LIFE SCIENCES INSTITUTE INC.
STATEMENT OF RESERVES DATA
AND OTHER OIL AND GAS INFORMATION
(Form 51-101F1)

Date of Statement

This statement of reserves data and other oil and gas information is dated December 31, 2010.

The effective date of the report from Chapman Petroleum Engineering Ltd. is December 31, 2009.

The preparation date is May 2, 2011.

Disclosure of Reserves Data

In accordance with the requirements of NI 51-101, the following Statement of Reserves Data and Other Oil and Gas Information is being submitted, for an effective date of December 31, 2010.

As at the effective date, Life Sciences Institute Inc. (the "**Company**") had no interests in any oil and gas properties to which reserves have been attributed. The Company holds a 100 percent working interest in Crown Leases in 6,400 acres of land which is prospective for oil and gas resources.

Other Oil and Gas Information

Properties with No Attributed Reserves

The Company holds a 100 percent working interest in Saskatchewan Crown Leases covering an area of 6,400 acres in the Wood Mountain area of South Central Saskatchewan. These lands are prospective for light and medium oil in the Madison Group and the Bakken Sand as described below.

These Prospective Resources have been evaluated by Chapman Petroleum Engineering Ltd. in a report entitled “Evaluation of Prospective Resources, Wood Mountain Area, Saskatchewan, Owned By Life Sciences Institute Inc., January 1, 2010 (December 31, 2009)”, dated September 16, 2010.

Prospective resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be subclassified based on project maturity.

There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

The estimated after risk values reported do not necessarily represent the fair market value of the Company’s resources. There is no assurance that the forecast price and cost assumptions contained in the Chapman Report will be attained and variances could be material. Other assumptions and qualifications relating to costs and other matters are included in the Chapman Report. The recovery and resource estimates on the Company’s properties described herein are estimates only. The actual resources on the Company’s properties may be greater or less than those calculated.

<u>Madison Group</u>

The Madison Group contains two separate prospective anomalies which are summarized below:

Prospect Synopsis – South Anomaly

This Prospect Synopsis contains the information required to be disclosed under NI 51-101, Sec. 5.9. More details regarding the prospects are presented in the Supporting Material section which follows.

(a) The Company holds a 100 percent working interest in ten sections of land (6400 acres),

(b) The subject exploration lands are located in south central Saskatchewan within the Williston Basin,

(c) The expected products from successful wells are light and medium oil,

(d) The risks associated with recovery of these resources are the uncertainty in reservoir quality and the presence of sealing traps. We have assigned a probability of success of 10% to this prospect, and

(e) The economic and risk analysis, justifying the participation in this project is presented in the Discussion of the report and a summary of the "after risk" values is presented below:

Company Net Value, Thousands of Dollars

Undiscounted	14,509
Discounted @ 5%/year	8,651
Discounted @ 10%/year	5,490
Discounted @ 15%/year	3,608
Discounted @ 20%/year	2,397

This report was prepared by a "Qualified Reserves Evaluator and Auditor", who is independent of the Company.

Prospect Synopsis – North Anomaly

This Prospect Synopsis contains the information required to be disclosed under NI 51-101, Sec. 5.9. More details regarding the prospects are presented in the Supporting Material section which follows:

(a) The Company holds a 100 percent working interest in ten sections of land (6400 acres),

(b) The subject exploration lands are located in south central Saskatchewan within the Williston Basin,

(c) The expected products from successful wells are light and medium oil,

(d) The risks associated with recovery of these resources are the uncertainty in reservoir quality and the presence of sealing traps. We have assigned a probability of success of 10% to this prospect, and

(e) The economic and risk analysis, justifying the participation in this project is presented in the Discussion of the report and a summary of the "after risk" values is presented below:

Company Net Value, Thousands of Dollars

Undiscounted	5,269
Discounted @ 5%/year	2,775
Discounted @ 10%/year	1,446
Discounted @ 15%/year	660
Discounted @ 20%/year	156

This report was prepared by a "Qualified Reserves Evaluator and Auditor", who is independent of the Company.

Supporting Material – Madison Group, North & South Anomalies

The Madison Group is a carbonate-evaporite unit of Mississippian Age that contains the most productive zones of the Williston Basin. The Madison Group contains a large number of porous carbonate cycles that represent an advance of the Mississippian seas that was succeeded by a longer non-porous evaporitic cycle as the seas retreated. Most hydrocarbon accumulations in the Madison Group are found in updip stratigraphic traps at the interface between the porous carbonate rocks and the impermeable evapoites. Local structural highs can indicate a thickened section of the Madison Group.

The Company has an interpreted 2D seismic program in the area which shows two significant structural closures on Company lands on the 2WS to Mississippian isochron. A 3D/3C seismic survey planned over the entire acreage is intended to help clarify zones of tectonic fracturing and porosity. However, the primary exploratory well on each of the structures is not contingent on the results of the 3D/3C seismic program.

For the Mississippian Madison oil play on the north anomaly, a resource potential of 281 MSTB per well was determined based on analogy to a developed Madison pools at Hummingbird. Volumetric calculations provided a resource calculation of 277.7 MSTB per well. The north anomaly has an area of 575 acres. For the Best Estimate Case we anticipate that three wells will be successful with gross prospective resources of 833 MSTB, one successful well in the Low Estimate Case with gross prospective resources of 278 MSTB and seven successful wells in the High Estimate Case with gross prospective resources of 1944 MSTB. With an assumed 80 acre spacing, the high case would have an areal extent of 560 acres, just smaller then the size of the north seismic anomaly.

For the Mississippian Madison oil play on the south anomaly, a resource potential of 281 MSTB per well was determined based on analogy to a developed Madison pools at Hummingbird. Volumetric calculations provided a resource calculation of 277.7 MSTB per well. The south anomaly would be the first structural feature to be drilled and has an area of 1500 acres. For the Best Estimate Case we anticipate that six wells will be successful with gross prospective resources of 1,666 MSTB, two successful wells in the Low Estimate Case with gross prospective resources of 555 MSTB and eighteen successful wells in the High Estimate Case with gross prospective resources of 4999 MSTB. With an assumed 80 acre spacing, the high case would have an areal extent of 1440 acres, just smaller then the size of the south seismic anomaly.

Bakken Sand

Prospect Synopsis – Bakken Formation

This Prospect Synopsis contains the information required to be disclosed under NI 51-101, Sec. 5.9. More details regarding the prospects are presented in the Supporting Material section which follows:

(a) The Company holds a 100 percent working interest in ten sections of land (6400 acres),

(b) The subject exploration lands are located in south central Saskatchewan within the Williston Basin,

(c) The expected products from successful wells are light and medium oil,

(d) The risks associated with recovery of these resources are the uncertainty in reservoir quality and the presence of sealing traps. We have assigned a probability of success of 15% to this prospect, and

(e) The economic and risk analysis, justifying the participation in this project is presented in the Discussion of the report and a summary of the “after risk” values is presented below:

Company Net Value, Thousands of Dollars	
Undiscounted	9,028
Discounted @ 5%/year	4,647
Discounted @ 10%/year	2,509
Discounted @ 15%/year	1,310
Discounted @ 20%/year	566

This report was prepared by a "Qualified Reserves Evaluator and Auditor", who is independent of the Company.

Supporting Material – Bakken Formation

The Bakken Formation is a major play and is a predominantly clastic section of the latest Devonian – earliest Mississippian age that was deposited across the Williston Basin centered on the Canadian provinces of Saskatchewan and Manitoba and the American states of Montana and North Dakota. The Williston Basin is an intracratonic basin of Ordovician to Tertiary age approximately 10,000 square miles in size. It has the shape of an ellipsoidal depression about 350 miles in diameter with a maximum sedimentary section of 16,000 feet. In Saskatchewan, the Williston Basin is a broad southerly plunging trough. Major linear tectonic elements within the basin include the Avalon – Hummingbird Fault Zone, the site of the multi-stage salt solution in the Devonian that separates the Swift Current Platform of southwest Saskatchewan from the thicker portion of the Williston Basin.

The Bakken of the Williston Basin varies in thickness from a minimum of about 10 feet to a maximum of about 130 feet and has tripartite division. The upper and lower members are black organic rich marine shale. The total organic content of these shales ranges from 12 percent to 17 percent and they constitute the source rock for all Bakken oil pools. The middle member of the Bakken is predominantly a calcite or dolomite cemented quartzose siltstone or sandstone sometimes grading to calcarenite with a coarsening upward profile deposited in a shallow marine shelf to tidally influenced near-shore environment.

In the State of Montana, a porous sandy dolomitic facies of the Middle Member Bakken Formation has formed a stratigraphic trap for the giant Elm Coulee Field discovered in 2000. Drilling of the Elm Coulee Field has reportedly defined a productive trend 53 miles long and 12 miles wide. Bioclastic grains accumulated as carbonate offshore bars deposited along the southwestern pinch-out of the Bakken Formation. The dolomitic facies has responded very well to horizontal drilling combined with large water/sand fracture stimulations. The Elm Coulee Field is currently being developed with horizontal wells on 640 to 1280 acre spacing.

The Company believes the Wood Mountain area of Saskatchewan could be located in a similar depositional setting as the Elm Coulee Field of Montana. An interpreted 2D seismic program over the Company acreage shows two significant structural closures on Company lands on the 2WS to Mississippian isochron. The larger south structure extends down to the Bakken zone and would be drilled first. A 3D/3C seismic survey planned over the entire acreage is intended to help clarify zones of tectonic fracturing and porosity. However, the primary exploratory well is not contingent on the results of the 3D/3C seismic program.

For the Bakken oil play, prospective resources of light and medium oil have been estimated based on analogy to recently drilled horizontal wells completed in the Bakken in southern Saskatchewan. For the Best Estimate case, the analogy was based on ten horizontal wells in south central Saskatchewan, relatively near the prospect area, resulting in an average recovery of 150 MSTB per well. It has been estimated that eight wells will be drilled on this prospect resulting in a best estimate of prospective resources of 1,199 MSTB.

The Low Estimate was based on the same analogy but anticipated that wells on this prospect would recover 2/3 of the average recovery of the analogous wells, resulting in a predicted recovery of 97 MSTB per well of 779 MTSB for the eight wells forecast to be drilled.

For the High Estimate case a total of 759 horizontal wells drilled over a large portion of southern Saskatchewan were considered. This analogy resulted in an average recovery of 169 MSTB per well for a total of 1,354 MSTB for the prospect, in anticipation of eight horizontal wells being drilled.

Costs Incurred

The following table summarizes the capital expenditures made by the Company on oil and natural gas properties for the year ended December 31, 2010.

Property Acquisition Costs ($M)		Exploration Costs ($M)	Development Costs ($M)
Proved Properties	**Unproved Properties**		
0	0	226	0

Exploration and Development Activities

The following table sets forth the number of exploratory and development wells which the Company completed during its 2010 financial year:

	Exploratory Wells		Development Wells	
	Gross	**Net**	**Gross(**	**Net**
Oil Wells	0	0	0	0
Gas Wells	0	0	0	0
Service Wells	0	0	0	0
Dry Holes	0	0	0	0
Total Completed Wells	0	0	0	0

ABBREVIATIONS AND CONVERSION

In this document, the abbreviations set forth below have the following meanings:

Oil and Natural Gas Liquids		Natural Gas	
Bbl	barrel	Mscf	thousand standard cubic feet
Bbls	barrels	MMscf	million standard cubic feet
Mbbls	thousand barrels	Mscf/d	thousand standard cubic feet per day
MMbbls	million barrels	MMscf/d	million standard cubic feet per day
MSTB	1,000 stock tank barrels	MMBTU	million British Thermal Units
Bbls/d	barrels per day	Bscf	billion standard cubic feet
NGLs	natural gas liquids	GJ	gigajoule
STB	stock tank barrels of oil		
STB/d	stock tank barrels of oil per day		

Other

AECO	Niska Gas Storage's natural gas storage facility located at Suffield, Alberta.
BIT	Before Income Tax
AIT	After Income Tax
BOE	barrel of oil equivalent on the basis of 1 BOE to 6 Mscf of natural gas. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 1 BOE for 6 Mscf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.
BOE/d	barrel of oil equivalent per day
m^3	cubic metres
$M	thousands of dollars
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade