,248
TOTAL ALL PROVED + PROBABLE		**12,563,000**	**91,746**	**12,471,254**	**8,460,065**	**32,309,497**	**19,207,395**

PROVED + PROB. RESERVES
PRICE = $8.00/MCF
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:52:20
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPP8
.OUT: SRPP8

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	86.174	.000	60.030	.00	8.00	520.320	28.226	173.240	300.000	18.854	22.549
12-11	.000	722.848	.000	520.069	.00	8.00	4520.252	260.134	1313.853	3881.250	-934.985	-848.003
12-12	.000	1786.444	.000	1311.062	.00	8.00	11414.536	627.374	3078.666	2720.310	4988.186	3285.290
12-13	.000	1802.935	.000	1233.973	.00	8.00	10759.724	588.723	3033.650	2070.000	5067.351	7122.269
12-14	.000	1743.048	.000	1135.552	.00	8.00	9911.336	541.030	2880.712	2587.500	3902.094	9795.744
12-15	.000	1369.751	.000	887.503	.00	8.00	7746.764	423.014	2387.987	.000	4935.763	12884.904
12-16	.000	952.779	.000	625.116	.00	8.00	5454.468	298.463	1880.199	.000	3275.806	14748.755
12-17	.000	739.601	.000	488.827	.00	8.00	4264.076	233.629	1612.926	.000	2417.521	15999.217
12-18	.000	607.911	.000	403.745	.00	8.00	3521.200	193.099	1444.387	.000	1883.714	16884.990
12-19	.000	517.724	.000	345.039	.00	8.00	3009.072	165.106	1327.214	.000	1516.752	17533.370
12-20	.000	451.774	.000	301.869	.00	8.00	2632.212	144.492	1240.496	.000	1247.224	18018.063
12-21	.000	395.539	.000	265.256	.00	8.00	2312.908	127.025	1153.845	.000	1032.038	18382.673
12-22	.000	352.177	.000	235.909	.00	8.00	2057.012	113.020	1083.548	.000	860.444	18659.129
12-23	.000	312.215	.000	207.970	.00	8.00	1813.580	99.710	1003.105	.000	710.765	18866.654
12-24	.000	283.073	.000	188.989	.00	8.00	1648.172	90.640	959.478	.000	598.054	19025.451
12-25	.000	193.109	.000	134.192	.00	8.00	1169.236	64.661	678.472	.000	426.103	19128.619
12-26	.000	134.075	.000	97.933	.00	8.00	852.584	47.447	489.976	.000	315.161	19197.971
12-27	.000	11.569	.000	9.815	.00	8.00	85.000	5.800	49.621	.000	29.579	19203.991
12-28	.000	6.308	.000	5.352	.00	8.00	46.236	3.629	28.312	.000	14.295	19206.583
12-29	.000	2.200	.000	1.866	.00	8.00	16.128	1.265	10.085	.000	4.778	19207.395
S TOT	.000	12471.254	.000	8460.067	.00	8.00	73754.816	4056.487	25829.772	11559.060	32309.497	19207.395
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	19207.395
TOTAL	.000	12471.254	.000	8460.067	.00	8.00	73754.816	4056.487	25829.772	11559.060	32309.497	19207.395
CUM.	.000	91.746										
ULT.	.000	12563.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	67680.536				
TOTAL REVENUES (M$)	73754.816				

BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	18.780		
BTAX PAYOUT	01/31/2013	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	01/06/2013	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	3.80	GROSS GAS WELLS	51.000		
BTAX NET INCOME/INVEST (DISC)	3.03	GROSS WELLS	51.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	32309.497	30.0	9031.076
2.0	28789.529	35.0	7754.436
5.0	24495.156	40.0	6724.969
8.0	21094.824	45.0	5882.142
10.0	19207.395	50.0	5183.044
12.0	17562.892	60.0	4099.497
15.0	15466.085	70.0	3308.409
18.0	13723.475	80.0	2713.096
20.0	12720.029	90.0	2253.964
25.0	10642.604	100.0	1892.573

ALL PROVED RESERVES
PRICE = $8.00/MCF
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:53:19
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRALL8
.OUT: SRPVD8

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	86.174	.000	60.030	.00	8.00	520.320	28.226	173.240	300.000	18.854	22.549
12-11	.000	525.195	.000	352.380	.00	8.00	3060.660	181.118	976.068	2182.500	-279.026	-240.175
12-12	.000	798.075	.000	499.651	.00	8.00	4348.808	244.945	1422.544	363.750	2317.569	1679.418
12-13	.000	505.421	.000	319.202	.00	8.00	2777.476	157.127	996.280	.000	1624.069	2909.336
12-14	.000	369.566	.000	234.558	.00	8.00	2040.744	115.699	776.215	.000	1148.830	3700.364
12-15	.000	296.964	.000	188.826	.00	8.00	1642.848	93.172	660.902	.000	888.774	4256.624
12-16	.000	250.496	.000	159.378	.00	8.00	1386.744	78.622	587.650	.000	720.472	4666.554
12-17	.000	217.485	.000	138.392	.00	8.00	1203.976	68.231	535.462	.000	600.283	4977.050
12-18	.000	192.711	.000	122.611	.00	8.00	1066.628	60.418	496.204	.000	510.006	5216.868
12-19	.000	173.368	.000	110.273	.00	8.00	959.464	54.313	465.524	.000	439.627	5404.799
12-20	.000	157.813	.000	100.343	.00	8.00	872.944	49.390	440.816	.000	382.738	5553.538
12-21	.000	139.249	.000	88.737	.00	8.00	772.116	43.729	400.813	.000	327.574	5669.269
12-22	.000	125.107	.000	78.890	.00	8.00	686.500	38.928	366.891	.000	280.681	5759.521
12-23	.000	108.459	.000	66.583	.00	8.00	579.524	32.993	315.608	.000	230.923	5826.945
12-24	.000	98.352	.000	60.415	.00	8.00	526.040	29.972	295.881	.000	200.187	5880.136
12-25	.000	87.582	.000	53.874	.00	8.00	469.212	26.788	272.752	.000	169.672	5921.078
12-26	.000	69.027	.000	42.746	.00	8.00	372.208	21.441	222.034	.000	128.733	5949.534
12-27	.000	6.702	.000	5.686	.00	8.00	49.088	3.855	29.144	.000	16.089	5952.743
12-28	.000	6.308	.000	5.352	.00	8.00	46.236	3.629	28.312	.000	14.295	5955.335
12-29	.000	2.200	.000	1.866	.00	8.00	16.128	1.265	10.085	.000	4.778	5956.147
S TOT	.000	4216.254	.000	2689.793	.00	8.00	23397.664	1333.861	9472.425	2846.250	9745.128	5956.147
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	5956.147
TOTAL	.000	4216.254	.000	2689.793	.00	8.00	23397.664	1333.861	9472.425	2846.250	9745.128	5956.147
CUM.	.000	91.746										
ULT.	.000	4308.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	21518.344		
TOTAL REVENUES (M$)	23397.664		
PROJECT LIFE (YEARS)	18.780		
DISCOUNT RATE (PCT)	10.000		
GROSS OIL WELLS	.000		
GROSS GAS WELLS	17.000		
GROSS WELLS	17.000		

BTAX RATE OF RETURN (PCT)	100.00
BTAX PAYOUT	03/25/2012
BTAX PAYOUT (DISC)	03/30/2012
BTAX NET INCOME/INVEST	4.42
BTAX NET INCOME/INVEST (DISC)	3.29

--------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	9745.128	30.0	3014.865
2.0	8720.055	35.0	2635.785
5.0	7477.277	40.0	2325.988
8.0	6498.271	45.0	2068.789
10.0	5956.147	50.0	1852.407
12.0	5484.106	60.0	1510.047
15.0	4881.937	70.0	1253.151
18.0	4380.381	80.0	1054.777
20.0	4090.696	90.0	898.068
25.0	3487.585	100.0	771.944

ALL PROVED RESERVES
PRICE = $8.00/MCF
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:53:19
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRALL8
.OUT: SRPVD8

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(3)PROVED UNDEVELOPED (STATES)	.000	369.000	.000	313.060	2704.040	212.269	1054.093	300.000	1137.678	692.376
(4)PROVED UNDEVELOPED (FARMIN)	.000	2950.000	.000	1748.761	15249.128	826.275	6181.328	2546.250	5695.275	3098.062
(13)STREMEL A #1	.000	174.000	.000	147.620	1275.880	69.312	547.481	.000	659.087	491.436
(14)EBERHARDT #1-24	.000	318.390	.000	189.347	1635.436	88.874	628.747	.000	917.815	666.674
(15)SCHEUERMAN #1-36	.000	58.087	.000	34.544	300.712	16.278	125.253	.000	159.181	139.199
(16)BRACK #1-31	.000	148.777	.000	88.478	768.364	41.642	337.341	.000	389.381	286.071
(20)STREMEL #1	.000	198.000	.000	167.983	1464.104	79.211	598.182	.000	786.711	582.329
(-1) SUMMARY: ALL PROVED RESERVES	.000	4216.254	.000	2689.793	23397.664	1333.861	9472.425	2846.250	9745.128	5956.147

PROVED DEVEL. PRODUCING

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:53:53
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPDP
.OUT: SRPDP8

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	49.300	.000	29.318	.00	8.00	253.684	13.773	82.168	.000	157.743	154.641
12-11	.000	79.296	.000	47.158	.00	8.00	408.104	22.156	139.566	.000	246.382	380.411
12-12	.000	54.234	.000	32.253	.00	8.00	279.144	15.154	102.540	.000	161.450	514.904
12-13	.000	41.762	.000	24.836	.00	8.00	215.008	11.671	84.132	.000	119.205	605.179
12-14	.000	25.618	.000	15.235	.00	8.00	131.660	7.153	50.707	.000	73.800	656.092
12-15	.000	20.276	.000	12.058	.00	8.00	104.144	5.660	41.244	.000	57.240	691.917
12-16	.000	17.538	.000	10.430	.00	8.00	90.100	4.896	37.188	.000	48.016	719.237
12-17	.000	15.477	.000	9.204	.00	8.00	79.512	4.320	34.146	.000	41.046	740.468
12-18	.000	13.867	.000	8.247	.00	8.00	71.196	3.870	31.758	.000	35.568	757.193
12-19	.000	12.573	.000	7.477	.00	8.00	64.556	3.509	29.850	.000	31.197	770.529
12-20	.000	11.509	.000	6.844	.00	8.00	59.132	3.213	28.272	.000	27.647	781.273
12-21	.000	10.619	.000	6.315	.00	8.00	54.540	2.963	26.952	.000	24.625	789.973
12-22	.000	9.860	.000	5.864	.00	8.00	50.632	2.752	25.836	.000	22.044	797.053
12-23	.000	9.209	.000	5.477	.00	8.00	47.296	2.571	24.870	.000	19.855	802.850
12-24	.000	5.339	.000	3.175	.00	8.00	27.440	1.491	14.771	.000	11.178	805.873
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	376.477	.000	223.891	.00	8.00	1936.148	105.152	754.000	.000	1076.996	805.873
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	805.873
TOTAL	.000	376.477	.000	223.891	.00	8.00	1936.148	105.152	754.000	.000	1076.996	805.873
CUM.	.000	90.523										
ULT.	.000	467.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	1791.128		
TOTAL REVENUES (M$)	1936.148		
PROJECT LIFE (YEARS)	14.027		
DISCOUNT RATE (PCT)	10.000		
GROSS OIL WELLS	.000		
GROSS GAS WELLS	2.000		
GROSS WELLS	2.000		

BTAX RATE OF RETURN (PCT)	100.00
BTAX PAYOUT	07/31/2010
BTAX PAYOUT (DISC)	07/31/2010
BTAX NET INCOME/INVEST	.00
BTAX NET INCOME/INVEST (DISC)	.00

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	1076.996	30.0	568.205
2.0	1006.157	35.0	534.130
5.0	917.989	40.0	505.273
8.0	846.436	45.0	480.466
10.0	805.873	50.0	458.871
12.0	769.922	60.0	422.986
15.0	723.083	70.0	394.253
18.0	683.100	80.0	370.626
20.0	659.541	90.0	350.792
25.0	609.180	100.0	333.862

PROVED DEVEL. PRODUCING

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:53:53
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPDP
.OUT: SRPDP8

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(14)EBERHARDT #1-24	.000	318.390	.000	189.347	1635.436	88.874	628.747	.000	917.815	666.674
(15)SCHEUERMAN #1-36	.000	58.087	.000	34.544	300.712	16.278	125.253	.000	159.181	139.199
(-1) SUMMARY: PROVED DEVEL. PRODUCING	.000	376.477	.000	223.891	1936.148	105.152	754.000	.000	1076.996	805.873

EBERHARDT #1-24
STATESMAN RESOURCES, LTD.
RUSH COUNTY, KANSAS
PROVED, DEVEL. PRODUCING

DATE: 09/28/10
TIME: 10:53:53
FILE: STATESMA
PROP: 14
STID: BASE
.CMD: SRPDP
.OUT: SRPDP8

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	38.748	.000	23.043	.00	8.00	199.044	10.816	62.000	.000	126.228	123.746
12-11	.000	59.863	.000	35.601	.00	8.00	307.488	16.710	99.798	.000	190.980	298.749
12-12	.000	39.557	.000	23.525	.00	8.00	203.200	11.042	69.756	.000	122.402	400.714
12-13	.000	29.853	.000	17.754	.00	8.00	153.372	8.334	55.410	.000	89.628	468.590
12-14	.000	24.102	.000	14.333	.00	8.00	123.784	6.727	46.896	.000	70.161	516.893
12-15	.000	20.276	.000	12.058	.00	8.00	104.144	5.660	41.244	.000	57.240	552.718
12-16	.000	17.538	.000	10.430	.00	8.00	90.100	4.896	37.188	.000	48.016	580.038
12-17	.000	15.477	.000	9.204	.00	8.00	79.512	4.320	34.146	.000	41.046	601.269
12-18	.000	13.867	.000	8.247	.00	8.00	71.196	3.870	31.758	.000	35.568	617.994
12-19	.000	12.573	.000	7.477	.00	8.00	64.556	3.509	29.850	.000	31.197	631.330
12-20	.000	11.509	.000	6.844	.00	8.00	59.132	3.213	28.272	.000	27.647	642.074
12-21	.000	10.619	.000	6.315	.00	8.00	54.540	2.963	26.952	.000	24.625	650.774
12-22	.000	9.860	.000	5.864	.00	8.00	50.632	2.752	25.836	.000	22.044	657.854
12-23	.000	9.209	.000	5.477	.00	8.00	47.296	2.571	24.870	.000	19.855	663.651
12-24	.000	5.339	.000	3.175	.00	8.00	27.440	1.491	14.771	.000	11.178	666.674
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	318.390	.000	189.347	.00	8.00	1635.436	88.874	628.747	.000	917.815	666.674
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	666.674
TOTAL	.000	318.390	.000	189.347	.00	8.00	1635.436	88.874	628.747	.000	917.815	666.674
CUM.	.000	81.610										
ULT.	.000	400.000										

		NET OIL REVENUES (M$)	.000		
		NET GAS REVENUES (M$)	1514.776		
		TOTAL REVENUES (M$)	1635.436		
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	14.027		
BTAX PAYOUT	07/31/2010	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	07/31/2010	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS	1.000		
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS	1.000		
INITIAL W.I. FRACTION	.750000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	.750000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	8/01/10	INITIAL NET GAS FRACTION	.594700		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.594700		
HELIUM GROSS PROD. (MU)	3.383	HELIUM NET PRODUCTION (MU)	2.011		
FUEL GROSS PROD. (MU)	78.490	FUEL NET PRODUCTION (MU)	.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	917.815	30.0	455.973
2.0	851.460	35.0	426.875
5.0	769.528	40.0	402.493
8.0	703.689	45.0	381.730
10.0	666.674	50.0	363.804
12.0	634.080	60.0	334.324
15.0	591.950	70.0	310.987
18.0	556.323	80.0	291.967
20.0	535.489	90.0	276.113
25.0	491.385	100.0	262.653

HELIUM NET REVENUES (M$) 120.660
FUEL NET REVENUES (M$) .000

SCHEUERMAN #1-36
STATESMAN RESOURCES, LTD.
RUSH COUNTY, KANSAS
PROVED, DEVEL. PRODUCING

DATE: 09/28/10
TIME: 10:53:53
FILE: STATESMA
PROP: 15
STID: BASE
.CMD: SRPDP
.OUT: SRPDP8

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	10.552	.000	6.275	.00	8.00	54.640	2.957	20.168	.000	31.515	30.895
12-11	.000	19.433	.000	11.557	.00	8.00	100.616	5.446	39.768	.000	55.402	81.662
12-12	.000	14.677	.000	8.728	.00	8.00	75.944	4.112	32.784	.000	39.048	114.190
12-13	.000	11.909	.000	7.082	.00	8.00	61.636	3.337	28.722	.000	29.577	136.589
12-14	.000	1.516	.000	.902	.00	8.00	7.876	.426	3.811	.000	3.639	139.199
12-15												
12-16												
12-17												
12-18												
12-19												
12-20												
12-21												
12-22												
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	58.087	.000	34.544	.00	8.00	300.712	16.278	125.253	.000	159.181	139.199
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	139.199
TOTAL	.000	58.087	.000	34.544	.00	8.00	300.712	16.278	125.253	.000	159.181	139.199
CUM.	.000	8.913										
ULT.	.000	67.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	276.352				
TOTAL REVENUES (M$)	300.712				
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	3.558		
BTAX PAYOUT	07/31/2010	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	07/31/2010	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS	1.000		
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS	1.000		
INITIAL W.I. FRACTION	.750000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	.750000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	8/01/10	INITIAL NET GAS FRACTION	.594700		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.594700		
HELIUM GROSS PROD. (MU)	.683	HELIUM NET PRODUCTION (MU)	.406		
FUEL GROSS PROD. (MU)	14.205	FUEL NET PRODUCTION (MU)	.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	159.181	30.0	112.232
2.0	154.697	35.0	107.255
5.0	148.461	40.0	102.780
8.0	142.747	45.0	98.736
10.0	139.199	50.0	95.067
12.0	135.842	60.0	88.662
15.0	131.133	70.0	83.266
18.0	126.777	80.0	78.659
20.0	124.052	90.0	74.679
25.0	117.795	100.0	71.209

HELIUM NET REVENUES (M$) 24.360
FUEL NET REVENUES (M$) .000

ALL PROVED DEV. NON-PRODUCING

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:54:29
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPNP
.OUT: SRPNP8

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	36.874	.000	30.712	.00	8.00	266.636	14.453	91.072	.000	161.111	157.329
12-11	.000	98.502	.000	77.451	.00	8.00	672.348	36.445	233.896	.000	402.007	525.704
12-12	.000	83.789	.000	62.828	.00	8.00	545.524	29.569	197.514	.000	318.441	790.977
12-13	.000	60.803	.000	46.086	.00	8.00	400.068	21.687	155.874	.000	222.507	959.483
12-14	.000	47.245	.000	36.129	.00	8.00	313.692	17.003	131.110	.000	165.579	1073.478
12-15	.000	38.917	.000	29.890	.00	8.00	259.520	14.067	115.598	.000	129.855	1154.751
12-16	.000	33.195	.000	25.557	.00	8.00	221.976	12.030	104.812	.000	105.134	1214.569
12-17	.000	28.991	.000	22.352	.00	8.00	194.056	10.519	96.842	.000	86.695	1259.412
12-18	.000	25.764	.000	19.881	.00	8.00	172.548	9.355	90.696	.000	72.497	1293.502
12-19	.000	23.202	.000	17.913	.00	8.00	155.604	8.432	85.800	.000	61.372	1319.737
12-20	.000	21.116	.000	16.308	.00	8.00	141.564	7.673	81.814	.000	52.077	1339.975
12-21	.000	13.622	.000	11.544	.00	8.00	100.272	5.434	58.817	.000	36.021	1352.703
12-22	.000	8.757	.000	7.430	.00	8.00	64.540	3.498	39.159	.000	21.883	1359.836
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	520.777	.000	404.081	.00	8.00	3508.348	190.165	1483.004	.000	1835.179	1359.836
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	1359.836
TOTAL	.000	520.777	.000	404.081	.00	8.00	3508.348	190.165	1483.004	.000	1835.179	1359.836
CUM.	.000	1.223										
ULT.	.000	522.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	3232.648				
TOTAL REVENUES (M$)	3508.348				
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	12.108		
BTAX PAYOUT	07/31/2010	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	07/31/2010	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS	3.000		
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS	3.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	1835.179	30.0	916.392
2.0	1714.397	35.0	851.815
5.0	1560.732	40.0	797.215
8.0	1433.232	45.0	750.433
10.0	1359.836	50.0	709.870
12.0	1294.130	60.0	642.953
15.0	1207.659	70.0	589.919
18.0	1133.124	80.0	546.756
20.0	1088.943	90.0	510.886
25.0	993.990	100.0	480.546

ALL PROVED DEV. NON-PRODUCING

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:54:29
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPNP
.OUT: SRPNP8

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(13)STREMEL A #1	.000	174.000	.000	147.620	1275.880	69.312	547.481	.000	659.087	491.436
(16)BRACK #1-31	.000	148.777	.000	88.478	768.364	41.642	337.341	.000	389.381	286.071
(20)STREMEL #1	.000	198.000	.000	167.983	1464.104	79.211	598.182	.000	786.711	582.329
(-1) SUMMARY: ALL PROVED DEV. NON-PRODUCING	.000	520.777	.000	404.081	3508.348	190.165	1483.004	.000	1835.179	1359.836

STREMEL A #1
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS
PROVED, DEVELOPED NON-PRODUCING

DATE: 09/28/10
TIME: 10:54:29
FILE: STATESMA
PROP: 13
STID: BASE
.CMD: SRPNP
.OUT: SRPNP8

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	16.194	.000	13.739	.00	8.00	118.732	6.450	39.168	.000	73.114	71.392
12-11	.000	34.796	.000	29.521	.00	8.00	255.128	13.860	88.432	.000	152.836	211.442
12-12	.000	23.968	.000	20.334	.00	8.00	175.752	9.548	65.576	.000	100.628	295.269
12-13	.000	18.302	.000	15.527	.00	8.00	134.176	7.290	53.616	.000	73.270	350.757
12-14	.000	14.811	.000	12.566	.00	8.00	108.568	5.899	46.256	.000	56.413	389.595
12-15	.000	12.439	.000	10.553	.00	8.00	91.264	4.957	41.248	.000	45.059	417.796
12-16	.000	10.724	.000	9.098	.00	8.00	78.664	4.273	37.632	.000	36.759	438.711
12-17	.000	9.425	.000	7.996	.00	8.00	69.068	3.753	34.888	.000	30.427	454.449
12-18	.000	8.407	.000	7.132	.00	8.00	61.616	3.348	32.736	.000	25.532	466.455
12-19	.000	7.587	.000	6.437	.00	8.00	55.696	3.024	31.008	.000	21.664	475.716
12-20	.000	6.914	.000	5.866	.00	8.00	50.708	2.754	29.592	.000	18.362	482.852
12-21	.000	6.349	.000	5.386	.00	8.00	46.568	2.529	28.400	.000	15.639	488.377
12-22	.000	4.084	.000	3.465	.00	8.00	29.940	1.627	18.929	.000	9.384	491.436
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	174.000	.000	147.620	.00	8.00	1275.880	69.312	547.481	.000	659.087	491.436
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	491.436
TOTAL	.000	174.000	.000	147.620	.00	8.00	1275.880	69.312	547.481	.000	659.087	491.436
CUM.	.000	.000		NET OIL REVENUES (M$)			.000					
				NET GAS REVENUES (M$)			1180.960					
ULT.	.000	174.000		TOTAL REVENUES (M$)			1275.880					

BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	12.104		--------PRESENT WORTH PROFILE---------			
BTAX PAYOUT	08/31/2010	DISCOUNT RATE (PCT)	10.000	DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
BTAX PAYOUT (DISC)	08/31/2010	GROSS OIL WELLS	.000	----	---------	----	---------
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS	1.000	.0	659.087	30.0	336.884
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS	1.000	2.0	616.292	35.0	314.482
				5.0	562.037	40.0	295.544
INITIAL W.I. FRACTION	1.000000	INITIAL NET OIL FRACTION	.000000	8.0	517.184	45.0	279.313
FINAL W.I. FRACTION	1.000000	FINAL NET OIL FRACTION	.000000	10.0	491.436	50.0	265.228
PRODUCTION START DATE	9/01/10	INITIAL NET GAS FRACTION	.848400	12.0	468.429	60.0	241.956
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.848400	15.0	438.212	70.0	223.460
				18.0	412.221	80.0	208.356
HELIUM GROSS PROD. (MU)	1.864	HELIUM NET PRODUCTION (MU)	1.582	20.0	396.837	90.0	195.761
FUEL GROSS PROD. (MU)	45.896	FUEL NET PRODUCTION (MU)	.000	25.0	363.824	100.0	185.068
				HELIUM NET REVENUES (M$)			94.920
				FUEL NET REVENUES (M$)			.000

BRACK #1-31
STATESMAN RESOURCES, LTD.
RUSH COUNTY, KANSAS
PROVED, DEVELOPED NON-PRODUCING

DATE: 09/28/10
TIME: 10:54:29
FILE: STATESMA
PROP: 16
STID: BASE
.CMD: SRPNP
.OUT: SRPNP8

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	2.255	.000	1.341	.00	8.00	11.628	.631	8.024	.000	2.973	2.915
12-11	.000	24.116	.000	14.342	.00	8.00	124.516	6.749	46.920	.000	70.847	67.835
12-12	.000	32.551	.000	19.358	.00	8.00	168.124	9.111	59.394	.000	99.619	150.821
12-13	.000	21.676	.000	12.891	.00	8.00	111.948	6.067	43.314	.000	62.567	198.203
12-14	.000	15.583	.000	9.267	.00	8.00	80.496	4.362	34.302	.000	41.832	227.003
12-15	.000	12.325	.000	7.330	.00	8.00	63.620	3.449	29.478	.000	30.693	246.213
12-16	.000	10.269	.000	6.107	.00	8.00	53.056	2.875	26.436	.000	23.745	259.723
12-17	.000	8.843	.000	5.259	.00	8.00	45.672	2.475	24.330	.000	18.867	269.482
12-18	.000	7.792	.000	4.634	.00	8.00	40.192	2.180	22.776	.000	15.236	276.646
12-19	.000	6.982	.000	4.152	.00	8.00	36.096	1.955	21.576	.000	12.565	282.017
12-20	.000	6.336	.000	3.768	.00	8.00	32.724	1.773	20.622	.000	10.329	286.031
12-21	.000	.049	.000	.029	.00	8.00	.292	.015	.169	.000	.108	286.071
12-22												
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	148.777	.000	88.478	.00	8.00	768.364	41.642	337.341	.000	389.381	286.071
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	286.071
TOTAL	.000	148.777	.000	88.478	.00	8.00	768.364	41.642	337.341	.000	389.381	286.071
CUM.	.000	1.223										
ULT.	.000	150.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	707.824				
TOTAL REVENUES (M$)	768.364				

PRESENT WORTH PROFILE			
DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	389.381	30.0	183.287
2.0	363.758	35.0	167.853
5.0	330.560	40.0	154.746
8.0	302.474	45.0	143.489
10.0	286.071	50.0	133.724
12.0	271.239	60.0	117.640
15.0	251.506	70.0	104.957
18.0	234.297	80.0	94.712
20.0	224.012	90.0	86.275
25.0	201.705	100.0	79.210

BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	10.425		
BTAX PAYOUT	07/31/2010	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	07/31/2010	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS	1.000		
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS	1.000		
INITIAL W.I. FRACTION	.750000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	.750000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	8/01/10	INITIAL NET GAS FRACTION	.594700		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.594700		
HELIUM GROSS PROD. (MU)	1.695	HELIUM NET PRODUCTION (MU)	1.009	HELIUM NET REVENUES (M$)	60.540
FUEL GROSS PROD. (MU)	36.677	FUEL NET PRODUCTION (MU)	.000	FUEL NET REVENUES (M$)	.000

STREMEL #1
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS
PROVED, DEVELOPED NON-PRODUCING

DATE: 09/28/10
TIME: 10:54:29
FILE: STATESMA
PROP: 20
STID: BASE
.CMD: SRPNP
.OUT: SRPNP8

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	18.425	.000	15.632	.00	8.00	136.276	7.372	43.880	.000	85.024	83.022
12-11	.000	39.590	.000	33.588	.00	8.00	292.704	15.836	98.544	.000	178.324	246.427
12-12	.000	27.270	.000	23.136	.00	8.00	201.648	10.910	72.544	.000	118.194	344.887
12-13	.000	20.825	.000	17.668	.00	8.00	153.944	8.330	58.944	.000	86.670	410.523
12-14	.000	16.851	.000	14.296	.00	8.00	124.628	6.742	50.552	.000	67.334	456.880
12-15	.000	14.153	.000	12.007	.00	8.00	104.636	5.661	44.872	.000	54.103	490.742
12-16	.000	12.202	.000	10.352	.00	8.00	90.256	4.882	40.744	.000	44.630	516.135
12-17	.000	10.723	.000	9.097	.00	8.00	79.316	4.291	37.624	.000	37.401	535.481
12-18	.000	9.565	.000	8.115	.00	8.00	70.740	3.827	35.184	.000	31.729	550.401
12-19	.000	8.633	.000	7.324	.00	8.00	63.812	3.453	33.216	.000	27.143	562.004
12-20	.000	7.866	.000	6.674	.00	8.00	58.132	3.146	31.600	.000	23.386	571.092
12-21	.000	7.224	.000	6.129	.00	8.00	53.412	2.890	30.248	.000	20.274	578.255
12-22	.000	4.673	.000	3.965	.00	8.00	34.600	1.871	20.230	.000	12.499	582.329
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	198.000	.000	167.983	.00	8.00	1464.104	79.211	598.182	.000	786.711	582.329
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	582.329
TOTAL	.000	198.000	.000	167.983	.00	8.00	1464.104	79.211	598.182	.000	786.711	582.329
CUM.	.000	.000										
ULT.	.000	198.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	1343.864				
TOTAL REVENUES (M$)	1464.104				

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	786.711	30.0	396.221
2.0	734.347	35.0	369.480
5.0	668.135	40.0	346.925
8.0	613.574	45.0	327.631
10.0	582.329	50.0	310.918
12.0	554.462	60.0	283.357
15.0	517.941	70.0	261.502
18.0	486.606	80.0	243.688
20.0	468.094	90.0	228.850
25.0	428.461	100.0	216.268

BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	12.108		
BTAX PAYOUT	08/31/2010	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	08/31/2010	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS	1.000		
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS	1.000		
INITIAL W.I. FRACTION	1.000000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	1.000000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	9/01/10	INITIAL NET GAS FRACTION	.848400		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.848400		
HELIUM GROSS PROD. (MU)	2.360	HELIUM NET PRODUCTION (MU)	2.004	HELIUM NET REVENUES (M$)	120.240
FUEL GROSS PROD. (MU)	52.226	FUEL NET PRODUCTION (MU)	.000	FUEL NET REVENUES (M$)	.000

ALL PROVED UNDEVELOPED

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:54:59
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPUD
.OUT: SRPUD8

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	.00	.000	.000	.000	300.000	-300.000	-289.421
12-11	.000	347.397	.000	227.771	.00	8.00	1980.208	122.517	602.606	2182.500	-927.415	-1146.290
12-12	.000	660.052	.000	404.570	.00	8.00	3524.140	200.222	1122.490	363.750	1837.678	373.537
12-13	.000	402.856	.000	248.280	.00	8.00	2162.400	123.769	756.274	.000	1282.357	1344.674
12-14	.000	296.703	.000	183.194	.00	8.00	1595.392	91.543	594.398	.000	909.451	1970.794
12-15	.000	237.771	.000	146.878	.00	8.00	1279.184	73.445	504.060	.000	701.679	2409.956
12-16	.000	199.763	.000	123.391	.00	8.00	1074.668	61.696	445.650	.000	567.322	2732.748
12-17	.000	173.017	.000	106.836	.00	8.00	930.408	53.392	404.474	.000	472.542	2977.170
12-18	.000	153.080	.000	94.483	.00	8.00	822.884	47.193	373.750	.000	401.941	3166.173
12-19	.000	137.593	.000	84.883	.00	8.00	739.304	42.372	349.874	.000	347.058	3314.533
12-20	.000	125.188	.000	77.191	.00	8.00	672.248	38.504	330.730	.000	303.014	3432.290
12-21	.000	115.008	.000	70.878	.00	8.00	617.304	35.332	315.044	.000	266.928	3526.593
12-22	.000	106.490	.000	65.596	.00	8.00	571.328	32.678	301.896	.000	236.754	3602.632
12-23	.000	99.250	.000	61.106	.00	8.00	532.228	30.422	290.738	.000	211.068	3664.259
12-24	.000	93.013	.000	57.240	.00	8.00	498.600	28.481	281.110	.000	189.009	3714.427
12-25	.000	87.582	.000	53.874	.00	8.00	469.212	26.788	272.752	.000	169.672	3755.369
12-26	.000	69.027	.000	42.746	.00	8.00	372.208	21.441	222.034	.000	128.733	3783.825
12-27	.000	6.702	.000	5.686	.00	8.00	49.088	3.855	29.144	.000	16.089	3787.034
12-28	.000	6.308	.000	5.352	.00	8.00	46.236	3.629	28.312	.000	14.295	3789.626
12-29	.000	2.200	.000	1.866	.00	8.00	16.128	1.265	10.085	.000	4.778	3790.438
S TOT	.000	3319.000	.000	2061.821	.00	8.00	17953.168	1038.544	7235.421	2846.250	6832.953	3790.438
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	3790.438
TOTAL	.000	3319.000	.000	2061.821	.00	8.00	17953.168	1038.544	7235.421	2846.250	6832.953	3790.438
CUM.	.000	.000										
ULT.	.000	3319.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	16494.568		
TOTAL REVENUES (M$)	17953.168		
BTAX RATE OF RETURN (PCT)	94.61	PROJECT LIFE (YEARS)	18.780
BTAX PAYOUT	09/21/2012	DISCOUNT RATE (PCT)	10.000
BTAX PAYOUT (DISC)	10/18/2012	GROSS OIL WELLS	.000
BTAX NET INCOME/INVEST	3.40	GROSS GAS WELLS	12.000
BTAX NET INCOME/INVEST (DISC)	2.46	GROSS WELLS	12.000

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	6832.953	30.0	1530.268
2.0	5999.501	35.0	1249.840
5.0	4998.556	40.0	1023.500
8.0	4218.603	45.0	837.890
10.0	3790.438	50.0	683.666
12.0	3420.054	60.0	444.108
15.0	2951.195	70.0	268.979
18.0	2564.157	80.0	137.395
20.0	2342.212	90.0	36.390
25.0	1884.415	100.0	-42.464

ALL PROVED UNDEVELOPED

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:54:59
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPUD
.OUT: SRPUD8

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(3)PROVED UNDEVELOPED (STATES)	.000	369.000	.000	313.060	2704.040	212.269	1054.093	300.000	1137.678	692.376
(4)PROVED UNDEVELOPED (FARMIN)	.000	2950.000	.000	1748.761	15249.128	826.275	6181.328	2546.250	5695.275	3098.062
(-1) SUMMARY: ALL PROVED UNDEVELOPED	.000	3319.000	.000	2061.821	17953.168	1038.544	7235.421	2846.250	6832.953	3790.438

PROVED UNDEVELOPED (STATES)
STATESMAN ACREAGE
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS

DATE: 09/28/10
TIME: 10:54:59
FILE: STATESMA
PROP: 3
STID: BASE
.CMD: SRPUD
.OUT: SRPUD8

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	8.00	.000	.000	.000	300.000	-300.000	-289.421
12-11	.000	85.422	.000	72.472	.00	8.00	625.976	49.139	195.256	.000	381.581	60.237
12-12	.000	51.999	.000	44.116	.00	8.00	381.008	29.911	124.720	.000	226.377	248.817
12-13	.000	37.039	.000	31.424	.00	8.00	271.432	21.307	93.160	.000	156.965	367.688
12-14	.000	28.595	.000	24.260	.00	8.00	209.500	16.448	75.344	.000	117.708	448.725
12-15	.000	23.192	.000	19.676	.00	8.00	170.008	13.344	63.936	.000	92.728	506.761
12-16	.000	19.450	.000	16.501	.00	8.00	142.568	11.190	56.040	.000	75.338	549.626
12-17	.000	16.710	.000	14.177	.00	8.00	122.416	9.611	50.264	.000	62.541	581.975
12-18	.000	14.622	.000	12.405	.00	8.00	107.160	8.412	45.856	.000	52.892	606.846
12-19	.000	12.980	.000	11.012	.00	8.00	95.116	7.467	42.392	.000	45.257	626.192
12-20	.000	11.656	.000	9.889	.00	8.00	85.412	6.705	39.592	.000	39.115	641.393
12-21	.000	10.568	.000	8.966	.00	8.00	77.428	6.079	37.304	.000	34.045	653.421
12-22	.000	9.657	.000	8.193	.00	8.00	70.764	5.555	35.376	.000	29.833	663.003
12-23	.000	8.885	.000	7.538	.00	8.00	65.104	5.111	33.752	.000	26.241	670.665
12-24	.000	8.222	.000	6.976	.00	8.00	60.308	4.732	32.344	.000	23.232	676.831
12-25	.000	7.648	.000	6.489	.00	8.00	56.052	4.400	31.144	.000	20.508	681.780
12-26	.000	7.145	.000	6.062	.00	8.00	52.336	4.109	30.072	.000	18.155	685.763
12-27	.000	6.702	.000	5.686	.00	8.00	49.088	3.855	29.144	.000	16.089	688.972
12-28	.000	6.308	.000	5.352	.00	8.00	46.236	3.629	28.312	.000	14.295	691.564
12-29	.000	2.200	.000	1.866	.00	8.00	16.128	1.265	10.085	.000	4.778	692.376
S TOT	.000	369.000	.000	313.060	.00	8.00	2704.040	212.269	1054.093	300.000	1137.678	692.376
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	692.376
TOTAL	.000	369.000	.000	313.060	.00	8.00	2704.040	212.269	1054.093	300.000	1137.678	692.376
CUM.	.000	.000										
ULT.	.000	369.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	2504.480				
TOTAL REVENUES (M$)	2704.040				

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	1137.678	30.0	351.641
2.0	1015.224	35.0	306.413
5.0	868.891	40.0	268.878
8.0	755.023	45.0	237.209
10.0	692.376	50.0	210.132
12.0	637.981	60.0	166.249
15.0	568.668	70.0	132.243
18.0	510.867	80.0	105.153
20.0	477.385	90.0	83.098
25.0	407.257	100.0	64.831

BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	18.780		
BTAX PAYOUT	10/14/2011	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	10/29/2011	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	4.79	GROSS GAS WELLS	1.000		
BTAX NET INCOME/INVEST (DISC)	3.39	GROSS WELLS	1.000		
INITIAL W.I. FRACTION	1.000000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	1.000000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	1/01/11	INITIAL NET GAS FRACTION	.848400		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.848400		
HELIUM GROSS PROD. (MU)	3.921	HELIUM NET PRODUCTION (MU)	3.326	HELIUM NET REVENUES (M$)	199.560
FUEL GROSS PROD. (MU)	97.331	FUEL NET PRODUCTION (MU)	.000	FUEL NET REVENUES (M$)	.000

PROVED UNDEVELOPED (FARMIN)
FARMIN ACREAGE
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS

DATE: 09/28/10
TIME: 10:54:59
FILE: STATESMA
PROP: 4
STID: BASE
.CMD: SRPUD
.OUT: SRPUD8

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	8.00	.000	.000	.000	.000	.000	.000
12-11	.000	261.975	.000	155.299	.00	8.00	1354.232	73.378	407.350	2182.500	-1308.996	-1206.527
12-12	.000	608.053	.000	360.454	.00	8.00	3143.132	170.311	997.770	363.750	1611.301	124.720
12-13	.000	365.817	.000	216.856	.00	8.00	1890.968	102.462	663.114	.000	1125.392	976.986
12-14	.000	268.108	.000	158.934	.00	8.00	1385.892	75.095	519.054	.000	791.743	1522.069
12-15	.000	214.579	.000	127.202	.00	8.00	1109.176	60.101	440.124	.000	608.951	1903.195
12-16	.000	180.313	.000	106.890	.00	8.00	932.100	50.506	389.610	.000	491.984	2183.122
12-17	.000	156.307	.000	92.659	.00	8.00	807.992	43.781	354.210	.000	410.001	2395.195
12-18	.000	138.458	.000	82.078	.00	8.00	715.724	38.781	327.894	.000	349.049	2559.327
12-19	.000	124.613	.000	73.871	.00	8.00	644.188	34.905	307.482	.000	301.801	2688.341
12-20	.000	113.532	.000	67.302	.00	8.00	586.836	31.799	291.138	.000	263.899	2790.897
12-21	.000	104.440	.000	61.912	.00	8.00	539.876	29.253	277.740	.000	232.883	2873.172
12-22	.000	96.833	.000	57.403	.00	8.00	500.564	27.123	266.520	.000	206.921	2939.629
12-23	.000	90.365	.000	53.568	.00	8.00	467.124	25.311	256.986	.000	184.827	2993.594
12-24	.000	84.791	.000	50.264	.00	8.00	438.292	23.749	248.766	.000	165.777	3037.596
12-25	.000	79.934	.000	47.385	.00	8.00	413.160	22.388	241.608	.000	149.164	3073.589
12-26	.000	61.882	.000	36.684	.00	8.00	319.872	17.332	191.962	.000	110.578	3098.062
12-27												
12-28												
12-29												
S TOT	.000	2950.000	.000	1748.761	.00	8.00	15249.128	826.275	6181.328	2546.250	5695.275	3098.062
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	3098.062
TOTAL	.000	2950.000	.000	1748.761	.00	8.00	15249.128	826.275	6181.328	2546.250	5695.275	3098.062
CUM.	.000	.000										
ULT.	.000	2950.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	13990.088		
TOTAL REVENUES (M$)	15249.128		
BTAX RATE OF RETURN (PCT)	84.08	PROJECT LIFE (YEARS)	16.231
BTAX PAYOUT	11/06/2012	DISCOUNT RATE (PCT)	10.000
BTAX PAYOUT (DISC)	12/03/2012	GROSS OIL WELLS	.000
BTAX NET INCOME/INVEST	3.24	GROSS GAS WELLS	11.000
BTAX NET INCOME/INVEST (DISC)	2.34	GROSS WELLS	11.000
INITIAL W.I. FRACTION	.750000	INITIAL NET OIL FRACTION	.000000
FINAL W.I. FRACTION	.750000	FINAL NET OIL FRACTION	.000000
PRODUCTION START DATE	3/01/11	INITIAL NET GAS FRACTION	.592800
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.592800
HELIUM GROSS PROD. (MU)	35.400	HELIUM NET PRODUCTION (MU)	20.984
FUEL GROSS PROD. (MU)	724.918	FUEL NET PRODUCTION (MU)	.000

PRESENT WORTH PROFILE

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	5695.275	30.0	1178.627
2.0	4984.277	35.0	943.427
5.0	4129.665	40.0	754.622
8.0	3463.580	45.0	600.681
10.0	3098.062	50.0	473.534
12.0	2782.073	60.0	277.859
15.0	2382.527	70.0	136.736
18.0	2053.290	80.0	32.242
20.0	1864.827	90.0	-46.708
25.0	1477.158	100.0	-107.295

HELIUM NET REVENUES (M$) 1259.040
FUEL NET REVENUES (M$) .000

ALL PROBABLE
GAS PRICE = $8.00
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:55:36
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPRB8
.OUT: SRPRB8

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	.000
12-11	.000	197.653	.000	167.689	.00	8.00	1459.592	79.016	337.785	1698.750	-655.959	-607.828
12-12	.000	988.369	.000	811.411	.00	8.00	7065.728	382.429	1656.122	2356.560	2670.617	1605.872
12-13	.000	1297.514	.000	914.771	.00	8.00	7982.248	431.596	2037.370	2070.000	3443.282	4212.933
12-14	.000	1373.482	.000	900.994	.00	8.00	7870.592	425.331	2104.497	2587.500	2753.264	6095.380
12-15	.000	1072.787	.000	698.677	.00	8.00	6103.916	329.842	1727.085	.000	4046.989	8628.280
12-16	.000	702.283	.000	465.738	.00	8.00	4067.724	219.841	1292.549	.000	2555.334	10082.201
12-17	.000	522.116	.000	350.435	.00	8.00	3060.100	165.398	1077.464	.000	1817.238	11022.167
12-18	.000	415.200	.000	281.134	.00	8.00	2454.572	132.681	948.183	.000	1373.708	11668.122
12-19	.000	344.356	.000	234.766	.00	8.00	2049.608	110.793	861.690	.000	1077.125	12128.571
12-20	.000	293.961	.000	201.526	.00	8.00	1759.268	95.102	799.680	.000	864.486	12464.525
12-21	.000	256.290	.000	176.519	.00	8.00	1540.792	83.296	753.032	.000	704.464	12713.404
12-22	.000	227.070	.000	157.019	.00	8.00	1370.512	74.092	716.657	.000	579.763	12899.608
12-23	.000	203.756	.000	141.387	.00	8.00	1234.056	66.717	687.497	.000	479.842	13039.709
12-24	.000	184.721	.000	128.574	.00	8.00	1122.132	60.668	663.597	.000	397.867	13145.315
12-25	.000	105.527	.000	80.318	.00	8.00	700.024	37.873	405.720	.000	256.431	13207.541
12-26	.000	65.048	.000	55.187	.00	8.00	480.376	26.006	267.942	.000	186.428	13248.437
12-27	.000	4.867	.000	4.129	.00	8.00	35.912	1.945	20.477	.000	13.490	13251.248
12-28												
12-29												
S TOT	.000	8255.000	.000	5770.274	.00	8.00	50357.152	2722.626	16357.347	8712.810	22564.369	13251.248
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	13251.248
TOTAL	.000	8255.000	.000	5770.274	.00	8.00	50357.152	2722.626	16357.347	8712.810	22564.369	13251.248
CUM.	.000	.000		NET OIL REVENUES (M$)			.000					
				NET GAS REVENUES (M$)			46162.192					
ULT.	.000	8255.000		TOTAL REVENUES (M$)			50357.152					

BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	16.494		
BTAX PAYOUT	06/23/2013	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	05/31/2013	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	3.59	GROSS GAS WELLS	34.000		
BTAX NET INCOME/INVEST (DISC)	2.93	GROSS WELLS	34.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	22564.369	30.0	6016.211
2.0	20069.474	35.0	5118.651
5.0	17017.879	40.0	4398.981
8.0	14596.553	45.0	3813.353
10.0	13251.248	50.0	3330.637
12.0	12078.786	60.0	2589.450
15.0	10584.148	70.0	2055.258
18.0	9343.094	80.0	1658.319
20.0	8629.333	90.0	1355.896
25.0	7155.019	100.0	1120.629

ALL PROBABLE
GAS PRICE = $8.00
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 10:55:36
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPRB8
.OUT: SRPRB8

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(6)PROBABLE (STATESMAN)8	.000	3430.000	.000	2910.013	25329.824	1371.241	7911.134	3020.310	13027.139	8170.044
(12)PROBABLE (FARMIN)8	.000	4825.000	.000	2860.261	25027.328	1351.385	8446.213	5692.500	9537.230	5081.204
(-1) SUMMARY: ALL PROBABLE	.000	8255.000	.000	5770.274	50357.152	2722.626	16357.347	8712.810	22564.369	13251.248

PROBABLE (STATESMAN)8
STATESMAN ACREAGE
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS

DATE: 09/28/10
TIME: 10:55:36
FILE: STATESMA
PROP: 6
STID: BASE
.CMD: SRPRB8
.OUT: SRPRB8

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	8.00	.000	.000	.000	.000	.000	.000
12-11	.000	197.653	.000	167.689	.00	8.00	1459.592	79.016	337.785	1698.750	-655.959	-607.828
12-12	.000	882.261	.000	748.510	.00	8.00	6515.360	352.710	1531.284	1321.560	3309.806	2128.409
12-13	.000	569.657	.000	483.297	.00	8.00	4206.816	227.737	1066.548	.000	2912.531	4334.086
12-14	.000	339.569	.000	288.090	.00	8.00	2507.700	135.754	702.414	.000	1669.532	5483.492
12-15	.000	245.420	.000	208.214	.00	8.00	1812.352	98.113	553.404	.000	1160.835	6210.027
12-16	.000	193.365	.000	164.051	.00	8.00	1427.968	77.304	471.024	.000	879.640	6710.520
12-17	.000	160.113	.000	135.840	.00	8.00	1182.420	64.010	418.398	.000	700.012	7072.601
12-18	.000	136.946	.000	116.185	.00	8.00	1011.260	54.747	381.732	.000	574.781	7342.879
12-19	.000	119.843	.000	101.675	.00	8.00	885.040	47.911	354.666	.000	482.463	7549.122
12-20	.000	106.672	.000	90.501	.00	8.00	787.788	42.646	333.822	.000	411.320	7708.968
12-21	.000	96.207	.000	81.622	.00	8.00	710.456	38.461	317.256	.000	354.739	7834.293
12-22	.000	87.681	.000	74.389	.00	8.00	647.492	35.052	303.768	.000	308.672	7933.430
12-23	.000	80.598	.000	68.379	.00	8.00	595.212	32.222	292.554	.000	270.436	8012.390
12-24	.000	74.612	.000	63.301	.00	8.00	550.988	29.828	283.086	.000	238.074	8075.582
12-25	.000	69.488	.000	58.954	.00	8.00	513.092	27.779	274.974	.000	210.339	8126.337
12-26	.000	65.048	.000	55.187	.00	8.00	480.376	26.006	267.942	.000	186.428	8167.233
12-27	.000	4.867	.000	4.129	.00	8.00	35.912	1.945	20.477	.000	13.490	8170.044
12-28												
12-29												
S TOT	.000	3430.000	.000	2910.013	.00	8.00	25329.824	1371.241	7911.134	3020.310	13027.139	8170.044
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	8170.044
TOTAL	.000	3430.000	.000	2910.013	.00	8.00	25329.824	1371.241	7911.134	3020.310	13027.139	8170.044
CUM.	.000	.000										
ULT.	.000	3430.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	23280.104		
TOTAL REVENUES (M$)	25329.824		
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	16.494
BTAX PAYOUT	06/04/2012	DISCOUNT RATE (PCT)	10.000
BTAX PAYOUT (DISC)	06/12/2012	GROSS OIL WELLS	.000
BTAX NET INCOME/INVEST	5.31	GROSS GAS WELLS	11.000
BTAX NET INCOME/INVEST (DISC)	4.07	GROSS WELLS	11.000
INITIAL W.I. FRACTION	1.000000	INITIAL NET OIL FRACTION	.000000
FINAL W.I. FRACTION	1.000000	FINAL NET OIL FRACTION	.000000
PRODUCTION START DATE	7/01/11	INITIAL NET GAS FRACTION	.848400
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.848400
HELIUM GROSS PROD. (MU)	40.268	HELIUM NET PRODUCTION (MU)	34.162
FUEL GROSS PROD. (MU)	904.731	FUEL NET PRODUCTION (MU)	.000

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	13027.139	30.0	4204.392
2.0	11731.600	35.0	3674.123
5.0	10144.383	40.0	3237.051
8.0	8878.318	45.0	2871.686
10.0	8170.044	50.0	2562.618
12.0	7548.548	60.0	2070.822
15.0	6748.458	70.0	1700.071
18.0	6075.122	80.0	1413.260
20.0	5683.072	90.0	1186.744
25.0	4858.737	100.0	1004.776

HELIUM NET REVENUES (M$) 2049.720
FUEL NET REVENUES (M$) .000

PROBABLE (FARMIN)8
FARMIN ACREAGE
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS

DATE: 09/28/10
TIME: 10:55:36
FILE: STATESMA
PROP: 12
STID: BASE
.CMD: SRPRB8
.OUT: SRPRB8

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	8.00	.000	.000	.000	.000	.000	.000
12-11	.000	.000	.000	.000	.00	8.00	.000	.000	.000	.000	.000	.000
12-12	.000	106.108	.000	62.901	.00	8.00	550.368	29.719	124.838	1035.000	-639.189	-522.537
12-13	.000	727.857	.000	431.474	.00	8.00	3775.432	203.859	970.822	2070.000	530.751	-121.153
12-14	.000	1033.913	.000	612.904	.00	8.00	5362.892	289.577	1402.083	2587.500	1083.732	611.888
12-15	.000	827.367	.000	490.463	.00	8.00	4291.564	231.729	1173.681	.000	2886.154	2418.253
12-16	.000	508.918	.000	301.687	.00	8.00	2639.756	142.537	821.525	.000	1675.694	3371.681
12-17	.000	362.003	.000	214.595	.00	8.00	1877.680	101.388	659.066	.000	1117.226	3949.566
12-18	.000	278.254	.000	164.949	.00	8.00	1443.312	77.934	566.451	.000	798.927	4325.243
12-19	.000	224.513	.000	133.091	.00	8.00	1164.568	62.882	507.024	.000	594.662	4579.449
12-20	.000	187.289	.000	111.025	.00	8.00	971.480	52.456	465.858	.000	453.166	4755.557
12-21	.000	160.083	.000	94.897	.00	8.00	830.336	44.835	435.776	.000	349.725	4879.111
12-22	.000	139.389	.000	82.630	.00	8.00	723.020	39.040	412.889	.000	271.091	4966.178
12-23	.000	123.158	.000	73.008	.00	8.00	638.844	34.495	394.943	.000	209.406	5027.319
12-24	.000	110.109	.000	65.273	.00	8.00	571.144	30.840	380.511	.000	159.793	5069.733
12-25	.000	36.039	.000	21.364	.00	8.00	186.932	10.094	130.746	.000	46.092	5081.204
12-26												
12-27												
12-28												
12-29												
S TOT	.000	4825.000	.000	2860.261	.00	8.00	25027.328	1351.385	8446.213	5692.500	9537.230	5081.204
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	5081.204
TOTAL	.000	4825.000	.000	2860.261	.00	8.00	25027.328	1351.385	8446.213	5692.500	9537.230	5081.204
CUM.	.000	.000										
ULT.	.000	4825.000										

		NET OIL REVENUES (M$)	.000		
		NET GAS REVENUES (M$)	22882.088		
		TOTAL REVENUES (M$)	25027.328		
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	14.768		
BTAX PAYOUT	09/25/2014	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	10/03/2014	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	2.68	GROSS GAS WELLS	23.000		
BTAX NET INCOME/INVEST (DISC)	2.21	GROSS WELLS	23.000		
INITIAL W.I. FRACTION	.750000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	.750000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	9/01/12	INITIAL NET GAS FRACTION	.592800		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.592800		
HELIUM GROSS PROD. (MU)	60.312	HELIUM NET PRODUCTION (MU)	35.754		
FUEL GROSS PROD. (MU)	1185.695	FUEL NET PRODUCTION (MU)	.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	9537.230	30.0	1811.819
2.0	8337.874	35.0	1444.528
5.0	6873.496	40.0	1161.930
8.0	5718.235	45.0	941.667
10.0	5081.204	50.0	768.019
12.0	4530.238	60.0	518.628
15.0	3835.690	70.0	355.187
18.0	3267.972	80.0	245.059
20.0	2946.261	90.0	169.152
25.0	2296.282	100.0	115.853

HELIUM NET REVENUES (M$) 2145.240
FUEL NET REVENUES (M$) .000

$10.00 GAS PRICE SCENARIO

PROVED GAS RESERVE SUMMARY - STATESMAN RESOURCES, LTD.

August 1, 2010

GAS PRICE = $10.00/MCF	ULTIMATE RESERVE	CUMULATIVE PRODUCTION	REMAINING RESERVE	NET REM. RESERVE	FUTURE NET CASH FLOW	DISCOUNTED FNCF
PROVED, DEVELOPED PRODUCING	(MCF)	August 1, 2010	(MCF)	(MCF)		
Eberhardt #1-24	400,000	81,610	318,390	189,347	$ 1,157,384	$ 834,534
Scheuerman #1-36	67,000	8,913	58,087	34,544	$ 203,058	$ 177,333
PROV. DEV. PROD. TOTAL	467,000	90,523	376,477	223,891	$1,360,442	$1,011,867
PROVED, DEVELOPED NON-PRODUCING						
Stremel A#1	174,000	0	174,000	147,622	$845,858	$624,474
Brack #1-31	150,000	1,223	148,777	88,478	$501,323	$365,700
Stremel #1	198,000	0	198,000	167,983	$999,253	$733,710
PROV., D. N. P. TOTAL	522,000	1,223	520,777	404,082	$2,346,434	$1,723,884
PROVED, UNDEVELOPED :						
Statesman Acreage	369,000	0	369,000	313,060	$1,518,063	$938,116
Farm-In Acreage	2,950,000	0	2,950,000	1,748,760	$7,907,537	$4,475,228
PROVED, UND. TOTAL	3,319,000	0	3,319,000	2,061,820	$9,425,600	$5,413,344
TOTAL ALL PROVED RESERVES	4,308,000	91,746	4,216,254	2,689,793	13,132,476	8,149,095

PROBABLE GAS RESERVE SUMMARY - STATESMAN RESOURCES, LTD.

AUGUST , 2010

PROBABLE		ULTIMATE RESERVE (MCF)	CUMULATIVE PRODUCTION August 1, 2010	REMAINING RESERVE (MCF)	NET REM. RESERVE (MCF)	FUTURE NET CASH FLOW	DISCOUNTED FNCF
	Statesman Acreage	3,430,000	0	3,430,000	2,910,012	$ 17,613,718	$ 11,136,009
	Farm-In Acreage	4,825,000	0	4,825,000	2,860,260	$ 14,045,384	$ 7,714,490
PROBABLE TOTAL		8,255,000	0	8,255,000	5,770,272	31,659,102	18,850,499
TOTAL ALL PROVED + PROBABLE		**12,563,000**	**91,746**	**12,471,254**	**8,460,065**	**44,791,578**	**26,999,594**

PROVED + PROB. RESERVES
PRICE = $10.00/MCF
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 11:02:36
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPP10
.OUT: SRPP10

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	86.174	.000	60.030	.00	10.00	640.380	35.007	210.534	300.000	94.839	96.896
12-11	.000	722.848	.000	520.069	.00	10.00	5560.390	322.548	1585.045	3881.250	-228.453	-133.361
12-12	.000	1786.444	.000	1311.062	.00	10.00	14036.660	777.754	3641.573	2720.310	6897.023	5587.480
12-13	.000	1802.935	.000	1233.973	.00	10.00	13227.670	729.734	3516.500	2070.000	6911.436	10820.993
12-14	.000	1743.048	.000	1135.552	.00	10.00	12182.440	670.552	3306.683	2587.500	5617.705	14675.629
12-15	.000	1369.751	.000	887.503	.00	10.00	9521.770	524.278	2722.624	.000	6274.868	18602.898
12-16	.000	952.779	.000	625.116	.00	10.00	6704.700	369.925	2124.099	.000	4210.676	20998.667
12-17	.000	739.601	.000	488.827	.00	10.00	5241.730	289.577	1807.931	.000	3144.222	22625.018
12-18	.000	607.911	.000	403.745	.00	10.00	4328.690	239.343	1608.032	.000	2481.315	23791.801
12-19	.000	517.724	.000	345.039	.00	10.00	3699.150	204.649	1468.773	.000	2025.728	24657.759
12-20	.000	451.774	.000	301.869	.00	10.00	3235.950	179.100	1365.543	.000	1691.307	25315.031
12-21	.000	395.539	.000	265.256	.00	10.00	2843.420	157.451	1263.907	.000	1422.062	25817.432
12-22	.000	352.177	.000	235.909	.00	10.00	2528.830	140.093	1181.417	.000	1207.320	26205.339
12-23	.000	312.215	.000	207.970	.00	10.00	2229.520	123.589	1088.464	.000	1017.467	26502.414
12-24	.000	283.073	.000	188.989	.00	10.00	2026.150	112.349	1037.019	.000	876.782	26735.215
12-25	.000	193.109	.000	134.192	.00	10.00	1437.620	80.153	736.944	.000	620.523	26885.553
12-26	.000	134.075	.000	97.933	.00	10.00	1048.450	58.821	533.710	.000	455.919	26985.873
12-27	.000	11.569	.000	9.815	.00	10.00	104.630	7.193	54.441	.000	42.996	26994.626
12-28	.000	6.308	.000	5.352	.00	10.00	56.940	4.502	31.640	.000	20.798	26998.397
12-29	.000	2.200	.000	1.866	.00	10.00	19.860	1.570	11.245	.000	7.045	26999.594
S TOT	.000	12471.254	.000	8460.067	.00	10.00	90674.950	5028.188	29296.124	11559.060	44791.578	26999.594
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	26999.594
TOTAL	.000	12471.254	.000	8460.067	.00	10.00	90674.950	5028.188	29296.124	11559.060	44791.578	26999.594
CUM.	.000	91.746										
ULT.	.000	12563.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	84600.670				
TOTAL REVENUES (M$)	90674.950				
PROJECT LIFE (YEARS)	18.780				
DISCOUNT RATE (PCT)	10.000				
GROSS OIL WELLS	.000				
GROSS GAS WELLS	51.000				
GROSS WELLS	51.000				

BTAX RATE OF RETURN (PCT)	100.00
BTAX PAYOUT	10/12/2012
BTAX PAYOUT (DISC)	09/21/2012
BTAX NET INCOME/INVEST	4.88
BTAX NET INCOME/INVEST (DISC)	3.85

PRESENT WORTH PROFILE

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	44791.578	30.0	13166.232
2.0	40005.793	35.0	11418.137
5.0	34173.770	40.0	10003.487
8.0	29559.869	45.0	8840.929
10.0	26999.594	50.0	7872.801
12.0	24768.801	60.0	6363.335
15.0	21923.585	70.0	5252.023
18.0	19557.286	80.0	4408.628
20.0	18193.516	90.0	3752.589
25.0	15365.804	100.0	3231.758

ALL PROVED RESERVES
PRICE = $8.00/MCF
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 11:05:02
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRALL10
.OUT: SRPVD10

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	86.174	.000	60.030	.00	10.00	640.380	35.007	210.534	300.000	94.839	96.896
12-11	.000	525.195	.000	352.380	.00	10.00	3765.420	224.590	1195.125	2182.500	163.205	237.980
12-12	.000	798.075	.000	499.651	.00	10.00	5348.110	303.669	1733.181	363.750	2947.510	2682.336
12-13	.000	505.421	.000	319.202	.00	10.00	3415.880	194.804	1194.725	.000	2026.351	4216.902
12-14	.000	369.566	.000	234.558	.00	10.00	2509.860	143.443	922.061	.000	1444.356	5211.420
12-15	.000	296.964	.000	188.826	.00	10.00	2020.500	115.513	778.316	.000	1126.671	5916.573
12-16	.000	250.496	.000	159.378	.00	10.00	1705.500	97.473	686.751	.000	921.276	6440.756
12-17	.000	217.485	.000	138.392	.00	10.00	1480.760	84.593	621.515	.000	774.652	6841.446
12-18	.000	192.711	.000	122.611	.00	10.00	1311.850	74.905	572.443	.000	664.502	7153.913
12-19	.000	173.368	.000	110.273	.00	10.00	1180.010	67.336	534.093	.000	578.581	7401.245
12-20	.000	157.813	.000	100.343	.00	10.00	1073.630	61.234	503.208	.000	509.188	7599.125
12-21	.000	139.249	.000	88.737	.00	10.00	949.590	54.215	455.995	.000	439.380	7754.356
12-22	.000	125.107	.000	78.890	.00	10.00	844.280	48.262	415.943	.000	380.075	7876.575
12-23	.000	108.459	.000	66.583	.00	10.00	712.690	40.902	357.010	.000	314.778	7968.483
12-24	.000	98.352	.000	60.415	.00	10.00	646.870	37.157	333.447	.000	276.266	8041.889
12-25	.000	87.582	.000	53.874	.00	10.00	576.960	33.209	306.253	.000	237.498	8099.198
12-26	.000	69.027	.000	42.746	.00	10.00	457.700	26.582	248.611	.000	182.507	8139.541
12-27	.000	6.702	.000	5.686	.00	10.00	60.460	4.782	32.680	.000	22.998	8144.127
12-28	.000	6.308	.000	5.352	.00	10.00	56.940	4.502	31.640	.000	20.798	8147.898
12-29	.000	2.200	.000	1.866	.00	10.00	19.860	1.570	11.245	.000	7.045	8149.095
S TOT	.000	4216.254	.000	2689.793	.00	10.00	28777.250	1653.748	11144.776	2846.250	13132.476	8149.095
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	8149.095
TOTAL	.000	4216.254	.000	2689.793	.00	10.00	28777.250	1653.748	11144.776	2846.250	13132.476	8149.095
CUM.	.000	91.746										
ULT.	.000	4308.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	26897.930		
TOTAL REVENUES (M$)	28777.250		
PROJECT LIFE (YEARS)	18.780		
DISCOUNT RATE (PCT)	10.000		
GROSS OIL WELLS	.000		
GROSS GAS WELLS	17.000		
GROSS WELLS	17.000		

BTAX RATE OF RETURN (PCT)	100.00
BTAX PAYOUT	01/12/2012
BTAX PAYOUT (DISC)	01/11/2012
BTAX NET INCOME/INVEST	5.61
BTAX NET INCOME/INVEST (DISC)	4.13

--------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	13132.476	30.0	4301.188
2.0	11780.377	35.0	3804.141
5.0	10144.972	40.0	3396.998
8.0	8859.705	45.0	3058.048
10.0	8149.095	50.0	2771.982
12.0	7530.942	60.0	2317.066
15.0	6743.067	70.0	1973.093
18.0	6087.247	80.0	1705.316
20.0	5708.543	90.0	1491.968
25.0	4919.931	100.0	1318.738

ALL PROVED RESERVES
PRICE = $8.00/MCF
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 11:05:02
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRALL10
.OUT: SRPVD10

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(3)PROVED UNDEVELOPED (STATES)	.000	369.000	.000	313.060	3330.160	263.342	1248.755	300.000	1518.063	938.116
(4)PROVED UNDEVELOPED (FARMIN)	.000	2950.000	.000	1748.761	18746.650	1024.156	7268.707	2546.250	7907.537	4475.228
(13)STREMEL A #1	.000	174.000	.000	147.620	1571.120	85.989	639.273	.000	845.858	624.474
(14)EBERHARDT #1-24	.000	318.390	.000	189.347	2014.130	110.260	746.486	.000	1157.384	834.534
(15)SCHEUERMAN #1-36	.000	58.087	.000	34.544	369.800	20.180	146.562	.000	203.058	177.333
(16)BRACK #1-31	.000	148.777	.000	88.478	945.320	51.638	392.359	.000	501.323	365.700
(20)STREMEL #1	.000	198.000	.000	167.983	1800.070	98.183	702.634	.000	999.253	733.710
(-1) SUMMARY: ALL PROVED RESERVES	.000	4216.254	.000	2689.793	28777.250	1653.748	11144.776	2846.250	13132.476	8149.095

PROVED DEVEL. PRODUCING

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 11:05:49
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPDP
.OUT: SRPDP10

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	49.300	.000	29.318	.00	10.00	312.320	17.085	100.366	.000	194.869	191.038
12-11	.000	79.296	.000	47.158	.00	10.00	502.420	27.483	168.833	.000	306.104	471.533
12-12	.000	54.234	.000	32.253	.00	10.00	343.650	18.797	122.551	.000	202.302	640.057
12-13	.000	41.762	.000	24.836	.00	10.00	264.680	14.476	99.540	.000	150.664	754.155
12-14	.000	25.618	.000	15.235	.00	10.00	162.130	8.874	60.176	.000	93.080	818.374
12-15	.000	20.276	.000	12.058	.00	10.00	128.260	7.021	48.743	.000	72.496	863.747
12-16	.000	17.538	.000	10.430	.00	10.00	110.960	6.074	43.673	.000	61.213	898.576
12-17	.000	15.477	.000	9.204	.00	10.00	97.920	5.360	39.870	.000	52.690	925.830
12-18	.000	13.867	.000	8.247	.00	10.00	87.690	4.802	36.885	.000	46.003	947.462
12-19	.000	12.573	.000	7.477	.00	10.00	79.510	4.353	34.500	.000	40.657	964.842
12-20	.000	11.509	.000	6.844	.00	10.00	72.820	3.986	32.528	.000	36.306	978.951
12-21	.000	10.619	.000	6.315	.00	10.00	67.170	3.677	30.878	.000	32.615	990.474
12-22	.000	9.860	.000	5.864	.00	10.00	62.360	3.414	29.483	.000	29.463	999.937
12-23	.000	9.209	.000	5.477	.00	10.00	58.250	3.189	28.275	.000	26.786	1007.758
12-24	.000	5.339	.000	3.175	.00	10.00	33.790	1.849	16.747	.000	15.194	1011.867
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	376.477	.000	223.891	.00	10.00	2383.930	130.440	893.048	.000	1360.442	1011.867
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	1011.867
TOTAL	.000	376.477	.000	223.891	.00	10.00	2383.930	130.440	893.048	.000	1360.442	1011.867
CUM.	.000	90.523										
ULT.	.000	467.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	2238.910		
TOTAL REVENUES (M$)	2383.930		
PROJECT LIFE (YEARS)	14.027		
DISCOUNT RATE (PCT)	10.000		
GROSS OIL WELLS	.000		
GROSS GAS WELLS	2.000		
GROSS WELLS	2.000		

BTAX RATE OF RETURN (PCT)	100.00
BTAX PAYOUT	07/31/2010
BTAX PAYOUT (DISC)	07/31/2010
BTAX NET INCOME/INVEST	.00
BTAX NET INCOME/INVEST (DISC)	.00

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	1360.442	30.0	709.481
2.0	1269.073	35.0	666.421
5.0	1155.624	40.0	630.022
8.0	1063.808	45.0	598.773
10.0	1011.867	50.0	571.600
12.0	965.906	60.0	526.508
15.0	906.139	70.0	490.452
18.0	855.222	80.0	460.839
20.0	825.267	90.0	436.006
25.0	761.356	100.0	414.819

PROVED DEVEL. PRODUCING

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 11:05:49
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPDP
.OUT: SRPDP10

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(14)EBERHARDT #1-24	.000	318.390	.000	189.347	2014.130	110.260	746.486	.000	1157.384	834.534
(15)SCHEUERMAN #1-36	.000	58.087	.000	34.544	369.800	20.180	146.562	.000	203.058	177.333
(-1) SUMMARY: PROVED DEVEL. PRODUCING	.000	376.477	.000	223.891	2383.930	130.440	893.048	.000	1360.442	1011.867

EBERHARDT #1-24
STATESMAN RESOURCES, LTD.
RUSH COUNTY, KANSAS
PROVED, DEVEL. PRODUCING

DATE: 09/28/10
TIME: 11:05:49
FILE: STATESMA
PROP: 14
STID: BASE
.CMD: SRPDP
.OUT: SRPDP10

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	38.748	.000	23.043	.00	10.00	245.130	13.419	76.328	.000	155.383	152.328
12-11	.000	59.863	.000	35.601	.00	10.00	378.690	20.731	121.935	.000	236.024	368.606
12-12	.000	39.557	.000	23.525	.00	10.00	250.250	13.699	84.383	.000	152.168	495.367
12-13	.000	29.853	.000	17.754	.00	10.00	188.880	10.340	66.450	.000	112.090	580.253
12-14	.000	24.102	.000	14.333	.00	10.00	152.450	8.346	55.808	.000	88.296	641.041
12-15	.000	20.276	.000	12.058	.00	10.00	128.260	7.021	48.743	.000	72.496	686.414
12-16	.000	17.538	.000	10.430	.00	10.00	110.960	6.074	43.673	.000	61.213	721.243
12-17	.000	15.477	.000	9.204	.00	10.00	97.920	5.360	39.870	.000	52.690	748.497
12-18	.000	13.867	.000	8.247	.00	10.00	87.690	4.802	36.885	.000	46.003	770.129
12-19	.000	12.573	.000	7.477	.00	10.00	79.510	4.353	34.500	.000	40.657	787.509
12-20	.000	11.509	.000	6.844	.00	10.00	72.820	3.986	32.528	.000	36.306	801.618
12-21	.000	10.619	.000	6.315	.00	10.00	67.170	3.677	30.878	.000	32.615	813.141
12-22	.000	9.860	.000	5.864	.00	10.00	62.360	3.414	29.483	.000	29.463	822.604
12-23	.000	9.209	.000	5.477	.00	10.00	58.250	3.189	28.275	.000	26.786	830.425
12-24	.000	5.339	.000	3.175	.00	10.00	33.790	1.849	16.747	.000	15.194	834.534
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	318.390	.000	189.347	.00	10.00	2014.130	110.260	746.486	.000	1157.384	834.534
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	834.534
TOTAL	.000	318.390	.000	189.347	.00	10.00	2014.130	110.260	746.486	.000	1157.384	834.534
CUM.	.000	81.610										
ULT.	.000	400.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	1893.470				
TOTAL REVENUES (M$)	2014.130				
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	14.027		
BTAX PAYOUT	07/31/2010	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	07/31/2010	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS	1.000		
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS	1.000		
INITIAL W.I. FRACTION	.750000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	.750000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	8/01/10	INITIAL NET GAS FRACTION	.594700		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.594700		
HELIUM GROSS PROD. (MU)	3.383	HELIUM NET PRODUCTION (MU)	2.011		
FUEL GROSS PROD. (MU)	78.490	FUEL NET PRODUCTION (MU)	.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	1157.384	30.0	566.813
2.0	1071.790	35.0	530.142
5.0	966.371	40.0	499.485
8.0	881.910	45.0	473.422
10.0	834.534	50.0	450.953
12.0	792.891	60.0	414.066
15.0	739.181	70.0	384.921
18.0	693.864	80.0	361.204
20.0	667.413	90.0	341.457
25.0	611.542	100.0	324.704

HELIUM NET REVENUES (M$) 120.660
FUEL NET REVENUES (M$) .000

SCHEUERMAN #1-36
STATESMAN RESOURCES, LTD.
RUSH COUNTY, KANSAS
PROVED, DEVEL. PRODUCING

DATE: 09/28/10
TIME: 11:05:49
FILE: STATESMA
PROP: 15
STID: BASE
.CMD: SRPDP
.OUT: SRPDP10

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	10.552	.000	6.275	.00	10.00	67.190	3.666	24.038	.000	39.486	38.710
12-11	.000	19.433	.000	11.557	.00	10.00	123.730	6.752	46.898	.000	70.080	102.927
12-12	.000	14.677	.000	8.728	.00	10.00	93.400	5.098	38.168	.000	50.134	144.690
12-13	.000	11.909	.000	7.082	.00	10.00	75.800	4.136	33.090	.000	38.574	173.902
12-14	.000	1.516	.000	.902	.00	10.00	9.680	.528	4.368	.000	4.784	177.333
12-15												
12-16												
12-17												
12-18												
12-19												
12-20												
12-21												
12-22												
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	58.087	.000	34.544	.00	10.00	369.800	20.180	146.562	.000	203.058	177.333
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	177.333
TOTAL	.000	58.087	.000	34.544	.00	10.00	369.800	20.180	146.562	.000	203.058	177.333
CUM.	.000	8.913										
ULT.	.000	67.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	345.440				
TOTAL REVENUES (M$)	369.800				
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	3.558		
BTAX PAYOUT	07/31/2010	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	07/31/2010	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS	1.000		
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS	1.000		
INITIAL W.I. FRACTION	.750000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	.750000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	8/01/10	INITIAL NET GAS FRACTION	.594700		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.594700		
HELIUM GROSS PROD. (MU)	.683	HELIUM NET PRODUCTION (MU)	.406		
FUEL GROSS PROD. (MU)	14.205	FUEL NET PRODUCTION (MU)	.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	203.058	30.0	142.668
2.0	197.283	35.0	136.279
5.0	189.253	40.0	130.537
8.0	181.898	45.0	125.351
10.0	177.333	50.0	120.647
12.0	173.015	60.0	112.442
15.0	166.958	70.0	105.531
18.0	161.358	80.0	99.635
20.0	157.854	90.0	94.549
25.0	149.814	100.0	90.115

HELIUM NET REVENUES (M$) 24.360
FUEL NET REVENUES (M$) .000

ALL PROVED DEV. NON-PRODUCING

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 11:06:33
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPNP
.OUT: SRPNP10

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	36.874	.000	30.712	.00	10.00	328.060	17.922	110.168	.000	199.970	195.279
12-11	.000	98.502	.000	77.451	.00	10.00	827.250	45.194	282.058	.000	499.998	653.447
12-12	.000	83.789	.000	62.828	.00	10.00	671.180	36.666	236.580	.000	397.934	984.940
12-13	.000	60.803	.000	46.086	.00	10.00	492.240	26.893	184.530	.000	280.817	1197.604
12-14	.000	47.245	.000	36.129	.00	10.00	385.950	21.084	153.575	.000	211.291	1343.069
12-15	.000	38.917	.000	29.890	.00	10.00	319.300	17.443	134.185	.000	167.672	1448.011
12-16	.000	33.195	.000	25.557	.00	10.00	273.090	14.917	120.703	.000	137.470	1526.228
12-17	.000	28.991	.000	22.352	.00	10.00	238.760	13.044	110.740	.000	114.976	1585.700
12-18	.000	25.764	.000	19.881	.00	10.00	212.310	11.599	103.058	.000	97.653	1631.619
12-19	.000	23.202	.000	17.913	.00	10.00	191.430	10.456	96.938	.000	84.036	1667.543
12-20	.000	21.116	.000	16.308	.00	10.00	174.180	9.516	91.955	.000	72.709	1695.800
12-21	.000	13.622	.000	11.544	.00	10.00	123.360	6.738	65.999	.000	50.623	1713.687
12-22	.000	8.757	.000	7.430	.00	10.00	79.400	4.338	43.777	.000	31.285	1723.884
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	520.777	.000	404.081	.00	10.00	4316.510	235.810	1734.266	.000	2346.434	1723.884
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	1723.884
TOTAL	.000	520.777	.000	404.081	.00	10.00	4316.510	235.810	1734.266	.000	2346.434	1723.884
CUM.	.000	1.223										
ULT.	.000	522.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	4040.810				
TOTAL REVENUES (M$)	4316.510				
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	12.108		
BTAX PAYOUT	07/31/2010	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	07/31/2010	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS	3.000		
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS	3.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	2346.434	30.0	1151.399
2.0	2187.557	35.0	1068.893
5.0	1986.076	40.0	999.322
8.0	1819.496	45.0	939.848
10.0	1723.884	50.0	888.387
12.0	1638.474	60.0	803.697
15.0	1526.354	70.0	736.754
18.0	1429.997	80.0	682.393
20.0	1373.002	90.0	637.281
25.0	1250.858	100.0	599.178

ALL PROVED DEV. NON-PRODUCING

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 11:06:33
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPNP
.OUT: SRPNP10

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(13)STREMEL A #1	.000	174.000	.000	147.620	1571.120	85.989	639.273	.000	845.858	624.474
(16)BRACK #1-31	.000	148.777	.000	88.478	945.320	51.638	392.359	.000	501.323	365.700
(20)STREMEL #1	.000	198.000	.000	167.983	1800.070	98.183	702.634	.000	999.253	733.710
(-1) SUMMARY: ALL PROVED DEV. NON-PRODUCING	.000	520.777	.000	404.081	4316.510	235.810	1734.266	.000	2346.434	1723.884

STREMEL A #1
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS
PROVED, DEVELOPED NON-PRODUCING

DATE: 09/28/10
TIME: 11:06:33
FILE: STATESMA
PROP: 13
STID: BASE
.CMD: SRPNP
.OUT: SRPNP10

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	16.194	.000	13.739	.00	10.00	146.210	8.002	47.710	.000	90.498	88.367
12-11	.000	34.796	.000	29.521	.00	10.00	314.170	17.195	106.790	.000	190.185	262.641
12-12	.000	23.968	.000	20.334	.00	10.00	216.420	11.845	78.220	.000	126.355	367.899
12-13	.000	18.302	.000	15.527	.00	10.00	165.230	9.044	63.270	.000	92.916	438.265
12-14	.000	14.811	.000	12.566	.00	10.00	133.700	7.319	54.070	.000	72.311	488.048
12-15	.000	12.439	.000	10.553	.00	10.00	112.370	6.149	47.810	.000	58.411	524.606
12-16	.000	10.724	.000	9.098	.00	10.00	96.860	5.300	43.290	.000	48.270	552.070
12-17	.000	9.425	.000	7.996	.00	10.00	85.060	4.657	39.860	.000	40.543	573.041
12-18	.000	8.407	.000	7.132	.00	10.00	75.880	4.153	37.170	.000	34.557	589.291
12-19	.000	7.587	.000	6.437	.00	10.00	68.570	3.751	35.010	.000	29.809	602.034
12-20	.000	6.914	.000	5.866	.00	10.00	62.440	3.417	33.240	.000	25.783	612.054
12-21	.000	6.349	.000	5.386	.00	10.00	57.340	3.138	31.750	.000	22.452	619.986
12-22	.000	4.084	.000	3.465	.00	10.00	36.870	2.019	21.083	.000	13.768	624.474
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	174.000	.000	147.620	.00	10.00	1571.120	85.989	639.273	.000	845.858	624.474
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	624.474
TOTAL	.000	174.000	.000	147.620	.00	10.00	1571.120	85.989	639.273	.000	845.858	624.474
CUM.	.000	.000										
ULT.	.000	174.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	1476.200		
TOTAL REVENUES (M$)	1571.120		
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	12.104
BTAX PAYOUT	08/31/2010	DISCOUNT RATE (PCT)	10.000
BTAX PAYOUT (DISC)	08/31/2010	GROSS OIL WELLS	.000
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS	1.000
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS	1.000
INITIAL W.I. FRACTION	1.000000	INITIAL NET OIL FRACTION	.000000
FINAL W.I. FRACTION	1.000000	FINAL NET OIL FRACTION	.000000
PRODUCTION START DATE	9/01/10	INITIAL NET GAS FRACTION	.848400
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.848400
HELIUM GROSS PROD. (MU)	1.864	HELIUM NET PRODUCTION (MU)	1.582
FUEL GROSS PROD. (MU)	45.896	FUEL NET PRODUCTION (MU)	.000

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	845.858	30.0	423.736
2.0	789.066	35.0	394.981
5.0	717.327	40.0	370.747
8.0	658.265	45.0	350.031
10.0	624.474	50.0	332.098
12.0	594.354	60.0	302.550
15.0	554.913	70.0	279.133
18.0	521.103	80.0	260.061
20.0	501.139	90.0	244.181
25.0	458.436	100.0	230.723

HELIUM NET REVENUES (M$) 94.920
FUEL NET REVENUES (M$) .000

BRACK #1-31
STATESMAN RESOURCES, LTD.
RUSH COUNTY, KANSAS
PROVED, DEVELOPED NON-PRODUCING

DATE: 09/28/10
TIME: 11:06:33
FILE: STATESMA
PROP: 16
STID: BASE
.CMD: SRPNP
.OUT: SRPNP10

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	2.255	.000	1.341	.00	10.00	14.310	.783	8.858	.000	4.669	4.577
12-11	.000	24.116	.000	14.342	.00	10.00	153.200	8.369	55.838	.000	88.993	86.125
12-12	.000	32.551	.000	19.358	.00	10.00	206.840	11.298	71.430	.000	124.112	189.515
12-13	.000	21.676	.000	12.891	.00	10.00	137.730	7.524	51.330	.000	78.876	249.248
12-14	.000	15.583	.000	9.267	.00	10.00	99.030	5.409	40.065	.000	53.556	286.119
12-15	.000	12.325	.000	7.330	.00	10.00	78.280	4.277	34.035	.000	39.968	311.134
12-16	.000	10.269	.000	6.107	.00	10.00	65.270	3.565	30.233	.000	31.472	329.041
12-17	.000	8.843	.000	5.259	.00	10.00	56.190	3.069	27.600	.000	25.521	342.242
12-18	.000	7.792	.000	4.634	.00	10.00	49.460	2.703	25.658	.000	21.099	352.163
12-19	.000	6.982	.000	4.152	.00	10.00	44.400	2.424	24.158	.000	17.818	359.780
12-20	.000	6.336	.000	3.768	.00	10.00	40.260	2.199	22.965	.000	15.096	365.647
12-21	.000	.049	.000	.029	.00	10.00	.350	.018	.189	.000	.143	365.700
12-22												
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	148.777	.000	88.478	.00	10.00	945.320	51.638	392.359	.000	501.323	365.700
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	365.700
TOTAL	.000	148.777	.000	88.478	.00	10.00	945.320	51.638	392.359	.000	501.323	365.700
CUM.	.000	1.223										
ULT.	.000	150.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	884.780				
TOTAL REVENUES (M$)	945.320				
PROJECT LIFE (YEARS)	10.425				
DISCOUNT RATE (PCT)	10.000				
GROSS OIL WELLS	.000				
GROSS GAS WELLS	1.000				
GROSS WELLS	1.000				
INITIAL NET OIL FRACTION	.000000				
FINAL NET OIL FRACTION	.000000				
INITIAL NET GAS FRACTION	.594700				
FINAL NET GAS FRACTION	.594700				
HELIUM NET PRODUCTION (MU)	1.009				
FUEL NET PRODUCTION (MU)	.000				

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	501.323	30.0	232.625
2.0	467.538	35.0	212.838
5.0	423.907	40.0	196.079
8.0	387.121	45.0	181.718
10.0	365.700	50.0	169.284
12.0	346.369	60.0	148.846
15.0	320.710	70.0	132.772
18.0	298.398	80.0	119.815
20.0	285.091	90.0	109.157
25.0	256.309	100.0	100.243

HELIUM NET REVENUES (M$) 60.540
FUEL NET REVENUES (M$) .000

BTAX RATE OF RETURN (PCT)	100.00
BTAX PAYOUT	07/31/2010
BTAX PAYOUT (DISC)	07/31/2010
BTAX NET INCOME/INVEST	.00
BTAX NET INCOME/INVEST (DISC)	.00
INITIAL W.I. FRACTION	.750000
FINAL W.I. FRACTION	.750000
PRODUCTION START DATE	8/01/10
MONTHS IN FIRST LINE	5.00
HELIUM GROSS PROD. (MU)	1.695
FUEL GROSS PROD. (MU)	36.677

STREMEL #1
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS
PROVED, DEVELOPED NON-PRODUCING

DATE: 09/28/10
TIME: 11:06:33
FILE: STATESMA
PROP: 20
STID: BASE
.CMD: SRPNP
.OUT: SRPNP10

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	18.425	.000	15.632	.00	10.00	167.540	9.137	53.600	.000	104.803	102.335
12-11	.000	39.590	.000	33.588	.00	10.00	359.880	19.630	119.430	.000	220.820	304.681
12-12	.000	27.270	.000	23.136	.00	10.00	247.920	13.523	86.930	.000	147.467	427.526
12-13	.000	20.825	.000	17.668	.00	10.00	189.280	10.325	69.930	.000	109.025	510.091
12-14	.000	16.851	.000	14.296	.00	10.00	153.220	8.356	59.440	.000	85.424	568.902
12-15	.000	14.153	.000	12.007	.00	10.00	128.650	7.017	52.340	.000	69.293	612.271
12-16	.000	12.202	.000	10.352	.00	10.00	110.960	6.052	47.180	.000	57.728	645.117
12-17	.000	10.723	.000	9.097	.00	10.00	97.510	5.318	43.280	.000	48.912	670.417
12-18	.000	9.565	.000	8.115	.00	10.00	86.970	4.743	40.230	.000	41.997	690.165
12-19	.000	8.633	.000	7.324	.00	10.00	78.460	4.281	37.770	.000	36.409	705.729
12-20	.000	7.866	.000	6.674	.00	10.00	71.480	3.900	35.750	.000	31.830	718.099
12-21	.000	7.224	.000	6.129	.00	10.00	65.670	3.582	34.060	.000	28.028	728.001
12-22	.000	4.673	.000	3.965	.00	10.00	42.530	2.319	22.694	.000	17.517	733.710
12-23												
12-24												
12-25												
12-26												
12-27												
12-28												
12-29												
S TOT	.000	198.000	.000	167.983	.00	10.00	1800.070	98.183	702.634	.000	999.253	733.710
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	733.710
TOTAL	.000	198.000	.000	167.983	.00	10.00	1800.070	98.183	702.634	.000	999.253	733.710
CUM.	.000	.000										
ULT.	.000	198.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	1679.830				
TOTAL REVENUES (M$)	1800.070				
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	12.108		
BTAX PAYOUT	08/31/2010	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	08/31/2010	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	.00	GROSS GAS WELLS	1.000		
BTAX NET INCOME/INVEST (DISC)	.00	GROSS WELLS	1.000		
INITIAL W.I. FRACTION	1.000000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	1.000000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	9/01/10	INITIAL NET GAS FRACTION	.848400		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.848400		
HELIUM GROSS PROD. (MU)	2.360	HELIUM NET PRODUCTION (MU)	2.004		
FUEL GROSS PROD. (MU)	52.226	FUEL NET PRODUCTION (MU)	.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	999.253	30.0	495.038
2.0	930.953	35.0	461.074
5.0	844.842	40.0	432.496
8.0	774.110	45.0	408.099
10.0	733.710	50.0	387.005
12.0	697.751	60.0	352.301
15.0	650.731	70.0	324.849
18.0	610.496	80.0	302.517
20.0	586.772	90.0	283.943
25.0	536.113	100.0	268.212

HELIUM NET REVENUES (M$) 120.240
FUEL NET REVENUES (M$) .000

ALL PROVED UNDEVELOPED

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 11:07:00
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPUD
.OUT: SRPUD10

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	.00	.000	.000	.000	300.000	-300.000	-289.421
12-11	.000	347.397	.000	227.771	.00	10.00	2435.750	151.913	744.234	2182.500	-642.897	-887.000
12-12	.000	660.052	.000	404.570	.00	10.00	4333.280	248.206	1374.050	363.750	2347.274	1057.339
12-13	.000	402.856	.000	248.280	.00	10.00	2658.960	153.435	910.655	.000	1594.870	2265.143
12-14	.000	296.703	.000	183.194	.00	10.00	1961.780	113.485	708.310	.000	1139.985	3049.977
12-15	.000	237.771	.000	146.878	.00	10.00	1572.940	91.049	595.388	.000	886.503	3604.815
12-16	.000	199.763	.000	123.391	.00	10.00	1321.450	76.482	522.375	.000	722.593	4015.952
12-17	.000	173.017	.000	106.836	.00	10.00	1144.080	66.189	470.905	.000	606.986	4329.916
12-18	.000	153.080	.000	94.483	.00	10.00	1011.850	58.504	432.500	.000	520.846	4574.832
12-19	.000	137.593	.000	84.883	.00	10.00	909.070	52.527	402.655	.000	453.888	4768.860
12-20	.000	125.188	.000	77.191	.00	10.00	826.630	47.732	378.725	.000	400.173	4924.374
12-21	.000	115.008	.000	70.878	.00	10.00	759.060	43.800	359.118	.000	356.142	5050.195
12-22	.000	106.490	.000	65.596	.00	10.00	702.520	40.510	342.683	.000	319.327	5152.754
12-23	.000	99.250	.000	61.106	.00	10.00	654.440	37.713	328.735	.000	287.992	5236.841
12-24	.000	93.013	.000	57.240	.00	10.00	613.080	35.308	316.700	.000	261.072	5306.138
12-25	.000	87.582	.000	53.874	.00	10.00	576.960	33.209	306.253	.000	237.498	5363.447
12-26	.000	69.027	.000	42.746	.00	10.00	457.700	26.582	248.611	.000	182.507	5403.790
12-27	.000	6.702	.000	5.686	.00	10.00	60.460	4.782	32.680	.000	22.998	5408.376
12-28	.000	6.308	.000	5.352	.00	10.00	56.940	4.502	31.640	.000	20.798	5412.147
12-29	.000	2.200	.000	1.866	.00	10.00	19.860	1.570	11.245	.000	7.045	5413.344
S TOT	.000	3319.000	.000	2061.821	.00	10.00	22076.810	1287.498	8517.462	2846.250	9425.600	5413.344
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	5413.344
TOTAL	.000	3319.000	.000	2061.821	.00	10.00	22076.810	1287.498	8517.462	2846.250	9425.600	5413.344
CUM.	.000	.000										
ULT.	.000	3319.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	20618.210		
TOTAL REVENUES (M$)	22076.810		
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	18.780
BTAX PAYOUT	06/24/2012	DISCOUNT RATE (PCT)	10.000
BTAX PAYOUT (DISC)	07/12/2012	GROSS OIL WELLS	.000
BTAX NET INCOME/INVEST	4.31	GROSS GAS WELLS	12.000
BTAX NET INCOME/INVEST (DISC)	3.08	GROSS WELLS	12.000

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	9425.600	30.0	2440.308
2.0	8323.747	35.0	2068.827
5.0	7003.272	40.0	1767.654
8.0	5976.401	45.0	1519.427
10.0	5413.344	50.0	1311.995
12.0	4926.562	60.0	986.861
15.0	4310.574	70.0	745.887
18.0	3802.028	80.0	562.084
20.0	3510.274	90.0	418.681
25.0	2907.717	100.0	304.741

ALL PROVED UNDEVELOPED

STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 11:07:00
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPUD
.OUT: SRPUD10

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(3)PROVED UNDEVELOPED (STATES)	.000	369.000	.000	313.060	3330.160	263.342	1248.755	300.000	1518.063	938.116
(4)PROVED UNDEVELOPED (FARMIN)	.000	2950.000	.000	1748.761	18746.650	1024.156	7268.707	2546.250	7907.537	4475.228
(-1) SUMMARY: ALL PROVED UNDEVELOPED	.000	3319.000	.000	2061.821	22076.810	1287.498	8517.462	2846.250	9425.600	5413.344

PROVED UNDEVELOPED (STATES)
STATESMAN ACREAGE
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS

DATE: 09/28/10
TIME: 11:07:00
FILE: STATESMA
PROP: 3
STID: BASE
.CMD: SRPUD
.OUT: SRPUD10

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	10.00	.000	.000	.000	300.000	-300.000	-289.421
12-11	.000	85.422	.000	72.472	.00	10.00	770.920	60.962	240.320	.000	469.638	140.927
12-12	.000	51.999	.000	44.116	.00	10.00	469.240	37.108	152.150	.000	279.982	374.162
12-13	.000	37.039	.000	31.424	.00	10.00	334.280	26.434	112.700	.000	195.146	521.947
12-14	.000	28.595	.000	24.260	.00	10.00	258.020	20.406	90.430	.000	147.184	623.277
12-15	.000	23.192	.000	19.676	.00	10.00	209.360	16.554	76.170	.000	116.636	696.276
12-16	.000	19.450	.000	16.501	.00	10.00	175.570	13.882	66.300	.000	95.388	750.549
12-17	.000	16.710	.000	14.177	.00	10.00	150.770	11.924	59.080	.000	79.766	791.808
12-18	.000	14.622	.000	12.405	.00	10.00	131.970	10.435	53.570	.000	67.965	823.767
12-19	.000	12.980	.000	11.012	.00	10.00	117.140	9.263	49.240	.000	58.637	848.833
12-20	.000	11.656	.000	9.889	.00	10.00	105.190	8.318	45.740	.000	51.132	868.704
12-21	.000	10.568	.000	8.966	.00	10.00	95.360	7.541	42.880	.000	44.939	884.580
12-22	.000	9.657	.000	8.193	.00	10.00	87.150	6.892	40.470	.000	39.788	897.359
12-23	.000	8.885	.000	7.538	.00	10.00	80.180	6.341	38.440	.000	35.399	907.695
12-24	.000	8.222	.000	6.976	.00	10.00	74.260	5.871	36.680	.000	31.709	916.112
12-25	.000	7.648	.000	6.489	.00	10.00	69.030	5.459	35.180	.000	28.391	922.963
12-26	.000	7.145	.000	6.062	.00	10.00	64.460	5.098	33.840	.000	25.522	928.562
12-27	.000	6.702	.000	5.686	.00	10.00	60.460	4.782	32.680	.000	22.998	933.148
12-28	.000	6.308	.000	5.352	.00	10.00	56.940	4.502	31.640	.000	20.798	936.919
12-29	.000	2.200	.000	1.866	.00	10.00	19.860	1.570	11.245	.000	7.045	938.116
S TOT	.000	369.000	.000	313.060	.00	10.00	3330.160	263.342	1248.755	300.000	1518.063	938.116
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	938.116
TOTAL	.000	369.000	.000	313.060	.00	10.00	3330.160	263.342	1248.755	300.000	1518.063	938.116
CUM.	.000	.000										
ULT.	.000	369.000										

		NET OIL REVENUES (M$)	.000		
		NET GAS REVENUES (M$)	3130.600		
		TOTAL REVENUES (M$)	3330.160		
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	18.780		
BTAX PAYOUT	08/21/2011	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	09/03/2011	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	6.06	GROSS GAS WELLS	1.000		
BTAX NET INCOME/INVEST (DISC)	4.24	GROSS WELLS	1.000		
INITIAL W.I. FRACTION	1.000000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	1.000000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	1/01/11	INITIAL NET GAS FRACTION	.848400		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.848400		
HELIUM GROSS PROD. (MU)	3.921	HELIUM NET PRODUCTION (MU)	3.326		
FUEL GROSS PROD. (MU)	97.331	FUEL NET PRODUCTION (MU)	.000		

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	1518.063	30.0	501.325
2.0	1357.615	35.0	443.662
5.0	1166.803	40.0	395.811
8.0	1019.088	45.0	355.424
10.0	938.116	50.0	320.856
12.0	867.988	60.0	264.745
15.0	778.874	70.0	221.126
18.0	704.751	80.0	186.255
20.0	661.897	90.0	157.761
25.0	572.283	100.0	134.062

HELIUM NET REVENUES (M$) 199.560
FUEL NET REVENUES (M$) .000

PROVED UNDEVELOPED (FARMIN)
FARMIN ACREAGE
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS

DATE: 09/28/10
TIME: 11:07:00
FILE: STATESMA
PROP: 4
STID: BASE
.CMD: SRPUD
.OUT: SRPUD10

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	10.00	.000	.000	.000	.000	.000	.000
12-11	.000	261.975	.000	155.299	.00	10.00	1664.830	90.951	503.914	2182.500	-1112.535	-1027.927
12-12	.000	608.053	.000	360.454	.00	10.00	3864.040	211.098	1221.900	363.750	2067.292	683.177
12-13	.000	365.817	.000	216.856	.00	10.00	2324.680	127.001	797.955	.000	1399.724	1743.196
12-14	.000	268.108	.000	158.934	.00	10.00	1703.760	93.079	617.880	.000	992.801	2426.700
12-15	.000	214.579	.000	127.202	.00	10.00	1363.580	74.495	519.218	.000	769.867	2908.539
12-16	.000	180.313	.000	106.890	.00	10.00	1145.880	62.600	456.075	.000	627.205	3265.403
12-17	.000	156.307	.000	92.659	.00	10.00	993.310	54.265	411.825	.000	527.220	3538.108
12-18	.000	138.458	.000	82.078	.00	10.00	879.880	48.069	378.930	.000	452.881	3751.065
12-19	.000	124.613	.000	73.871	.00	10.00	791.930	43.264	353.415	.000	395.251	3920.027
12-20	.000	113.532	.000	67.302	.00	10.00	721.440	39.414	332.985	.000	349.041	4055.670
12-21	.000	104.440	.000	61.912	.00	10.00	663.700	36.259	316.238	.000	311.203	4165.615
12-22	.000	96.833	.000	57.403	.00	10.00	615.370	33.618	302.213	.000	279.539	4255.395
12-23	.000	90.365	.000	53.568	.00	10.00	574.260	31.372	290.295	.000	252.593	4329.146
12-24	.000	84.791	.000	50.264	.00	10.00	538.820	29.437	280.020	.000	229.363	4390.026
12-25	.000	79.934	.000	47.385	.00	10.00	507.930	27.750	271.073	.000	209.107	4440.484
12-26	.000	61.882	.000	36.684	.00	10.00	393.240	21.484	214.771	.000	156.985	4475.228
12-27												
12-28												
12-29												
S TOT	.000	2950.000	.000	1748.761	.00	10.00	18746.650	1024.156	7268.707	2546.250	7907.537	4475.228
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	4475.228
TOTAL	.000	2950.000	.000	1748.761	.00	10.00	18746.650	1024.156	7268.707	2546.250	7907.537	4475.228
CUM.	.000	.000										
ULT.	.000	2950.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	17487.610		
TOTAL REVENUES (M$)	18746.650		
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	16.231
BTAX PAYOUT	08/09/2012	DISCOUNT RATE (PCT)	10.000
BTAX PAYOUT (DISC)	08/30/2012	GROSS OIL WELLS	.000
BTAX NET INCOME/INVEST	4.11	GROSS GAS WELLS	11.000
BTAX NET INCOME/INVEST (DISC)	2.93	GROSS WELLS	11.000
INITIAL W.I. FRACTION	.750000	INITIAL NET OIL FRACTION	.000000
FINAL W.I. FRACTION	.750000	FINAL NET OIL FRACTION	.000000
PRODUCTION START DATE	3/01/11	INITIAL NET GAS FRACTION	.592800
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.592800
HELIUM GROSS PROD. (MU)	35.400	HELIUM NET PRODUCTION (MU)	20.984
FUEL GROSS PROD. (MU)	724.918	FUEL NET PRODUCTION (MU)	.000

PRESENT WORTH PROFILE

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	7907.537	30.0	1938.983
2.0	6966.132	35.0	1625.165
5.0	5836.469	40.0	1371.843
8.0	4957.313	45.0	1164.003
10.0	4475.228	50.0	991.139
12.0	4058.574	60.0	722.116
15.0	3531.700	70.0	524.761
18.0	3097.277	80.0	375.829
20.0	2848.377	90.0	260.920
25.0	2335.434	100.0	170.679

HELIUM NET REVENUES (M$) 1259.040
FUEL NET REVENUES (M$) .000

ALL PROBABLE
GAS PRICE = $10.00
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 11:07:59
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPRB10
.OUT: SRPRB10

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	.000
12-11	.000	197.653	.000	167.689	.00	10.00	1794.970	97.958	389.920	1698.750	-391.658	-371.341
12-12	.000	988.369	.000	811.411	.00	10.00	8688.550	474.085	1908.392	2356.560	3949.513	2905.144
12-13	.000	1297.514	.000	914.771	.00	10.00	9811.790	534.930	2321.775	2070.000	4885.085	6604.091
12-14	.000	1373.482	.000	900.994	.00	10.00	9672.580	527.109	2384.622	2587.500	4173.349	9464.209
12-15	.000	1072.787	.000	698.677	.00	10.00	7501.270	408.765	1944.308	.000	5148.197	12686.325
12-16	.000	702.283	.000	465.738	.00	10.00	4999.200	272.452	1437.348	.000	3289.400	14557.911
12-17	.000	522.116	.000	350.435	.00	10.00	3760.970	204.984	1186.416	.000	2369.570	15783.572
12-18	.000	415.200	.000	281.134	.00	10.00	3016.840	164.438	1035.589	.000	1816.813	16637.888
12-19	.000	344.356	.000	234.766	.00	10.00	2519.140	137.313	934.680	.000	1447.147	17256.514
12-20	.000	293.961	.000	201.526	.00	10.00	2162.320	117.866	862.335	.000	1182.119	17715.906
12-21	.000	256.290	.000	176.519	.00	10.00	1893.830	103.236	807.912	.000	982.682	18063.076
12-22	.000	227.070	.000	157.019	.00	10.00	1684.550	91.831	765.474	.000	827.245	18328.764
12-23	.000	203.756	.000	141.387	.00	10.00	1516.830	82.687	731.454	.000	702.689	18533.931
12-24	.000	184.721	.000	128.574	.00	10.00	1379.280	75.192	703.572	.000	600.516	18693.326
12-25	.000	105.527	.000	80.318	.00	10.00	860.660	46.944	430.691	.000	383.025	18786.355
12-26	.000	65.048	.000	55.187	.00	10.00	590.750	32.239	285.099	.000	273.412	18846.332
12-27	.000	4.867	.000	4.129	.00	10.00	44.170	2.411	21.761	.000	19.998	18850.499
12-28												
12-29												
S TOT	.000	8255.000	.000	5770.274	.00	10.00	61897.700	3374.440	18151.348	8712.810	31659.102	18850.499
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	18850.499
TOTAL	.000	8255.000	.000	5770.274	.00	10.00	61897.700	3374.440	18151.348	8712.810	31659.102	18850.499
CUM.	.000	.000										
ULT.	.000	8255.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	57702.740		
TOTAL REVENUES (M$)	61897.700		
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	16.494
BTAX PAYOUT	02/28/2013	DISCOUNT RATE (PCT)	10.000
BTAX PAYOUT (DISC)	01/31/2013	GROSS OIL WELLS	.000
BTAX NET INCOME/INVEST	4.63	GROSS GAS WELLS	34.000
BTAX NET INCOME/INVEST (DISC)	3.74	GROSS WELLS	34.000

--------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	31659.102	30.0	8865.044
2.0	28225.416	35.0	7613.996
5.0	24028.798	40.0	6606.489
8.0	20700.164	45.0	5782.881
10.0	18850.499	50.0	5100.819
12.0	17237.859	60.0	4046.269
15.0	15180.518	70.0	3278.930
18.0	13470.039	80.0	2703.312
20.0	12484.973	90.0	2260.621
25.0	10445.873	100.0	1913.020

ALL PROBABLE
GAS PRICE = $10.00
STATESMAN RESOURCES LTD.
REICHEL FIELD

DATE: 09/28/10
TIME: 11:07:59
FILE: STATESMA
PROP: -1
STID: BASE
.CMD: SRPRB10
.OUT: SRPRB10

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

LEASE	---GROSS PRODUCTION---- OIL, MBBL	GAS, MMCF	----NET PRODUCTION----- OIL, MBBL	GAS, MMCF	---------OPERATIONS, M$---------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
***** FILE: STATESMA										
(7)PROBABLE (STATESMAN)10	.000	3430.000	.000	2910.013	31149.850	1699.957	8815.865	3020.310	17613.718	11136.009
(10)PROBABLE (FARMIN)10	.000	4825.000	.000	2860.261	30747.850	1674.483	9335.483	5692.500	14045.384	7714.490
(-1) SUMMARY: ALL PROBABLE	.000	8255.000	.000	5770.274	61897.700	3374.440	18151.348	8712.810	31659.102	18850.499

PROBABLE (STATESMAN)10
STATESMAN ACREAGE
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS

DATE: 09/28/10
TIME: 11:07:59
FILE: STATESMA
PROP: 7
STID: BASE
.CMD: SRPRB10
.OUT: SRPRB10

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	10.00	.000	.000	.000	.000	.000	.000
12-11	.000	197.653	.000	167.689	.00	10.00	1794.970	97.958	389.920	1698.750	-391.658	-371.341
12-12	.000	882.261	.000	748.510	.00	10.00	8012.380	437.262	1763.998	1321.560	4489.560	3347.674
12-13	.000	569.657	.000	483.297	.00	10.00	5173.410	282.331	1216.806	.000	3674.273	6130.223
12-14	.000	339.569	.000	288.090	.00	10.00	3083.880	168.297	791.983	.000	2123.600	7592.236
12-15	.000	245.420	.000	208.214	.00	10.00	2228.780	121.633	618.138	.000	1489.009	8524.166
12-16	.000	193.365	.000	164.051	.00	10.00	1756.070	95.835	522.028	.000	1138.207	9171.777
12-17	.000	160.113	.000	135.840	.00	10.00	1454.100	79.355	460.631	.000	914.114	9644.603
12-18	.000	136.946	.000	116.185	.00	10.00	1243.630	67.871	417.854	.000	757.905	10000.991
12-19	.000	119.843	.000	101.675	.00	10.00	1088.390	59.397	386.277	.000	642.716	10275.739
12-20	.000	106.672	.000	90.501	.00	10.00	968.790	52.869	361.959	.000	553.962	10491.018
12-21	.000	96.207	.000	81.622	.00	10.00	873.700	47.681	342.632	.000	483.387	10661.793
12-22	.000	87.681	.000	74.389	.00	10.00	796.270	43.456	326.896	.000	425.918	10798.586
12-23	.000	80.598	.000	68.379	.00	10.00	731.970	39.946	313.813	.000	378.211	10909.014
12-24	.000	74.612	.000	63.301	.00	10.00	677.590	36.979	302.767	.000	337.844	10998.688
12-25	.000	69.488	.000	58.954	.00	10.00	631.000	34.437	293.303	.000	303.260	11071.865
12-26	.000	65.048	.000	55.187	.00	10.00	590.750	32.239	285.099	.000	273.412	11131.842
12-27	.000	4.867	.000	4.129	.00	10.00	44.170	2.411	21.761	.000	19.998	11136.009
12-28												
12-29												
S TOT	.000	3430.000	.000	2910.013	.00	10.00	31149.850	1699.957	8815.865	3020.310	17613.718	11136.009
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	11136.009
TOTAL	.000	3430.000	.000	2910.013	.00	10.00	31149.850	1699.957	8815.865	3020.310	17613.718	11136.009
CUM.	.000	.000										
ULT.	.000	3430.000										

NET OIL REVENUES (M$)	.000				
NET GAS REVENUES (M$)	29100.130				
TOTAL REVENUES (M$)	31149.850				

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	17613.718	30.0	5880.314
2.0	15880.082	35.0	5176.447
5.0	13761.935	40.0	4595.163
8.0	12076.953	45.0	4108.123
10.0	11136.009	50.0	3695.060
12.0	10311.255	60.0	3035.069
15.0	9250.555	70.0	2534.476
18.0	8358.578	80.0	2144.722
20.0	7839.372	90.0	1834.849
25.0	6747.614	100.0	1584.207

BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	16.494		
BTAX PAYOUT	04/17/2012	DISCOUNT RATE (PCT)	10.000		
BTAX PAYOUT (DISC)	04/22/2012	GROSS OIL WELLS	.000		
BTAX NET INCOME/INVEST	6.83	GROSS GAS WELLS	11.000		
BTAX NET INCOME/INVEST (DISC)	5.18	GROSS WELLS	11.000		
INITIAL W.I. FRACTION	1.000000	INITIAL NET OIL FRACTION	.000000		
FINAL W.I. FRACTION	1.000000	FINAL NET OIL FRACTION	.000000		
PRODUCTION START DATE	7/01/11	INITIAL NET GAS FRACTION	.848400		
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.848400		
HELIUM GROSS PROD. (MU)	40.268	HELIUM NET PRODUCTION (MU)	34.162	HELIUM NET REVENUES (M$)	2049.720
FUEL GROSS PROD. (MU)	904.731	FUEL NET PRODUCTION (MU)	.000	FUEL NET REVENUES (M$)	.000

PROBABLE (FARMIN)10
FARMIN ACREAGE
STATESMAN RESOURCES LTD.
RUSH COUNTY, KANSAS

DATE: 09/28/10
TIME: 11:07:59
FILE: STATESMA
PROP: 10
STID: BASE
.CMD: SRPRB10
.OUT: SRPRB10

R E S E R V E S A N D E C O N O M I C S

STATESMAN RESOURCES LTD

AS OF AUGUST 1, 2010

-END- MO-YR	---GROSS PRODUCTION--- OIL, MBBL	GAS, MMCF	----NET PRODUCTION---- OIL, MBBL	GAS, MMCF	--PRICES--- OIL $/B	GAS $/M	--------OPERATIONS, M$-------- NET OPER REVENUES	SEV+ADV TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	10.00 PCT CUM. DISC BTAX, M$
12-10	.000	.000	.000	.000	.00	10.00	.000	.000	.000	.000	.000	.000
12-11	.000	.000	.000	.000	.00	10.00	.000	.000	.000	.000	.000	.000
12-12	.000	106.108	.000	62.901	.00	10.00	676.170	36.823	144.394	1035.000	-540.047	-442.530
12-13	.000	727.857	.000	431.474	.00	10.00	4638.380	252.599	1104.969	2070.000	1210.812	473.868
12-14	.000	1033.913	.000	612.904	.00	10.00	6588.700	358.812	1592.639	2587.500	2049.749	1871.973
12-15	.000	827.367	.000	490.463	.00	10.00	5272.490	287.132	1326.170	.000	3659.188	4162.159
12-16	.000	508.918	.000	301.687	.00	10.00	3243.130	176.617	915.320	.000	2151.193	5386.134
12-17	.000	362.003	.000	214.595	.00	10.00	2306.870	125.629	725.785	.000	1455.456	6138.969
12-18	.000	278.254	.000	164.949	.00	10.00	1773.210	96.567	617.735	.000	1058.908	6636.897
12-19	.000	224.513	.000	133.091	.00	10.00	1430.750	77.916	548.403	.000	804.431	6980.775
12-20	.000	187.289	.000	111.025	.00	10.00	1193.530	64.997	500.376	.000	628.157	7224.888
12-21	.000	160.083	.000	94.897	.00	10.00	1020.130	55.555	465.280	.000	499.295	7401.283
12-22	.000	139.389	.000	82.630	.00	10.00	888.280	48.375	438.578	.000	401.327	7530.178
12-23	.000	123.158	.000	73.008	.00	10.00	784.860	42.741	417.641	.000	324.478	7624.917
12-24	.000	110.109	.000	65.273	.00	10.00	701.690	38.213	400.805	.000	262.672	7694.638
12-25	.000	36.039	.000	21.364	.00	10.00	229.660	12.507	137.388	.000	79.765	7714.490
12-26												
12-27												
12-28												
12-29												
S TOT	.000	4825.000	.000	2860.261	.00	10.00	30747.850	1674.483	9335.483	5692.500	14045.384	7714.490
REM.	.000	.000	.000	.000	.00	.00	.000	.000	.000	.000	.000	7714.490
TOTAL	.000	4825.000	.000	2860.261	.00	10.00	30747.850	1674.483	9335.483	5692.500	14045.384	7714.490
CUM.	.000	.000										
ULT.	.000	4825.000										

NET OIL REVENUES (M$)	.000		
NET GAS REVENUES (M$)	28602.610		
TOTAL REVENUES (M$)	30747.850		
BTAX RATE OF RETURN (PCT)	100.00	PROJECT LIFE (YEARS)	14.768
BTAX PAYOUT	05/30/2014	DISCOUNT RATE (PCT)	10.000
BTAX PAYOUT (DISC)	05/30/2014	GROSS OIL WELLS	.000
BTAX NET INCOME/INVEST	3.47	GROSS GAS WELLS	23.000
BTAX NET INCOME/INVEST (DISC)	2.83	GROSS WELLS	23.000
INITIAL W.I. FRACTION	.750000	INITIAL NET OIL FRACTION	.000000
FINAL W.I. FRACTION	.750000	FINAL NET OIL FRACTION	.000000
PRODUCTION START DATE	9/01/12	INITIAL NET GAS FRACTION	.592800
MONTHS IN FIRST LINE	5.00	FINAL NET GAS FRACTION	.592800
HELIUM GROSS PROD. (MU)	60.312	HELIUM NET PRODUCTION (MU)	35.754
FUEL GROSS PROD. (MU)	1185.695	FUEL NET PRODUCTION (MU)	.000

---------PRESENT WORTH PROFILE---------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	14045.384	30.0	2984.730
2.0	12345.334	35.0	2437.549
5.0	10266.863	40.0	2011.326
8.0	8623.211	45.0	1674.758
10.0	7714.490	50.0	1405.759
12.0	6926.604	60.0	1011.200
15.0	5929.963	70.0	744.454
18.0	5111.461	80.0	558.590
20.0	4645.601	90.0	425.772
25.0	3698.259	100.0	328.813

HELIUM NET REVENUES (M$) 2145.240
FUEL NET REVENUES (M$) .000