FAIR SKY RESOURCES INC.

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION (Form NI 51-101F1)

This statement of reserves data and other oil and gas information has been prepared as at March 31, 2006

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 FAIR SKY RESOURCES INC. (the "Corporation") as evaluated by Chapman Petroleum Engineering Ltd. as at March 31, 2006 (the "Chapman Report"). The pricing used in the forecast and constant price evaluations 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 do not necessarily represent the fair market value of the Corporation's reserves. There is no assurance that the forecast price and cost assumptions contained in the Chapman Report will be attained and variances could be material. Other assumptions and qualifications relating to costs and other matters are included in the Chapman 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.

SUMMARY OF OIL AND GAS RESERVES BASED ON CONSTANT PRICES AND COSTS(9)

	Corporation Reserves (1)							
	Light and Medium Oil		Heavy Oil		Natural Gas		Natural Gas Liquids	
Reserves Category	Gross MSTB	Net MSTB	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbl	Net Mbbl
PROVED								
Developed Producing(2)(6)	19	18	0	0	1,653	1,248	17	11
Developed Non-Producing(2)(7)	0	0	0	0	1,022	836	0	0
Undeveloped(2)(8)	50	46	0	0	2,040	1,394	0	0
TOTAL PROVED(2)	**69**	**64**	**0**	**0**	**4,714**	**3,477**	**17**	**11**
PROBABLE(3)	230	209	0	0	10,725	8,081	12	8
TOTAL PROVED PLUS PROBABLE(2)(3)	**299**	**273**	**0**	**0**	**15,439**	**11,558**	**29**	**19**

SUMMARY OF NET PRESENT VALUES BASED ON CONSTANT PRICES AND COSTS(9)

	Net Present Values of Future Net Revenue					
	Before Income Tax Discounted at			After Income Tax Discounted at		
Reserves Category	0%/yr $M	10%/yr. $M	15%/yr. $M	0%/yr $M	10%/yr. $M	15%/yr. $M
PROVED						
Developed Producing(2)(6)	8,777	6,274	5,529	5,854	4,188	3,691
Developed Non-Producing(2)(7)	4,221	2,714	2,288	2,829	1,801	1,510
Undeveloped(2)(8)	9,591	5,453	4,373	6,443	3,589	2,838
TOTAL PROVED(2)	**22,589**	**14,441**	**12,190**	**15,125**	**9,578**	**8,039**
PROBABLE(3)	57,539	25,368	19,518	38,333	16,760	12,808
TOTAL PROVED PLUS PROBABLE(2)(3)	**80,127**	**39,809**	**31,708**	**53,458**	**26,337**	**20,847**

TOTAL FUTURE NET REVENUE (UNDISCOUNTED) BASED ON CONSTANT PRICES AND COSTS[9]

	Revenue ($M)	Royalties ($M)	Operating Costs ($M)	Development Costs ($M)	Abandonment and Reclamation Costs ($M)	Future Net Revenue Before Income Taxes ($M)	Income Taxes ($M)	Future Net Revenue After Income Taxes ($M)
Total Proved[2]	37,303	8,326	5,893	1,925	435	22,589	7,463	15,125
Total Proved Plus Probable[2][3]	125,964	26,472	19,371	4,990	840	80,127	26,669	53,458

FUTURE NET REVENUE BY PRODUCTION GROUP BASED ON CONSTANT PRICES AND COSTS[9]

Reserve Category	Production Group	Future Net Revenue Before Income Taxes (Discounted at 10%/Year) ($M)
Total Proved[2]	Light and Medium Oil (including solution gas and other by-products)	1,570
	Heavy Oil (including solution gas and other by-products)	0
	Natural Gas (including by-products but not solution gas)	11,547
Total Proved Plus Probable[2][3]	Light and Medium Oil (including solution gas and other by-products)	7,769
	Heavy Oil (including solution gas and other by-products)	0
	Natural Gas (including by-products but not solution gas)	28,855

SUMMARY OF OIL AND GAS RESERVES BASED ON FORECAST PRICES AND COSTS[9]

	Corporation Reserves							
	Light and Medium Oil		Heavy Oil		Natural Gas[1]		Natural Gas Liquids	
Reserves Category	Gross MSTB	Net MSTB	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbl	Net Mbbl
PROVED	17	17	0	0	1,653	1,307	17	11
Developed Producing[2][6]	0	0	0	0	1,022	863	0	0
Developed Non-Producing[2][7]	50	46	0	0	2,040	1,472	0	0
Undeveloped[2][8]	**67**	**63**	**0**	**0**	**4,714**	**3,642**	**17**	**11**
TOTAL PROVED[2]	230	209	0	0	10,725	8,466	12	8
TOTAL PROBABLE[2]	**297**	**271**	**0**	**0**	**15,439**	**12,108**	**29**	**19**
TOTAL PROVED PLUS PROBABLE[2][3]	0	0	0	0	1,022	863	0	0

SUMMARY OF NET PRESENT VALUES BASED ON FORECAST PRICES AND COSTS[9]

	Net Present Values of Future Net Revenue [1]									
	Before Income Tax Discounted at					After Income Tax Discounted at				
Reserves Category	0%/yr $M	5%/yr. $M	10%/yr. $M	15%/yr. $M	20%/yr. $M	0%/yr $M	5%/yr. $M	10%/yr. $M	15%/yr. $M	20%/yr. $M
PROVED										
Developed Producing[2][6]	10,570	8,839	7,643	6,775	6,116	7,044	5,894	5,098	4,519	4,080
Developed Non-Producing[2][7]	5,441	4,313	3,566	3,036	2,639	3,642	2,875	2,368	2,009	1,739
Undeveloped[2][8]	11,448	8,513	6,688	5,455	4,571	7,680	5,669	4,412	3,559	2,946
TOTAL PROVED[2]	**27,458**	**21,664**	**17,897**	**15,266**	**13,326**	**18,365**	**14,438**	**11,878**	**10,086**	**8,764**
PROBABLE[3]	68,367	41,875	29,899	23,176	18,876	45,509	27,798	19,758	15,228	12,321
TOTAL PROVED PLUS PROBABLE[2][3]	**95,825**	**63,539**	**47,796**	**38,441**	**32,202**	**63,874**	**42,236**	**31,636**	**25,314**	**21,085**

TOTAL FUTURE NET REVENUE
(UNDISCOUNTED)
BASED ON FORECAST PRICES AND COSTS[9]

	Revenue ($M)	Royalties ($M)	Operating Costs ($M)	Development Costs ($M)	Abandonment and Reclamation Costs ($M)	Future Net Revenue Before Income Taxes ($M)	Income Taxes ($M)	Future Net Revenue After Income Taxes ($M)
Total Proved[2]	42,972	8,616	6,361	1,926	509	27,458	9,093	18,365
Total Proved Plus Probable[2][3]	145,032	26,991	21,098	4,991	1,031	95,825	31,951	63,874

FUTURE NET REVENUE BY PRODUCTION GROUP
BASED ON FORECAST PRICES AND COSTS[9]

Reserve Category	Production Group	Future Net Revenue Before Income Taxes (Discounted at 10%/Year) ($M)
Total Proved[2]	Light and Medium Oil (including solution gas and other by-products)	1,154
	Heavy Oil (including solution gas and other by-products)	0
	Natural Gas (including by-products but not solution gas)	15,379
Total Proved Plus Probable[2][3]	Light and Medium Oil (including solution gas and other by-products)	6,188
	Heavy Oil (including solution gas and other by-products)	0
	Natural Gas (including by-products but not solution gas)	38,466

CRUDE OIL
CONSTANT PRICES & PRICE FORECASTS
April 1, 2006

Date		WTI [1] $US/STB	Alberta Par Price [2] $CDN/STB	Alberta Heavy [3] $CDN/STB	Sask. Light [4] $CDN/STB	Sask. Heavy [5] $CDN/STB	B.C. Light [6] $CDN/STB	ART Credits [7] Rate %	ART Credits [7] Max $M
HISTORICAL PRICES									
1994		17.16	22.27	18.19	20.76	19.16	21.12	70.08	n/a
1995		18.41	25.11	19.76	22.77	20.57	23.85	73.75	n/a
1996		21.98	29.39	25.09	28.41	26.07	27.99	72.82	n/a
1997		20.59	27.90	21.15	26.52	23.73	26.32	61.35	n/a
1998		14.46	20.39	14.68	19.31	17.01	19.38	69.32	n/a
1999		19.21	27.88	23.71	27.23	25.65	27.42	68.88	n/a
2000		30.39	44.90	34.51	43.37	40.12	n/a	25.85	n/a
2001		25.98	39.66	25.41	35.57	31.84	n/a	25.00	n/a
2002		26.09	40.63	32.20	37.67	34.57	n/a	25.00	n/a
2003		30.84	43.57	32.65	40.13	37.64	n/a	25.00	500
2004		41.48	52.89	37.52	48.96	45.74	n/a	25.00	500
2005		56.62	69.16	43.25	62.04	56.53	n/a	25.00	500
2006 (3 months)		63.29	69.16	39.11	61.45	52.70	n/a	25.00	500
CONSTANT PRICES									
March 31, 2006	[8]	66.63	73.04	47.17	64.39	56.60	71.21	25.00	500
CURRENT YEAR FORECAST									
2006 (9 months)		63.00	72.76	45.84	65.84	60.41	70.94	25.00	500
FUTURE FORECAST									
2007		58.00	67.74	42.67	61.30	56.24	66.04	25.00	500
2008		56.00	65.38	41.19	59.17	54.29	63.75	25.00	500
2009		54.00	63.03	39.71	57.04	52.34	61.45	25.00	500
2010		52.00	60.68	38.23	54.91	50.38	59.16	25.00	500
2011		50.00	58.32	36.74	52.78	48.43	56.87	25.00	500
2012		50.75	59.21	37.30	53.58	49.16	57.73	25.00	500
2013		51.51	60.10	37.86	54.39	49.90	58.60	25.00	500
2014		52.28	61.01	38.44	55.21	50.66	59.49	25.00	500

2015	53.07	61.93	39.02	56.05	51.43	60.38	25.00	500
2016	53.86	62.87	39.61	56.90	52.20	61.30	25.00	500
2017	54.67	63.82	40.21	57.76	52.99	62.22	25.00	500
2018	55.49	64.78	40.81	58.63	53.79	63.17	25.00	500
2019	56.32	65.76	41.43	59.52	54.61	64.12	25.00	500
2020	57.17	66.76	42.06	60.42	55.43	65.09	25.00	500
2021	58.03	67.77	42.69	61.33	56.27	66.07	25.00	500
Constant thereafter								

Notes:

[1] West Texas Intermediate quality (D2/S2) crude landed in Cushing, Oklahoma.
[2] Equivalent price for Light Sweet Crude (D2/S2) landed in Edmonton, Alberta after exchange of .750 $US/$CDN and transportation differential of $1.00 CDN/STB.
[3] Bow River at Hardisty, Alberta (905 kg/m3, 2.1% sulphur).
[4] Light Sour Blend at Cromer, Saskatchewan (850 kg/m3, 1.2% sulphur).
[5] Midale at Cromer, Saskatchewan (880 kg/m3, 2.0% sulphur).
[6] B.C. Light at Taylor, British Columbia (825 kg/m3, 0.5% sulphur).
[7] ARTC rates are from www.revenue.gov.ab.ca/publications/tax_rebates/rates_surveys_tnotes/rtc.html.
[8] October 29, 2004 is the last business day of the month ending October 31, 2004.
[9] Capital expenditures and operating costs are escalated at 1.5% per year until 2019.

NATURAL GAS & BY-PRODUCTS
CONSTANT PRICES & PRICE FORECASTS
April 1, 2006

Date	GRP [1]		AECO Spot Gas [NIT]	Sask. Gas [2]	B.C. Gas [3]	Propane [4]	Butane [4]	Pentanes Plus [4]	NGL Mix [5]
	$/MMBTU	$/GJ	$/MMBTU	$/MMBTU	$/MMBTU	$/BBL	$/BBL	$/BBL	$/BBL
HISTORICAL PRICES									
1994	1.82	1.73	1.78	1.88	1.81	12.72	13.44	21.67	15.62
1995	1.31	1.24	1.08	1.35	1.29	14.38	13.97	24.11	17.18
1996	1.63	1.55	1.33	1.52	1.50	22.95	17.19	30.05	23.35
1997	1.97	1.87	1.67	1.84	1.80	17.73	19.07	30.90	22.08
1998	1.94	1.84	1.94	2.05	1.94	11.13	12.06	21.86	14.63
1999	2.48	2.35	2.82	2.83	2.51	15.93	18.01	27.73	20.09
2000	4.50	4.27	5.56	4.85	4.00	31.38	35.01	46.35	36.96
2001	5.78	5.48	5.44	5.48	6.12	31.27	30.27	44.98	35.08
2002	3.86	3.66	4.13	4.17	3.85	19.14	25.11	40.72	27.41
2003	6.45	6.11	7.03	6.47	6.45	28.85	32.15	44.23	34.46
2004	6.25	5.92	6.60	6.50	6.25	31.95	38.40	54.06	40.52
2005	8.13	7.71	8.82	8.38	8.13	38.03	46.31	69.32	49.90
2006 (3 mo est.)	8.51	8.07	7.50	8.76	8.51	37.56	54.33	77.64	54.61
CONSTANT PRICES									
March 31, 2006 [6]	7.50	7.10	6.67	7.75	7.50	38.31	52.46	79.49	54.91
CURRENT YEAR FORECAST									
2006 (9 months)	8.00	7.58	8.25	8.25	8.00	39.29	48.02	73.48	52.17
FUTURE FORECAST									
2007	8.51	8.06	8.86	8.76	8.51	36.58	44.71	68.41	48.57
2008	8.00	7.58	8.35	8.25	8.00	35.31	43.15	66.04	46.88
2009	7.50	7.11	7.85	7.75	7.50	34.04	41.60	63.66	45.19
2010	7.25	6.87	7.60	7.50	7.25	32.77	40.05	61.28	43.51
2011	7.00	6.64	7.35	7.25	7.00	31.49	38.49	58.91	41.82
2012	7.11	6.73	7.46	7.36	7.11	31.97	39.08	59.80	42.45
2013	7.21	6.84	7.56	7.46	7.21	32.45	39.67	60.70	43.09
2014	7.32	6.94	7.67	7.57	7.32	32.95	40.27	61.62	43.74
2015	7.43	7.04	7.78	7.68	7.43	33.44	40.88	62.55	44.41
2016	7.54	7.15	7.89	7.79	7.54	33.95	41.49	63.50	45.08
2017	7.65	7.26	8.00	7.90	7.65	34.46	42.12	64.46	45.76

2018	7.77	7.36	8.12	8.02	7.77	34.98	42.76	65.43	46.45
2019	7.89	7.47	8.24	8.14	7.89	35.51	43.40	66.42	47.15
2020	8.00	7.59	8.35	8.25	8.00	36.05	44.06	67.43	47.87
2021	8.12	7.70	8.47	8.37	8.12	36.59	44.73	68.44	48.59
Constant thereafter									

Notes:
[1] Gas Reference Price (GRP) represents the average of all system and direct (spot and firm) sales.
[2] Price paid at field delivery point.
[3] Price paid by CanWest net of raw gas gathering and processing charges but before deduction of field gathering and compression charges.
[4] Reference point is FOB Edmonton for fractionated product.
[5] Natural Gas Liquids blended mix price assuming typical liquid composition of 40% propane, 30% butane and 30% pentanes plus.
[6] October 29, 2004 is the last business day of the month ending October 31, 2004.
[7] Capital expenditures and operating costs are escalated at 1.5% per year until 2019.

Undeveloped Reserves

The Corporation had no proved or probable undeveloped reserves as at March 31, 2006.

Future Development Costs

FUTURE DEVELOPMENT COSTS

	Total Proved Estimated Using Constant Prices and Costs ($M)	**Total Proved Estimated Using Forecast Prices and Costs** ($M)	**Total Proved Plus Probable Estimated Using Forecast Prices and Costs** ($M)
2006	1,893	1,893	4,958
2007	-	-	-
2008	32	33	33
2009	-	-	-
2010	-	-	-
Total for all years undiscounted	1,925	1,926	4,991
Total for all years discounted at 10%/year	-	-	-

No future development costs are anticipated for the area.

Significant Factors or Uncertainties

The estimation of reserves requires significant judgment and decisions based on available geological, geophysical, engineering and economic data. These estimates can change substantially as additional information from ongoing development activities and production performance becomes available and as economic and political conditions impact oil and gas prices and costs change.

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 March 31, 2006:

	Oil		Natural Gas	
	Gross[(1)]	**Net[(1)]**	**Gross[(1)]**	**Net[(1)]**
Producing	1	1	7	3.45
Non-producing	2	1.6	12	8.25

All of the Corporation's wells are located in the Alberta area.

Costs Incurred

The following table summarizes the capital expenditures made by the Corporation on oil and natural gas properties for the year ended March 31, 2006.

Property Acquisition Costs ($M)		**Exploration Costs ($M)**	**Development Costs ($M)**
Proved Properties	**Unproved Properties**		
$11.8M	-	$10.0M	$1.8M

Discussion

Exploration and Development Activities

The following table sets forth the number of exploratory and development wells which the Corporation completed during its 2006 financial year:

	Exploratory Wells		**Development Wells**	
	Gross[(1)]	**Net[(1)]**	**Gross[(1)]**	**Net[(1)]**
Oil Wells				
Gas Wells	1	0.6	3	1.38
Service Wells				
Dry Holes				
Total Completed Wells	1	0.6	3	1.38

Properties with No Attributed Reserves

The Corporation currently holds properties with no attributed reserves as per "Chapman April 01, 2006" report. These properties will be assigned values as expenditures are incurred through future exploration and development activities.

Forward Contracts

Currently, the Corporation has no forward contracts.

Abandonment and Reclamation Costs

The Chapman Report estimates abandonment and restorations costs of $840,000 for the 27 wells based on the AEUB data base.

Tax Horizon

The Corporation is currently in a taxable position and now and in the immediately foreseeable future.

Production Estimates

The following table sets forth the volume of net production estimated for 2006:

	Light and Medium Oil (Mbbl)	Natural Gas (MMscf)
Area	17.202	588

These values are net to Corporation's working interest after the deduction of royalties payable to others.

Production History

The following table sets forth certain information in respect of production, product prices received, royalties, production costs and netbacks received by the Company for each quarter of its most recently completed financial year:

	Three Months Ended June 30, 2005	Three Months Ended September 30, 2005	Three Months Ended December 31, 2005	Three Months Ended March 31, 2006
Average Daily Production				
Light and Medium Oil (Mbbl/d)	-	-	-	-
Natural Gas (MMscf/d)	-	-	-	-
Average Net Prices Received				
Light and Medium Oil ($/Mbbl)	-	-	-	-
Natural Gas ($/MMscf)	-	-	-	-
Royalties				
Light and Medium Oil ($/Mbbl)	-	-	-	-
Natural Gas ($/MMscf)	-	-	-	-
Production Costs				
Light and Medium Oil ($/Mbbl)	-	-	-	-
Natural Gas ($/MMscf)	-	-	-	-
Netback Received				
Light and Medium Oil ($/Mbbl)	-	-	-	-
Natural Gas ($/MMscf)	-	-	-	-

Note that the production of the Corporation has primarily come on stream in the last 3 months, and accordingly no meaningful values are available.