FORM 51-101 F1

Hermes Financial Inc.

STATEMENT OF RESERVES DATA AND OTHER OIL & GAS INFORMATION AS OF December 31, 2009

Prepared by AJM Petroleum Consultants

April 29, 2010

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PART 1 DATE OF STATEMENT

Date of Statement: **April 29, 2010**
Effective Date: **December 31, 2009 of corporate reserves work**
Preparation Date: **April 29, 2010**

Hermes Financial Inc. ("Hermes") oil and gas reserves were evaluated by AJM Petroleum Consultants ("AJM"), effective December 31, 2009. AJM was engaged by the Company to evaluate proved and proved plus probable reserves: no valuation of possible reserves or resources was undertaken. The AJM evaluation was prepared in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* and the *Canadian Oil and Gas Evaluation Handbook ("COGE Handbook").*

All of the Company's oil and gas reserves are located on-shore, in Canada.

The reserves on the properties described herein are estimates only. By nature, such forecasting of reserves and related economic parameters and analyses are forward-looking statements based on predictions of future events. Actual events or results may differ materially. Furthermore, the estimated future net revenue contained in the following tables does not necessarily represent the fair market value of the reserves.

In certain instances, numbers may not total due to computer-generated rounding.

PART 2 DISCLOSURE OF RESERVES DATA

Item 2.1 Reserves Data (Forecast Prices and Costs)

Item 2.1.1 Breakdown of Proved Reserves (Forecast Case)

Please refer to NI 51-101 Table 1 – Forecast – Summary of Oil and Gas Reserves in the Appendix.

Item 2.1.2 Net Present Value of Future Net Revenue (Forecast Case)

Please refer to NI 51-101 Table 2 – Forecast – Summary of Net Present Values of Future Net Revenue in the Appendix.

Item 2.1.3 Additional Information Concerning Future Net Revenue (Forecast Case)

Please refer to NI 51-101 Table 3 – Forecast – Total Future Net Revenue (Undiscounted), NI 51-101 Table 4 – Net Present Value of Future Net Revenue by Production Group, and Table 4A – Oil and Gas Reserves and NPV's by Production Group in the Appendix.

Item 2.2 Supplemental Disclosure of Reserves Data (Constant Prices and Costs)

Supplemental constant price estimates are not reported.

Item 2.3 Reserves Disclosure Varies with Accounting

The Company has no subsidiaries and is not a subsidiary of another company.

Item 2.4 Future Net Revenue Disclosure Varies with Accounting

The Company has no subsidiaries and is not a subsidiary of another company.

PART 3 PRICING ASSUMPTIONS

Item 3.1 Constant Prices Used in Estimates

Supplemental constant price estimates are not reported.

Item 3.2 Forecast Prices Used in Estimates

Forecast oil and gas prices are laid out in the AJM Petroleum Consultants Price Forecast December 31, 2009 Table (see Appendix). All prices are stated in Canadian dollars unless otherwise indicated. Adjustments for oil differential and gas heating values are applied to these prices, as appropriate for each entity. Capital and operating costs are inflated.

PART 4 RECONCILIATIONS OF CHANGES IN RESERVES

Item 4.1 Reserves Reconciliation

Please refer to Table 5 - Reserves Reconciliation Summary in the Appendix.

PART 5 ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Item 5.1 Undeveloped Reserves

There are no Proved or Probable Undeveloped reserves booked for 2009. This Company has not previously filed reserves, therefore there are no historical Proved or Probable Undeveloped reserves.

Item 5.2 Significant Factors or Uncertainties

Reserve estimates are subject to change with such factors as, updated production data, well performance and operational issues, ongoing development activities, price forecasts, and other economic conditions.

Item 5.3 Future Development Costs

Canada	Future Costs Net (M$)	
Year	Proved	Proved + Probable
2010	33	66
2011	0	0
2012	0	0
2013	0	0
2014	0	0
2015+	0	0
Total	33	66

Capital projects will be funded by public offering or private placements, and bank debt. Cost of funding will not impact project economics.

PART 6 OTHER OIL AND GAS INFORMATION

Item 6.1 Oil and Gas Properties and Wells

Item 6.1.1 Major Properties

Hermes Financial Inc.'s four major properties are as follows:

The Bellshill Lake property was acquired December 2009, and is located approximately 25 miles southwest of Lloydminster, Alberta in Township 41, Ranges 12 to 13 W4M. The property contains eight producing oil wells. Hermes holds a 43.74 to 87.5 percent working interest in these wells. Production from these wells is from the Dina, Ellerslie, and Winterburn Formations.

The Provost property was acquired December 2009, and is located approximately 90 miles south of Lloydminster, Alberta in Townships 32 to 33, Ranges 6 to 8 W4M. The property contains one producing gas well and one producing oil well. Hermes Energy Corp. ("Hermes") holds a 3.43 to 27.6 percent interest in these wells. Production from these wells is from the Ellerslie Formation.

The Sullivan Lake property was acquired December 2009, and is located approximately 80 miles east of Red Deer, Alberta in Townships 32 to 36, Ranges 14 to 17 W4M. The property contains three producing gas wells and one oil well. Hermes Financial Inc. ("Hermes") holds working interests ranging from 3.84 to 31.83 percent in these wells. Production from these wells is from the Viking, Mannville, Detrital, and Banff Formations.

The Valhalla property was acquired December 2009, and is located approximately 30 miles north of Grande Prairie, Alberta in Township 76, Range 7 W6M. The property contains two producing oil wells. Hermes Financial Inc. ("Hermes") holds working interests of 33.75 percent in these wells. Production from these wells is from the Doe Creek Formation.

All properties of Hermes Financial Inc. were evaluated by AJM.

Item 6.1.2 Gross and net oil and gas wells

	Oil				Gas				Total Gross	Total Net
	Producing		Non-Producing		Producing		Non-Producing			
	Gross	Net	Gross	Net	Gross	Net	Gross	Net		
Canada										
Alberta										
Bellshill Lake	8	4.8	2	1.3					10	6.1
Cessford					1	0.1	6	1.9	7	1.9
Provost	1	0.3	7	1.2	2	0.1	9	0.3	19	1.9
Sullivan Lake1	1	0.0			1	0.0			2	0.1
Sullivan Lake2					1	0.3	1	0.3	2	0.6
Sullivan Lake3					0	0.0			0	0.0
Valhalla			2	0.9					2	0.9
Alberta Total	**10**	**5.1**	**11**	**3.4**	**5**	**0.5**	**16**	**2.5**	**42**	**11.5**
Canada Total	**10**	**5.1**	**11**	**3.4**	**5**	**0.5**	**16**	**2.5**	**42**	**11.5**

Item 6.2 Properties with No Attributed Reserves

AJM evaluated all of Hermes properties and assigned reserves to each.

Item 6.3 Forward Contracts

There are no forward contracts applicable to any produced product.

Item 6.4 Additional Information Concerning Abandonment and Reclamation Costs

No. of Net Wells:				
Included in evaluation	11.5			
Not included in evaluation	0			
Gross cost of abandonment*	Canada	50-70 M$ CAN/well		
*costs as per AJM area averages				
	Proved		Proved plus Probable	
Forecast Abandonment Costs*	**Undiscounted**	**Discounted at 10%**	**Undiscounted**	**Discounted at 10%**
	M$	M$	M$	M$
Canada				
Next 3 fiscal years	261	33.2	196.5	175.9
Following Years	614.4	442.6	735.1	242.0
Total	875.4	475.8	931.6	417.9
***For wells included in the evaluation only**				

Item 6.5 Tax Horizon

The Company is currently not taxable. This is forecast to change in 2011.

Item 6.6 Costs Incurred

Hermes paid 1.7 MM$ to acquire assets in 2009. No exploration or development costs were incurred in 2009.

Item 6.7 Exploration and Development Activities

Hermes Financial Inc. did not drill any wells in 2009.

Item 6.8 Production Estimates

	Forecast Production W.I. Volume Jan 1 - Dec 31/09*	
	Proved	**Proved + Probable**
Bellshill Lake		
Oil & NGLs(Mstb)	11	11
Gas (MMcf)	1	1
Cessford		
Oil & NGLs(Mstb)	0	0
Gas (MMcf)	0	0
Provost		
Oil & NGLs(Mstb)	0	0
Gas (MMcf)	2	2
Sullivan Lake		
Oil & NGLs(Mstb)	0	0
Gas (MMcf)	12	13
Valhalla		
Oil & NGLs(Mstb)	1	1
Gas (MMcf)	0	0
Total		
Oil & NGLs(Mstb)	12	12
Gas (MMcf)	15	16

***No one property accounts for more than 20% of the company's forecasted production**

Item 6.9 Production History

Hermes only acquired these properties on December 18, 2009. The limited data available does not allow for a reasonable representation of the parameters suggested for this item.

RESERVE DEFINITIONS

Reserves are classified in accordance with the following definitions which meet the standards established by National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities and found in Appendix 1 to Companion Policy 51-101 CP, Part 2 Definition of Reserves.

Reserve Categories

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

- analysis of drilling, geological, geophysical and engineering data;
- the use of established technology; and
- specified economic conditions, which are generally accepted as being reasonable and are disclosed.

Reserves are classified according to the degree of certainty associated with the estimates:

Proved Reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

Probable Reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

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

Development and Production Status

Each of the reserves categories (proved, probable and possible) may be divided into developed and undeveloped categories:

Developed Reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

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.

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.

Undeveloped Reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, 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.

Appendix

NI 51-101 Table 1 – Forecast Case (Imperial and Metric) – Oil and Gas Reserves Summary
NI 51-101 Table 2 – Forecast Case – Summary of Net Present Values of Future Net Revenue – With Corporate Tax Pools
NI 51-101 Table 3 – Forecast Case – Total Future Net Revenue With Corporate Tax Pools
NI 51-101 Table 4 – Forecast Case – Net Present Value of Future Net Revenue by Production Group
NI 51-101 Table 4A – Forecast Case – Oil and Gas Reserves and NPVs by Production Group
AJM Petroleum Consultants 2009 12 31 Price Forecast
NI 51-101 Table 5 – Reconciliation of Company Gross Reserves by Principal Product Type
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NI 51-101 Table 1 - Forecast Case (Imperial)
Oil and Gas Reserves Summary

Category	Gross Light Oil	Net Light Oil	Gross Heavy Oil	Net Heavy Oil	Gross Bitumen	Net Bitumen	Gross Solution Gas	Net Solution Gas	Gross Gas	Net Gas	Gross CBM	Net CBM	Gross NGL	Net NGL	Gross Sulphur	Net Sulphur	Gross Boe	Net Boe
	Mstb	Mstb	Mstb	Mstb	Mstb	Mstb	MMcf	MMcf	MMcf	MMcf	MMcf	MMcf	Mstb	Mstb	Mlt	Mlt	MBoe	MBoe
PDP	9.0	8.4	54.0	48.9	0.0	0.0	5.0	4.2	41.6	36.0	0.0	0.0	0.5	0.4	0.0	0.0	71.3	64.5
PDNP	1.8	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.8	1.8
TP	10.8	10.2	54.0	48.9	0.0	0.0	5.0	4.2	41.6	36.0	0.0	0.0	0.5	0.4	0.0	0.0	73.1	66.2
PB	7.7	6.9	31.1	26.9	0.0	0.0	3.5	3.0	15.9	13.6	0.0	0.0	0.3	0.2	0.0	0.0	42.3	36.7
P+P	18.5	17.1	85.1	75.8	0.0	0.0	8.5	7.1	57.4	49.5	0.0	0.0	0.8	0.6	0.0	0.0	115.4	102.9

NI 51-101Table 1 - Forecast Case (Metric)
Oil and Gas Reserves Summary

Category	Gross Light Oil	Net Light Oil	Gross Heavy Oil	Net Heavy Oil	Gross Bitumen	Net Bitumen	Gross Solution Gas	Net Solution Gas	Gross Gas	Net Gas	Gross CBM	Net CBM	Gross NGL	Net NGL	Gross Sulphur	Net Sulphur	Gross Boe	Net Boe
	E3m3	E3m3	E3m3	E3m3	E3m3	E3m3	E6m3	E6m3	E6m3	E6m3	E6m3	E6m3	E3m3	E3m3	E3t	E3t	E3m3e	E3m3e
PDP	1.4	1.3	8.6	7.8	0.0	0.0	0.1	0.1	1.2	1.0	0.0	0.0	0.1	0.1	0.0	0.0	11.3	10.2
PDNP	0.3	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3
TP	1.7	1.6	8.6	7.8	0.0	0.0	0.1	0.1	1.2	1.0	0.0	0.0	0.1	0.1	0.0	0.0	11.6	10.5
PB	1.2	1.1	4.9	4.3	0.0	0.0	0.1	0.1	0.4	0.4	0.0	0.0	0.0	0.0	0.0	0.0	6.7	5.8
P+P	2.9	2.7	13.5	12.0	0.0	0.0	0.2	0.2	1.6	1.4	0.0	0.0	0.1	0.1	0.0	0.0	18.3	16.4

NI 51-101 Table 2 – Forecast Case
Summary of Net Present Values of Future Net Revenue
With Corporate Tax Pools

Description	5% (BTax) M$	10% (BTax) M$	12% (BTax) M$	15% (BTax) M$	20% (BTax) M$	5% (ATax) M$	10% (ATax) M$	12% (ATax) M$	15% (ATax) M$	20% (ATax) M$	10% (BTax) $/Boe
Proved Developed Producing	1,713.6	1,516.1	1,447.7	1,355.1	1,223.8	1,265.3	1,117.5	1,066.4	997.3	899.6	23.52
Proved Developed Non-Producing	28.9	22.6	20.5	17.6	13.5	18.9	13.1	11.2	8.7	5.2	12.82
Proved	1,742.5	1,538.7	1,468.2	1,372.7	1,237.2	1,284.2	1,130.5	1,077.5	1,006.0	904.8	23.24
Probable	1,458.5	1,031.5	909.0	761.1	583.1	1,092.5	772.3	680.5	569.6	436.1	28.10
Proved Plus Probable	3,201.0	2,570.2	2,377.2	2,133.8	1,820.3	2,376.8	1,902.9	1,758.0	1,575.6	1,340.9	24.97

NI 51-101 Table 3 – Forecast Case
Total Future Net Revenue – With Corporate Tax Pools

Reserve Category	Revenue	Royalties	Operating Costs	Development Costs	Well Abandonment Costs	Future Net Revenue BTax	Income Taxes	Future Net Revenue ATax
	M$	M$	M$	M$	M$	M$	M$	M$
PDP	5,301.2	503.7	1,936.8	32.8	875.4	1,952.5	204.9	1,747.6
PDNP	138.4	2.2	66.5	32.8	0.0	36.9	13.5	23.3
Proved	5,439.6	505.9	2,003.4	65.6	875.4	1,989.3	218.4	1,770.9
Probable	4,167.8	550.4	1,404.5	0.0	56.2	2,156.6	457.8	1,698.8
P+P	9,607.4	1,056.3	3,407.9	65.6	931.6	4,145.9	676.2	3,469.7

NI 51-101 Table 4 – Forecast Case
Net Present Value of Future Net Revenue by Production Group

Description	10%
	M$
PROVED	
Light and Medium Oil (Including solution gas and by-products)	123.7
Heavy Oil (Including ultra heavy, solution gas and by-products)	1,437.1
Associated and Non-Associated Gas (Including by-products)	-22.1
Total	1,538.7
PROVED PLUS PROBABLE	
Light and Medium Oil (Including solution gas and by-products)	336.1
Heavy Oil (Including ultra heavy, solution gas and by-products)	2,222.4
Associated and Non-Associated Gas (Including by-products)	11.7
Total	2,570.2

NI 51-101 Table 4A – Forecast Case
Oil and Gas Reserves and NPVs by Production Group

Description	Gross Oil Mstb	Net Oil Mstb	Gross Gas MMcf	Net Gas MMcf	Gross NGL Mstb	Net NGL Mstb	5% M$	10% M$	12% M$	15% M$	20% M$
LIGHT & MEDIUM OIL											
Proved Developed Producing	9.0	8.4	1.0	1.0	0.0	0.0	112.7	101.1	97.0	91.4	83.3
Proved Developed Non-Producing	1.8	1.8	0.0	0.0	0.0	0.0	28.9	22.6	20.5	17.6	13.5
Proved	10.8	10.2	1.0	1.0	0.0	0.0	141.6	123.7	117.5	109.0	96.7
Probable	7.7	6.9	1.0	0.9	0.0	0.0	289.2	212.4	190.5	164.1	131.8
Proved Plus Probable	18.5	17.1	2.0	1.9	0.0	0.0	430.8	336.1	308.0	273.0	228.6
HEAVY OIL											
Proved Developed Producing	54.0	48.9	4.0	3.2	0.3	0.3	1,636.2	1,437.1	1,368.2	1,275.3	1,144.0
Proved	54.0	48.9	4.0	3.2	0.3	0.3	1,636.2	1,437.1	1,368.2	1,275.3	1,144.0
Probable	31.1	26.9	2.5	2.0	0.2	0.2	1,124.2	785.4	687.7	569.8	428.2
Proved Plus Probable	85.1	75.8	6.5	5.3	0.5	0.4	2,760.8	2,222.4	2,055.9	1,845.1	1,572.2
ASSOCIATED AND NON-ASSOCIATED GAS											
Proved Developed Producing	0.0	0.0	41.6	36.0	0.2	0.1	-35.3	-22.1	-17.5	-11.6	-3.5
Proved	0.0	0.0	41.6	36.0	0.2	0.1	-35.3	-22.1	-17.5	-11.6	-3.5
Probable	0.0	0.0	15.9	13.6	0.1	0.1	45.2	33.7	30.7	27.2	23.0
Proved Plus Probable	0.0	0.0	57.4	49.5	0.3	0.2	9.9	11.7	13.2	15.7	19.5
TOTAL											
Proved Developed Producing	63.0	57.4	46.6	40.1	0.5	0.4	1,713.6	1,516.1	1,447.7	1,355.1	1,223.8
Proved Developed Non-Producing	1.8	1.8	0.0	0.0	0.0	0.0	28.9	22.6	20.5	17.6	13.5
Proved	64.8	59.1	46.6	40.1	0.5	0.4	1,742.5	1,538.7	1,468.2	1,372.7	1,237.2
Probable	38.8	33.7	19.4	16.5	0.3	0.2	1,458.5	1,031.5	909.0	761.1	583.1
Proved Plus Probable	103.5	92.9	66.0	56.7	0.8	0.6	3,201.0	2,570.2	2,377.2	2,133.8	1,820.3

AJM Petroleum Consultants

Canadian Domestic Price Forecast
Base Case Forecast Effective December 31, 2009

					Crude Oil Pricing							Natural Gas Liquids Pricing Edmonton Par Prices				Natural Gas Pricing									Sulphur
		Price Inflation Rate	Cost Inflation Rate	Cdn to US Exchange Rate	WTI at Cushing Oklahoma US$/bbl Real	WTI at Cushing Oklahoma US$/bbl Current	Edmonton City Gate Cdn$/bbl Real	Edmonton City Gate Cdn$/bbl Current	Med. Oil 29 Deg. API Cromer, Sk. Cdn$/bbl Current	Bow River 25 Deg. API Hardisty Cdn$/bbl Current	Heavy Oil 12 Deg. API Hardisty Cdn$/bbl Current	Ethane Cdn$/bbl Current	Propane Cdn$/bbl Current	Butane Cdn$/bbl Current	Pentanes + Condensate Cdn$/bbl Current	Alberta Reference Average Price Cdn$/mcf Current	Alberta AECO Average Price Cdn$/mcf Real	Alberta AECO Average Price Cdn$/mcf Current	Alberta System Plant Gate Sales Cdn$/mcf Current	Alberta Direct Plant Gate Sales Cdn$/mcf Current	B.C. Direct Stn. 2 Sales Cdn$/mcf Current	Sask. Direct Plant Gate Sales Cdn$/mcf Current	NYMEX US$/Mcf Real	NYMEX US$/Mcf Current	Alberta Plant Gate Cdn$/lt Current
H	1997	1.6%	1.6%	0.722	$26.48	$20.60	$35.97	$27.98	$23.71	$21.26	$14.35	n/a	$19.41	$19.02	$30.85	$1.87	$2.20	$1.71	$1.78	$1.69	$1.98	$1.74	$3.33	$2.59	$11.50
i	1998	0.7%	0.7%	0.675	$18.20	$14.38	$25.41	$20.08	$16.94	$14.63	$9.43	n/a	$11.97	$12.92	$22.35	$1.94	$2.62	$2.07	$1.90	$1.95	$2.00	$2.13	$2.67	$2.11	($6.51)
s	1999	1.8%	1.8%	0.648	$24.24	$19.29	$34.44	$27.41	$21.72	$20.29	$17.62	$8.09	$13.21	$14.39	$20.94	$2.48	$3.46	$2.75	$2.22	$2.50	$2.52	$2.61	$2.63	$2.10	$6.93
t	2000	2.6%	2.6%	0.674	$37.30	$30.22	$54.73	$44.33	$39.89	$34.46	$28.57	$14.10	$32.59	$36.51	$46.30	$4.51	$6.18	$5.01	$4.84	$4.86	$4.89	$5.05	$5.33	$4.32	$13.59
o	2001	2.5%	2.5%	0.646	$31.10	$25.87	$47.08	$39.17	$31.54	$25.12	$18.07	$17.20	$30.62	$30.49	$43.03	$5.39	$7.53	$6.27	$5.42	$6.11	$6.26	$6.10	$4.72	$3.93	($14.50)
r	2002	2.3%	2.3%	0.636	$30.59	$26.11	$47.24	$40.33	$35.52	$31.89	$27.63	$11.21	$20.92	$27.78	$41.22	$3.88	$4.77	$4.07	$3.85	$3.91	$3.93	$4.08	$3.93	$3.36	$12.74
i	2003	2.8%	2.8%	0.710	$35.51	$31.01	$49.82	$43.51	$37.47	$32.96	$27.35	$18.43	$32.31	$36.03	$45.18	$6.12	$7.67	$6.70	$6.11	$6.53	$6.32	$6.67	$6.27	$5.48	$40.99
c	2004	1.8%	1.8%	0.770	$46.14	$41.45	$58.95	$52.96	$45.76	$38.01	$30.44	$19.04	$35.20	$44.07	$55.49	$6.31	$7.32	$6.57	$6.32	$6.40	$6.44	$6.84	$6.96	$6.25	$40.82
a	2005	2.2%	2.2%	0.823	$61.86	$56.61	$75.75	$69.33	$57.39	$45.68	$33.77	$23.80	$43.23	$51.91	$74.67	$8.31	$9.60	$8.78	$8.56	$8.61	$8.13	$8.51	$9.74	$8.91	$40.99
l	2006	2.0%	2.0%	0.882	$70.56	$66.06	$78.34	$73.34	$62.42	$52.04	$39.68	$19.81	$44.11	$58.16	$78.19	$6.56	$6.99	$6.54	$6.63	$6.35	$6.45	$7.11	$7.21	$6.75	$19.51
	2007	2.1%	2.1%	0.921	$75.76	$72.38	$80.69	$77.09	$65.18	$53.86	$39.75	$18.41	$49.77	$59.40	$81.67	$6.20	$6.74	$6.44	$6.31	$6.22	$6.17	$6.54	$7.29	$6.97	$38.32
	2008	2.4%	2.4%	0.951	$102.00	$99.58	$105.33	$102.83	$93.26	$83.97	$73.17	$22.61	$56.94	$83.56	$109.80	$7.88	$8.37	$8.18	$8.13	$7.94	$8.09	$8.19	$9.09	$8.88	$304.51
	2009	0.4%	0.4%	0.874	$61.60	$61.60	$66.00	$66.00	$62.53	$59.72	$54.28	$11.63	$33.13	$55.69	$68.99	$3.87	$3.94	$3.94	$3.92	$3.72	$4.09	$4.20	$3.85	$3.85	$12.68
0	12 Mths H	0.4%	0.4%	0.874	$61.60	$61.60	$66.00	$66.00	$62.53	$59.72	$54.28	$11.63	$33.13	$55.69	$68.99	$3.87	$3.94	$3.94	$3.92	$3.72	$4.09	$4.20	$3.85	$3.85	$12.68
F	2010	0.0%	0.0%	0.950	$75.00	$75.00	$77.55	$77.55	$65.05	$60.55	$58.85	$16.50	$42.65	$62.05	$81.45	$5.55	$5.80	$5.80	$5.50	$5.60	$5.50	$5.75	$5.75	$5.75	$50.00
o	2011	2.0%	2.0%	0.950	$80.00	$81.60	$82.80	$84.45	$71.45	$66.45	$62.85	$19.20	$46.45	$67.55	$88.65	$6.45	$6.60	$6.70	$6.40	$6.50	$6.40	$6.65	$6.50	$6.65	$50.00
r	2012	2.0%	2.0%	0.950	$82.50	$85.85	$85.45	$88.90	$75.40	$69.90	$64.20	$20.25	$48.90	$71.10	$93.35	$6.80	$6.80	$7.05	$6.75	$6.85	$6.75	$7.00	$6.75	$7.00	$50.00
e	2013	2.0%	2.0%	0.950	$85.00	$90.20	$88.05	$93.45	$79.45	$73.45	$65.45	$21.45	$51.40	$74.75	$98.15	$7.15	$7.00	$7.45	$7.15	$7.25	$7.15	$7.40	$6.90	$7.30	$50.00
c	2014	2.0%	2.0%	0.950	$90.00	$97.40	$93.35	$101.05	$86.05	$79.05	$68.05	$21.73	$55.60	$80.85	$106.10	$7.25	$7.00	$7.55	$7.25	$7.35	$7.25	$7.50	$7.00	$7.60	$50.00
a	2015	2.0%	2.0%	0.950	$95.00	$104.90	$98.60	$108.85	$93.85	$86.85	$73.65	$22.35	$59.85	$87.10	$114.30	$7.45	$7.00	$7.75	$7.45	$7.55	$7.45	$7.70	$7.20	$7.95	$51.00
s	2016	2.0%	2.0%	0.950	$100.00	$112.60	$103.85	$116.95	$101.95	$94.95	$79.55	$22.80	$64.30	$93.55	$122.80	$7.65	$7.00	$7.90	$7.60	$7.70	$7.60	$7.85	$7.50	$8.45	$52.00
t	2017	2.0%	2.0%	0.950	$100.00	$114.85	$103.85	$119.30	$104.30	$97.30	$79.70	$23.85	$65.60	$95.45	$125.25	$8.00	$7.20	$8.25	$7.95	$8.05	$7.95	$8.20	$7.65	$8.80	$53.05
	2018	2.0%	2.0%	0.950	$100.00	$117.15	$103.85	$121.70	$106.70	$99.70	$79.90	$24.75	$66.95	$97.35	$127.80	$8.30	$7.30	$8.55	$8.25	$8.35	$8.25	$8.50	$7.80	$9.15	$54.10
	2019	2.0%	2.0%	0.950	$100.00	$119.50	$103.85	$124.10	$109.10	$102.10	$80.10	$25.65	$68.25	$99.30	$130.30	$8.60	$7.40	$8.85	$8.55	$8.65	$8.55	$8.80	$7.90	$9.45	$55.20
	2020	2.0%	2.0%	0.950	$100.00	$121.90	$103.85	$126.60	$111.60	$104.60	$82.60	$26.55	$69.65	$101.30	$132.95	$8.90	$7.50	$9.15	$8.85	$8.95	$8.85	$9.10	$8.00	$9.75	$56.30
	2021	2.0%	2.0%	0.950	$100.00	$124.35	$103.85	$129.15	$114.15	$107.15	$85.15	$27.15	$71.05	$103.30	$135.60	$9.05	$7.50	$9.35	$9.05	$9.15	$9.05	$9.30	$8.00	$9.95	$57.45
	2022	2.0%	2.0%	0.950	$100.00	$126.80	$103.85	$131.70	$116.70	$109.70	$87.70	$27.60	$72.45	$105.35	$138.30	$9.25	$7.50	$9.50	$9.20	$9.30	$9.20	$9.45	$8.00	$10.15	$58.60
	2023	2.0%	2.0%	0.950	$100.00	$129.35	$103.85	$134.35	$119.35	$112.35	$90.35	$28.20	$73.90	$107.50	$141.05	$9.45	$7.50	$9.70	$9.40	$9.50	$9.40	$9.65	$8.00	$10.35	$59.75
	2024	2.0%	2.0%	0.950	$100.00	$131.95	$103.85	$137.05	$122.05	$115.05	$93.05	$28.80	$75.40	$109.65	$143.90	$9.60	$7.50	$9.90	$9.60	$9.70	$9.60	$9.85	$8.00	$10.55	$60.95
	2025	2.0%	2.0%	0.950	$100.00	$134.60	$103.85	$139.80	$124.80	$117.80	$95.80	$29.40	$76.90	$111.85	$146.80	$9.85	$7.50	$10.10	$9.80	$9.90	$9.80	$10.05	$8.00	$10.75	$62.15
	2026	2.0%	2.0%	0.950	$100.00	$137.30	$103.85	$142.55	$127.55	$120.55	$98.55	$30.00	$78.40	$114.05	$149.70	$10.00	$7.50	$10.30	$10.00	$10.10	$10.00	$10.25	$8.00	$11.00	$63.40
	2027	2.0%	2.0%	0.950	$100.00	$140.00	$103.85	$145.40	$130.40	$123.40	$101.40	$30.60	$79.95	$116.30	$152.65	$10.25	$7.50	$10.50	$10.20	$10.30	$10.20	$10.45	$8.00	$11.20	$64.65
	2028	2.0%	2.0%	0.950	$100.00	$142.80	$103.85	$148.35	$133.35	$126.35	$104.35	$31.20	$81.60	$118.70	$155.75	$10.45	$7.50	$10.70	$10.40	$10.50	$10.40	$10.65	$8.00	$11.45	$65.95
	2029	2.0%	2.0%	0.950	$100.00	$145.70	$103.85	$151.30	$136.30	$129.30	$107.30	$31.95	$83.20	$121.05	$158.85	$10.65	$7.50	$10.95	$10.65	$10.75	$10.65	$10.90	$8.00	$11.65	$67.25
	2029+	2.0%	2.0%	0.950	0.0%	2.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	0.0%	2.0%	2.0%

Notes:
- All prices are in Canadian dollars except WTI and NYMEX gas which are in U.S. dollars.
- Edmonton city gate prices based on light sweet crude posted at major Canadian refineries. (40 Deg. API < 0.5% Sulphur)
- Natural Gas Liquid prices are forecasted at Edmonton therefore an additional transportation cost must be included to plant gate sales point.
- 1 Mcf is equivalent to 1 mmbtu.
- System gas prices includes TCGSL, Progas, Pan Alberta and Alliance.
- Real dollars listed include future growth in prices with no escalation considered.
- Alberta gas prices, except AECO, include an Average cost of service to the plant gate.
- The Alberta Royalty Tax Credit (ARTC) was eliminated effective January 1, 2007.

Table 5 - NI 51-101 Forecast Case
Reconciliation of Company Gross Reserves by Principle Product Type

Opening: AJM December 31, 2009 Forecast Pricing

Closing: AJM December 31, 2009 Forecast Pricing

Effective December 31, 2009

	Light & Medium Oil			Heavy Oil			Associated & Non-Associated Gas			Coalbed Methane		
	Proved	**Probable**	**P+P**	**Proved**	**Probable**	**P+P**	**Proved**	**Probable**	**P+P**	**Proved**	**Probable**	**P+P**
	Mstb	**Mstb**	**Mstb**	**Mstb**	**Mstb**	**Mstb**	**MMcf**	**MMcf**	**MMcf**	**MMcf**	**MMcf**	**MMcf**
Opening Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Extensions and Improved Recovery	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Discoveries	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Infill Drilling	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Technical Revisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions	10.8	7.7	18.5	54.0	31.1	85.1	46.6	19.4	66.0	0.0	0.0	0.0
Dispositions	0.0	0.0	0.0	0.0	0.0	0.0	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	0.0	0.0	0.0	0.0	0.0	0.0
Production	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Closing Balance	10.8	7.7	18.5	54.0	31.1	85.1	46.6	19.4	66.0	0.0	0.0	0.0

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

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

1. We have evaluated the Company's reserves data as at December 31, 2009. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2009, estimated using forecast prices and costs.

2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

   We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

4. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us for the year end December 31, 2009 and identifies the respective portions thereof that we have evaluated and reported on to the Company's management/Board of Directors:

Independent Qualified Reserves Evaluator or Auditor	Hermes Financial Inc. Reserve Estimation and Economic Evaluation	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue ($M, before income taxes, 10% discount rate)			
			Audited	Evaluated	Reviewed	Total
AJM Petroleum Consultants	April 28, 2010	Canada	-	$2,570.2	-	$2,570.2

5. In our opinion, the reserves data respectively (reviewed/evaluated/audited) 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.

6. We have no responsibility to update our reports referred to in paragraph 4 for events and circumstances occurring after their respective preparation dates.

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

Executed as to our report referred to above:

AJM Petroleum Consultants
Fifth Avenue Place, East Tower
6th Floor, 425 – 1st Street S.W.
Calgary, Alberta
T2P 3P8

Original signed by: "Douglas S. Ashton"
Douglas S. Ashton
Vice President Engineering

Execution date: April 28, 2010

FORM 51-101F3

REPORT OF
MANAGEMENT AND DIRECTORS
ON OIL AND GAS DISCLOSURE

This is the form referred to in item 3 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("*NI 51-101*").

1. Terms to which a meaning is ascribed in *NI 51-101* have the same meaning in this form.[1]

2. The report referred to in item 3 of section 2.1 of *NI 51-101* must in all material respects be as follows:

Report of Management and Directors
on Reserves Data and Other Information

Management of HERMES FINANCIAL INC. (the "Company") is 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, 2009, estimated using forecast prices and costs.

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

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.

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1 For the convenience of readers, CSA Staff Notice 51-324 *Glossary to NI 51-101 Standards of Disclosure for Oil and Gas Activities* sets out the meanings of terms that are printed in italics in sections 1 and 2 of this Form or in *NI 51-101, Form 51-101F1, Form 51-101F2* or Companion Policy 51-101CP.

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 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 judgments 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"

DAVID G. WEHRHAHN, CEO

"Signed"

CHRISTOPHER F. YEE, CFO

"Signed"

DAVID A. BURROUGHS, DIRECTOR

"Signed"

DANIEL R. KOYICH, DIRECTOR

April 29, 2010