

**FORM 51-101 F3 REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS
DISCLOSURE (Year End September 30, 2016)**

This is the form referred to in item 3 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101").

1. Terms which a meaning is ascribed in *NI 51-101* have the same meaning in this form.
2. The report referred to in item 3 of section 2.1 of *NI 51-101* shall in all material respects be as follows:

Report of Management and Directors on Reserves Data and Other Information

Management of Esrey Energy Ltd. (the "Company") is 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 September 30, 2016 estimated using forecast prices and costs.

The board of directors of the Company has reviewed the assets, data and position of the Company as of September 30, 2016 and has determined that, as of the last day of the Company's most recently completed financial year, the Company had no reserves.

An independent qualified reserves evaluator has not been retained to evaluate the Company's reserves data as the Company has no reserves as of the last day of the Company's most recently completed financial year and no report of an independent qualified reserves evaluator will be disclosed by the Company for the period from October 1, 2015 to September 30, 2016.

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

- a) the content and filing with securities regulatory authorities Form 51-101F1 containing information detailing the Company's oil and gas activities;
- b) the Company not filing Form 51-101F2, which is the report of the independent qualified reserves evaluator on reserves data due to the Company having no reserves; and
- c) the content and filing of this report.

Reserves data is based on judgments regarding future events, and therefore actual results may 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. Therefore, based on information available at January 26, 2017, the board of directors of the Company has determined that the Company had no reserves at that time.

Signed, and dated effective January 26, 2017

Signed "David Nelson"

David Nelson, President and CEO

Signed "David Nelson"

David Nelson, Interim CFO

Signed "David Cohen"

On Behalf of the Board:
David Cohen, Director

Signed "Richard Green"

On Behalf of the Board:
Richard Green, Director