# QEVA GROUP INC.

# STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

## EFFECTIVE SEPTEMBER 30, 2005

## PREPARED ON FEBRUARY 10, 2006

## TABLE OF CONTENTS

## GLOSSARY OF SELECTED TERMS

The following are selected abbreviations and definitions of terms used herein:

"ABCA" means the *Business Corporations Act* (Alberta);

"boe" means barrels of oil equivalent natural gas converted at 6 mscf of natural gas per barrel of oil;

"boe/day" means barrels of oil equivalent per day;

"bopd" means barrels of oil per day;

"Effective Date" means the effective date of the information contained in this Statement of Reserves Data and Other Oil and Gas Information, being September 30, 2005;

"mboe" means thousands of barrels of oil equivalent;

"mbtu" means thousands of British Thermal Units;

"mcf" means thousands of cubic feet;

"mscf" means thousands of standard cubic feet;

"mscf/day" means thousands of standard cubic feet per day;

"mstb" means thousands of stock tank barrels;

"NGL's" means natural gas liquids including condensate;

"NI 51-101" means National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities of the Canadian Securities Administrators;

"Preparation Date" means the date of preparation of this Statement of Reserves Data and Other Oil and Gas information, being February 10, 2006;

"Qeva" means Qeva Group Inc., an Alberta corporation; and

"stb" means stock tank barrel.

**References to oil, gas, natural gas liquids, reserves (gross, net, proved, probable, possible, developed, developed producing, developed non-producing, undeveloped), constant prices and costs, forecast prices and costs, operating costs, development costs, future net revenue and future income tax expenses shall, unless expressly stated to be to the contrary, have the meaning attributed to such terms as set out in NI 51-101, Companion Policy 51-101CP and all forms referenced therein.**

## MONETARY REFERENCES

All monetary references contained in this Statement of Reserves Data and Other Oil and Gas Information are in Canadian dollars unless otherwise specified.

## FORWARD LOOKING STATEMENTS

This Statement of Reserves Data and Other Oil and Gas Information contains forward-looking statements. These statements relate to future events or Qeva's future performance. All statements other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", or the negative of these terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. Undue reliance should not be placed on these forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur.

Although Qeva believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Qeva cannot guarantee future results, levels of activity, performance or achievements. Moreover, Qeva does not assume responsibility for the accuracy and completeness of the forward-looking statements.

Statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the resources and reserves described can be profitably produced in the future. All forward-looking statements contained in this Statement of Reserves Data and Other Oil and Gas Information are expressly qualified by this cautionary statement. Qeva is not under any duty to update any of the forward-looking statements after the date hereof to conform such statements to actual results or to changes in Qeva's expectations.

## STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

### Oil and Gas Reserves

The oil and gas reserves held by Qeva as at September 30, 2005 relate to (i) a 33⅓% working interest in a crude oil producing property located in the Forgan West area of west central Saskatchewan (the "Forgan Property" or the "Subsequent Disposition Property") which was acquired by Qeva effective December 1, 2004 and sold effective November 1, 2005 and (ii) a 26.64% working interest in a natural gas producing property located in the Hastings area of Alberta (the "Hastings Property") which was acquired by Qeva effective September 1, 2005 and continues to be held by Qeva on the preparation date hereof.

The Hastings Property was evaluated by Sproule Associates Limited which prepared a reserve report effective September 30, 2005 (the "Sproule Report"). The Subsequent Disposition Property was evaluated by Dobson Resource Management Ltd. which prepared a reserve report effective July 1, 2005 (the "Dobson Report") (the Sproule Report and the Dobson Report being collectively, the "Engineering Reports").

The Engineering Reports evaluated the proved and probable crude oil, natural gas and NGL reserves attributable to the Hastings Property and the Subsequent Disposition Property and net present value of estimated future cash flow from such reserves, based on constant and forecasted prices and cost assumptions. The reserves information contained in the Engineering Reports was prepared and is presented in accordance with the requirements of National Instrument 51-101. In preparing their respective reports, Sproule and Dobson obtained historical production, revenue and expense data, product prices actually received and other data from Qeva or from public sources without further investigation. In addition, Sproule and Dobson obtained property descriptions, details of interests held, well data and particulars relating to lessor and overriding royalties and other burdens from Qeva without further investigation.

The tables summarizing Qeva's reserves below, based on the Engineering Reports, show the estimated share of the Qeva's crude oil, natural gas and NGL reserves in the Hastings Property and the Subsequent Disposition Property and the net present value of estimated future net revenue for these reserves, using constant and forecast prices and costs as indicated. **All evaluations of the present value of estimated future net revenue in the Engineering Reports are stated after provision for estimated future capital expenditures, well abandonment and reclamation costs without allowance for salvage values, both before and after income taxes but prior to indirect costs and do not necessarily represent the fair market value of the reserves. The recovery and reserve estimates of oil, NGL and natural gas reserves provided in the Engineering Reports 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 in the Engineering Reports.**

**References to oil, gas, natural gas liquids, reserves (gross, net, proved, probable, developed, developed producing, developed non-producing, undeveloped), constant prices and costs, forecast prices and costs, operating, costs, development costs, future net revenue and future income tax expenses shall, unless expressly stated to be to the contrary, have the meaning attributed to such terms as set out in National Instrument 51-101, Companion Policy 51-101CP and all forms referenced therein.**

**Hastings Property - Forecast Prices**

## SUMMARY OF OIL AND GAS RESERVES
## as of September 30, 2005

## (Not Including Subsequent Disposition Property Reserves)

## FORECAST PRICES AND COSTS

| RESERVES CATEGORY | RESERVES | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | LIGHT AND MEDIUM OIL | | HEAVY OIL | | NATURAL GAS (Non-Associated & Associated) | | NATURAL GAS LIQUIDS | |
| | Gross (Mbbl) | Net (Mbbl) | Gross (Mbbl) | Net (Mbbl) | Gross (MMcf) | Net (MMcf) | Gross (Mbbl) | Net (Mbbl) |
| **PROVED** | | | | | | | | |
| Developed Producing | 0.0 | 0.0 | 0.0 | 0.0 | 215 | 165 | 0.0 | 0.0 |
| Developed Non-Producing | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 |
| Undeveloped | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 |
| **TOTAL PROVED** | 0.0 | 0.0 | 0.0 | 0.0 | **215** | **165** | 0.0 | 0.0 |
| PROBABLE | 0.0 | 0.0 | 0.0 | 0.0 | 184 | 142 | 0.0 | 0.0 |
| **TOTAL PROVED PLUS PROBABLE** | 0.0 | 0.0 | 0.0 | 0.0 | **400** | **307** | 0.0 | 0.0 |

## SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE
## as of September 30, 2005

## (Not Including Subsequent Disposition Property Reserves)

## FORECAST PRICES AND COSTS

| RESERVES CATEGORY | BEFORE INCOME TAXES DISCOUNTED AT (%/year) | | | | | AFTER INCOME TAXES DISCOUNTED AT (%/year) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 0 (M$) | 5 (M$) | 10 (M$) | 15 (M$) | 20 (M$) | 0 (M$) | 5 (M$) | 10 (M$) | 15 (M$) | 20 (M$) |
| **PROVED** | | | | | | | | | | |
| Developed Producing | 1,020 | 848 | 728 | 641 | 576 | 676 | 560 | 480 | 421 | 377 |
| Developed Non-Producing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Undeveloped | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL PROVED** | **1,020** | **848** | **728** | **641** | **576** | **676** | **560** | **480** | **421** | **377** |
| PROBABLE | 820 | 436 | 259 | 170 | 120 | 553 | 293 | 174 | 114 | 81 |
| **TOTAL PROVED PLUS PROBABLE** | **1,840** | **1,284** | **988** | **811** | **696** | **1,229** | **854** | **654** | **536** | **458** |

## TOTAL FUTURE NET REVENUE (UNDISCOUNTED) as of September 30, 2005

### (Not Including Subsequent Disposition Property Reserves)

### FORECAST PRICES AND COSTS

| Reserves Category | Revenue (M$) | Royalties (M$) | Operating Costs (M$) | Develop-ment Costs (M$) | Abandon-ment Costs (M$) | Future Net Revenue Before Income Taxes (M$) | Income Taxes (M$) | Future Net Revenue After Income Taxes (M$) |
|---|---|---|---|---|---|---|---|---|
| Proved Reserves | 1,692 | 386 | 276 | 0 | 10 | 1,020 | 344 | 676 |
| Proved Plus Probable Reserves | 3,100 | 686 | 562 | 0 | 12 | 1,840 | 611 | 1,229 |

## FUTURE NET REVENUE BY PRODUCTION GROUP as of September 30, 2005

### (Not Including Subsequent Disposition Property Reserves)

### FORECAST PRICES AND COSTS

| RESERVES CATEGORY | PRODUCTION GROUP | FUTURE NET REVENUE BEFORE INCOME TAXES (discounted at 10%/year) (M$) |
|---|---|---|
| Proved Reserves | Light and Medium Crude Oil (including solution gas and associated products) | 0 |
| | Heavy Oil (including solution gas and associated by-products) | 0 |
| | Natural Gas (including associated by-products) | 728 |
| Proved Plus Probable Reserves | Light and Medium Crude Oil (including solution gas and associated by-products) | 0 |
| | Heavy Oil (including solution gas and associated by-products) | 0 |
| | Natural Gas (including associated by-products) | 988 |

**Hastings Property - Constant Prices**

## SUMMARY OF OIL AND GAS RESERVES
## as of September 30, 2005

### (Not Including Subsequent Disposition Property Reserves)

### CONSTANT PRICES AND COSTS

| | RESERVES | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | LIGHT AND MEDIUM OIL | | HEAVY OIL | | NATURAL GAS (Non-Associated & Associated) | | NATURAL GAS LIQUIDS | |
| RESERVES CATEGORY | Gross (Mbbl) | Net (Mbbl) | Gross (Mbbl) | Net (Mbbl) | Gross (MMcf) | Net (MMcf) | Gross (Mbbl) | Net (Mbbl) |
| **PROVED** | | | | | | | | |
| Developed Producing | 0.0 | 0.0 | 0.0 | 0.0 | 215 | 165 | 0.0 | 0.0 |
| Developed Non-Producing | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 |
| Undeveloped | 0.0 | 0.0 | 0.0 | 0.0 | 0 | 0 | 0.0 | 0.0 |
| **TOTAL PROVED** | 0.0 | 0.0 | 0.0 | 0.0 | **215** | **165** | 0.0 | 0.0 |
| | | | | | | | | 0.0 |
| PROBABLE | 0.0 | 0.0 | 0.0 | 0.0 | 184 | 142 | 0.0 | 0.0 |
| **TOTAL PROVED PLUS PROBABLE** | 0.0 | 0.0 | 0.0 | 0.0 | **400** | **307** | 0.0 | 0.0 |

## SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE
## as of September 30, 2005

### (Not Including Subsequent Disposition Property Reserves)

### CONSTANT PRICES AND COSTS

| RESERVES CATEGORY | BEFORE INCOME TAXES DISCOUNTED AT (%/year) | | | | | AFTER INCOME TAXES DISCOUNTED AT (%/year) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 0 (M$) | 5 (M$) | 10 (M$) | 15 (M$) | 20 (M$) | 0 (M$) | 5 (M$) | 10 (M$) | 15 (M$) | 20 (M$) |
| **PROVED** | | | | | | | | | | |
| Developed Producing | 1,553 | 1,236 | 1,022 | 869 | 758 | 1,023 | 814 | 671 | 570 | 496 |
| Developed Non-Producing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Undeveloped | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL PROVED** | **1,553** | **1,236** | **1,022** | **869** | **758** | **1,023** | **814** | **671** | **570** | **496** |
| PROBABLE | 1,337 | 698 | 409 | 265 | 185 | 887 | 463 | 271 | 175 | 122 |
| **TOTAL PROVED PLUS PROBABLE** | **2,890** | **1,934** | **1,431** | **1,134** | **943** | **1,911** | **1,276** | **942** | **746** | **619** |

## TOTAL FUTURE NET REVENUE (UNDISCOUNTED) as of September 30, 2005

### (Not Including Subsequent Disposition Property Reserves)

### CONSTANT PRICES AND COSTS

| Reserves Category | Revenue (M$) | Royalties (M$) | Operating Costs (M$) | Develop-ment Costs (M$) | Well Abandon-ment Costs (M$) | Future Net Revenue Before Income Taxes (M$) | Income Taxes (M$) | Future Net Revenue After Income Taxes (M$) |
|---|---|---|---|---|---|---|---|---|
| Proved Reserves | 2,321 | 520 | 240 | 0 | 8 | 1,553 | 529 | 1,023 |
| Proved Plus Probable Reserves | 4,309 | 966 | 445 | 0 | 8 | 2,890 | 979 | 1,911 |

## FUTURE NET REVENUE BY PRODUCTION GROUP as of September 30, 2005

### (Not Including Subsequent Disposition Property Reserves)

### CONSTANT PRICES AND COSTS

| RESERVES CATEGORY | PRODUCTION GROUP | FUTURE NET REVENUE BEFORE INCOME TAXES (discounted at 10%/year) (M$) |
|---|---|---|
| Proved Reserves | Light and Medium Crude Oil (including solution gas and associated by-products) | 0 |
| | Heavy Oil (including solution gas and associated by-products) | 0 |
| | Natural Gas (including associated by-products) | 1,022 |
| Proved Plus Probable Reserves | Light and Medium Crude Oil (including solution gas and associated by-products) | 0 |
| | Heavy Oil (including solution gas and associated by-products) | 0 |
| | Natural Gas (including associated by-products) | 1,431 |

***Subsequent Disposition Property - Forecast Prices***

**SUBSEQUENT DISPOSITION PROPERTY**
**SUMMARY OF OIL AND GAS RESERVES**
**as of July 1, 2005**
**FORECAST PRICES AND COSTS**

| | RESERVES | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | LIGHT AND MEDIUM OIL | | HEAVY OIL | | NATURAL GAS (Non-Associated & Associated) | | NATURAL GAS LIQUIDS | |
| RESERVES CATEGORY | Gross (MSTB) | Net (MSTB) | Gross (Mbbl) | Net (Mbbl) | Gross (MMcf) | Net (MMcf) | Gross (Mbbl) | Net (Mbbl) |
| **PROVED** | | | | | | | | |
| Developed Producing | 23.2 | 20.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Developed Non-Producing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Undeveloped | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **TOTAL PROVED** | 23.2 | 20.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| PROBABLE | 3.4 | 3.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **TOTAL PROVED PLUS PROBABLE** | 26.6 | 24.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

**SUBSEQUENT DISPOSITION PROPERTY**
**SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE**
**as of July 1, 2005**
**FORECAST PRICES AND COSTS**

| | BEFORE INCOME TAXES DISCOUNTED AT (%/year) | | | | | AFTER INCOME TAXES DISCOUNTED AT (%/year) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| RESERVES CATEGORY | 0 (M$) | 5 (M$) | 10 (M$) | 15 (M$) | 20 (M$) | 0 (M$) | 5 (M$) | 10 (M$) | 15 (M$) | 20 (M$) |
| **PROVED** | | | | | | | | | | |
| Developed Producing | 497 | 460 | 427 | 397 | 371 | 281 | 267 | 252 | 237 | 223 |
| Developed Non-Producing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Undeveloped | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL PROVED** | **497** | **460** | **427** | **397** | **371** | **281** | **267** | **252** | **237** | **223** |
| PROBABLE | 27 | 26 | 24 | 22 | 21 | 9 | 9 | 9 | 9 | 9 |
| **TOTAL PROVED PLUS PROBABLE** | **524** | **486** | **451** | **419** | **392** | **290** | **276** | **261** | **246** | **232** |

***SUBSEQUENT DISPOSITION PROPERTY***
***TOTAL FUTURE NET REVENUE***
***(UNDISCOUNTED)***
***as of July 1, 2005***
***FORECAST PRICES AND COSTS***

| *Reserves Category* | *Revenue (M$)* | *Royalties (M$)* | *Operating Costs (M$)* | *Develop-ment Costs (M$)* | *Abandon-ment Costs (M$)* | *Future Net Revenue Before Income Taxes (M$)* | *Income Taxes (M$)* | *Future Net Revenue After Income Taxes (M$)* |
|---|---|---|---|---|---|---|---|---|
| *Proved Reserves* | *1089* | *61* | *404* | *0* | *69* | *497* | *216* | *281* |
| *Proved Plus Probable Reserves* | *1245* | *61* | *494* | *18* | *88* | *524* | *234* | *290* |

***SUBSEQUENT DISPOSITION PROPERTY***
***FUTURE NET REVENUE***
***BY PRODUCTION GROUP***
***as of July 1, 2005***
***FORECAST PRICES AND COSTS***

| *RESERVES CATEGORY* | *PRODUCTION GROUP* | *FUTURE NET REVENUE BEFORE INCOME TAXES (discounted at 10%/year) (M$)* |
|---|---|---|
| *Proved Reserves* | *Light and Medium Crude Oil (including solution gas and associated products)* | *427* |
| | *Heavy Oil (including solution gas and associated by-products)* | *Nil* |
| | *Natural Gas (including associated by-products)* | *Nil* |
| *Proved Plus Probable Reserves* | *Light and Medium Crude Oil (including solution gas and associated by-products)* | *451* |
| | *Heavy Oil (including solution gas and associated by-products)* | *Nil* |
| | *Natural Gas (including associated by-products)* | *Nil* |

## ***Subsequent Disposition Property - Constant Prices***

***SUBSEQUENT DISPOSITION PROPERTY***
***SUMMARY OF OIL AND GAS RESERVES***
***as of July 1, 2005***
***CONSTANT PRICES AND COSTS***

| | *RESERVES* | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | *LIGHT AND MEDIUM OIL* | | *HEAVY OIL* | | *NATURAL GAS (Non-Associated & Associated)* | | *NATURAL GAS LIQUIDS* | |
| *RESERVES CATEGORY* | *Gross (MSTB)* | *Net (MSTB)* | *Gross (Mbbl)* | *Net (Mbbl)* | *Gross (MMcf)* | *Net (MMcf)* | *Gross (Mbbl)* | *Net (Mbbl)* |
| ***PROVED*** | | | | | | | | |
| *Developed Producing* | *23.2* | *20.7* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* |
| *Developed Non-Producing* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* |
| *Undeveloped* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* |
| ***TOTAL PROVED*** | *23.2* | *20.7* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* | *0.0* |

| RESERVES CATEGORY | RESERVES | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | LIGHT AND MEDIUM OIL | | HEAVY OIL | | NATURAL GAS (Non-Associated & Associated) | | NATURAL GAS LIQUIDS | |
| | Gross (MSTB) | Net (MSTB) | Gross (Mbbl) | Net (Mbbl) | Gross (MMcf) | Net (MMcf) | Gross (Mbbl) | Net (Mbbl) |
| | | | | | | | | 0.0 |
| PROBABLE | 3.4 | 3.3 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **TOTAL PROVED PLUS PROBABLE** | 26.6 | 24.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

***SUBSEQUENT DISPOSITION PROPERTY***
***SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE***
***as of July 1, 2005***
***CONSTANT PRICES AND COSTS***

| RESERVES CATEGORY | BEFORE INCOME TAXES DISCOUNTED AT (%/year) | | | | | AFTER INCOME TAXES DISCOUNTED AT (%/year) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 0 (M$) | 5 (M$) | 10 (M$) | 15 (M$) | 20 (M$) | 0 (M$) | 5 (M$) | 10 (M$) | 15 (M$) | 20 (M$) |
| **PROVED** | | | | | | | | | | |
| Developed Producing | 729 | 646 | 579 | 525 | 479 | 428 | 384 | 348 | 317 | 291 |
| Developed Non-Producing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Undeveloped | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **TOTAL PROVED** | **729** | **646** | **579** | **525** | **479** | **428** | **384** | **348** | **317** | **291** |
| PROBABLE | 69 | 60 | 53 | 47 | 42 | 36 | 32 | 28 | 25 | 22 |
| **TOTAL PROVED PLUS PROBABLE** | **798** | **706** | **632** | **572** | **521** | **464** | **416** | **376** | **342** | **313** |

***SUBSEQUENT DISPOSITION PROPERTY***
***TOTAL FUTURE NET REVENUE***
***(UNDISCOUNTED)***
***as of July 1, 2005***
***CONSTANT PRICES AND COSTS***

| Reserves Category | Revenue (M$) | Royalties (M$) | Operating Costs (M$) | Develop-ment Costs (M$) | Well Abandon-ment Costs (M$) | Future Net Revenue Before Income Taxes (M$) | Income Taxes (M$) | Future Net Revenue After Income Taxes (M$) |
|---|---|---|---|---|---|---|---|---|
| Proved Reserves | 1317 | 74 | 383 | 0 | 61 | 729 | 301 | 428 |
| Proved Plus Probable Reserves | 1510 | 74 | 468 | 17 | 78 | 798 | 334 | 464 |

***SUBSEQUENT DISPOSITION PROPERTY***
***FUTURE NET REVENUE***
***BY PRODUCTION GROUP***
***as of July 1, 2005***
***CONSTANT PRICES AND COSTS***

| *RESERVES CATEGORY* | *PRODUCTION GROUP* | *FUTURE NET REVENUE BEFORE INCOME TAXES (discounted at 10%/year) (M$)* |
|---|---|---|
| *Proved Reserves* | *Light and Medium Crude Oil (including solution gas and associated by-products)* | *579* |
| | *Heavy Oil (including solution gas and associated by-products)* | *Nil* |
| | *Natural Gas (including associated by-products)* | *Nil* |
| *Proved Plus Probable Reserves* | *Light and Medium Crude Oil (including solution gas and associated by-products)* | *798* |
| | *Heavy Oil (including solution gas and associated by-products)* | *Nil* |
| | *Natural Gas (including associated by-products)* | *Nil* |

**Summary of Pricing Assumptions**

**Constant Prices and Costs Employed by Sproule - September 30, 2005**

Sproule employed the following price and exchange rate assumptions as of September 30, 2005 in estimating Qeva's reserves data using constant prices and costs.

Natural Gas
Alberta AECO-C 10.70 $/Mcf

Exchange Rate 0.86 $U.S./$Cdn

**Forecast Prices and Costs Employed by Sproule - September 30, 2005**

The following forecast, effective September 30, 2005, is used in the Sproule Report:

| Year | WTI Cushing Oklahoma $US/Bbl | Edmonton Par Price 40 API $/Bbl | Cromer Medium 29.3 API $/Bbl | AECO - C Spot | Edmonton Pentanes Plus $/Bbl | Edmonton Butane $/Bbl | Cost Inflation Rate %/Yr | Exchange Rate $US/$Cdn |
|---|---|---|---|---|---|---|---|---|
| 2001 | 30.30 | 44.03 | 39.90 | 5.07 | 46.27 | 34.83 | 1.5 | 0.674 |
| 2002 | 25.94 | 39.06 | 31.56 | 6.23 | 42.46 | 27.93 | 2.0 | 0.646 |
| 2003 | 26.09 | 40.12 | 35.46 | 4.04 | 40.80 | 25.39 | 2.7 | 0.637 |
| 2004 | 31.14 | 43.23 | 37.53 | 6.66 | 44.16 | 34.55 | 2.5 | 0.716 |
| 2005 | 66.60 | 79.73 | 69.03 | 11.46 | 81.66 | 45.76 | 2.3 | 0.820 |
| 2006 | 67.41 | 80.73 | 70.99 | 10.97 | 82.68 | 51.14 | 2.5 | 0.820 |
| 2007 | 61.17 | 73.10 | 66.10 | 9.57 | 74.86 | 49.04 | 2.5 | 0.820 |
| 2008 | 43.92 | 52.04 | 46.04 | 6.62 | 53.30 | 34.91 | 2.5 | 0.820 |
| 2009 | 42.45 | 50.24 | 44.24 | 6.39 | 51.45 | 33.70 | 1.5 | 0.820 |
| 2010 | 43.09 | 51.00 | 44.97 | 6.42 | 52.23 | 34.21 | 1.5 | 0.820 |
| 2011 | 43.74 | 51.77 | 45.71 | 6.53 | 53.02 | 34.72 | 1.5 | 0.820 |
| 2012 | 44.39 | 52.55 | 46.46 | 6.64 | 53.81 | 35.25 | 1.5 | 0.820 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2013 | 45.06 | 53.34 | 47.22 | 6.76 | 54.63 | 35.78 | 1.5 | 0.820 |
| 2014 | 45.74 | 54.14 | 48.00 | 6.88 | 55.45 | 36.32 | 1.5 | 0.820 |
| 2015 | 46.42 | 54.96 | 48.78 | 7.00 | 56.29 | 36.87 | 1.5 | 0.820 |
| 2016 | 47.12 | 55.79 | 49.58 | 7.12 | 57.13 | 37.42 | 1.5 | 0.820 |

## Constant Prices and Costs Employed by Dobson - July 1, 2005

Dobson employed the following price as of July 1, 2005 in estimating Qeva's reserves data using constant prices and costs.

Crude Oil (wellhead price) 56.81 ($/bbl)

## Forecast Prices and Costs Employed by Dobson - July 1, 2005

The following forecast, effective July 1, 2005, is used in the Dobson Report:

| YEAR | WTI(1) $US/BBL | CANADIAN CRUDE FOB EDMONTON $(CDN)/BBL(2) | HARDISTY $(CDN)/BBL(2) | CROMER $BBL(4) | $US/CDN EXCHANGE | SPOT GAS $/MCF(5) |
|---|---|---|---|---|---|---|
| 2003 (actual) | 30.95 | 43.50 | 32.01 | 37.55 | 0.72 | 6.49 |
| 2004 (actual) | 41.57 | 53.31 | 29.10 | 45.75 | 0.77 | 6.45 |
| 2005 | 55.00 | 66.00 | 35.50 | 57.50 | 0.82 | 7.40 |
| 2006 | 55.00 | 66.00 | 35.50 | 57.50 | 0.82 | 7.50 |
| 2007 | 52.00 | 62.75 | 34.75 | 54.50 | 0.82 | 7.10 |
| 2008 | 48.00 | 57.75 | 34.25 | 50.25 | 0.82 | 6.85 |
| 2009 | 45.00 | 54.25 | 34.00 | 47.25 | 0.82 | 6.55 |
| 2010 (6) | 42.00 | 50.50 | 32.75 | 44.00 | 0.82 | 6.25 |

**Notes:**

(1) West Texas Intermediate - Cushing, Oklahoma.
(2) 40° API and 0.5 percent sulphur adjusted for gravity and transportation.
(3) Hardisty Heavy 12 API.
(4) Medium Crude 29 API.
(5) Adjusted for heating value and aggregator contract price.
(6) Prices escalated at 1.50 percent year after.

### Reconciliation of Company Net Reserves by Product Type

The following table sets forth a reconciliation of Qeva's total net proved, probable and proved plus probable reserves as at September 30, 2005 against such reserves as at September 30, 2004 based on forecast price and cost assumptions, excluding the Subsequent Disposition Property.

### Forecast Prices and Costs

| | Natural Gas | | |
|---|---|---|---|
| | Net Proved (mscf) | Net Probable (mscf) | Net Proved Plus Probable (mscf) |
| September 30, 2004 | 188 | 142 | 330 |
| Drilling Additions | nil | nil | nil |
| Acquisitions | nil | nil | nil |
| Dispositions | nil | nil | nil |
| Technical Revisions | nil | nil | nil |
| Production | 23 | 0 | 23 |
| September 30, 2005 | 165 | 142 | 307 |

### Reconciliation of Changes in Present Value of Net Revenue

The following table sets forth a reconciliation of the estimate of the net present value of future net revenue attributable to Qeva's reserves as evaluated in the Sproule Report as at September 30, 2005 against the estimate of such amount as at September 30, 2004, calculated before tax using a discount rate of 10% and constant pricing and cost assumptions, excluding the Subsequent Disposition Property.

### Proved Reserves
### Constant Prices and Costs

### (Discounted at 10%) (In Cdn$ thousands)

| | Company Total |
|---|---|
| Estimated Future Net Revenue at September 30, 2004 | 825 |
| Net Change in Sales and Transfer Prices, Production Costs and Royalties Related to Future Production | 154 |
| Change Resulting from Improved Recovery | nil |
| Change Resulting from Discoveries | nil |
| Change Resulting from Acquisition of Reserves | nil |
| Change Resulting from Disposition of Reserves | nil |
| Estimated Future Net Revenue at September 30, 2005 | 671 |

## ADDITIONAL INFORMATION RELATING TO QEVA'S RESERVE DATA

### Significant Factors and Uncertainties

The process of estimating oil and gas 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 processing and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions and are evaluated by independent engineering firms.

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, 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. The reserve estimates of Qeva's oil, NGL and natural gas reserves provided in this Statement of Reserves Data and Other Oil and Gas Information are estimates only and there is no assurance or guarantee that the estimated reserves will be recovered. Actual reserves may be greater or less than the estimates provided herein.

### Future Development Costs

There have been no development costs deducted in the estimation of future net revenues attributable to proved reserves (using both constant prices and costs and forecast prices and costs) and proved plus probable reserves (using forecast prices and costs only) for the Hastings Property. The Hastings Property consists of one producing natural gas well with respect to which no further development is planned.

## OTHER OIL AND GAS INFORMATION

### Natural Gas Wells

The following table summarizes Qeva's interest, as at September 30, 2005, in producing and non-producing crude oil and natural gas wells, excluding wells relating to the Subsequent Disposition Property.

| | Gas | | | |
|---|---|---|---|---|
| | Producing | | Non-Producing | |
| | Gross | Net | Gross | Net |
| **Alberta** | | | | |
| Hastings | 1.0 | 0.27 | Nil | Nil |
| **Company Total** | 1.0 | 0.27 | Nil | Nil |

**Notes:**
(1) "Gross Wells" are all wells in which Qeva has an interest.
(2) "Net Wells" are the aggregate percentage of Qeva's interest in Gross Wells.

### Oil and Gas Properties

The following is a summary of Qeva's major producing and exploration properties as at the most recently completed financial year. In addition to the following, Qeva also owned the Forgan Property which was sold effective November 1, 2005.

Hastings

The Hastings Property is located at 10-051-19W4 in the Hastings area of Alberta and consists of a Crown petroleum and natural gas lease containing one producing natural gas well. Qeva has a 26.64% working interest in the property and it is subject to a crown royalty and a 4% gross overinding royalty.

### Abandonment and Reclamation Costs

Abandonment and reclamation costs are estimated on an area by area basis. The industry's historical costs are used when available. If representative comparisons are not readily available, an estimate is prepared based on the various regulatory abandonment requirements.

Qeva has 0.27 net wells for which it expects to incur abandonment and reclamation costs. The total of such costs, forecast net of estimated salvage value, is $30,000 (undiscounted) and $7,500 (discounted at 10%) in respect of proved reserves. 0.27% of such amounts were deducted as abandonment and reclamation costs in estimating future net revenue of the Corporation in respect of proved reserves disclosed above. Reserve report calculations have assumed that abandonment costs of $0.0 will be incurred by Qeva in 2006, $0.0 in 2007 and $0.0 in 2008.

### Tax Horizon

Qeva was not required to pay any tax during the year ended September 30, 2005. Based on a strategy of re-investing fully all internally generated cash flow in exploration and development programs, and based on the commodity prices used in the Sproule Report, Qeva estimates that it will not be required to pay income taxes for at least the next three to five years.

### Acquisition, Exploration and Developments Costs Incurred

The following table sets out Qeva's property acquisition, exploration and development costs for the fiscal year ended September 30, 2005, excluding the Subsequent Disposition Property.

| | Property Acquisition Costs | | Exploration Costs | Development Costs |
|---|---|---|---|---|
| | Proved | Unproved | | |
| Saskatchewan | Nil | Nil | Nil | Nil |
| Alberta | 800 | Nil | Nil | Nil |
| Total | 800 | Nil | Nil | Nil |

### Exploration and Development Drilling Activity

Qeva does not have an interest in any exploration and development wells.

### Future Anticipated Exploration and Development Activities

Qeva does not anticipate further exploration and development of the Hastings Property. Qeva's strategy is to acquire production, development and exploration assets in the North Sea through bidding rounds with the UK Department of Trade and Industry, joint ventures with existing companies and farm-in opportunities with current license holders.

### Production Estimates

The following table sets out Qeva estimated production of oil, natural gas and NGL's for fiscal year ended September 30, 2006 as set out in the Sproule Report.

## Net Future Production Estimates

## Constant Prices And Cost

| | Estimated 2006 Production | | | | | |
|---|---|---|---|---|---|---|
| | Oil (mbbl) | | NG (mmcf) | | NGL (mbbl) | |
| | Proved | Producing | Proved | Producing | Proved | Producing |
| Saskatchewan | Nil | Nil | Nil | Nil | Nil | Nil |
| Alberta | Nil | Nil | 30 | 30 | Nil | Nil |
| Total | Nil | Nil | 30 | 30 | Nil | Nil |

## Production History

The following table sets out, by country, on a quarterly basis for the year ended September 30, 2005, Qeva's 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.

### Average Daily Production Information

| | Three Months Ended, 2004 | | | | 12 months ended |
|---|---|---|---|---|---|
| | **31 - Dec** | **31 - Mar** | **30 - Jun** | **30 - Sept** | **30 - Sept** |
| Oil BOPD | 18.5 | 14 | 15.1 | 13.4 | 61 |
| Gas Mcf/d | Nil | Nil | Nil | 93 | 93 |
| NGL | Nil | Nil | Nil | Nil | Nil |
| Average Net Price $/bbl | 42.67 | 47.50 | 55.25 | 61.94 | 51.84 |
| $/Mcf | n/a | n/a | n/a | 9.23 | 9.23 |
| Sales--Oil | 71,640 | 60,416 | 75,896 | 75,632 | 283,584 |
| Gas | | | | 25,752 | 25,752 |
| Royalties Oil | 9,875 | 7,480 | 8,080 | 7,180 | 32,615 |
| Gas | | | | 7,765 | 7,765 |
| Op ex Oil | 22,796 | 17,270 | 18,650 | 16,580 | 75,296 |
| Gas | | | | 1,750 | 1,750 |
| Netback Total(Oil/Gas) | 38,969 | 35,666 | 49,166 | 68,109 | 191,910 |

**Note:**

(1) The barrels of oil equivalent has been calculated on the basis of 1 boe to 6 mcf of gas. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: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.

## Production Volume by Field

The following table discloses by field Qeva's production volumes for the financial year ended September 30, 2005 for each production type.

| | **Oil** | **NGL** | **NG** |
|---|---|---|---|
| **Hastings** | Nil | Nil | 2.79MMcf |
| **Forgan** | 5,566 bbls | Nil | Nil |
| **Total** | 5,566 bbls | Nil | 2.79MMcf |