

LOMA OIL & GAS LTD.

**Statement of Reserves Data and Other
Oil & Gas Information
(Form 51-101 F1)**

RESERVES DATA

Throughout this statement Loma Oil and Gas Ltd. is referred to as “Loma” or the “Corporation.”

Reserves Data (Constant Prices and Costs)

The following table sets out the Corporations gross and net reserves by country, estimated using *constant prices and costs*, for both oil and gas, in the following categories: proved developed producing reserves, proved developed non-producing reserves, proved undeveloped reserves, and proved reserves (in total).

Country	Category	Oil STB		NA Gas MCF	
		Gross	Net	Gross	Net
Canada ¹					
	Proved Developed Producing	14,923	9,327	95,262	49,466
	Proved Developed Non- producing	—	—	501,829	242,632
	Proved Undeveloped	—	—	—	—
	Proved Reserves (Total)	14,923	9,327	597,091	292,078

¹ Canada is the only country in which the Corporation holds oil and gas interests.

The following table sets out the net present value of future net revenue attributable to the Corporations reserves categories referred to in above table, estimated using constant prices and costs, before and after deducting future income tax expenses, calculated without discount and using a discount rate of 10%.

		Future Net Revenue (\$1,000)			
Country	Discount	Before Tax		After Tax	
		0%	10%	0%	10%
Canada		1,360.7	1,131.8	734.0	611.3

The following table sets out the specified elements of future net revenue of the Corporations proved reserves estimated using constant prices and costs, (\$1,000)

Country	Revenue	Royalties	Operating Costs	Development Costs	Abandonment And Reclamation Costs	Future net revenue before deducting Future Income Tax Expenses	Future Income Tax Expenses	Future Revenue deducting Income Expenses	Net after Future Tax
Canada	2,613	507	573	82	93	1,361	627	734	

The following table sets out by production group, the net present value of future revenue (before taxes) of the Corporations proved reserves estimated using constant prices and costs and calculated using a discount rate of 10%, in \$1,000.

Light and Medium Crude Oil	Heavy Oil	Associated Gas and Non-Associated Gas	Bitumen, Synthetic Oil or Other Products from Non-Conventional Oil and Gas Activities
-	55.9	1,075.9	-

Reserve Data (Forecast Prices and Costs)

- The following table sets out the Corporations gross and net reserves by country, estimated using *forecast prices and costs*, for both oil and gas, in the following categories: proved developed producing reserves, proved developed non-producing reserves, proved undeveloped reserves, and proved reserves (in total), probable reserves and proved plus probable reserves.
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Country	Category	Oil STB		NA Gas MCF	
		Gross	Net	Gross	Net
Canada					
	Proved Developed Producing	7,823	4,889	76,524	39,693
	Proved Developed Non-producing	—	—	501,641	245,474
	Proved Undeveloped	—	—	—	—

	Proved Reserves (Total)	7,823	4,889	578,165	285,167
	Probable Reserve	658,123	311,379	117,820	57,882
	Proved Plus Probable Reserve	665,946	316,269	695,985	343,049

The following table sets out the net present value of future net revenue attributable to the Corporations reserves categories referred to in the above table, estimated using forecast prices and costs, before and after deducting future income tax expenses, calculated without discount and using a discount rates of 5%, 10%, 15% and 20%.

Country	Future Net Revenue (\$1,000)					
	Discount	0 %	5 %	10%	15%	20%
Canada	Before Tax	1,966.1	1,458.6	1,067.6	761.2	516.9
	After Tax	816.1	501.1	251.3	52.5	(107.9)

The following table sets out the specified elements of future net revenue of the Corporation, after tax attributable to both proved reserves and proved plus probable reserves, estimated using forecast prices and costs, is \$1,000.

		Revenue	Royalties	Operating Costs	Development Costs	Abandonment And Reclamation Costs	Future net revenue before deducting Future Income Tax Expenses	Future Income Tax Expenses	Future Net Revenue after deducting Future Income Tax Expenses
Canada	Proved Reserves	1,874	378	435	81	105	877	427	450
	Proved Plus probable Reserves	11,134	2,600	4,714	1,581	276	1,966	1,150	816

The following table sets out by production group, the net present value of future revenue, before taxes, of the Corporation estimated using forecast prices and costs and calculated using a discount rate of 10%.

Light and Medium Crude Oil	Heavy Oil	Associated Gas and Non-Associated Gas	Bitumen, Synthetic Oil or Other Products from Non-Conventional Oil and Gas Activities
-	176.5	891.1	-

Pricing Assumptions

Constant Prices used in Estimates

The following table sets out for each product type the benchmark reference prices for Canada, as at the most recent financial year, reflected in the reserves data disclosed in Item 2.1.

Year	Oil STB	NA Gas MCF
2003	\$30.08	\$6.25

Forecast Prices Used in Estimates

The following table sets out the pricing assumptions used in estimating reserves data using forecast prices for each of the following 5 financial years. These pricing assumptions were made by an independent qualified reserves evaluator, Status Engineering Associates Ltd.

Year	Oil	NA Gas
2004	22.70	5.37
2005	21.55	5.03
2006	21.56	4.70
2007	20.63	4.51
2008	20.39	4.37
2009	20.76	4.42

Item 5.2 Significant Factors or Uncertainties

There are no significant factors or uncertainties that affect any particulars of the reserve data.

Item 5.3 Future Development Costs

The following table sets out the development costs deducted on the estimation of future net revenue, in \$1,000.

		Proved Reserves Constant Prices and Costs		Proved Reserves Forecast Prices and Costs		Proved plus Probable Reserves Forecast Prices and Costs	
Year	Discount	0%	10%	0%	10%	0%	10%
2004		81.0	81.0	81.0	81.0	1,581.0	1,581.0
2005		0	0	0	0	0	0
2006		0	0	0	0	0	0
2007		0	0	0	0	0	0
2008		0	0	0	0	0	0
Total		81.0	81.0	81.0	81.0	1,581.0	1,581.0

The Corporation expects to enter into farm-out or joint venture agreements to fund the costs to develop the probably reserves. The Corporation's working interest in the reserves would be reduced as a result of those arrangements.

PART 6 OTHER OIL AND GAS INFORMATION

Item 6.1 Oil and Gas Properties and Wells

1. The following is a Description of the Corporation's Properties, plants, facilities and installations:

"Halvar" Property

The "Halvar" property consists of various working interests in several oil and gas wells and was originally acquired in 1994 from a company controlled by directors of this company, for consideration of 3,637,000 pre-consolidation (1,828,500 post consolidation) common shares at \$0.10 per share. Approximately one-half of its working interest was sold between 1995 and 1999.

"Harmattan" Property

The "Harmattan" property is a "farm-in" arrangement with an unrelated party (and related "farm-out" arrangements with its joint venture partners) whereby the company earns an option to acquire a net 24% working interest in the property for \$1 in return for incurring 60% of the costs of completing a redevelopment well. These well development costs are virtually complete as at the year-end. Loma is to receive 45% of the net production revenue until its costs are recovered in full,

after which time its share of net production revenue will revert to its 24% working interest.

“Jordan” Property

The “Jordan” property consists of various working interests in several oil and gas wells and was acquired in 1994 from a company controlled by a director of this company for consideration of 1,277,000 pre-consolidation (638,500 post-consolidation) common shares at \$0.10 per share.

“Ribstone” Property

The “Ribstone” property was obtained in 1994 from companies controlled by directors of this company pursuant to a “farm-in” agreement, whereby the company earned a one-half share of a 31.25% working interest in the property in return for participating in the exploration and development costs. Loma is to receive 90% of the net production revenue until its costs are recovered in full. These costs were recovered in full during the previous year and therefore the Corporation’s share of net production revenue reverted to its regular working interest.

In 1995, the Corporation purchased the other one-half of the 31.25% working interest from the same parties for \$250,000.

Effective April 1, 2001 the company purchased an additional approximately 31.25% working interest in the producing Ribstone property from an unrelated party, to bring its total working interest in this property to 62.5%. The purchase includes a working interest in three wells and a corresponding interest in certain tangible pipeline and natural gas facilities. Consideration provided to the vendor consisted of the issuance of 3,125,000 convertible, redeemable, non-voting preferred shares valued at \$0.16 per share for a total purchase price of \$500,000 (refer to Note 7). This purchase price was comprised of \$50,000 for tangible assets and \$450,000 for oil and gas rights and miscellaneous interest.

Concurrent with this purchase, the Corporation has become the operator for the entire Ribstone property.

“Success” Property

The “Success” property consists of a 12% interest in two parcels of land in Saskatchewan. Work on an exploration well commenced late in the prior year, the results of which are not yet known and, therefore, the economic viability has not yet been determined.

The following table sets out the Corporation's number of producing and non-producing wells, by province.

	Producing		Non-Producing	
Province	Gross Wells	Net Wells	Gross Wells	Net Wells
Alberta	57	3.52	-	-
Saskatchewan	-	-	1	.12

Item 6.4 Additional Information Concerning Abandonment and Reclamation Costs

The Corporation estimates its anticipated abandonment and reclamation costs based upon experience and consultation of professional engineers. For conventional wells abandonment costs are estimated at \$25,000 per well and reclamation costs are estimated at \$25,000 per well, and for horizontal wells reclamation costs for abandonment costs are estimated at \$20,000 per well and reclamation costs are estimated at \$30,000 per well. The Corporation anticipates incurring abandonment and reclamation costs for 4.4 net wells (which figure includes wells not yet developed), which would amount to a total cost of \$218,900 calculated without discount, or \$79,400 using a discount rate of 10%. A total of \$31,300 of these costs are expected to be incurred within the next three financial years.

6.5 Tax Horizon

The Corporation was not obligated to pay income taxes for the fiscal year ended December 31, 2003, as a result, in part, of the use of tax losses carried forward. These tax losses will expire in 2006, after which it is estimated that income taxes may become payable by the Corporation.

6.6 Costs Incurred

The following table sets out the property acquisition, exploration, and development costs incurred by the Corporation for the financial year ended December 31, 2003.

	Property Acquisition Costs		Exploration Costs	Development Costs
Country	Proved	Unproved		
Canada	\$2,172	-	\$24,724	\$214,608

6.7 Exploration and Development Activities

During the year-end to December 31, 2003, the Corporation completed two gross wells (.34 net wells), both located in Canada. One gross well (.1 net well) was a dry hole and one gross well (.24 net well) was completed as a gas well.

All of the Corporation's exploration and development activities are located in Canada. The Corporation's most important current development work is the re-development of a gas well located on the Harmattan property. The most important likely exploration and development activity in the foreseeable future is the proposed drilling of two horizontal wells on the Ribstone property.

6.8 Production Estimates

The following table sets out the production estimated for the first year reflected in the estimates of the future net revenue disposed under items 2.1 and 2.2. All of this estimated production is in Canada.

Light and Medium Crude Oil (STB)	Heavy Oil (STB)	Associated Gas and Non-Associated Gas (MCF)	Bitumen, Synthetic Oil or other Products
-	23,041	52,064	-

The following table describes those fields that account for more than 20% of the estimated production disclosed in the preceding tables.

Field	Oil (STB)	Gas (MCP)
Ribstone	21,672	-
Huckett	-	42,756

6.9 Production History

During the year ended December 31, 2003, the Corporation's share of average daily production volume, before deduction of royalties was 6.7 barrels of oil and 194 MCF of gas, all of which production was in Canada. The following table sets out, for the year ending December 31, 2003, the average per unit of volume of the Corporation's prices received, royalties paid, production costs and resulting net back from oil and gas production.

	Price Received	Royalties Paid	Production Costs	Netback
Oil (\$/STB)	32.30	2.58	12.92	16.80
Gas (\$/MCF)	6.41	1.60	1.67	3.14

The following table sets out, for each important field and in total, the Corporation's production volumes for the year ended December 31, 2003, by product type.

Property	Oil (STB)	Gas (MCF)
Ribstone	1,350	9,810
Harmatten	-	3,812
Halvar	1,095	-
Total*	2,445	28,292

*Includes production from other properties