REDCLIFFE EXPLORATION INC.
FORM 51-101F1
STATEMENT OF RESERVES DATA
AND OTHER OIL AND GAS INFORMATION
April 29, 2008

TABLE OF CONTENTS

PART 1 DATE OF STATEMENT, INTRODUCTION AND DISCLAIMER

Item 1.1 Date of statement, introduction and disclaimer

The effective date of the information being provided is December 31, 2007. The following is a summary of reserves data and other oil and gas information of Redcliffe Exploration Inc. (“Redcliffe” or the “Corporation”).

All of Redcliffe’s reserves are located in Canada, specifically in the province of Alberta.

Redcliffe’s reserves were evaluated by McDaniel & Associates Consultants Ltd. (“McDaniel”), independent petroleum consultants, in a report (the “McDaniel Report”) prepared March 17, 2008. McDaniel was engaged by the Corporation to provide an evaluation of proved and proved plus probable reserves; no valuation of possible reserves was undertaken. The pricing used in the forecast and constant price evaluations, together with other assumptions and qualifications applicable to the evaluation and contained in the McDaniel Report, are set forth in “Part 3 Pricing Assumptions”. The McDaniel Report has been 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”)*.

Forward - Looking Statements

Certain statements included in this document constitute forward-looking statements under applicable securities legislation. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", or the negative of these terms or other comparable terminology. Forward looking statements or information in this document include, but are not limited to, business strategy and objectives, reserve quantities and the discounted present value of future net cash flows from such reserves, net revenue, future production levels, capital expenditures, exploration plans, development plans, acquisition and disposition plans and the timing thereof, operating and other costs, and royalty rates. These statements are only predictions. Actual events or results may differ materially. In addition, this document may contain forward-looking statements attributed to third party industry sources. Undue reliance should not be placed on these forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur. In addition to other assumptions identified in this document, assumptions in respect of forward-looking statements have been made regarding, among other things:

- **the Company's ability to benefit from the combination of growth opportunities and the ability to grow through the capital markets;**
- **the Company's acquisition strategy, the criteria to be considered in connection therewith and the benefits to be derived therefrom;**
- **sustainability and growth of production and reserves through prudent management and acquisitions;**
- **the emergence of accretive growth opportunities;**
- **the impact of Canadian governmental regulation on the Company;**
- **the strategy of the Company regarding commodity price risk management;**
- **changes in oil and natural gas prices and the impact of such changes on cash flow;**
- **the level of capital expenditures devoted to development activity rather than exploration;**
- **the use of development activity and/or acquisitions to replace and add to reserves;**
- **the quantity of oil and natural gas reserves and oil and natural gas production levels;**
- **currency, exchange and interest rates;**

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. The Company can not guarantee future results, levels of activity, performance, or achievements. Moreover, neither the Company nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Some of the risks and

other factors, some of which are beyond the Company's control, which could cause results to differ materially from those expressed in the forward-looking statements contained in this document include, but are not limited to:

- **general economic conditions in Canada, the United States and globally;**
- **industry conditions, including fluctuations in the price of crude oil, natural gas and natural gas liquids and services used by the Company;**
- **uncertainties associated with estimating reserves;**
- **royalties payable in respect of oil and gas production;**
- **governmental regulation of the oil and gas industry, including income tax and environmental regulation;**
- **fluctuation in foreign exchange or interest rates;**
- **stock market volatility and market valuations;**
- **the impact of environmental events;**
- **the need to obtain required approvals from regulatory authorities;**
- **unanticipated operating events which can reduce production or cause production to be shut-in or delayed;**
- **failure to obtain industry partner and other third party consents and approvals, when required; and**
- **third party performance of obligations under contractual arrangements.**

Statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the resources and reserves described can be profitably produced in the future. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements contained in this document are expressly qualified by this cautionary statement. Subject to the Company's obligations under applicable securities laws, the Company is not under any duty to update any of the forward-looking statements after the date of this document to conform such statements to actual results or to changes in the Company's expectations.

A barrel of oil equivalent (boe), derived by converting gas to oil in the ratio of six thousand cubic feet of gas to one barrel of oil, may be misleading, particularly if used in isolation. A boe conversion is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

All evaluations of future revenue are after the deduction of royalties, development costs, production costs and well abandonment costs but before consideration of indirect costs such as administrative, overhead and other miscellaneous expenses. It should not be assumed that the estimates of future net revenues presented in the following tables represent the fair market value of the Corporation's reserves. There is no assurance that the constant price and cost assumptions and the forecast price and cost assumptions contained in the McDaniel Report will be attained and variances could be material. Other assumptions and qualifications relating to costs and other matters are included in the McDaniel Report. The recovery and reserves estimates of 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.

Definitions

bbl	**barrel**
Mcf	**thousand cubic feet**
Mbbl	**thousand barrels**
Mbbl	**thousand barrels**
MMcf	**million cubic feet**
GJ	**gigajoule**
bbl/d	**barrels per day**
mcf/d	**thousand cubic feet per day**
M$	**thousands of Canadian dollars**
MM$	**millions of Canadian dollars**

PART 2 DISCLOSURE OF RESERVES DATA

Item 2.1.1 Breakdown of Reserves (Forecast Case)

SUMMARY OF OIL AND GAS RESERVES
AND NET PRESENT VALUES OF FUTURE NET REVENUE
as of December 31, 2007
FORECAST PRICES AND COSTS

RESERVES CATEGORY	LIGHT AND MEDIUM OIL Gross (Mbbl)	LIGHT AND MEDIUM OIL Net (Mbbl)	NATURAL GAS Gross (MMcf)	NATURAL GAS Net (MMcf)	NATURAL GAS LIQUIDS Gross (Mbbl)	NATURAL GAS LIQUIDS Net (Mbbl)
PROVED						
Developed Producing	149.7	143.2	3886.2	2971.8	176.8	113.5
Developed Non-Producing	128.9	103.1	2516.3	1856.2	180.2	122.4
TOTAL PROVED	278.5	246.3	6402.5	4828.0	357.1	235.9
PROBABLE	239.9	198.4	5099.6	3870.8	310.4	208.3
TOTAL PROVED PLUS PROBABLE	518.5	444.8	11502.1	8698.8	667.5	444.2

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

	NET PRESENT VALUES OF FUTURE NET REVENUE									
	BEFORE INCOME TAXES DISCOUNTED AT (%/year)					AFTER INCOME TAXES DISCOUNTED AT (%/year)				
RESERVES CATEGORY	0 (MM$)	5 (MM$)	10 (MM$)	15 (MM$)	20 (MM$)	0 (MM$)	5 (MM$)	10 (MM$)	15 (MM$)	20 (MM$)
PROVED										
Developed Producing	24,280.0	21,556.5	19,507.6	17,912.1	16,632.9	24,280.0	21,556.5	19,507.6	17,912.1	16,632.9
Developed Non-Producing	21,606.6	19,501.7	17,794.9	16,384.3	15,199.0	21,606.5	19,501.6	17,794.9	16,384.2	15,199.1
TOTAL PROVED	45,886.5	41,058.1	37,302.5	34,296.4	31,831.9	45,886.5	41,058.1	37,302.5	34,296.3	31,831.9
PROBABLE	38,706.8	30,302.0	24,567.0	20,462.4	17,409.1	37,953.1	29,780.3	24,199.0	20,198.3	17,216.6
TOTAL PROVED PLUS PROBABLE	84,593.2	71,360.1	61,869.5	54,758.8	49,241.1	83,839.5	70,838.5	61,501.5	54,494.6	49,048.5

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

TOTAL FUTURE NET REVENUE
(UNDISCOUNTED)
as of December 31, 2007
FORECAST PRICES AND COSTS

RESERVES CATEGORY	REVENUE (M$)	ROYALTIES (M$)	OPERATING COSTS (M$)	DEVELOPMENT COSTS (M$)	WELL ABANDONMENT COSTS (M$)	FUTURE NET REVENUE BEFORE INCOME TAXES (M$)	INCOME TAXES (M$)	FUTURE NET REVENUE AFTER INCOME TAXES (M$)
Proved Reserves	84,693	17,261	18,847	1,336	1,363	45,886	-	45,886
Proved Plus Probable Reserves	158,030	32,871	33,750	5,276	1,540	84,593	754	83,840

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

FUTURE NET REVENUE
BY PRODUCTION GROUP
as of December 31, 2007
FORECAST PRICES AND COSTS

RESERVES CATEGORY	PRODUCTION GROUP	FUTURE NET REVENUE BEFORE INCOME TAXES (discounted at 10%) ($/bbl, $/Mcf)
Proved Reserves	Light and Medium Crude Oil (including solution gas and other by-products)	44.42
	Heavy Oil (including solution gas and other by-products)	-
	Natural Gas (including by-products but excluding solution gas from oil wells)	5.94
Proved Plus Probable Reserves	Light and Medium Crude Oil (including solution gas and other by-products)	42.32
	Heavy Oil (including solution gas and other by-products)	-
	Natural Gas (including by-products but excluding solution gas from oil wells)	5.37

PART 3 PRICING ASSUMPTIONS

Item 3.2.1(a) Forecast Prices Used in Estimates

The pricing assumptions used in the McDaniel Report to determine net values of future net revenue (forecast) and the inflation rates used for operating and capital costs are set forth below. McDaniel is an independent qualified reserves evaluator appointed pursuant to NI 51-101.

FORECAST PRICES, INFLATION & EXCHANGE RATES USED IN MCDANIEL REPORT

January 1, 2008

	Natural Gas			Natural Gas Liquids				Crude Oil		Inflation Rate	Exchange Rate
Year	Alberta AECO Spot Price $C/GJ	U.S. Henry Hub Gas Price $US/MMBtu	Alberta Average Plantgate $C/MMBtu	Edmonton Cond. & Natural Gasolines $/bbl	Edmonton Propane $/bbl	Edmonton Butanes $/bbl	Edmonton NGL Mix $/bbl (3)	WTI Crude Oil $US/bbl (1)	Edmonton Light Crude Oil $C/bbl (2)	%/Year	$US/$CAN
History											
2001	5.15	3.98	5.25	42.42	29.15	28.45	31.60	25.97	39.60	2.6	0.646
2002	3.86	3.36	3.89	40.65	19.85	26.10	26.20	26.10	39.95	2.2	0.637
2003	6.32	5.49	6.39	44.10	30.15	33.45	34.10	31.05	43.15	2.0	0.716
2004	6.20	5.90	6.37	55.77	33.28	39.45	39.94	41.40	52.54	2.0	0.770
2005	8.14	8.60	8.56	77.30	40.28	47.46	50.20	56.56	68.72	2.1	0.826
2006	6.25	6.75	6.40	77.75	41.20	50.56	51.80	66.23	72.80	2.2	0.880
2007	6.15	6.95	6.25	82.85	44.75	51.75	54.80	72.30	76.35	2.0	0.935
Forecast											
2008	6.45	7.75	6.60	91.00	48.30	61.90	61.60	90.00	89.00	2.0	1.000
2009	7.00	8.40	7.20	87.70	48.40	59.60	60.20	86.70	85.70	2.0	1.000
2010	7.00	8.40	7.20	84.30	47.00	57.20	58.00	83.20	82.20	2.0	1.000
2011	7.00	8.40	7.20	80.60	45.60	54.60	55.80	79.60	78.50	2.0	1.000
2012	7.10	8.55	7.30	79.60	45.40	53.90	55.20	78.50	77.40	2.0	1.000
2013	7.30	8.75	7.50	78.40	45.40	53.00	54.70	77.30	76.20	2.0	1.000
2014	7.55	9.05	7.70	80.00	46.40	54.10	55.80	78.80	77.70	2.0	1.000
2015	7.80	9.30	7.95	81.60	47.60	55.20	57.10	80.40	79.30	2.0	1.000
2016	8.00	9.55	8.20	83.10	48.70	56.20	58.20	82.00	80.80	2.0	1.000
2017	8.25	9.80	8.45	84.90	49.90	57.40	59.50	83.70	82.50	2.0	1.000
2018	8.45	10.05	8.65	86.50	50.90	58.50	60.70	85.30	84.10	2.0	1.000
2019	8.70	10.35	8.90	88.30	52.10	59.70	62.00	87.00	85.80	2.0	1.000
2020	8.95	10.65	9.20	90.00	53.40	60.90	63.30	88.80	87.50	2.0	1.000
2021	9.20	10.95	9.45	91.90	54.70	62.10	64.70	90.60	89.30	2.0	1.000
2022	9.40	11.15	9.65	93.70	55.80	63.40	66.00	92.40	91.10	2.0	1.000
Thereafter	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	2.0	1.000

(1) West Texas Intermediate at Cushing Oklahoma 40 degrees API/0.5% sulphur

(2) Edmonton Light Sweet 40 degrees API, 0.3% sulphur

(3) NGL Mix based on 45 percent propane, 35 percent butane and 20 percent natural gasolines.

Item 3.2.1(b) Issuer’s weighted average historical prices for most recent financial year.

Redcliffe’s weighted average historical prices for the year ended December 31, 2007 were:

Natural Gas ($Cdn/mcf)	Light & Medium Oil ($Cdn/bbl)	Natural Gas Liquids ($Cdn/bbl)
6.67	80.27	47.22

PART 4 RECONCILIATION OF CHANGES IN RESERVES

Item 4.1 Reserves reconciliation

RECONCILIATION OF NET RESERVES BY PRINCIPAL RESERVE CATEGORY BASED ON FORECAST PRICES AND COSTS AS OF DECEMBER 31, 2007

	Proved			**Probable**			**Proved + Probable**			**Proved**	**Probable**	**Proved + Probable**
	Oil MBBL	**Gas** MMCF	**NGL** MBBL	**Oil** MBBL	**Gas** MMCF	**NGL** MBBL	**Oil** MBBL	**Gas** MMCF	**NGL** MBBL	**MBOE**	**MBOE**	**MBOE**
31-Dec-06	**35**	**505**	**18**	**23**	**382**	**14**	**58**	**887**	**32**	**137**	**101**	**238**
Production	14	728	32	0	0	0	14	728	32	168	0	168
Extensions	6	2,111	132	4	1,311	86	10	3,421	218	490	309	799
Acquisitions	162	4,443	144	120	2,909	100	283	7,352	244	1,047	705	1,752
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
Discoveries	115	259	13	115	259	13	230	518	26	171	171	342
Technical Revisions	-27	-187	83	-23	239	97	-49	52	180	25	114	140
31-Dec-07	**279**	**6,403**	**357**	**240**	**5,100**	**310**	**518**	**11,502**	**668**	**1,703**	**1,400**	**3,103**

PART 5 UNDEVELOPED RESERVES

Item 5.1 Undeveloped Reserves

There are no undeveloped reserves attributed by McDaniel in accordance with standards and procedures contained in the COGE Handbook.

Item 5.2 Significant Factors or Uncertainties

The process of evaluating reserves is inherently 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. Redcliffe’s reserves are evaluated by McDaniel which is an independent engineering firm. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions. These factors and assumptions include among others: (i) historical production in the area compared with production rates from analogous producing areas; (ii) initial production rates; (iii) production decline rates; (iv) ultimate recovery of reserves; (v) success of future development activities; (vi) marketability of production; (vii) effects of government regulations; and (viii) other government levies imposed over the life of the reserves.

As circumstances change and additional data becomes 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. Revisions to reserve estimates can arise from changes in year-end prices, reservoir performance and geologic conditions or production. These revisions can be either positive or negative.

Redcliffe's oil and gas properties have no material extraordinary risks or uncertainties beyond those which are inherent of an oil and gas producing company and have been disclosed in financial statements and management's discussion and analysis as filed on SEDAR (www.sedar.com). Please refer to these documents for a discussion of these matters.

Item 5.3 Future Development Costs

The following table describes the estimated future development costs deducted in the estimation of future net revenue. The costs are per reserve category and quoted for no discount and a discount rate of ten percent.

Year	Forecast Prices and Costs (MM$)			
	Proven Reserves		Proved Plus Probable Reserves	
	0%	10%	0%	10%
2008	1,232	1,174	4,306	4,105
2009	104	90	312	271
2010	0	0	0	0
2011	0	0	585	419
2012	0	0	0	0
Thereafter	0	0	74	20

Redcliffe anticipates funding these future development costs through a combination of internally-generated cash flow, and bank debt and/or equity financing consistent with the timelines for development as anticipated in the McDaniel Report.

PART 6 OTHER OIL AND GAS INFORMATION

Item 6.1 Oil and Gas Properties and Wells

All of Redcliffe's reserves are located onshore in Canada, specifically in the province of Alberta.

Buck Lake/Crystal/Pembina

The Buck Lake/Crystal/Pembina area is located approximately 200 km northwest of Calgary, Alberta. The property is currently producing approximately 293 boepd, split 84%, gas 16% oil and NGL's. Redcliffe drilled 5 wells (2.3 net), casing 3 potential gas wells (1.4 net) and 1 potential oil well (0.5 net) and 1 D&A (0.4 net). Two additional locations have been identified on freehold land to follow up the current discoveries and fulfil previous land commitments. Redcliffe also undertook four re-completions (3.0 net) resulting in oil and production adds from three of the wells.

Gold Creek

The Gold Creek area is located 45 km south of Grande Prairie, Alberta. The property is currently producing 386 boepd, split 70% gas, 30% oil and NGL's. Redcliffe participated in three wells (0.89 net); casing two as gas wells (0.75 net) and one well (0.14 net) was abandoned. With the resulting success, the property has approximately 200 boped of net behind pipe production. The operator is currently working through facility restrictions in the system to bring on the behind pipe production in a timely fashion. Plans for the Gold Creek area are to drill between four to seven additional locations targeting the Bluesky, Nikinassin and Halfway formations, which have been identified using 2D and 3D seismic data and are being reviewed for drilling in the last three quarters of 2008.

Medicine River

The Medicine River area is located 30 km west of Red Deer Alberta. The property is currently producing 132 boepd, split 62 % gas and 38% oil and NGL's, with an additional 42 boepd of behind pipe production. Redcliffe participated in two gas wells, (1.0 net), one (0.5 net) of which is on production from the Edmonton formation and one (0.5 net) is awaiting regulatory approval for the construction of pipeline. Redcliffe has identified two locations on the property where 2D and 3D seismic data are being reviewed for drilling.

Wapiti

The Wapiti property is located 30 km southwest of Grande Prairie, Alberta. The property is currently producing 35 boepd with an additional 265 boepd of behind pipe production. Redcliffe participated in two wells, one gas well (0.5 net) which is on production from the Falher and Bluesky formations and one oil well (0.72 net). Facility and pipeline construction is currently underway and the on stream expectations of the behind pipe production are in Q2 2008. Three additional locations targeting the Bluesky, Nikinassin, and Halfway formations have been identified on the property where 2D and 3D seismic data are being reviewed for drilling.

The following table summarized Redcliffe's existing wells as at December 31, 2007:

	Oil		Natural Gas	
	Gross	Net	Gross	Net
Alberta				
Producing	14	11.37	26	13.22
Non-Producing	1	0.72	6	3.65
	15	12.09	32	16.87

Item 6.2 Properties with No Attributed Reserves

Unproved Properties	Gross Hectares	Net Hectares
Canada	24,632	15,740

Item 6.3 Forward Contracts

The following table outlines the commodity price risk management contracts that were outstanding during the year ended December 31, 2007:

Commodity	Type	Term	Daily Notional Volume	Index	Price
Natural Gas	Costless collar	Jan 08 – Dec 08	1,000 GJ	AECO-C/NIT (7A)	C$5.50 – 8.00/GJ

The following table summarizes the commodity price risk management contracts that were entered into subsequent to December 31, 2007:

Commodity	Type	Term	Daily Notional Volume	Index	Average Price
Natural Gas	Fixed price swap	Apr 08 – Oct 08	1,000 GJ	AECO-C/NIT (7A)	C$7.09/GJ
Natural Gas	Fixed price swap	Apr 08 – Oct 08	1,000 GJ	AECO-C/NIT (5A)	C$7.66/GJ
Natural Gas	Fixed price swap	Nov 08 – Mar 09	1,500 GJ	AECO-C/NIT (5A)	C$9.06/GJ
Natural Gas	Fixed price swap	Nov 08 – Mar 09	500 GJ	AECO-C/NIT (7A)	C$9.30/GJ

.

Item 6.4 Additional Information Concerning Abandonment and Reclamation Costs

There were no abandonment and reclamation costs incurred in the year ended December 31, 2007.
The McDaniel Report has included well abandonment costs, net of salvage values, in estimating future net revenues as follows:

	Total Proved Net Wells)	Total Proved + Probable Net Wells	Total Proved (forecast prices and costs) - M$ (undiscounted)	Total Proved (forecast prices and costs) - M$ (discounted at 10%)	Total Proved Plus Probable (forecast prices and costs) - M$ (undiscounted)	Total Proved Plus Probable (forecast prices and costs) - M$ (discounted at 10%)
Portion deducted in estimating future net revenue	28.2	30.2	1,363	649	1,540	598

For purposes of the financial statements as at December 31, 2007, the Company estimated the total future asset retirement obligation. The total future asset retirement obligation ("ARO") was estimated based on the Company's net ownership interest in all wells and facilities, the estimated costs to abandon and reclaim the wells and facilities, the estimated rate of inflation, and the estimated timing of the costs to be incurred in future periods.

Well abandonment estimates are based upon individual well characteristics and location, and lease reclamation estimates are based on geographic location. In the case of facilities, the type of facility is used to assign a multiplier that is applied to determine the relevant facility abandonment and reclamation cost.

	Asset Retirement Obligation - M$ (undiscounted)	Asset Retirement Obligation - M$ (discounted at 8%)	Estimated net ARO expected to be paid in the next 3 years - M$	Estimated number of net wells for which costs are expected to be incurred
Total estimated in the financial statements	3,431	1,604	190	2.7

The difference in the amounts included in the McDaniel report for well abandonment costs and in the financial statements for ARO is caused by a number of differences in assumptions, methodologies, and items considered in the calculations. These include, but are not limited to, the inclusion of pipelines and production facilities for ARO while they are excluded in the McDaniel report and ARO being calculated as a gross liability amount without consideration of salvage values while the McDaniel estimate is calculated net of salvage values.

Item 6.5 Tax Horizon

As a result of Redcliffe's significant tax pools, Redcliffe does not currently anticipate paying any income taxes in the future. Additional details regarding Redcliffe's available tax pools may be found in previous filings which is available on sedar at www.sedar.com.

Item 6.6 Costs Incurred

The following table shows the dollar amounts expended by the Corporation on property acquisitions and exploration and development for the year ended December 31, 2007 (excludes corporate overheads capitalized):

	M$
Proved property acquisitions	1,500
Unproved property acquisitions	920
Exploration	721
Development (including facilities)	13,529
Total	16,670

Item 6.7 Exploration and Development Activities

The following table sets forth the number of exploratory and development wells which Redcliffe completed during the year ended December 31, 2007:

	Exploratory Wells		Development Wells	
	Gross	Net	Gross	Net
Oil Wells	2	1.22	3	2.15
Gas Wells	9	3.19	5	3.13
Service Wells	0	0	0	0
Dry Holes	2	0.54	2	1.0
Total Holes	13	4.95	10	6.28

Redcliffe intends to focus on domestic Canadian oil and gas exploration and development in the western Canadian sedimentary basin.

At Buck Lake/Crystal/Pembina two (1.6 net) additional locations have been identified on freehold land to follow up the current discoveries and fulfil previous land commitments and plan to be drilled by Q2 2008.

Plans for the Gold Creek area are to drill between four and seven (1.5 and 2.65 net) wells targeting the Bluesky, Nikinassin and Halfway formations which are being reviewed for drilling in the last three quarters of 2008.

Also, at Elmworth/Wapiti, Redcliffe plans to drill up to 4 wells (2.72 net) later in 2008.
Redcliffe plans to drill 2 wells (1.12 net) in Medicine River targeting low risk Glauconite infills and shallow Edmonton gas.

Item 6.8 Production Estimates

The following table sets forth the volumes of production estimated for the year ended December 31, 2008 for Redcliffe:

TOTAL COMPANY
PRODUCTION ESTIMATE - YEAR ENDING DECEMBER 31, 2008
BASED ON FORECAST PRICES AND COSTS

	Light/Medium Oil		Natural Gas		Natural Gas Liquids		Total Oil Equivalent	
	Gross (Mbbl)	Net (Mbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbl)	Net (Mbbl)	Gross (Mbbl)	Net (Mbbl)
Proved Developed Producing	30.7	29.4	1372.3	1049.4	65.3	41.9	324.7	246.2
Proved Developed Non-roducing	45.9	36.7	753.5	555.8	52.0	35.3	223.5	164.7
Proved Undeveloped	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Proved	76.6	66.1	2125.8	1605.2	117.3	77.2	548.2	410.9
Total Probable	10.0	8.3	407.0	308.9	20.5	13.8	98.3	73.6
Total Proved plus Probable	86.6	74.4	2532.8	1914.1	137.8	91.0	646.5	484.5

Production for Gold Creek and Pembina fields individually account for greater than 20% of the estimated production for fiscal 2008. Production estimated for fiscal 2008 for each of these fields is set out in the tables below:

GOLD CREEK

PRODUCTION ESTIMATE - YEAR ENDING DECEMBER 31, 2008

BASED ON FORECAST PRICES AND COSTS

	Light/Medium Oil		Natural Gas		Natural Gas Liquids		Total Oil Equivalent	
	Gross (Mbbl)	Net (Mbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbl)	Net (Mbbl)	Gross (Mbbl)	Net (Mbbl)
Proved Developed Producing	1.1	1.0	243.7	169.3	24.7	15.9	66.4	45.1
Proved Developed Non-producing	0.0	0.0	506.3	364.7	46.4	31.5	130.8	92.3
Proved Undeveloped	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Proved	1.1	1.0	750.0	534.0	71.1	47.6	197.2	137.4
Total Probable	0.0	0.0	71.7	51.0	7.2	4.7	19.2	13.2
Total Proved plus Probable	1.1	1.0	821.6	585.0	78.3	52.3	216.4	150.6

PEMBINA

PRODUCTION ESTIMATE - YEAR ENDING DECEMBER 31, 2008

BASED ON FORECAST PRICES AND COSTS

	Light/Medium Oil		Natural Gas		Natural Gas Liquids		Total Oil Equivalent	
	Gross (Mbbl)	Net (Mbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbl)	Net (Mbbl)	Gross (Mbbl)	Net (Mbbl)
Proved Developed Producing	8.6	7.4	332.2	261.7	3.2	2.4	67.2	53.4
Proved Developed Non-producing	4.5	4.5	6.0	5.6	0.0	0.0	5.5	10.9
Proved Undeveloped	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Proved	13.1	11.9	338.2	267.3	3.2	2.4	72.7	64.8
Total Probable	1.6	1.5	79.5	63.1	0.3	0.2	15.2	12.2
Total Proved plus Probable	14.7	13.4	417.7	330.4	3.5	2.6	87.9	77.0

Item 6.9 Production History

The following table details Redcliffe's production history for the past year.

		THREE MONTHS ENDED – 2007		
	March 31	June 30	September 30	December 31
Average Daily Production				
Light and Medium Oil (bbl/d)	2	3	24	26
Natural Gas (mcf/d)	706	2,373	2,163	2,818
Natural Gas Liquids (bbl/d)	35	105	66	126
Average Net Prices Received				
Light and Medium Oil ($/bbl)	63.52	66.93	77.07	85.68
Natural Gas ($/mcf)	7.97	7.65	5.51	6.44
Natural Gas Liquids ($/bbl)	47.64	44.53	39.30	53.48
Royalties[(a)]				
Light and Medium Oil ($/bbl)	2.15	2.43	2.50	2.56
Natural Gas ($/mcf)	2.21	2.03	1.55	1.64
Natural Gas Liquids ($/bbl)	10.85	12.53	12.08	13.92
Production Costs[(b)]				
Light and Medium Oil ($/bbl)	12.56	12.95	6.76	10.28
Natural Gas ($/mcf)	1.45	0.86	1.44	2.04
Natural Gas Liquids ($/bbl)	6.22	2.80	5.29	8.30
Netback Received[(c)]				
Light and Medium Oil ($/bbl)	48.82	51.55	67.81	72.84
Natural Gas ($/mcf)	4.31	4.77	2.52	2.76
Natural Gas Liquids ($/bbl)	30.58	29.20	21.92	31.26
(a) Total royalties have been prorated to product type by gross equivalent volume.				
(b) Production costs have been pro-rated to product type by gross boe equivalent volume.				
(c) Netback = Average prices received – royalties – production costs.				

The following table details Redcliffe's average production volumes for the year by product type for Gold Creek and Pembina, Redcliffe's important fields for the fiscal year 2007.

		Average Daily Production	
	Light and Medium Oil	Natural Gas	Natural Gas Liquids
	(bbl/d)	(mcf/d)	(bbl/d)
Gold Creek	2	351	29
Pembina	1	58	1

Comments

The following comments are applicable to all tables included in this document:

(1) "Gross Reserves" are Redcliffe's working interest (operating or non-operating) share before deducting of royalties and without including any royalty interests of Redcliffe. "Net Reserves" are Redcliffe's working interest (operating or non-operating) share after deduction of royalty obligations, plus Redcliffe's royalty interests in reserves.
(2) "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.
(3) "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.
(4) "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.
(5) "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 (e.g. when compared to the cost of drilling a well) to put the reserves on production.
(6) "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.
(7) "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.
(8) "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.
(9) Numbers may not add due to rounding.
(10) The reader is cautioned that the estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties due to the effects of aggregation.

March 17, 2008

Redcliffe Exploration Inc.
1900, 555 – 4th Ave S.W.
Calgary, Alberta
T2P 3E7

Attention: The Board of Directors of Redcliffe Exploration Inc.

Re: **Form 51-101F2**
Report on Reserves Data by an Independent Qualified Reserves Evaluator of Redcliffe Exploration Inc. (the "Company")

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

1. We have evaluated the Company's reserves data as at December 31, 2007. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2007 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 ended December 31, 2007, and identifies the respective portions thereof that we have evaluated, audited and reviewed and reported on to the Company's management:

		Net Present Value of Future Net Revenue $M (before income taxes, 10% discount rate)			
Preparation Date of Evaluation Report	Location of Reserves	Audited	Evaluated	Reviewed	Total
March 17, 2008	Canada	-	61,870	-	61,870

5. 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.

6. We have no responsibility to update our report referred to in paragraph 4 for events and circumstances occurring after the preparation date.

7. 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.

Executed as to our report referred to above:

MCDANIEL & ASSOCIATES CONSULTANTS LTD.

"signed by P. A. Welch"

P. A. Welch, P. Eng.
President & Managing Director

Calgary, Alberta

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 Redcliffe 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 consist of the following:

(a) (i) proved and proved plus probable oil and gas reserves estimated as at December 31, 2007 using forecast prices and costs; and
(ii) the related estimated future net revenue; and

Independent qualified reserves evaluators have evaluated and reviewed the Company's reserves data. The report of the independent qualified reserves evaluators will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the board of directors of the Company has

(a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluators;

(b) met with the independent qualified reserves evaluators to determine whether any restrictions affected the ability of the independent qualified reserves evaluators to report without reservation; and

(c) reviewed the reserves data with management and the independent qualified reserves evaluators.

The Reserves 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 Reserves 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 evaluators 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 variation may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

(signed) *"Daryl H. Connolly"*
Daryl Connolly, President & CEO

(signed) *"George Gramatke"*
George Gramatke, V.P. Finance & CFO

(signed) *"M. Seth"*
Wazir (Mike) Seth, Director

(signed) *"Uldis Upitis"*
Uldis Upitis, Director