



Statement of Reserves Data and Other Oil and Gas Information

Effective December 31, 2007

Prepared on March 26, 2008

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1.0 ABBREVIATIONS AND CONVERSION

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

Oil and Natural Gas Liquids		Natural Gas	
Bbl	barrel	Mcf	thousand cubic feet
Bbls	barrels	Mmcf	million cubic feet
Mbbbls	thousand barrels	Mcf/d	thousand cubic feet per day
Mmbbls	million barrels	Mmcf/d	million cubic feet per day
Mstb	1,000 stock tank barrels	MMBTU	million British Thermal Units
Bbls/d	barrels per day	Bcf	billion cubic feet
BOPD	barrels of oil per day	GJ	gigajoule
NGLs	natural gas liquids		
STB	standard tank barrels		

Other

API	American Petroleum Institute
API°	an indication of the specific gravity of crude oil measured on the API gravity scale. Liquid petroleum with a specified gravity of 28° API or higher is generally referred to as light crude oil.
BOE	barrel of oil equivalent on the basis of 1 BOE to 6 Mcf of natural gas. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 1 BOE for 6 Mcf 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
MBOE	1,000 barrels of oil equivalent
McfGE	1,000 cubic feet of gas equivalent on the basis of 6 McfGEs to 1 bbl of crude oil. McfGEs may be misleading, particularly if used in isolation. A McfGE conversion ratio of 6 McfGEs to 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.
McfGE/d	1,000 cubic feet equivalent per day
MmcfGE	1,000 McfGE
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

1.1 NOTES AND DEFINITIONS

The determination of oil and gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved, probable and possible reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery.

The estimation and classification of reserves requires the application of professional judgment combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions.

“Reserves” are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on (a) analysis of drilling, geological, geophysical, and engineering data; (b) the use of established technology; and (c) specified economic conditions, which are generally accepted as being reasonable and shall be disclosed. Reserves are classified according to the degree of certainty associated with the estimates.

“Proved” reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

“Developed Producing” reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

“Developed Non-Producing” reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

“Undeveloped” reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to sub-divide the developed reserves for the pool between developed producing and developed nonproducing. This allocation should be based on the estimator’s assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

“Probable” reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

The following terms, used in the preparation of the Reliance Engineering Group Ltd. Report (as defined herein) and this document, have the following meanings:

“associated gas” means the gas cap overlying a crude oil accumulation in a reservoir.

“Corporation” or **“Marksmen”** means Marksmen Resources Ltd.

“crude oil” or **“oil”** means a mixture that consists mainly of pentanes and heavier hydrocarbons, which may contain sulphur and other non-hydrocarbon compounds, that is recoverable at a well from an underground reservoir and that is liquid at the conditions under which its volume is measured or estimated. It does not include solution gas or natural gas liquids.

“development costs” means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas from the reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

- (a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves;
- (b) drill and equip development wells, development type stratigraphic test wells and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and the wellhead assembly;
- (c) acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and
- (d) provide improved recovery systems.

“development well” means a well drilled inside the established limits of an oil or gas reservoir, or in close proximity to the edge of the reservoir, to the depth of a stratigraphic horizon known to be productive.

“exploration costs” means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil and gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as “prospecting costs”) and after acquiring the property. Exploration costs, which include applicable operating costs of support equipment and facilities and other costs of exploration activities, are:

- (a) costs of topographical, geochemical, geological and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as “geological and geophysical costs”);
- (b) costs of carrying and retaining unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defence, and the maintenance of land and lease records;
- (c) dry hole contributions and bottom hole contributions;
- (d) costs of drilling and equipping exploratory wells; and
- (e) costs of drilling exploratory type stratigraphic test wells.

“exploratory well” means a well that is not a development well, a service well or a stratigraphic test well.

“field” means an area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field that are separated vertically by intervening impervious strata or laterally by local geologic barriers, or both. Reservoirs that are associated by being in overlapping or adjacent fields may be treated as a single or common operational field. The geological terms “structural feature” and “stratigraphic condition” are intended to denote localized geological features, in contrast to broader terms such as “basin”, “trend”, “province”, “play” or “area of interest”.

“future prices and costs” means future prices and costs that are:

- (a) generally accepted as being a reasonable outlook of the future;
- (b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the Corporation issuer is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a).

“future income tax expenses” means future income tax expenses estimated (generally, year-by-year):

- (a) making appropriate allocations of estimated unclaimed costs and losses carried forward for tax purposes, between oil and gas activities and other business activities;
- (b) without deducting estimated future costs (for example, Crown royalties) that are not deductible in computing taxable income;
- (c) taking into account estimated allowances and
- (d) applying to the future pre-tax net cash flows relating to the reporting issuer’s oil and gas activities the appropriate year-end statutory tax rates, taking into account future tax rates already legislated.

“future net revenue” means the estimated net amount to be received with respect to the development and production of reserves (including synthetic oil, coal bed methane and other non-conventional reserves) estimated using constant prices and costs or forecast prices and costs.

“gross” means:

- (a) in relation to the Corporation’s interest in production or reserves, its “company gross reserves”, which are its working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Corporation;
- (b) in relation to wells, the total number of wells in which the Corporation has an interest; and
- (c) in relation to properties, the total area of properties in which the Corporation has an interest.

“natural gas” means the lighter hydrocarbons and associated non-hydrocarbon substances occurring naturally in an underground reservoir, which under atmospheric conditions are essentially gases but which may contain natural gas liquids. Natural can exist in a reservoir either dissolved in crude oil (solution gas) or in a gaseous phase (associated gas or non-associated gas). Non-hydrocarbon substances may include hydrogen sulphide, carbon dioxide and nitrogen.

“natural gas liquids” means those hydrocarbon components that can be recovered from natural gas as liquids including, but not limited to, ethane, propane, butanes, pentanes plus, condensate and small quantities of non-hydrocarbons.

“net” means

- (a) in relation to the Corporation’s interest in production or reserves its working interest (operating or nonoperating) share after deduction of royalty obligations, plus its royalty interests in production or reserves;
- (b) in relation to the Corporation’s interest in wells, the number of wells obtained by aggregating the Corporation’s working interest in each of its gross wells; and
- (c) in relation to the Corporation’s interest in a property, the total area in which the Corporation has an interest multiplied by the working interest owned by the Corporation.

“non-associated gas” means an accumulation of natural gas in a reservoir where there is no crude oil.

“operating costs” or **“production costs”** means costs incurred to operate and maintain wells and related equipment and facilities, including applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities.

“production” means recovering, gathering, treating, field or plant processing (for example, processing gas to extract natural gas liquids) and field storage of oil and gas.

“property” includes:

- (a) fee ownership or a lease, concession, agreement, permit, licence or other interest representing the right to extract oil or gas subject to such terms as may be imposed by the conveyance of that interest;
- (b) royalty interests, production payments payable in oil or gas, and other non-operating interests in properties operated by others; and
- (c) an agreement with a foreign government or authority under which a reporting issuer participates in the operation of properties or otherwise serves as “producer” of the underlying reserves (in contrast to being an independent purchaser, broker, dealer or importer).

A property does not include supply agreements, or contracts that represent a right to purchase, rather than extract, oil or gas.

“property acquisition costs” means costs incurred to acquire a property (directly by purchase or lease, or indirectly by acquiring another corporate entity with an interest in the property), including:

- (a) costs of lease bonuses and options to purchase or lease a property;
- (b) the portion of the costs applicable to hydrocarbons when land including rights to hydrocarbons is purchased in fee;
- (c) brokers’ fees, recording and registration fees, legal costs and other costs incurred in acquiring properties.

“proved property” means a property or part of a property to which reserves have been specifically attributed.

“reservoir” means a porous and permeable underground formation containing a natural accumulation of producible oil or gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.

“service well” means a well drilled or completed for the purpose of supporting production in an existing field. Wells in this class are drilled for the following specific purposes: gas injection (natural gas, propane, butane or flue gas), water injection, steam injection, air injection, salt-water disposal, water supply for injection, observation, or injection for combustion.

“solution gas” means natural gas dissolved in crude oil.

“stratigraphic test well” means a drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Ordinarily, such wells are drilled without the intention of being completed for hydrocarbon production. They include wells for the purpose of core tests and all types of expendable holes related to hydrocarbon exploration. Stratigraphic test wells are classified as (a) “exploratory type” if not drilled into a proved property; or (b) “development type”, if drilled into a proved property. Development type stratigraphic wells are also referred to as “evaluation wells”.

“support equipment and facilities” means equipment and facilities used in oil and gas activities, including seismic equipment, drilling equipment, construction and grading equipment, vehicles, repair shops, warehouses, supply points, camps, and division, district or field offices.

“unproved property” means a property or part of a property to which no reserves have been specifically attributed.

“well abandonment costs” means costs of abandoning a well (net of salvage value) and of disconnecting the well from the surface gathering system. They do not include costs of abandoning the gathering system or reclaiming the wellsite.

PART 2 – DISCLOSURE OF RESERVES DATA

In accordance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities, Reliance Engineering group Ltd. (“Reliance”) prepared a report (the Reliance Report”) dated March 17, 2008. The Reliance Report evaluated, as at December 31, 2007, Marksmen’s oil, NGL and natural gas reserves. The tables below are a summary of the oil, NGL and natural gas reserves of the Corporation and the net present value of future net revenue attributable to such reserves as evaluated in the Reliance Report based on forecast price and cost assumptions. The tables summarize the data contained in the Reliance Report and as a result may contain slightly different numbers than such report due to rounding. Also due to rounding, certain columns may not add exactly. **The net present value of future net revenue attributable to the Corporation’s reserves is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures, and well abandonment costs for only those wells assigned reserves by Reliance. It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to the Corporation’s reserves estimated by Reliance represent the fair market value of those reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery and reserve estimates of the Corporation’s oil, NGL and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein.**

The Reliance Report is based on certain factual data supplied by the Corporation and Reliance’s opinion of reasonable practice in the industry. The extent and character of ownership and all factual data pertaining to the Corporation’s petroleum properties and contracts (except for certain information residing in the public domain) were supplied by the Corporation to Reliance and accepted without any further investigation. Reliance accepted this data as presented and neither title searches nor field inspections were conducted.

All of Marksmen’s reserves are “onshore” and in Canada. The Company did not have any heavy oil reserves at December 31, 2007.

2.1 RESERVES DATA – FORECAST PRICES AND COSTS

2.1.1 BREAKDOWN OF RESERVES – FORECAST CASE

Table 2.1.1
NI 51-101

SUMMARY OF OIL AND GAS RESERVES
As of December 31, 2007
(FORECAST PRICES & COSTS)

RESERVES CATEGORY	Light & Medium Oil		Heavy Oil		Natural Gas		Natural Gas Liquids	
	Gross (Mbbbls)	Net (Mbbbls)	Gross (Mbbbls)	Net (Mbbbls)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbls)	Net (Mbbbls)
PROVED								
Developed Producing	39.0	37.0	-	-	766	711	3.4	3.0
Developed Non-Producing	-	-	-	-	437	378	2.8	1.6
Undeveloped	-	-	-	-	-	-	-	-
TOTAL PROVED	39.0	37.0	-	-	1203	1089	6.2	4.6
Probable	31.2	26.7	-	-	2263	1872	16.5	10.1
TOTAL PROVED + PROBABLE	70.2	63.7	-	-	3466	2961	22.7	14.7
Possible	-	-	-	-	-	-	-	-
TOTAL PROVED + PROB + POSS	70.2	63.7	-	-	3466	2961	22.7	14.7

2.1.2 NET PRESENT VALUE OF FUTURE NET REVENUE – FORECAST CASE

Table 2.1.2
NI 51-101

SUMMARY OF NET PRESENT VALUE OF FUTURE NET REVENUE
As of December 31, 2007
(FORECAST PRICES & COSTS)

RESERVES CATEGORY	Net Present Value (NPV) of Future Net Revenue (FNR)									
	Before Income Taxes - Discounted at (%/yr)					After Income Taxes - Discounted at (%/yr)				
	0	5	10	15	20	0	5	10	15	20
	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)
PROVED										
Developed Producing	4,098	3,641	3,273	2,974	2,729	4,098	3,641	3,273	2,974	2,729
Developed Non-Producing	1,703	1,377	1,136	954	812	1,625	1,324	1,098	927	793
Undeveloped	-	-	-	-	-	-	-	-	-	-
TOTAL PROVED	5,801	5,018	4,409	3,928	3,541	5,723	4,965	4,371	3,901	3,522
Probable	7,980	5,807	4,336	3,294	2,532	5,544	3,922	2,842	2,084	1,532
TOTAL PROVED + PROBABLE	13,781	10,825	8,745	7,222	6,073	11,267	8,887	7,213	5,985	5,054
Possible	-	-	-	-	-	-	-	-	-	-
TOTAL PROVED + PROB + POSS	13,781	10,825	8,745	7,222	6,073	11,267	8,887	7,213	5,985	5,054

2.1.3 ADDITIONAL INFORMATION CONCERNING FUTURE NET REVENUE – FORECAST CASE

Table 2.1.3.a
NI 51-101

TOTAL FUTURE NET REVENUE (UNDISCOUNTED)
As of December 31, 2007
(FORECAST PRICES & COSTS)

RESERVES CATEGORY	Revenue (M\$)	Royalties (M\$)	Operating Cost (M\$)	Development Costs (M\$)	Well Abandonment Costs (M\$)	Before Tax Future Net Revenue (M\$)	Income Taxes (M\$)	After Tax Future Net Revenue (M\$)
TOTAL PROVED	12,184	1,183	4,404	270	526	5,801	78	5,723
TOTAL PROVED + PROBABLE	31,784	5,018	8,439	3,701	845	13,781	2,514	12,267

Table 2.1.3.b
NI 51-101

NET PRESENT VALUE OF FUTURE NET REVENUE BY PRODUCTION GROUP
As of December 31, 2007
(FORECAST PRICES & COSTS)

RESERVES CATEGORY	PRODUCTION GROUP	Future Net Revenue Before Income Taxes Disc.@10%/year	Unit Value	
		(M\$)	\$/Mcf	\$/bbl
PROVED	Light & Med. Crude Oil (including solution gas)	1,536		14.51
	Heavy Oil	-		
	Natural gas (incl. by-products but excl. solution gas from oil wells)	2,876	2.64	
PROVED + PROBABLE	Light & Medium Crude Oil (including solution gas)	2,047		32.14
	Heavy Oil	-		
	Natural gas (incl. by-products but excl. solution gas from oil wells)	6,700	2.26	

3.0 PRICING ASSUMPTIONS

3.1 FORECAST PRICES USED IN ESTIMATES

Reliance Engineering Group Ltd. employed the following pricing, exchange rate and inflation rate assumptions as of December 31, 2007 in estimating Marksmen's reserves data using forecast prices and costs.

Table 3.1
NI 51-101

SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS (FORECAST PRICES & COSTS)

YEAR	INFLATION %	EXCHANGE \$US/\$CDN	WTI (1) @CUSHING \$US/BBL	Canadian Crude FOB Edmonton (\$CDN/BB)(2)	Plant Gate	Edmonton
					SPOT(3) \$/Mcf	NGL Mix \$/BBL
2003		0.716	30.99	43.52	6.33	37.41
2004		0.77	41.39	53.06	6.22	44.30
2005		0.826	56.48	69.28	8.32	55.97
2006		0.882	66.02	73.36	6.2	63.46
2007		0.93	72.25	77.00	6.55	62.50
2008	1.5	1.0	92.00	91.00	6.85	75.80
2009	1.5	1.0	88.25	86.80	7.20	70.40
2010	1.5	1.0	86.35	84.90	7.10	68.85
2011	1.5	1.0	80.00	78.65	7.25	63.80
2012	1.5	1.0	81.20	79.70	7.65	64.65
2013(4)	1.5	1.0	82.80	81.30	7.55	65.95

: (1) West Texas Intermediate-Cushing Oklahoma.

(2) 40 degree API and 0.5% sulphur adjusted for gravity and transportation

(3) Alberta Spot Price adjusted for heating value and aggregator control price

(4) Prices escalated at 1.5% per year throughout

4.0 RECONCILIATIONS OF CHANGES IN RESERVES AND FUTURE NET REVENUE

4.1 RESERVES RECONCILIATION

The following table sets forth a reconciliation of Marksmen's total proved, probable and total proved plus probable reserves as at December 31, 2007 against such reserves as at December 31, 2006 based on forecast price and cost assumptions:

Table R-1

RESERVES RECONCILIATION – FORECAST PRICE CASE COMPANY SHARE – GROSS

Effective Date: December 31, 2007

	Total Oil (BBL)	Light/Med Oil (BBL)	Heavy Oil (BBL)	Sales Gas (MMCF)	NGL (BBL)	BOE (BBL)
TOTAL PROVED						
Opening Balance (Dec 31, 2006)	26,000	26,000	-	145	4,000	54,200
Extensions	10,700	10,700	-	272	-	56,000
Improved Recovery	-	-	-	-	-	-
Technical Revisions	1,700	1,700	-	52	-9,700	700
Discoveries	-	-	-	-	-	-
Acquisitions	10,600	10,600	-	824	12,400	160,300
Dispositions	-	-	-	-	-	-
Economic Factors	-	-	-	-	-	-
Production	-10,000	-10,000	-	-90	-500	-25,500
Closing Balance (Dec.31, 2007)	39,000	39,000	-	1,203	6,200	245,700

TOTAL PROVED + PROBABLE						
Opening Balance (Dec 31, 2006)	92,000	92,000	-	207	6,000	132,500
Extensions	10,700	10,700	-	391	-	75,900
Improved Recovery	4,000	4,000	-	24	-	8,000
Technical Revisions	-37,100	-37,100	-	-110	-9,400	-64,800
Discoveries	-	-	-	-	-	-
Acquisitions	10,600	10,600	-	3,044	26,600	544,500
Dispositions	-	-	-	-	-	-
Economic Factors	-	-	-	-	-	-
Production	-10,000	-10,000	-	-90	-500	-25,500
Closing Balance (Dec.31, 2007)	70,200	70,200	-	3,466	22,700	670,600

5.0 ADDITIONAL INFORMATION RELATING TO RESERVES DATA

5.1 UNDEVELOPED RESERVES

The following discussion generally describes the basis on which Marksmen attributes Proved and Probable Undeveloped Reserves and its plans for developing those Undeveloped Reserves.

Proved Undeveloped Reserves

Proved undeveloped reserves are generally those reserves related to wells that have been tested and not yet tied-in, wells drilled near the end of the fiscal year or wells further away from Marksmen gathering systems. In addition, such reserves may relate to planned infill drilling locations. Marksmen does not currently have any reserves that are classified as proved undeveloped.

Probable Undeveloped Reserves

Probable undeveloped reserves are generally those reserves tested or indicated by analogy to be productive, infill drilling locations and lands contiguous to production. The majority of these reserves are planned to be on stream within a two year timeframe.

5.2 SIGNIFICANT FACTORS OR UNCERTAINTIES AFFECTING RESERVES DATA

The process of estimating reserves is complex. It requires significant judgments and decisions based on available geological, geophysical, engineering, and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions. Marksmen's reserves are evaluated by Reliance Engineering Group Ltd., an independent engineering firm.

As circumstances change and additional data become available, reserve estimates also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and governmental restrictions.

Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. As a result, the subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimates can arise from changes in year-end oil and gas prices, and reservoir performance. Such revisions can be either positive or negative.

5.3 FUTURE DEVELOPMENT COSTS

The table below sets out the development costs deducted in the estimation of future net revenue attributable to proved reserves and proved plus probable reserves using forecast prices and costs.

Table 5.3
NI 51-101

FUTURE DEVELOPMENT COSTS (1)

YEAR	Forecast Prices & Costs	
	For Proved Reserves (M\$)	For Proved + Probable Reserves (M\$)
2008	270	2,071.40
2009	-	1,595.40
2010	-	-
2011	-	-
2012	-	-
REMAINING	-	34.3
TOTAL	270	3,701.00
Undiscounted	270	3,701.00
Discounted @ 10%/Yr	257.4	3,365.70

(1) Future development costs shown are associated with booked reserves in the Reserves Report and do not necessarily represent the Company's full exploration and development budget.

Marksman typically has available three sources of funding to finance its capital expenditure program; internally generated cash flow from operations, debt financing when appropriate and new equity issues, if available on favourable terms. Debt financing is available to Marksman at the prime rate plus 1.25%; the prime rate is currently 5.75% per annum.

Marksman expects to fund its total 2008 capital program with internally generated cash flow, cash resources on hand, and an increase in debt. Marksman's objective is to maintain its debt to cash flow ratio at less than 2 times estimated future cash flows. Marksman may also consider completing an equity offering if available on favourable terms.

6.0 OTHER OIL AND GAS INFORMATION

6.1 OIL AND GAS PROPERTIES

A summary description of Marksmen's major producing and exploration properties is set out below. References to gross volumes refer to total production. References to net volumes refer to Marksmen's working interest share before the deduction of royalties payable to others.

Penhold, Alberta

The Penhold property is located about 8 km west of the city of Red Deer. Marksmen is the operator of the property with an average 96% working interest in the lands. Currently, there are 8 wells producing from the Edmonton sands and 3 wells waiting to be tied-in. Gas production is transported and processed through third-party owned facilities where Marksmen is charged a transportation and processing fee. The Penhold property has additional development potential with up to 10 further drilling locations identified. Penhold produced an average 30 boe per day during 2007.

Nottingham, Saskatchewan

The Nottingham area is located approximately 150 kilometers east of the City of Weyburn. Marksmen has earned a 20% working interest in 800 (160 net) acres of land. The Nottingham property currently consists of eight producing horizontal oil wells, two producing vertical wells, and two abandoned wells on Marksmen's lands. During fiscal 2007, two dual leg horizontal wells were drilled at Nottingham. All of the wells are producing from the Tilston formation, which is at depths of 1,100 meters to 1,300 meters in this area.

During the twelve months ended December 31, 2007, Marksmen's production at Nottingham averaged approximately 23 boe per day. Solution gas that is produced in association with the light oil production at Nottingham is being conserved and sold and is included in the figure above.

Antler, Saskatchewan

Marksmen has earned a 20% working interest in 320 acres of land in the Antler area of southeast Saskatchewan. Marksmen's wells of interest include three producing oil wells. During 2007, Marksmen drilled 2 vertical development wells at Antler. All three wells are producing from the Midale formation. The property produced approximately 5.6 boe per day during 2007. Additional development drilling locations have been identified including up to three horizontal well opportunities.

Eastmont, Alberta

Marksmen has a 10% working interest in 640 acres of land at Eastmont in southern Alberta. During fiscal 2007, Marksmen drilled a second vertical development well on the property. The wells are producing from the Sunburst and Glauc formations. It is anticipated that one additional well will be drilled at Eastmont during 2008. During fiscal 2007, Marksmen's production at Eastmont averaged 9.0 boe per day of natural gas and condensates.

Ferrier, Alberta

Marksmen has a 14.6% working interest in 1,280 acres of land. There is currently one producing natural gas well and two abandoned wells on the company acreage. The well is producing out of the Cardium zone. During 2007, the Ferrier well produced an average of 4.5 boe per day of natural gas and liquids.

Namao West, Alberta

Marksman has a 24.5% working interest in 40 acres of land in the Namao West area of central Alberta near St. Albert. There is one well producing oil and associated gas from the Ellerslie formation. During 2007, production at Namao South averaged about 3.4 boe per day.

Alder Flats, Alberta

The Alder Flats property is located about 50 km south of Drayton Valley. Marksman is the operator with an average 85 % working interest in 3200 acres(2720 net). Currently there are two producing wells on the property producing from the Belly River formation. Both light oil and associated gas are produced and transported to third-party owned facilities where Marksman is charged certain processing fees. During 2007, the property produced approximately 5 boe per day. Up to seven additional drilling locations have been identified on the lands.

Pine Creek, Alberta

During 2006, Marksman drilled a vertical exploration well in the Pine Creek area of west central Alberta, approximately 25 miles north of Edson, Alberta. Marksman earned a 20% working interest in this well and 1,280 acres of land. In 2007, Marksman went penalty on a second well which was completed as a potential gas producer.

6.2 OIL AND GAS WELLS

The following table summarizes the Corporation's interest as at December 31, 2007 in wells that are producing and non-producing.

OIL AND GAS WELLS

Area	Producing Wells				
	Oil			Natural Gas	
	Gross	Net		Gross	Net
Saskatchewan					
Nottingham	10.00	1.80		0.00	0.00
Antler	3.00	0.60		0.00	0.00
Alberta					
Eastmont	0.00	0.00		2.00	0.21
Alder Flats	2.00	1.68		0.00	0.00
Ferrier	0.00	0.00		1.00	0.15
Penhold	0.00	0.00		7.00	6.86
Namao South	0.00	0.00		1.00	0.25
	15.00	4.08		11.00	7.46

Area	Non-Producing Wells				
	Oil			Natural Gas	
	Gross	Net		Gross	Net
Alberta					
Pine Creek	0.00	0.00		1.00	0.20
Penhold	0.00	0.00		2.00	1.98
	0.00	0.00		3.00	2.18

6.3 PROPERTIES WITH NO ATTRIBUTED RESERVES

The following table summarizes the gross and net acres of unproved properties in which Marksmen has an interest and also the number of net acres for which Marksmen's rights to explore, develop or exploit will, absent further action, expire within one year.

Area	Gross Acres	Net Acres	Net Acres Expiring Within One Year
Penhold, Alberta	800	698	0
Ferrier, Alberta	1,160	169	0
Kaybob South, Alberta	800	80	0
Pine Creek, Alberta	1,280	256	0
Nottingham, Saskatchewan	164	33	0
Antler, Saskatchewan	32	6	0
Total	4,236	1,243	0

6.4 FORWARD CONTRACTS

Marksmen has not entered into any forward contracts.

6.5 ADDITIONAL INFORMATION CONCERNING ABANDONMENT AND RECLAMATION COSTS

Marksmen estimates well abandonment costs area by area. Such costs are included in the Reliance Report as deductions in arriving at future net revenue. The expected total abandonment costs included in the Reliance Report for 9.64 net wells under the proved reserves category is \$526,110 undiscounted (\$209,809 discounted at 10%), of which a total of \$21,205 is estimated to be incurred in 2008 and 2009. This estimate does not include expected reclamation costs for surface leases of \$10,000 undiscounted (\$5,200 discounted at 10%) or salvage value recovery of \$33,000 undiscounted (\$16,800 discounted at 10%). Expected future abandonment costs related to facilities are expected to match the salvage value recovery.

Table 6.5
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ABANDONMENT & RECLAMATION COSTS
(FORECAST PRICES & COSTS)

	Well Abandonment and Disconnect Costs	
	(M\$)	Discounted@10%
Total Proved Reserves (Yr)		
2008	14.1	
2009	7.1	
2010	16.5	
2011	-	
2012	26.5	
Remaining	461.9	
Total	526.1	209.8

Proved + Probable Reserves (Yr)		
2008	14.1	
2009	7.1	
2010	-	
2011	-	
2012	14.9	
Remaining	809	
Total	845.1	281.6

6.6 TAX HORIZON

Marksman was not required to pay income taxes during the year ended December 31, 2007. Based on a strategy of reinvesting fully all internally generated cash flow in an exploration and development program and based on the commodity prices used in the Reliance Report, Marksman estimates that it will not be required to pay income taxes until sometime after 2008.

6.7 COSTS INCURRED

The following table summarizes Marksman's property acquisition costs, exploration costs and development costs for the year ended December 31, 2007.

Property Acquisition Costs		Exploration Costs	Development Costs	Total
Proved Properties	Unproved Properties			
\$4,050,422	\$31,704	\$111,940	\$2,079,232	\$6,273,297

6.8 EXPLORATION AND DEVELOPMENT ACTIVITY

The following table summarizes Marksmen's drilling results for the year ended December 31, 2007:

	2007	
	Gross	Net
Oil	4.0	0.8
Natural Gas	3.0	1.6
Dry and Abandoned	1.0	0.2
Total	8.0	2.6

6.9 PRODUCTION ESTIMATES

Table 6.9

NI 51-101

SUMMARY OF PRODUCTION ESTIMATES BY PRODUCTION GROUP TOTAL PROVED RESERVES FOR YEAR 2008 FORECAST PRICES & COSTS

RESERVES CATEGORY	Gross Daily Production (2)	Gross Daily Production(1), (2)
Light & Medium Oil (bbls/d)	-	27
Heavy Oil (bbls/d)	-	-
Associated and Non-Associated Gas (Mcf/d)	-	402
Natural Gas Liquids (bbls/d)	-	2
TOTAL (1) (boe/d)	-	95

(1) Barrels of Oil Equivalent (boe) have been reported based on natural gas conversion of 6 mcf / 1 bbl.

(2) Gross production is Company interest before all royalty deductions

6.10 PRODUCTION HISTORY

Section 6.10 discloses, on a quarterly basis for the year ended December 31, 2007, Marksmen's share of average daily production volume, prior to royalties, and the prices received, royalties paid, production costs incurred and netbacks on a per unit of volume basis for each product type.

6.10.1 Average Daily Production Volume

	Three Months Ended				Year Total
	31-Mar	30-Jun	30-Sep	31-Dec	
Light Oil (Bbl / d)	23.7	28.7	31.0	35.7	29.8
Natural Gas (Mcf / d)	99.0	92.0	264.0	406.0	215.0
NGLs (Bbl / d)	1.3	1.3	1.7	1.3	1.4
Total (BOE / d)	41.5	45.3	76.8	104.6	67.0

* Solution natural gas production included in Light and Medium Crude Oil production category

6.10.2 Quarterly Netback - Light Oil

	Three Months Ended				Year Total
	31-Mar	30-Jun	30-Sep	31-Dec	
Sales Price*	\$61.03	\$68.16	\$74.90	\$80.03	\$71.03
Royalties	(\$1.55)	(\$5.32)	(\$5.41)	(\$7.94)	(\$5.06)
Production Costs	(\$9.97)	(\$10.32)	(\$14.90)	(\$14.01)	(\$12.30)
Netback	\$49.51	\$52.53	\$54.60	\$58.07	\$53.68

Average selling price	\$61.03	\$68.16	\$74.90	\$80.03	\$71.03
Average daily production (boe)	23.7	28.7	31.0	35.7	29.8

* Includes solution gas

6.10.3 Quarterly Netback - Natural Gas

Sales Price	\$7.22	\$6.83	\$4.87	\$5.90	\$6.20
Royalties	(\$1.06)	(\$0.85)	(\$0.53)	(\$0.60)	(\$0.76)
Production Costs	(\$1.68)	(\$2.44)	(\$2.28)	(\$3.22)	(\$2.40)
Netback	\$4.48	\$3.54	\$2.06	\$2.08	\$3.04

Average selling price	\$7.22	\$6.83	\$4.87	\$5.90	\$6.20
Average daily production (mcf)	99.1	91.6	264.2	405.9	215.2

6.10.4 Production Volume by Field

Table 6.10.4

NI 51-101

**SUMMARY OF COMPANY SHARE GROSS PRODUCTION ESTIMATES (1) BY FIELD
TOTAL PROVED RESERVES FOR YEAR 2008
(FORECAST PRICES & COSTS)**

FIELD	Light & Medium Oil (bbl/d)	Heavy Oil (bbl/d)	Natural Gas (2) (Mcf/d)	NGLs (bbl/d)
Alder Flats	3.3	-	21	0.6
Antler	7.5	-	-	-
Eastmont		-	76	0.5
Ferrier	0	-	20	1
Penhold	-	-	372	-
Namao West	2.4	-	8	-
Nottingham	13.3	-	11	-
Pine Creek	-	-	-	-
TOTAL	26.5	-	508	2.1

(1) Daily production is taken from the Reserves Report as of December 31, 2007

(2) Natural gas includes associated and non-associated sales gas volumes

FORM 51 -101 F3
Report of Management and Directors
On Reserves Data and Other Information

Management of Marksmen Resources Ltd. (the “Company”) are responsible for the preparation and disclosure of information with respect to the Company’s oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which are estimates of proved reserves and probable reserves and related future net revenue as at December 31,2007, estimated using forecast prices and costs.

An independent qualified reserves evaluator has evaluated the Company’s reserves data. The report of the independent qualified reserves evaluator will be filed with the securities regulatory authorities concurrently with this report.

The board of directors of the Company has:

- (a) reviewed the Company’s procedures for providing information to the independent qualified reserves evaluator;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and
- (c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The board of directors has reviewed the Company’s procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management.

The board of directors has approved:

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluation on the reserves data; and
- (c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

Signed “Peter Malenica”, President & CEO, Director

Signed “Richard Velhat”, Director

Signed “George de Boon”, Director

**FORM 51-101F2
REPORT ON RESERVES DATA**

To the board of directors of Marksmen Resources Ltd. (the “Company”):

1. We have evaluated the Company’s reserves data as at December 31, 2007. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2007, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Company’s management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

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

3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
4. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us for the year ended December 31, 2007, and identifies the respective portions thereof that we have evaluated and reported on to the Company’s management and board of directors:

	Independent Qualified Evaluator	Description and Preparation Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue Thousands of Dollars (before Income taxes, 10% discount rate)			
				Audited	Evaluated	Reviewed	Total
a)	A.J. Shah	Economic Evaluation of Certain Petroleum and Natural Gas Reserves Owned by Marksmen Resources Ltd. dated March 17, 2008	Canada	Nil	8,745	Nil	8,745

5. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
6. We have no responsibility to update our reports referred to in paragraph 4 for events and circumstances occurring after their respective preparation dates.
7. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

Executed as to our report referred to above:

Reliance Engineering Group Ltd.

Signed by A.J.Shah, P.Eng.

March 20,2008

A.J. Shah, P.Eng.
Calgary, Alberta
March 17, 2008

Execution Date