

FOREST GATE RESOURCES INC.

**RESERVE ESTIMATION AND
ECONOMIC EVALUATION**

EXECUTIVE SUMMARY

Effective Date: December 31, 2008





April 24, 2009

Forest Gate Resources Inc.
1 Place Ville Marie, Suite 1511
Montreal, Quebec
H3B 2B5

Attention: Mr. Robert Kramberger

**RE: Forest Gate Resources Inc.
Reserve Estimation and Economic Evaluation**

At your request and authorization, AJM Petroleum Consultants ("AJM") has prepared an independent evaluation of certain oil and gas assets of Forest Gate Resources Inc. ("Forest Gate"), effective December 31, 2008.

This report has been prepared for the exclusive use of Forest Gate Resources Inc. for corporate reporting purposes and no part thereof shall be reproduced, distributed or made available to any other person, company, regulatory body or organization pursuant to Part 5 Section 5.7 of NI 51-101. AJM Petroleum Consultants hereby gives its consent to the use of its name and to the said estimates pursuant to Part 5 Section 5.7 Item (2) of NI 51-101.

Pursuant to Part 2 Item 2.1 and 2.2 of Form NI 51-101F1, this report documents the results of the evaluation with the following table summarizing the total corporate reserves and value:

- Table 1 – summary of total corporate reserves and value using forecast prices and costs.
- Table 2 – reserves reconciliation.

The oil and gas reserves calculations and income projections, upon which this report is based, were estimated in accordance with the Canadian Oil and Gas Evaluation Handbook (COGEH) and National Instrument 51-101 (NI 51-101). The Evaluation Procedure section included in this report details the reserves definitions, price and market demand forecasts and general procedure used by AJM in its determination of this evaluation. The extent and character of ownership and all factual data supplied by Forest Gate Resources Inc. were accepted as presented (see Representation Letter attached within).



Forest Gate Resources Inc.
Reserve Estimation and Economic Evaluation

This report contains forward looking statements including expectations of future production and capital expenditures. Information concerning reserves may also be deemed to be forward looking as estimates imply that the reserves described can be profitably produced in the future. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause the actual results to differ from those anticipated. These risks include, but are not limited to: the underlying risks of the oil and gas industry (i.e. operational risks in development, exploration and production; potential delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserves estimates; the uncertainty of estimates and projections relating to production, costs and expenses, political and environmental factors), and commodity price and exchange rate fluctuation. Present values for various discount rates documented in this report may not necessarily represent fair market value of the reserves.

A Boe conversion ratio of 6 Mcf: 1 barrel has been used within this report. This conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

No value has been assigned in this evaluation for non-reserve lands.

AJM Petroleum Consultants is pleased to present its independent reserves evaluation report for Forest Gate Resources Inc., effective December 31, 2008, in satisfaction of Part 2 Section 2.1 Item 2 of NI 51-101 and Form 51-101F2, without reservation.

Yours truly,

AJM Petroleum Consultants

Original signed by: "Robin G. Bertram"

Robin G. Bertram, P. Eng.
Vice President Engineering

/ct



FOREST GATE RESOURCES INC.
TABLE 1
DETAILED ECONOMIC SUMMARY REPORT - BEFORE TAX
AJM December 31, 2008 Forecast Pricing
Canada

Effective December 31, 2008

Page 1 of 1

		Proved Producing	Developed Non-Producing	Proved Undeveloped	Proved	Probable	Additional	Proved Plus Probable	Additional
Light and Medium Oil									
	Mstb								
Ultimate Remaining		8.0		0.0	8.0		5.0		13.0
WI Before Royalty		3.3		0.0	3.3		2.1		5.4
WI After Royalty		2.2		0.0	2.2		1.4		3.6
Royalty Interest		0.0		0.0	0.0		0.0		0.0
Total Net		2.2		0.0	2.2		1.4		3.6
Heavy Oil									
	Mstb								
Ultimate Remaining		0.0		0.0	0.0		0.0		0.0
WI Before Royalty		0.0		0.0	0.0		0.0		0.0
WI After Royalty		0.0		0.0	0.0		0.0		0.0
Royalty Interest		0.0		0.0	0.0		0.0		0.0
Total Net		0.0		0.0	0.0		0.0		0.0
Total Oil*									
	Mstb								
Ultimate Remaining		8.0		0.0	8.0		5.0		13.0
WI Before Royalty		3.3		0.0	3.3		2.1		5.4
WI After Royalty		2.2		0.0	2.2		1.4		3.6
Royalty Interest		0.0		0.0	0.0		0.0		0.0
Total Net		2.2		0.0	2.2		1.4		3.6
Sales Gas									
	MMcf								
Ultimate Remaining		644.4		282.1	926.5		201.5		1,128.0
WI Before Royalty		52.1		107.2	159.3		22.4		181.7
WI After Royalty		37.8		93.0	130.8		18.8		149.6
Royalty Interest		0.0		0.0	0.0		0.0		0.0
Total Net		37.8		93.0	130.8		18.8		149.6
NGLs									
	Mstb								
Ultimate Remaining		0.0		0.0	0.0		0.0		0.0
WI Before Royalty		0.0		0.0	0.0		0.0		0.0
WI After Royalty		0.0		0.0	0.0		0.0		0.0
Royalty Interest		0.0		0.0	0.0		0.0		0.0
Total Net		0.0		0.0	0.0		0.0		0.0
Sulphur									
	Mlt								
Ultimate Remaining		0.0		0.0	0.0		0.0		0.0
WI Before Royalty		0.0		0.0	0.0		0.0		0.0
WI After Royalty		0.0		0.0	0.0		0.0		0.0
Royalty Interest		0.0		0.0	0.0		0.0		0.0
Total Net		0.0		0.0	0.0		0.0		0.0
Mboe									
	Mboe								
Ultimate Remaining		115.4		47.0	162.4		38.5		201.0
WI Before Royalty		12.0		17.9	29.9		5.8		35.6
WI After Royalty		8.5		15.5	24.0		4.5		28.6
Royalty Interest		0.0		0.0	0.0		0.0		0.0
Total Net		8.5		15.5	24.0		4.5		28.6
Net Present Values									
	M\$								
Before Income Tax									
<i>Not Including ARTC</i>									
Undiscounted		210.5		531.6	742.0		189.9		931.9
Discounted at 5%		201.9		436.5	638.4		149.6		787.9
Discounted at 10%		191.1		365.8	556.9		121.8		678.7
Discounted at 12%		186.8		342.5	529.3		113.1		642.4
Discounted at 15%		180.5		311.7	492.2		102.1		594.3
ARTC									
Undiscounted		0.0		0.0	0.0		0.0		0.0
Discounted at 5%		0.0		0.0	0.0		0.0		0.0
Discounted at 10%		0.0		0.0	0.0		0.0		0.0
Discounted at 12%		0.0		0.0	0.0		0.0		0.0
Discounted at 15%		0.0		0.0	0.0		0.0		0.0
<i>Including ARTC</i>									
Undiscounted		210.5		531.6	742.0		189.9		931.9
Discounted at 5%		201.9		436.5	638.4		149.6		787.9
Discounted at 10%		191.1		365.8	556.9		121.8		678.7
Discounted at 12%		186.8		342.5	529.3		113.1		642.4
Discounted at 15%		180.5		311.7	492.2		102.1		594.3



FOREST GATE RESOURCES INC.
TABLE 2
RESERVES RECONCILIATION SUMMARY
Working Interest

Opening: AJM December 31, 2007 Forecast Pricing
 Closing: AJM December 31, 2008 Forecast Pricing

Effective December 31, 2008

Page 1 of 1

	Proved Developed Producing						Total Proved						Probable Additional						Proved + Probable Additional						
	Light & Medium Oil		Assoc & Non Assoc Gas		NGL	BOE	Light & Medium Oil		Assoc & Non Assoc Gas		NGL	BOE	Light & Medium Oil		Assoc & Non Assoc Gas		NGL	BOE	Light & Medium Oil		Assoc & Non Assoc Gas		NGL	BOE	
	Mstb	Mstb	MMcf	MMcf			Mstb	Mstb	MMcf	MMcf			Mstb	Mstb	MMcf	MMcf			Mstb	Mstb	MMcf	MMcf			Mstb
Opening Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	71.1	0.0	11.9	0.0	0.0	0.0	0.0	8.9	0.0	1.5	0.0	0.0	0.0	80.0	0.0	13.3
Production	-2.6	0.0	0.0	-14.3	0.0	-5.0	-2.6	0.0	0.0	-14.3	0.0	-5.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.6	0.0	0.0	-14.3	0.0	-5.0	
Drilling Activity																									
Discovery	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Extensions	5.9	0.0	0.0	0.0	0.0	0.0	5.9	0.0	107.2	0.0	0.0	23.8	2.1	0.0	14.5	0.0	0.0	4.5	8.0	0.0	121.7	0.0	0.0	28.3	
Recompletion	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
A&D																									
Acquisition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Dispositions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Revisions																									
Revision	0.0	0.0	0.0	66.4	0.0	11.1	0.0	0.0	0.0	-4.7	0.0	-0.8	0.0	0.0	0.0	-1.1	0.0	-0.2	0.0	0.0	0.0	-5.8	0.0	-1.0	
Recovery	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Econ Factors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
NI 51-101	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
W1 Error	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Facility	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Infill Drilling	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Abandonment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Enhanced Recovery	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Administrative																									
Eval Date Rollover	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Logical Entity Change	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
System Admin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Software Upgrade	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Closing	3.3	0.0	0.0	52.1	0.0	12.0	3.3	0.0	107.2	52.1	0.0	29.9	2.1	0.0	14.5	7.8	0.0	5.8	5.4	0.0	121.7	59.9	0.0	35.7	



For reference only: 1 boe = 1 bbl Oil = 6 mcf Gas = 1 bbl NGL

Independent Petroleum Consultants Consent

The undersigned firm of Independent Qualified Reserves Evaluators and Auditors of Calgary, Alberta, Canada has prepared an independent evaluation of reserves and future net revenues derived therefrom, of the Petroleum and Natural Gas assets of the interests of Forest Gate Resources Inc. according to the Canadian Oil and Gas Evaluation Handbook. If required, these reserves and future net revenues were estimated using forecast prices and costs (before and after income taxes) according to the requirements of National Instrument 51-101 (NI 51-101). The effective date of this evaluation is December 31, 2008.

In the course of the evaluation, Forest Gate Resources Inc. provided AJM Petroleum Consultants personnel with basic information which included land, well and accounting (product prices and operating costs) information; reservoir and geological studies, estimates of on-stream dates for certain properties, contract information, budget forecasts and financial data. Other engineering, geological or economic data required to conduct the evaluation and upon which this report is based, were obtained from public records, other operators and from AJM Petroleum Consultants non confidential files. The extent and character of ownership and accuracy of all factual data supplied for the independent evaluation, from all sources, has been accepted.

A "Representation Letter" dated April 20, 2009 and signed by both the Chairman, President and Chief Executive Officer and the Vice President, Investor Relations was received from Forest Gate Resources Inc. prior to the finalization of this report. This letter specifically addressed the accuracy, completeness and materiality of all the data and information that was supplied to us during the course of our evaluation of Forest Gate Resources Inc.'s reserves and net present values. This letter is included within.

A field inspection and environmental/safety assessment of the properties was beyond the scope of the engagement of AJM Petroleum Consultants and none was carried out. The "Representation Letter" received from Forest Gate Resources Inc. provided assurance that no additional information necessary for the completion of our assignment would have been obtained by a field inspection.

The accuracy of any reserve and production estimates is a function of the quality and quantity of available data and of engineering interpretation and judgment. While reserve and production estimates presented herein are considered reasonable, and adhere to the COGE Handbook and NI 51-101 (as applicable), the estimates should be accepted with the understanding that reservoir performance subsequent to the date of the estimate may justify revision, either upward or downward.

Revenue projections presented in this report are based in part on forecasts of market prices, current exchange rates, inflation, market demand and government policy which are subject to uncertainties and may in future differ materially from the forecasts herein. Present values of future net revenues documented in this report do not necessarily represent the fair market value of the reserves evaluated herein.

PERMIT TO PRACTICE

AJM Petroleum Consultants
Permit Number: P-7149

The Association of Professional Engineers,
Geologists and Geophysicists of Alberta



CERTIFICATE OF QUALIFICATION

I, R. G. Bertram, a Professional Engineer, of the 6th Floor, 425 – 1st Street S.W., Calgary, Alberta, Canada hereby certify that:

1. I am an associate of AJM Petroleum Consultants, which company did prepare a detailed analysis of certain Western Canadian oil and gas assets of the interests of Forest Gate Resources Inc. The effective date of this evaluation is December 31, 2008.
2. I do not have, nor do I expect to receive any direct or indirect interest in the properties evaluated in this report or in the securities of Forest Gate Resources Inc.
3. I attended the University of Alberta and graduated with a Bachelor of Science Degree in Petroleum Engineering in 1985; that I am a Registered Professional Engineer in the Province of Alberta; and I have in excess of twenty three years of experience in engineering in Western Canadian oil and gas fields.
4. A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of information available from the files of the interest owners of the properties and the appropriate provincial regulatory authorities.

Original signed by: "R. G. Bertram"

R. G. Bertram, P. Eng.

April 23, 2009

Date



CERTIFICATE OF QUALIFICATION

I, C. M. Lazicki a Professional Engineer, of the 6th Floor, 425 – 1st Street S.W., Calgary, Alberta, Canada hereby certify that:

1. I am an employee of AJM Petroleum Consultants, which company did prepare a detailed analysis of certain Western Canadian oil and gas assets of the interests of Forest Gate Resources Inc. The effective date of this evaluation is December 31, 2008.
2. I do not have, nor do I expect to receive any direct or indirect interest in the properties evaluated in this report or in the securities of Forest Gate Resources Inc.
3. I attended the University of Alberta and graduated with a Bachelor of Science in Chemical Engineering in 1996; that I am a Registered Professional Engineer in the Province of Alberta; and I have in excess of seven years of experience in engineering in Western Canadian oil and gas fields.
4. A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of information available from the files of the interest owners of the properties and the appropriate provincial regulatory authorities.

Original signed by: "C. M. Lazicki"

C. M. Lazicki, P. Eng.

April 23, 2009 _____

Date



CERTIFICATE OF QUALIFICATION

I, L. D. Boyd, a Registered Professional Geologist, of the 6th Floor, 425 – 1st Street S.W., Calgary, Alberta, Canada hereby certify that:

1. I am an associate of AJM Petroleum Consultants, which company did prepare a detailed analysis of certain Western Canadian oil and gas assets of the interests of Forest Gate Resources Inc. The effective date of this evaluation is December 31, 2008.
2. I do not have, nor do I expect to receive any direct or indirect interest in the properties evaluated in this report or in the securities of Forest Gate Resources Inc.
3. I attended the University of Calgary and graduated with a Bachelor of Science Degree in Geology in 1976; that I am a Registered Professional Geologist in the Province of Alberta; and I have in excess of thirty two years experience in geological evaluations of Western Canadian oil and gas fields.
4. A personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of information available from the files of the interest owners of the properties and the appropriate provincial regulatory authorities.

Original signed by: "L. D. Boyd"

L. D. Boyd, P. Geol.

April 23, 2009

Date



April 20, 2009

AJM Petroleum Consultants
East Tower, Fifth Avenue Place
6th Floor, 425 – 1st Street S.W.
Calgary, Alberta
T2P 3L8

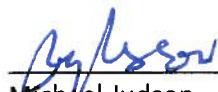
**Re: Standard Representation Letter
Corporate Reserve Evaluation**

Regarding the evaluation of our Company's oil and gas reserves and independent appraisal of the economic value of these reserves effective December 31, 2008 (the "effective date"), we herein confirm to the best of our knowledge and belief as of the effective date of the reserves evaluation, the following representations and information made to you during the course and conduct of the evaluation.

1. We (the "Client") have made available to you (the "Evaluator") certain records, information and data relating to the evaluated properties that we confirm is, with the exception of immaterial items, complete and accurate as of the effective date of the reserves evaluation including the following:
 - a. accounting, financial and contractual data;
 - b. asset ownership and related encumbrance information;
 - c. details concerning product marketing, transportation and processing arrangement;
 - d. all technical information including geological, engineering and production and test data;
 - e. estimates of future abandonment and reclamation costs.
2. We confirm that all financial and accounting information provided to you is, to the best of our knowledge, both on an individual entity basis and in total, entirely consistent with that reported by our Company for public disclosure and annual audit purposes.
3. We confirm that our Company has satisfactory title to all of the assets, whether tangible, intangible or otherwise, for which accurate and current ownership information has been provided.
4. With respect to all information provided to you regarding product marketing, transportation and processing arrangements, we confirm that we have disclosed to you all anticipated changes, terminations and additions to these arrangements that could reasonably be expected to have a material impact on the evaluation of our Company's reserves and future net revenues.

5. With the possible exception of items of an immaterial nature, we confirm as of the effective date of the evaluation that:
- a. For all operated properties that you have evaluated, no changes have occurred or are reasonably expected to occur to the operating conditions or methods that have been used by our Company over the past twelve (12) months, except as disclosed to you. In the case of non-operated properties, we have advised you of any changes of which we have been made aware.
 - b. This letter provides assurance that no additional information necessary for the completion of your assignment would have been obtained by a field inspection.
 - c. All regulatory approvals, permits and licenses required to allow continuity of future operations and production from the evaluated properties are in place and, except as disclosed to you, there are no directives, orders, penalties or regulatory rulings in effect or expected to come into effect relating to the evaluated properties.
 - d. Except as disclosed to you, the producing trend and status of each evaluated well or entity in effect throughout the three month period preceding the effective date of the evaluation are consistent with those that existed for the same well or entity immediately prior to this period.
 - e. Except as disclosed to you, we have no plans or intentions related to the ownership, development or operation of the evaluated properties that could reasonably be expected to materially affect the production levels or recovery of reserves from the evaluated properties.
 - f. If material changes of an adverse nature occur in the Company's operating performance subsequent to the effective date and prior to the report date, we will undertake to inform you of such material changes prior to requesting your approval for any public disclosure of reserves information.
 - g. Between the effective date of the report and the date of this letter, nothing has come to our attention that has materially affected or could materially affect our reserves and the economic value of these reserves that has not been disclosed to you.

Yours truly,



Michael Judson
Chairman, President & CEO



Robert Kramberger
Vice President, Investor Relations

**FORM 51-101 F2
REPORT ON RESERVES DATA
BY
INDEPENDENT QUALIFIED RESERVES
EVALUATOR OR AUDITOR**

To the Board of Directors of Forest Gate Resources Inc. (the "Company"):

1. We have evaluated the Company's reserves data as at December 31, 2008. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2008 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 end December 31, 2008 and identifies the respective portions thereof that we have evaluated and reported on to the Company's management/Board of Directors:

Independent Qualified Reserves Evaluator or <u>Auditor</u>	Forest Gate Resources Inc. Reserve Estimation and <u>Economic Evaluation</u>	Location of Reserves (Country or Foreign <u>Geographic Area</u>)	Net Present Value of Future Net Revenue (\$M, before income taxes, 10% discount rate)			
			<u>Audited</u>	<u>Evaluated</u>	<u>Reviewed</u>	<u>Total</u>
AJM Petroleum Consultants	April 24, 2009	Canada	-	\$678.7	-	\$678.7

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 events will vary and the variations may be material. However, any variation 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:

AJM Petroleum Consultants
Fifth Avenue Place, East Tower
6th Floor, 425 – 1st Street S.W.
Calgary, Alberta
T2P 3P8

Original signed by: "Robin G. Bertram"
Robin G. Bertram, P. Eng.
Vice President Engineering

Execution date: April 24, 2009



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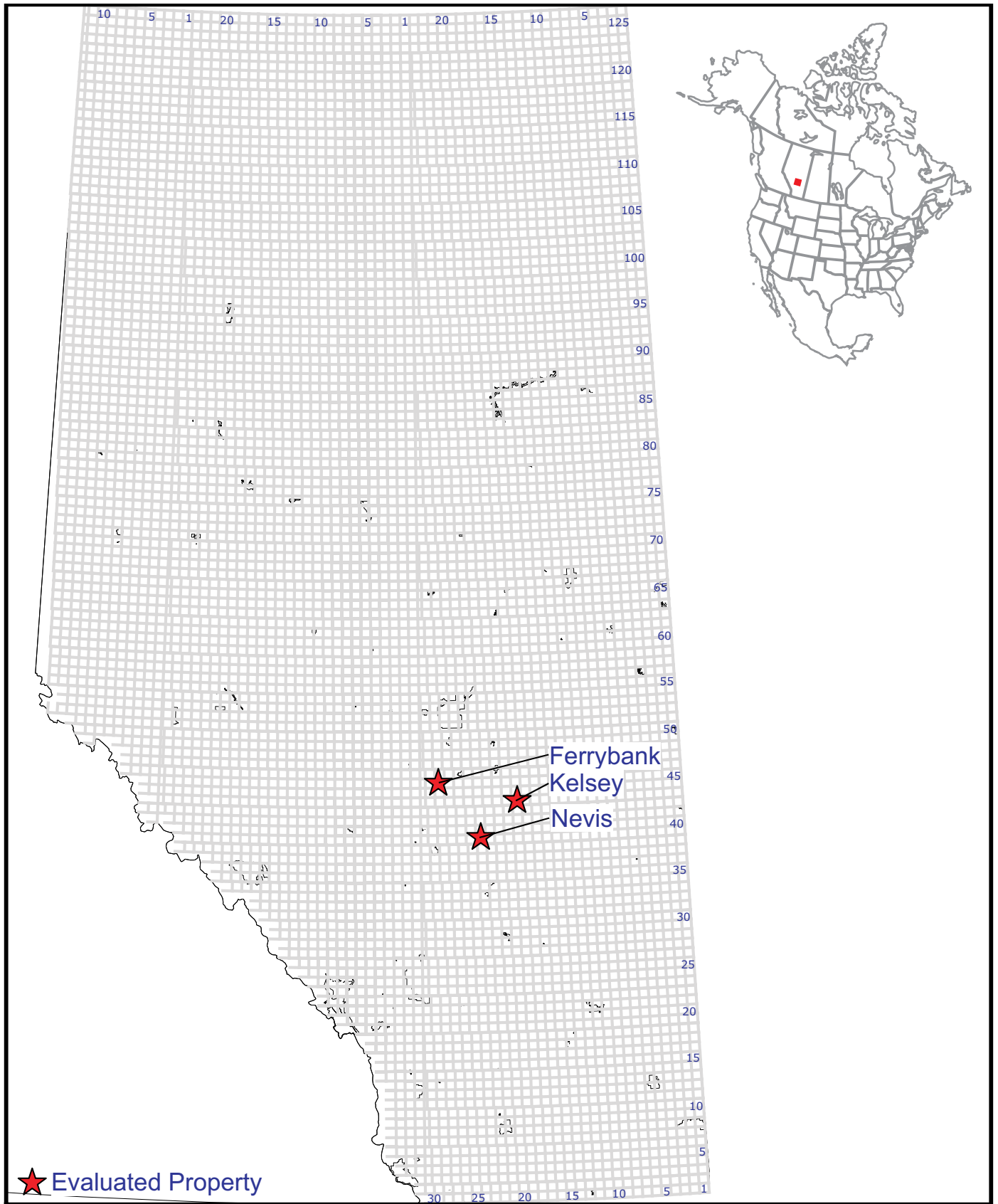
Economics

- AJM Petroleum Consultants 2008 12 31 Forecast Price

Evaluation Procedure

Effective Date: December 31, 2008



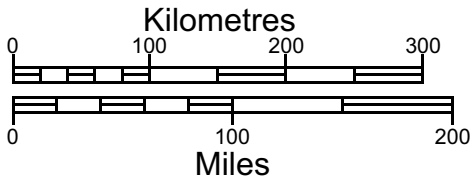


★ Evaluated Property

W6

W5

W4



ajm Petroleum Consultants

**Forest Gate Resources Inc.
Property Location Map
Effective December 31, 2008**

By : kma	Date : 2009/04/22
Scale = 1:5537000	Project : for loc

geoSCOUT
www.geologic.com

FOREST GATE RESOURCES INC.
TABLE 1
DETAILED ECONOMIC SUMMARY REPORT - BEFORE TAX
AJM December 31, 2008 Forecast Pricing
Canada

Effective December 31, 2008

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		Proved Producing	Developed Non-Producing	Proved Undeveloped	Proved	Probable	Additional	Proved Plus Probable	Additional
Light and Medium Oil									
	Mstb								
Ultimate Remaining		8.0		0.0	8.0		5.0		13.0
WI Before Royalty		3.3		0.0	3.3		2.1		5.4
WI After Royalty		2.2		0.0	2.2		1.4		3.6
Royalty Interest		0.0		0.0	0.0		0.0		0.0
Total Net		2.2		0.0	2.2		1.4		3.6
Heavy Oil									
	Mstb								
Ultimate Remaining		0.0		0.0	0.0		0.0		0.0
WI Before Royalty		0.0		0.0	0.0		0.0		0.0
WI After Royalty		0.0		0.0	0.0		0.0		0.0
Royalty Interest		0.0		0.0	0.0		0.0		0.0
Total Net		0.0		0.0	0.0		0.0		0.0
Total Oil*									
	Mstb								
Ultimate Remaining		8.0		0.0	8.0		5.0		13.0
WI Before Royalty		3.3		0.0	3.3		2.1		5.4
WI After Royalty		2.2		0.0	2.2		1.4		3.6
Royalty Interest		0.0		0.0	0.0		0.0		0.0
Total Net		2.2		0.0	2.2		1.4		3.6
Sales Gas									
	MMcf								
Ultimate Remaining		644.4		282.1	926.5		201.5		1,128.0
WI Before Royalty		52.1		107.2	159.3		22.4		181.7
WI After Royalty		37.8		93.0	130.8		18.8		149.6
Royalty Interest		0.0		0.0	0.0		0.0		0.0
Total Net		37.8		93.0	130.8		18.8		149.6
NGLs									
	Mstb								
Ultimate Remaining		0.0		0.0	0.0		0.0		0.0
WI Before Royalty		0.0		0.0	0.0		0.0		0.0
WI After Royalty		0.0		0.0	0.0		0.0		0.0
Royalty Interest		0.0		0.0	0.0		0.0		0.0
Total Net		0.0		0.0	0.0		0.0		0.0
Sulphur									
	Mlt								
Ultimate Remaining		0.0		0.0	0.0		0.0		0.0
WI Before Royalty		0.0		0.0	0.0		0.0		0.0
WI After Royalty		0.0		0.0	0.0		0.0		0.0
Royalty Interest		0.0		0.0	0.0		0.0		0.0
Total Net		0.0		0.0	0.0		0.0		0.0
Mboe									
	Mboe								
Ultimate Remaining		115.4		47.0	162.4		38.5		201.0
WI Before Royalty		12.0		17.9	29.9		5.8		35.6
WI After Royalty		8.5		15.5	24.0		4.5		28.6
Royalty Interest		0.0		0.0	0.0		0.0		0.0
Total Net		8.5		15.5	24.0		4.5		28.6
Net Present Values									
	M\$								
Before Income Tax									
<i>Not Including ARTC</i>									
Undiscounted		210.5		531.6	742.0		189.9		931.9
Discounted at 5%		201.9		436.5	638.4		149.6		787.9
Discounted at 10%		191.1		365.8	556.9		121.8		678.7
Discounted at 12%		186.8		342.5	529.3		113.1		642.4
Discounted at 15%		180.5		311.7	492.2		102.1		594.3
ARTC									
Undiscounted		0.0		0.0	0.0		0.0		0.0
Discounted at 5%		0.0		0.0	0.0		0.0		0.0
Discounted at 10%		0.0		0.0	0.0		0.0		0.0
Discounted at 12%		0.0		0.0	0.0		0.0		0.0
Discounted at 15%		0.0		0.0	0.0		0.0		0.0
<i>Including ARTC</i>									
Undiscounted		210.5		531.6	742.0		189.9		931.9
Discounted at 5%		201.9		436.5	638.4		149.6		787.9
Discounted at 10%		191.1		365.8	556.9		121.8		678.7
Discounted at 12%		186.8		342.5	529.3		113.1		642.4
Discounted at 15%		180.5		311.7	492.2		102.1		594.3



FOREST GATE RESOURCES INC.
DETAILED RESERVES AND PRESENT VALUES
AJM December 31, 2008 Forecast Pricing

Effective December 31, 2008

Total Proved Developed Producing Reserves

Page 1 of 1

Location	Formation	Avg. Int (%) [*]	Res. Cat.	COE	POS	Oil			Sales Gas			NGL			BOE			Present Value			
						WI Mstb	RI Mstb	Net Mstb	WI MMcf	RI MMcf	Net MMcf	WI Mstb	RI Mstb	Net Mstb	WI Mboe	RI Mboe	Net Mboe	5% M\$	10% M\$	12% M\$	
Abandonments						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-26.8	-17.8	-15.4
Ferrybank						3.3	0.0	2.2	0.0	0.0	0.0	0.0	0.0	0.0	3.3	0.0	2.2	66.4	64.6	63.9	
Nevis						0.0	0.0	0.0	52.1	0.0	37.8	0.0	0.0	0.0	8.7	0.0	6.3	162.2	144.4	138.3	
Alberta						3.3	0.0	2.2	52.1	0.0	37.8	0.0	0.0	0.0	12.0	0.0	8.5	201.9	191.1	186.8	
Canada						3.3	0.0	2.2	52.1	0.0	37.8	0.0	0.0	0.0	12.0	0.0	8.5	201.9	191.1	186.8	
Total Company - Before ARTC						3.3	0.0	2.2	52.1	0.0	37.8	0.0	0.0	0.0	12.0	0.0	8.5	201.9	191.1	186.8	



FOREST GATE RESOURCES INC.
DETAILED RESERVES AND PRESENT VALUES
AJM December 31, 2008 Forecast Pricing

Effective December 31, 2008

Total Proved Reserves

Page 1 of 1

Location	Formation	Avg. Int (%) [*]	Res. Cat.	COE	POS	Oil			Sales Gas			NGL			BOE			Present Value		
						WI Mstb	RI Mstb	Net Mstb	WI MMcf	RI MMcf	Net MMcf	WI Mstb	RI Mstb	Net Mstb	WI Mboe	RI Mboe	Net Mboe	5% M\$	10% M\$	12% M\$
Abandonments						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-26.8	-17.8	-15.4
Ferrybank						3.3	0.0	2.2	0.0	0.0	0.0	0.0	0.0	0.0	3.3	0.0	2.2	66.4	64.6	63.9
Kelsey						0.0	0.0	0.0	107.2	0.0	93.0	0.0	0.0	0.0	17.9	0.0	15.5	436.5	365.8	342.5
Nevis						0.0	0.0	0.0	52.1	0.0	37.8	0.0	0.0	0.0	8.7	0.0	6.3	162.2	144.4	138.3
Alberta						3.3	0.0	2.2	159.3	0.0	130.8	0.0	0.0	0.0	29.9	0.0	24.0	638.4	556.9	529.3
Canada						3.3	0.0	2.2	159.3	0.0	130.8	0.0	0.0	0.0	29.9	0.0	24.0	638.4	556.9	529.3
Total Company - Before ARTC						3.3	0.0	2.2	159.3	0.0	130.8	0.0	0.0	0.0	29.9	0.0	24.0	638.4	556.9	529.3



**FOREST GATE RESOURCES INC.
DETAILED RESERVES AND PRESENT VALUES
AJM December 31, 2008 Forecast Pricing**

Effective December 31, 2008

Total Proved Plus Probable Additional Reserves

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Location	Formation	Avg. Int (%) [*]	Res. Cat.	COE	POS	Oil			Sales Gas			NGL			BOE			Present Value			
						WI Mstb	RI Mstb	Net Mstb	WI MMcf	RI MMcf	Net MMcf	WI Mstb	RI Mstb	Net Mstb	WI Mboe	RI Mboe	Net Mboe	5% M\$	10% M\$	12% M\$	
Abandonments						0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-23.6	-14.4	-12.1
Ferrybank						5.4	0.0	3.6	0.0	0.0	0.0	0.0	0.0	0.0	5.4	0.0	3.6	114.2	109.0	107.1	
Kelsey						0.0	0.0	0.0	121.7	0.0	105.1	0.0	0.0	0.0	20.3	0.0	17.5	502.5	414.9	386.5	
Nevis						0.0	0.0	0.0	59.9	0.0	44.5	0.0	0.0	0.0	10.0	0.0	7.4	194.8	169.2	160.9	
Alberta						5.4	0.0	3.6	181.7	0.0	149.6	0.0	0.0	0.0	35.6	0.0	28.6	787.9	678.7	642.4	
Canada						5.4	0.0	3.6	181.7	0.0	149.6	0.0	0.0	0.0	35.6	0.0	28.6	787.9	678.7	642.4	
Total Company - Before ARTC						5.4	0.0	3.6	181.7	0.0	149.6	0.0	0.0	0.0	35.6	0.0	28.6	787.9	678.7	642.4	



FOREST GATE RESOURCES INC.
NI 51-101 TABLE 1 - FORECAST
SUMMARY OF OIL AND GAS RESERVES
AJM December 31, 2008 Forecast Pricing
Unrisked

Effective December 31, 2008

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VOLUMES IN IMPERIAL UNITS

Reserves Category	Oil				Natural Gas						Natural Gas Liquids		Sulphur	
	Light and Medium		Heavy		Solution		Associated & Non-Associated		Coalbed Methane		Gross (Mstb)	Net (Mstb)	Gross (Mlt)	Net (Mlt)
	Gross (Mstb)	Net (Mstb)	Gross (Mstb)	Net (Mstb)	Gross (MMcf)	Net (MMcf)	Gross (MMcf)	Net (MMcf)	Gross (MMcf)	Net (MMcf)				
Proved Developed Producing	3.3	2.2	0.0	0.0	0.0	0.0	0.0	0.0	52.1	37.8	0.0	0.0	0.0	0.0
Proved Developed	3.3	2.2	0.0	0.0	0.0	0.0	0.0	0.0	52.1	37.8	0.0	0.0	0.0	0.0
Proved Undeveloped	0.0	0.0	0.0	0.0	0.0	0.0	107.2	93.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved	3.3	2.2	0.0	0.0	0.0	0.0	107.2	93.0	52.1	37.8	0.0	0.0	0.0	0.0
Probable Additional	2.1	1.4	0.0	0.0	0.0	0.0	14.5	12.1	7.8	6.7	0.0	0.0	0.0	0.0
Proved Plus Probable Additional	5.4	3.6	0.0	0.0	0.0	0.0	121.7	105.1	59.9	44.5	0.0	0.0	0.0	0.0

VOLUMES IN METRIC UNITS

Reserves Category	Oil				Natural Gas						Natural Gas Liquids		Sulphur	
	Light and Medium		Heavy		Solution		Associated & Non-Associated		Coalbed Methane		Gross (E3m3)	Net (E3m3)	Gross (E3t)	Net (E3t)
	Gross (E3m3)	Net (E3m3)	Gross (E3m3)	Net (E3m3)	Gross (E6m3)	Net (E6m3)	Gross (E6m3)	Net (E6m3)	Gross (E6m3)	Net (E6m3)				
Proved Developed Producing	0.5	0.4	0.0	0.0	0.0	0.0	0.0	0.0	1.5	1.1	0.0	0.0	0.0	0.0
Proved Developed	0.5	0.4	0.0	0.0	0.0	0.0	0.0	0.0	1.5	1.1	0.0	0.0	0.0	0.0
Proved Undeveloped	0.0	0.0	0.0	0.0	0.0	0.0	3.0	2.6	0.0	0.0	0.0	0.0	0.0	0.0
Proved	0.5	0.4	0.0	0.0	0.0	0.0	3.0	2.6	1.5	1.1	0.0	0.0	0.0	0.0
Probable Additional	0.3	0.2	0.0	0.0	0.0	0.0	0.4	0.3	0.2	0.2	0.0	0.0	0.0	0.0
Proved Plus Probable Additional	0.9	0.6	0.0	0.0	0.0	0.0	3.4	3.0	1.7	1.3	0.0	0.0	0.0	0.0



FOREST GATE RESOURCES INC.
NI 51-101 TABLE 2 - FORECAST
SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE
AJM December 31, 2008 Forecast Pricing

Effective December 31, 2008

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Reserves Category	Before Income Taxes				
	5.0% (M\$)	10.0% (M\$)	12.0% (M\$)	15.0% (M\$)	20.0% (M\$)
Proved Developed Producing	201.9	191.1	186.8	180.5	170.7
Proved Developed Non-Producing	0.0	0.0	0.0	0.0	0.0
Proved Undeveloped	436.5	365.8	342.5	311.7	269.3
Total Proved	638.4	556.9	529.3	492.2	440.0
Probable Additional	149.6	121.8	113.1	102.1	87.7
Total Proved Plus Probable Additional	787.9	678.7	642.4	594.3	527.8

Reserves Category	After Income Taxes				
	5.0% (M\$)	10.0% (M\$)	12.0% (M\$)	15.0% (M\$)	20.0% (M\$)
Proved Developed Producing	142.0	136.2	133.6	129.6	123.1
Proved Developed Non-Producing	0.0	0.0	0.0	0.0	0.0
Proved Undeveloped	316.8	262.0	243.9	220.1	187.4
Total Proved	458.7	398.2	377.5	349.7	310.5
Probable Additional	111.2	90.3	83.8	75.5	64.7
Total Proved Plus Probable Additional	570.0	488.5	461.3	425.2	375.2

Taxpool: Forest Gate Tax Pools Vintage: 2008 : Canada



FOREST GATE RESOURCES INC.
NI 51-101 TABLE 3 - Forecast
TOTAL FUTURE NET REVENUE (UNDISCOUNTED)
AJM December 31, 2008 Forecast Pricing

Effective December 31, 2008

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Reserve Category	Revenue	Royalties	Operating Costs	Development Costs	Abandonment Costs	Well Net Revenue Before Income Taxes	Income Taxes	Future Net Revenue After Income Taxes
	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)
Proved Developed Producing	602.0	174.0	174.1	0.0	43.4	210.5	66.2	144.3
Proved Developed Non-Producing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved Undeveloped	900.3	105.5	177.8	85.5	0.0	531.6	141.0	390.6
Total Proved	1,502.4	279.5	351.9	85.5	43.4	742.0	207.1	534.9
Probable Additional	349.3	75.6	85.3	0.0	-1.4	189.9	48.6	141.3
Total Proved Plus Probable Additional	1,851.7	355.1	437.2	85.5	42.1	931.9	255.7	676.2

Taxpool: Forest Gate Tax Pools Vintage: 2008 : Canada



**FOREST GATE RESOURCES INC.
NI 51-101 TABLE 4 - FORECAST
NET PRESENT VALUE OF FUTURE NET REVENUE BY PRODUCTION GROUP**

Effective December 31, 2008

Page 1 of 1

	Future Net Revenue Before Income Taxes (Discounted at 10%) (M\$)
Proved	
Light and Medium Crude Oil (including solution gas and by-products)	55.1
Heavy Oil (including solution gas and by-products)	0.0
Associated and Non-Associated Gas (including by-products)	361.7
Coalbed Methane (including by-products)	140.1
Other Revenue	-0.0
Total	556.9
Proved Plus Probable Additional	
Light and Medium Crude Oil (including solution gas and by-products)	100.9
Heavy Oil (including solution gas and by-products)	0.0
Associated and Non-Associated Gas (including by-products)	411.4
Coalbed Methane (including by-products)	166.5
Other Revenue	-0.0
Total	678.7



FOREST GATE RESOURCES INC.
NI 51-101 TABLE 4A - FORECAST
Oil and Gas Reserves and NPVs By Production Group
AJM December 31, 2008 Forecast Pricing

Effective December 31, 2008

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	Reserves						Net Present Value Before Tax				
	Oil		Gas		Natural Gas Liquids		5%	10%	12%	15%	20%
	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)					
LIGHT AND MEDIUM OIL											
Proved Developed Producing	3.3	2.2	0.0	0.0	0.0	0.0	55.3	55.1	55.0	54.8	54.3
Proved Developed Non-Producing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved Undeveloped	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Proved	3.3	2.2	0.0	0.0	0.0	0.0	55.3	55.1	55.0	54.8	54.3
Probable Additional	2.1	1.4	0.0	0.0	0.0	0.0	48.4	45.8	44.7	43.2	40.8
Total Proved Plus Probable Additional	5.4	3.6	0.0	0.0	0.0	0.0	103.8	100.9	99.7	98.0	95.2

	Reserves						Net Present Value Before Tax				
	Oil		Gas		Natural Gas Liquids		5%	10%	12%	15%	20%
	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)					
HEAVY OIL											
Proved Developed Producing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved Developed Non-Producing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved Undeveloped	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Proved	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Probable Additional	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Proved Plus Probable Additional	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

	Reserves						Net Present Value Before Tax				
	Oil		Gas		Natural Gas Liquids		5%	10%	12%	15%	20%
	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)					
ASSOCIATED AND NON-ASSOCIATED GAS											
Proved Developed Producing	0.0	0.0	0.0	0.0	0.0	0.0	-7.6	-4.1	-3.2	-2.2	-1.3
Proved Developed Non-Producing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved Undeveloped	0.0	0.0	107.2	93.0	0.0	0.0	436.5	365.8	342.5	311.7	269.3
Total Proved	0.0	0.0	107.2	93.0	0.0	0.0	428.9	361.7	339.3	309.5	268.1
Probable Additional	0.0	0.0	14.5	12.1	0.0	0.0	66.5	49.7	44.6	38.2	30.2
Total Proved Plus Probable Additional	0.0	0.0	121.7	105.1	0.0	0.0	495.3	411.4	383.9	347.7	298.2

	Reserves						Net Present Value Before Tax				
	Oil		Gas		Natural Gas Liquids		5%	10%	12%	15%	20%
	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)					
COALBED METHANE											
Proved Developed Producing	0.0	0.0	52.1	37.8	0.0	0.0	154.2	140.1	135.0	127.9	117.6
Proved Developed Non-Producing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved Undeveloped	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Proved	0.0	0.0	52.1	37.8	0.0	0.0	154.2	140.1	135.0	127.9	117.6
Probable Additional	0.0	0.0	7.8	6.7	0.0	0.0	34.7	26.4	23.9	20.7	16.7
Total Proved Plus Probable Additional	0.0	0.0	59.9	44.5	0.0	0.0	188.8	166.5	158.8	148.6	134.4



FOREST GATE RESOURCES INC.
NI 51-101 TABLE 5 - FORECAST
RECONCILIATION OF COMPANY GROSS RESERVES BY PRINCIPAL PRODUCT TYPE

Opening: AJM December 31, 2007 Forecast Pricing
Closing: AJM December 31, 2008 Forecast Pricing

Effective December 31, 2008

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	Light & Medium Oil			Heavy Oil			Associated & Non-Associated Gas			Coalbed Methane		
	Gross Proved	Gross Probable	Gross Proved + Probable	Gross Proved	Gross Probable	Gross Proved + Probable	Gross Proved	Gross Probable	Gross Proved + Probable	Gross Proved	Gross Probable	Gross Proved + Probable
	Mstb	Mstb	Mstb	Mstb	Mstb	Mstb	MMcf	MMcf	MMcf	MMcf	MMcf	MMcf
Opening Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	71.1	8.9	80.0
Closing Balance	3.3	2.1	5.4	0.0	0.0	0.0	107.2	14.5	121.7	52.1	7.8	59.9
Drilling Extensions	5.9	2.1	8.0	0.0	0.0	0.0	107.2	14.5	121.7	0.0	0.0	0.0
Improved Recovery	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Technical Revisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-4.7	-1.1	-5.8
Exploration Discoveries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dispositions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Economic Factors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Production	-2.6	0.0	-2.6	0.0	0.0	0.0	0.0	0.0	0.0	-14.3	0.0	-14.3



*Technical Revisions is the sum of Revision, NI 51-101, WI Errors, Facility Changes
Extensions is the sum of Extensions, Recompletion, Transfers*

FOREST GATE RESOURCES INC.
AJM December 31, 2008 Forecast Pricing
PRODUCTION AND CASH FLOW FORECASTS
Summary Rates & Revenue Table

Effective December 31, 2008

Total Proved Developed Producing Reserves

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OIL VOLUMES								SALES GAS VOLUMES								NGL VOLUMES					SULPHUR VOLUMES					TOTAL	
Wells	Gross Rates	Gross Volumes	WI Volume	RI Volume	Price	Co Share Revenue		Wells	Gross Rates	Gross Volumes	WI Volume	RI Volume	Price	Co Share Revenue	Gross Rates	WI Volume	RI Volume	Price	Co Share Revenue	Gross Rates	WI Volume	RI Volume	Price	Co Share Revenue	Gross Rate	Co Share Revenue	
#	bbl/d	bbl	bbl	bbl	\$/bbl	M\$		#	Mcf/d	MMcf	Mcf	Mcf	\$/Mcf	M\$	bbl/d	bbl	bbl	\$/bbl	M\$	lt/d	lt	lt	\$/lt	M\$	bbl/d	M\$	
Jan	1	25.3	784.0	323.8	0.0	48.40	15.7	4	446	13.8	1,381.4	0.0	6.80	9.4	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	17.872	25.1		
Feb	1	23.1	647.5	267.4	0.0	48.40	12.9	4	436	12.2	1,220.0	0.0	6.80	8.3	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	16.813	21.2		
Mar	1	21.1	655.5	270.7	0.0	48.40	13.1	4	426	13.2	1,320.9	0.0	6.80	9.0	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	15.835	22.1		
Apr	1	19.3	578.3	238.8	0.0	48.40	11.6	4	416	12.5	1,249.2	0.0	6.80	8.5	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	14.902	20.1		
May	1	17.6	544.8	225.0	0.0	48.40	10.9	4	407	12.6	1,261.7	0.0	6.80	8.6	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	14.041	19.5		
Jun	1	16.0	480.6	198.5	0.0	48.40	9.6	4	398	11.9	1,193.5	0.0	6.80	8.1	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	13.247	17.7		
Jul	1	14.6	452.7	187.0	0.0	48.40	9.0	4	389	12.1	1,205.6	0.0	6.80	8.2	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	12.513	17.2		
Aug	1	13.3	412.1	170.2	0.0	48.40	8.2	4	380	11.8	1,178.3	0.0	6.80	8.0	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	11.825	16.2		
Sep	1	12.1	363.5	150.1	0.0	48.40	7.3	4	372	11.1	1,115.0	0.0	6.80	7.6	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	11.199	14.8		
Oct	1	11.0	342.5	141.4	0.0	48.40	6.8	4	363	11.3	1,126.7	0.0	6.80	7.7	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	10.620	14.5		
Nov	1	10.1	302.1	124.8	0.0	48.40	6.0	4	355	10.7	1,066.3	0.0	6.80	7.3	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	10.083	13.3		
Dec	1	9.2	284.6	117.5	0.0	48.40	5.7	4	348	10.8	1,077.8	0.0	6.80	7.3	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	9.586	13.0		
2009	1	16.1	5,848.3	2,415.3	0.0	48.40	116.9	4	395	144.0	14,396.4	0.0	6.80	97.9	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	13.191	214.8		
Jan	1	8.4	259.0	107.0	0.0	63.20	6.8	4	340	10.5	1,053.9	0.0	7.85	8.3	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	9.117	15.0		
Feb	1	7.6	213.9	88.4	0.0	63.20	5.6	4	333	9.3	931.9	0.0	7.85	7.3	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	8.702	12.9		
Mar	1	7.0	216.6	89.5	0.0	63.20	5.7	4	326	10.1	1,010.2	0.0	7.85	7.9	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	8.317	13.6		
Apr	1	6.4	191.1	78.9	0.0	63.20	5.0	4	319	9.6	956.5	0.0	7.85	7.5	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	7.945	12.5		
May	1	5.8	180.0	74.3	0.0	63.20	4.7	4	312	9.7	967.3	0.0	7.85	7.6	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	7.598	12.3		
Jun	1	5.3	158.8	65.6	0.0	63.20	4.1	4	305	9.2	916.1	0.0	7.85	7.2	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	7.275	11.3		
Jul	1	4.8	149.6	61.8	0.0	63.20	3.9	4	299	9.3	926.5	0.0	7.85	7.3	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	6.974	11.2		
Aug	1	4.4	136.2	56.2	0.0	63.20	3.6	4	292	9.1	906.6	0.0	7.85	7.1	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	6.688	10.7		
Sep	1	4.0	120.1	49.6	0.0	63.20	3.1	4	286	8.6	858.9	0.0	7.85	6.7	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	6.425	9.9		
Oct	1	3.6	113.1	46.7	0.0	63.20	3.0	4	280	8.7	868.9	0.0	7.85	6.8	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	6.180	9.8		
Nov	1	3.3	99.8	41.2	0.0	63.20	2.6	4	274	8.2	823.3	0.0	7.85	6.5	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	5.948	9.1		
Dec	1	3.0	94.0	38.8	0.0	63.20	2.5	4	269	8.3	833.1	0.0	7.85	6.5	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	5.732	9.0		
2010	1	5.3	1,932.2	798.0	0.0	63.20	50.4	4	303	110.5	11,053.2	0.0	7.85	86.8	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	7.233	137.2		
2011	1	2.5	227.8	94.1	0.0	68.50	6.4	4	236	86.0	8,068.8	0.0	8.00	64.6	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	3.942	71.0		
2012	0	0.0	0.0	0.0	0.0	0.00	0.0	4	186	67.9	5,767.0	0.0	8.80	50.7	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	2.626	50.7		
2013	0	0.0	0.0	0.0	0.0	0.00	0.0	4	148	54.0	3,507.1	0.0	9.55	33.5	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	1.601	33.5		
2014	0	0.0	0.0	0.0	0.0	0.00	0.0	4	119	43.4	2,369.6	0.0	9.75	23.1	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	1.082	23.1		
2015	0	0.0	0.0	0.0	0.0	0.00	0.0	4	97	35.3	1,764.0	0.0	9.95	17.6	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.805	17.6		
2016	0	0.0	0.0	0.0	0.0	0.00	0.0	4	79	29.0	1,448.5	0.0	10.15	14.7	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.660	14.7		
2017	0	0.0	0.0	0.0	0.0	0.00	0.0	4	65	23.8	1,192.3	0.0	10.35	12.3	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.540	12.3		
2018	0	0.0	0.0	0.0	0.0	0.00	0.0	4	54	19.8	991.4	0.0	10.55	10.5	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.453	10.5		
Sub	0	0.0	8,008.4	3,307.5	0.0	52.54	173.8	4	0	613.8	50,558.2	0.0	8.14	411.6	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	3.213	585.4		
Rem	0	0.0	0.0	0.0	0.0	0.00	0.0	0	0	30.6	1,530.6	0.0	10.86	16.6	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.017	16.6		
Tot	0	0.0	8,008.4	3,307.5	0.0	52.54	173.8	0	0	644.4	52,088.8	0.0	8.22	428.2	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.644	602.0		



FOREST GATE RESOURCES INC.
AJM December 31, 2008 Forecast Pricing
PRODUCTION AND CASH FLOW FORECASTS
Cash Flow BTAX Table

Effective December 31, 2008

Total Proved Developed Producing Reserves

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	Company Revenue	Crown Royalty	Freehold Royalty	ORR Royalty	Mineral Tax	Total Royalty Burden	Net Rev After Royalties	Other Income	Sask Corp Cap Tax	Fixed Oper Expense	Variable Operating Expense	Other Expenses	Total Operating Costs	Abandon Cost	Net Operating Income	Total Invest.	NET Cash Flow	CUM Cash Flow	DISC Cash Flow (10%)
	M\$	M\$	M\$	M\$	M\$	%	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
Jan	25.1	0.0	4.1	3.7	0.7	33.4	16.7	0.0	0.0	1.8	3.0	0.0	4.9	0.0	11.8	0.0	11.8	11.8	11.8
Feb	21.2	0.0	3.4	3.1	0.5	33.2	14.2	0.0	0.0	1.8	2.6	0.0	4.4	0.0	9.8	0.0	9.8	21.6	9.7
Mar	22.1	0.0	3.6	3.2	0.5	33.0	14.8	0.0	0.0	1.8	2.7	0.0	4.5	0.0	10.3	0.0	10.3	31.9	10.1
Apr	20.1	0.0	3.2	2.9	0.4	32.9	13.5	0.0	0.0	1.8	2.5	0.0	4.3	0.0	9.2	0.0	9.2	41.1	9.0
May	19.5	0.0	3.1	2.8	0.4	32.7	13.1	0.0	0.0	1.8	2.4	0.0	4.2	0.0	8.9	0.0	8.9	50.0	8.6
Jun	17.7	0.0	2.8	2.6	0.4	32.6	11.9	0.0	0.0	1.8	2.2	0.0	4.0	0.0	8.0	0.0	8.0	58.0	7.6
Jul	17.2	0.0	2.8	2.5	0.3	32.5	11.6	0.0	0.0	1.8	2.1	0.0	3.9	0.0	7.7	0.0	7.7	65.7	7.3
Aug	16.2	0.0	2.6	2.4	0.3	32.4	11.0	0.0	0.0	1.8	2.0	0.0	3.8	0.0	7.2	0.0	7.2	72.8	6.8
Sep	14.8	0.0	2.4	2.1	0.3	32.2	10.1	0.0	0.0	1.8	1.9	0.0	3.7	0.0	6.4	0.0	6.4	79.2	6.0
Oct	14.5	0.0	2.3	2.1	0.3	32.1	9.8	0.0	0.0	1.8	1.8	0.0	3.6	0.0	6.2	0.0	6.2	85.5	5.8
Nov	13.3	0.0	2.1	1.9	0.2	32.1	9.0	0.0	0.0	1.8	1.7	0.0	3.5	0.0	5.6	0.0	5.6	91.0	5.1
Dec	13.0	0.0	2.1	1.9	0.2	32.0	8.9	0.0	0.0	1.8	1.6	0.0	3.5	0.0	5.4	0.0	5.4	96.4	4.9
2009	214.8	0.0	34.4	31.2	4.6	32.7	144.6	0.0	0.0	21.7	26.5	0.0	48.2	0.0	96.4	0.0	96.4	96.4	92.6
Jan	15.0	0.0	2.4	2.2	0.3	32.1	10.2	0.0	0.0	1.8	1.6	0.0	3.4	0.0	6.8	0.0	6.8	103.3	6.2
Feb	12.9	0.0	2.0	1.9	0.2	32.0	8.8	0.0	0.0	1.8	1.4	0.0	3.2	0.0	5.6	0.0	5.6	108.8	5.0
Mar	13.6	0.0	2.2	2.0	0.2	32.0	9.2	0.0	0.0	1.8	1.4	0.0	3.3	0.0	6.0	0.0	6.0	114.8	5.3
Apr	12.5	0.0	2.0	1.8	0.2	31.9	8.5	0.0	0.0	1.8	1.3	0.0	3.2	0.0	5.4	0.0	5.4	120.2	4.7
May	12.3	0.0	1.9	1.8	0.2	31.9	8.4	0.0	0.0	1.8	1.3	0.0	3.1	0.0	5.2	0.0	5.2	125.4	4.6
Jun	11.3	0.0	1.8	1.6	0.2	31.8	7.7	0.0	0.0	1.8	1.2	0.0	3.1	0.0	4.7	0.0	4.7	130.1	4.1
Jul	11.2	0.0	1.8	1.6	0.2	31.8	7.6	0.0	0.0	1.8	1.2	0.0	3.0	0.0	4.6	0.0	4.6	134.7	4.0
Aug	10.7	0.0	1.7	1.5	0.2	31.7	7.3	0.0	0.0	1.8	1.2	0.0	3.0	0.0	4.3	0.0	4.3	139.0	3.7
Sep	9.9	0.0	1.5	1.4	0.2	31.7	6.8	0.0	0.0	1.8	1.1	0.0	2.9	0.0	3.8	0.0	3.8	142.8	3.3
Oct	9.8	0.0	1.5	1.4	0.2	31.6	6.7	0.0	0.0	1.8	1.1	0.0	2.9	0.0	3.8	0.0	3.8	146.5	3.2
Nov	9.1	0.0	1.4	1.3	0.1	31.6	6.2	0.0	0.0	1.8	1.0	0.0	2.9	0.0	3.3	0.0	3.3	149.9	2.8
Dec	9.0	0.0	1.4	1.3	0.1	31.5	6.2	0.0	0.0	1.8	1.0	0.0	2.9	0.0	3.3	0.0	3.3	153.2	2.7
2010	137.2	0.0	21.6	19.8	2.3	31.8	93.5	0.0	0.0	21.9	14.9	0.0	36.8	0.0	56.8	0.0	56.8	153.2	49.5
2011	71.0	0.0	10.8	9.5	1.3	30.4	49.4	0.0	0.0	11.7	8.4	0.0	20.1	0.0	29.3	0.0	29.3	182.5	23.2
2012	50.7	0.0	7.7	5.9	0.9	28.5	36.3	0.0	0.0	7.9	5.8	0.0	13.7	13.2	9.4	0.0	9.4	191.9	6.7
2013	33.5	0.0	5.1	2.2	0.5	23.4	25.7	0.0	0.0	6.1	3.6	0.0	9.7	0.0	15.9	0.0	15.9	207.9	10.4
2014	23.1	0.0	3.5	0.6	0.3	19.1	18.7	0.0	0.0	5.2	2.5	0.0	7.7	0.0	11.0	0.0	11.0	218.9	6.5
2015	17.6	0.0	2.7	0.0	0.2	16.6	14.6	0.0	0.0	4.8	1.9	0.0	6.7	0.0	7.9	0.0	7.9	226.8	4.3
2016	14.7	0.0	2.2	0.0	0.2	16.6	12.3	0.0	0.0	4.9	1.6	0.0	6.5	0.0	5.8	0.0	5.8	232.6	2.8
2017	12.3	0.0	1.9	0.0	0.2	16.5	10.3	0.0	0.0	5.0	1.3	0.0	6.3	0.0	4.0	0.0	4.0	236.6	1.8
2018	10.5	0.0	1.6	0.0	0.1	16.5	8.7	0.0	0.0	5.1	1.1	0.0	6.2	0.0	2.5	0.0	2.5	239.1	1.0
Sub	585.4	0.0	91.5	69.1	10.7	29.3	414.1	0.0	0.0	94.2	67.6	0.0	161.8	13.2	239.1	0.0	239.1	239.1	198.9
Rem	16.6	0.0	2.5	0.0	0.2	16.4	13.9	0.0	0.0	10.5	1.8	0.0	12.3	30.3	-28.7	0.0	-28.7	210.5	-7.8
Tot	602.0	0.0	94.1	69.1	10.9	28.9	428.0	0.0	0.0	104.7	69.4	0.0	174.1	43.4	210.5	0.0	210.5	210.5	191.1



FOREST GATE RESOURCES INC.
AJM December 31, 2008 Forecast Pricing
PRODUCTION AND CASH FLOW FORECASTS
Ratios & Indicators

Total Proved Developed Producing Reserves

NET PRESENT VALUES SUMMARY

Discount Rate	BTAX						ATAX					
	Unrisked			Risky			Unrisked			Risky		
	Operating Income	Investment	Cashflow	Operating Income	Investment	Cashflow	Operating Income	Investment	Cashflow	Operating Income	Investment	Cashflow
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
%												
0	210.5	0.0	210.5	210.5	0.0	210.5	144.3	0.0	144.3	144.3	0.0	144.3
5	201.9	0.0	201.9	201.9	0.0	201.9	142.0	0.0	142.0	142.0	0.0	142.0
8	195.5	0.0	195.5	195.5	0.0	195.5	138.7	0.0	138.7	138.7	0.0	138.7
10	191.1	0.0	191.1	191.1	0.0	191.1	136.2	0.0	136.2	136.2	0.0	136.2
12	186.8	0.0	186.8	186.8	0.0	186.8	133.6	0.0	133.6	133.6	0.0	133.6
15	180.5	0.0	180.5	180.5	0.0	180.5	129.6	0.0	129.6	129.6	0.0	129.6
20	170.7	0.0	170.7	170.7	0.0	170.7	123.1	0.0	123.1	123.1	0.0	123.1
25	162.0	0.0	162.0	162.0	0.0	162.0	117.2	0.0	117.2	117.2	0.0	117.2

RESERVES INDICATORS

Reserves Half Life	(Years)	1.4
Reserves Life Index	(Years)	2.5
Reserves Life	(Years)	12.0

CORPORATE OPENING TAX POOLS (M\$)

Class 1 Pool	=	0.00
Class 2 Pool	=	0.00
Class 6 Pool	=	0.00
Class 8 Pool	=	0.00
Class 10 Pool	=	0.00
Class 12 Pool	=	0.00
Class 41 Pool	=	0.00
Class 43 Pool	=	0.00
Declining Balance Pool	=	0.00
Declining Balance Rate	=	0.00
Straight Line Decline Pool	=	0.00
Straight Line Decline %	=	0.00
COGPE Pool	=	0.00
CDE Pool	=	0.00
CEE Pool	=	0.00
Depletion Pool	=	0.00
ACRI Pool	=	0.00
Tax Loss Pool	=	0.00



FOREST GATE RESOURCES INC.
AJM December 31, 2008 Forecast Pricing
PRODUCTION AND CASH FLOW FORECASTS
Cash Flow ATAX Table

Effective December 31, 2008

Total Proved Developed Producing Reserves

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	Income Before Tax Loss	Tax Loss Generated	Tax Loss Claim	Federal Taxable Income	Basic Federal Tax	Federal M&P Tax Credit	Federal Surtax	Invest Tax Credit	Federal Income Tax	Attribut Royalty Income	Prov Taxable Income	Basic Prov Tax	Prov M&P Tax Credit	Prov Income Tax	Total Income Tax	BTAX Cash Flow	ATAX Cash Flow	CUM Cash Flow	DISC Cash Flow (10%)
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
Jan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.8	11.8	11.8	11.8
Feb	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.8	9.8	21.6	9.7
Mar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.3	10.3	31.9	10.1
Apr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.2	9.2	41.1	9.0
May	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.9	8.9	50.0	8.6
Jun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.0	8.0	58.0	7.6
Jul	96.4	0.0	0.0	96.4	18.3	0.0	0.0	0.0	18.3	0.0	96.4	9.6	0.0	9.6	28.0	7.7	-20.3	37.7	-19.2
Aug	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.2	7.2	44.9	6.8
Sep	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.4	6.4	51.3	6.0
Oct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.2	6.2	57.5	5.8
Nov	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.6	5.6	63.1	5.1
Dec	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.4	5.4	68.5	4.9
2009	96.4	0.0	0.0	96.4	18.3	0.0	0.0	0.0	18.3	0.0	96.4	9.6	0.0	9.6	28.0	96.4	68.5	68.5	66.0
Jan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.8	6.8	75.3	6.2
Feb	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.6	5.6	80.9	5.0
Mar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.0	6.0	86.9	5.3
Apr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.4	5.4	92.2	4.7
May	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.2	5.2	97.5	4.6
Jun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.7	4.7	102.1	4.1
Jul	56.8	0.0	0.0	56.8	10.2	0.0	0.0	0.0	10.2	0.0	56.8	5.7	0.0	5.7	15.9	4.6	-11.3	90.8	-9.8
Aug	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.3	4.3	95.1	3.7
Sep	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.8	3.8	98.9	3.3
Oct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.8	3.8	102.7	3.2
Nov	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.3	3.3	106.0	2.8
Dec	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.3	3.3	109.3	2.7
2010	56.8	0.0	0.0	56.8	10.2	0.0	0.0	0.0	10.2	0.0	56.8	5.7	0.0	5.7	15.9	56.8	40.9	109.3	35.8
2011	29.3	0.0	0.0	29.3	4.8	0.0	0.0	0.0	4.8	0.0	29.3	2.9	0.0	2.9	7.8	29.3	21.6	130.9	17.1
2012	9.4	0.0	0.0	9.4	1.4	0.0	0.0	0.0	1.4	0.0	9.4	0.9	0.0	0.9	2.3	9.4	7.0	137.9	5.0
2013	15.9	0.0	0.0	15.9	2.4	0.0	0.0	0.0	2.4	0.0	15.9	1.6	0.0	1.6	4.0	15.9	11.9	149.9	7.8
2014	11.0	0.0	0.0	11.0	1.7	0.0	0.0	0.0	1.7	0.0	11.0	1.1	0.0	1.1	2.8	11.0	8.3	158.2	4.9
2015	7.9	0.0	0.0	7.9	1.2	0.0	0.0	0.0	1.2	0.0	7.9	0.8	0.0	0.8	2.0	7.9	6.0	164.1	3.2
2016	5.8	0.0	0.0	5.8	0.9	0.0	0.0	0.0	0.9	0.0	5.8	0.6	0.0	0.6	1.4	5.8	4.3	168.5	2.1
2017	4.0	0.0	0.0	4.0	0.6	0.0	0.0	0.0	0.6	0.0	4.0	0.4	0.0	0.4	1.0	4.0	3.0	171.5	1.3
2018	2.5	0.0	0.0	2.5	0.4	0.0	0.0	0.0	0.4	0.0	2.5	0.3	0.0	0.3	0.6	2.5	1.9	173.3	0.8
Sub	239.1	0.0	0.0	239.1	41.9	0.0	0.0	0.0	41.9	0.0	239.1	23.9	0.0	23.9	65.8	239.1	173.3	173.3	144.1
Rem	-28.7	30.3	0.0	1.6	0.2	0.0	0.0	0.0	0.2	0.0	1.6	0.2	0.0	0.2	0.4	-28.7	-29.1	144.3	-7.9
Tot	210.5	30.3	0.0	240.7	42.1	0.0	0.0	0.0	42.1	0.0	240.7	24.1	0.0	24.1	66.2	210.5	144.3	144.3	136.2



FOREST GATE RESOURCES INC.
AJM December 31, 2008 Forecast Pricing
PRODUCTION AND CASH FLOW FORECASTS
Taxable Income Table

Effective December 31, 2008

Total Proved Developed Producing Reserves

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	Resource Revenue	Resource Royalty	Plus Non-Deduct Royalty	Resource Allowance	Resource Operating Cost	Resource CCA	Resource Overhead	Net Production Royalty Income	Net Resource Royalty Income	Net Other Resource Income	COGPE	CDE	CEE	Depletion Allowance	Resource Taxable Income
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
Jan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Feb	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Apr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
May	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jul	214.8	4.6	0.0	0.0	48.2	0.0	0.0	0.0	-65.6	0.0	0.0	0.0	0.0	0.0	96.4
Aug	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sep	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nov	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dec	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2009	214.8	4.6	0.0	0.0	48.2	0.0	0.0	0.0	-65.6	0.0	0.0	0.0	0.0	0.0	96.4
Jan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Feb	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Apr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
May	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jul	137.2	2.3	0.0	0.0	36.8	0.0	0.0	0.0	-41.4	0.0	0.0	0.0	0.0	0.0	56.8
Aug	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sep	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nov	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dec	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2010	137.2	2.3	0.0	0.0	36.8	0.0	0.0	0.0	-41.4	0.0	0.0	0.0	0.0	0.0	56.8
2011	71.0	1.3	0.0	0.0	20.1	0.0	0.0	0.0	-20.3	0.0	0.0	0.0	0.0	0.0	29.3
2012	50.7	0.9	0.0	0.0	26.9	0.0	0.0	0.0	-13.6	0.0	0.0	0.0	0.0	0.0	9.4
2013	33.5	0.5	0.0	0.0	9.7	0.0	0.0	0.0	-7.3	0.0	0.0	0.0	0.0	0.0	15.9
2014	23.1	0.3	0.0	0.0	7.7	0.0	0.0	0.0	-4.1	0.0	0.0	0.0	0.0	0.0	11.0
2015	17.6	0.2	0.0	0.0	6.7	0.0	0.0	0.0	-2.7	0.0	0.0	0.0	0.0	0.0	7.9
2016	14.7	0.2	0.0	0.0	6.5	0.0	0.0	0.0	-2.2	0.0	0.0	0.0	0.0	0.0	5.8
2017	12.3	0.2	0.0	0.0	6.3	0.0	0.0	0.0	-1.9	0.0	0.0	0.0	0.0	0.0	4.0
2018	10.5	0.1	0.0	0.0	6.2	0.0	0.0	0.0	-1.6	0.0	0.0	0.0	0.0	0.0	2.5
Sub	585.4	10.7	0.0	0.0	175.0	0.0	0.0	0.0	-160.6	0.0	0.0	0.0	0.0	0.0	239.1
Rem	16.6	0.2	0.0	0.0	42.6	0.0	0.0	0.0	-2.5	0.0	0.0	0.0	0.0	0.0	-28.7
Tot	602.0	10.9	0.0	0.0	217.5	0.0	0.0	0.0	-163.2	0.0	0.0	0.0	0.0	0.0	210.5



FOREST GATE RESOURCES INC.
AJM December 31, 2008 Forecast Pricing
PRODUCTION AND CASH FLOW FORECASTS
Tax Loss Pool Table

Effective December 31, 2008

Total Proved Developed Producing Reserves

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	Net Processing Income	Class 1 CCA	Class 43 CCA	Processing Overhead	M&P Taxable Income	Other Business Income	Class 2 CCA	Class 8 CCA	Class 10 CCA	Non Resource Overhead	Other Taxable Income	Overhead to CEE	Overhead to CDE	COGPE Pool	CEE Pool	CDE Pool	Depletion Pool	Acri Pool	Tax Loss Pool	
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
Jan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Feb	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Apr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
May	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jul	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Aug	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sep	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nov	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dec	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2009	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Feb	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Apr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
May	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jul	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Aug	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sep	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nov	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dec	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2010	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2011	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2012	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2013	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2014	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2015	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2016	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2017	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2018	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sub	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rem	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	30.3
Tot	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	30.3



FOREST GATE RESOURCES INC.
AJM December 31, 2008 Forecast Pricing
PRODUCTION AND CASH FLOW FORECASTS
Summary Rates & Revenue Table

Effective December 31, 2008

Total Proved Reserves

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OIL VOLUMES								SALES GAS VOLUMES								NGL VOLUMES					SULPHUR VOLUMES					TOTAL	
Wells	Gross Rates	Gross Volumes	WI Volume	RI Volume	Price	Co Share Revenue		Wells	Gross Rates	Gross Volumes	WI Volume	RI Volume	Price	Co Share Revenue	Gross Rates	WI Volume	RI Volume	Price	Co Share Revenue	Gross Rates	WI Volume	RI Volume	Price	Co Share Revenue	Gross Rate	Co Share Revenue	
#	bbl/d	bbl	bbl	bbl	\$/bbl	M\$		#	Mcf/d	MMcf	MMcf	MMcf	\$/Mcf	M\$	bbl/d	bbl	bbl	\$/bbl	M\$	lt/d	lt	lt	\$/lt	M\$	bbl/d	M\$	
Jan	1	25.3	784.0	323.8	0.0	48.40	15.7	4	446	13.8	1.4	0.0	6.80	9.4	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	17.872	25.1	
Feb	1	23.1	647.5	267.4	0.0	48.40	12.9	4	436	12.2	1.2	0.0	6.80	8.3	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	16.813	21.2	
Mar	1	21.1	655.5	270.7	0.0	48.40	13.1	4	426	13.2	1.3	0.0	6.80	9.0	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	15.835	22.1	
Apr	1	19.3	578.3	238.8	0.0	48.40	11.6	5	639	19.2	3.8	0.0	6.75	25.6	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	28.987	37.1	
May	1	17.6	544.8	225.0	0.0	48.40	10.9	5	624	19.3	3.8	0.0	6.75	25.8	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	27.797	36.7	
Jun	1	16.0	480.6	198.5	0.0	48.40	9.6	5	610	18.3	3.6	0.0	6.75	24.4	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	26.681	34.0	
Jul	1	14.6	452.7	187.0	0.0	48.40	9.0	5	596	18.5	3.6	0.0	6.75	24.6	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	25.633	33.7	
Aug	1	13.3	412.1	170.2	0.0	48.40	8.2	5	582	18.1	3.6	0.0	6.75	24.1	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	24.633	32.3	
Sep	1	12.1	363.5	150.1	0.0	48.40	7.3	5	569	17.1	3.4	0.0	6.75	22.7	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	23.707	30.0	
Oct	1	11.0	342.5	141.4	0.0	48.40	6.8	5	556	17.2	3.4	0.0	6.75	23.0	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	22.836	29.8	
Nov	1	10.1	302.1	124.8	0.0	48.40	6.0	5	544	16.3	3.2	0.0	6.75	21.7	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	22.013	27.7	
Dec	1	9.2	284.6	117.5	0.0	48.40	5.7	5	532	16.5	3.2	0.0	6.75	21.9	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	21.237	27.6	
2009	1	16.1	5,848.3	2,415.3	0.0	48.40	116.9	5	547	199.7	35.6	0.0	6.76	240.4	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	22,859	357.3	
Jan	1	8.4	259.0	107.0	0.0	63.20	6.8	5	520	16.1	3.2	0.0	7.80	24.7	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	20.491	31.5	
Feb	1	7.6	213.9	88.4	0.0	63.20	5.6	5	508	14.2	2.8	0.0	7.80	21.8	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	19.819	27.4	
Mar	1	7.0	216.6	89.5	0.0	63.20	5.7	5	497	15.4	3.0	0.0	7.80	23.6	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	19.181	29.3	
Apr	1	6.4	191.1	78.9	0.0	63.20	5.0	5	486	14.6	2.9	0.0	7.80	22.4	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	18.560	27.3	
May	1	5.8	180.0	74.3	0.0	63.20	4.7	5	476	14.7	2.9	0.0	7.80	22.6	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	17.961	27.3	
Jun	1	5.3	158.8	65.6	0.0	63.20	4.1	5	465	14.0	2.7	0.0	7.80	21.3	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	17.396	25.5	
Jul	1	4.8	149.6	61.8	0.0	63.20	3.9	5	455	14.1	2.8	0.0	7.80	21.6	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	16.858	25.5	
Aug	1	4.4	136.2	56.2	0.0	63.20	3.6	5	445	13.8	2.7	0.0	7.80	21.1	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	16.337	24.6	
Sep	1	4.0	120.1	49.6	0.0	63.20	3.1	5	435	13.1	2.6	0.0	7.80	19.9	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	15.850	23.1	
Oct	1	3.6	113.1	46.7	0.0	63.20	3.0	5	426	13.2	2.6	0.0	7.80	20.1	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	15.381	23.1	
Nov	1	3.3	99.8	41.2	0.0	63.20	2.6	5	416	12.5	2.4	0.0	7.80	19.0	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	14.935	21.6	
Dec	1	3.0	94.0	38.8	0.0	63.20	2.5	5	407	12.6	2.5	0.0	7.80	19.2	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	14.509	21.7	
2010	1	5.3	1,932.2	798.0	0.0	63.20	50.4	5	461	168.3	33.0	0.0	7.80	257.4	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	17,258	307.8	
2011	1	2.5	227.8	94.1	0.0	68.50	6.4	5	355	129.5	24.6	0.0	7.95	195.5	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	11,494	202.0	
2012	0	0.0	0.0	0.0	0.0	0.00	0.0	5	275	100.8	18.3	0.0	8.74	159.5	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	8,313	159.5	
2013	0	0.0	0.0	0.0	0.0	0.00	0.0	5	215	78.6	12.9	0.0	9.48	122.2	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	5,884	122.2	
2014	0	0.0	0.0	0.0	0.0	0.00	0.0	5	170	62.0	9.4	0.0	9.68	91.3	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	4,308	91.3	
2015	0	0.0	0.0	0.0	0.0	0.00	0.0	5	135	49.3	7.1	0.0	9.88	70.0	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	3,236	70.0	
2016	0	0.0	0.0	0.0	0.0	0.00	0.0	5	108	39.5	5.5	0.0	10.08	55.1	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	2,490	55.1	
2017	0	0.0	0.0	0.0	0.0	0.00	0.0	5	87	31.8	4.2	0.0	10.28	43.3	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	1,922	43.3	
2018	0	0.0	0.0	0.0	0.0	0.00	0.0	5	71	25.8	3.3	0.0	10.48	34.2	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	1,490	34.2	
Sub	0	0.0	8,008.4	3,307.5	0.0	52.54	173.8	5	0	885.4	153.8	0.0	8.25	1,268.9	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	7,924	1,442.7	
Rem	0	0.0	0.0	0.0	0.0	0.00	0.0	0	0	41.1	5.5	0.0	10.84	59.7	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	0.061	59.7	
Tot	0	0.0	8,008.4	3,307.5	0.0	52.54	173.8	0	0	926.5	159.3	0.0	8.34	1,328.6	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.0	1,603	1,502.4	



FOREST GATE RESOURCES INC.
AJM December 31, 2008 Forecast Pricing
PRODUCTION AND CASH FLOW FORECASTS
Cash Flow BTAX Table

Effective December 31, 2008

Total Proved Reserves

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	Company Revenue	Crown Royalty	Freehold Royalty	ORR Royalty	Mineral Tax	Total Royalty Burden	Net Rev After Royalties	Other Income	Sask Corp Cap Tax	Fixed Oper Expense	Variable Operating Expense	Other Expenses	Total Operating Costs	Abandon Cost	Net Operating Income	Total Invest.	NET Cash Flow	CUM Cash Flow	DISC Cash Flow (10%)
	M\$	M\$	M\$	M\$	M\$	%	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
Jan	25.1	0.0	4.1	3.7	0.7	33.4	16.7	0.0	0.0	1.8	3.0	0.0	4.9	0.0	11.8	0.0	11.8	11.8	11.8
Feb	21.2	0.0	3.4	3.1	0.5	33.2	14.2	0.0	0.0	1.8	2.6	0.0	4.4	0.0	9.8	0.0	9.8	21.6	9.7
Mar	22.1	0.0	3.6	3.2	0.5	33.0	14.8	0.0	0.0	1.8	2.7	0.0	4.5	0.0	10.3	85.5	-75.2	-53.6	-73.8
Apr	37.1	3.6	3.2	2.9	0.4	27.5	26.9	0.0	0.0	2.3	4.5	0.0	6.8	0.0	20.1	0.0	20.1	-33.5	19.6
May	36.7	3.6	3.1	2.8	0.4	27.1	26.7	0.0	0.0	2.3	4.4	0.0	6.7	0.0	20.0	0.0	20.0	-13.5	19.3
Jun	34.0	3.3	2.8	2.6	0.4	26.7	24.9	0.0	0.0	2.3	4.1	0.0	6.4	0.0	18.5	0.0	18.5	5.0	17.7
Jul	33.7	3.3	2.8	2.5	0.3	26.3	24.8	0.0	0.0	2.3	4.1	0.0	6.4	0.0	18.4	0.0	18.4	23.4	17.5
Aug	32.3	3.1	2.6	2.4	0.3	25.9	23.9	0.0	0.0	2.3	3.9	0.0	6.2	0.0	17.7	0.0	17.7	41.1	16.7
Sep	30.0	2.9	2.4	2.1	0.3	25.6	22.3	0.0	0.0	2.3	3.7	0.0	6.0	0.0	16.4	0.0	16.4	57.5	15.3
Oct	29.8	2.9	2.3	2.1	0.3	25.2	22.3	0.0	0.0	2.3	3.6	0.0	5.9	0.0	16.3	0.0	16.3	73.8	15.2
Nov	27.7	2.6	2.1	1.9	0.2	24.8	20.9	0.0	0.0	2.3	3.4	0.0	5.7	0.0	15.2	0.0	15.2	89.0	14.0
Dec	27.6	2.5	2.1	1.9	0.2	24.3	20.9	0.0	0.0	2.3	3.4	0.0	5.7	0.0	15.2	0.0	15.2	104.2	13.9
2009	357.3	27.8	34.4	31.2	4.6	27.4	259.4	0.0	0.0	26.2	43.4	0.0	69.6	0.0	189.7	85.5	104.2	104.2	96.8
Jan	31.5	3.3	2.4	2.2	0.3	26.0	23.3	0.0	0.0	2.3	3.3	0.0	5.6	0.0	17.7	0.0	17.7	122.0	16.1
Feb	27.4	2.9	2.0	1.9	0.2	25.5	20.4	0.0	0.0	2.3	2.9	0.0	5.2	0.0	15.2	0.0	15.2	137.2	13.7
Mar	29.3	3.0	2.2	2.0	0.2	25.1	21.9	0.0	0.0	2.3	3.1	0.0	5.4	0.0	16.6	0.0	16.6	153.7	14.8
Apr	27.3	2.8	2.0	1.8	0.2	24.7	20.6	0.0	0.0	2.3	2.9	0.0	5.2	0.0	15.4	0.0	15.4	169.2	13.6
May	27.3	2.7	1.9	1.8	0.2	24.2	20.7	0.0	0.0	2.3	2.9	0.0	5.2	0.0	15.5	0.0	15.5	184.6	13.6
Jun	25.5	2.5	1.8	1.6	0.2	23.8	19.4	0.0	0.0	2.3	2.7	0.0	5.0	0.0	14.4	0.0	14.4	199.0	12.5
Jul	25.5	2.4	1.8	1.6	0.2	23.4	19.5	0.0	0.0	2.3	2.7	0.0	5.0	0.0	14.5	0.0	14.5	213.5	12.5
Aug	24.6	2.3	1.7	1.5	0.2	23.0	19.0	0.0	0.0	2.3	2.6	0.0	5.0	0.0	14.0	0.0	14.0	227.5	12.0
Sep	23.1	2.1	1.5	1.4	0.2	22.6	17.9	0.0	0.0	2.3	2.5	0.0	4.8	0.0	13.0	0.0	13.0	240.5	11.1
Oct	23.1	2.0	1.5	1.4	0.2	22.2	18.0	0.0	0.0	2.3	2.5	0.0	4.8	0.0	13.1	0.0	13.1	253.6	11.1
Nov	21.6	1.9	1.4	1.3	0.1	21.8	16.9	0.0	0.0	2.4	2.3	0.0	4.7	0.0	12.2	0.0	12.2	265.8	10.2
Dec	21.7	1.8	1.4	1.3	0.1	21.4	17.0	0.0	0.0	2.4	2.3	0.0	4.7	0.0	12.3	0.0	12.3	278.2	10.2
2010	307.8	29.6	21.6	19.8	2.3	23.8	234.6	0.0	0.0	28.0	32.6	0.0	60.6	0.0	174.0	0.0	174.0	278.2	151.3
2011	202.0	15.7	10.8	9.5	1.3	18.4	164.7	0.0	0.0	17.9	22.0	0.0	39.9	0.0	124.8	0.0	124.8	403.0	98.6
2012	159.5	10.7	7.7	5.9	0.9	15.8	134.4	0.0	0.0	14.3	16.4	0.0	30.7	13.2	90.5	0.0	90.5	493.5	64.8
2013	122.2	7.7	5.1	2.2	0.5	12.7	106.6	0.0	0.0	12.7	11.7	0.0	24.4	0.0	82.2	0.0	82.2	575.7	53.6
2014	91.3	4.6	3.5	0.6	0.3	9.9	82.3	0.0	0.0	11.8	8.7	0.0	20.6	0.0	61.7	0.0	61.7	637.4	36.5
2015	70.0	2.9	2.7	0.0	0.2	8.3	64.2	0.0	0.0	11.6	6.7	0.0	18.3	0.0	45.9	0.0	45.9	683.3	24.7
2016	55.1	1.9	2.2	0.0	0.2	7.9	50.7	0.0	0.0	11.8	5.3	0.0	17.1	0.0	33.6	0.0	33.6	716.9	16.4
2017	43.3	1.5	1.9	0.0	0.2	8.1	39.7	0.0	0.0	12.1	4.2	0.0	16.2	0.0	23.5	0.0	23.5	740.4	10.5
2018	34.2	1.1	1.6	0.0	0.1	8.4	31.3	0.0	0.0	12.3	3.3	0.0	15.6	0.0	15.7	0.0	15.7	756.2	6.4
Sub	1,442.7	103.4	91.5	69.1	10.7	19.0	1,167.9	0.0	0.0	158.8	154.4	0.0	313.1	13.2	841.7	85.5	756.2	756.2	559.6
Rem	59.7	2.1	2.5	0.0	0.2	8.0	54.9	0.0	0.0	33.0	5.7	0.0	38.8	30.3	-14.1	0.0	-14.1	742.0	-2.7
Tot	1,502.4	105.5	94.1	69.1	10.9	18.6	1,222.8	0.0	0.0	191.8	160.1	0.0	351.9	43.4	827.5	85.5	742.0	742.0	556.9



FOREST GATE RESOURCES INC.
AJM December 31, 2008 Forecast Pricing
PRODUCTION AND CASH FLOW FORECASTS
Ratios & Indicators

Total Proved Reserves

NET PRESENT VALUES SUMMARY

Discount Rate	BTAX						ATAX					
	Unrisked			Risky			Unrisked			Risky		
	Operating Income	Investment	Cashflow	Operating Income	Investment	Cashflow	Operating Income	Investment	Cashflow	Operating Income	Investment	Cashflow
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
%												
0	827.5	85.5	742.0	827.5	85.5	742.0	620.4	85.5	534.9	620.4	85.5	534.9
5	723.0	84.7	638.4	723.0	84.7	638.4	543.4	84.7	458.7	543.4	84.7	458.7
8	671.4	84.2	587.2	671.4	84.2	587.2	504.9	84.2	420.8	504.9	84.2	420.8
10	640.8	83.9	556.9	640.8	83.9	556.9	482.0	83.9	398.2	482.0	83.9	398.2
12	612.9	83.6	529.3	612.9	83.6	529.3	461.1	83.6	377.5	461.1	83.6	377.5
15	575.3	83.1	492.2	575.3	83.1	492.2	432.8	83.1	349.7	432.8	83.1	349.7
20	522.4	82.4	440.0	522.4	82.4	440.0	392.9	82.4	310.5	392.9	82.4	310.5
25	479.1	81.7	397.4	479.1	81.7	397.4	360.1	81.7	278.4	360.1	81.7	278.4

RESERVES INDICATORS

Reserves Half Life	(Years)	2.1
Reserves Life Index	(Years)	3.6
Reserves Life	(Years)	13.0

CORPORATE OPENING TAX POOLS (M\$)

Class 1 Pool	=	0.00
Class 2 Pool	=	0.00
Class 6 Pool	=	0.00
Class 8 Pool	=	0.00
Class 10 Pool	=	0.00
Class 12 Pool	=	0.00
Class 41 Pool	=	0.00
Class 43 Pool	=	0.00
Declining Balance Pool	=	0.00
Declining Balance Rate	=	0.00
Straight Line Decline Pool	=	0.00
Straight Line Decline %	=	0.00
COGPE Pool	=	0.00
CDE Pool	=	0.00
CEE Pool	=	0.00
Depletion Pool	=	0.00
ACRI Pool	=	0.00
Tax Loss Pool	=	0.00



FOREST GATE RESOURCES INC.
AJM December 31, 2008 Forecast Pricing
PRODUCTION AND CASH FLOW FORECASTS
Cash Flow ATAX Table

Effective December 31, 2008

Total Proved Reserves

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	Income Before Tax Loss	Tax Loss Generated	Tax Loss Claim	Federal Taxable Income	Basic Federal Tax	Federal M&P Tax Credit	Federal Surtax	Invest Tax Credit	Federal Income Tax	Attribut Royalty Income	Prov Taxable Income	Basic Prov Tax	Prov M&P Tax Credit	Prov Income Tax	Total Income Tax	BTAX Cash Flow	ATAX Cash Flow	CUM Cash Flow	DISC Cash Flow (10%)
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
Jan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.8	11.8	11.8	11.8
Feb	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.8	9.8	21.6	9.7
Mar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-75.2	-75.2	-53.6	-73.8
Apr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20.1	20.1	-33.5	19.6
May	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20.0	20.0	-13.5	19.3
Jun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	18.5	18.5	5.0	17.7
Jul	179.0	0.0	0.0	179.0	34.0	0.0	0.0	0.0	34.0	0.0	179.0	17.9	0.0	17.9	51.9	18.4	-33.5	-28.5	-31.8
Aug	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	17.7	17.7	-10.8	16.7
Sep	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.4	16.4	5.6	15.3
Oct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.3	16.3	21.9	15.2
Nov	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.2	15.2	37.1	14.0
Dec	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.2	15.2	52.3	13.9
2009	179.0	0.0	0.0	179.0	34.0	0.0	0.0	0.0	34.0	0.0	179.0	17.9	0.0	17.9	51.9	104.2	52.3	52.3	47.4
Jan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	17.7	17.7	70.0	16.1
Feb	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.2	15.2	85.3	13.7
Mar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.6	16.6	101.8	14.8
Apr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.4	15.4	117.2	13.6
May	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.5	15.5	132.7	13.6
Jun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.4	14.4	147.1	12.5
Jul	155.3	0.0	0.0	155.3	27.9	0.0	0.0	0.0	27.9	0.0	155.3	15.5	0.0	15.5	43.5	14.5	-29.0	118.1	-25.1
Aug	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.0	14.0	132.1	12.0
Sep	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.0	13.0	145.1	11.1
Oct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.1	13.1	158.2	11.1
Nov	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.2	12.2	170.5	10.2
Dec	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.3	12.3	182.8	10.2
2010	155.3	0.0	0.0	155.3	27.9	0.0	0.0	0.0	27.9	0.0	155.3	15.5	0.0	15.5	43.5	174.0	130.5	182.8	113.8
2011	110.8	0.0	0.0	110.8	18.3	0.0	0.0	0.0	18.3	0.0	110.8	11.1	0.0	11.1	29.4	124.8	95.4	278.2	75.6
2012	80.0	0.0	0.0	80.0	12.0	0.0	0.0	0.0	12.0	0.0	80.0	8.0	0.0	8.0	20.0	90.5	70.5	348.7	50.5
2013	74.3	0.0	0.0	74.3	11.2	0.0	0.0	0.0	11.2	0.0	74.3	7.4	0.0	7.4	18.6	82.2	63.6	412.4	41.5
2014	55.8	0.0	0.0	55.8	8.4	0.0	0.0	0.0	8.4	0.0	55.8	5.6	0.0	5.6	13.9	61.7	47.8	460.1	28.3
2015	41.5	0.0	0.0	41.5	6.2	0.0	0.0	0.0	6.2	0.0	41.5	4.1	0.0	4.1	10.4	45.9	35.5	495.7	19.1
2016	30.3	0.0	0.0	30.3	4.5	0.0	0.0	0.0	4.5	0.0	30.3	3.0	0.0	3.0	7.6	33.6	26.0	521.7	12.7
2017	21.0	0.0	0.0	21.0	3.2	0.0	0.0	0.0	3.2	0.0	21.0	2.1	0.0	2.1	5.3	23.5	18.3	540.0	8.1
2018	13.9	0.0	0.0	13.9	2.1	0.0	0.0	0.0	2.1	0.0	13.9	1.4	0.0	1.4	3.5	15.7	12.3	552.2	5.0
Sub	761.8	0.0	0.0	761.8	127.7	0.0	0.0	0.0	127.7	0.0	761.8	76.2	0.0	76.2	203.9	756.2	552.2	552.2	402.0
Rem	-19.7	32.6	0.0	12.9	1.9	0.0	0.0	0.0	1.9	0.0	12.9	1.3	0.0	1.3	3.2	-14.1	-17.4	534.9	-3.8
Tot	742.0	32.6	0.0	774.7	129.7	0.0	0.0	0.0	129.7	0.0	774.7	77.5	0.0	77.5	207.1	742.0	534.9	534.9	398.2



FOREST GATE RESOURCES INC.
AJM December 31, 2008 Forecast Pricing
PRODUCTION AND CASH FLOW FORECASTS
Taxable Income Table

Effective December 31, 2008

Total Proved Reserves

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	Resource Revenue	Resource Royalty	Plus Non-Deduct Royalty	Resource Allowance	Resource Operating Cost	Resource CCA	Resource Overhead	Net Production Royalty Income	Net Resource Royalty Income	Net Other Resource Income	COGPE	CDE	CEE	Depletion Allowance	Resource Taxable Income
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
Jan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Feb	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Apr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
May	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jul	357.3	32.4	0.0	0.0	69.6	10.7	0.0	0.0	-65.6	0.0	0.0	0.0	0.0	0.0	179.0
Aug	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sep	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nov	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dec	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2009	357.3	32.4	0.0	0.0	69.6	10.7	0.0	0.0	-65.6	0.0	0.0	0.0	0.0	0.0	179.0
Jan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Feb	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Apr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
May	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jul	307.8	31.9	0.0	0.0	60.6	18.7	0.0	0.0	-41.4	0.0	0.0	0.0	0.0	0.0	155.3
Aug	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sep	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nov	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dec	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2010	307.8	31.9	0.0	0.0	60.6	18.7	0.0	0.0	-41.4	0.0	0.0	0.0	0.0	0.0	155.3
2011	202.0	17.0	0.0	0.0	39.9	14.0	0.0	0.0	-20.3	0.0	0.0	0.0	0.0	0.0	110.8
2012	159.5	11.6	0.0	0.0	43.9	10.5	0.0	0.0	-13.6	0.0	0.0	0.0	0.0	0.0	80.0
2013	122.2	8.2	0.0	0.0	24.4	7.9	0.0	0.0	-7.3	0.0	0.0	0.0	0.0	0.0	74.3
2014	91.3	5.0	0.0	0.0	20.6	5.9	0.0	0.0	-4.1	0.0	0.0	0.0	0.0	0.0	55.8
2015	70.0	3.1	0.0	0.0	18.3	4.4	0.0	0.0	-2.7	0.0	0.0	0.0	0.0	0.0	41.5
2016	55.1	2.1	0.0	0.0	17.1	3.3	0.0	0.0	-2.2	0.0	0.0	0.0	0.0	0.0	30.3
2017	43.3	1.6	0.0	0.0	16.2	2.5	0.0	0.0	-1.9	0.0	0.0	0.0	0.0	0.0	21.0
2018	34.2	1.3	0.0	0.0	15.6	1.9	0.0	0.0	-1.6	0.0	0.0	0.0	0.0	0.0	13.9
Sub	1,442.7	114.1	0.0	0.0	326.3	79.9	0.0	0.0	-160.6	0.0	0.0	0.0	0.0	0.0	761.8
Rem	59.7	2.3	0.0	0.0	69.0	5.6	0.0	0.0	-2.5	0.0	0.0	0.0	0.0	0.0	-19.7
Tot	1,502.4	116.4	0.0	0.0	395.3	85.5	0.0	0.0	-163.2	0.0	0.0	0.0	0.0	0.0	742.0



FOREST GATE RESOURCES INC.
AJM December 31, 2008 Forecast Pricing
PRODUCTION AND CASH FLOW FORECASTS
Tax Loss Pool Table

Effective December 31, 2008

Total Proved Reserves

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	Net Processing Income	Class 1 CCA	Class 43 CCA	Processing Overhead	M&P Taxable Income	Other Business Income	Class 2 CCA	Class 8 CCA	Class 10 CCA	Non Resource Overhead	Other Taxable Income	Overhead to CEE	Overhead to CDE	COGPE Pool	CEE Pool	CDE Pool	Depletion Pool	Acri Pool	Tax Loss Pool	
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
Jan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Feb	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Apr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
May	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jul	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Aug	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sep	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nov	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dec	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2009	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Feb	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Apr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
May	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jul	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Aug	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sep	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nov	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dec	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2010	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2011	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2012	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2013	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2014	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2015	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2016	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2017	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2018	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sub	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rem	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	32.6
Tot	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	32.6



FOREST GATE RESOURCES INC.
AJM December 31, 2008 Forecast Pricing
PRODUCTION AND CASH FLOW FORECASTS
Summary Rates & Revenue Table

Effective December 31, 2008

Total Proved Plus Probable Additional Reserves

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	OIL VOLUMES							SALES GAS VOLUMES							NGL VOLUMES					SULPHUR VOLUMES					TOTAL	
	Wells	Gross Rates	Gross Volumes	WI Volume	RI Volume	Price	Co Share Revenue	Wells	Gross Rates	Gross Volumes	WI Volume	RI Volume	Price	Co Share Revenue	Gross Rates	WI Volume	RI Volume	Price	Co Share Revenue	Gross Rates	WI Volume	RI Volume	Price	Co Share Revenue	Gross Rate	Co Share Revenue
	#	bbl/d	bbl	bbl	bbl	\$/bbl	M\$	#	Mcf/d	MMcf	MMcf	MMcf	\$/Mcf	M\$	bbl/d	bbl	bbl	\$/bbl	M\$	lt/d	lt	lt	\$/lt	M\$	bbl/d	M\$
Jan	1	25.7	797.6	329.4	0.0	48.40	15.9	4	447	13.8	1.4	0.0	6.80	9.4	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	18.070	25.4	
Feb	1	24.3	680.7	281.1	0.0	48.40	13.6	4	439	12.3	1.2	0.0	6.80	8.4	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	17.353	22.0	
Mar	1	23.0	712.2	294.2	0.0	48.40	14.2	4	431	13.4	1.3	0.0	6.80	9.1	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	16.672	23.3	
Apr	1	21.7	650.1	268.5	0.0	48.40	13.0	5	646	19.4	3.8	0.0	6.75	25.7	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	30.107	38.7	
May	1	20.4	633.6	261.7	0.0	48.40	12.7	5	634	19.6	3.9	0.0	6.75	26.1	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	29.179	38.7	
Jun	1	19.3	578.3	238.8	0.0	48.40	11.6	5	622	18.6	3.7	0.0	6.75	24.7	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	28.289	36.3	
Jul	1	18.2	563.6	232.8	0.0	48.40	11.3	5	610	18.9	3.7	0.0	6.75	25.0	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	27.430	36.3	
Aug	1	17.1	531.1	219.3	0.0	48.40	10.6	5	598	18.5	3.6	0.0	6.75	24.5	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	26.602	35.1	
Sep	1	16.2	484.8	200.2	0.0	48.40	9.7	5	587	17.6	3.4	0.0	6.75	23.3	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	25.814	33.0	
Oct	1	15.2	472.5	195.1	0.0	48.40	9.4	5	576	17.9	3.5	0.0	6.75	23.6	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	25.058	33.0	
Nov	1	14.4	431.3	178.1	0.0	48.40	8.6	5	565	17.0	3.3	0.0	6.75	22.4	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	24.332	31.0	
Dec	1	13.6	420.3	173.6	0.0	48.40	8.4	5	555	17.2	3.4	0.0	6.75	22.7	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	23.633	31.1	
2009	1	19.1	6,956.1	2,872.9	0.0	48.40	139.0	5	559	204.2	36.2	0.0	6.76	244.8	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	24.406	383.8	
Jan	1	12.8	396.1	163.6	0.0	63.20	10.3	5	544	16.9	3.3	0.0	7.80	25.6	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	22.950	36.0	
Feb	1	12.1	338.0	139.6	0.0	63.20	8.8	5	534	15.0	2.9	0.0	7.80	22.7	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	22.325	31.5	
Mar	1	11.4	353.7	146.1	0.0	63.20	9.2	5	525	16.3	3.2	0.0	7.80	24.7	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	21.722	33.9	
Apr	1	10.8	322.8	133.3	0.0	63.20	8.4	5	515	15.4	3.0	0.0	7.80	23.4	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	21.122	31.8	
May	1	10.1	314.6	129.9	0.0	63.20	8.2	5	505	15.7	3.0	0.0	7.80	23.7	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	20.544	31.9	
Jun	1	9.6	287.2	118.6	0.0	63.20	7.5	5	496	14.9	2.9	0.0	7.80	22.5	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	19.987	30.0	
Jul	1	9.0	279.9	115.6	0.0	63.20	7.3	5	487	15.1	2.9	0.0	7.80	22.8	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	19.450	30.1	
Aug	1	8.5	263.7	108.9	0.0	63.20	6.9	5	478	14.8	2.9	0.0	7.80	22.4	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	18.920	29.2	
Sep	1	8.0	240.7	99.4	0.0	63.20	6.3	5	469	14.1	2.7	0.0	7.80	21.2	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	18.425	27.5	
Oct	1	7.6	234.6	96.9	0.0	63.20	6.1	5	461	14.3	2.8	0.0	7.80	21.5	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	17.943	27.6	
Nov	1	7.1	214.2	88.4	0.0	63.20	5.6	5	452	13.6	2.6	0.0	7.80	20.4	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	17.479	26.0	
Dec	1	6.7	208.7	86.2	0.0	63.20	5.4	5	444	13.8	2.7	0.0	7.80	20.7	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	17.030	26.1	
2010	1	9.5	3,454.3	1,426.6	0.0	63.20	90.2	5	493	179.7	34.8	0.0	7.80	271.6	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	19.811	361.7	
2011	1	4.7	1,715.3	708.4	0.0	68.50	48.5	5	396	144.4	26.7	0.0	7.95	212.3	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	14.140	260.8	
2012	1	2.3	853.4	352.5	0.0	74.30	26.2	5	320	117.1	19.7	0.0	8.74	172.5	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	9.951	198.7	
2013	0	0.0	0.0	0.0	0.0	0.00	0.0	5	260	95.0	14.5	0.0	9.48	137.2	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	6.608	137.2	
2014	0	0.0	0.0	0.0	0.0	0.00	0.0	5	213	77.7	11.2	0.0	9.68	108.3	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	5.110	108.3	
2015	0	0.0	0.0	0.0	0.0	0.00	0.0	5	175	64.0	8.9	0.0	9.88	87.8	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	4.058	87.8	
2016	0	0.0	0.0	0.0	0.0	0.00	0.0	5	145	53.1	7.1	0.0	10.08	71.5	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	3.231	71.5	
2017	0	0.0	0.0	0.0	0.0	0.00	0.0	5	121	44.1	5.7	0.0	10.28	58.1	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	2.581	58.1	
2018	0	0.0	0.0	0.0	0.0	0.00	0.0	5	101	36.9	4.5	0.0	10.48	47.5	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	2.068	47.5	
Sub	0	0.0	12,979.1	5,360.4	0.0	56.70	303.9	5	0	1,016.1	169.3	0.0	8.34	1,411.4	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	9.195	1,715.4	
Rem	0	0.0	0.0	0.0	0.0	0.00	0.0	0	0	111.9	12.3	0.0	11.05	136.4	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	0.137	136.4	
Tot	0	0.0	12,979.1	5,360.4	0.0	56.70	303.9	0	0	1,128.0	181.7	0.0	8.52	1,547.8	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.00	0.0	1.913	1,851.7	



FOREST GATE RESOURCES INC.
AJM December 31, 2008 Forecast Pricing
PRODUCTION AND CASH FLOW FORECASTS
Cash Flow BTAX Table

Effective December 31, 2008

Total Proved Plus Probable Additional Reserves

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	Company Revenue	Crown Royalty	Freehold Royalty	ORR Royalty	Mineral Tax	Total Royalty Burden	Net Rev After Royalties	Other Income	Sask Corp Cap Tax	Fixed Oper Expense	Variable Operating Expense	Other Expenses	Total Operating Costs	Abandon Cost	Net Operating Income	Total Invest.	NET Cash Flow	CUM Cash Flow	DISC Cash Flow (10%)
	M\$	M\$	M\$	M\$	M\$	%	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
Jan	25.4	0.0	4.1	3.7	0.7	33.4	16.9	0.0	0.0	1.8	3.1	0.0	4.9	0.0	12.0	0.0	12.0	12.0	11.9
Feb	22.0	0.0	3.6	3.2	0.6	33.3	14.6	0.0	0.0	1.8	2.7	0.0	4.5	0.0	10.2	0.0	10.2	22.2	10.1
Mar	23.3	0.0	3.8	3.4	0.6	33.2	15.6	0.0	0.0	1.8	2.8	0.0	4.6	0.0	10.9	85.5	-74.6	-52.4	-73.1
Apr	38.7	3.6	3.5	3.2	0.5	27.9	27.9	0.0	0.0	2.3	4.7	0.0	7.0	0.0	21.0	0.0	21.0	-31.4	20.4
May	38.7	3.6	3.5	3.1	0.5	27.6	28.0	0.0	0.0	2.3	4.7	0.0	7.0	0.0	21.1	0.0	21.1	-10.4	20.3
Jun	36.3	3.4	3.2	2.9	0.4	27.3	26.4	0.0	0.0	2.3	4.4	0.0	6.7	0.0	19.7	0.0	19.7	9.3	18.9
Jul	36.3	3.3	3.2	2.9	0.4	27.0	26.5	0.0	0.0	2.3	4.4	0.0	6.7	0.0	19.8	0.0	19.8	29.2	18.8
Aug	35.1	3.2	3.0	2.7	0.4	26.7	25.8	0.0	0.0	2.3	4.3	0.0	6.6	0.0	19.2	0.0	19.2	48.4	18.1
Sep	33.0	3.0	2.8	2.6	0.4	26.4	24.3	0.0	0.0	2.3	4.0	0.0	6.3	0.0	18.0	0.0	18.0	66.3	16.8
Oct	33.0	3.0	2.8	2.5	0.3	26.1	24.4	0.0	0.0	2.3	4.0	0.0	6.3	0.0	18.1	0.0	18.1	84.4	16.8
Nov	31.0	2.7	2.6	2.4	0.3	25.8	23.0	0.0	0.0	2.3	3.8	0.0	6.1	0.0	16.9	0.0	16.9	101.3	15.6
Dec	31.1	2.7	2.6	2.3	0.3	25.5	23.1	0.0	0.0	2.3	3.8	0.0	6.1	0.0	17.1	0.0	17.1	118.4	15.6
2009	383.8	28.5	38.6	34.9	5.4	28.0	276.5	0.0	0.0	26.2	46.4	0.0	72.6	0.0	203.9	85.5	118.4	118.4	110.1
Jan	36.0	3.6	3.1	2.8	0.4	27.1	26.2	0.0	0.0	2.3	3.7	0.0	6.0	0.0	20.2	0.0	20.2	138.6	18.3
Feb	31.5	3.1	2.7	2.4	0.3	26.8	23.1	0.0	0.0	2.3	3.2	0.0	5.5	0.0	17.5	0.0	17.5	156.2	15.8
Mar	33.9	3.2	2.8	2.6	0.3	26.4	24.9	0.0	0.0	2.3	3.5	0.0	5.8	0.0	19.1	0.0	19.1	175.3	17.1
Apr	31.8	3.0	2.6	2.4	0.3	26.1	23.5	0.0	0.0	2.3	3.3	0.0	5.6	0.0	17.9	0.0	17.9	193.2	15.9
May	31.9	2.9	2.6	2.4	0.3	25.7	23.7	0.0	0.0	2.3	3.3	0.0	5.6	0.0	18.1	0.0	18.1	211.3	15.9
Jun	30.0	2.7	2.4	2.2	0.3	25.4	22.4	0.0	0.0	2.3	3.1	0.0	5.4	0.0	16.9	0.0	16.9	228.3	14.7
Jul	30.1	2.7	2.4	2.2	0.3	25.1	22.6	0.0	0.0	2.3	3.1	0.0	5.5	0.0	17.1	0.0	17.1	245.3	14.8
Aug	29.2	2.5	2.3	2.1	0.2	24.7	22.0	0.0	0.0	2.3	3.1	0.0	5.4	0.0	16.6	0.0	16.6	261.9	14.2
Sep	27.5	2.3	2.2	2.0	0.2	24.4	20.8	0.0	0.0	2.3	2.9	0.0	5.2	0.0	15.6	0.0	15.6	277.5	13.2
Oct	27.6	2.3	2.2	2.0	0.2	24.1	21.0	0.0	0.0	2.3	2.9	0.0	5.3	0.0	15.7	0.0	15.7	293.2	13.2
Nov	26.0	2.1	2.0	1.8	0.2	23.8	19.8	0.0	0.0	2.4	2.7	0.0	5.1	0.0	14.7	0.0	14.7	307.9	12.3
Dec	26.1	2.1	2.0	1.8	0.2	23.5	20.0	0.0	0.0	2.4	2.8	0.0	5.1	0.0	14.9	0.0	14.9	322.8	12.3
2010	361.7	32.5	29.4	26.7	3.1	25.4	270.0	0.0	0.0	28.0	37.6	0.0	65.6	0.0	204.4	0.0	204.4	322.8	177.7
2011	260.8	18.8	19.0	16.4	1.7	21.4	205.0	0.0	0.0	27.9	27.3	0.0	55.1	0.0	149.9	0.0	149.9	472.6	118.5
2012	198.7	13.7	12.2	8.4	1.0	17.8	163.2	0.0	0.0	27.1	19.7	0.0	46.7	0.0	116.5	0.0	116.5	589.1	83.5
2013	137.2	10.4	5.3	0.9	0.6	12.6	119.9	0.0	0.0	11.7	13.1	0.0	24.8	0.0	95.0	0.0	95.0	684.2	61.9
2014	108.3	6.7	4.1	0.0	0.4	10.4	97.0	0.0	0.0	11.4	10.3	0.0	21.7	13.7	61.6	0.0	61.6	745.8	36.5
2015	87.8	4.4	3.5	0.0	0.4	9.4	79.5	0.0	0.0	11.6	8.4	0.0	20.0	0.0	59.5	0.0	59.5	805.3	32.0
2016	71.5	3.0	3.1	0.0	0.3	8.9	65.2	0.0	0.0	11.8	6.9	0.0	18.7	0.0	46.5	0.0	46.5	851.8	22.7
2017	58.1	2.1	2.7	0.0	0.2	8.6	53.1	0.0	0.0	12.1	5.6	0.0	17.7	0.0	35.4	0.0	35.4	887.2	15.8
2018	47.5	1.6	2.3	0.0	0.2	8.6	43.4	0.0	0.0	12.3	4.6	0.0	16.9	0.0	26.5	0.0	26.5	913.7	10.7
Sub	1,715.4	121.6	120.2	87.3	13.4	20.0	1,372.8	0.0	0.0	180.1	179.9	0.0	359.9	13.7	999.2	85.5	913.7	913.7	669.4
Rem	136.4	4.1	7.8	0.0	0.6	9.2	123.9	0.0	0.0	64.0	13.3	0.0	77.2	28.4	18.2	0.0	18.2	931.9	9.3
Tot	1,851.7	125.7	128.0	87.3	14.0	19.2	1,496.6	0.0	0.0	244.0	193.2	0.0	437.2	42.1	1,017.4	85.5	931.9	931.9	678.7



FOREST GATE RESOURCES INC.
AJM December 31, 2008 Forecast Pricing
PRODUCTION AND CASH FLOW FORECASTS
Ratios & Indicators

Total Proved Plus Probable Additional Reserves

NET PRESENT VALUES SUMMARY

Discount Rate	BTAX						ATAX					
	Unrisked			Risky			Unrisked			Risky		
	Operating Income	Investment	Cashflow	Operating Income	Investment	Cashflow	Operating Income	Investment	Cashflow	Operating Income	Investment	Cashflow
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
%												
0	1,017.4	85.5	931.9	1,017.4	85.5	931.9	761.7	85.5	676.2	761.7	85.5	676.2
5	872.6	84.7	787.9	872.6	84.7	787.9	654.6	84.7	570.0	654.6	84.7	570.0
8	803.1	84.2	719.0	803.1	84.2	719.0	602.8	84.2	518.6	602.8	84.2	518.6
10	762.6	83.9	678.7	762.6	83.9	678.7	572.4	83.9	488.5	572.4	83.9	488.5
12	726.0	83.6	642.4	726.0	83.6	642.4	544.9	83.6	461.3	544.9	83.6	461.3
15	677.4	83.1	594.3	677.4	83.1	594.3	508.3	83.1	425.2	508.3	83.1	425.2
20	610.2	82.4	527.8	610.2	82.4	527.8	457.6	82.4	375.2	457.6	82.4	375.2
25	556.0	81.7	474.3	556.0	81.7	474.3	416.7	81.7	334.9	416.7	81.7	334.9

RESERVES INDICATORS

Reserves Half Life	(Years)	2.3
Reserves Life Index	(Years)	4.0
Reserves Life	(Years)	15.0

CORPORATE OPENING TAX POOLS (M\$)

Class 1 Pool	=	0.00
Class 2 Pool	=	0.00
Class 6 Pool	=	0.00
Class 8 Pool	=	0.00
Class 10 Pool	=	0.00
Class 12 Pool	=	0.00
Class 41 Pool	=	0.00
Class 43 Pool	=	0.00
Declining Balance Pool	=	0.00
Declining Balance Rate	=	0.00
Straight Line Decline Pool	=	0.00
Straight Line Decline %	=	0.00
COGPE Pool	=	0.00
CDE Pool	=	0.00
CEE Pool	=	0.00
Depletion Pool	=	0.00
ACRI Pool	=	0.00
Tax Loss Pool	=	0.00



FOREST GATE RESOURCES INC.
AJM December 31, 2008 Forecast Pricing
PRODUCTION AND CASH FLOW FORECASTS
Cash Flow ATAX Table

Effective December 31, 2008

Total Proved Plus Probable Additional Reserves

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	Income Before Tax Loss	Tax Loss Generated	Tax Loss Claim	Federal Taxable Income	Basic Federal Tax	Federal M&P Tax Credit	Federal Surtax	Invest Tax Credit	Federal Income Tax	Attribut Royalty Income	Prov Taxable Income	Basic Prov Tax	Prov M&P Tax Credit	Prov Income Tax	Total Income Tax	BTAX Cash Flow	ATAX Cash Flow	CUM Cash Flow	DISC Cash Flow (10%)
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
Jan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.0	12.0	12.0	11.9
Feb	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.2	10.2	22.2	10.1
Mar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-74.6	-74.6	-52.4	-73.1
Apr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	21.0	21.0	-31.4	20.4
May	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	21.1	21.1	-10.4	20.3
Jun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.7	19.7	9.3	18.9
Jul	193.2	0.0	0.0	193.2	36.7	0.0	0.0	0.0	36.7	0.0	193.2	19.3	0.0	19.3	56.0	19.8	-36.2	-26.9	-34.4
Aug	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.2	19.2	-7.7	18.1
Sep	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	18.0	18.0	10.3	16.8
Oct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	18.1	18.1	28.4	16.8
Nov	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.9	16.9	45.3	15.6
Dec	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	17.1	17.1	62.4	15.6
2009	193.2	0.0	0.0	193.2	36.7	0.0	0.0	0.0	36.7	0.0	193.2	19.3	0.0	19.3	56.0	118.4	62.4	62.4	56.9
Jan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20.2	20.2	82.6	18.3
Feb	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	17.5	17.5	100.2	15.8
Mar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	19.1	19.1	119.3	17.1
Apr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	17.9	17.9	137.2	15.9
May	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	18.1	18.1	155.3	15.9
Jun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.9	16.9	172.2	14.7
Jul	185.7	0.0	0.0	185.7	33.4	0.0	0.0	0.0	33.4	0.0	185.7	18.6	0.0	18.6	52.0	17.1	-34.9	137.3	-30.2
Aug	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.6	16.6	153.9	14.2
Sep	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.6	15.6	169.5	13.2
Oct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.7	15.7	185.2	13.2
Nov	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.7	14.7	199.9	12.3
Dec	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.9	14.9	214.8	12.3
2010	185.7	0.0	0.0	185.7	33.4	0.0	0.0	0.0	33.4	0.0	185.7	18.6	0.0	18.6	52.0	204.4	152.4	214.8	132.8
2011	135.8	0.0	0.0	135.8	22.4	0.0	0.0	0.0	22.4	0.0	135.8	13.6	0.0	13.6	36.0	149.9	113.9	328.6	90.2
2012	106.0	0.0	0.0	106.0	15.9	0.0	0.0	0.0	15.9	0.0	106.0	10.6	0.0	10.6	26.5	116.5	90.0	418.6	64.5
2013	87.1	0.0	0.0	87.1	13.1	0.0	0.0	0.0	13.1	0.0	87.1	8.7	0.0	8.7	21.8	95.0	73.3	491.9	47.7
2014	55.7	0.0	0.0	55.7	8.4	0.0	0.0	0.0	8.4	0.0	55.7	5.6	0.0	5.6	13.9	61.6	47.7	539.6	28.2
2015	55.1	0.0	0.0	55.1	8.3	0.0	0.0	0.0	8.3	0.0	55.1	5.5	0.0	5.5	13.8	59.5	45.7	585.3	24.6
2016	43.1	0.0	0.0	43.1	6.5	0.0	0.0	0.0	6.5	0.0	43.1	4.3	0.0	4.3	10.8	46.5	35.7	621.0	17.5
2017	32.9	0.0	0.0	32.9	4.9	0.0	0.0	0.0	4.9	0.0	32.9	3.3	0.0	3.3	8.2	35.4	27.2	648.2	12.1
2018	24.6	0.0	0.0	24.6	3.7	0.0	0.0	0.0	3.7	0.0	24.6	2.5	0.0	2.5	6.2	26.5	20.3	668.5	8.2
Sub	919.3	0.0	0.0	919.3	153.2	0.0	0.0	0.0	153.2	0.0	919.3	91.9	0.0	91.9	245.2	913.7	668.5	668.5	482.8
Rem	12.6	29.7	0.0	42.3	6.3	0.0	0.0	0.0	6.3	0.0	42.3	4.2	0.0	4.2	10.6	18.2	7.6	676.2	5.8
Tot	931.9	29.7	0.0	961.6	159.6	0.0	0.0	0.0	159.6	0.0	961.6	96.2	0.0	96.2	255.7	931.9	676.2	676.2	488.5



FOREST GATE RESOURCES INC.
AJM December 31, 2008 Forecast Pricing
PRODUCTION AND CASH FLOW FORECASTS
Taxable Income Table

Effective December 31, 2008

Total Proved Plus Probable Additional Reserves

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	Resource Revenue	Resource Royalty	Plus Non-Deduct Royalty	Resource Allowance	Resource Operating Cost	Resource CCA	Resource Overhead	Net Production Royalty Income	Net Resource Royalty Income	Net Other Resource Income	COGPE	CDE	CEE	Depletion Allowance	Resource Taxable Income
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
Jan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Feb	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Apr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
May	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jul	383.8	33.9	0.0	0.0	72.6	10.7	0.0	0.0	-73.5	0.0	0.0	0.0	0.0	0.0	193.2
Aug	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sep	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nov	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dec	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2009	383.8	33.9	0.0	0.0	72.6	10.7	0.0	0.0	-73.5	0.0	0.0	0.0	0.0	0.0	193.2
Jan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Feb	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Apr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
May	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jul	361.7	35.6	0.0	0.0	65.6	18.7	0.0	0.0	-56.2	0.0	0.0	0.0	0.0	0.0	185.7
Aug	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sep	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nov	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dec	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2010	361.7	35.6	0.0	0.0	65.6	18.7	0.0	0.0	-56.2	0.0	0.0	0.0	0.0	0.0	185.7
2011	260.8	20.5	0.0	0.0	55.1	14.0	0.0	0.0	-35.3	0.0	0.0	0.0	0.0	0.0	135.8
2012	198.7	14.8	0.0	0.0	46.7	10.5	0.0	0.0	-20.6	0.0	0.0	0.0	0.0	0.0	106.0
2013	137.2	11.0	0.0	0.0	24.8	7.9	0.0	0.0	-6.3	0.0	0.0	0.0	0.0	0.0	87.1
2014	108.3	7.1	0.0	0.0	35.4	5.9	0.0	0.0	-4.1	0.0	0.0	0.0	0.0	0.0	55.7
2015	87.8	4.7	0.0	0.0	20.0	4.4	0.0	0.0	-3.5	0.0	0.0	0.0	0.0	0.0	55.1
2016	71.5	3.3	0.0	0.0	18.7	3.3	0.0	0.0	-3.1	0.0	0.0	0.0	0.0	0.0	43.1
2017	58.1	2.3	0.0	0.0	17.7	2.5	0.0	0.0	-2.7	0.0	0.0	0.0	0.0	0.0	32.9
2018	47.5	1.8	0.0	0.0	16.9	1.9	0.0	0.0	-2.3	0.0	0.0	0.0	0.0	0.0	24.6
Sub	1,715.4	135.0	0.0	0.0	373.6	79.9	0.0	0.0	-207.5	0.0	0.0	0.0	0.0	0.0	919.3
Rem	136.4	4.7	0.0	0.0	105.6	5.6	0.0	0.0	-7.8	0.0	0.0	0.0	0.0	0.0	12.6
Tot	1,851.7	139.7	0.0	0.0	479.3	85.5	0.0	0.0	-215.3	0.0	0.0	0.0	0.0	0.0	931.9



FOREST GATE RESOURCES INC.
AJM December 31, 2008 Forecast Pricing
PRODUCTION AND CASH FLOW FORECASTS
Tax Loss Pool Table

Effective December 31, 2008

Total Proved Plus Probable Additional Reserves

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	Net Processing Income	Class 1 CCA	Class 43 CCA	Processing Overhead	M&P Taxable Income	Other Business Income	Class 2 CCA	Class 8 CCA	Class 10 CCA	Non Resource Overhead	Other Taxable Income	Overhead to CEE	Overhead to CDE	COGPE Pool	CEE Pool	CDE Pool	Depletion Pool	Acri Pool	Tax Loss Pool	
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
Jan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Feb	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Apr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
May	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jul	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Aug	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sep	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nov	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dec	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2009	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Feb	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mar	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Apr	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
May	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jun	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Jul	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Aug	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sep	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oct	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nov	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dec	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2010	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2011	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2012	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2013	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2014	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2015	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2016	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2017	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2018	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sub	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rem	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	29.7
Tot	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	29.7



EVALUATION PROCEDURE

Effective as of December 2008



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INTRODUCTION – RESERVES METHODOLOGY

Reference Volume 1 of the Canadian Oil and Gas Evaluation Handbook (COGEH)

Reserves Evaluation

A “Reserves Evaluation” is the process whereby a qualified reserves evaluator estimates the quantities and values of oil and gas reserves by interpreting and assessing all available pertinent data. The value of an oil and gas asset is a function of the ability or potential ability of that asset to generate future net revenue, and it is measured using a set of forward-looking assumptions regarding reserves, production, prices, and costs. Evaluations of oil and gas assets, in particular reserves, include a discounted cash flow analysis of estimated future net revenue.

Reserves Audit

A “Reserves Audit” is the process carried out by a qualified reserves auditor that results in a reasonable assurance, in the form of an opinion, that the reserves information has in all material respects been determined and presented according to the principles and definitions adopted by CIM (Petroleum Society), SPEE (Calgary Chapter), and APEGGA and are, therefore free of material misstatement.

The reserves evaluations prepared by the Corporation have been audited, not for the purpose of verifying exactness, but the reserves information, company policies, procedures, and methods used in estimating the reserves will be examined in sufficient detail so that AJM Petroleum Consultants (“AJM”) can express an opinion as to whether, in the aggregate, the reserves information presented by the Corporation are reasonable.

AJM may require its own independent evaluation of the reserves information for a small number of properties, or for a large number of properties as tests for the reasonableness of the Corporation’s evaluations. The tests to be applied to the Corporation’s evaluations insofar as their methods and controls and the properties selected to be re-evaluated will be determined by AJM, in its sole judgment, to arrive at an opinion as to the reasonableness of the Corporation’s evaluations.



Reserves Review

A “Reserves Review” is the process whereby a reserves auditor conducts a high-level assessment of reserves information to determine if it is plausible. The steps consist primarily of enquiry, analytical procedure, analysis, review of historical reserves performance, and discussion with the Corporation’s reserves management staff.

“Plausible” means the reserves data appear to be worthy of belief based on the information obtained by the independent qualified reserves auditor in carrying out the aforementioned steps. Negative assurance can be given by the independent reserves auditor, but an opinion cannot. For example, “Nothing came to my attention that would indicate the reserves information has not been prepared and presented in accordance with principles and definitions adopted by the Canadian Institute of Mining, Metallurgy & Petroleum (CIM) (Petroleum Society), the Society of Petroleum Evaluation Engineers (SPEE) (Calgary Chapter), and APEGGA (Practice Standard for the Evaluation of Oil and Gas Reserves for Public Disclosure).

Reviews do not require examination of the detailed document that supports the reserves information, unless this information does not appear to be plausible.

GEOLOGY

An initial review of each property was undertaken to establish the produced maturity of the reservoir being evaluated. Where there existed extensive production history a geologic analysis was not conducted since the remaining hydrocarbons could be determined by productivity analysis.

For properties that were not of a mature productivity nature a geologic review was conducted. This work consisted of analysis of logs in the area of interest and review of well tests. Net formation thickness (pay), porosity, and initial water saturation were then utilized to establish volumetric hydrocarbons in place.

LAND SCHEDULE AND MAPS

The evaluated Corporation provided schedules of land ownership which included lessor and lessee royalty burdens. The land data was accepted as factual and no investigation of title by AJM was made to verify the records.

Evaluated well maps included within this report represent all of the Corporation's interests that were evaluated in the specified area.



RESERVE AND RESOURCE ESTIMATION

AJM generally assigns reserves to properties via deterministic methods. Use of probabilistic estimation techniques will be stated within the detailed property reports.

Deterministic:

Reserves and resources were estimated either by i) volumetric, ii) decline curve analysis, iii) material balance techniques, or iv) performance predictions.

Volumetric reserves were estimated using the wellbore net pay and an assigned drainage area or, where sufficient data was available, the reservoir volumes calculated from isopach maps. Reservoir rock and fluid data were obtained from available core analysis, well logs, PVT data, gas analysis, government sources, and other published information either on the evaluated pool or from a similar reservoir in the immediate area. In mature (producing) reservoirs decline curve analysis and/or material balance was utilized in all applicable evaluations.

Whenever there is the need within an evaluation to assign reserves based on analogy or when volumetric reserves are being assigned, petroCUBE™ is used by AJM evaluators.

petroCUBE is a web-based (www.petroCUBE.com) product co-developed by AJM Petroleum Consultants and geoLOGIC Systems Inc. petroCUBE provides geostatistical, technical and financial information for conventional hydrocarbon plays throughout the Western Canadian Sedimentary Basin ("WCSB").

The information provided by petroCUBE is an unbiased independent perspective into the historical performance of the conventional hydrocarbon activity in the WCSB. The statistical information is presented by commodity type (gas, oil) with each commodity further analyzed by geographic area and play type.

Gas is divided into 16 geographic areas and approximately 14 stratigraphic groupings comprising over 120 gas plays; Oil is divided into 13 geographic areas and approximately 14 stratigraphic groupings



comprising over 75 oil plays. Analysis of each play is formulated on a per-well zone basis, based on the statistics and full cycle economics of wells drilled in the recent past (last five years).

Analysis output includes cumulative frequency resource distribution curves, chance of success tables, production performance profiles for each play type and area, unrisks and risks resources, and initial production rates on a per well zone basis, and full cycle economic and play parameters.

Cumulative frequency curves show how the volumes for a play are distributed. These calculations include the average volumes for a play (P_{mean}), volumes for the best 10 percent of the wells (P_{10}), the minimum volumes developed by 90 percent of the wells (P_{90}).

Reserves assigned are compared to those volumes noted in the cumulative frequency curves for the corresponding area and play type. Typically an expected or proved plus probable reserve is a P_{mean} volume.

Probabilistic:

Because of the uncertainty inherent in reservoir parameters, probabilistic analysis, which is based on statistical techniques, provides a formulated approach by which to obtain a reasonable assessment of the petroleum initially in place (PIIP) and/or the recoverable resource. Probabilistic analysis involves generating a range of possible outcomes for each unknown parameter and their associated probability of occurrence. When probabilistic analysis is applied to resource estimation, it provides a range of possible PIIPs or recoverable resources.

In preparing a resource estimate, AJM assesses the following volumetric parameters: areal extent, net pay thickness, porosity, hydrocarbon saturation, reservoir temperature, reservoir pressure, gas compressibility factor, recovery factor, and surface loss. A team of professional engineers and geologists experienced in probabilistic resource evaluation considered each of the parameters individually to estimate the most reasonable range of values. Working from existing data, the team discusses and agrees on the low (P_{90}) and high (P_{10}) values for each parameter. To help test the reasonableness of the proposed range, a minimum (P_{99}) and maximum (P_1) value are also extrapolated from the low and high values. After ranges



have been established for each parameter, these independent distributions are used to determine a P90, P50, and P10 result which comprise AJM's estimated range of PIIP or recoverable resource.

It is important to note that the process used to determine the final P10, P90, and P50 results involves multiplying the various volumetric parameters together. This yields results which require adjustments to maintain an appropriate probability of occurrence. For example, when calculating total reservoir volume (Area x Pay), the chance of getting a volume greater than the P10 Area x P10 Pay is less than 10 percent – the chance of getting the calculated is only 3.5 percent (p3.5). As you multiply additional P10 values, the probability of achieving the calculated value becomes less likely. Similarly, multiplying P90 parameters together will yield a result that has a probability greater than P90. As such, when multiplying independent distributions together the results must be adjusted via interpolation to determine final P90 and P10 values.

The results appearing in this report represent interpolated P90 and P10 values. As defined by COGEH (and PRMS), the P50 estimate is the "best estimate" for reporting purposes.

Production Forecast:

Production forecasts were based on historical trends or by comparison with other wells in the immediate area producing from similar reservoirs. Non-producing gas reserves were forecast to come on-stream February 1, 2010 under direct sales pricing and deliverability assumptions, if a tie-in point to an existing gathering system was in close proximity (approximately two miles). If the tie-in point was of a greater distance (and dependent on the reserve volume and risk) the reserves were forecast to come on-stream February 1, 2011. If the reserves were located in a remote location and/or the reserve volume was of higher risk, the reserves were forecast to come on-stream no earlier than February 1, 2014. These on-stream dates were used when the company could not provide specific on-stream date information.

Typically, production profiles are not prepared when reserves or resources are estimated by probabilistic methods.



RESOURCE AND RESERVE DEFINITIONS

Resource Classification: Resources are classified by AJM Petroleum Consultants in accordance with the definitions published by the Petroleum Society of CIM in The Canadian Oil and Gas Evaluation Handbook (COGEH), Volume 1 2nd Edition. The reader is referred to the Handbook for a complete description of Resources and only the particular definitions are quoted as follows.

The term “resources” encompasses all petroleum quantities that originally existed on or within the earth’s crust in naturally occurring accumulations, including Discovered and Undiscovered (recoverable and unrecoverable) plus quantities already produced. Accordingly, total resources is equivalent to Total Petroleum Initially-In-Place (PIIP).

Total Petroleum Initially-In-Place (PIIP) is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered (equivalent to “total resources”).

Discovered Petroleum Initially-In-Place (equivalent to discovered resources) is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of Discovered Petroleum Initially-In-Place includes Production, Reserves, and Contingent Resources; the remainder is unrecoverable.

Production is the cumulative quantity of petroleum that has been recovered at a given date.

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are further classified in accordance with the level of certainty associated with the estimates and may be sub-classified based on development and production status. Refer to the full definitions on Reserves in Section 5.4 of COGEH.



Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters, or a lack of markets. It is also appropriate to classify as contingent resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage. Contingent Resources are further classified in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status. Refer to COGEH and Figure 5-1.

Unrecoverable is that portion of Discovered and Undiscovered PIIP quantities which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

Undiscovered Petroleum Initially-In-Place (equivalent to undiscovered resources) is that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The recoverable portion of Undiscovered Petroleum Initially-In-Place is referred to as Prospective Resources; the remainder as Unrecoverable.

Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity. Refer to COGEH and Figure 5-1.

Reserves, Contingent Resources, and Prospective Resources should not be combined without recognition of the significant differences in criteria associated with their classification. For example, the sum of Reserves, Contingent Resources, and Prospective Resources may be referred to as Remaining Recoverable Resources. When resources categories are combined, it is important that each component of the summation also be

provided, and it should be made clear whether and how the components in the summation were adjusted for risk.

Reserve Classification: Reserves are classified by AJM in accordance with the following definitions published by COGEH and which meet the standards established by National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities and found in Appendix 1 to Companion Policy 51-101 CP, Part 2 Definition of Reserves.

Reserve Categories

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on

- analysis of drilling, geological, geophysical, and engineering data;
- the use of established technology; and
- 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.

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.

Possible Reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

Development and Production Status

Each of the reserves categories (proved, probable and possible) may be divided into developed and undeveloped categories:

Developed Reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

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 (for example, 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 category (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 subdivide the developed reserves for the pool between developed producing and developed non-producing. 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.

Levels of Certainty for Reported Reserves

The qualitative certainty levels referred to in the definitions above are applicable to individual reserves entities (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest – level sum of individual entity estimates for which reserves estimates are presented). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves;
- at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves; and
- at least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable plus possible reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

ROYALTIES AND TAXES

General

All royalties and taxes, including the lessor and overriding royalties, are based on current government regulations, leases or farmout agreements.

Lessor interests and burdens applicable to each entity are detailed in the Well Interests Table.

AJM Petroleum Consultants utilize reserves and valuation program Mosaic (Version 2.5), a software product of Entero Corporation.



ROYALTIES AND TAXES

Western Canada

Regulations that were in effect as of the evaluation effective date were used in determining crown royalties and mineral taxes. The Western Canadian provinces generally classify their conventional oil and gas resources into tiers according to date and, in the case of oil, density. The royalty formulas are set so that the newer classifications and the higher densities (heavy oil) pay less royalty.

Royalty holidays if applicable, have been considered per current provincial government regulations for the particular products. As of January 1, 2007 the Alberta Government eliminated the Alberta Royalty Tax Credit (ARTC). Prior to January 1, 2007 companies received a tax credit on royalties paid to the Province of Alberta.

Freehold and other payable burdens were estimated based on indicated percentages on the evaluated interest.

Gas Cost Allowance (GCA), where applicable, has been considered as a value royalty reduction for gas and associated products on crown and freehold leases as well as other payable and receivable burdens.



OPERATING AND CAPITAL CONSIDERATIONS

Operating and capital costs were based on current costs escalated to the date the cost was incurred. Costs listed on the Capital Sheet and Economic Parameter Sheet are in current year dollars. The economic runs provide the escalated dollar costs as found in the Pricing Table 1 in the Price and Market Demand section.

Reserves estimated to meet the standards of NI51-101 of constant prices and costs, are based on unescalated operating and capital costs.

Capital costs were either provided by the Corporation (and reviewed by AJM for reasonableness); or determined by AJM taking into account well capability, facility requirement, and distance to markets. Facility expenditures for shut-in gas are forecast to occur in the month prior to the wells first production.

Operating costs were determined from historical data on the property as provided by the evaluated Corporation. If this data was not available or incomplete, the costs were based on AJM experience and historical database. Operating costs are defined into three types.

The first type, variable (\$/Unit), covers the costs directly associated with the product production. Costs for processing, gathering and compression are based on raw gas volumes. Over the life of the project the costs are inflated in escalated runs to reflect the increase in costs over time. In a constant dollar review the costs remain flat over the project life.

The second type, fixed plant or battery (\$/year), is again a fixed component over the project life and reflects any gas plant or battery operating costs allocated back to the evaluated group. The plant or battery can also be run as a separate group and subsequently consolidated at the property level. It must be noted that discussion with the client is required to determine operational feasibility of the facility over time. Parts of the plant may be shut-in as capacity is reduced over time. At some future point in time capital may be required to optimize the facility or take the product to a different facility paying a trucking cost for oil and gathering and processing fee for gas. Potential availability and location of plants with excess capacity has to be considered. As per previous operating costs, this cost is also inflated over time in escalated cases and held constant in constant dollar runs.



The third type takes the remaining costs that are not associated with the first two and assigns them to the well based on a fixed and variable component. A split of 65 percent fixed and 35 percent variable assumes efficiencies of operation over time, i.e.: the well operator can reduce the number of monthly visits as the well matures, workovers may be delayed, well maintenance can also be reduced. The basic assumption is that the field operator will continue to find efficiencies to reduce the costs over time to maintain the overall \$/Boe cost. Thus as the production drops over time the 35 percent variable cost will account for these efficiencies. If production is flat all the costs will also remain flat. Both the fixed and variable costs in this type are inflated in the escalated case and held constant in the constant dollar review. These costs also include property taxes, lease rentals, government fees, and administrative overhead.

In evaluations conducted for purposes of NI51-101, well abandonment costs have been included and these costs were either provided by the Corporation (and reviewed by AJM for reasonableness) or estimated by AJM based on its experience. For undeveloped reserve estimates for undrilled locations, site reclamation costs are also included for the purpose of determining whether reserves should be attributed to that property in the first year in which the reserves are considered for attribution to the property.



PRICE AND MARKET DEMAND FORECASTS

Base Case Forecast Effective December 31, 2008

The attached price and market forecasts have been prepared by AJM, based on information available from numerous government agencies, industry publications, Canadian oil refineries, natural gas marketers, and industry trends.

The prices are AJM's best estimate of how the future will look, based on the many uncertainties that exist in both the domestic Canadian and international petroleum industries. Inflation forecasts and exchange rates, an integral part of the forecast, have also been considered.

In preparing the price forecast AJM considers the current monthly trends, the actual and trends for the year to date, and the prior year actual in determining the forecast. The base forecast for both oil and gas is based on NYMEX futures in US dollars.

The crude oil and natural gas forecasts are based on yearly variable factors weighted to higher percent in current data and reflecting a higher percent to the prior year historical. These forecasts are AJM's interpretation of current available information and while they are considered reasonable, changing market conditions or additional information may require alteration from the indicated effective date.



AJM Petroleum Consultants
Price Forecast 2008 12 31
Base Case Forecast Effective December 31, 2008

					Crude Oil Pricing							Natural Gas Liquids Pricing				Natural Gas Pricing							Sulphur Pricing		
					WTI at Cushing Oklahoma	WTI at Cushing Oklahoma	Edmonton City Gate	Edmonton City Gate	Med. Oil 29 Deg. API	Bow River 25 Deg. API	Heavy Oil 12 Deg. API	Edmonton Par Prices				Alberta Reference	Alberta AECO	Alberta AECO	Alberta System	Alberta Direct	B.C. Direct	Sask. Direct			Sulphur Pricing
		Price Inflation Rate	Cost Inflation Rate	Cdn to US Exchange Rate	\$/bbl U.S. Real	\$/bbl U.S. Current	\$/bbl Cdn. Real	\$/bbl Cdn. Current	\$/bbl Current	\$/bbl Current	\$/bbl Current	Ethane \$/bbl Current	Propane \$/bbl Current	Butane \$/bbl Current	Pentanes + Condensate \$/bbl Current	Average Price \$/mcf Current	Average Price \$/mcf Real	Average Price \$/mcf Current	Plant Gate Sales \$/mcf Current	Plant Gate Sales \$/mcf Current	Plant Gate Sales \$/mcf Current	Plant Gate Sales \$/mcf Current	NYMEX US\$/Mcf Real	NYMEX US\$/Mcf Current	\$/t Current
H	1997	1.6%	1.6%	0.722	\$25.85	\$20.60	\$35.12	\$27.98	\$23.85	\$21.60	\$15.42	n/a	\$19.41	\$19.02	\$30.85	\$1.87	\$2.15	\$1.71	\$1.78	\$1.69	\$1.98	\$1.74	\$3.25	\$2.59	\$11.50
i	1998	0.7%	0.7%	0.675	\$17.76	\$14.38	\$24.81	\$20.08	\$17.22	\$14.79	\$9.48	n/a	\$11.97	\$12.92	\$22.35	\$1.94	\$2.56	\$2.07	\$1.90	\$1.95	\$2.00	\$2.13	\$2.61	\$2.11	(\$6.51)
s	1999	1.8%	1.8%	0.648	\$23.67	\$19.29	\$33.62	\$27.41	\$21.72	\$20.29	\$17.62	\$8.09	\$13.21	\$14.39	\$20.94	\$2.48	\$3.37	\$2.75	\$2.22	\$2.50	\$2.52	\$2.61	\$2.57	\$2.10	\$6.93
t	2000	2.6%	2.6%	0.674	\$36.41	\$30.22	\$53.43	\$44.33	\$39.89	\$34.46	\$28.57	\$14.10	\$32.59	\$36.51	\$46.30	\$4.51	\$6.04	\$5.01	\$4.84	\$4.86	\$4.89	\$5.05	\$5.20	\$4.32	\$13.59
o	2001	2.5%	2.5%	0.646	\$30.36	\$25.87	\$45.96	\$39.17	\$31.54	\$25.12	\$18.07	\$17.20	\$30.62	\$30.49	\$43.03	\$5.39	\$7.36	\$6.27	\$5.42	\$6.11	\$6.26	\$6.10	\$4.61	\$3.93	(\$14.50)
r	2002	2.3%	2.3%	0.636	\$29.86	\$26.11	\$46.12	\$40.33	\$35.52	\$31.89	\$27.63	\$11.21	\$20.92	\$27.78	\$41.22	\$3.88	\$4.66	\$4.07	\$3.85	\$3.91	\$3.93	\$4.08	\$3.84	\$3.36	\$12.74
i	2003	2.8%	2.8%	0.710	\$34.66	\$31.01	\$48.64	\$43.51	\$37.47	\$32.96	\$27.35	\$18.43	\$32.31	\$36.03	\$45.18	\$6.12	\$7.49	\$6.70	\$6.11	\$6.53	\$6.32	\$6.67	\$6.12	\$5.48	\$40.99
c	2004	1.8%	1.8%	0.770	\$45.04	\$41.45	\$57.55	\$52.96	\$45.76	\$38.01	\$30.44	\$19.04	\$35.20	\$44.07	\$55.49	\$6.31	\$7.14	\$6.57	\$6.32	\$6.40	\$6.44	\$6.84	\$6.79	\$6.25	\$40.82
a	2005	2.2%	2.2%	0.823	\$60.39	\$56.61	\$73.95	\$69.33	\$57.39	\$45.68	\$33.77	\$23.80	\$43.23	\$51.91	\$74.67	\$8.31	\$9.37	\$8.78	\$8.56	\$8.61	\$8.13	\$8.51	\$9.50	\$8.91	\$40.99
l	2006	2.0%	2.0%	0.882	\$68.89	\$66.06	\$76.48	\$73.34	\$62.42	\$52.04	\$39.68	\$19.81	\$44.11	\$58.16	\$78.19	\$6.56	\$6.82	\$6.54	\$6.63	\$6.35	\$6.45	\$7.11	\$7.04	\$6.75	\$19.51
	2007	2.1%	2.1%	0.921	\$72.13	\$70.59	\$77.56	\$75.90	\$64.77	\$54.12	\$40.51	\$18.41	\$48.30	\$57.15	\$79.83	\$6.20	\$6.61	\$6.47	\$6.31	\$6.22	\$6.23	\$6.54	\$7.11	\$6.95	\$38.32
	2008	2.4%	2.4%	0.951	\$99.58	\$99.58	\$102.85	\$102.85	\$93.33	\$83.97	\$73.18	\$22.82	\$56.99	\$82.72	\$109.23	\$7.90	\$8.22	\$8.22	\$8.09	\$7.97	\$8.03	\$8.16	\$8.83	\$8.83	\$289.85
2	0 0 Mths H	0.0%	0.0%	0.000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
0	12 Mths F	2.0%	2.0%	0.820	\$55.00	\$55.00	\$65.40	\$65.40	\$54.40	\$50.40	\$35.40	\$20.10	\$42.50	\$52.30	\$68.65	\$6.75	\$7.00	\$7.00	\$6.70	\$6.80	\$6.70	\$6.95	\$6.50	\$6.50	\$50.00
9	Avg.	2.0%	2.0%	0.820	\$55.00	\$55.00	\$65.40	\$65.40	\$54.40	\$50.40	\$35.40	\$20.10	\$42.50	\$52.30	\$68.65	\$6.75	\$7.00	\$7.00	\$6.70	\$6.80	\$6.70	\$6.95	\$6.50	\$6.50	\$50.00
F	2009	0.0%	0.0%	0.820	\$55.00	\$55.00	\$65.40	\$65.40	\$54.40	\$50.40	\$35.40	\$20.10	\$42.50	\$52.30	\$68.65	\$6.75	\$7.00	\$7.00	\$6.70	\$6.80	\$6.70	\$6.95	\$6.50	\$6.50	\$50.00
o	2010	2.0%	3.0%	0.860	\$75.00	\$76.50	\$85.50	\$87.20	\$73.70	\$65.20	\$49.20	\$23.25	\$56.70	\$69.75	\$91.55	\$7.80	\$7.90	\$8.05	\$7.75	\$7.85	\$7.75	\$8.00	\$7.50	\$7.65	\$50.00
r	2011	2.0%	2.0%	0.900	\$85.00	\$88.45	\$92.75	\$96.50	\$82.00	\$70.50	\$54.50	\$23.70	\$62.75	\$77.20	\$101.35	\$7.90	\$7.90	\$8.20	\$7.90	\$8.00	\$7.90	\$8.15	\$8.00	\$8.30	\$50.00
e	2012	2.0%	2.0%	0.950	\$95.00	\$100.80	\$98.30	\$104.30	\$89.30	\$76.30	\$60.30	\$26.10	\$67.80	\$83.45	\$109.50	\$8.70	\$8.50	\$9.00	\$8.70	\$8.80	\$8.70	\$8.95	\$9.00	\$9.55	\$50.00
c	2013	2.0%	2.0%	0.950	\$100.00	\$108.25	\$103.50	\$112.05	\$97.05	\$84.05	\$68.05	\$28.35	\$72.85	\$89.65	\$117.65	\$9.50	\$9.00	\$9.75	\$9.45	\$9.55	\$9.45	\$9.70	\$9.50	\$10.30	\$50.00
a	2014	2.0%	2.0%	0.950	\$100.00	\$110.40	\$103.50	\$114.25	\$99.25	\$86.25	\$70.25	\$28.95	\$74.25	\$91.40	\$119.95	\$9.65	\$9.00	\$9.95	\$9.65	\$9.75	\$9.65	\$9.90	\$9.50	\$10.50	\$51.00
s	2015	2.0%	2.0%	0.950	\$100.00	\$112.60	\$103.50	\$116.55	\$101.55	\$88.55	\$72.55	\$29.55	\$75.75	\$93.25	\$122.35	\$9.85	\$9.00	\$10.15	\$9.85	\$9.95	\$9.85	\$10.10	\$9.50	\$10.70	\$52.00
t	2016	2.0%	2.0%	0.950	\$100.00	\$114.85	\$103.50	\$118.90	\$103.90	\$90.90	\$74.90	\$30.15	\$77.30	\$95.10	\$124.85	\$10.05	\$9.00	\$10.35	\$10.05	\$10.15	\$10.05	\$10.30	\$9.50	\$10.90	\$53.05
	2017	2.0%	2.0%	0.950	\$100.00	\$117.15	\$103.50	\$121.25	\$106.25	\$93.25	\$77.25	\$30.75	\$78.80	\$97.00	\$127.30	\$10.30	\$9.00	\$10.55	\$10.25	\$10.35	\$10.25	\$10.50	\$9.50	\$11.15	\$54.10
	2018	2.0%	2.0%	0.950	\$100.00	\$119.50	\$103.50	\$123.70	\$108.70	\$95.70	\$79.70	\$31.35	\$80.40	\$98.95	\$129.90	\$10.45	\$9.00	\$10.75	\$10.45	\$10.55	\$10.45	\$10.70	\$9.50	\$11.35	\$55.20
	2019	2.0%	2.0%	0.950	\$100.00	\$121.90	\$103.50	\$126.15	\$111.15	\$98.15	\$82.15	\$31.95	\$82.00	\$100.90	\$132.45	\$10.70	\$9.00	\$10.95	\$10.65	\$10.75	\$10.65	\$10.90	\$9.50	\$11.60	\$56.30
	2020	2.0%	2.0%	0.950	\$100.00	\$124.35	\$103.50	\$128.70	\$113.70	\$100.70	\$84.70	\$32.70	\$83.65	\$102.95	\$135.15	\$10.95	\$9.00	\$11.20	\$10.90	\$11.00	\$10.90	\$11.15	\$9.50	\$11.80	\$57.45
	2021	2.0%	2.0%	0.950	\$100.00	\$126.80	\$103.50	\$131.25	\$116.25	\$103.25	\$87.25	\$33.30	\$85.30	\$105.00	\$137.80	\$11.15	\$9.00	\$11.40	\$11.10	\$11.20	\$11.10	\$11.35	\$9.50	\$12.05	\$58.60
	2022	2.0%	2.0%	0.950	\$100.00	\$129.35	\$103.50	\$133.90	\$118.90	\$105.90	\$89.90	\$34.05	\$87.05	\$107.10	\$140.60	\$11.40	\$9.00	\$11.65	\$11.35	\$11.45	\$11.35	\$11.60	\$9.50	\$12.30	\$59.75
	2023	2.0%	2.0%	0.950	\$100.00	\$131.95	\$103.50	\$136.55	\$121.55	\$108.55	\$92.55	\$34.80	\$88.75	\$109.25	\$143.40	\$11.60	\$9.00	\$11.90	\$11.60	\$11.70	\$11.60	\$11.85	\$9.50	\$12.55	\$60.95
	2024	2.0%	2.0%	0.950	\$100.00	\$134.60	\$103.50	\$139.30	\$124.30	\$111.30	\$95.30	\$35.40	\$90.55	\$111.45	\$146.25	\$11.85	\$9.00	\$12.10	\$11.80	\$11.90	\$11.80	\$12.05	\$9.50	\$12.80	\$62.15
	2025	2.0%	2.0%	0.950	\$100.00	\$137.30	\$103.50	\$142.10	\$127.10	\$114.10	\$98.10	\$36.15	\$92.35	\$113.70	\$149.20	\$12.05	\$9.00	\$12.35	\$12.05	\$12.15	\$12.05	\$12.30	\$9.50	\$13.05	\$63.40
	2026	2.0%	2.0%	0.950	\$100.00	\$140.00	\$103.50	\$144.90	\$129.90	\$116.90	\$100.90	\$36.90	\$94.20	\$115.90	\$152.15	\$12.35	\$9.00	\$12.60	\$12.30	\$12.40	\$12.30	\$12.55	\$9.50	\$13.30	\$64.65
	2027	2.0%	2.0%	0.950	\$100.00	\$142.80	\$103.50	\$147.80	\$132.80	\$119.80	\$103.80	\$37.65	\$96.05	\$118.25	\$155.20	\$12.60	\$9.00	\$12.85	\$12.55	\$12.65	\$12.55	\$12.80	\$9.50	\$13.55	\$65.95
	2028	2.0%	2.0%	0.950	\$100.00	\$145.70	\$103.50	\$150.80	\$135.80	\$122.80	\$106.80	\$38.40	\$98.00	\$120.65	\$158.35	\$12.85	\$9.00	\$13.10	\$12.80	\$12.90	\$12.80	\$13.05	\$9.50	\$13.85	\$67.25
	2026+	2.0%	2.0%	0.950	0.0%	2.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	0.0%	2.0%	2.0%

- Notes:
- All prices are in Canadian dollars except WTI and NYMEX gas which are in U.S. dollars.
 - Edmonton city gate prices based on light sweet crude posted at major Canadian refineries. (40 Deg. API < 0.5% Sulphur)
 - Natural Gas Liquid prices are forecasted at Edmonton therefore an additional transportation cost must be included to plant gate sales point.
 - 1 Mcf is equivalent to 1 mmbtu.
 - System gas prices includes TCGSL, Progas, Pan Alberta and Alliance.
 - Real dollars listed include future growth in prices with no escalation considered.
 - Alberta gas prices, except AECO, include an Average cost of service to the plant gate.
 - The Alberta Royalty Tax Credit (ARTC) was eliminated effective January 1, 2007.
 - For the current year data the Average is based on XX months historical and XX months Forecast.



GLOSSARY OF TERMS

This glossary is provided only for convenience. AJM subscribes to the Glossary of Terms as defined by the Canadian Oil and Gas Evaluation Handbook. The COGE Handbook can be obtained from the Petroleum Society of CIM at www.petsoc.org.

Gross Reserves	These are the total reserves to be recovered from a property.
Company Gross Reserves	These are the working interest owner's share of gross reserves before the deduction of royalties. Royalty interest share of reserves is not included in this category.
Company Net Reserves	These are the working interest owner's share of gross reserves after the deduction of royalties. Royalty interest share of reserves is included in this category.
Net Profits Interests	Occasionally, interests in oil and gas properties are encumbered by net profits interests, in addition to lessor and overriding royalty interests. A net profits interest is an interest in production income only and not in production. The net profits interest owner may have value, but has not interest in reserves; therefore, no reserves are assigned to this owner.
Net Operating Income	Company interest income after the sale of oil, gas, by-products plus other income, less burdens and operating expenses.
Before Tax Cash Flow	Net operating income less any capital investment to the property
Discounting	Discounting utilized by AJM Petroleum Consultants being the projections of values discounted to the middle of a given period utilizing the following formula: Discount Factor: $\frac{1}{(1 + i)^{n-1/2}}$ where i = interest rate as a decimal per period and n = number of periods.

Crude Oil	A mixture, consisting mainly of pentanes and heavier hydrocarbons, that exists in the liquid phase in reservoirs and remains liquid at atmospheric pressure and temperature. Crude oil may contain small amounts of sulphur and non-hydrocarbon compounds, but does not include liquids obtained from the processing of natural gas.
Synthetic Crude Oil	A mixture of hydrocarbons derived by upgrading crude bitumen from oil sands, and kerogen from oil shales or other substances such as coal. May contain sulphur or other non-hydrocarbon compounds and has many similarities to crude oil.
Raw Natural Gas	Natural gas as it is produced from the reservoir prior to processing. It is gaseous at the conditions under which its volume is measured or estimated.
Marketable Natural Gas (Sales Gas)	Natural gas that meets specifications for its end use, whether it occurs naturally or results from the processing of raw natural gas. Field and plant fuel and losses are excluded, excepting those related to downstream reprocessing plants.
Natural Gas Liquids	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.
Expenses Fixed	Expenses that do not vary with fluctuations in the producing rate.
Expenses Variable	Expenses that vary with fluctuations in the producing rate.

FOREST GATE RESOURCES INC.

**RESERVE ESTIMATION AND
ECONOMIC EVALUATION**

DETAILED PROPERTIES

Effective Date: December 31, 2008



PROPERTY INDEX

1. Ferrybank, Alberta
2. Kelsey, Alberta
3. Nevis, Alberta