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Energy Corp.

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# STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

## EFFECTIVE DECEMBER 31, 2005

## PREPARED MAY 19, 2006
## REVISED JUNE 27, 2006

FORM 51-101F1

## GLOSSARY OF SELECTED TERMS

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

"bbl" means barrels

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

"boepd" means barrels of oil equivalent per day

"bopd" means barrels of oil per day

"Btu" British thermal unit

"Effective Date" means the effective date of the information contained in this Statement of Reserves Data and Other Oil and Gas Information, being December 31, 2005

"LongBow" means LongBow Energy Corp.

"Mbbl" means thousands of barrels

"Mboe" means thousands of barrels of oil equivalent

"MBtu" means thousands of British Thermal Units

"Mcf" means thousands of cubic feet

"Mcfpd" means thousands of cubic feet per day

"MMbbl" means millions of barrels

"MMBtu" means millions of British Thermal Units

"MMcf" means millions of cubic feet

"Mscf" means thousands of standard cubic feet

"Mscfpd" means thousands of standard cubic feet per day

"Mstb" means thousands of stock tank barrels

"NGL" means natural gas liquids including condensate

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

"Preparation Date" means the date of preparation of this Statement of Reserves Data and Other Oil and Gas information, being May 2005

"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 *probable reserves*.

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

"Sproule" means Sproule Associates Limited, an Alberta corporation and member of the Association of Professional Engineers, Geologists, and Geophysicists of Alberta (APEGGA), having met all qualifications of evaluator as defined in National Instrument 51-101

"stb" means stock tank barrel

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

## MONETARY REFERENCES

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

## FORWARD-LOOKING STATEMENTS

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

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

Statements relating to “reserves” or “resources” are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described can be profitably produced in the future. All forward-looking statements contained in this Statement of Reserves Data and Other Oil and Gas Information are expressly qualified by this cautionary statement.

## DATE OF STATEMENT

In accordance with the requirements of NI 51-101, the following Statement of Reserves Data and Other Oil and Gas Information for LongBow is dated with an Effective Date of December 31, 2005 and with a Preparation Date of May 2006.

## DISCLOSURE OF RESERVES DATA AND PRICING ASSUMPTIONS

Sproule Associates Limited has prepared a reserve report with an Effective Date of December 31, 2005 (the “Sproule Report 2005”) which evaluates the proved and probable crude oil, natural gas and NGL reserves attributable to LongBow’s interests in its properties and net present value of the estimated future cash flow from such reserves, based on both forecasted and constant price and cost assumptions for LongBow’s assets. The reserves information contained in the Sproule Report 2005 was prepared and are presented in accordance with the requirements of NI 51-101.

In preparing the reports, Sproule obtained basic information from LongBow, which included land data, well information, geological information, reservoir studies, estimates of on-stream dates, contract information, current hydrocarbon product prices, operating cost data, capital budget forecasts, financial data and future operating plans. Other engineering, geological or economic data required in conducting the evaluation and upon which the Sproule Report 2005 is based, was obtained from public records, other operators and from Sproule’s non-confidential files. The extent and character of ownership and the accuracy of all factual data supplied for the independent evaluation, from all sources, was accepted by Sproule as represented by LongBow.

The reserves definitions and ownership classification used in the Sproule Report 2005 are the standards defined by Canadian Oil and Gas Evaluation Handbook (COGEH) reserve definitions and consistent with NI 51-101. In accordance with these standards, and by reference in NI 51-101, certain tables are presented for both forecast and constant prices and costs, which summarize the reserves and net present values, as of December 31, 2005.

The oil reserves are presented in thousands of barrels, at stock tank conditions. The pipeline gas reserves are presented in millions of cubic feet, at base conditions of 14.65 psia and 60 degrees Fahrenheit. The net present values of the reserves are presented (on a before and after income tax basis) in Canadian dollars and are based on annual projections of net revenue, which were discounted at various rates using the mid-period discounting method. These rates are 5, 10 and 15 percent and undiscounted.

The price forecasts that formed the basis for the revenue projections in the evaluation were based on Sproule's December 31, 2005 pricing models. Tax Pools and the Alberta Royalty Tax Credit (ARTC) have been included at the Corporate level.

**Reserves Data (Forecast Prices and Costs) and Forecast Prices Used in Estimates**

Appropriate adjustments have been made to the constant crude oil price to account for quality and transportation and to the constant natural gas prices to reflect actual historical prices received for each area. This blending of constant prices may result in the appearance of varying constant prices in the corporate cash flows.

It is important to note that the estimate of the reserves to be recovered from an oil or gas field is the sum of all the cumulative production until an economic limit is reached. The economic limit is a function of the production forecast, future prices and operating costs (including royalties and taxes) to maintain production. Consequently, when estimates of future prices and costs are changed, economic limits are also altered. In the evaluation process, production forecasts are truncated at the economic limits and thus, reserves estimates vary with price and cost sensitivities, as is the case between forecast and constant prices and constant prices and cost forecasts.

Table 1 presents a summary of the various reserves categories. Table 2 presents a summary of net present values of the future net revenue, before and after income taxes. Table 3 presents the total future net revenue (undiscounted) for the total proved and total proved plus probable reserves categories. Table 4 presents the net present value of future net revenue by production group for the total proved and total proved plus probable reserves categories. Table 5 presents a summary of forecast pricing and inflation rate assumptions.

**Table 1**
**NI 51-101**
**Summary of Oil and Gas Reserves**
**as of Dec 31, 2005**
**Forecast Prices and Costs**

## Reserves

| | Light and Medium Oil | | Heavy Oil | | Natural Gas (non-associated & associated) | | Coalbed Methane | | Natural Gas Liquids | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Reserve Category** | Gross (Mbbl) | Net (Mbbl) | Gross (Mbbl) | Net (Mbbl) | Gross (MMcf) | Net (MMcf) | Gross (MMcf) | Net (MMcf) | Gross (Mbbl) | Net (Mbbl) |
| **Proved** | | | | | | | | | | |
| Developed Producing | 8 | 6 | 0 | 0 | 134 | 109 | 0 | 0 | 0 | 0 |
| Developed Non-Producing | 0 | 0 | 0 | 0 | 199 | 164 | 0 | 0 | 0 | 0 |
| Undeveloped | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Proved** | **8** | **6** | **0** | **0** | **333** | **274** | **0** | **0** | **0** | **0** |
| Probable | 4 | 3 | 0 | 0 | 227 | 184 | 0 | 0 | 1 | 5 |
| **Total Proved Plus Probable** | **12** | **9** | **0** | **0** | **560** | **458** | **0** | **0** | **1** | **5** |

Reference: Item 2.2(1) of Form 51-101F1

**Table 2**
**NI 51-101**
**Summary of Net Present Values of Future Net Revenue as of Dec 31, 2005**
**Forecast Prices and Costs**

| | **Net Present Values of Future Net Revenue** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Before Income Taxes Discounted at (%/Year)** | | | | | **After Income Taxes Discounted at (%/Year)** | | | | |
| **Reserves Category** | **0 (M$)** | **5 (M$)** | **10 (M$)** | **15 (M$)** | **20 (M$)** | **0 (M$)** | **5 (M$)** | **10 (M$)** | **15 (M$)** | **20 (M$)** |
| **Proved** | | | | | | | | | | |
| Developed Producing | 1,011 | 856 | 765 | 701 | 653 | 1,012 | 858 | 766 | 702 | 654 |
| Developed Non-Producing | 1,008 | 889 | 794 | 716 | 653 | 880 | 768 | 679 | 607 | 548 |
| Undeveloped | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Proved** | **2,019** | **1,745** | **1,558** | **1,418** | **1,306** | **1,893** | **1,625** | **1,444** | **1,309** | **1,202** |
| Probable | 1,339 | 1,041 | 851 | 718 | 621 | 997 | 757 | 610 | 510 | 438 |
| **Total Proved Plus Probable** | **3,358** | **2,786** | **2,409** | **2,136** | **1,927** | **2,890** | **2,383** | **2,055** | **1,819** | **1,640** |

Reference Item 2.2(2) of Form 51-101F1

*Notes:*

- NPV of FNR include all resource income:
  - Sale of oil, gas, by-product reserves
  - Processing third party reserves
  - Other income

- Income Taxes
  - Includes all resource income
  - Apply appropriate income tax calculations
  - Include prior tax pools

## Table 3
## NI 51-101
## Total Future Net Revenue
## Undiscounted
## as of Dec 31, 2005
## Forecast Prices and Costs

| Reserves Category | Revenue (M$) | Royalties (M$) | Opera-ting Costs (M$) | Develop-ment Costs (M$) | Well Abandon-ment / Other Costs (M$) | Future Net Revenue Before Income Taxes (M$) | Income Taxes (M$) | Future Net Revenue After Income Taxes (M$) |
|---|---|---|---|---|---|---|---|---|
| Proved | 3,592 | 553 | 784 | 179 | 57 | 2,019 | 126 | 1,893 |
| Proved Plus Probable | 5,846 | 915 | 1,319 | 190 | 63 | 3,358 | 469 | 2,890 |

Reference Item 2.2(3)(b) of Form 51-101F1

**Table 4**
**NI 51-101**
**Net Present Value of Future Net Revenue**
**by Production Group**
**as of Dec 31, 2005**
**Forecast Prices and Costs**

| Reserves Category | Production Group | Future Net Revenue Before Income Taxes (Discounted at 10%/Year) (M$) |
|---|---|---|
| Proved | Light and Medium Crude Oil (including solution gas and associated by-products) | 272 |
| | Heavy Oil (including solution gas and associated by-products) | 0 |
| | Natural Gas (including associated by-products) | 1,212 |
| | Coalbed Methane (including associated by-products) | 0 |
| Proved Plus Probable | Light and Medium Crude Oil (including solution gas and associated by-products) | 341 |
| | Heavy Oil (including solution gas and associated by-products) | 0 |
| | Natural Gas (including associated by-products) | 1,953 |
| | Coalbed Methane (including associated by-products) | 0 |

Reference Item 2.1(3)(c) of Form 51-101F1

## Table 5
### NI 51-101
### Summary of Pricing and Inflation Rate Assumptions as of December 31, 2005
### Forecast Prices and Costs

| | Oil | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Year | WTI Cushing Oklahoma ($US/bbl) | Edmonton Par Price 40° API ($Cdn/bbl) | Cromer Medium 29.3° API ($Cdn/bbl) | Natural Gas[1] AECO Gas Prices ($Cdn/MMBtu) | Pentanes Plus FOB Field Gate ($Cdn/bbl) | Butanes F.O.B. Field Gate ($Cdn/bbl) | Inflation Rate[2] (%/Yr) | Exchange Rate[3] ($US/$Cdn) |
| **Historical** | | | | | | | | |
| 2001 | 25.94 | 39.06 | 31.56 | 6.23 | 42.46 | 27.93 | 2.0 | 0.646 |
| 2002 | 26.09 | 40.12 | 35.46 | 4.04 | 40.80 | 25.39 | 2.7 | 0.637 |
| 2003 | 31.14 | 43.23 | 37.53 | 6.66 | 44.16 | 34.55 | 2.5 | 0.716 |
| 2004 | 41.42 | 52.91 | 45.72 | 6.87 | 53.91 | 41.37 | 2.5 | 0.825 |
| 2005 | 56.45 | 69.28 | 57.38 | 8.58 | 69.13 | 45.20 | 1.6 | 0.850 |
| **Forecast** | | | | | | | | |
| 2006 | 60.81 | 70.07 | 59.62 | 11.58 | 71.77 | 47.01 | 2.5 | 0.850 |
| 2007 | 61.61 | 70.99 | 60.39 | 10.84 | 72.71 | 47.62 | 2.5 | 0.850 |
| 2008 | 54.60 | 62.73 | 53.48 | 8.95 | 64.25 | 42.08 | 2.5 | 0.850 |
| 2009 | 50.19 | 57.53 | 49.18 | 7.87 | 58.92 | 38.59 | 1.5 | 0.850 |
| 2010 | 47.76 | 54.65 | 46.75 | 7.57 | 55.97 | 36.66 | 1.5 | 0.850 |
| Thereafter | | | | Various Escalation Rates | | | | |

(1) This summary table identifies benchmark reference pricing schedules that might apply to a *reporting issuer*.
(2) Inflation rates for forecasting prices and costs.
(3) Exchange rates used to generate the benchmark reference prices in this table.

*Notes:*

Product sale prices will reflect these reference prices with further adjustments for quality and transportation to point of sale

## Reserves Data (Constant Prices and Costs) and Constant Prices Used in Estimates

The oil, natural gas and natural gas by-products constant prices used in the Sproule Report 2005 are based on the December 31, 2005 actual posted prices as determined by Sproule.

Appropriate adjustments have been made to the constant crude oil price to account for quality and transportation and to the constant natural gas prices to reflect actual historical prices received for each area. This blending of constant prices may result in the appearance of varying constant prices in the corporate cash flows.

It is important to note that the estimate of the reserves to be recovered from an oil or gas field is the sum of all the cumulative production until an economic limit is reached. The economic limit is a function of the production forecast, future prices and operating costs (including royalties and taxes) to maintain production. Consequently, when estimates of future prices and costs are changed, economic limits are also altered. In the evaluation process, production forecasts are truncated at the economic limits and thus, reserves estimates vary with price and cost sensitivities, as is the case between forecast and constant prices and constant prices and cost forecasts.

Constant Prices and Costs are defined in National Instrument 51-101 as the reporting issuer's prices and costs as at the Effective Date. The reporting issuer's prices and costs are defined as the actual posted price for oil, natural gas and natural gas by-products, after historical adjustments for transportation, gravity and other factors.

Table 6 presents a summary of the various reserves categories. Table 7 presents a summary of net present values of future net revenue, before and after income taxes. Table 8 presents the total future net revenue (undiscounted) for the total proved and total proved plus probable reserves categories. Table 9 presents the net present value of future net revenue by production group for the total proved and total proved plus probable reserves categories. Table 10 presents a summary of constant pricing and inflation rate assumptions.

**Table 6**
**NI 51-101**
**Summary of Oil and Gas Reserves**
**as of Dec 31, 2005**
**Constant Prices and Costs**

## Reserves

| | Light and Medium Oil | | Heavy Oil | | Natural Gas (non-associated & associated) | | Coalbed Methane | | Natural Gas Liquids | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Reserve Category** | **Gross (Mbbl)** | **Net (Mbbl)** | **Gross (Mbbl)** | **Net (Mbbl)** | **Gross (MMcf)** | **Net (MMcf)** | **Gross (MMcf)** | **Net (MMcf)** | **Gross (Mbbl)** | **Net (Mbbl)** |
| **Proved** | | | | | | | | | | |
| Developed Producing | 8 | 7 | 0 | 0 | 135 | 110 | 0 | 0 | 0 | 0 |
| Developed Non-Producing | 0 | 0 | 0 | 0 | 199 | 164 | 0 | 0 | 0 | 0 |
| Undeveloped | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Proved** | **8** | **7** | **0** | **0** | **334** | **274** | **0** | **0** | **0** | **0** |
| Probable | 4 | 3 | 0 | 0 | 229 | 187 | 0 | 0 | 1 | 1 |
| **Total Proved Plus Probable** | **12** | **10** | **0** | **0** | **563** | **461** | **0** | **0** | **1** | **1** |

Reference: Item 2.2(1) of Form 51-101F1

## Table 7
## NI 51-101
## Summary of Net Present Values of Future Net Revenue as of Dec 31, 2005
## Constant Prices and Costs

| | Net Present Values of Future Net Revenue | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Before Income Taxes Discounted at (%/Year)** | | | | | **After Income Taxes Discounted at (%/Year)** | | | | |
| **Reserves Category** | **0 (M$)** | **5 (M$)** | **10 (M$)** | **15 (M$)** | **20 (M$)** | **0 (M$)** | **5 (M$)** | **10 (M$)** | **15 (M$)** | **20 (M$)** |
| **Proved** | | | | | | | | | | |
| Developed Producing | 1,140 | 926 | 805 | 724 | 665 | 1,142 | 928 | 806 | 725 | 665 |
| Developed Non-Producing | 1,151 | 989 | 862 | 762 | 680 | 977 | 837 | 729 | 643 | 573 |
| Undeveloped | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Proved** | **2,292** | **1,915** | **1,668** | **1,486** | **1,345** | **2,119** | **1,765** | **1,535** | **1,368** | **1,239** |
| Probable | 1,707 | 1,290 | 1,027 | 846 | 715 | 1,201 | 897 | 708 | 580 | 488 |
| **Total Proved Plus Probable** | **3,999** | **3,205** | **2,694** | **2,332** | **2,060** | **3,321** | **2,662** | **2,243** | **1,948** | **1,727** |

Reference Item 2.2(2) of Form 51-101F1

*Notes:*

- NPV of FNR include all resource income:
  - Sale of oil, gas, by-product reserves
  - Processing third party reserves
  - Other income

- Income Taxes
  - Includes all resource income
  - Apply appropriate income tax calculations
  - Include prior tax pools

**Table 8**
**NI 51-101**
**Total Future Net Revenue**
**Undiscounted**
**as of Dec 31, 2005**
**Constant Prices and Costs**

| Reserves Category | Revenue (M$) | Royalties (M$) | Operating Costs (M$) | Development Costs (M$) | Well Abandonment / Other Costs (M$) | Future Net Revenue Before Income Taxes (M$) | Income Taxes (M$) | Future Net Revenue After Income Taxes (M$) |
|---|---|---|---|---|---|---|---|---|
| Proved | 3,785 | 549 | 716 | 178 | 51 | 2,292 | 172 | 2,119 |
| Proved Plus Probable | 6,370 | 937 | 1,191 | 188 | 56 | 3,999 | 678 | 3,321 |

Reference Item 2.2(3)(b) of Form 51-101F1

**Table 9**
**NI 51-101**
**Net Present Value of Future Net Revenue**
**by Production Group**
**as of Dec 31, 2005**
**Constant Prices and Costs**

| Reserves Category | Production Group | Future Net Revenue Before Income Taxes (Discounted at 10%/Year) (M$) |
|---|---|---|
| Proved | Light and Medium Crude Oil (including solution gas and associated by-products) | 285 |
| | Heavy Oil (including solution gas and associated by-products) | 0 |
| | Natural Gas (including associated by-products) | 1,313 |
| | Coalbed Methane (including associated by-products) | 0 |
| Proved Plus Probable | Light and Medium Crude Oil (including solution gas and associated by-products) | 381 |
| | Heavy Oil (including solution gas and associated by-products) | 0 |
| | Natural Gas (including associated by-products) | 2,201 |
| | Coalbed Methane (including associated by-products) | 0 |

Reference Item 2.1(3)(c) of Form 51-101F1

## Table 10
## NI 51-101
## Summary of Pricing Assumptions
## as of December 31, 2005
## Constant Prices and Costs

| | Oil | | | | | | |
|---|---|---|---|---|---|---|---|
| Year | WTI Cushing Oklahoma ($US/bbl) | Edmonton Par Price 40° API ($Cdn/bbl) | Cromer Medium 29.3° API ($Cdn/bbl) | Natural Gas[1] AECO Gas Prices ($Cdn/MMBtu) | Pentanes Plus FOB Field Gate ($Cdn/bbl) | Butanes F.O.B. Field Gate ($Cdn/bbl) | Exchange Rate[2] ($US/$Cdn) |
| **Historical** | | | | | | | |
| Dec. 31, 2000 | 26.83 | 39.57 | 32.58 | 13.34 | 48.63 | 46.69 | 0.667 |
| Dec. 31, 2001 | 19.78 | 31.15 | 22.41 | 3.64 | 29.25 | 16.73 | 0.628 |
| Dec. 31, 2002 | 31.23 | 49.26 | 41.95 | 5.97 | 50.22 | 38.91 | 0.634 |
| Dec. 31, 2003 | 32.56 | 40.60 | 36.39 | 6.88 | 44.18 | 37.73 | 0.771 |
| Dec. 31, 2004 | 44.04 | 46.51 | 32.10 | 6.78 | 51.80 | 39.78 | 0.832 |
| **Forecast** | | | | | | | |
| Dec. 31, 2005 | 61.04 | 68.12 | 52.28 | 9.99 | 71.35 | 59.32 | 0.860 |

(1) This summary table identifies benchmark reference pricing schedules that might apply to a reporting issuer.
(2) Exchange rates used to generate the benchmark reference prices in this table.

*Notes:*
Product sale prices will reflect these reference prices with further adjustments for quality and transportation to point of sale.

## RECONCILIATION OF CHANGES IN RESERVES AND FUTURE NET REVENUE

Table 11 presents a reconciliation of LongBow net reserves. Table 12 presents a reconciliation of revenue.

# TABLE 11
# NI - 51-101

Reconciliation of Company Net Reserves (After Royalty) by Principal Product Type as of December 31, 2005

# LONGBOW ENERGY CORP.

**NET COMPANY SHARE RESERVE RECONCILIATION AT DECEMBER 31,2005**
**RECONCILED VS. DECEMBER 31, 2004**

FORECAST PRICES AND COSTS

| **Total Proved** | Light & Medium Oil MBbl | Heavy Oil MBbl | Total Oil MBbl | Natural Gas Liquids MBbl | Natural Gas MMCF | Oil Equivalent Mboe |
|---|---|---|---|---|---|---|
| Opening Balance Dec.31, 2004 | 2 | 0 | 2 | 0 | 907 | 153 |
| Extensions | 2 | 0 | 2 | 0 | 134 | 24 |
| Improved Recovery | 0 | 0 | 0 | 0 | 0 | 0 |
| Discoveries | 0 | 0 | 0 | 0 | 0 | 0 |
| Economic Factors | 0 | 0 | 0 | 0 | 13 | 2 |
| Technical Revisions | 4 | 0 | 4 | 0 | -365 | -56 |
| Acquisitions | 0 | 0 | 0 | 0 | 0 | 0 |
| Dispositions | 0 | 0 | 0 | 0 | -293 | -49 |
| Production | -2 | 0 | -2 | 0 | -122 | -22 |
| Closing Balance Dec. 31, 2005 | 6 | 0 | 6 | 0 | 274 | 52 |

| **Proved + Probable** | Light & Medium Oil MBbl | Heavy Oil MBbl | Total Oil MBbl | Natural Gas Liquids MBbl | Natural Gas MMCF | Oil Equivalent Mboe |
|---|---|---|---|---|---|---|
| Opening Balance Dec.31, 2004 | 7 | 0 | 7 | 0 | 1,272 | 218 |
| Extensions | 4 | 0 | 4 | 0 | 238 | 44 |
| Improved Recovery | 0 | 0 | 0 | 0 | 0 | 0 |
| Discoveries | 0 | 0 | 0 | 0 | 0 | 0 |
| Economic Factors | 0 | 0 | 0 | 0 | 17 | 3 |
| Technical Revisions | 0 | 0 | 0 | 1 | -501 | -82 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Acquisitions | 0 | 0 | 0 | 0 | 0 | 0 |
| Dispositions | 0 | 0 | 0 | 0 | -446 | -74 |
| Production | -2 | 0 | -2 | 0 | -122 | -22 |
| Closing Balance Dec. 31, 2005 | 10 | 0 | 10 | 1 | 458 | 87 |

| **Probable** | Light & Medium Oil MBbl | Heavy Oil MBbl | Total Oil MBbl | Natural Gas Liquids MBbl | Natural Gas MMCF | Oil Equivalent Mboe |
|---|---|---|---|---|---|---|
| Opening Balance Dec.31, 2004 | 5 | 0 | 5 | 0 | 365 | 65 |
| Extensions | 2 | 0 | 2 | 0 | 104 | 20 |
| Improved Recovery | 0 | 0 | 0 | 0 | 0 | 0 |
| Discoveries | 0 | 0 | 0 | 0 | 0 | 0 |
| Economic Factors | 0 | 0 | 0 | 0 | 4 | 1 |
| Technical Revisions | -4 | 0 | -4 | 2 | -136 | -26 |
| Acquisitions | 0 | 0 | 0 | 3 | 0 | 0 |
| Dispositions | 0 | 0 | 0 | 0 | -153 | -25 |
| Production | 0 | 0 | 0 | 0 | 0 | 0 |
| Closing Balance Dec. 31, 2005 | 3 | 0 | 3 | 5 | 184 | 35 |

Assumptions:
1.) Natural Gas volumes include solution gas and non-associated gas
2.) Discovery Drilling Fund Acquisition effective December 2005

## Table 12
## NI 51-101

**LONGBOW ENERGY CORP.**

**DECEMBER 31,2005 FUTURE NET REVENUE RECONCILIATION**

**NET PROVED RESERVES CONSTANT PRICES AND COSTS**

**NPV 10 - (M$)**

| Category | |
|---|---|
| Dec 31, 2004 Net Proved Reserves NPV 10 After Tax | 2,555 |
| Sales net of operating costs and royalties | -630 |

| | |
|---|---|
| Net change in prices, royalties and operating costs | 1,704 |
| Forecast development cost for the period | 0 |
| Changes in estimated future development costs | -167 |
| Net changes from extensions and improved recovery | 800 |
| Net change from discoveries | 0 |
| Acqusitions | 0 |
| Dispositions | -782 |
| Technical revisions | -2383 |
| Accretion of discount | 284 |
| Net change in income taxes | 154 |
| December 31, 2005 Net Proved Reserves NPV 10 After Tax | 1,535 |

## ADDITIONAL INFORMATION RELATING TO RESERVES DATA

### Undeveloped Reserves

In accordance with NI 51-101, proved undeveloped reserves are recognized in cases where plans are in place to bring the reserves on production within a short and well defined time frame. At December 31, 2005 LongBow had no proved undeveloped reserves.

LongBow has been assigned probable undeveloped reserves to one formation in one wellbore in one producing property. These reserves cannot currently be produced because the wellbore is being used to produce gas and oil from other formations. When the existing production depletes the plan is for LongBow to recomplete the well and produce the reserves. Production of these probable undeveloped reserves is expected to commence in 2009.

LongBow also has been assigned probable undeveloped reserves assigned to one other asset Capital has been attributed for 2009 development. The delay in investing the capital is to allow for existing producing horizons in the wellbore to deplete. Interpreted hydrocarbon bearing pay is seen on open hole logs and the horizon with the probable undeveloped reserves assigned is a known producing horizon in the area.

### Significant Factors or Uncertainties

The process of estimating oil and gas reserves is complex. It requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas processing and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions and evaluations performed by Sproule.

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

Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. As a result, the subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimates can arise from changes in year-end oil and gas prices and reservoir performance. Such revisions can be either positive or negative. The reserve estimates of LongBow's oil, NGL and natural gas reserves provided in this Statement of Reserves Data and Other Oil and Gas Information are estimates only and there is no assurance or guarantee that the estimated reserves will be recovered. Actual reserves may be greater or less than the estimates provided herein.

Sproule has prepared the individual reports in accordance with the COGE Handbook and the reserve definitions set out by the Canadian Securities Administrators in NI 51-101 and the COGE Handbook.

**Future Development Costs**

| | Forecast Prices and Costs | | Constant Prices and Costs |
|---|---|---|---|
| Year | Proved Reserves | Proved + Probable Reserves | Proved Reserves |
| | ($000s) | ($000s) | ($000s) |
| 2006 | 151 | 151 | 151 |
| 2007 | 0 | 0 | 0 |
| 2008 | 0 | 0 | 0 |
| 2009 | 0 | 30 | 0 |
| 2010 | 0 | 0 | 0 |
| Remainder | 0 | 0 | 0 |
| Total | 151 | 181 | 151 |
| 10% Disc. | 151 | 174 | 151 |

To meet these capital requirements LongBow intends to utilize existing cash reserves.

## OTHER OIL AND GAS INFORMATION

### Oil and Gas Properties and Wells

LongBow's important properties, plants, facilities and installations are all located on-shore in Alberta. LongBow holds various working interests in oil and gas properties and undeveloped land in both Alberta and Saskatchewan. Properties to which Proved and/or Probable Reserves are assigned are shown below:

- Charlotte Lake, Alberta
- Garrington, Alberta
- Hastings, Alberta
- Marie Lake, Alberta
- Spencer, Alberta
- Sugden, Alberta
- Thorsby, Alberta

At December 31, 2005, LongBow had interest in the following wells (all within the Province of Alberta:

| | | |
|---|---|---|
| • Producing Oil Wells | 2 gross | 0.4 net |
| • Producing Gas Wells | 16 gross | 3.1 net |
| • Non-Producing Gas Wells | 18 gross | 7.1 net |
| • Non-Producing Oil Wells | 0 gross | 0.0 net |

## Properties With No Attributed Reserves

A breakdown of LongBow's undeveloped lands is as follows:

| Province | Gross Undeveloped (hectares) | Net Undeveloped (hectares) |
|---|---|---|
| Alberta | 6,656 | 1,538 |
| Saskatchewan | 8,064 | 1,418 |
| **Total** | **14,720** | **2,956** |

There are no pending work commitments on these lands and no lands are scheduled for expiry in calendar 2006.

## Forward Contracts

LongBow has no contractual future transportation or sales obligations.

## Additional Information Concerning Abandonment and Reclamation Costs

LongBow has undertaken an evaluation of its abandonment and reclamation costs consistent with the Canadian Institution of Chartered Accounts' standard on accounting for asset retirement obligations associated with LongBow's oil and gas properties, including wells, pipeline facilities and equipment.

The number of net wells for which LongBow expects to incur abandonment and reclamation is 7.1, net. At December 31, 2005, LongBow estimated its asset retirement obligation at $326,262, undiscounted and $156,920 discounted at 10% per annum. None of these costs have been deducted from the estimates of Future Net Revenue. LongBow expects to spend approximately $50,000 toward these costs in the next 3 financial years.

## Tax Horizon

LongBow paid no income tax in 2005. As at December 31, 2005, LongBow had approximately $2.2 million of tax pools available for deduction against future taxable income. LongBow also has non-capital tax losses of $1.9 million available for deduction against future income tax.

LongBow does not anticipate being taxable in year 2007. This assumes LongBow continues its current level of production, capital expenses and operating expenses.

## Costs Incurred

LongBow incurred no property acquisition costs in 2005.

LongBow incurred the following costs in Canada during 2005:

| Category | Amount |
|---|---|
| Land Acquisition | $402,000 |
| Exploration | $131,750 |
| Development | $1,590,200 |
| **Total** | **$2,123,950** |

## Exploration and Development Activities

The following table sets forth the gross and net exploration and development wells in which LongBow participated during the year ending December 31, 2005:

| Number of Wells | Exploration | | Development | | Total | |
|---|---|---|---|---|---|---|
| | Gross | Net | Gross | Net | Gross | Net |
| Oil | | | 1.0 | 0.2 | 1.0 | 0.2 |
| Gas | | | 12.0 | 2.2 | 12.0 | 2.2 |
| Unsuccessful | | | | | | |
| **Total** | **-** | **-** | **13.0** | **2.4** | **13.0** | **2.4** |

Anticipated 2006 exploration and development activities will focus on expanding LongBow holding in Lonepine Creek and Thorsby in Alberta.

## 2006 Production Estimates

Data extracted from the Sproule Report estimates 2006 proved plus probable production at 9 bbl/d of gross company interest oil and 256 mcf/d of gross company interest gas. Data estimates 2006 proved production at 8 bbl/d of gross company interest oil and 208 mcf/d of gross company interest gas. Of the total proved plus probable, Sugden accounts for 49% of the total, 37 boe/d and Thorsby 21%, 16 boe/d.

## Production History

LongBow's net daily production, before deduction of royalties, for the periods indicated is summarized in the following table:

| | 2005 | | | |
|---|---|---|---|---|
| | Q1 | Q2 | Q3 | Q4 |
| Oil (bbl/d) | 4.1 | 10.3 | 5.8 | 6.3 |
| Natural Gas (mcf/d) | 705.9 | 313.9 | 152.8 | 158.9 |
| **Total (boe/d)** | **121.7** | **62.6** | **31.3** | **32.8** |

The following table sets forth information respecting average net product prices received (oil and natural gas), royalties paid, operating expenses and netbacks for LongBow in respect of production for the year ended December 31, 2005:

| | 2005 | | | |
|---|---|---|---|---|
| | **Q1** | **Q2** | **Q3** | **Q4** |
| Average Oil Price Received ($/bbl) | 65.49 | 51.96 | 83.37 | 64.33 |
| Average Natural Gas Price Received ($/mcf) | 7.00 | 6.47 | 7.79 | 11.01 |
| Royalties ($/boe) | 9.50 | 7.52 | 21.45 | 6.50 |
| Operating Expenses ($/boe) | 5.30 | 3.78 | 13.52 | 15.85 |
| Netback ($/boe) | 27.98 | 29.71 | 18.63 | 43.36 |