Matsalla
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May 9, 2008

To: The Board of Directors of Cygam Energy Inc. (the "Company")

1. We have evaluated the Company's reserves data as of December 31, 2007. The reserves data consists of the following:

    a. proved oil and gas reserves estimated as at December 31, 2007 using forecast prices and costs: and

    b. the related estimated future net revenue.

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 the 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). The evaluation was in accordance with the requirements of National Instrument 51-101.

3. These 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 definition presented in the COGE Handbook.

4. The following table set forth the estimated future net revenue (before deduction of income tax) attributed to proved reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of Cygam Energy Inc. evaluated by us for the year ended December 31, 2007, and identifies the respective

portions thereof that we evaluated and reported on to the Company's Board of Directors:

Description & Preparation Date of Evaluation	Location of Reserves	Net Present Value of Net Revenue (10% discount rate)
"Appraisal Report On Reserves & Revenue of Cygam Energy Inc. as at Jan 1, 2008"	Canada	$570,857

Tabulated below is a summary of the proven reserves by category:

Natural Gas	214,244 mcf
Condensate	1,366 bbls
Oil	13 bbls
Natural Gas Liquids	1,118 bbls

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 respective reports referred to in paragraph 4 for events and circumstances occurring after its preparation date.

7. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

Matsalla Consulting (1981) Ltd. May 9, 2008

PROFESSIONAL ENGINEER
P. M. MATSALLA
ALBERTA

PERMIT TO PRACTICE
MATSALLA CONSULTING (1981) LTD.
Signature ____
Date May 9 2008
PERMIT NUMBER: P 2896
The Association of Professional Engineers, Geologists and Geophysicists of Alberta

Run Date: 5/05/08

CONSOLIDATION OF ALL PARTICIPATION AND NET SHARE OF SYNDICATION PARTICIPATION CYGAM ENERGY INC.

Year	Production Revenue	Processing Revenue	Associated Capital	Net Cash Flow
2008	$158,900	-$1,524	$5,446	$151,930
2009	$130,582	-$1,546	$6,317	$122,719
2010	$104,798	-$1,563	$6,520	$96,715
2011	$84,954	-$1,577	$4,964	$78,413
2012	$71,585	-$1,587	$3,039	$66,959
2013	$63,174	-$1,593	$20,446	$41,135
2014	$56,518	-$1,590	$2,848	$52,080
2015	$50,128	-$1,598	-$4,649	$53,179
2016	$44,612	-$1,606	$1,924	$41,082
2017	$39,664	-$1,614	$1,865	$36,185
2018	$34,805	-$1,475	-$644	$33,974
2019	$30,288	-$536	$2,822	$26,930
2020	$22,935	-$517	$8,432	$13,986
2021	$17,434	-$497	$4,074	$12,863
2022	$14,644	-$476	$361	$13,807
2023	$12,607	-$302	$7,128	$5,177
2024	$10,414	-$333	$2,651	$7,430
2025	$8,901	-$323	-$3,779	$12,357
2026	$7,310	-$314	-$3,256	$10,252
2027	$5,824	-$304	$36,281	-$30,761
Remain	-$20,681			-$20,681
Total	**$949,396**	**-$20,875**	**$102,790**	**$825,731**

Present Worth Calculated

@ 10.0% is:	$ 570,857
@ 12.5% is:	$ 537,111
@ 15.0% is:	$ 493,672
@ 18.0% is:	$ 457,221
@ 20.0% is:	$ 436,076

Proven Remaining Reserves

GAS[MCF]:	214,244
COND[BBLS]:	1,366
OIL[BBLS]:	13
NGL[BBLS]:	1,118

There may be differences between this information and the cash flow projections due to roundings during the consolidation process

Yours very truly,

MATSALLA CONSULTING (1981) LTD.

PROFESSIONAL ENGINEER P. M. MATSALLA ALBERTA

P. M. Matsalla, P.Eng.
President
PMM/

PERMIT TO PRACTICE
MATSALLA CONSULTING (1981) LTD.
Signature
Date May 9, 2008
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