FIRST MOUNTAIN EXPLORATION INC.

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

(COMPLYING WITH FORM 51-101F1)

EFFECTIVE DATE: DECEMBER 31, 2014

DEFINITIONS, NOTES AND OTHER CAUTIONARY STATEMENTS

ABBREVIATIONS & DEFINITIONS

Abbreviations

AECO.....EnCana Corp.'s natural gas facility located at Suffield, Alberta
API.....American Petroleum Institute
°API .....an indication of the specific gravity of crude oil measured on the API gravity scale. Liquid petroleum with a specific gravity of 28°API or higher is generally referred to as light crude oil.
boe.....barrels of oil equivalent of natural gas and crude oil on the basis of 1 Bbl of crude oil for 6 Mcf of natural gas
boepd.....barrel of oil equivalent per day
Corporation .....Border Petroleum Corp.
ITA.....*Income Tax Act* (Canada)
$000s.....thousands of dollars
$M.....thousands of dollars
$MM .....millions of dollars
McfGE .....thousand cubic feet of gas equivalent
WTI.....West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade.

Crude Oil		Natural Gas	
bbl	barrel	Mcf	thousand cubic feet
bbls	barrels	MMcf	million cubic feet
m3	cubic meters	Bcf	billion cubic feet
Mbbls	thousand barrels	Mcf/d	thousand cubic feet per day
MMbbls	million barrels	Bbls/d	barrels per day
boepd	barrels of oil per day	MMcf/d	million cubic feet per day
NGLs	natural gas liquids	MMBTU	million British Thermal Units
STB	stock tank barrels	GJ	gigajoule
		gigajoule	billion joules

Definitions

The meaning of many of the key definitions used in this Statement are mandated by NI 51-101. Some of the definitions mandated by NI 51-101 through its incorporation of definitions from: (a) 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) and (b) the Canadian Institute of Chartered Accountants Handbook (the "**CICA Handbook**"), are as follows:

"**Accumulation**" means an individual body of Petroleum in a Reservoir.

"**Associated Gas**" means the Gas cap overlying a Crude Oil Accumulation in a reservoir.

"**Bitumen**" means a naturally occurring viscous mixture consisting mainly of pentanes and heavier Hydrocarbons. Its viscosity is greater than 10,000 mPa-s (cp) measured at original temperature in the Reservoir and atmospheric pressure, on a gas-free basis. Crude bitumen may contain sulphur and other non-hydrocarbon compounds.

"**First Mountain**" or the "**Corporation**" means First Mountain Exploration Inc.

"**CICA**" means the Canadian Institute of Chartered Accountants.

"**Commercial**" when a project is commercial this implies that the essential social, environmental, and economic conditions are met, including political, legal, regulatory, and contractual conditions. Considerations with regard to determining commerciality include:

(a) economic viability of the related development project;

(b) a reasonable expectation that there will be a market for the expected sales quantities of production required to justify development;

(c) evidence that the necessary production and transportation facilities are available or can be made available;

(d) evidence that legal, contractual, environmental, governmental, and other social and economic concerns will allow for the actual implementation of the recovery project being evaluated;

(e) a reasonable expectation that all required internal and external approvals will be forthcoming. Evidence of this may include items such as signed contracts, budget approvals, and approvals for expenditures, etc.

(f) evidence to support a reasonable timetable for development. A reasonable time frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. Although five years is recommended as a maximum time frame for classification of a project as commercial, a longer time frame could be applied where, for example, development of economic projects are deferred at the option of the producer for, among other things, market-related reasons or to meet contractual or strategic objectives.

"**Crude Oil**" or "**Oil**" means a mixture consisting mainly of pentanes and heavier Hydrocarbons that exists in the liquid phase in Reservoirs and remains liquid at atmospheric pressure and temperature. Crude oil may contain small amounts of sulphur and other non-hydrocarbons but does not include liquids obtained from the processing of Natural Gas.

"**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 of 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 retaining unproved Properties, such as delay rentals, taxes (other than income and capital taxes) on Properties, legal costs for title defense, 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 a defined geographical area consisting of one or more pools.

"**Forecast Prices and Costs**" means future prices and costs that are: (a) generally accepted as being a reasonable outlook of the future; (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).

"**Future Income Tax**" 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 Corporation’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: (a) forecast prices and costs, and (b) at the option of Detector, constant prices and costs. This net amount is computed by deducting, from estimated future revenues: (i) estimated amounts of future royalty obligations; (ii) costs related to the development and Production of Reserves; (iii) abandonment and reclamation costs; and (iv) future income tax expenses, unless otherwise specified in NI-51-101, Form 51-101F1 or Forms 51-101F2. Corporate general and administrative expenses and financing costs are not deducted. Net present values of Future Net Revenue may be calculated using a discount rate or without discount.

"**Gas**" or "**Natural Gas**" means a mixture of lighter hydrocarbons that exist either: in gaseous phase, or in solution in Crude Oil in Reservoirs but are gaseous at atmospheric conditions. Natural gas may include sulphur and other non-hydrocarbon compounds.

"**Gross**" means: (a) in relation to the Corporation's interest in Production or Reserves, the Corporation's "**Gross Reserves**", which are the Corporation's working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of Detector, (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.

"**Heavy Oil**" in respect of Reserves or Production means: (a) in a Jurisdiction that has a royalty regime specific to heavy oil, "heavy oil" is oil that qualifies for royalties specific to heavy oil; or (b) in a Jurisdiction that has no royalty regime specific to heavy oil, "heavy oil" is oil with a density between 10 to 22.3 degrees API (as that term is defined by the American Petroleum Institute).

"**Hydrocarbons**" means solid, liquid, or Gas made up of compounds of carbon and hydrogen in varying proportions.

"**Jurisdiction**" for the purposes of NI 51-101, means a province or territory of Canada.

"**Lease**" means an agreement granting to the lessee rights to explore, develop and exploit a Property.

"**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, the Corporation's working interest (operating or non-operating) share after deduction of royalty obligations, plus the Corporation's royalty interests 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 the Corporation's 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 Detector.

"**Non-Associated Gas**" means an Accumulation of Natural Gas in a reservoir where there is no Crude Oil.

"**Oil**" means crude oil or synthetic oil.

"**Oil and Gas Activities**" (a) include: (i) the search for Crude Oil or Natural Gas in their natural states and original locations; (ii) the acquisition of Property Rights or Properties for the purpose of further exploring for or removing Oil or Gas from Reservoirs on those properties; (iii) the construction, drilling and Production activities necessary to recover Oil and Gas from Reservoirs, and the acquisition, construction, installation and maintenance of Field gathering and storage systems, including lifting Oil and Gas to the surface and gathering, treating, Field processing and Field storage; and (iv) the extraction of Hydrocarbons from Oil sands, shale, coal or other non-conventional sources and activities similar to those referred to in clauses (i), (ii) and (iii) undertaken with a view to such extraction; but (b) do not include: (i) transporting, refining or marketing Oil or Gas; (ii) activities relating to the extraction of natural Resources other than Oil and Gas and their by-products; or (iii) the extraction of geothermal steam or of Hydrocarbons as a by-product of the extraction of geothermal steam or associated geothermal resources.

"**Petroleum**" means a naturally occurring mixture consisting predominantly of Hydrocarbons in the gaseous, liquid, or solid phase.

"**Possible Reserves**" are those additional Reserves that are less certain to be recovered than Probable Reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated Proved plus Probable plus Possible Reserves.

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

"**Production**" means recovering, gathering, treating, Field or plant processing (for example, processing gas to extract Natural Gas Liquids) and Field storage of oil and gas. The Oil production function is usually regarded as terminating at the outlet valve on the Lease or Field production storage tank. The Gas production function is usually regarded as terminating at the plant gate. In some circumstances, it may be more appropriate to regard the production function as terminating at the first point at which Oil, Gas or their by-products are delivered to a main pipeline, a common carrier, a refinery or a marine terminal.

"**Production Costs**" or "**Operating 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. Lifting costs become part of the cost of Oil and Gas produced. Examples of production costs are: (a) costs of labour to operate the wells and related equipment and facilities; (b) costs of repairs and maintenance; (c) costs of materials, supplies and fuel consumed, and supplies utilized, in operating the wells and related equipment and facilities; (d) costs of workovers; (e) Property taxes and insurance costs applicable to properties and wells and related equipment and facilities; and (f) taxes, other than income and capital taxes.

"**Production Group**" means one of the following together, in each case, with associated byproducts: (a) light and medium Crude Oil (combined); (b) Heavy Oil; (c) Associated Gas and Non-Associated Gas (combined); and (d) Bitumen, Synthetic Oil or other products from non-conventional Oil and Gas activities.

"**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 interests, 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 the Corporation participates in the operation 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.

"**Prospect**" means a geographic or stratigraphic area, in which the Corporation owns or intends to own one or more Oil and Gas interests, which is geographically defined on the basis of geological data and which is reasonably anticipated to contain at least one Reservoir or part of a Reservoir of Oil and Gas.

"**Prospective Resources**" means those quantities of Petroleum estimated, as of a given date, to be potentially recoverable from undiscovered Accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development.

"**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.

"**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 (i) analysis of drilling, geological, geophysical and engineering data; (ii) the use of established technology; and (iii) specified economic conditions, which are generally accepted as being reasonable and shall be disclosed.

"**Reserves Data**" means estimates of proved reserves and probable reserves and related future net revenue estimated using forecast prices and costs.

"**Reservoir**" means a porous and permeable subsurface rock formation that contains a separate accumulation of petroleum that is confined by impermeable rock or water barriers and is characterized by a single pressure system.

"**Resources**" is a general term that may refer to all or a portion of Total Resources.

"**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.

"**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.

"**Synthetic Oil**" means a mixture of hydrocarbons derived by upgrading crude bitumen from oil sands or kerogen from oil shales or other substances such as coal.

"**Total Resources**" means that quantity of Petroleum that is estimated to exist originally in naturally occurring Accumulations. It includes that quantity of Petroleum that is estimated, as of a given date, to be contained in Known Accumulations, prior to Production, plus those estimated quantities in Accumulations yet to be discovered.

"**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. In multi-well pools it may be appropriate to allocate total pool Reserves between the Developed and Undeveloped categories or to subdivide the

Developed Reserves for the pool between Developed Producing and Developed Non-Producing. This allocation is 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.

Levels of Certainty for Reported Reserves

The qualitative certainty levels referred to in the reserve definitions above are applicable to individual reserves entities (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest level sum of individual entity estimates for which reserves estimates are presented). Reported reserves estimates are required to target the following levels of certainty under a specific set of economic conditions:

(a) at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated Proved Reserves;

(b) at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated Proved Reserves plus Probable Reserves; and

(c) at least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated Proved Reserves plus Probable Reserves plus Possible Reserves.

Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 1 boe for each 6 Mcf is based on an energy equivalent conversion method primarily applicable at the burner tip and does not necessarily represent a value equivalency at the wellhead.

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 judgement combined with geological and engineering knowledge to assess whether or not specific reserve classification criteria have been satisfied. Knowledge of concepts including uncertainty of risk, probability and statistics, and deterministic and probabilistic estimation methods are required to properly use and apply reserve definitions.

FORM 51-101F1
STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

Part 1 Relevant Dates

Item 1.1 Date of Statement and Statement Information

This statement of reserves data and other oil and gas information set forth below (the "**Statement**") is dated March 23, 2015. The effective date of the information provided in this Statement is December 31, 2014 unless otherwise indicated, and the preparation date of the Statement was March 23, 2015. For a glossary of terminology and definitions relating to the information included in this report, readers are referred to National policy Instrument 51-101 "*Standards for Disclosure for Oil and Gas Activities*" ("**NI 51-101**").

Part 2 Disclosure of Reserves Data

The reserves data set forth below (the "**Reserves Data**") is based upon an evaluation by GLJ Petroleum Consultants Ltd. ("**GLJ**") with an effective date of December 31, 2014 and is contained in the report of GLJ dated March 23, 2015. The Reserves Data summarizes the crude oil, natural gas liquids and natural gas reserves of the Corporation and the net present values of future net revenue for these reserves using forecast prices and costs. The GLJ Report has been prepared in accordance with the standards contained in the COGE Handbook and the reserves definitions contained in NI 51-101. Additional information not required by NI 51-101 has been presented to provide continuity and additional information which we believe is important to the readers of this information. The Corporation engaged GLJ to provide an evaluation of proved and proved plus probable reserves and no attempt was made to evaluate possible reserves.

All of the Corporation's reserves are in Canada and, specifically, in the province of Alberta.

The Report of Management and Directors on Oil and Gas Disclosure and the Report on Reserves Data by the Independent Qualified Reserves Evaluator are attached at Appendices A and B hereto, respectively.

Disclosures provided herein in respect of boe may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf of natural gas to 1 bbl of crude oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

It should not be assumed that the estimates of the future net reserves presented in the table below represent the fair market value of the reserves. There is no assurance that the constant prices and costs assumptions and forecast prices and cost assumptions will be attained, and variances could be material. The recovery and reserves estimates of the Corporation's crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquid reserves may be greater than or less than the estimates provided herein.

Item 2.1 Reserves Data -Forecast Prices and Costs

SUMMARY OF RESERVES
AS OF DECEMER 31, 2014
(Forecast Prices & Costs)

	RESERVES									
	LIGHT AND MEDIUM OIL		HEAVY OIL		NATURAL GAS		NATURAL GAS LIQUIDS		TOTAL OIL EQUIVALENT	
RESERVES CATEGORY	Gross[1] (Mbbl)	Net[2] (Mbbl)	Gross[1] (Mbbl)	Net[2] (Mbbl)	Gross[1] (MMcf)	Net[2] (MMcf)	Gross[1] (Mbbl)	Net[2] (Mbbl)	Gross[1] (Mboe)	Net[2] (Mboe)
PROVED										
Developed Producing	24	18	0	0	226	203	6	3	67	55
Developed Non-Producing	14	12	0	0	0	0	0	0	14	12
TOTAL PROVED	38	30	0	0	226	203	6	3	81	67
PROBABLE	11	9	0	0	58	52	1	1	22	18
TOTAL PROVED PLUS PROBABLE	48	39	0	0	284	255	7	4	103	85

Notes:
(1) "**Gross Reserves**" are the Corporation's working interest share of the remaining reserves, before deduction of any royalties.
(2) "**Net Reserves**" are the Corporation's working interest share of the remaining reserves less all royalties.

SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE
AS OF DECEMER 31, 2014
(Forecast Prices & Costs)

	NET PRESENT VALUES OF FUTURE NET REVENUE[1]									
	BEFORE INCOME TAXES DISCOUNTED AT (%/year)					AFTER INCOME TAXES DISCOUNTED AT (%/year)[2]				
RESERVES CATEGORY	0 ($M)	5 ($M)	10 ($M)	15 ($M)	20 ($M)	0 ($M)	5 ($M)	10 ($M)	15 ($M)	20 ($M)
PROVED										
Developed Producing	951	755	617	518	443	951	755	617	518	443
Developed Non-Producing	494	403	336	285	245	494	403	336	285	245
TOTAL PROVED	1,445	1,159	954	803	688	1,445	1,159	954	803	688
PROBABLE	591	379	254	177	128	591	379	254	177	128
TOTAL PROVED PLUS PROBABLE	2,036	1,538	1,208	979	816	2,036	1,538	1,208	979	816

Notes:
(1) NPV of future net revenue includes all resource income: sale of oil, gas, and associated by-product reserves.
(2) Income Taxes includes all resource income, appropriate income tax calculations and prior tax pools.

TOTAL FUTURE NET REVENUE (Undiscounted)
AS OF DECEMBER 31, 2014
(Forecast Prices & 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)
Total Proved Reserves	4,618	780	2,288	-	88	1,445	-	1,445
Total Proved Plus Probable Reserves	6,227	1,065	3,012	10	93	2,046	-	2,036

NET PRESENT VALUE OF FUTURE NET REVENUE BY PRODUCTION GROUP
AS OF DECEMBER 31, 2014
(Forecast Prices & Costs)

RESERVES CATEGORY	PRODUCTION GROUP	FUTURE NET REVENUE BEFORE INCOME TAXES CATEGORY (discounted at 10%/year) (M$)	UNIT VALUE BEFORE INCOME TAXES (discounted at 10% per year) ($/boe)
Total Proved Reserves	Light and Medium Crude Oil (including solution gas and other by-products)	580	25.65
	Heavy oil (including solution gas and other by-products)	-	-
	Natural Gas (including by-products but excluding solution gas from oil wells)	374	8.40
Total Proved Plus Probable Reserves	Light and Medium Crude Oil (including solution gas and other by-products)	748	25.22
	Heavy oil (including solution gas and other by-products)	-	-
	Natural Gas (including by-products but excluding solution gas from oil wells)	459	8.25

Notes:

(1) Columns may not add due to rounding.
(2) The crude oil, natural gas liquids, and natural gas and reserves estimates presented in the GLJ Report are based on the definitions and guidelines contained in the COGE Handbook. A summary of those definitions are set forth below.
(3) "Forecast prices and costs" means future prices and costs used by GLJ in the GLJ Report that are generally accepted as being a reasonable outlook of the future.
(4) Well abandonment costs for wells with reserves have been included at the property level. Additional abandonment costs associated with non-reserves wells, lease reclamation costs and facility abandonment and reclamation expenses have not been included in this analysis.
(5) The forecast price and cost assumptions assume the continuance of current laws and regulations.
(6) The extent and character of all factual data supplied to GLJ were accepted by GLJ as represented. No field inspection was conducted.

Part 3 Pricing Assumptions

Item 3.2 Forecast Prices Used in Estimates

GLJ has prepared its January 1, 2014 price and market forecasts as summarized in the tables below after a comprehensive review of information. Information sources include numerous government agencies, industry publications, Canadian oil refiners and natural gas marketers. The forecasts presented herein are based on an informed interpretation of currently available data. While these forecasts are considered reasonable at this time, users of these forecasts should understand the inherent high uncertainty in forecasting any commodity or market. These forecasts will be revised periodically as market, economic and political conditions change. These future revisions may be significant.

Forecast prices and costs are those:

(a) generally acceptable 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 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).

The forecast cost and price assumptions assume increases in wellhead selling prices and take into account inflation with respect to future operating and capital costs. Crude oil and natural gas benchmark reference pricing, as at January 1, 2015, as well as inflation and exchange rates utilized by GLJ in the GLJ Report were as follows:

FORECAST PRICES, INFLATION RATES & EXCHANGE RATES USED IN GLJ REPORT EFFECTIVE JANUARY 01, 2015

	Crude Oil		Natural Gas Liquids				Natural Gas		
Year	Light, Sweet Crude Oil (40 API, 0.3%S) At Edmonton $C/MMBtu	WCS Crude Oil Stream Quality At Hardisty C$/bbl	Spec Ethane C$/bbl	Edmonton Propane C$/bbl	Edmonton Butane C$/bbl	Edmonton Pentanes Plus C$/bbl	Alberta AECO/NIT Spot Price $C/MMBtu	Inflation Rate %/Year	Exchange Rate $US/$CAN
2015	64.71	55.00	10.72	19.63	52.91	69.24	3.31	2.0	0.85
2016	80.00	68.00	12.30	32.00	60.80	85.60	3.77	2.0	0.875
2017	85.71	72.86	13.16	38.57	65.14	71.71	4.02	2.0	0.875
2018	91.43	77.71	14.03	41.14	69.49	97.83	4.27	2.0	0.875
2019	97.14	82.57	14.90	43.71	73.83	103.94	4.53	2.0	0.875
2020	102.86	87.43	15.76	46.29	78.17	110.06	4.78	2.0	0.875
2021	106.18	90.26	16.63	47.78	80.70	113.62	5.03	2.0	0.875
2022	108.31	92.06	17.49	48.74	82.31	115.89	5.28	2.0	0.875
2023	110.47	93.90	18.36	49.71	83.96	118.20	5.53	2.0	0.875
2024	112.67	95.77	18.98	50.70	85.63	120.56	5.71	2.0	0.875
2025+	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	+2%/yr	2.0	0.875

The weighted average historical prices realized by the Corporation for the year ended December 31, 2014, were $5.09/Mcf for natural gas, $85.61/bbl for crude oil and $53.88/bbl for natural gas liquids.

Part 4 Reconciliation of Changes in Reserves

Item 4.1 Reserves Reconciliation

RECONCILIATION OF GROSS[(1)] RESERVES
BY PRINCIPAL PRODUCT TYPE
(Forecast Prices & Costs)

	Total Oil			Total Gas			Natural Gas Liquids			BOE		
FACTORS	Proved (Mbbl)	Probable (Mbbl)	Proved + Probable (Mbbl)	Proved (MMcf)	Probable (MMcf)	Proved + Probable (MMcf)	Proved (Mbbl)	Probable (Mbbl)	Proved + Probable (Mbbl)	Proved (Mboe)	Probable (Mboe)	Proved + Probable (Mboe)
December 31, 2013	52	39	90	232	104	336	6.1	2.3	8.4	96	58	155
Discoveries	0	0	0	0	0	0	0	0	0	0	0	0
Extensions*	0	0	0	0	0	0	0	0.2	0.2	0	0	0
Infill Drilling*	0	0	0	0	0	0	0	0	0	0	0	0
Improved Recovery*	0	0	0	0	0	0	0	0	0	0	0	0
Technical Revisions	0	(1)	(1)	9	1	10	0.3	(0.2)	0.1	2	(1)	1
Acquisitions	1	0	1	15	3	18	0.3	0.1	0.4	4	1	5
Dispositions	(11)	(27)	(38)	0	(51)	(51)	0	(0.9)	(0.9)	(11)	(37)	(47)
Economic Factors	0	0	0	0	0	0	0	0	0	0	0	0
Production	(5)	0	(5)	(30)	0	(30)	(1.1)	0	(1.1)	(11)	0	(11)
December 31, 2014	37	11	48	226	58	283	5.7	1.5	7.1	81	22	103

Note:
(1) Gross Reserves in the table above represent the Corporation's working interest share before deduction of royalties and without including any royalty interests of the Corporation.

Part 5 Additional Information Relating to Reserves Data

Item 5.1 Undeveloped Reserves

There are no undeveloped reserves attributed by GLJ 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. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions and other factors and assumptions that may affect the reserve estimates and the present worth of the future net revenue therefrom. 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 government 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.

The Corporation does not anticipate any significant factors or uncertainties that may affect any particular components of the reserves data; however, the reserves can be affected significantly by fluctuations in product pricing, capital expenditures, operating costs, royalty regimes and well performance that are beyond the Corporation's control (see *"Risk Factors"*).

Item 5.3 Future Development Costs

The following table sets forth 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 10 percent.

FUTURE DEVELOPMENT COSTS[(1)]
(Forecast Prices & Costs)(M$)

	Proved Reserves		Proved Plus Probable Reserves	
Year	0%	10%	0%	10%
2015	10	10	10	10
	10	10	10	10

Note:

(1) Future development costs shown are associated with booked reserves in the GLJ Report and do not necessarily represent the Corporation's exploration and development budget.

Part 6 Other Oil and Gas Information

Item 6.1 Oil and Gas Properties and Wells

The following is a description of the Corporation's principal properties as at December 31, 2014. Production stated is production before deduction of royalties and, unless otherwise stated, is average production for 2014. Reserves amounts are total proved plus probable reserves based on forecast prices and costs, stated before deduction of royalties and include royalty interests as at December 31, 2014 based on forecast prices and costs as evaluated in the GLJ Report (see *"Reserves Data"*). **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.** Unless otherwise specified, gross and net acres and well count information are as at December 31, 2014.

Lanaway/Fir

In April of 2013 First Mountain acquired various working interests varying from 25% to 100% in 800 gross acres (222 net acres) in the Lanaway/Fir areas of central Alberta which also costs of 4 gross (2.45 net) producing wells. At Lanaway, the Corporation has a 100% working interest in the oil well 00/04-05-036-03W5 and a 25% working interest in the oil well 00/16-05-036-03W5 which both produce out of the Cardium formation and a 40% working interest in the 00/08-29-036-03W5 oil well which produces from the Ellerslie formation. At Fir, the Corporation has an 80% working interest in a Cardium oil well. Net production from the Lanaway/Fir area during 2013 was 23 boe/d (52% oil and liquids).

Buck Lake

The Corporation has a 50% interest in 480 gross acres (240 net acres) in the Buck Lake area of central Alberta, which includes one gross (0.5 net) producing wells. In 2014, net production from the well was 4 boe/d (25% oil and liquids).

Neutral Hills

The Corporation owns 100 % of 360 acres in the Neutral Hills area of central Alberta. The Corporations believes the lands are prospective for Dina oil.

WELLS AND LAND HOLDINGS
INCLUDING PROPERTIES WITH NO ATTRIBUTED RESERVES[4]

	Producing[1]		Non-Producing[1]		Developed Land		Undeveloped Land[2]	
	Gross wells	Net wells	Gross wells	Net wells	Gross acres	Net acres	Gross acres	Net acres
Lanaway/Fir	4	2.45	2	1.55	640	159	160	63
Buck Lake	1	0.50	-	-	480	240	-	-
Neutral Hills	-	-	-	-	-	-	360	360
	6	2.95	5	1.55	1,440	671	1,320	1,103

Notes:
(1) All of the Corporation's wells are oil wells.
(2) There are no material work commitments associated with the Corporation's undeveloped land holdings.
(3) Of the Corporation's undeveloped land, the rights to explore, develop and exploit no net acres will expire by December 31, 2014.
(4) Item 6.2 Properties with no attributed reserves.

Item 6.3 Forward Contracts and Marketing

The Corporation does not have any material commitments to buy or sell natural gas or crude oil production.

Item 6.4 Additional Information Concerning Abandonment and Reclamation Costs

The Corporation did not incur any abandonment or reclamation costs in the year ended December 31, 2014.

The GLJ Report has included well abandonment costs, net of salvage values, in estimating future net revenues as follows:

ABANDONMENT & RECLAMATION COSTS[1]
(Forecast Prices & Costs) (M$)

	Total Proved		Total Proved Plus Probable	
	Undiscounted	Discounted at 10%	Undiscounted	Discounted at 10%
Portion deducted in estimating future net revenue	88	35	93	28

Note:
(1) The Corporation has taken abandonment costs from the GLJ Report for wells that have reserves.

For purposes of the financial statements as at December 31, 2014, the Company estimated the total future decommissioning obligation 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.

DECOMMISSIONING OBLIGATIONS ("DO")

	DO Undiscounted ($M)	DO Discounted at 2.3% ($M)	Estimated net DO expected to be paid in next 3 years Undiscounted ($M)	Estimated number of net wells for which costs are expected to be incurred
Portion deducted in estimating future net revenue	399	378	Nil	7.85

The difference in the amounts included in the GLJ report for well abandonment costs and in the financial statements for decommissioning obligation 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 decommissioning obligation while they are excluded in the GLJ report, and decommissioning obligation being calculated as a gross liability amount without consideration of salvage values, while the GLJ estimate is calculated net of salvage values.

Item 6.5 Tax Horizon

The Corporation was not required to pay any cash income taxes for the year ended December 31, 2014. As a result of the Corporation's significant tax pools, management does not currently anticipate paying income taxes for the foreseeable future. Additional details regarding the estimated $7.5 million available tax pools may be found in Management's Discussion & Analysis, available on SEDAR at www.sedar.com.

Item 6.6 Costs Incurred

The following table summarizes capital expenditures for the Corporation's during the year ended December 31, 2013:

PROPERTY ACQUISITION COSTS AND CAPITAL EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 2013

	($M)
Property acquisitions	
Proved	-
Capital expenditures	
Exploration costs	-
Development costs	527
Total	527

Item 6.7 Exploration and Development Activities

The following table sets forth the number of exploratory and development wells in which the Corporation participated during the year ended December 31, 2014.

	Gross			Net		
	Exploration	Development	Total	Exploration	Development	Total
Crude Oil	-	-	-	-	-	-
Natural Gas	-	-	-	-	-	-
Dry	-	-	-	-	-	-
Service	-	-	-	-	-	-
Total	-	-	-	-	-	-

Item 6.8 Production Estimates

The following table sets out the volume of the Corporation's production for the year ended December 31, 2015, as estimated in the GLJ Report, which is reflected in the estimate of gross proved reserves and gross probable reserves disclosed in the tables contained under *"Disclosure of Reserves Data"*.

SUMMARY OF PRODUCTION ESTIMATES BY PRODUCTION GROUP
GROSS PROVED AND GROSS PROBABLE RESERVES FOR 2014[(1)]

Reserves Category	Total Proved Gross Daily Production[(2)(3)]	Probable Gross Daily Production[(2)(3)]	Total Proved + Probable Gross Daily Production[(2)(3)]
Light & Medium Oil (bbls/d)	13	-	13
Heavy Oil (bbls/d)	-	-	-
Associated and Non–Associated Gas (Mcf/d)	65	-	65
Natural Gas Liquids (bbls/d)	1	-	1
Total[(1)] (boe/d)	25	-	25

Notes:
(1) Barrels of Oil Equivalent (boe) have been reported based on natural gas conversion of 6 Mcf/1 bbl.
(2) Gross production is Corporation interest before all royalty deduction.
(3) The numbers in this table may not add exactly due to rounding.

Item 6.9 Production History

The following tables summarize certain information in respect of production, product prices received, royalties paid, production costs and resulting netback for the periods indicated below:

PRODUCTION HISTORY
FOR THE YEAR ENDED DECEMBER 31, 2014

	Quarter Ended - 2013			
	March 31	June 30	September 30	December 31
Average Daily Production				
Oil (bbl/d)	16	16	10	5
Natural Gas (Mcf/d)	84	97	83	15
Natural Gas Liquids (bbl/d)	4	1	1	3
Total (boe/d)	34	33	25	11
Average Price Received				
Oil ($/bbl)	89.32	89.20	89.46	50.95
Natural Gas ($/Mcf)	6.72	4.33	4.75	4.02
Natural Gas Liquids ($/bbl)	59.76	63.46	65.46	35.36
Total ($/boe)	66.32	57.83	64.70	33.00

	Quarter Ended - 2013			
	March 31	June 30	September 30	December 31
Royalties				
Total ($/boe)	4.68	4.18	0.62	3.38
Production Costs[(1)]				
Total ($/boe)	53.10	36.10	68.00	61.24
Netback Received				
Total ($/boe)	8.54	17.55	(3.92)	(31.62)

Notes:

(1) Production costs include transportation costs and operating costs.

(2) Net back is calculated by deducting royalties, transportation and operating costs from the average price.

The following table details the Corporation's average production volume for each field for the year ended December 31, 2014 by product type.

PRODUCTION HISTORY BY MAJOR FIELD
FOR THE YEAR ENDED DECEMBER 31, 2014

	Average Daily Production			
	Light/Medium Oil (bbl/d)	Heavy Oil (bbl/d)	Natural Gas (Mcf/d)	Natural Gas Liquids (bbl/d)
Atlee/Buffalo	2	-	-	-
Lanaway/Fir	10	-	64	2
Buck Lake	-	-	17	1
Total	12	-	81	3