

GUARDIAN EXPLORATION INC.

**FORM 51-101F1
STATEMENT OF RESERVES DATA
AND OTHER OIL AND GAS INFORMATION
AS AT DECEMBER 31, 2008**

APRIL 28, 2009

TABLE OF CONTENTS

ABBREVIATIONS AND CONVERSIONS	1
NOTES AND DEFINITIONS	2
OIL AND NATURAL GAS RESERVES AND	8
NET PRESENT VALUE OF FUTURE NET REVENUE	8
Summary of Oil and Gas Reserves - Forecasted Prices and Costs.....	8
Pricing Assumptions – Forecast Prices and Costs.....	11
Reconciliation of Changes in Reserves	11
UNDEVELOPED RESERVES	12
Proved Undeveloped Reserves.....	12
Probable Undeveloped Reserves.....	12
Development	13
SIGNIFICANT INFORMATION RELATING TO RESERVES DATA	13
FUTURE DEVELOPMENT COSTS	14
OIL AND GAS PROPERTIES	14
Kotcho, British Columbia	14
Cutbank, Montana	14
Girouxville, Alberta	14
OIL AND GAS WELLS	15
PROPERTIES WITH NO ATTRIBUTED RESERVES	15
DRILLING ACTIVITY	15
ADDITIONAL INFORMATION CONCERNING ABANDONMENT AND RECLAMATION COSTS.....	16
TAX HORIZON.....	16
COSTS INCURRED.....	16
PRODUCTION ESTIMATES.....	16
PRODUCTION HISTORY	17
Average Daily Production Volume.....	17
Production Volume by Field.....	17

ABBREVIATIONS AND CONVERSIONS

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

Oil and Natural Gas Liquids

Bbl	barrel
Bbls	barrels
Mbbls	thousand barrels
Mstb	1,000 stock tank barrels
Bbls/d	barrels per day
BOPD	barrels of oil per day
NGLs	natural gas liquids
STB	standard tank barrels

Natural Gas

Mcf	thousand cubic feet
MMcf	million cubic feet
Mcf/day	thousand cubic feet per day
MMcf/d	million cubic feet per day

Other

ARTC	Alberta Royalty Tax Credit
BOE	barrel of oil equivalent on the basis of 1 BOE to 6 Mcf of natural gas. BOEs may be misleading, particularly if used in isolation. A BOE conversion ration of 1 BOE for 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.
BOE/d	barrel of oil equivalent per day
M3	cubic metres
MBOE	1,000 barrels of oil equivalent
\$000s	thousands of dollars
WTI	West Texas Intermediate, the reference price paid in U.S. 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.

“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 “Company” means Guardian Exploration Inc.

“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 terms “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 cash flows 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 “company 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 hydrocarbon 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.

“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 + probable reserves.

“production” means recovering, gathering, treating, field or plant processing (for example, 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, licence 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 wellsite.

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, Paddock Lindstrom & Associates (“Paddock”) prepared a report (“Paddock Report”) dated April 1, 2009. The Paddock Report evaluated, as at December 31, 2008, the Corporation’s Canadian oil, NGL and natural gas reserves. The Corporation’s US oil, NGL and natural gas reserves have not been evaluated. The tables below are a summary of the crude oil, NGL and natural gas reserves of the Corporation’s Canadian assets and the net present value of future net revenue attributable to such reserves as evaluated in the Paddock Report based forecast price and cost assumptions. The tables summarize the data contained in the Paddock 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 Paddock. It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to the Corporation’s reserves estimated by Paddock represent the fair market value of those reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recover and reserve estimates of the Corporation’s oil, NGL and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein.

The values shown for income taxes and future net revenue after income taxes were calculated on a stand-alone basis in the Paddock Report. The values shown may not be representative of future income tax obligations, applicable tax horizons or after tax valuation.

The Paddock Report is based on certain factual data supplied by the Corporation and Paddock’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 Paddock and accepted without further investigation. Paddock accepted this data as presented and neither title searches nor field inspections were conducted.

Summary of Oil and Gas Reserves - Forecasted Prices and Costs

Reserves Category	Gross Reserves			Net Reserves		
	Light and Medium Crude Oil	Natural Gas Liquids	Natural Gas	Light and Medium Crude Oil	Liquids	Natural Gas
	MStb	MStb	MMcf	MStb	MStb	MMcf
Proved						
Developed Producing	92.8	0	37.4	58.6	0	27.3
Developed Non-Producing	0	0	257.4	0	0	169.4
Undeveloped	0	0	0	0	0	0
Total Proved	92.8	0	294.7	58.6	0	196.7
Probable	33.6	0	81.5	21.9	0	55.6
Total Proved plus Probable	126.4	0	376.2	80.5	0	252.3

Summary Net Present Values of Future Net Revenue – Forecasted Price and Costs

	Net Present Value of Future Net Revenue Before Income Taxes and Discounted at				
	0%	5%	10%	15%	20%
	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)
Proved					
Developed Producing	2,486.0	2,369.7	2,267.5	2,177.0	2,096.5
Developed Non-Producing	581.8	496.9	428.9	373.9	328.8
Undeveloped	0	0	0	0	0
Total Proved	3,067.7	2,866.5	2,696.4	2,550.9	2,425.2
Probable	1,214.6	1,058.4	934.8	835.4	754.1
Total Proved Plus Probable	4,282.3	3,924.9	3,631.3	3,386.3	3,179.3

	Net Present Value of Future Net Revenue After Income Taxes and Discounted at				
	0%	5%	10%	15%	20%
	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)
Proved					
Developed Producing	2,486.0	2,369.7	2,267.5	2,177.0	2,096.5
Developed Non-Producing	581.8	496.9	428.9	373.9	328.8
Undeveloped	0	0	0	0	0
Total Proved	3,067.7	2,866.5	2,696.4	2,550.9	2,425.2
Probable	1,214.6	1,058.4	934.8	835.4	754.1
Total Proved Plus Probable	4,282.3	3,924.9	3,631.3	3,386.3	3,179.3

Net Present Value of Future Net Revenue – Per Unit Values

	Unit Value of Net Reserves by Production Group Discounted at 10% per Year			
	Light and Medium Oil	Heavy Oil	Natural Gas	Coalbed Methane
	\$/bbl	\$/bbl	\$/Mcf	\$/Mcf
Proved				
Developed Producing	39.20	0	0	0
Developed Non-Producing	0	0	2.53	0
Undeveloped	0	0	0	0
Total Proved	39.21	0	2.03	0
Probable	37.86	0	1.90	0
Total Proved Plus Probable	38.84	0	2.00	0

Note: Unit values are based on net reserve volumes

Additional Information Concerning Future Net Revenue –Undiscounted

	Revenue	Royalties	Operating Costs	Well Abandonment Costs	Future Net Revenue Before and After Income Taxes
	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)
Proved Developed Producing	7,225.0	2,592.8	2,026.6	149.7	2,486.0
Proved Developed Non-Producing	1,864.1	554.1	705.4	22.8	581.8
Proved Undeveloped	0	0	0	0	0
Total Proved Reserves	9,119.2	3,146.9	2,732.1	172.5	3,067.7
Probable	3,547.1	1,165.3	1,163.3	3.4	1,214.6
Total Proved plus Probable	12,666.3	4,312.2	3,895.9	175.9	4,282.3

Net Present Value of Future Net Revenue by Production Group

	Future Net Revenue Before Income Taxes and Discounted at 10%
	(M\$)
Total Proved	
Light and Medium Crude Oil ⁽¹⁾	2,297.8
Heavy Oil ⁽¹⁾	0
Associated and Non-Associated Gas ⁽²⁾	398.6
Coalbed Methane	0
Other Revenue	0
Total	2,696.4
Total Proved plus Probable	
Light and Medium Crude Oil ⁽¹⁾	3,126.8
Heavy Oil ⁽¹⁾	0
Associated and Non-Associated Gas ⁽²⁾	504.4
Coalbed Methane	0
Other Revenue	0
Total	3,631.3

Notes:

- (1) Including solution gas and other by-products.
- (2) Including by-products, but excluding solution gas from oil wells.

Pricing Assumptions – Forecast Prices and Costs

Paddock Lindstrom employed the following pricing, exchange rate and inflation rate assumptions as of December 31, 2008 in the Paddock Report in estimating the Corporation's reserves data using forecast prices and costs.

Year	Oil			Natural Gas		BC Canwest Wellhead	CAN/US Exchange Rate (\$US/\$Cdn)
	WTI at Cushing (\$US/bbl)	Edmonton Par Price 40 API (\$Cdn/bbl)	Cromer Medium 29 API (\$Cdn/bbl)	Natural Gas AECO Gas Prices (\$Cdn/MMbtu)	Natural Gas BC Station 2 (\$Cdn/MMbtu)		
2009	60.00	70.18	65.27	7.24	7.04	6.54	0.84
2010	67.50	77.21	71.81	7.90	7.70	7.20	0.86
2011	75.00	83.93	78.05	8.26	8.06	7.56	0.88
2012	82.50	90.34	84.02	8.60	8.40	7.90	0.90
2013	90.00	98.65	91.74	9.13	8.93	8.43	0.90
Thereafter	Various Escalation Rates						

The weighted average realized sales prices for the Corporation's Canadian oil and natural gas sales for the year ended December 31, 2008 was \$100.76/bbl for oil and \$7.57/Mcf for natural gas.

Reconciliation of Changes in Reserves

The following table sets forth a reconciliation of Guardian's gross reserves as at December 31, 2008, derived from the Paddock Report using the forecasted prices and cost estimates, reconciled to the gross reserves of Guardian' as at December 31, 2007.

	Light and Medium Crude Oil			Heavy Oil		
	WI Proved Reserves	WI Probable Reserves	WI Proved Plus Probable	WI Proved Reserves	WI Probable Reserves	WI Proved Plus Probable
	Mbbls	Mbbls	Mbbls	Mbbls	Mbbls	Mbbls
December 31, 2007	40.1	13.4	53.4	0	0	0
Extensions	0	0	0	0	0	0
Drilling Additions	0	0	0	0	0	0
Improved Recovery	0	0	0	0	0	0
Technical Revisions	-26.7	-9.3	-36.0	0	0	0
Discoveries	122.9	29.6	152.5	0	0	0
Acquisitions	0	0	0	0	0	0
Dispositions	0	0	0	0	0	0
Economic Factors	0	0	0	0	0	0
Production	-43.5	0	0	0	0	0
December 31, 2008	92.8	33.6	126.4	0	0	0

	Associated & Non-Associated Gas			Coalbed Methane		
	WI Proved Reserves	WI Probable Reserves	WI Proved Plus Probable	WI Proved Reserves	WI Probable Reserves	WI Proved Plus Probable
	MMcf	MMcf	MMcf	MMcf	MMcf	MMcf
December 31, 2007	1,260.5	276.0	1,536.6	0	0	0
Extensions	0	0	0	0	0	0
Drilling Additions	0	0	0	0	0	0
Improved Recovery	0	0	0	0	0	0
Technical Revisions	-748.7	-194.6	-943.3	0	0	0
Discoveries	0	0	0	0	0	0
Acquisitions	0	0	0	0	0	0
Dispositions	0	0	0	0	0	0
Economic Factors	0	0	0	0	0	0
Production	-217.1	0	-217.1	0	0	0
December 31, 2008	294.7	81.5	376.2	0	0	0

UNDEVELOPED RESERVES

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

The proved undeveloped reserves in the Paddock Report are generally those reserves that can be estimated with a high degree of certainty to be recoverable from known accumulations where a significant expenditure is required to render them capable of production. Generally, these undeveloped reserves are 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 from gathering systems. In addition, such reserves may relate to planned infill drilling locations.

The following table sets forth the volumes of Company gross proved undeveloped reserves that were first attributed in each of the most three financial years:

	Light and Medium Oil	Heavy Oil	Associated & Non- Associated Gas	Coalbed Methane
	Mbbl	Mbbls	Mbbl	Mmcft
2008	-	-	-	-
2007	-	-	-	-
2006	-	-	-	-

Probable Undeveloped Reserves

Probable undeveloped reserves in the Paddock Report are generally those reserves tested or indicated by analogy to be productive, infill drilling locations and lands contiguous to production.

The following table sets forth the volumes of Company gross probable undeveloped reserves that were first attributed in each of the most three financial years:

	Light and Medium Oil	Heavy Oil	Associated & Non- Associated Gas	Coalbed Methane
	Mbbl	Mbbls	Mbbl	Mmcf
2008	-	-	-	-
2007	-	-	-	-
2006	-	-	-	-

Development

Due to the Company's current financial situation, the Company will be very selective in the development of its undeveloped and probable reserves over the next two years. Should the Company be successful in raising the necessary capital, the Company may more aggressively pursue the development of the undeveloped reserves. However, Guardian may choose to delay the development program depending on a number of circumstances, including the existence of higher priority expenditures, prevailing commodity prices and cash flows.

SIGNIFICANT INFORMATION RELATING TO 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 Paddock Lindstrom, 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.

FUTURE DEVELOPMENT COSTS

The table below sets out the development costs deducted in the Paddock Report in the estimation of future net revenue attributable to proved reserves using forecast prices and costs and proved plus probable reserves.

	Forecast Prices and Costs	
	Proved Reserves	Proved Plus Probable Reserves
	(M\$)	(M\$)
2009	0	0
2010	0	0
2011	0	0
2012	0	0
2013	0	0
Remaining Years	0	0
Total Undiscounted	0	0
Total Discounted at 10% per year	0	0

OIL AND GAS PROPERTIES

Girouxville, Alberta

The Girouxville property includes 3 gross (1.6 net) oil wells. During the year, the Company drilled and completed 2 gross (1.1 net) oil wells under the farm-in agreement with Breaker Energy Ltd. whereby the Company paid 80% of the drilling, completion and equipping costs to earn a 55% working interest in each of the resulting wells. These three wells have produced 43,520 barrels of oil sales, net to the Company, during the year.

Kotcho, British Columbia

The Kotcho property includes 3 gross (2.3 net) natural gas wells, one of which was shut-in throughout the year. During the year the Company purchased the remaining 35% of one well not already owned by the Company and constructed a gathering line to and installed a separator at a new third party processing facility so that the Kotcho field could be placed back on production. This was accomplished by March 2008 and two of the three wells began production in April 2008. These two wells produced 217,126 mcf of sales gas during the year. The third well remains shut-in pending the resolution of an appropriate pipeline fee arrangement with the 67.5% joint venture partner on the well.

Cutbank, Montana

The Cutbank area in Montana, United States, includes 12 gross (12.0 net) producing oil wells and 15 gross (15.0 net) non-producing oil wells. During 2008, the Company did not perform any drilling activities on the Cutbank properties, but did undertake various productivity enhancement initiatives. These 12 wells collectively produced 11,930 barrels of oil sales during the year.

OIL AND GAS WELLS

The following table summarizes the Corporation's interest as at December 31, 2008 in wells that are producing and non-producing.

	Oil		Producing Wells Natural Gas		Coal Bed Methane	
	Gross	Net	Gross	Net	Gross	Net
Kotcho	0	0	2	2	0	0
Girouxville	3	1.6	0	0	0	0
Montana	12	12	0	0	0	0
Total	15	13.6	2	2	0	0

	Oil		Non-Producing Wells Natural Gas		Coal Bed Methane	
	Gross	Net	Gross	Net	Gross	Net
Kotcho	0	0	1.0	0.3	0	0
Girouxville	0	0	0	0	0	0
Muskwa	0	0	1.0	1.0	0	0
Anatole	1.0	0.2	0	0	0	0
Cherry	0	0	1.0	0.3	0	0
Ronalane	10.0	7.5	0	0	0	0
Montana	0	0	15.0	15.0	0	0
Total	12.0	8.2	18.0	16.6	0	0

PROPERTIES WITH NO ATTRIBUTED RESERVES

The following table summarizes the gross and net acres of unproved properties in which the Corporation has an interest and also the number of net acres for which the Corporation's rights to explore, develop and exploit will, absent further action, expire within one year.

	Gross Acres	Net Acres	Net Acres Expiring Within One Year
BC			
Gunnel	1,920	1,920	0
Total	1,920	1,920	0

DRILLING ACTIVITY

The following table summarizes the Corporation's drilling result for the year ended December 31, 2008.

	2008	
	Gross	Net
Oil	2.0	1.1
Natural Gas	0	0
Coalbed methane	0	0
Dry & Abandoned	0	0
Total	2.0	1.1

ADDITIONAL INFORMATION CONCERNING ABANDONMENT AND RECLAMATION COSTS

The Corporation estimates well abandonment costs stereotypically area by area. Such costs are included in the Paddock Report as deductions in arriving at future net revenue. The expected total abandonment costs included in the Paddock Report for 5 gross wells (3.6 net wells) under the proved reserves category is \$173,000 undiscounted (\$132,000 discounted at 10%), of which a total of \$87,000 is estimated to be incurred over the next 3 years. The cost of ongoing abandonment and reclamation obligations is expected to be funded out of cash flow.

TAX HORIZON

The Corporation was not required to pay any cash income taxes during the year ended December 31, 2008. Based on existing reserves and tax pools, Guardian estimates it will not be required to pay current income taxes for the foreseeable future.

COSTS INCURRED

The following table summarizes the Corporation's property acquisition costs, exploration costs and development costs for the year ended December 31, 2008.

	Property Acquisition Costs			
	Proved Properties	Unproved Properties	Exploration Costs	Development Costs
Total	\$360,000	\$40,000	\$2,877,000	\$485,000

PRODUCTION ESTIMATES

The following table discloses for each product type the total volume of production estimated by Paddock Lindstrom for 2009 in the estimates of future net revenue from proved reserves previously disclosed under the heading "Oil and Natural Gas Reserves and Net Present Value of Future Net Revenue".

	Light and Medium Crude Oil (Bbls/d)	Natural Gas (Mcf/d)	Natural Gas Liquids (Bbls/d)	BOE (BOE/d)	%
Kotcho, BC	0	102	0	17	11
Girouxville, Alberta	139	0	0	139	89
Estimated Total Production	139	102	0	156	100

PRODUCTION HISTORY

The following table discloses, on a quarterly basis for the year ended December 31, 2008, the Corporation's share of average daily production volume, prior to royalties, and the prices received, royalties paid, production costs incurred and netbacks on a per unit of volume basis for each product type.

Average Daily Production Volume

	Three Months Ended				
	Mar. 31, 2008	June 30, 2008	Sept 30, 2008	Dec. 31, 2008	Total
Natural gas (Mcf/d)	0	432	318	1,622	593
Light and Medium Crude Oil (Bbl/d)	74	165	179	186	151
NGL (Bbl/d)	-	-	-	-	-
Total (BOE/d)	74	237	232	457	250

Production Volume by Field

The following table discloses for each important field, and in total, the Corporation's production volumes for the financial year ended December 31, 2008 for each product type.

Field	Light and Medium Crude Oil (Bbls/d)	Natural Gas (Mcf/d)	Natural Gas Liquids (Bbls/d)	BOE (BOE/d)	%
Kotcho, BC	0	593	0	99	40
Girouxville, Alberta	119	0	0	119	48
Cutbank, Montana	32	0	0	32	12
Total	151	593	0	250	100

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

Attention: Board of Directors of Guardian Exploration Inc. (the "Corporation")

1. We have evaluated the Corporation's reserves data (as defined in the Corporation's annual information form to which this report is attached) as at December 31, 2008. The reserves estimates of proved and proved plus probable oil and gas reserves and related value as at December 31, 2008 using forecast prices and costs.
2. The reserves data are the responsibility of the Corporation's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.
3. 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).
4. 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 in the COGE Handbook.
5. The following table sets forth the estimated future net revenue, before deduction of income taxes, attributed to proved plus probable additional reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Corporation evaluated by us for the year-ended December 31, 2008, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Corporation's board of directors:

Independent Qualified Reserves Evaluator or Auditor	Description and Preparation Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area)	Audited	Net Present Value of Future Net Revenue, (\$000 – before income taxes 10% discount rate)		
				Evaluated	Reviewed	Total
Paddock Lindstrom & Associates Ltd.	April 1, 2009	Canada	\$Nil	\$3,631.3	\$Nil	\$3,631.3

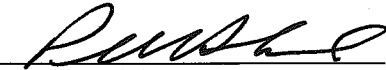
6. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
7. We have no responsibility to update our reports referred to in paragraph 5 above for events and circumstances occurring after their respective preparation dates.

8. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above.

Paddock Lindstrom & Associates Ltd.,
Calgary, Alberta, Canada

Execution April 21, 2009
Date:



Peter Hadala, P. Eng.
Vice-President

FORM 51-101F3
REPORT OF
MANAGEMENT AND DIRECTORS
ON OIL AND GAS DISCLOSURE

Report of Management and Directors
on Reserves Data and Other Information

Management of **Guardian Exploration Inc.** (the "Company") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data which are estimates of proved reserves and probable reserves and related future net revenue as at **December 31, 2008**, estimated using forecast prices and costs.

An independent qualified reserves evaluator has evaluated the Company's reserves data. The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The Technical Committee of the board of directors of the Company has:

- (a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and
- (c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The Technical Committee of the board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has, on the recommendation of the Technical Committee, approved:

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and
- (c) the content and filing of this report.

Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

signed "Graydon Kowal"
Graydon Kowal, President and CEO

signed "Gerry O'Reilly"
Gerry O'Reilly, Vice President Exploration

signed "Dennis Jonk"
Dennis Jonk, Director

signed "Scott Reeves"
Scott Reeves, Director

April 24, 2009