

**TECHNICAL REVIEW OF
CERTAIN P&NG HOLDINGS
OF
PETROLIA INC.
IN QUEBEC
(As of December 31, 2014)**



Worldwide *Petroleum* Consultants

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Project No.: 3180.19565

Prepared For: Petrolia Inc.

Authors: Douglas J. Carsted, P.Geol., Project Leader

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Introduction

This report was prepared by Sproule Associates Limited ("Sproule") at the request of Mr. Karl McLellan, Chief Financial Officer of Pétrolia Inc. Pétrolia Inc. is hereinafter referred to as "the Company." At the request of the Company the effective date of this report is December 31, 2014, and it consists of the disclosure information required by NI 51-101 regarding the Statement of Reserves Data and Other Oil and Gas Information. This report was prepared in April 2015 for the purpose of reporting the Company's activities related to Other Oil and Gas Information in accordance with Items 6.1, 6.2, 6.6, and 6.7 of Form 51-101F1 and covers the period December 31, 2013 through December 31, 2014.

This report is included in one volume which consists of an Introduction and Discussion. The Introduction includes the summary of evaluation standards and procedures and pertinent author certificates, the Discussion includes general commentaries regarding the company's properties and activities as they pertain to the required sections of Form 51-101F1.

The Company provided all of the required information in March 2015 to prepare this report.

Field Operations

In the preparation of this report, a field inspection of the properties was not performed. The relevant engineering data were made available by the Company or obtained from public sources and the non-confidential files at Sproule Associates Limited. No material information regarding the data included in this report would have been obtained by an on-site visit.

Historical Data, Interests and Burdens

1. Property descriptions, details of interests held, and well data, as supplied by the Company, were accepted as represented. No investigation was made into either the legal titles held or any operating agreements in place relating to the subject properties.
2. Lessor and overriding royalties and other burdens were obtained from the Company. No further investigation was undertaken by Sproule Associates Limited.

Report Standards

This report has been prepared by Sproule Associates Limited using current geological and engineering knowledge, techniques and computer software. It has been prepared within the Code of Ethics of the Association of Professional Engineers, Geologists and Geophysicists of Alberta ("APEGGA"). This report adheres in all material aspects to the "best practices" recommended in the COGE Handbook which are in accordance with principles and definitions established by the Calgary Chapter of the Society of Petroleum Evaluation Engineers. The COGE Handbook is incorporated by reference in National Instrument 51-101.

BOE Cautionary Statement

BOE's (or 'McfGE's' or other applicable units of equivalency) may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 bbl (or 'An McfGE conversion ratio of 1 bbl:6 Mcf') is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Forward-Looking Statements

This report may contain forward-looking statements including expectations of future production revenues and capital expenditures. Information concerning reserves may also be deemed to be forward-looking as estimates involve the implied assessment that the reserves described can be profitably produced in future. These statements are based on current expectations that involve a number of risks and uncertainties, which could cause 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., corporate commitment, regulatory approval, 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 estimations; the uncertainty of estimates and projections relating to production; costs and expenses, and health, safety and environmental factors), commodity price and exchange rate fluctuation.

Certification

Report Preparation

The report entitled "Technical Review of Certain P&NG Holdings of Pétrolia Inc. in Québec (As of December 31, 2014)" was prepared by the following Sproule personnel, whose Certificates are attached:

Original Signed by Douglas J. Carsted, P.Geol.

Douglas J. Carsted, P.Geol.

Project Leader;

Executive Vice-President, CTO and Director

17 / 04 /2015 dd/mm/yr

Sproule Executive Endorsement

This report has been reviewed and endorsed by the following Executive of Sproule:

Original Signed by Barrie F. Jose, P.Geoph.

Barrie F. Jose, P.Geoph.

Vice-President, Geoscience, International
and Partner

17 / 04 /2015 dd/mm/yr

Permit to Practice

Sproule Associates Limited is a member of the Association of Professional Engineers and Geoscientists of Alberta and our permit number is P00417.

Certificate

Douglas J. Carsted, B.Sc., P.Geol.

I, Douglas J. Carsted, Vice-President, Geoscience, and Director at Sproule Associates Limited, 900, 140 Fourth Ave SW, Calgary, Alberta, declare the following:

1. I hold the following degrees:
 - a. B.Sc. (Honours) Geology (1982) University of Manitoba, Winnipeg MB, Canada
 - b. B.Sc. Chemistry (1979) University of Winnipeg, Winnipeg MB, Canada
2. I am a registered professional:
 - a. Professional Geologist (P.Geol.) Province of Alberta, Canada
 - b. Ordre des géologues du Québec (OGQ)
3. I am a member of the following professional organizations:
 - a. Association of Professional Engineers, Geologists and Geophysicists of Alberta (APEGGA)
 - b. Ordre des géologues du Québec (OGQ)
 - c. Canadian Society of Petroleum Geologists (CSPG)
 - d. American Association of Petroleum Geologists (AAPG)
 - e. Society of Petroleum Engineers (SPE)
 - f. Canadian Well Logging Society (CWLS)
 - g. Indonesian Petroleum Association, Professional Division (IPA)
4. I am a qualified reserves evaluator and reserves auditor as defined in National Instrument 51-101.
5. My contribution to the report entitled "Technical Review of Certain P&NG Holdings of Pétrolia Inc. in Québec (As of December 31, 2014)" is based on my geological knowledge and the data provided to me by the Company, from public sources, and from the non-confidential files of Sproule Associates Limited. I did not undertake a field inspection of the properties.
6. I have no interest, direct or indirect, nor do I expect to receive any interest, direct or indirect, in the properties described in the above-named report or in the securities of Pétrolia Inc.

Original Signed by Douglas J. Carsted, P.Geol.

Douglas J. Carsted, P.Geol.

Certificate

Barrie F. Jose, M.Sc., P.Geoph.

I, Barrie F. Jose, Vice-President, Geoscience, International and Partner of Sproule, 900, 140 Fourth Ave SW, Calgary, Alberta, declare the following:

1. I hold the following degrees:
 - a. M.Sc. Geophysics (1979) University of British Columbia, Vancouver, B.C., Canada
 - b. B.Sc. (Honours) Geological Science with Physics (1977) Queens University, Kingston, ON, Canada
2. I am a registered professional:
 - a. Professional Geophysicist (P.Geoph.) Province of Alberta, Canada
3. I am a member of the following professional organizations:
 - a. Association of Professional Engineers and Geoscientists of Alberta (APEGA)
 - b. Canadian Society of Exploration Geophysicists (CSEG)
 - c. Society of Exploration Geophysicists (SEG)
 - d. Canadian Society of Petroleum Geologists (CSPG)
 - e. American Association of Petroleum Geologists (AAPG)
 - f. Petroleum Exploration Society of Great Britain (PESGB)
 - g. European Association of Geoscientists and Engineers (EAGE)
 - h. Indonesian Petroleum Association, Professional Division (IPA)
4. I am a qualified reserves evaluator and reserves auditor as defined in National Instrument 51-101.
5. My contribution to the report entitled "Technical Review of Certain P&NG Holdings of Pétrolia Inc. in Québec (As of December 31, 2014)" is as executive reviewer of the report, it based on my geoscience knowledge and the data provided to me by the Company, from public sources, and from the non-confidential files of Sproule Associates Limited. I did not undertake a field inspection of the properties.
6. I have no interest, direct or indirect, nor do I expect to receive any interest, direct or indirect, in the properties described in the above-named report or in the securities of Pétrolia Inc.

Original Signed by Barrie F. Jose, P.Geoph.

Barrie F. Jose, P.Geoph.

Discussion

Report Date

This report was completed in April 2015. The data and information contained herein relate to Pétrolia's activities during the period January 1, 2014 through December 31, 2014. The effective date of this report is December 31, 2014. Where appropriate, notes have been included in the text to indicate where changes have occurred over the year.

Reserves and Production

As of December 31, 2014 no oil or natural gas reserves have been assigned to any of the properties in which Pétrolia has an interest.

Resources

As of December 31, 2014 contingent oil resources have been assigned to the Haldimand Block in the Gaspé Peninsula, Québec.

Properties Held by Pétrolia

The Company's land holdings as of December 31, 2014 are located only in the Province of Québec. These include lands held under oil and gas exploration permits (PG) or by underground reservoir exploration permits (RS) issued by the Government of Québec. In total, the interest lands cover an area of 1,028,020 hectares on a gross basis and 805,017 hectares on a net basis. The Company released the land previously held in the Province of New Brunswick.

In the Gaspé Peninsula, the land is divided for the sake of convenience into five blocks, Gaspé, Gastonguay, Gaspésia, Marcel Tremblay and Edgar, covering 838,745 gross hectares (Figure 1). The majority of this land is owned 100% by Petrolia.

In 2014 the Company also concluded a transaction that resulted in the formation of a Limited Partnership into which the lands held by Petrolia were transferred. Petrolia owns a 21.7% interest in the Partnership.

Table1
Pétrolia Land Holdings As of December 31, 2014

Québec				
Block	Number of Permits	Working Interest (%)	Gross Area (ha)	Net Area (ha)
Gaspé Pétrolia 95% and 100%	5 PG ⁽¹⁾ , 1 RS ⁽²⁾ & portion of 1 RS ⁽²⁾	97.4 average	108,364	105,592.2
Gaspé (JOA Québénergie)	11 PG ⁽¹⁾ , 2 RS ⁽²⁾ and portion of 1RS ⁽²⁾	50 ⁽³⁾	251,191	125,595.5
Gaspé (JOA Haldimand)	Portion of 1 RS ⁽²⁾	50 ⁽⁴⁾	900	450
Sub-Total			359,555	231,638
Gastonguay	13 PG ⁽¹⁾	100	259,015	259,015
Sub-Total			259,015	259,015
Gaspésia	7 RS ⁽⁵⁾	100	137,000	137,000
Edgar	3 RS ⁽⁵⁾	100	50,010	50,010
Marcel Tremblay	2 RS ⁽⁵⁾	100	33,165	33,165
Matapédia	13 PG	50	189,275	94,637.5
Sub-Total			409,450	314,812.5
Total Québec Pétrolia			1,028,020	805,465

(1) Oil and gas exploration permits obtained April 28, 2009.

(2) Underground reservoir permits obtained November 21, 2005

(3) Effective December 9, 2010, Pétrolia transferred a 50% working interest on 11 PG, 2 RS and a portion of a further RS to Québénergie.

(4) Effective October 1, 2009, Pétrolia acquired the 10% WI previously held by Gastem in the project, thus bringing its WI to 55%. As per an agreement dated July 22, 2009, Junex, on June 18, 2010, officially transferred to Pétrolia a 9%WI on the same project, bringing Pétrolia's working interest to 64% of which 50% was acquired by Québénergie reducing Pétrolia's interest to 32%. As a result of a transfer agreement effective December 20, 2011 Junex transferred its interest in the Haldimand Project to Pétrolia and Québénergie, both of which now hold 50% in this project.

(5) Underground reservoir permits obtained April 28, 2009.

On May 6, 2008 the Company signed a comprehensive agreement that amended a prior agreement with Junex pertaining to the Gaspé and Gastonguay properties. Under this agreement, Petrolia acquired a 100% interest over an area of 6,043 km² on these properties, subject to royalties varying from 0.5% to 2.5% on the future production of hydrocarbons. Also, under the agreement, Petrolia and Junex agreed to become 50/50 partners in a block of permits covering an approximate area of 291 km², with Junex acting as operator. On this same date a second agreement (the "Haldimand Joint Operating Agreement") defined a development area of 9 km² around the Petrolia Haldimand N°1 well, which was held as to 45% interest by each of Petrolia and Junex with Gastem holding the remaining 10%. Some permits for these properties are subject to royalties of 5%.

On July 30, 2009, the Company became the operator of the Haldimand Project, assuming control from Junex as per the July 22, 2009 amendment to the Haldimand Joint Operating Agreement. As part of the agreement, the Company also acquired from Junex an additional 9% interest in a block of permits covering 291 km² (the "Haldimand Joint Lands") after drilling the Haldimand N°2 well and doing additional work on the Haldimand N°1 well. As of October 1, 2009, Pétrolia also acquired Gastem's 10% working interest in the Haldimand Project. The Company's interest in the Haldimand project increased to 64%.

On June 6, 2010, a further agreement was concluded with partner Junex, whereby the limits of some jointly held permits in the Gaspé area were modified with the approval of the regulatory authorities and the joint lands divided equally amongst the partners. Junex kept the modified permit 2005RS120, adjacent to its Galt property while Petrolia kept the areas located closer to the Haldimand project.

On December 8, 2010 Québecnergie acquired a 50% working interest in the Gaspé JOA block which consists of 11 whole PG permits, one full RS permit, and a portion of RS permit (2009RS112). In the Haldimand Project, Québecnergie has a 32% working interest which is 50% of Pétrolia's original 64% working interest. The interest is less royalties due to third parties which varies by permit.

On December 20, 2011, Junex transferred its interest in the Haldimand Project to the Petrolia/Québénergie Joint Venture.

The permits issued by the Government of Québec give Pétrolia the exclusive right to undertake oil and gas and underground reservoir exploration work for an initial five year period, with the possibility of further annual renewals for another five years, provided certain obligations are fulfilled. These obligations are an annual rental fee of \$0.10 per hectare and a minimum statutory exploration expenditure that must be met each year. The minimum required expenditure must be equivalent to \$0.50 per hectare the first year. The minimum expenditure increases by \$0.50 per hectare in each subsequent year, reaching

\$2.50 per hectare in the fifth year. For each additional renewal, the rental fee is fixed at \$0.50 per hectare and the work obligations are equivalent to \$2.50 per hectare.

For the Québec exploration permits, the Company expended \$7,490,435 in the reporting financial year (2013-2014) to fulfill the minimum work obligation expenditures, based on the permit dates and the number of hectares in each permit, to keep its rights on the various properties. The exploration expenses already incurred over the permits are sufficient to meet the minimum work obligation for the next fiscal year.

The following sections present additional information regarding each of the blocks held by the Company.

Exploration Permits

GASPÉSIA PROPERTY

This block is owned 100% by the Company and is the western-most block located on the Gaspé Peninsula (Figures 1 and 2). It was acquired in 2002 as seven oil and gas exploration permits having a total surface area of 137,000 hectares (Table 2). The permits were converted to underground storage exploration permits (RS) as of April 28, 2009, thus extending their life. The block covers a part of the Connecticut Valley – Gaspé Synclinorium, showing significant Silurian-Devonian sedimentary thicknesses lying over a highly deformed Cambrian-Ordovician substratum.

Table 2 Gaspésia Block Permits				
PERMITS	ACQUISITION DATE	GROSS AREA (ha)	WORKING INTEREST (%)	NET AREA (ha)
2009RS226	28/04/2009	19,061	100	19,061
2009RS228	28/04/2009	18,580	100	18,580
2009RS229	28/04/2009	21,004	100	21,004
2009RS230	28/04/2009	17,538	100	17,538
2009RS231	28/04/2009	20,517	100	20,517
2009RS232	28/04/2009	20,577	100	20,577
2009RS236	28/04/2009	19,723	100	19,723
TOTAL		137,000		137,000

The Gaspésia Block is located in the northern half of the Connecticut Valley - Gaspé Synclitorium basin where important anticlinal structures and numerous fault traps are interpreted from surface geology and are also observed on existing seismic data within the Devonian and Silurian sections. Based on available geological and geophysical data, this property has interesting gas and oil potential worthy of further exploration work. Thermal maturity studies indicate that the sedimentary section in the general area is gas prone but, locally, in the north-central part, it could still be in the oil window.

Following a geochemical sampling campaign performed in September 2010, the Company carried out a surface geochemical survey using a technology developed by Gore. The survey was conducted in February 2011. A detailed plan was developed to cover a significant lead found in Permit 2009RS228 with a pseudo-3D seismic survey. The objective of the survey is to confirm the existence and size of the prospect. At the end of the reporting period, a geophysical permit had been obtained. The Company has not conducted any major activities over the GaspéGaspésia Property during the last fiscal year as it has given higher priority to Anticosti projects. Work performed in the Matapédia project to the south has tested a major anticline with a significant extension within the GaspéGaspésia property. The Company is still seeking the financing required to carry out the survey and possibly drill a well on an anticlinal prospect.

EDGAR PROPERTY

This property is owned 100% by Pétirolia and consists of three oil and gas exploration permits (PG) acquired in April 2006 (Figures 1 and 2). The permits were converted to underground storage exploration permits (RS) as of April 28, 2009, thus extending their life. The property is located in the northeastern extension of the Gaspésia Block. Because of the interesting results obtained from a 2007 government thermal maturation study over this area, the Company acquired the exploration land over a large intrusive structure. The thermal maturation results indicate that the large dome structure (Lemieux) mapped in the central part of the Edgar property has potential for oil preservation. Table 3 lists the three permits, which cover a total area of 50,010 ha.

Table 3
Edgar Block Permits

PERMITS	ACQUISITION DATE	GROSS AREA (ha)	WORKING INTEREST (%)	NET AREA (ha)
2009RS233	28/04/2009	21,157	100	21,157
2009RS234	28/04/2009	14,128	100	14,128
2009RS235	28/04/2009	14,725	100	14,725
TOTAL		50,010		50,010

Save for geochemical sampling performed in September 2010, the Company has not conducted any major activities over the Edgar Block during the last fiscal year as it has given higher priority to Anticosti projects.. The company is evaluating the existing data and making plans to resume active exploration on this property.

MARCEL TREMBLAY PROPERTY

This property is owned 100% by Pétrolia and consists of two oil and gas exploration permits (PG) acquired in July 2007 (Figures 1 and 2). It is located directly to the north of the Gaspésia Block and has a total surface area of 33,165 hectares (Table 4). The permits were converted to underground storage exploration permits (RS) as of April 28, 2009, thus extending their life.

Table 4
Marcel Tremblay Block Permits

PERMITS	ACQUISITION DATE	GROSS AREA (ha)	WORKING INTEREST (%)	NET AREA (ha)
2009RS225	28/04/2009	19,563	100	19,563
2009RS227	28/04/2009	13,602	100	13,602
TOTAL		33,165		33,165

The Company has not conducted any major activities over the Marcel Tremblay Block during the last fiscal year as it had higher priority projects in the eastern Gaspé regions. The company is evaluating the existing data and making plans to resume active exploration on this property.

MATAPÉDIA PROPERTY

The Matapédia property is located in the southern part of Lac Matapédia area, adjacent to the Gaspésia project. The five licenses of the property were initially acquired by Gastem in 2009. In 2013 the licenses were acquired by the 50/50 joint venture between Pétrolia and the French company Maurel & Prom (Saint-Aubin Énergie S. A. S.).

Hydrocarbon shows have been recorded in the Matapédia sector (seeps in the northern section, microseeps, and subsurface liquid hydrocarbons), which would suggest that the area is favourable for oil, condensate, and dry gas accumulations.

A variety of work has been undertaken in the area since 2001, including seismic surveys (2001, 2009), geochemical surveys, (2007, 2008, and 2009) and an aeromagnetic survey (2011). Some of the rocks in the Matapédia sector represent a potential reservoir, including the Val-Brillant Formation, which is composed of sandstone with partially porous intervals. Shows of hydrocarbons have been recorded in the formation. A flat spot was also found in a seismic profile at the Val-Brillant/Sayabec doublet. Hydrothermal dolomites in the Sayabec Formation are another potential reservoir.

In September 2013 the Company drilled the core hole Pétrolia - La Vérendrye 2013, to confirm the presence of gas indicated by the well Great Plains Noël et al No.1 La Vérendrye drilled in 1972. The new slim hole well was cored through two reservoir targets the Val Brilliant and the shallower Saint Leon formations.

Several down-hole samples were collected that confirmed the presence of gas in the low porosity sandstone reservoirs. As this was a test well it was abandoned as per regulations. The Company will continue to work up the data on this play to estimate the gas in-place and if a portion of this gas can be recovered. The low porosity nature of the reservoirs will most likely require some form of wellbore stimulation.

The Restigouche property is located in the southern Gaspé Peninsula, (Figure 1) on the north shore of Chaleur Bay and is included with the Matapédia Property. The seven licenses of the property were initially acquired by Gastem in 2007. In 2013 the licenses were acquired by the 50/50 joint venture between Pétrolia and the French company Maurel & Prom (Saint-Aubin Énergie S. A. S.).

Research indicates that some of the Restigouche area would be prospective for oil and condensate, while the other would be prospective for gas. Several formations in this area have been targeted as potential reservoirs, such as the White Head and the La Vieille Formation. The White Head Formation comprises fractured limestones in fresh fractures, emit strong odors suggesting a migration of hydrocarbons. The La Vieille Formation is, in

turn, composed of hydrothermal dolomites. To the south in New Brunswick, asphaltene-rich solid bitumen (migrabitume) has been found in similar dolomites, indicating that there has been migration of hydrocarbons

Seismic surveys were conducted in 2003 covering portions of the Restigouche project area. In 2011, an aeromagnetic survey was conducted and an environmental study in advance of any future drilling. A structure seen on the seismic has been interpreted as a barrier reef complex in the West Point Formation. The reef complex of West Point elsewhere in cores have indicated preserved porosity, thus making this structure a potential target. The Company has additional studies to complete prior to any exploration drilling.

Table 4
Matapédia Project Block Permits

PERMITS	ACQUISITION DATE	GROSS AREA (ha)	WORKING INTEREST (%)	NET AREA (ha)
2009PG578	01/09/2009	14,254	50	7,127
2009PG579	01/09/2009	15,309	50	7,655
2009PG580	01/09/2009	19,006	50	9,503
2009PG581	01/09/2009	5,099	50	2,549.5
2009PG582	01/09/2009	21,000	50	10,500
2009PG583	01/09/2009	14,722	50	7,361
2007PG939	23/10/2007	9,215	50	4,608
2007PG940	23/10/2007	11,128	50	5,564
2007PG941	23/10/2007	13,439	50	6,719.5
2007PG942	23/10/2007	18,998	50	9,449
2007PG943	23/10/2007	18,200	50	9,100
2007PG944	23/10/2007	22,327	50	11,163
2007PG945	23/10/2007	6,576	50	3,288
TOTAL		189,275		94,637

GASPÉ PROPERTY

The Gaspé property is located in the east-central part of the Gaspé Peninsula (Figures 1 and 3). Pétrolia initially acquired these exploration permits from Junex Inc. in 2005 and has concentrated a large part of its exploration to date on this property. As a result of a June 8, 2010 asset exchange agreement with Junex and with the approval of the Ministère des Ressources Naturelles et de la Faune (MRNF) du Québec, Junex kept the totality of the revised permit 2005RS120 while Petrolia kept the totality of revised permits 2005RS111, 112 and 122 and within permit 2005RS123, all the area outside of the 900 ha Haldimand Joint Lands. On December 20, 2011, Junex transferred its share on the Haldimand Block (900 ha) to Petrolia/Québénergie. The block is now comprised of 16 oil and gas (PG) and 4 underground reservoir (RS) exploration permits, covering some 3,596 km² (Tables 5a and 5b). A royalty of 5.0% to 7.5% on future production encumbers the following 11 permits: 2005RS111, 2005RS112, 2005RS122, 2009PG496, 2009PG497, 2009PG498, 2009PG499, 2009PG502, 2009PG503, 2009PG504, 2009PG505, on the Gaspé Block.

Table 5a
Gaspé Block Permits “95 % and 100 % Petrolia”

PERMITS	ACQUISITION DATE	GROSS AREA (ha)	WORKING INTEREST (%)	NET AREA (ha)
2009PG496 ⁽¹⁾	04/28/2009	17,898	95	17,003.1
2009PG497 ⁽¹⁾	04/28/2009	24,120	95	22,914
2009PG498 ⁽¹⁾	04/28/2009	13,419	95	12,748.1
2009PG499 ⁽¹⁾	04/28/2009	10,634	100	10,634
2009PG504 ⁽¹⁾	04/28/2009	18,830	100	18,830
2005RS111 ⁽¹⁾	21/11/2005	9,415	100	9,415
2005RS112 ⁽¹⁾	21/11/2005	14,048	100	20,249
TOTAL		108,364		105,592.2

(1) Subject to a royalty of 5.0% to 7.5% on future production.

Table 5b
Gaspé Block Permits - Petrolia - Québénergie

PERMITS	ACQUISITION DATE	GROSS AREA (ha)	WORKING INTEREST (%)	NET AREA (ha)
2005RS112 ⁽¹⁾	21/11/2005	6201	50	3,100.5
2005RS122 ⁽¹⁾	21/11/2005	19,538	50	9,769
2005RS123	21/11/2005	23,043	50	11,521.5
2005RS123 ⁽²⁾	21/11/2005	900	50	450
2009PG502 ⁽¹⁾	04/28/2009	17,395	50	8,697.5
2009PG503 ⁽¹⁾	04/28/2009	22,901	50	11,450.5
2009PG505 ⁽¹⁾	04/28/2009	14,842	50	7,421
2009PG506	04/28/2009	12,369	50	6,184.5
2009PG511	04/28/2009	21,595	50	10,797.5
2009PG512	04/28/2009	24,873	50	12,436.5
2009PG518	04/28/2009	14,448	50	7,224
2009PG519	04/28/2009	18,962	50	9,481
2009PG520	04/28/2009	16,124	50	8,062
2009PG521	04/28/2009	17,358	50	8,679
2009PG522	04/28/2009	20,642	50	10,321
TOTAL		251,191		125,595.5

(1) Subject to a royalty of 5.0% to 7.5% on future production.

(2) Portion of lease originally subject to a JOA agreement with Junex, transferred to the Petrolia/Québénergie Joint Venture on December 20, 2011.

As a result of these modifications, the total area covered by the contract permits is now 359,555 hectares on a gross basis and 231,187.7 on a net basis.

The Gaspé property is characterized by the presence of oil shows (about 60 known sites) in the Devonian sandstones, which explains the interest in this region by explorers for more than a century. Most of the early work involved shallow drilling and was lacking either a geological description or petrophysical well logs. Since 1970, better knowledge was acquired from the results of 9 wells and more than 600 km of seismic lines (including Pétrolia's 105 km). The main exploration targets correspond to contact zones between the Devonian Gaspé sandstone and limestone. Other potential targets over the property are Siluro-Devonian reef features and Devonian or Silurian hydrothermal breccias in fracture zones near major faults.

The Company has identified and assigned different projects names to the various exploration areas within the Gaspé property.

Haldimand Project

The Haldimand discovery was made by Petrolia in 2006. Petrolia Haldimand N°1 was drilled on a single seismic line, hence the extension of the accumulation on either side of this line was unknown at the time of drilling. The productive sands were cased and the casing was perforated over only 22 of the 150 metres of potential productive interval.

Under a development agreement, signed in early May, 2008, Petrolia and its partners, Junex and Gastem, respectively agreed to take 45, 45, and 10 percent shares, respectively, in Petrolia's Haldimand N°1 well, in addition to the exploration rights for petroleum and natural gas within a 9 km² square, centered on the discovery well (Figure 3). Upon signature of the agreement, in May 2008, the partners undertook a new exploration program comprising four main activities:

1. the recovery of a downhole pressure recorder, left in 2006 in the Petrolia Haldimand N°1 well and the concurrent recovery of fluid samples from the bottom of the well, at reservoir conditions;
2. a three-dimensional seismic survey over a total area of 13 km², centered on the Petrolia Haldimand N°1 well;
3. a 215-sample surface geochemical survey, consisting of measurements of the concentrations and composition of the hydrocarbons adsorbed by clays in the soils, carried out on the same grid as the 3D seismic survey;
4. the drilling of a second exploration well, Pétrolia Haldimand N°2, approximately one kilometer northwest of the Haldimand No. 1 well, to a depth of 1200 m KB.

As a result of an agreement signed on July 22, 2009, Pétrolia acquired from Junex an additional 9% working interest in the Haldimand Joint Lands and effective October 1, 2009. Petrolia also acquired the 10% working interest held by Gastem in the Haldimand Project. As of September 30, 2010, Petrolia had a 64% share in the Haldimand Project. As a result of the agreement with Québecénergie, Pétrolia's share of the Haldimand Joint Lands as of September 30, 2011 was 32%. As a result of a transfer agreement effective December 20, 2011, Junex relinquished its share of 36% in the Haldimand Project, and Petrolia's share in these Lands is now 50%.

In early 2010, additional completion work was performed on both Haldimand N°1 and N°2 wells. In the Petrolia Haldimand N°1 well, additional tests were conducted on two deep zones which had been identified as water bearing in 2006 but where the possibility of deep invasion by drilling fluid had to be investigated. In final analysis, these zones proved to be

water bearing, but with traces of the same oil as found higher in the well. Additional zones were perforated within the top gross producing interval of 952.0 to 1081.5 m KB and initial pressure transient analysis indicates that the additional perforated intervals present similar characteristics than those of the 22 m of formation already perforated in 2006.

The well has been on an extensive production test until June 2011.

In the Petrolia Haldimand N°2 well, two zones totaling 93 m were perforated and acid washed. The well is currently shut-in and awaits the results of subsequent appraisal work on the accumulation.

On July 6, 2010, in a press release, the company presented, on the basis of the data available as of December 30, 2009, a best estimate of 69.7 million barrels of petroleum initially in place within the single 9-km² Haldimand Lands, with a best estimate of contingent (potentially recoverable) resources of 7.7 million barrels.

Table 6 presents the range of resource estimates for the Haldimand Project as audited by Sproule.

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

- o Unrecoverable is that portion of Discovered or 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.

The contingent resource estimates have not been risked for chance of development (technical, economic, regulatory, market and facility, corporate commitment or political risks). There is no certainty that any portion of the resources will be developed or, if developed, there is no certainty as to either the timing of such development or whether it will be commercially viable to produce any portion of the resources.

The resources have been reported in accordance with Canadian Oil and Gas Evaluation Handbook guidelines that recommend disclosure of low, best and high estimates to reflect the range of uncertainty associated with the resource estimates, as follows:

- Low Estimate: This is considered to be a conservative estimate of the quantity of oil actually in place. It is likely that the actual in-place quantity will exceed the low estimate. If probabilistic methods are used, there should be at least a 90 percent probability (P_{90}) that the quantity actually in place will equal or exceed the low estimate.
- Best Estimate: This is considered to be the best estimate of the quantity of oil actually in place. It is equally likely that the actual in-place quantity will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P_{50}) that the quantity actually in place will equal or exceed the best estimate.
- High Estimate: This is considered to be an optimistic estimate of the quantity of oil actually in place. It is unlikely that the actual in-place quantity will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability (P_{10}) that the quantity actually in place will equal or exceed the high estimate.

TABLE 6				
GROSS DISCOVERED¹ AND CONTINGENT OIL RESOURCES² (UNRISKED) AS ESTIMATED BY PETROLIA INC. HALDIMAND. PROPERTY, GASPÉ. BASIN, GASPÉ PENINSULA, QUÉBEC AS OF DECEMBER 31, 2009				
YORK RIVER FORMATION				
PARAMETER		LOW	BEST	HIGH
Discovered Oil Resources (Oil Initially-In-Place)	MMbbls	21.9	69.7	198.1
Contingent Oil Resources	MMbbls	1.9	7.7	28.4

1. These are the gross in-place volumes estimated within the tested fault block within the Haldimand Property, without any adjustments for working interest or encumbrances.
2. These are contingent resources, interpreted to exist based on seismic data, well logs, and well tests. They are defined as 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. These estimates have not been risked for chance of development. There is no certainty that any portion of the resources will be developed and, if developed, there is no certainty as to either the timing of such development or whether it will be commercially viable to produce any portion of the resources.
3. "MMbbl" is millions of barrels.

On December 8, 2010, an agreement was signed with Québénergie, a subsidiary of Investcan Energy, by which Québénergie acquired 50% of Pétrolia's interest in 13 permits of the Gaspé property, including the Haldimand 9 km² area.

Following this agreement, an ambitious geological study program was initiated, with a view to appraise and eventually develop the Haldimand discovery.

This program included:

- Laboratory studies of samples (plugs) from the core recovered in the Haldimand N°2 well in 2009, aiming at establishing mechanical rock properties and determining the best fluid for stimulation by hydraulic fracturing, and the best fluid for drilling future wells.
- A Magnetotelluric survey covering the 9 km² block and beyond, aimed at confirming the structural picture, especially in those areas of the accumulation where seismic data is either lacking or difficult to interpret. The survey will also provide vital information about orientation and intensity of natural fracturing.

- Reprocessing of the 3D survey acquired in 2008, aimed at a study of the anisotropy of the reservoir by seismic methods. Data quality was substantially improved over the field and allowed a detailed reinterpretation of the structural picture.
- Reprocessing of 2D data acquired in the area around the Haldimand Block, to improve the definition of the structural framework
- A study of the natural fractures in the Haldimand accumulation from the core and the imaging log acquired in 2009 in well Haldimand N°2.

These studies have allowed the identification of a third well location on the structure aimed at proving the maximum production potential of a typical horizontal well drilled in such a way as to optimize the intersection of natural open fractures.

A drilling program has been developed for this well, in cooperation with service companies. A drilling permit for a first location, called Haldimand N°3 has been obtained from the Ministry of natural resources and wildlife. After further study of the accumulation, a second and better location, called Haldimand N°4, has been picked and a permit obtained from the Ministry of natural resources and wildlife. The wellsite for well Haldimand N°4, was constructed during the fall of 2013.

A work over program has also been defined with a view to repair the cement in well Haldimand N°1, and carry out a DFIT in both Haldimand N°1 and Tar Point N°1 wells. A permit for this operation has been received from the Ministry of natural resources and wildlife on 19 September, 2011. The operation started on October 24, 2011 and was successfully completed on November 27, 2011. As a result, integrity of well Haldimand N°1 is now confirmed, and a possible stimulation program has been outlined. Further work depends on results of the third well, Haldimand N°4.

The drilling of the Haldimand N° 4 well started on November 25th 2014 and was completed on December 30th 2014. Drilling was completed in 35 days, which met the predicted schedule. Haldimand N° 4 is a horizontal well, which was drilled without hydraulic fracturing, and has a total length of 2630 meters. The drilling of this well represents an important step in the exploration work necessary to bring this reservoir on production.

At 400 meters, in order to intercept the maximum of natural fractures, the drilling was gradually deviated in a southeast direction until it reached an angle of 78 degrees from vertical. From there, the 2 kilometers length lateral drain was oriented towards the Haldimand 1 and 2 wells, which have already confirmed the presence of hydrocarbons.

The top of the reservoir was reached at a depth of 620.5 meters. The reservoir, located in the York River geological formation, was thus entered following a path that optimizes the number of opened natural fractures, which aims to significantly increase the production capacity of the well.

During a short-term evaluation test on the Haldimand N° 4 well, a total of 120.4 m³ (757 barrels) of drilling fluids mixed with light crude oil was recovered during the test. This oil is comparable to that recovered from the Haldimand N° 1 well in the same reservoir. The well has produced approximately 54 cubic meters of oil (340 barrels) during this short-term test. The Company plans to undertake a production test during the first quarter of 2015.

Sproule has not been requested to update the audit based on the new information.

Bourque Project

The Bourque Project (Figure 3) was initiated in 2007 and is located in the northwestern portion of the Gaspé property 30 km east of Murdochville and 50 km west of the town of Gaspé. This property consists of four permits, 95% owned by Petrolia. Its main objectives are the limestone reefs of the Devonian West Point Formation. During the Devonian, the present-day Gaspé region was a shallow sea located close to the equator, where the environment was favorable for the growth of reef complexes. The Devonian also saw the growth of the reef complexes of the Western Canadian Sedimentary Basin. In 1947, the discovery of the giant Leduc oilfield, whose production has since exceeded 100 million barrels of oil, was a turning point for oil exploration in Alberta. Since that time, numerous major oil and gas deposits have been discovered in these ancient reefs within Alberta.

On August 5, 2008, Petrolia signed a \$20 million farmout agreement with Pilatus Energy Canada (Pilatus). This sum was to be invested in exploration and development work for the project. The first phase of the work, a three-dimensional (3D) seismic survey over an area of 65 km², was carried out during the summer of 2008. The seismic data acquired was processed at the end of 2008, with the data quality being very good. The interpretation of this new data was performed in early winter 2009, with the Company and its partner identifying several potential drilling targets and building as a result a first drilling pad on the most promising site.

Unfortunately, the 2008-2009 global economic turmoil affected the partner's ability to assemble the capital required to go ahead with the drilling operations. Petrolia and Pilatus thus came to an accord to terminate the farmout agreement, with Pilatus keeping a 5% working interest in the Bourque Lands and maintaining its participation as shareholder of the Company.

The Company has requested and obtained in April 2012 from the Ministry of Natural Resources and Wildlife permits to drill two wells called Bourque N°1 and Bourque N°2. Concurrently, efforts to secure the financing of these two wells came to fruition. An agreement was reached in May 2012 with Investissement Québec for 10 million dollars, and Financière Banque Nationale and Banque Laurentienne for 5 million dollars. This financing

of 15 million dollars was, sufficient to commit to a drilling rig and plan a drilling campaign in the second half of 2012.

The first well, Bourque N°1, spudded on July 19, 2012, significant gas shows were encountered during the drilling. Eight (8) DST's were run over a gross interval of 1,700 meters.

The following information was gathered from this well:

1. The main reservoir target which was the West Point Reef was not found at this location, which resulted in the suspension of drilling before reaching the planned total depth of 3,600 metres.
2. The upper section of the well (York River, York Lake, Indian Cove and Shiphead formations) encountered only minor hydrocarbon indications.
3. Starting at the fault encountered at 1,474 metres, significant gas indications were encountered throughout the deeper section (to the depth of 2,700 metres).
4. Logs indicated generally low porosities, with fractures in many intervals, associated with the hydrocarbon shows.
5. A large interval of the Forillon Formation exhibits intersection of good apparent vuggy porosities associated with open fractures, the nature of which is currently being evaluated.

The well has been suspended and an extended production test program is being developed.

The platform for the second well, Bourque N°2, was constructed during this period, and the well start drilling on October 31 2012, immediately after completion of the first well. The well was targeting a pinnacle reef at the base of the Devonian section. Some shows were encountered into the Forillon Formation, and the top of the pinnacle reef was reached at the depth of 2500m MD. For drill stem tests were run, 3 into the Forillon formation and deeper one into the pinnacle reef. Two tests in the Forillon has recover small amount of light oil mixed with drilling mud in the sample chamber of the test tool and small amount of wet gas was flow at the surface.

An evaluation of the resources in place was carried by Sproule Associates Limited in 2013. The following table summarized the evaluation. No additional work has been carried out on the block.

Table S-2 Summary of Project Gross Unrisked Undiscovered Gas Initially-In-Place (GIIP) Bourque Project Area, Gaspé Peninsula, Quebec, Canada^{1,2} Estimated by Sproule Associates Limited, As of March 31, 2013									
Prospect	Formation	Gas (BCF) ^{2,3}				Total Resources (MMBOE) ^{2,4,9}			
		Low ⁵	Best ⁶	High ⁷	Mean ⁸	Low ⁵	Best ⁶	High ⁷	Mean ⁸
		(P90)	(P50)	(P10)		(P90)	(P50)	(P10)	
Bourque North	Forillon	125	367	1,099	524	21	61	183	87
Bourque Central	Forillon	33	118	433	194	6	20	72	32
Bourque South	Forillon	63	165	452	221	10	28	75	37
Bourque-2 Area	Forillon	26	75	207	102	4	12	34	17
Grand Total ⁹					1,041				173
Notes: 1 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." Only the in-place volumes are presented here as a development project to recover any hydrocarbons discovered has not been defined. There is no certainty that any portion of these unrisked undiscovered GIIP will be discovered and, if discovered, there is no certainty that it will be developed or, if it is developed, there is no certainty as to either the timing of such development or whether it will be commercially viable to produce any portion of the resources. 2 These are the project gross unrisked undiscovered petroleum initially in place volumes (i.e. 100% project gross) estimated for the three Bourque prospects without any adjustments for working interest and before deduction of any royalties. Petrolia has a 99% working interest and the Company Gross numbers would reduce accordingly. 3 "BCF" is billions of cubic feet, "MMboe" is millions of barrels of oil equivalent. 4 BOE's (or 'McfGE's' or other applicable units of equivalency) may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 bbl (or 'An McfGE conversion ratio of 1 bbl:6 Mcf') is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. 5 Low Estimate is considered to be a conservative estimate of the quantity that will actually be in-place. It is likely that the actual remaining quantities in-place will exceed the low estimate. If probabilistic methods are used, there should be at least a 90 percent probability (P90) that the quantities actually in-place will equal or exceed the low estimate. 6 Best Estimate is considered to be the best estimate of the quantity that will actually be in-place. It is equally likely that the actual remaining quantities in-place will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P50) that the quantities actually in-place will equal or exceed the best estimate. 7 High Estimate is considered to be an optimistic estimate of the quantity that will actually be in-place. It is unlikely that the actual remaining quantities in-place will exceed the high estimate. If probabilistic methods are used, there should be at least a 10 percent probability (P10) that the quantities actually in-place will equal or exceed the high estimate. 8 Statistical aggregation is the process of probabilistically aggregating distributions that represent estimates of resource quantities at the reservoir, prospect, or portfolio level. Arithmetic summation and statistical aggregation of the means yield similar results. Arithmetic summation of the Low Estimate, Best Estimate and High Estimate are not statistically appropriate. Both the statistical and arithmetic summation of the unrisked prospects may be misleading because it assumes success for each of the prospect entities. The chance of this occurring is extremely unlikely. Actual recovery is likely to be less and may be zero. 9 Volumes may not balance due to rounding									

Haldimand Fairway Project

The Haldimand Fairway Project was conceived during 2008. It includes the areas located to the northwest and southeast of the Haldimand Project, in which Pétrolia holds a 100% interest (Figure 3).

According to the Company these areas present geological characteristics resembling those observed in the Haldimand Field area. During the (2007-2008) fiscal year, Pétrolia invested \$1.2M in exploration work on this project to identify targets to be drilled. In December of 2008 the Company carried out an 83 kilometer 2D seismic program. As a result of this program the Company split the project area into two projects TAR POINT which is the Southern Haldimand Fairway and constitutes the natural extension of the Pétrolia-Haldimand N°1 area to the southeast, and CORTE-REAL to the northwest.

TAR POINT (South)

In the Southern Haldimand Fairway, the results of the 2D seismic, combined with the surface geology and an aeromagnetic survey acquired by Pétrolia in 2008, defined two drilling targets. This led to the selection of a site on a structure known as the Tar Point anticline, near Anse-à-Brillant, 18 km southeast of Gaspé. A well drilled on the anticline in 1950, about 2.0 km northwest of the proposed site, intersected traces of petroleum in the York River Formation (Devonian sandstones), with a strong gas show at the bottom, at a depth of about 2,155 m, in limestones of the Indian Cove Formation. Moreover, in a coastal section less than one kilometre from the proposed site, liquid petroleum has been observed in several open fractures of the York River Formation and in amygdulites in a Carboniferous dyke.

The well Pétrolia-Tar Point N°1, drilled from October 23 to December 7, 2009, reached a total depth of 2,434 m, intersecting in the process 1536 m of York River Formation, 619 m of Indian Cove Formation and, after going through a fault, drilling through 150 m of Grès de Gaspé. The following information was gathered from this well:

1. the upper section of the York River Formation does not contain any hydrocarbons on account of its shallow burial depth
2. The lower section of the York River Formation contains indications of light oil with porosity and permeability characteristics similar to those found on the Haldimand project
3. In the Indian Cove Formation, two 100 m sections with open fractures have given numerous indications of hydrocarbons.

Following completion, the well is currently shut-in.

A DFIT carried out in November 2011, confirmed the possibility of increasing production with an appropriate stimulation program.

CORTE-REAL (North)

In the Northern Haldimand Fairway, the seismic suggest the presence of reefs within the Chaleurs Group. The Northern Haldimand Corridor thus shows similarities to the Bourque Project. Reefal traps are very abundant in the Western Canadian Sedimentary Basin, and also in Ontario and Michigan, which further supports Pétrolia's interest in this region. The old seismic data, combined with the new data acquired by Pétrolia in 2008, should enable a drilling target to be identified in this area. The present estimate is that a well 2,000 metres deep would be necessary to reach the reef-bearing strata. The Company is looking for a partner to help explore this area and exploration of this area will depend on the results of the two Bourque wells.

GASTONGUAY PROPERTY

The Gastonguay property is located in the east-central part of the Gaspé Peninsula (Figures 1 and 3). It is subdivided into 13 oil and gas exploration permits (PG) covering an area of 259,015 ha (Table 7).

On this property, which is located over the largest anticlinal structure identified in the Gaspé Peninsula, very little exploration has been done to date but the presence of oil and gas in fractures has been shown in the Murdochville skarn area in mining cores. Various exploration targets in Devonian limestones (reefs) and sandstones, as well as in Silurian carbonates and sandstones, at depths ranging from 1,000 to 4,000 meters, are expected. Only one well, drilled in the 1980s, was drilled to a depth of 1,800 metres on the anticline, however, the deeper targeted Silurian was not reached.

A field sampling program was completed in September 2010 to initiate thermal maturation and geochemistry studies. Prior to this program the Company's exploration work on this property has been limited to evaluation of existing geological and geophysical data.

Table 7
Gastonguay Block Permits

PERMITS	ACQUISITION DATE	GROSS AREA (ha)	WORKING INTEREST (%)	NET AREA (ha)
2009PG494	2009-04-28	21,977	100	21,977
2009PG495	2009-04-28	23,278	100	23,278
2009PG500	2009-04-28	22,645	100	22,645
2009PG501	2009-04-28	21,284	100	21,284
2009PG507	2009-04-28	15,186	100	15,186
2009PG508	2009-04-28	18,496	100	18,496
2009PG509	2009-04-28	24,174	100	24,174
2009PG510	2009-04-28	21,596	100	21,596
2009PG513	2009-04-28	17,483	100	17,483
2009PG514	2009-04-28	16,374	100	16,374
2009PG515	2009-04-28	18,057	100	18,057
2009PG516	2009-04-28	15,800	100	15,800
2009PG517	2009-04-28	22,665	100	22,665
TOTAL		259,015		259,015

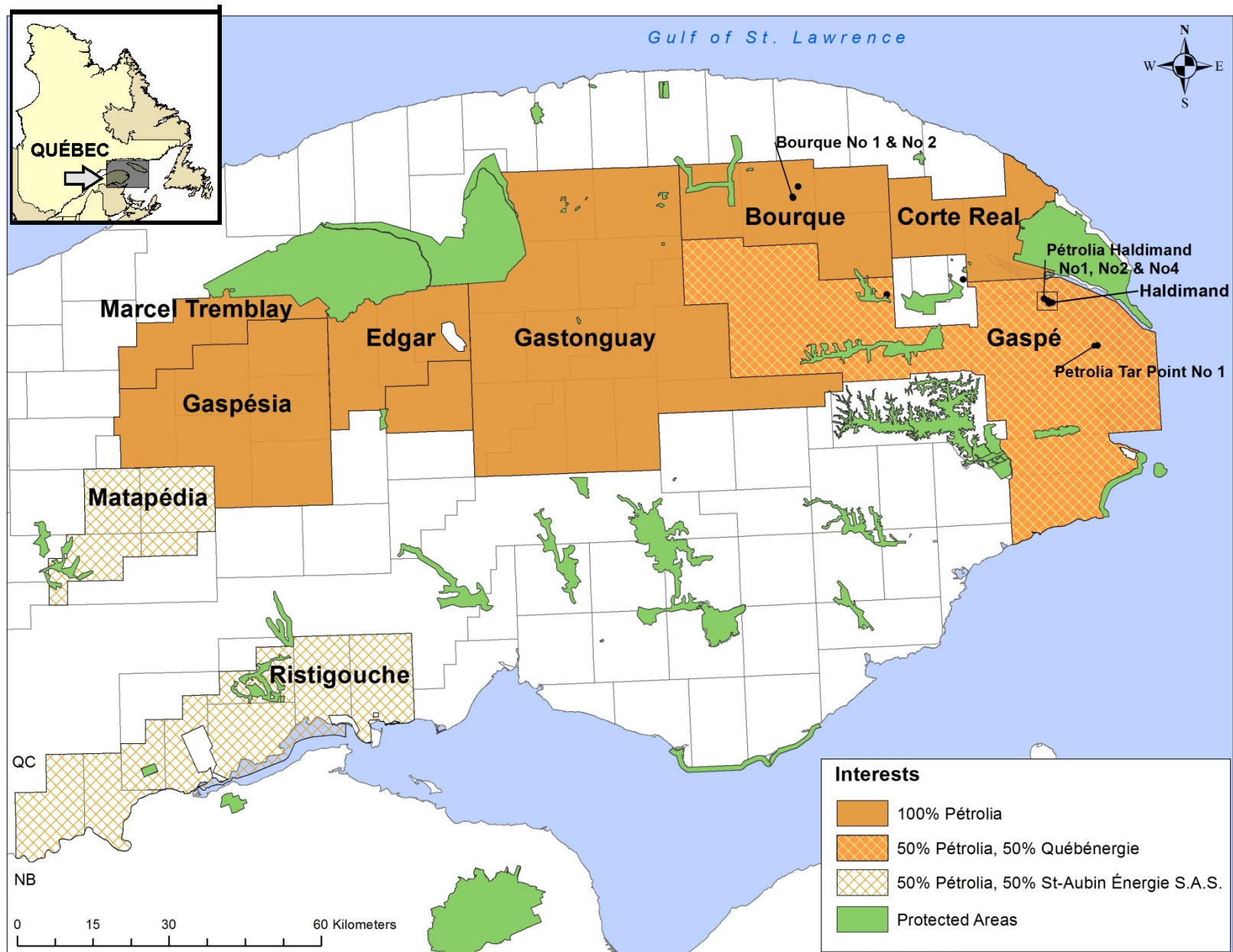
Exploration Costs

In the last fiscal year, the Company expended \$7,490,435 on exploration activities on its permits less allowable deductions of \$4,012,466. As of December 31, 2014, the Company had cumulative exploration expenditures on its oil and gas properties of \$58,240,145.

The Company has informed us that they have met all of the required current financial obligations on all permits.

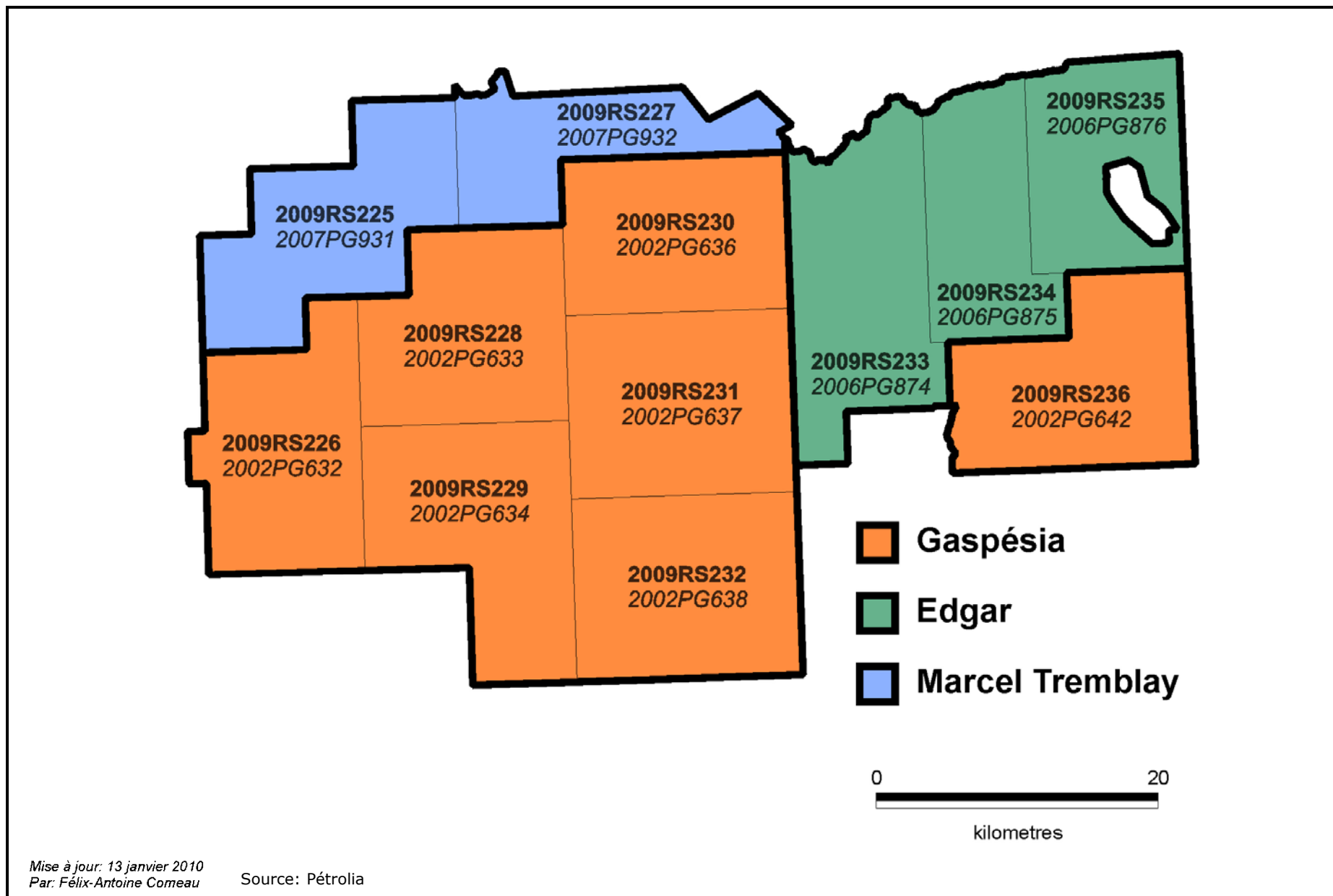
Wells Drilled In 2013-2014

The Company drilled one oil exploration well during the reporting period. Drilling of the Haldimand No 4 well was completed on December 30, 2014, and reached a measured depth of 2,630 meters (1,095.1 TVD)

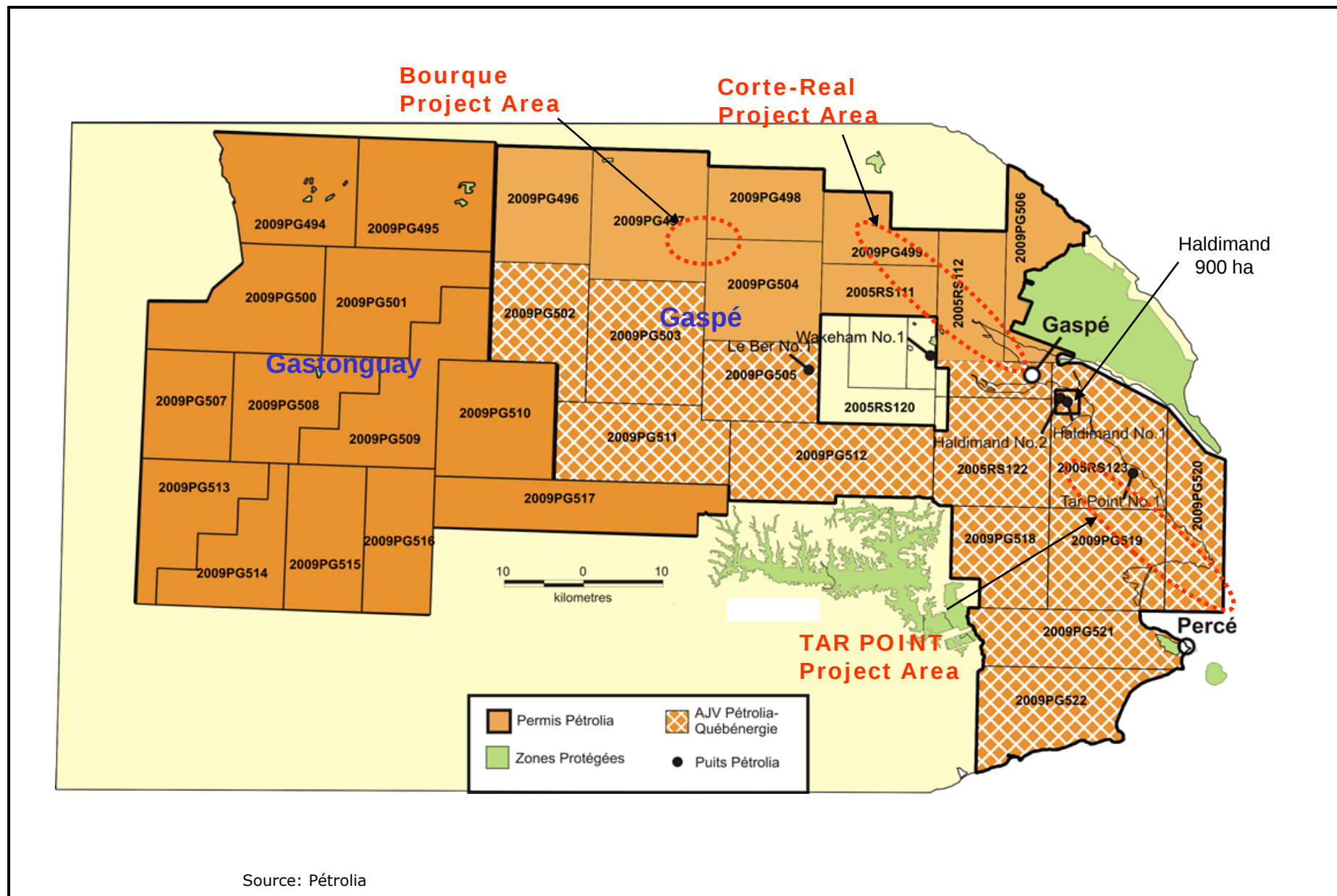


Source: Pétrolia

Oil and gas properties held by Pétrolia Inc. in Québec



Pétrolia, Gaspésia, Edgar and Marcel Tremblay Lands



Pétrolia, Gaspé, Gastonguay, and Haldimand JOA Lands

National Instrument 51-101

This report was prepared for the purpose of evaluating the Company's P&NG reserves according to Canadian Oil and Gas Evaluation Handbook (COGEH) reserve definitions and standards and consistent with National Instrument 51-101 (NI 51-101). In accordance with these standards, and by reference in NI 51-101, tables are presented for forecast prices and costs, which summarize the reserves and net present values, as of December 31, 2014.

Form 51-101F2, which follows, presents a Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor.

The Company has disclosed contingent oil resource volumes in a press release dated July 6, 2010. These volumes are disclosed in Form F1-101F2A, which presents a Report on Resource Data by Independent Qualified Reserves Evaluator or Auditor.

Forecast Prices and Costs

Table 1 presents a summary of the various reserves categories. Table 2 presents a summary of net present values of 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. As shown in these tables, no reserves have been assigned to the properties in which the Company holds an interest.

Form 51-101F2

Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor

Report on Reserves Data

To the Board of Directors of Pétrolia Inc. (the "Company"):

1. We have evaluated the Company's Reserves Data as at December 31, 2014. The reserves data consist of the following:

There are no reserves assigned to the properties held by the Company.

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 attributed to proved plus probable reserves, estimated using forecast prices and costs on a before tax basis and calculated using a discount rate of 10%, included in the reserves data of the Company evaluated by us as of December 31, 2014, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company's management and Board of Directors:

Independent Qualified Reserves Evaluator or Auditor	Description and Preparation Date of Evaluation Report	Location of Reserves (Country)	Net Present Value of Future Net Revenue (10 % Discount Rate)			
			Audited (M\$)	Evaluated (M\$)	Reviewed (M\$)	Total (M\$)
Sproule	Technical Review of Certain P&NG Holdings of Pétrolia Inc. in Québec (As of December 31, 2014), prepared in April 2015	Canada	Nil	Nil	Nil	Nil
Total			Nil	Nil	Nil	Nil

5. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are presented in accordance with the COGE Handbook.
6. We have no responsibility to update the report referred to in paragraph 4 for events and circumstances occurring after its preparation date.
7. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

Sproule Associates Limited
Calgary, Alberta
April 17, 2015

Original Signed by Douglas J. Carsted, P.Geol.

Douglas J. Carsted, P.Geol.
Executive Vice-President, CTO
and Director

Original Signed by Barrie F. Jose, P.Geoph.

Barrie F. Jose, P.Geoph.
Vice-President Geoscience, International
and Partner

Table 1
NI 51-101
Summary of Oil and Gas Reserves
As of December 31, 2014
Forecast Prices and Costs

Reserves

	Light and Medium Oil		Heavy Oil		Coalbed Methane		Natural Gas (non-associated & associated)		Natural Gas (solution)		Natural Gas Liquids	
Reserve Category	Gross (Mbbl)	Net (Mbbl)	Gross (Mbbl)	Net (Mbbl)	Gross (MMcf)	Net (MMcf)	Gross (MMcf)	Net (MMcf)	Gross (MMcf)	Net (MMcf)	Gross (Mbbl)	Net (Mbbl)
Proved												
Developed Producing	0	0	0	0	0	0	0	0	0	0	0	0
Developed Non-Producing	0	0	0	0	0	0	0	0	0	0	0	0
Undeveloped	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
Probable	0	0	0	0	0	0	0	0	0	0	0	0
Total Proved Plus Probable	0	0	0	0	0	0	0	0	0	0	0	0

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 December 31, 2014
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	0	0	0	0	0	0	0	0	0	0
Developed Producing	0	0	0	0	0	0	0	0	0	0
Developed Non- Producing	0	0	0	0	0	0	0	0	0	0
Undeveloped	0	0	0	0	0	0	0	0	0	0
Total Proved	0	0	0	0	0	0	0	0	0	0
Probable	0	0	0	0	0	0	0	0	0	0
Total Proved Plus Probable	0	0	0	0	0	0	0	0	0	0

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

Notes:

- NPV of FNR include all resource income:
 - o Sale of oil, gas, by-product reserves
 - o Processing third party reserves
 - o Other income
- Income Taxes
 - o Includes all resource income
 - o Apply appropriate income tax calculations
 - o Include prior tax pools

Table 3
NI 51-101
Total Future Net Revenue
(Undiscounted)
As of December 31, 2014
Forecast Prices and Costs

Reserves Category	Revenue (M\$)	Royalties (M\$)	Operating Costs (M\$)	Development Costs (M\$)	Well Abandon- ment Costs (M\$)	Future Net Revenue Before Income Taxes (M\$)	Income Taxes (M\$)	Future Net Revenue After Income Taxes (M\$)
Proved	0	0	0	0	0	0	0	0
Proved Plus Probable	0	0	0	0	0	0	0	0

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 December 31, 2014
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)	0
	Heavy Oil (including solution gas and associated by-products)	0
	Coalbed Methane	0
	Natural Gas (including associated by-products)	0
		0
Proved Plus		0
Probable	Light and Medium Crude Oil (including solution gas and associated by-products)	0
	Heavy Oil (including solution gas and associated by-products)	0
	Coalbed Methane	0
	Natural Gas (including associated by-products)	0
		0

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

Form 51-101F2A

Report on Resource Data by Independent Qualified Reserves Evaluator or Auditor

Report on Resource Data

To the Board of Directors of Pétrolia Inc. (the "Company"):

1. We have audited the Company's Resource Data as at December 31, 2014. The resource data consist of the following:

Contingent oil resources have been assigned to the Haldimand Block Gaspé Peninsula, Québec.

2. The Resource Data are the responsibility of the Company's management. Our responsibility is to express an opinion on the Resource Data based on our audit.

We carried out our audit 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 audit to obtain reasonable assurance as to whether the resource data are free of material misstatement. An audit also includes assessing whether the resource data are in accordance with principles and definitions presented in the COGE Handbook.
4. The following table sets forth the estimated resource volumes of the Company audited by us as of December 31, 2014, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company's management and Board of Directors:

Independent Qualified Reserves Evaluator or Auditor	Description and Preparation Date of Evaluation Report	Location of Reserves (Country)	Audited Contingent Oil Resources (Unrisked)		
			Low MMbbls	Best MMbbls	High MMbbls
Sproule	"Audit of Resource Assessment, Haldimand Block, Gaspé Peninsula, Québec (As of December 31, 2009)", dated May 28, 2010	Canada	1.9	7.7	28.4
Total			1.9	7.7	28.4

5. In our opinion, the resource data audited by us have, in all material respects, been determined and are presented in accordance with the COGE Handbook.
6. We have no responsibility to update the report referred to in paragraph 4 for events and circumstances occurring after its preparation date.
7. Because the resources data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

Sproule Associates Limited
Calgary, Alberta
April 17, 2015

Original Signed by Dougals J. Carsted, P.Geol.

Douglas J. Carsted, P.Geol.
Executive Vice-President, CTO
and Director

Original Signed by Barrie F. Jose, P.Geoph.

Barrie F. Jose, P.Geoph.
Vice-President Geoscience, International
and Partner

Appendix A — Resource Definitions

This discussion has been excerpted from Sections 5.2 and 5.3 of the Canadian Oil and Gas Evaluation Handbook, Second Edition, September 1, 2007.

The following definitions relate to the subdivisions in the SPE-PRMS resources classification framework and use the primary nomenclature and concepts contained in the 2007 SPE-PRMS, with direct excerpts shown in *italics*.

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 according to the level of certainty associated with the estimates and may be subclassified based on development and production status.

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 subclassified based on project maturity and/or characterized by their economic status.*

Unrecoverable is that portion of Discovered or 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 subclassified based on project maturity.

Resource Categories

Due to the high uncertainty in estimating resources, evaluations of these assets require some type of probabilistic methodology. Expected value concepts and decision tree analyses are routine; however, in high-risk, high-reward projects, Monte Carlo simulation can be used. In any event, three success cases plus a failure case should be included in the evaluation of the resources (see Section 9 of the Canadian Oil and Gas Evaluation Handbook for details on these methods).

a. Classification of Resources

When evaluating resources, in particular, contingent and prospective resources, the following mutually exclusive categories are recommended:

- **Low Estimate:** This is considered to be a conservative estimate of the quantity that will actually be recovered from the accumulation. If probabilistic methods are used, this term reflects a P₉₀ confidence level.
- **Best Estimate:** This is considered to be the best estimate of the quantity that will actually be recovered from the accumulation. If probabilistic methods are used, this term is a measure of central tendency of the uncertainty distribution (most likely/mode, P₅₀/median, or arithmetic average/mean).
- **High Estimate:** This is considered to be an optimistic estimate of the quantity that will actually be recovered from the accumulation. If probabilistic methods are used, this term reflects a P₁₀ confidence level.

Company Gross Contingent Resources are the Company's working interest share of the contingent resources, before deduction of any royalties.

Company Net Contingent Resources are the gross contingent resources of the properties in which the Company has an interest, less all Crown, freehold, and overriding royalties and interests owned by others.

Fair Market Value is defined as the price at which a purchaser seeking an economic and commercial return on investment would be willing to buy, and a vendor would be willing to sell, where neither is under compulsion to buy or sell and both are competent and have reasonable knowledge of the facts.

Appendix B — Abbreviations

This appendix contains a list of abbreviations that may be found in Sproule reports, as well as a table comparing Imperial and Metric units. Two conversion tables, used to prepare this report, are also provided.

AOF	absolute open flow
ARTC	Alberta Royalty Tax Credit
BOE	barrels of oil equivalent
bopd	barrels of oil per day
bwpd	barrels of water per day
Cr	Crown
DCQ	daily contract quantity
DSU	drilling spacing unit
FH	Freehold
GCA	gas cost allowance
GOR	gas-oil ratio
GORR	gross overriding royalty
LPG	liquid petroleum gas
McfGE	thousands of cubic feet of gas equivalent
Mcfpd	thousands of cubic feet per day
MPR	maximum permissive rate
MRL	maximum rate limitation
NC	'new' Crown
NCI	net carried interest
NGL	natural gas liquids
NORR	net overriding royalty
NPI	net profits interest
OC	'old' Crown
ORRI	overriding royalty interest
P&NG	petroleum and natural gas
PSU	production spacing unit
PVT	pressure-volume-temperature
TCGSL	TransCanada Gas Services Limited
UOCR	Unit Operating Cost Rates for operating gas cost allowance
WI	working interest

Imperial Units		Prefixes	Metric Units	
M (10 ³)	one thousand		k (10 ³)	one thousand
MM (10 ⁶)	million		M (10 ⁶)	million
B (10 ⁹)	one billion		G (10 ⁹)	one billion
T (10 ¹²)	one trillion		T (10 ¹²)	one trillion
			E (10 ¹⁸)	one milliard
in.	inches	Length	cm	centimetres
ft	feet		m	metres
mi	mile		km	kilometres
ft ²	square feet	Area	m ²	square metres
ac	acres		ha	hectares
cf or ft ³	cubic feet	Volume	m ³	cubic metres
scf	standard cubic feet			
gal	gallons		L	litres
Mcf	thousand cubic feet			
Mcfpd	thousand cubic feet per day			
MMcf	million cubic feet			
MMcfpd	million cubic feet per day			
Bcf	billion cubic feet (10 ⁹)			
bbl	barrels		m ³	cubic metre
Mbbl	thousand barrels			
stb	stock tank barrel		stm ³	stock tank cubic metres
bbl/d	barrels per day		m ³ /d	cubic metre per day
bbl/mo	barrels per month			
Btu	British thermal units	Energy	J	joules
			MJ/m ³	megajoules per cubic metre (10 ⁶)
			TJ/d	terajoule per day (10 ¹²)
oz	ounce	Mass	g	gram
lb	pounds		kg	kilograms
ton	ton		t	tonne
lt	long tons			
Mlt	thousand long tons			
psi	pounds per square inch	Pressure	Pa	pascals
psia	pounds per square inch absolute		kPa	kilopascals (10 ³)
psig	pounds per square inch gauge			
°F	degrees Fahrenheit	Temperature	°C	degrees Celsius
°R	degrees Rankine		K	Kelvin
M\$	thousand dollars	Dollars	k\$	thousand dollars

Imperial Units		Time	Metric Units	
sec	second		s	second
min	minute		min	minute
hr	hour		h	hour
day	day		d	day
wk	week			week
mo	month			month
yr	year		a	annum

Conversion Factors — Metric to Imperial		
cubic metres (m ³) (@ 15°C)	x 6.29010	= barrels (bbl) (@ 60°F), water
m ³ (@ 15°C)	x 6.3300	= bbl (@ 60°F), Ethane
m ³ (@ 15°C)	x 6.30001	= bbl (@ 60°F), Propane
m ³ (@ 15°C)	x 6.29683	= bbl (@ 60°F), Butanes
m ³ (@ 15°C)	x 6.29287	= bbl (@ 60°F), oil, Pentanes Plus
m ³ (@ 101.325 kPaa, 15°C)	x 0.0354937	= thousands of cubic feet (Mcf) (@ 14.65 psia, 60°F)
1,000 cubic metres (10 ³ m ³) (@ 101.325 kPaa, 15°C)	x 35.49373	= Mcf (@ 14.65 psia, 60°F)
hectares (ha)	x 2.4710541	= acres
1,000 square metres (10 ³ m ²)	x 0.2471054	= acres
10,000 cubic metres (ha·m)	x 8.107133	= acre feet (ac-ft)
m ³ /10 ³ m ³ (@ 101.325 kPaa, 15° C)	x 0.0437809	= Mcf/Ac.ft. (@ 14.65 psia, 60°F)
joules (j)	x 0.000948213	= Btu
megajoules per cubic metre (MJ/m ³) (@ 101.325 kPaa, 15°C)	x 26.714952	= British thermal units per standard cubic foot (Btu/scf) (@ 14.65 psia, 60°F)
dollars per gigajoule (\$/GJ)	x 1.054615	= \$/Mcf (1,000 Btu gas)
metres (m)	x 3.28084	= feet (ft)
kilometres (km)	x 0.6213712	= miles (mi)
dollars per 1,000 cubic metres (\$/10 ³ m ³) (\$/10 ³ m ³)	x 0.0288951 x 0.02817399	= dollars per thousand cubic feet (\$/Mcf) (@ 15.025 psia) B.C. = \$/Mcf (@ 14.65 psia) Alta.
dollars per cubic metre (\$/m ³)	x 0.158910	= dollars per barrel (\$/bbl)
gas/oil ratio (GOR) (m ³ /m ³)	x 5.640309	= GOR (scf/bbl)
kilowatts (kW)	x 1.341022	= horsepower
kilopascals (kPa)	x 0.145038	= psi
tonnes (t)	x 0.9842064	= long tons (LT)
kilograms (kg)	x 2.204624	= pounds (lb)
litres (L)	x 0.2199692	= gallons (Imperial)
litres (L)	x 0.264172	= gallons (U.S.)
cubic metres per million cubic metres (m ³ /10 ⁶ m ³) (C ₃)	x 0.177496	= barrels per million cubic feet (bbl/MMcf) (@ 14.65 psia)
m ³ /10 ⁶ m ³ (C ₄)	x 0.1774069	= bbl/MMcf (@ 14.65 psia)
m ³ /10 ⁶ m ³ (C ₅₊)	x 0.1772953	= bbl/MMcf (@ 14.65 psia)
tonnes per million cubic metres (t/10 ⁶ m ³) (sulphur)	x 0.0277290	= LT/MMcf (@ 14.65 psia)
millilitres per cubic meter (mL/m ³) (C ₅₊)	x 0.0061974	= gallons (Imperial) per thousand cubic feet (gal (Imp)/Mcf)
(mL/m ³) (C ₅₊)	x 0.0074428	= gallons (U.S.) per thousand cubic feet (gal (U.S.)/Mcf)
Kelvin (K)	x 1.8	= degrees Rankine (°R)
millipascal seconds (mPa·s)	x 1.0	= centipoise

Conversion Factors — Imperial to Metric		
barrels (bbl) (@ 60°F)	x 0.15898	= cubic metres (m ³) (@ 15°C), water
bbl (@ 60°F)	x 0.15798	= m ³ (@ 15°C), Ethane
bbl (@ 60°F)	x 0.15873	= m ³ (@ 15°C), Propane
bbl (@ 60°F)	x 0.15881	= m ³ (@ 15°C), Butanes
bbl (@ 60°F)	x 0.15891	= m ³ (@ 15°C), oil, Pentanes Plus
thousands of cubic feet (Mcf) (@ 14.65 psia, 60°F)	x 28.17399	= m ³ (@ 101.325 kPaa, 15°C)
Mcf (@ 14.65 psia, 60°F)	x 0.02817399	= 1,000 cubic metres (10 ³ m ³) (@ 101.325 kPaa, 15°C)
acres	x 0.4046856	= hectares (ha)
acres	x 4.046856	= 1,000 square metres (10 ³ m ²)
acre feet (ac-ft)	x 0.123348	= 10,000 cubic metres (10 ⁴ m ³) (ha·m)
Mcf/ac-ft (@ 14.65 psia, 60°F)	x 22.841028	= 10 ³ m ³ /m ³ (@ 101.325 kPaa, 15°C)
Btu	x 1054.615	= joules (J)
British thermal units per standard cubic foot (Btu/Scf) (@ 14.65 psia, 60°F)	x 0.03743222	= megajoules per cubic metre (MJ/m ³) (@ 101.325 kPaa, 15°C)
\$/Mcf (1,000 Btu gas)	x 0.9482133	= dollars per gigajoule (\$/GJ)
\$/Mcf (@ 14.65 psia, 60°F) Alta.	x 35.49373	= \$/10 ³ m ³ (@ 101.325 kPaa, 15°C)
\$/Mcf (@ 15.025 psia, 60°F), B.C.	x 34.607860	= \$/10 ³ m ³ (@ 101.325 kPaa, 15°C)
feet (ft)	x 0.3048	= metres (m)
miles (mi)	x 1.609344	= kilometres (km)
\$/bbl	x 6.29287	= \$/m ³ (average for 30°-50° API)
GOR (scf/bbl)	x 0.177295	= gas/oil ratio (GOR) (m ³ /m ³)
horsepower	x 0.7456999	= kilowatts (kW)
psi	x 6.894757	= kilopascals (kPa)
long tons (LT)	x 1.016047	= tonnes (t)
pounds (lb)	x 0.453592	= kilograms (kg)
gallons (Imperial)	x 4.54609	= litres (L) (.001 m ³)
gallons (U.S.)	x 3.785412	= litres (L) (.001 m ³)
barrels per million cubic feet (bbl/MMcf) (@ 14.65 psia) (C ₃)	x 5.6339198	= cubic metres per million cubic metres (m ³ /10 ⁶ m ³)
bbl/MMcf (C ₄)	x 5.6367593	= (m ³ /10 ⁶ m ³)
bbl/MMcf (C ₅₊)	x 5.6403087	= (m ³ /10 ⁶ m ³)
LT/MMcf (sulphur)	x 36.063298	= tonnes per million cubic metres (t/10 ⁶ m ³)
gallons (Imperial) per thousand cubic feet (gal (Imp)/Mcf) (C ₅₊)	x 161.3577	= millilitres per cubic meter (mL/m ³)
gallons (U.S.) per thousand cubic feet (gal (U.S.)/Mcf) (C ₅₊)	x 134.3584	= (mL/m ³)
degrees Rankine (°R)	x 0.555556	= Kelvin (K)
centipoises	x 1.0	= millipascal seconds (mPa·s)

Appendix C - National Instrument 51-101 Requirements

Other Oil and Gas Information

Item 5.9 – Disclosure of Resources

- (1) If a reporting issuer discloses anticipated results from resources which are not currently classified as reserves, the reporting issuer must also disclose in writing, in the same document or in a supporting filing:
 - a. the reporting issuer's interest in the resources;
 - b. the location of the resources;
 - c. the product types reasonably expected;
 - d. the risks and the level of uncertainty associated with recovery of the resources; and
 - e. in the case of unproved property, if its value is disclosed,
 - i. the basis of the calculation of its value; and
 - ii. whether the value was prepared by an independent party.
- (2) If disclosure referred to in subsection (1) includes an estimate of a quantity of resources in which the reporting issuer has an interest or intends to acquire an interest, or an estimated value attributable to an estimated quantity, the estimate must
 - a. have been prepared or audited by a qualified reserves evaluator or auditor;
 - b. relate to the most specific category of resources in which the resources can be classified, as set out in the COGE Handbook, and must identify what portion of the estimate is attributable to each category; and

- c. be accompanied by the following information:
 - i. a definition of the resources category used for the estimate;
 - ii. the effective date of the estimate;
 - iii. the significant positive and negative factors relevant to the estimate;
 - iv. in respect of contingent resources, the specific contingencies which prevent the classification of the resources as reserves; and
 - v. a cautionary statement that is proximate to the estimate to the effect that:
 - A. in the case of discovered resources or a subcategory of discovered resources other than reserves:

“There is no certainty that it will be commercially viable to produce any portion of the resources.”; or
 - B. in the case of undiscovered resources or a subcategory of undiscovered resources:

“There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.”

- (3) Paragraphs 5.9(1)(d) and (e) and subparagraphs 5.9(2)(c)(iii) and (iv) do not apply if:
- a. the reporting issuer includes in the written disclosure a reference to the title and date of a previously filed document that complies with those requirements; and
 - b. the resources in the written disclosure, taking into account the specific properties and interests reflected in the resources estimate or other anticipated result, are materially the same resources addressed in the previously filed document.

Item 5.10 – Analogous Information

- (1) Sections 5.2, 5.3 and 5.9 do not apply to the disclosure of analogous information provided that the reporting issuer discloses the following:
- a. the source and date of the analogous information;
 - b. whether the source of the analogous information was independent;
 - c. if the reporting issuer is unable to confirm that the analogous information was prepared by a qualified reserves evaluator or auditor or in accordance with the COGE Handbook, a cautionary statement to that effect proximate to the disclosure of the analogous information; and
 - d. the relevance of the analogous information to the reporting issuer's oil and gas activities.
- (2) For greater certainty, if a reporting issuer discloses information that is an anticipated result, an estimate of a quantity of reserves or resources, or an estimate of value attributable to an estimated quantity of reserves or resources for an area in which it has an interest or intends to acquire an interest, that is based on an extrapolation from analogous information, sections 5.2, 5.3 and 5.9 apply to the disclosure of the information.

Appendix D – Representation Letter

The Representation Letter has been included as Appendix D; it was prepared by Officers of the Company and confirms the accuracy, completeness and availability of all data requested by Sproule and or otherwise furnished to Sproule during the course of our evaluation of the Company's assets, herein reported on.



April 17, 2015

Sproule Associates Limited
900, 140 – 4th Avenue SW
Calgary, AB T2P 3N3

Dear Sir:

Regarding the review of our Company's oil and gas resources (the "Resource Review") for the year ended December 31, 2014 (the "Effective Date"), we herein confirm, to the best of our knowledge and belief after due inquiry, as of the Effective Date and, as applicable, as of today, the following representations and information made available to you during the conduct of the Resource Review:

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, where applicable, the following:

- accounting, financial, tax, and contractual data;
- asset ownership and related encumbrance information;
- details concerning product marketing, transportation, and processing arrangements;
- all technical information including geological, engineering, and production and test data;
- estimates of future abandonment costs.

2. 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.

3. 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 effect on the evaluation of our Company's reserves and future net revenues.

4. With the possible exception of items of an immaterial nature, we confirm the following as of the Effective Date:

- 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 such changes of which we have been made aware.
- 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.
- 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 are consistent with those that existed for the same well or entity immediately prior to this three-month period.
- 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.
- 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 inform you of such material changes prior to requesting your approval for any public disclosure of any reserves information.

Between the Effective Date and the date of this letter nothing has come to our attention that has materially affected or could materially affect our resources that has not been disclosed to you.

Yours very truly,

Petrolia

COMPANY



SIGNATURE

Karl McCollon

NAME

CFO

TITLE