



NATIONAL INSTRUMENT 51-101

STATEMENT OF RESERVE DATA  
AND OTHER OIL & GAS INFORMATION

DECEMBER 31, 2008

## SOLARA EXPLORATION LTD.

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

This statement of reserves data and other oil and gas information has been prepared on April 29<sup>th</sup> 2009 reflecting an effective date of December 31, 2008.

#### ABBREVIATIONS AND CONVERSIONS

In this document, the abbreviations set forth below have the following meanings:

M\$	thousands of dollars
API	American Petroleum Institute
ARTC	Alberta Royalty Tax Credit
Bbls	barrels
Boe	barrels of oil equivalent (2)
Boe/d	barrels of oil equivalent per day
Bbl	barrels of oil & NGLs
Bbl/d	barrels of oil & NGLs per day
BTU	British Thermal Unit
MBbls	thousand barrels
MBoe	thousand barrels of oil equivalent (2)
MMBTU	million British Thermal Units
Mcf	thousand cubic feet
Mcf/d	thousand cubic feet per day
MMcf	million cubic feet
MStb	thousand stock tank barrels
NGLs	natural gas liquids
WTI	West Texas Intermediate (3)

(1) " °API " or "degrees API" is an indication of the specific gravity of crude oil measured on the API gravity scale. Liquid petroleum with a specific gravity of 28° API or higher is generally referred to as light crude oil.

(2) Natural gas is equated to oil on the basis of 6 Mcf of natural gas = 1 barrel of oil equivalent (Boe). Boes may be misleading, particularly if used in isolation. A Boe conversion ratio of 6 Mcf per 1 Boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

(3) The reference price paid in US dollars at Cushing, Oklahoma for crude oil of standard grade.

## NOTES AND DEFINITIONS

The determination of oil and gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved, probable and possible reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery.

The estimation and classification of reserves requires the application of professional judgment combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions.

**“associated gas”** means the gas cap overlying a crude oil accumulation in a reservoir.

**“Boe”** means barrel of oil equivalent. In this report, natural gas is equated to oil on the basis of 6 Mcf of natural gas = 1 barrel of oil equivalent (Boe). Boe’s may be misleading, particularly if used in isolation. A Boe conversion ratio of 6 Mcf per 1 Boe is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

**“constant prices and costs”** means prices and costs used in an estimate that are:

(a) the Corporation’s prices and costs as at the effective date of the estimation, held constant throughout the estimated lives of the properties to which the estimate applies; and

(b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the Corporation is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a).

For the purpose of paragraph (a), the Corporation’s prices will be the posted price for oil and the spot price for gas, after historical adjustments for transportation, gravity and other factors.

**“Corporation” or “Solara”** means Solara Exploration Ltd.

**“crude oil” or “oil”** means a mixture that consists mainly of pentanes and heavier hydrocarbons, which may contain sulphur and other non-hydrocarbon compounds, that is recoverable at a well from an underground reservoir and that is liquid at the conditions under which its volume is measured or estimated. It does not include solution gas or natural gas liquids.

**“Developed Non-Producing”** reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

**“Developed Producing”** reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

**“development costs”** means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas from the reserves. More specifically, development costs, including applicable operating costs or support equipment and facilities and other costs of development activities, are costs incurred to:

- (a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves;
- (b) drill and equip development wells, development type stratigraphic test wells and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and the wellhead assembly;
- (c) acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and
- (d) provide improved recovery systems.

**“development well”** means a well drilled inside the established limits of an oil or gas reservoir, or in close proximity to the edge of the reservoir, to the depth of a stratigraphic horizon known to be productive.

**“exploration costs”** means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil and gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as “prospecting costs”) and after acquiring the property. Exploration costs, which include applicable operating Costs of support equipment and facilities and other costs of exploration activities, are:

- (a) Costs of topographical, geochemical, geological and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as “geological and geophysical costs”);
- (b) Costs of carrying and retiring unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defence and the maintenance of land and lease records;
- (c) dry hole contributions and bottom hole contributions;
- (d) costs of drilling and equipping exploratory wells; and
- (e) costs of drilling exploratory type stratigraphic test wells.

**“exploratory well”** means a well that is not a development well, a service well or a stratigraphic test well.

**“field”** means an area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field that are separated vertically by intervening impervious strata or laterally by local geologic barriers, or both. Reservoirs that are associated by being in overlapping or adjacent fields may be treated as a single or common operational field. The geological term “structural feature” and “stratigraphic condition” are intended to denote localized geological features, in contrast to broader terms such as “basin”, “trend”, “province”, “play” or “area of interest”.

**“future prices and costs”** means future prices and Costs that are:

- (a) generally accepted as being a reasonable outlook of the future; and
- (b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the Corporation issuer is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a).

**“future income tax expenses”** means future income tax expenses estimated (generally, year-by year):

- (a) making appropriate allocations of estimated unclaimed costs and losses carried forward for tax purposes, between oil and gas activities and other business activities;
- (b) without deducting estimated future costs (for example, Crown royalties) that are not deductible in computing taxable income;
- (c) taking into account estimated tax credits and allowances (for example, royalty tax credits); and
- (d) applying to the future pre-tax net revenues relating to the reporting issuer’s oil and gas activities the appropriate year-end statutory tax rates, taking into account future tax rates already legislated.

**“future net revenue”** means the estimated net amount to be received with respect to the development and production of reserves (including synthetic oil, coal bed methane and other non conventional reserves) estimated using constant prices and Costs or forecast prices and costs.

**“gross”** means:

- (a) in relation to the Corporation’s interest in production or reserves, its “M gross reserves”, which are its working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Corporation;
- (b) in relation to wells, the total number of wells in which the Corporation has an interest; and
- (c) in relation to properties, the total area of properties in which the Corporation has an interest.

**“natural gas”** means the lighter hydrocarbons and associated non-hydrocarbon substances occurring naturally in an underground reservoir, which under atmospheric conditions are essentially gases but which may contain natural gas liquids. Natural gas can exist in a reservoir either dissolved in crude oil (solution gas) or in a gaseous phase (associated gas or non-associated gas). Non-hydrocarbon substances may include hydrogen sulphide, carbon dioxide and nitrogen.

**“natural gas liquids”** means those hydrocarbon components that can be recovered from natural gas as liquids including, but not limited to, ethane, propane, butanes, pentanes plus, condensate and small quantities of non- hydrocarbons.

**“net”** means:

- (a) in relation to the Corporation’s interest in production or reserves its working interest (operating or non-operating) share after deduction of royalty obligations, plus its royalty interest in production or reserves;
- (b) in relation to the Corporation’s interest in wells, the number of wells obtained by aggregating the Corporation’s working interest in each of its gross wells; and
- (c) in relation to the Corporation’s interest in a property, the total area in which the Corporation has an interest multiplied by the working interest owned by the Corporation.

**“non-associated gas”** means an accumulation of natural gas in a reservoir where there is no crude oil.

**“operating costs”** or **“production costs”** means costs incurred to operate and maintain wells and related equipment and facilities, including applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities.

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

**"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.

**"production"** means recovering, gathering, treating, field or plant processing (e.g., processing gas to extract natural gas liquids) and field storage of oil and gas.

**"property"** includes:

(a) fee ownership or a lease, concession, agreement, permit, license or other interest representing the right to extract oil or gas subject to such terms as may be imposed by the conveyance of that interest;

(b) royalty interest, production payments payable in oil or gas, and other non-operating interests in properties operated by others; and

(c) an agreement with a foreign government or authority under which a reporting issuer participates in the operating of properties or otherwise serves as "producer" of the underlying reserves (in contrast to being an independent purchaser, broker, dealer or importer).

A property does not include supply agreements, or contracts that represent a right to purchase, rather than extract, oil or gas.

**"property acquisition costs"** means costs incurred to acquire a property (directly by purchase or lease, or indirectly by acquiring another corporate entity with an interest in the property), including:

(a) costs of lease bonuses and options to purchase or lease a property;

(b) the portion of the costs applicable to hydrocarbons when land, including rights to hydrocarbons, is purchased in fee; (c) brokers' fees, recording and registration fees, legal costs and other costs incurred in acquiring properties.

**"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.

**"proved property"** means a property or part of a property to which reserves have been specifically attributed.

**"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 (a) analysis of drilling, geological, geophysical, and engineering data; (b) the use of established technology; and (c) 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.

**"reservoir"** means a porous and permeable underground formation containing a natural accumulation of producible oil or gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.

**“service well”** means a well drilled or completed for the purpose of supporting production in an existing field. Wells in this class are drilled for the following specific purposes: gas injection (natural gas, propane, butane or flue gas), water injection, steam injection, air injection, salt-water disposal, water supply for injection, observation, or injection for combustion.

**“solution gas”** means natural gas dissolved in crude oil.

**“stratigraphic test well”** means a drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Ordinarily, such wells are drilled without the intention of being completed for hydrocarbon production. They include wells for the purpose of core tests and all types of expendable holes related to hydrocarbon exploration. Stratigraphic test wells are classified as (a) “exploratory type” if not drilled into a proved property; or (b) “development type”, if drilled into a proved property. Development type stratigraphic wells are also referred to as “evaluation wells”.

**“support equipment and facilities”** means equipment and facilities used in oil and gas activities, including seismic equipment, drilling equipment, construction and grading equipment, vehicles, repair shops, warehouses, supply points, camps, and division, district or field offices.

**“Undeveloped”** reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to sub-divide the developed reserves for the pool between developed producing and developed non producing. This allocation should be based on the estimator’s assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

**“unproved property”** means a property or part of a property to which no reserves have been specifically attributed.

**“well abandonment costs”** means costs of abandoning a well (net of salvage value) and of disconnecting the well from the surface gathering system. They do not include costs of abandoning the gathering system or reclaiming the well site.

## **OIL AND NATURAL GAS RESERVES AND NET PRESENT VALUE OF FUTURE NET REVENUE**

In accordance with National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities, GLJ Petroleum Consultants (“GLJ”) prepared a report (the “GLJ Report”) dated March 26th, 2009. The GLJ Report evaluated, as at December 31, 2008, the Corporation’s oil, NGLs and natural gas reserves. The tables below are a summary of the oil, NGLs and natural gas reserves of the Corporation and the net present value of future net revenue attributable to such reserves as evaluated in the GLJ Report based on constant and forecast price and cost assumptions. The tables summarize the data contained in the GLJ Report and as a result may contain slightly different numbers than such report due to rounding. Also due to rounding, certain columns may not add exactly.

The net present value of future net revenue attributable to the Corporation’s reserves is stated without provision for interest costs and general administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures, and well abandonment costs for only those wells assigned reserves by GLJ.

The recovery and reserve estimates of the Corporation’s oil, NGLs and natural gas reserves provided herein are estimates only, prepared in accordance with National Instrument 51-101. The accuracy of any reserves and production estimate is a function of the quality and quantity of available data and of

engineering interpretation and judgment. While reserves and production estimates presented herein are considered reasonable, the estimates should be accepted with the understanding that reservoir performance subsequent to the date of the estimate may justify revision, either upward or downward.

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

The GLJ Report is based on certain factual data supplied by the Corporation and GLJ's opinion of reasonable practice in the industry. The extent and character of ownership and all factual data pertaining to the Corporation's petroleum properties and contracts (except for certain information residing in the public domain) were supplied by the Corporation to GLJ and accepted without further investigation. GLJ accepted this data as presented and neither title searches nor field inspections were conducted.

Solara Exploration Ltd. has retained GLJ Petroleum Consultants, to evaluate the Corporation's proved and probable oil and natural gas reserves. As stated above, GLJ has evaluated Solara's reserves ("the GLJ Report") in accordance with standards contained in the Canadian Oil and Gas Evaluation Handbook and National Instrument 51-101 - Standards Disclosure for Oil and Gas Activities ("NI 51-101"). This instrument adopted by the Canadian Securities Administrators sets out standards of disclosure for oil and gas activities and mandates the application of evaluation standards defined in the Society of Petroleum Evaluation Engineers, Canadian Oil and Gas Evaluation Handbook. The information that follows has been derived from the GLJ Report.

## **Reserves and Future Net Revenue**

The following is a summary of the oil and natural gas reserves and the value of future net revenue of Solara Exploration Ltd. ("Solara" or the "Corporation") as evaluated by GLJ Petroleum Consultants Ltd as at December 31, 2008 (the "GLJ Report"). The pricing used in the forecast is set forth in the notes to the tables.

**All evaluations of future revenue are after the deduction of future income tax expenses, unless otherwise noted in the tables, royalties, development costs, production costs and well abandonment costs but before consideration of indirect costs such as administrative, overhead and other miscellaneous expenses. The estimated future net revenue contained in the following tables does not necessarily represent the fair market value of the Corporation's reserves. There is not assurance that the forecast price and cost assumptions contained in the GLJ Report will be attained and variances could be material. Other assumptions and qualifications relating to costs and other matters are included in the GLJ Report. The recovery and reserves estimates on the Corporation's properties described herein are estimates only. The actual reserves on the Corporation's properties may be greater or less than those calculated. The Corporation has only Canadian Assets**

The pricing assumptions used in the GLJ December 31, 2008 escalated pricing and costs Report with respect to net values of future net revenue (forecast) as well as the inflation rates used for operating and capital costs are set forth below.

**OIL AND GAS RESERVES SUMMARY  
BASED ON FORECAST PRICES AND COSTS**

RESERVES SUMMARY	Light And Medium Oil		Heavy Oil		Natural Gas		Natural Gas Liquids		Total Oil Equivalent	
	Company Gross Mbbbl	Company Net Mbbbl	Company Gross Mbbbl	Company Net Mbbbl	Company Gross MMcf	Company Net MMcf	Company Gross Mbbbl	Company Net Mbbbl	Company Gross Mbbbl	Company Net Mbbbl
<b>Proved</b>										
Producing	74	69	192	188	1,430	1,273	11	10	516	479
Developed Nonproducing	0	0	15	15	862	750	1	1	159	140
Undeveloped	0	0	38	36	382	306	0	0	102	87
<b>Total Proved</b>	74	69	245	239	2,674	2,329	12	10	777	706
<b>Total Probable</b>	35	30	128	124	1,388	1,213	6	5	401	361
<b>Total Proved Plus Probable</b>	<b>109</b>	<b>98</b>	<b>373</b>	<b>363</b>	<b>4,062</b>	<b>3,541</b>	<b>19</b>	<b>16</b>	<b>1,178</b>	<b>1,067</b>

**NET PRESENT VALUES OF FUTURE NET REVENUE  
BASED ON FORECAST PRICES AND COSTS  
BEFORE INCOME TAXES DISCOUNTED AT (%/YEAR)**

NET PRESENT VALUE SUMMARY	0% M\$	5% M\$	10% M\$	15% M\$	20% M\$	10% \$/boe	10% \$/Mcfe
<b>Proved</b>							
Producing	16,319	13,651	11,763	10,362	9,282	24.56	4.09
Developed Nonproducing	4,028	3,264	2,697	2,265	1,930	19.24	3.21
Undeveloped	1,570	1,103	771	531	354	8.88	1.48
<b>Total Proved</b>	21,917	18,018	15,231	13,158	11,566	21.57	3.60
<b>Total Probable</b>	12,146	8,273	5,970	4,497	3,500	16.53	2.76
<b>Total Proved Plus Probable</b>	34,063	26,291	21,201	17,655	15,066	19.87	3.31

**NET PRESENT VALUES OF FUTURE NET REVENUE  
BASED ON FORECAST PRICES AND COSTS  
AFTER INCOME TAXES DISCOUNTED AT (%/YEAR)**

NET PRESENT VALUE SUMMARY	0% M\$	5% M\$	10% M\$	15% M\$	20% M\$
<b>Proved</b>					
Producing	15,183	12,737	11,012	9,734	8,750
Developed Nonproducing	2,973	2,383	1,948	1,619	1,365
Undeveloped	1,156	772	502	307	165
<b>Total Proved</b>	19,312	15,893	13,463	11,661	10,280
<b>Total Probable</b>	9,199	6,170	4,392	3,264	2,505
<b>Total Proved Plus Probable</b>	28,510	22,063	17,855	14,925	12,784

### TOTAL FUTURE NET REVENUE (UNDISCOUNTED)

TOTAL FUTURE NET REVENUE (UNDISCOUNTED)	Revenue M\$	Royalties M\$	Operating Costs M\$	Capital Development Costs M\$	Abandonment Costs M\$	Future Net Revenue Before Income Taxes M\$	Income Tax M\$	Future Net Revenue After Income Taxes M\$
<b>Proved</b>								
Producing	32,352	2,601	12,279	0	1,153	16,319	1,136	15,183
Developed Nonproducing	8,428	672	2,832	665	230	4,028	1,055	2,973
Undeveloped	5,446	630	1,705	1,405	136	1,570	415	1,156
<b>Total Proved</b>	<b>46,225</b>	<b>3,903</b>	<b>16,816</b>	<b>2,071</b>	<b>1,519</b>	<b>21,917</b>	<b>2,606</b>	<b>19,312</b>
<b>Total Probable</b>	<b>25,892</b>	<b>2,524</b>	<b>9,179</b>	<b>1,748</b>	<b>294</b>	<b>12,146</b>	<b>2,948</b>	<b>9,199</b>
<b>Total Proved Plus Probable</b>	<b>72,117</b>	<b>6,427</b>	<b>25,994</b>	<b>3,819</b>	<b>1,814</b>	<b>34,063</b>	<b>5,553</b>	<b>28,510</b>

FUTURE NET REVENUE BEFORE INCOME TAXES <sup>(3)</sup>				
		Discounted at 10%/yr		
		M\$	\$/BOE	\$/MCF
<b>Proved Producing</b>				
	Light & Medium Oil <sup>(1)</sup>	978	35.34	5.89
	Heavy Oil <sup>(1)</sup>	6,641	28.48	4.75
	Natural Gas <sup>(2)</sup>	4,143	18.99	3.17
<b>Total: Proved Producing</b>		<b>11,763</b>	<b>24.56</b>	<b>4.09</b>
<b>Total Proved</b>				
	Light & Medium Oil <sup>(1)</sup>	978	35.34	5.89
	Heavy Oil <sup>(1)</sup>	8,141	26.53	4.42
	Natural Gas <sup>(2)</sup>	6,112	16.45	2.74
<b>Total: Total Proved</b>		<b>15,231</b>	<b>21.57</b>	<b>3.60</b>
<b>Total Proved Plus Probable</b>				
	Light & Medium Oil <sup>(1)</sup>	1,580	31.49	5.25
	Heavy Oil <sup>(1)</sup>	10,797	23.85	3.98
	Natural Gas <sup>(2)</sup>	8,824	15.64	2.61
<b>Total: Total Proved Plus Probable</b>		<b>21,201</b>	<b>19.87</b>	<b>3.31</b>
<b>Comments</b>				
1. Incl. Solution gas and other by-products				
2. Incl. by-products but excluding solution gas				
3. Unit values are based on company net reserves				

The following table sets forth a reconciliation of the changes in the Corporation's light and medium crude oil and associated and non-associated gas (combined) reserves as at December 31, 2008 based on the forecast price and cost assumptions set forth on the following page:

**RECONCILIATION OF COMPANY GROSS  
RESERVES BY PRINCIPAL PRODUCT TYPE  
BASED ON FORECAST PRICES AND COSTS**

	Total Oil			Light and Medium Oil			Heavy Oil			Natural Gas Liquids		
	Proved (Mbbbl)	Probable (Mbbbl)	Proved + Probable (Mbbbl)	Proved (Mbbbl)	Probable (Mbbbl)	Proved + Probable (Mbbbl)	Proved (Mbbbl)	Probable (Mbbbl)	Proved + Probable (Mbbbl)	Proved (Mbbbl)	Probable (Mbbbl)	Proved + Probable (Mbbbl)
December 31, 2007	230	83	313	37	29	65	193	54	247	22	11	33
Discoveries	0	0	0	0	0	0	0	0	0	0	0	0
Extensions*	30	7	37	0	0	0	30	7	37	0	0	0
Infill Drilling*	0	0	0	0	0	0	0	0	0	0	1	1
Improved Recovery*	0	0	0	0	0	0	0	0	0	1	(1)	0
Technical Revisions	21	(10)	11	46	5	51	(25)	(15)	(40)	(8)	(5)	(13)
Acquisitions	84	83	167	3	1	4	81	82	163	0	0	1
Dispositions	0	0	0	0	0	0	0	0	0	0	0	0
Economic Factors	0	0	0	0	0	0	0	0	0	0	0	0
Production	(45)	0	(45)	(12)	0	(12)	(33)	0	(33)	(3)	0	(3)
<b>31-Dec-08</b>	<b>319</b>	<b>163</b>	<b>482</b>	<b>74</b>	<b>35</b>	<b>109</b>	<b>245</b>	<b>128</b>	<b>374</b>	<b>12</b>	<b>6</b>	<b>19</b>

	Total Gas			Conventional Natural Gas			Coal Bed Methane			BOE		
	Proved (MMcf)	Probable (MMcf)	Proved + Probable (MMcf)	Proved (MMcf)	Probable (MMcf)	Proved + Probable (MMcf)	Proved (MMcf)	Probable (MMcf)	Proved + Probable (MMcf)	Proved (Mboe)	Probable (Mboe)	Proved + Probable (Mboe)
December 31, 2007	1,965	1,162	3,126	1,965	1,162	3,126	0	0	0	579	288	867
Discoveries	0	0	0	0	0	0	0	0	0	0	0	0
Extensions*	117	98	215	117	98	215	0	0	0	49	24	73
Infill Drilling*	0	147	147	0	147	147	0	0	0	0	26	26
Improved Recovery*	100	(71)	29	100	(71)	29	0	0	0	17	(12)	5
Technical Revisions	(468)	(375)	(843)	(468)	(375)	(843)	0	0	0	(64)	(80)	(144)
Acquisitions	1,330	427	1,757	1,330	427	1,757	0	0	0	306	155	461
Dispositions	0	0	0	0	0	0	0	0	0	0	0	0
Economic Factors	0	0	0	0	0	0	0	0	0	0	0	0
Production	(369)	0	(369)	(369)	0	(369)	0	0	0	(110)	0	(110)
<b>31-Dec-08</b>	<b>2,674</b>	<b>1,388</b>	<b>4,062</b>	<b>2,674</b>	<b>1,388</b>	<b>4,062</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>777</b>	<b>401</b>	<b>1,178</b>

*\*The above change categories correspond to standards set out in the Canadian Oil and Gas Evaluation Handbook. For reporting under NI 51-101, Reserves additions under Infill Drilling, Improved Recovery and Extensions should be combined and reported as "Extensions and Improved Recover".*

**NATURAL GAS AND SULPHUR  
FORECAST PRICING**

Year	NYMEX Futures Contract		Midwest Price @ Chicago	Alberta Plant Gate				
	Near Month Contract			Then Current \$US/mmbtu	Spot		ARP \$US/mmbtu	Aggregator \$US/mmbtu
	Constant	Then	Constant		Then			
	2009 \$ \$US/mmbtu	Current \$US/mmbtu	2009 \$ \$US/mmbtu		Current \$US/mmbtu			
<b>2009 Q1</b>	6.30	6.30	6.30	6.50	6.50	6.43	6.20	5.96
<b>2009 Q2</b>	7.05	7.05	7.05	7.40	7.40	7.32	7.06	6.83
<b>2009 Q3</b>	6.50	6.50	6.50	6.74	6.74	6.66	6.43	6.19
<b>2009 Q4</b>	8.15	8.15	8.15	8.72	8.72	8.62	8.32	8.10
<b>2009 Full Year</b>	7.00	7.00	7.00	7.34	7.34	7.26	7.00	6.77
<b>2010</b>	7.35	7.50	7.50	7.55	7.70	7.63	7.43	7.13
<b>2011</b>	7.69	8.00	8.10	7.78	8.10	8.03	7.81	7.58
<b>2012</b>	8.25	8.75	8.85	7.97	8.46	8.38	8.16	7.95
<b>2013</b>	8.50	9.20	9.30	8.04	8.70	8.62	8.39	8.19
<b>2014</b>	8.50	9.38	9.48	8.05	8.89	8.81	8.57	8.37
<b>2015</b>	8.50	9.57	9.67	8.07	9.09	9.00	8.76	8.56
<b>2016</b>	8.50	9.76	9.86	8.08	9.28	9.20	8.96	8.75
<b>2017</b>	8.50	9.96	10.06	8.10	9.49	9.40	9.15	8.95
<b>2018</b>	8.50	10.16	10.26	8.11	9.70	9.61	9.35	9.15
<b>2019+</b>	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	Escalate at 2.0 % per year		

Year	AECO/NIT Spot Then Current \$Cdn/mmbtu	Saskatchewan Plant Gate		British Columbia			Sulphur FOB Vancouver \$US/LT	Alberta Sulphur at Plant Gate \$Cdn/LT
		SaskEnergy \$US/mmbtu	Spot \$US/mmbtu	Sumas Spot \$US/mmbtu	Westcoast Station 2 \$US/mmbtu	Spot Plant Gate \$US/mmbtu		
<b>2009 Q1</b>	6.73	6.56	6.64	5.75	6.53	6.33	50.00	17.61
<b>2009 Q2</b>	7.64	7.45	7.55	6.50	7.44	7.23	50.00	17.61
<b>2009 Q3</b>	6.97	6.79	6.88	5.95	6.77	6.57	50.00	17.61
<b>2009 Q4</b>	8.97	8.75	8.88	7.60	8.77	8.56	50.00	17.61
<b>2009 Full Year</b>	7.58	7.39	7.49	6.45	7.38	7.17	50.00	17.61
<b>2010</b>	7.94	7.76	7.85	6.95	7.74	7.54	65.00	33.47
<b>2011</b>	8.34	8.16	8.25	7.45	8.14	7.94	75.00	42.71
<b>2012</b>	8.70	8.51	8.61	8.20	8.50	8.29	75.00	38.08
<b>2013</b>	8.95	8.75	8.86	8.65	8.75	8.54	75.00	35.95
<b>2014</b>	9.14	8.94	9.05	8.83	8.94	8.73	75.00	35.95
<b>2015</b>	9.34	9.13	9.25	9.02	9.14	8.92	75.00	35.95
<b>2016</b>	9.54	9.33	9.45	9.21	9.34	9.12	75.00	35.95
<b>2017</b>	9.75	9.53	9.66	9.41	9.55	9.33	75.00	35.95
<b>2018</b>	9.95	9.74	9.86	9.61	9.75	9.54	75.00	35.95
<b>2019+</b>	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr

**CRUDE OIL AND NATURAL GAS LIQUIDS  
FORECAST PRICING**

Year	Inflation %	Bank of Canada Average Noon Exchange Rate \$US/\$Cdn	NYMEX WTI Near Month Futures Contract		ICE BRENT Near Month Futures Contract	Light, Sweet Crude Oil (40 API, 0.3%S) at Edmonton	Bow River Stream Quality at Hardisty	Lloyd Blend Stream Quality
			Crude Oil at Cushing Oklahoma Constant 2009 \$ \$US/bbl	Then Current \$US/bbl	Crude Oil FOB North Sea Then Current \$US/bbl	Then Current \$Cdn/bbl	Then Current \$Cdn/bbl	Then Current \$Cdn/bbl
<b>2009 Q1</b>	2.0	0.825	50.00	50.00	48.50	59.52	43.15	41.96
<b>2009 Q2</b>	2.0	0.825	55.00	55.00	53.50	65.58	49.18	47.87
<b>2009 Q3</b>	2.0	0.825	60.00	60.00	58.50	71.64	55.16	53.73
<b>2009 Q4</b>	2.0	0.825	65.00	65.00	63.50	77.70	58.27	56.72
<b>2009 Full Year</b>	2.0	0.825	57.50	57.50	56.00	68.61	51.44	50.07
<b>2010</b>	2.0	0.850	66.67	68.00	66.50	78.94	59.21	57.63
<b>2011</b>	2.0	0.875	71.13	74.00	72.50	83.54	63.49	62.24
<b>2012</b>	2.0	0.925	80.10	85.00	83.50	90.92	69.10	67.73
<b>2013</b>	2.0	0.950	85.00	92.01	90.51	95.91	72.89	71.45
<b>2014</b>	2.0	0.950	85.00	93.85	92.35	97.84	74.36	72.89
<b>2015</b>	2.0	0.950	85.00	95.73	94.23	99.82	75.86	74.36
<b>2016</b>	2.0	0.950	85.00	97.64	96.14	101.83	77.39	75.87
<b>2017</b>	2.0	0.950	85.00	99.59	98.09	103.89	78.96	77.40
<b>2018</b>	2.0	0.950	85.00	101.59	100.09	105.99	80.55	78.96

Year	Inflation %	Bank of Canada Average Noon Exchange Rate \$US/\$Cdn	WCS Crude Oil Stream Quatily at Hardisty	Heavy Crude Oil Proxy (12 API) Then Current \$Cdn/bbl	Light Crude Oil (35 API, 1.2%S) at Cromer Then Current \$Cdn/bbl	Medium Crude Oil (29 API, 2.0%S) Then Current \$Cdn/bbl	Alberta Natural Gas Liquids (Then Current Dollars)			
			Then Current \$Cdn/bbl	Then Current \$Cdn/bbl	Then Current \$Cdn/bbl	Then Current \$Cdn/bbl	Spec Ethane \$Cdn/bbl	Edmonton Propane \$Cdn/bbl	Edmonton Butane \$Cdn/bbl	Edmonton Pentanes Plus \$Cdn/bbl
<b>2009 Q1</b>	2.0	0.825	42.36	35.33	54.16	51.18	22.62	37.49	45.23	60.71
<b>2009 Q2</b>	2.0	0.825	48.27	41.17	59.67	56.40	25.75	41.31	49.84	66.89
<b>2009 Q3</b>	2.0	0.825	54.13	46.92	65.19	61.61	23.46	45.13	54.44	73.07
<b>2009 Q4</b>	2.0	0.825	57.12	48.96	70.70	66.82	30.35	48.95	59.05	79.25
<b>2009 Full Year</b>	2.0	0.825	50.47	43.10	62.43	59.00	25.55	43.22	52.14	69.98
<b>2010</b>	2.0	0.850	58.03	49.76	72.63	68.68	26.80	49.73	61.57	80.52
<b>2011</b>	2.0	0.875	62.64	54.35	77.69	73.52	28.19	52.63	65.16	85.21
<b>2012</b>	2.0	0.925	68.13	59.23	84.55	80.01	29.43	57.28	70.92	92.74
<b>2013</b>	2.0	0.950	71.85	62.54	89.19	84.40	30.27	60.42	74.81	97.82
<b>2014</b>	2.0	0.950	73.29	63.82	90.99	86.10	30.94	61.64	76.32	99.80
<b>2015</b>	2.0	0.950	74.76	65.13	92.83	87.84	31.62	62.89	77.86	101.81
<b>2016</b>	2.0	0.950	76.27	66.46	94.70	89.61	32.31	64.15	79.43	103.87
<b>2017</b>	2.0	0.950	77.80	67.83	96.62	91.42	33.02	65.45	81.03	105.97
<b>2018</b>	2.0	0.950	79.36	69.22	98.57	93.27	33.74	66.77	82.67	108.10
<b>2019+</b>	2.0	0.950	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	Escalate at 2.0 % per year			

## UNDEVELOPED RESERVES

The following table sets forth the volumes of Proved and Probable Undeveloped Reserves that were attributed for each of the Corporation's product types for the most current year:

### TIMING OF INITIAL UNDEVELOPED RESERVES ASSIGNMENT

#### Proved Undeveloped Reserves

Light & Medium Oil Mbbl		Heavy Oil Mbbl		Natural Gas Mbbl		Natural Gas Liquids Mbbl		BOE's Mbbl	
Attributed this year	Current Total	Attributed this year	Current Total	Attributed this year	Current Total	Attributed this year	Current Total	Attributed this year	Current Total
0	0	38	38	382	382	0	0	102	102

#### Probable Undeveloped Reserves

Light & Medium Oil Mbbl		Heavy Oil Mbbl		Natural Gas Mbbl		Natural Gas Liquids Mbbl		BOE's Mbbl	
Attributed this year	Current Total	Attributed this year	Current Total	Attributed this year	Current Total	Attributed this year	Current Total	Attributed this year	Current Total
0	0	70	70	400	400	1	1	138	138

The following discussion generally describes the basis on which the Corporation attributes Proved and Probable Undeveloped Reserves and its plans for developing those Undeveloped Reserves.

#### Proved Undeveloped Reserves

Proved undeveloped reserves are generally those reserves related to wells that have been tested and not yet tied-in, wells drilled near the end of the fiscal year or wells further away for the Corporation's gathering systems. In addition, such reserves may relate to planned infill drilling locations.

#### Probable Undeveloped Reserves

Probable undeveloped reserves are generally those reserves tested or indicated by analogy to be productive, infill drilling locations and lands contiguous to production. Company plans to drill a 4 wells in 2009. 2 oil and 2 gas wells.

## COMPANY ANNUAL CAPITAL EXPENDITURES

Solara's internally generated net revenue will be used to fund the future development costs disclosed below.

(M\$)	Year												Totals			
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Sub	Remain	Total	10%
Proved Producing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Proved	958	1,091	21	0	0	0	0	0	0	0	0	0	2,071	0	2,071	1,876
Total Proved Plus Probable	1,763	1,470	411	0	0	0	84	0	0	0	79	0	3,808	11	3,819	3,355

## SIGNIFICANT FACTORS OR UNCERTAINTIES AFFECTING RESERVES DATA

The process of estimating 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 prices and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions. The Corporation's reserves are evaluated by GLJ Petroleum Consultants, an independent engineering firm.

As circumstances change and additional data become available, reserve estimates also change. Estimates 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.

## Oil and Gas Properties and Wells

The following table sets forth the number of wells in which the Corporation held a working interest as at December 31, 2008

	Gross Wells		Net Wells	
	Producing	Non Producing	Producing	Non Producing
Gas Wells	76	116	28.7	42
Oil Wells	38	16	18.4	5.5

## Costs Incurred

The following table summarizes the capital expenditures made by the Corporation on oil and natural gas properties for the year ended December 31<sup>st</sup>, 2008.

Property Acquisition Costs (M\$)		Exploration Costs (M\$)	Development Costs (M\$)
Proved Properties	Unproved Properties		
2,371	144	1,570	1,310.8

## Exploration and Development Activities

The following table sets forth the number of exploratory and development wells which the Corporation completed during its 2008 financial year.

	Exploratory Wells		Development Wells	
	Gross	Net	Gross	Net
Oil Wells	2.0	1.37	-	-
Gas Wells	-	-	2.0	0.68
Service Wells	-	-	-	-
Dry Holes	1	0.14	-	-
<b>Total Completed Wells</b>	<b>3</b>	<b>1.51</b>	<b>2</b>	<b>0.68</b>

## Properties with No Attributed Reserves

The Corporation currently holds properties with no attributed reserves other than disclosed in its reserve GLJ Report in the following areas (Hectares):

	Gross Developed	Net Developed	Gross Undeveloped	Net Undeveloped
Rainbow Lake	256	25.60	0	0
Rivercourse	1272	686	0	0
Phoenix/Ferrier	256	58	0	0
Boundary Lake	256	54	512	94
Alexander	0	0	256	256
Beaton	1280	100	0	0
Alsask	256	0	0	0
Barrhead	384	96	256	256
Belloy	128	26	896	179

Minihik	256	102	960	371
Chinchaga	128	13	2432	243
Crossfield	192	0	0	0
Crystal	256	90	0	0
Duvernay	0	0	256	256
Edson/Pine Ck	64	28	0	0
Highvale	256	102	0	0
Hudson	0	0	256	256
Islay	64	24	0	0
Judy Ck	256	215	0	0
Racosta	0	0	256	166
Strachan	0	0	512	0
Tomahawk	256	128	256	77
Wilson Ck	256	67	0	0

## Forward Contracts

Currently, other than contracts pertaining to land and office rental space and contracts that can be cancelled within 30 days the Corporation has Gas Purchase Contracts covering section 14-37-5W4 and section 2-19-20W4.

## COMPANY ANNUAL ABANDONMENT COSTS

	Year												Totals			
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Subtotal	Remainder	Total	10%
<b>Proved Producing</b>	91	79	20	33	134	86	185	66	199	73	34	1	1,001	152	1,153	625
<b>Total Proved</b>	91	79	28	33	154	103	199	66	230	106	122	22	1,233	286	1,519	767
<b>Total Proved Plus Probable</b>	91	26	55	27	34	113	154	80	193	101	53	160	1,085	728	1,814	734

The Corporation has, independent from the GLJ report, determined that the salvage value of the equipment used in the production of the wells should be sufficient to cover the expense of performing the surface reclamation of the well sites and abandonment of the wells not included in the report.

## Tax Horizon

The Corporation does not expect to be taxable in the immediately foreseeable future.

## Production Estimates

The following table sets forth the volume of production estimated for the 2009:

## SUMMARY OF FIRST YEAR PRODUCTION

2008 AVERAGE YEARLY PRODUCTION	Light and Medium Oil		Heavy Oil		Natural Gas		Natural Gas Liquids		Oil Equivalent	
	Company Gross	Company Net	Company Gross	Company Net	Company Gross	Company Net	Company Gross	Company Net	Company Gross	Company Net
	bbl/d	bbl/d	bbl/d	bbl/d	Mcf/d	Mcf/d	bbl/d	bbl/d	bbl/d	bbl/d
<b>Proved Producing</b>										
Sounding Lake	18	15	73	70	0	0	0	0	91	85
Other Properties	18	18	24	26	987	866	6	6	213	194
<b>Total: Proved Producing</b>	<b>36</b>	<b>33</b>	<b>97</b>	<b>96</b>	<b>987</b>	<b>866</b>	<b>6</b>	<b>6</b>	<b>304</b>	<b>280</b>
<b>Proved Developed Nonproducing</b>										
Sounding Lake	0	0	7	7	14	12	0	0	9	9
Other Properties	0	0	1	1	85	69	0	0	16	13
<b>Total: Proved Developed Nonproducing</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>8</b>	<b>99</b>	<b>81</b>	<b>0</b>	<b>0</b>	<b>24</b>	<b>22</b>
<b>Proved Undeveloped</b>										
Sounding Lake	0	0	0	0	0	0	0	0	0	0
Other Properties	0	0	11	10	0	0	0	0	11	10
<b>Total: Proved Undeveloped</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>10</b>
<b>Total Proved</b>										
Sounding Lake	18	15	80	77	14	12	0	0	100	94
Other Properties	18	18	36	37	1,072	935	7	6	239	217
<b>Total: Total Proved</b>	<b>36</b>	<b>33</b>	<b>116</b>	<b>114</b>	<b>1,086</b>	<b>947</b>	<b>7</b>	<b>6</b>	<b>339</b>	<b>311</b>
<b>Total Probable</b>										
Sounding Lake	0	0	1	1	0	0	0	0	2	2
Other Properties	0	0	9	8	157	137	1	0	36	32
<b>Total: Total Probable</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>10</b>	<b>157</b>	<b>137</b>	<b>1</b>	<b>0</b>	<b>38</b>	<b>34</b>
<b>Total Proved Plus Probable</b>										
Sounding Lake	18	15	81	78	14	12	0	0	101	96
Other Properties	19	19	45	45	1,229	1,072	7	6	275	249
<b>Total: Total Proved Plus Probable</b>	<b>37</b>	<b>34</b>	<b>126</b>	<b>124</b>	<b>1,243</b>	<b>1,085</b>	<b>7</b>	<b>6</b>	<b>377</b>	<b>345</b>

## SUMMARY OF FIRST YEAR RESERVES

RESERVES	Light and Medium Oil		Heavy Oil		Natural Gas		Natural Gas Liquids		Oil Equivalent	
	Company	Company	Company	Company	Company	Company	Company	Company	Company	Company
	Gross Mbbbl	Net Mbbbl	Gross Mbbbl	Net Mbbbl	Gross MMcf	Net MMcf	Gross Mbbbl	Net Mbbbl	Gross Mbbbl	Net Mbbbl
<b>Proved Producing</b>										
Sounding Lake	44	38	151	145	0	0	0	0	194	183
Other Properties	30	30	42	44	1,430	1,273	11	10	322	296
<b>Total: Proved Producing</b>	<b>74</b>	<b>69</b>	<b>192</b>	<b>188</b>	<b>1,430</b>	<b>1,273</b>	<b>11</b>	<b>10</b>	<b>516</b>	<b>479</b>
<b>Proved Developed Nonproducing</b>										
Sounding Lake	0	0	13	13	153	138	0	0	38	36
Other Properties	0	0	2	2	710	612	1	1	121	105
<b>Total: Proved Developed Nonproducing</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>15</b>	<b>862</b>	<b>750</b>	<b>1</b>	<b>1</b>	<b>159</b>	<b>140</b>
<b>Proved Undeveloped</b>										
Sounding Lake	0	0	0	0	0	0	0	0	0	0
Other Properties	0	0	38	36	382	306	0	0	102	87
<b>Total: Proved Undeveloped</b>	<b>0</b>	<b>0</b>	<b>38</b>	<b>36</b>	<b>382</b>	<b>306</b>	<b>0</b>	<b>0</b>	<b>102</b>	<b>87</b>
<b>Total Proved</b>										
Sounding Lake	44	38	163	157	153	138	0	0	232	219
Other Properties	30	30	82	82	2,521	2,190	12	10	545	487
<b>Total: Total Proved</b>	<b>74</b>	<b>69</b>	<b>245</b>	<b>239</b>	<b>2,674</b>	<b>2,329</b>	<b>12</b>	<b>10</b>	<b>777</b>	<b>706</b>
<b>Total Probable</b>										
Sounding Lake	9	7	44	43	83	77	0	0	67	63
Other Properties	26	22	84	81	1,304	1,136	6	5	334	298
<b>Total: Total Probable</b>	<b>35</b>	<b>30</b>	<b>128</b>	<b>124</b>	<b>1,388</b>	<b>1,213</b>	<b>6</b>	<b>5</b>	<b>401</b>	<b>361</b>
<b>Total Proved Plus Probable</b>										
Sounding Lake	52	46	207	200	236	215	0	0	299	281
Other Properties	56	52	166	163	3,826	3,327	19	16	878	786
<b>Total: Total Proved Plus Probable</b>	<b>109</b>	<b>98</b>	<b>373</b>	<b>363</b>	<b>4,062</b>	<b>3,541</b>	<b>19</b>	<b>16</b>	<b>1,178</b>	<b>1,067</b>

### Production History

The following table sets forth certain information in respect of production, product prices received royalties, production costs and netbacks received by the Corporation the periods ended December 31<sup>st</sup>, 2008.

	<b>Twelve Months Ended</b>	<b>Three Months Ended</b>	<b>Three Months Ended</b>	<b>Three Months Ended</b>
	<b>December 31, 2008</b>	<b>March 31, 2008</b>	<b>June 30, 2008</b>	<b>September 30, 2008</b>
<b>Average Daily Production</b>				
Oil (bbl/d)	133	132	140	131
(boe's)	133	132	140	131
Natural Gas (mcf/d)	1000	1340	996	1034
(boe's)	166	223	166	172
<b>Average Net Prices Received</b>				
(\$/boe)	64.32	58.29	82.57	64.67
<b>Royalties</b>				
(\$/boe)	5.01	5.86	2.91	6.15
<b>Production Costs</b>				
(\$/boe)	18.08	10.62	20.51	17.90
<b>Netback Received</b>				
(\$/boe)	41.42	41.87	59.15	40.62

## Areas

### 1) Sounding Lake ( Operated Oil and Gas)

Solara through farm in, acquisition and successfully bidding at Crown Land Sales has acquired and interest in 4.5 sections of mineral rights in the Sounding lake area. Currently Solara has an interest in 21 wells, 3 are abandoned, 4, are suspended, and 16 are producing. Working interests vary from 50 to 100%.

This property is expected to produce 91 BOEPD in 2009 on a proved and probable basis.

### 2) Majorville ( Operated and Non Operated Gas)

Through acquisition and drilling Solara has an interest in 9 wells in this area. Eight wells are producing. Working interest varies from 12.5 % to 75%. Six wells produce from the Belly River sands, one well produces from the Ostracod, one produces from the Medicine Hat sand and one from the Sunburst.

This property is expected to produce 31 BOEPD in 2009 on a proved and probable basis.

### 3) Gilby/Pembina ( Non operated Oil and Gas )

Through an acquisition and drilling Solara has interest in 6 wells. Five of these wells are currently producing. Working interest varies from 4.38% to 40%.

This property is expected to produce 9 BOEPD in 2009 on a proved and probable basis.

### 4) Viking/Kinsella ( Non operated Gas)

Through drilling Solara has an interest in 9 wells and 2 are abandoned wells. Seven wells are producing. There are no drilling prospects planned for this area in 2009.

This property is expected to produce 18 BOEPD in 2009 on a proved and probable basis.

### 5) Other Properties ( Operated and Non Operated)

Solara has significant interests in several other properties. Harmattan, Youngstown, Provost and Wildwood areas, to name a few, with several non-operated wells expected to produce 162 BOEPD.