



ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2010

APRIL 26, 2011

TABLE OF CONTENTS

	<u>Page</u>
Forward-looking information	2
Corporate structure	4
General development of the business	4
Narrative description of the business.....	4
Statement of reserves data and other oil and gas information	5
Description of capital structure.....	15
Transfer agent and registrar	16
Market for securities	16
Risk factors.....	16
Directors and officers	17
Interests of experts.....	18
Additional information	19
Appendix A: Report on reserves data by independent qualified reserves evaluator	20
Appendix B: Report of management and directors on reserves data and other information	21

GLOSSARY OF ABBREVIATIONS

bbl	Barrels	MMcf	Million cubic feet
bbl/d	Barrels per day	MMcf/d	Million cubic feet per day
Mbbl	Thousands of barrels	ORR	Over-riding royalty
BOE	Barrel of oil equivalent (6:1)	P	Proved
BOE/d	Barrel of oil equivalent per day (6:1)	PA	Probable
MBOE	Thousands of barrels oil equivalent (6:1)	PDP	Proved developed producing
COGE	Canadian oil and gas evaluation	PDNP	Proved developed non-producing
GORR	Gross overriding royalty	PU	Proved undeveloped
M\$	Thousands of dollars	P+PA	Proved plus probable
Mcf	Thousand cubic feet	NGL	Natural gas liquids
Mcf/d	Thousand cubic feet per day	WI	Working interest
MMBtu	Millions of British thermal units	WTI	West Texas Intermediate

Where amounts are expressed on a barrel of oil equivalent basis, natural gas volumes have been converted to barrels of oil at six thousand cubic feet per barrel. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

FORWARD-LOOKING INFORMATION

Certain statements contained in this Annual Information Form constitute forward-looking information. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact contain forward-looking information. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "should", "believe", and similar expressions are intended to identify forward-looking information. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in this forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct. These statements speak only as of the date of this Annual Information Form and the Company disclaims any intention or obligation to publicly update or revise any forward-looking information whether as a result of new information, future events or otherwise except as may be expressly required by applicable securities laws.

In particular, this Annual Information Form contains forward-looking information pertaining to the following:

- the size of the oil and natural gas reserves;
- production estimates;
- funding of future development costs;
- the Company's exploration and development intentions for its principal oil and natural gas properties;
- estimates and timing of abandonment and reclamation costs;
- estimates of tax pools and timing of the tax horizon; and
- the Company's intentions with respect to lease expiries.

Although the Company believes that the expectations reflected by the forward-looking information presented in this Annual Information Form are reasonable, this forward-looking information has been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to the Company about itself and the businesses in which it operates. Information used in developing forward-looking information has been acquired from various sources including third party consultants, suppliers, regulators and other sources. The material factors and assumptions used to develop the forward-looking information include but are not limited to:

- no significant adverse changes to energy markets, competitive conditions, the supply and demand for crude oil and natural gas;
- no significant delays of the development, construction or commissioning of the Company's projects that may result from the inability of suppliers to meet their commitments, lack of regulatory approvals or other governmental actions, harsh weather or other calamitous event;
- no significant disruption of the Company's operations such as may result from harsh weather, natural disaster, accident or other calamitous event;
- no significant unexpected technological or commercial difficulties that adversely affect the Company's exploration, development, production, processing or transportation;
- continuing availability of economical capital resources and demand for the Company's products;
- no significant adverse legislative and regulatory changes, in particular changes to the legislation and regulation governing fiscal regimes and environmental issues; environmental risks and liability under provincial/state, federal or other jurisdictions; and
- stability of general domestic and global economic, market and business conditions.

Because actual results or outcomes could differ materially from those expressed in any forward-looking information, investors should not place undue reliance on any such forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes will not occur. The risks, uncertainties and other factors, many of which are beyond the Company's control, that could influence actual results include, but are not limited to:

- volatility in market prices for oil and natural gas;
- liabilities inherent in oil and natural gas operations;
- uncertainties associated with estimating oil and natural gas reserves;
- uncertainties associated with its oil and natural gas exploration and development program;
- competition for, among other things, capital, acquisitions or reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of acquisitions;
- geological, technical, drilling and processing problems;
- uncertainties associated with changes in legislation; and
- the other factors discussed under "Risk Factors".

The foregoing list of factors is not exhaustive. The forward-looking information contained in this Annual Information Form is expressly qualified by this cautionary statement.

CORPORATE STRUCTURE

Traverse Energy Ltd. (the “**Company**” or “**Traverse**”) was incorporated on August 25, 1995 as Firstland Energy Limited pursuant to the *Business Corporations Act* (Alberta). By Certificate of Amendment dated June 11, 2009 the Company changed its name to Traverse Energy Ltd. The Company amalgamated with a wholly owned subsidiary effective January 1, 2010.

The Company has its head office at Suite 800, 839 – 5th Avenue S.W., Calgary, Alberta, T2P 3C8. The Company has its registered office at 1900, 520 - 3rd Avenue S.W., Calgary, Alberta, T2P 0R3.

Traverse does not have any subsidiaries. Traverse employs or retains 9 individuals, on a full or part-time basis in Calgary, Alberta.

GENERAL DEVELOPMENT OF THE BUSINESS

Traverse completed its initial public offering and commenced trading on the TSX Venture Exchange (formerly the Canadian Venture Exchange) in the fall of 1995. The Company’s original business strategy involved the acquisition of undeveloped petroleum and natural gas lands and the subsequent negotiation of exploration on the undeveloped lands by third party participants in the oil and gas industry.

In 2008 third party partners drilled three wells on Company owned lands. Production during the year averaged 65 BOE/d comprised of 346 Mcf/d of natural gas and 7 bbl of oil per day. The Company acquired 34,739 net acres of Crown lands during 2008 and at year end held 190,000 net acres of undeveloped lands and 38,000 acres of royalty lands.

In 2009 no wells were drilled by third party partners on Company owned lands. In June 2009 at the annual and special meeting of the shareholders a change in business strategy was approved. The Company’s strategy was to become an active petroleum and natural gas exploration and production company. A private placement of 8 million common shares was approved, new management was appointed and the Company’s name changed to Traverse Energy Ltd.

Production during 2009 averaged 48 BOE/d comprised of 237 Mcf/d of natural gas and 9 bbl of oil and natural gas liquids per day. No new production was added during the year. Traverse participated in the drilling of two wells in the fall of 2009 resulting in 1 gross (0.5 net) oil well and 1.0 gross (0.25 net) natural gas well. The Company acquired 17,000 acres of Crown and freehold undeveloped lands during 2009 and disposed of 12,700 acres of Crown lands. At year end Traverse held 177,000 gross (168,000 net) acres of undeveloped lands and 37,000 acres of royalty lands. In October 2009 Traverse completed a private placement of common shares resulting in the issuance of 4 million common shares for gross proceeds of \$1.8 million.

In 2010 Traverse participated in the drilling of 10 wells resulting in 5 gross (4.25 net) oil wells, 1 net natural gas well, 2 net potential natural gas wells and 2 net dry and abandoned wells. Production during 2010 averaged 121 BOE/d comprised of 59 bbl of oil and natural gas liquids per day and 370 Mcf/d of natural gas. The Company acquired 32,000 acres of Crown and freehold undeveloped lands during 2010 and disposed of 6,000 acres of Crown lands. At year end Traverse held 156,000 gross (148,000 net) acres of undeveloped lands and 34,000 acres of royalty lands. In June 2010 Traverse completed a private placement of common shares resulting in the issuance of 4,270,000 common shares for gross proceeds of \$2.8 million. In December 2010 Traverse completed a private placement of common shares resulting in the issuance of 2.5 million common shares for gross proceeds of \$2.4 million.

NARRATIVE DESCRIPTION OF THE BUSINESS

Traverse is in the business of exploration, development, acquisition and production of natural gas, oil and NGL. All of Traverse’s natural gas, oil and NGL reserves are located in Alberta, Canada. At December 31, 2010 Traverse’s asset base included proved and probable reserves (before royalties) of 800.3 MMcf of natural gas and 146.5 Mbbbl of oil and NGL, based on escalated price and costs assumptions, and an inventory of undeveloped lands totaling 156,000 gross (148,000 net) acres.

Traverse either directly acquires petroleum and natural gas leases through public offering sales held by the Alberta government, by acquisition of freehold leases or through participation in farm-in transactions where an interest is earned by incurring exploration, development or other capital costs.

Environmental matters

The oil and gas industry is subject to environmental regulations pursuant to applicable legislation. Such legislation provides for restrictions and prohibitions on release or emission of various substances produced in association with certain oil and gas industry operations, and requires that well and facility sites be abandoned and reclaimed to the satisfaction of environmental authorities. Traverse recorded an estimated provision on its balance sheet of \$542,000 for reserve and abandonment site restoration as at December 31, 2010. The Company maintains an insurance program consistent with industry practice to protect against losses due to accidental destruction of assets, well blowouts, pollution and other operating accidents or disruptions. The Company also has operational and emergency response procedures and safety and environmental programs in place to reduce potential loss exposure. See “*Risk Factors*”.

Competitive conditions

The oil and natural gas industry is intensely competitive in all its phases. Traverse competes with numerous other participants in the search for, and the acquisition of, oil and natural gas properties and in the marketing of oil and natural gas. Traverse’s competitors include resource companies which have greater financial resources, staff and facilities than those of Traverse. Competitive factors in the distribution and marketing of oil and natural gas include price and methods and reliability of delivery. Traverse believes that its competitive position is equivalent to that of other oil and gas issuers of similar size and at a similar stage of development. See “*Risk Factors*”.

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

In accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities, InSite Petroleum Consultants Ltd. (“InSite”) prepared a report (the “InSite Report”) dated March 8, 2011. The InSite report evaluated as at December 31, 2010, Traverse’s natural gas, oil and NGL reserves.

Traverse’s oil and natural gas reserves and present value of estimated future cash flows based on forecast prices and costs as of December 31, 2010 using the InSite December 31, 2010 price forecast are summarized in the following tables. Reserve volumes are presented on a gross and net basis. Gross reserves are Traverse’s working interest (operated or non-operated) share before deduction of Crown and freehold royalties and without including any overriding royalty interests of Traverse. Net reserves are Traverse’s working interest share (operated or non-operated) after deduction of royalty obligations, plus Traverse’s over-riding royalty interest in reserves. Columns may not add in the following tables due to rounding.

It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to the Company’s reserves estimated by InSite represent the fair value of those reserves. The recovery and reserve estimates of the Company’s natural gas, oil and NGL reserves provided are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided.

The InSite report is based on certain factual data supplied by Traverse and InSite’s opinion of reasonable practice in the industry. The extent and character of ownership and all factual data pertaining to the Company’s petroleum properties and contracts (except for information residing in the public domain) were supplied by the Company to InSite and accepted without any further investigation. InSite accepted this data as presented and neither title searches nor field inspections were conducted.

In accordance with the requirements of NI 51-101, the Report on Reserves Data By Independent Qualified Reserves Evaluator in Form 51-101F2 and the Report of Management and Directors on Reserves Data and Other Information in Form 51-101F3 are attached as Appendices A and B hereto, respectively.

RESERVES DATA – FORECAST PRICES AND COSTS**Oil and gas reserves summary:**

Category	Oil				Natural Gas				Total BOE			
	Light, Medium & Shale		Solution		Associated & Non-Associated		Coalbed Methane		Natural Gas Liquids			
	Gross Mbbbl	Net Mbbbl	Gross MMcf	Net MMcf	Gross MMcf	Net MMcf	Gross MMcf	Net MMcf	Gross Mbbbl	Net Mbbbl	Gross MBOE	Net MBOE
PDP	76.6	70.9	133.9	121.9	116.6	297.0	0.0	15.0	1.2	5.6	119.6	148.8
PDNP	0.0	0.0	0.0	0.0	22.1	20.2	0.0	0.0	0.4	0.3	4.1	3.7
PU	15.1	14.2	95.6	90.8	0.0	0.0	0.0	0.0	2.7	2.0	33.8	31.3
P	91.7	85.1	229.6	212.7	138.6	317.2	0.0	15.0	4.4	7.9	157.5	183.8
PA	38.4	35.0	75.6	68.3	60.6	131.4	0.0	13.8	1.6	3.7	62.7	74.4
P+PA	130.1	120.1	305.1	281.0	199.2	448.6	0.0	28.8	6.0	11.6	220.2	258.1

Summary of net present values of future net revenue:

Category	Before Income Taxes					After Income Taxes					Unit Value Before Income Taxes
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%	
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	
PDP	6,395.8	5,643.0	5,084.6	4,653.0	4,308.7	6,265.4	5,534.4	4,993.0	4,574.9	4,241.5	34.17
PDNP	63.2	46.4	34.2	25.2	18.6	45.0	31.5	21.9	14.9	9.9	9.34
PU	784.1	632.5	510.7	411.5	329.6	571.2	446.8	347.3	266.3	199.6	16.31
P	7,243.1	6,321.9	5,629.4	5,089.7	4,656.8	6,881.6	6,012.7	5,362.1	4,856.2	4,451.0	30.63
PA	3,671.2	2,572.7	1,922.3	1,501.0	1,210.4	2,819.7	1,965.5	1,463.8	1,140.8	918.9	25.85
P+PA	10,914.3	8,894.6	7,551.7	6,590.7	5,867.2	9,701.3	7,978.3	6,825.9	5,996.9	5,369.9	29.25

Total future net revenue:

Category	Revenue*	Royalties	Operating Costs	Development Costs	Well Abandonment Costs	Future Net Revenue Before Income Taxes	Future Net Revenue After Income Taxes
	M\$	M\$	M\$	M\$	M\$	M\$	M\$
PDP	10,030.6	803.2	2,618.4	80.0	133.3	6,395.8	6,265.4
PDNP	177.1	8.4	39.4	63.2	2.9	63.2	45.0
PU	2,113.3	154.3	545.6	600.0	29.3	784.1	571.2
P	12,321.1	965.9	3,203.3	743.2	165.5	7,243.1	6,881.6
PA	5,918.6	503.3	1,733.4	0.0	10.7	3,671.2	2,819.7
P+PA	18,239.6	1,469.1	4,936.8	743.2	176.2	10,914.3	9,701.3

*Revenue includes product revenue and other income from facilities, wells and corporate if specified.

Net present value of future net revenue by production group:

	Future Net Revenue Before Income Taxes (Discounted at 10%) M\$
Proved	
Light and Medium Oil (including solution gas and by-products)	4,447.5
Associated and Non-Associated Gas (including by-products)	1,140.7
Coalbed Methane (including by-products)	41.2
Total	5,629.4
Proved plus probable additional	
Light and Medium Oil (including solution gas and by-products)	5,917.3
Associated and Non-Associated Gas (including by-products)	1,551.5
Coalbed Methane (including by-products)	83.0
Total	7,551.7

Oil and gas reserves and net present values by production group:

	Reserves										
	Oil		Gas		Natural Gas Liquids		Net Present Value Before Tax				
	Gross Mbbbl	Net Mbbbl	Gross MMcf	Net MMcf	Gross Mbbbl	Net Mbbbl	0% M\$	5% M\$	10% M\$	15% M\$	20% M\$
Light & Medium Oil											
PDP	76.6	70.9	133.9	121.9	1.1	0.8	4,631.6	4,249.6	3,936.8	3,676.7	3,457.3
PU	15.1	14.2	95.6	90.8	2.7	2.0	784.1	632.5	510.7	411.5	329.6
P	91.7	85.1	229.6	212.7	3.8	2.8	5,415.7	4,882.0	4,447.5	4,088.1	3,786.9
PA	38.4	35.0	75.6	68.3	1.1	0.7	2,425.0	1,862.0	1,469.8	1,188.5	981.3
P+PA	130.1	120.1	305.1	281.0	5.0	3.5	7,840.7	6,744.0	5,917.3	5,276.6	4,768.2
Associated & Non-Associated Gas											
PDP	0.0	0.0	116.6	297.0	0.1	4.8	1,706.4	1,345.1	1,106.6	940.5	819.8
PDNP	0.0	0.0	22.1	20.2	0.4	0.3	63.2	46.4	34.2	25.2	18.6
P	0.0	0.0	138.6	317.2	0.5	5.1	1,769.6	1,391.5	1,140.7	965.8	838.4
PA	0.0	0.0	60.6	131.4	0.5	3.0	1,154.6	649.9	410.7	283.1	207.9
P+PA	0.0	0.0	199.2	448.6	1.0	8.1	2,924.1	2,041.4	1,551.5	1,248.8	1,046.2
Coalbed Methane											
PDP	0.0	0.0	0.0	15.0	0.0	0.0	57.8	48.3	41.2	35.8	31.6
P	0.0	0.0	0.0	15.0	0.0	0.0	57.8	48.3	41.2	35.8	31.6
PA	0.0	0.0	0.0	13.8	0.0	0.0	91.6	60.9	41.7	29.4	21.3
P+PA	0.0	0.0	0.0	28.8	0.0	0.0	149.5	109.2	83.0	65.2	52.8
Total											
PDP	76.6	70.9	250.5	433.9	1.2	5.6	6,395.8	5,643.0	5,084.6	4,653.0	4,308.7
PDNP	0.0	0.0	22.1	20.2	0.4	0.3	63.2	46.4	34.2	25.2	18.6
PU	15.1	14.2	95.6	90.8	2.7	2.0	784.1	632.5	510.7	411.5	329.6
P	91.7	85.1	368.2	544.9	4.4	7.9	7,243.1	6,321.9	5,629.4	5,089.7	4,656.8
PA	38.4	35.0	136.1	213.5	1.6	3.7	3,671.2	2,572.7	1,922.3	1,501.0	1,210.4
P+PA	130.1	120.1	504.3	758.4	6.0	11.6	10,914.3	8,894.6	7,551.7	6,590.7	5,867.2

Unit value of net reserves by production group:

	Reserves				NPV 10% M\$	Unit Value \$/BOE
	Oil Net Mbbl	Gas Net MMcf	NGL Net Mbbl	BOE Net BOE		
Light & Medium Oil						
PDP	70.9	121.9	0.8	91,998.1	3,936.8	42.79
PU	14.2	90.8	2.0	31,309.8	510.7	16.31
P	85.1	212.7	2.8	123,307.9	4,447.5	36.07
PA	35.0	68.3	0.7	47,169.5	1,469.8	31.16
P+PA	120.1	281.0	3.5	170,477.4	5,917.3	34.71
Associated & Non-Associated Gas						
PDP	0.0	297.0	4.8	54,297.8	1,106.6	20.38
PDNP	0.0	20.2	0.3	3,659.7	34.2	9.34
P	0.0	317.2	5.1	57,957.6	1,140.7	19.68
PA	0.0	131.4	3.0	24,908.7	410.7	16.49
P+PA	0.0	448.6	8.1	82,866.2	1,551.5	18.72
Coalbed Methane						
PDP	0.0	15.0	0.0	2,506.9	41.2	16.45
P	0.0	15.0	0.0	2,506.9	41.2	16.45
PA	0.0	13.8	0.0	2,293.0	41.7	18.21
P+PA	0.0	28.8	0.0	4,799.9	83.0	17.29
Total						
PDP	70.9	433.9	5.6	148,802.8	5,084.6	34.17
PDNP	0.0	20.2	0.3	3,659.7	34.2	9.34
PU	14.2	90.8	2.0	31,309.8	510.7	16.31
P	85.1	544.9	7.9	183,772.3	5,629.4	30.63
PA	35.0	213.5	3.7	74,371.2	1,922.3	25.85
P+PA	120.1	758.4	11.6	258,143.5	7,551.7	29.25

FORECAST PRICES AND COSTS ASSUMPTIONS

The forecast price and cost 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, inflation and exchange rates utilized by InSite in the InSite Report were InSite's forecasts as at December 31, 2010, which were as follows:

Year	Oil	Natural Gas	Natural Gas Liquids			Exchange Rate (\$US/\$C)	
	WTI @ Cushing (\$US/bbl)	Edmonton Ref Price (\$C/bbl)	AECO Gas Prices (\$C/MMBtu)	Condensate (\$C/bbl)	Propane (\$C/bbl)		Butane (\$C/bbl)
2011	88.00	87.30	4.14	91.66	52.38	69.84	0.98
2012	90.00	90.28	4.71	92.99	54.17	72.23	0.97
2013	92.00	93.83	5.29	96.65	56.30	75.07	0.96
2014	94.00	95.88	5.76	98.75	57.53	76.70	0.96
2015	96.00	97.92	6.27	100.86	58.75	78.34	0.96
2016	97.92	99.88	6.77	102.87	59.93	79.90	0.96
2017	99.88	101.88	7.02	104.93	61.13	81.50	0.96
2018	101.88	103.91	7.16	107.03	62.35	83.13	0.96
2019	103.91	105.99	7.30	109.17	63.59	84.79	0.96

Thereafter escalation at 2% per year

2010 average prices received

Traverse's average prices for the 2010 financial year were as follows: \$3.91 per Mcf for natural gas and \$73.46 per bbl of oil and natural gas liquids.

RESERVES RECONCILIATION – FORECAST CASE:

The following table reconciles Traverse's gross reserves which are Traverse's working interest (operated or non-operated) share of reserves before deduction of royalty obligations and without including any over-riding royalty ("ORR") interests of Traverse:

	Light & medium oil			Associated & non-associated gas			Coalbed methane		
	WI	WI	WI	WI	WI	WI	WI	WI	WI
	P	PA	P+PA	P	PA	P+PA	P	PA	P+PA
	Mbbl	Mbbl	Mbbl	MMcf	MMcf	MMcf	MMcf	MMcf	MMcf
Opening balance	17.2	8.2	25.4	130.5	115.7	246.1	0.0	0.0	0.0
Extensions & improved recovery	20.6	9.0	29.6	52.9	0.0	52.9	0.0	0.0	0.0
Technical revisions	11.6	0.1	11.7	27.3	-45.5	-18.3	0.0	0.0	0.0
Discoveries	60.4	18.9	79.3	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions	12.1	4.6	16.7	0.0	0.0	0.0	0.0	0.0	0.0
Dispositions	-10.1	-2.4	-12.5	-11.2	-9.6	-20.8	0.0	0.0	0.0
Production	-20.0	0.0	-20.0	-60.7	0.0	-60.7	0.0	0.0	0.0
Closing balance	91.7	38.4	130.1	138.6	60.6	199.2	0.0	0.0	0.0

The following table reconciles net over-riding royalty reserves interests owned by Traverse:

	Light & medium oil			Associated & non-associated gas			Coalbed methane		
	Net	Net	Net	Net	Net	Net	Net	Net	Net
	P	PA	P+PA	P	PA	P+PA	P	PA	P+PA
	Mbbl	Mbbl	Mbbl	MMcf	MMcf	MMcf	MMcf	MMcf	MMcf
Opening balance	5.3	1.2	6.5	195.2	61.5	256.7	18.6	14.6	33.2
Technical revisions	-0.6	-0.1	-0.7	56.1	16.5	72.6	-0.4	-0.8	-1.2
Dispositions	-1.7	-0.2	-1.9	-5.0	-2.0	-7.0	0.0	0.0	0.0
Production	-0.9	0.0	-0.9	-55.5	0.0	-55.5	-3.2	0.0	-3.2
Closing balance	2.1	0.9	3.0	190.8	76.0	266.9	15.0	13.8	28.8

ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Undeveloped reserves

The following tables set forth the proved undeveloped reserves and the probable undeveloped reserves, each by product type, attributed to Traverse's assets for the years ended December 31, 2010 and, in the aggregate, before that time based of forecast prices and costs.

Proved undeveloped reserves

Year	Light & medium oil		Natural gas		Natural gas liquids	
	First attributed Mbbl	Cumulative at year end Mbbl	First attributed MMcf	Cumulative at year end MMcf	First attributed Mbbl	Cumulative at year end Mbbl
Prior	0.0	0.0	0.0	0.0	0.0	0.0
2010	14.2	14.2	90.8	90.8	2.0	2.0

Traverse attributes proved and probable undeveloped reserves to wells which require additional expenditures in order to commence production. Proved undeveloped and probable undeveloped reserves attributed in 2010 relate to the Carbon well drilled late in the year. The well is anticipated to be tied in during the second quarter of 2011.

Probable undeveloped reserves

Year	Light & medium oil		Natural gas		Natural gas liquids	
	First attributed Mbbl	Cumulative at year end Mbbl	First attributed MMcf	Cumulative at year end MMcf	First attributed Mbbl	Cumulative at year end Mbbl
Prior	0.0	0.0	0.0	0.0	0.0	0.0
2010	3.5	3.5	22.6	22.6	0.4	0.4

Significant factors or uncertainties

The estimation of reserves requires significant judgment and decisions based on available geologic, geophysical, engineering and economic data. These estimates can change substantially as additional information from ongoing development activities and production performance becomes available and as economic and political conditions impact oil and gas prices and costs change. The Company's estimates are based on current production forecasts, prices and economic conditions. All of the Company's reserves are evaluated by the InSite Report.

As circumstances change and additional data becomes available, reserve estimates also change. Based on new information, reserves estimates are reviewed and revised, either upward or downward, as warranted. Although every reasonable effort has been made by Traverse to ensure that reserve estimates are accurate, revisions arise as new information becomes available. As new geologic, production and economic information is incorporated into the process of estimates of reserves the accuracy of the reserves estimates improves.

While Traverse does not anticipate that any significant economic factors or significant uncertainties will affect any particular components of the reserves data, the reserves can be affected significantly by fluctuations in product pricing, capital expenditures, operating costs, royalty regimes and well performance that are beyond Traverse's control. See "Risk Factors".

Future development costs

Category	2011 0% M\$	2013 0% M\$	Total 0% M\$	10% M\$
Proved	680.0	63.20	743.20	713.10
Proved plus probable additional	680.0	63.20	743.20	713.10

Traverse expects that funding for future development costs will come from the Company's cash flow and working capital and will not have any associated funding costs.

OTHER OIL AND GAS INFORMATION

Principal properties

The following is a description of the Company's principal oil and natural gas properties, all located within the province of Alberta, as at December 31, 2010. Unless otherwise indicated, production stated is average production for 2010 received in respect of our working interest share before deduction of royalties. Unless otherwise specified, gross and net acres and well count information is as at December 31, 2010.

Traverse spent \$5.0 million on drilling and completion activities in 2010 with a total of 10 wells drilled (9.25 net), resulting in 5 (4.25 net) oil wells, 1 net natural gas well, 2 net potential natural gas wells and 2 net dry and abandoned wells. The following is a more detailed breakdown of 2010 activity and Traverse's principal planned operations for 2011.

Carbon

The Carbon area is located approximately ten miles southwest of Drumheller. Traverse drilled a 100% working interest oil well late in 2010. The well requires a pipeline tie-in to nearby gas facilities in order to conserve natural gas. This tie-in is anticipated to be completed in the second quarter of 2011. The Company plans to drill additional vertical and horizontal wells in this area in 2011 for potential oil and gas production. Most of the Company lands have 3D seismic coverage.

Little Bow

The Little Bow property is located approximately 30 miles southeast of Vulcan. Traverse holds a 25% interest in a producing Sunburst natural gas well which was placed on production in February, 2010 at an initial rate of 250 Mcf per day. The well continues to produce at a similar rate with little decline in production. The well contributed 9 BOE/d to the 2010 average corporate production. Additional drilling activities in this area are being delayed due to low natural gas prices. The Company has some 3D seismic coverage over Company lands and further evaluation may lead to the drilling of additional wells.

Long Coulee

The Company drilled a successful Mannville oil well (100% working interest) in October, 2010 in this area, located approximately 20 miles east of Vulcan. The well has been on production since November, 2010 and continues to flow oil at rates of 75 barrels per day plus associated gas. Average production for the 2010 year was 28 BOE/d. Pumping equipment is anticipated to be required during the second quarter of 2011. Additional drilling locations are being evaluated based on seismic data and geological mapping of the area. Partial 2D and 3D seismic covers the Traverse lands.

Turin

Traverse holds a 75% working interest in four producing oil wells in this area located approximately 20 miles northeast of Lethbridge. In 2010, three wells were drilled and placed on production. Net production from this area averaged 28 BOE/d in 2010. During the year Traverse installed emulsion gathering pipelines, fuel gas pipelines, a gas sweetening unit and additional storage tanks to reduce operating costs. Additional drilling is anticipated for this area in 2011 to target several oil zones delineated on seismic. Several of these planned wells can be tied into the existing facilities. Traverse has 2D seismic coverage over most of its locations. Recently acquired 100% working interest lands in the area will be evaluated with a 3D seismic program. Follow up drilling activity is also planned for these new lands in 2011.

Warwick

Traverse acquired crown and freehold leases in this area, located 10 miles south of Vegreville, in 2009 and 2010. Three 100% working interest wells were drilled in the first quarter of 2010 resulting in one natural gas well and two potential natural gas wells. The single natural gas well contributed average production for 2010 of 9 BOE/d. The Company plans to perform additional completion activities on these wells in 2011. Further exploitation of this property depends primarily on increased natural gas prices. The Company has extensive 2D coverage over most of its lands in this area.

ORR properties

At December 31, 2010, Traverse holds various ORR interests in 26 producing oil and natural gas wells, all located within the province of Alberta. These combined ORR interests resulted in daily production volumes to Traverse in 2010 of 30 BOE/d. Further activities on the ORR lands are controlled by third party operators of the properties.

Reserves by principal property

The following is a summary, as of December 31, 2010 of Traverse's natural gas, oil and NGL reserves as evaluated by InSite in the InSite Report on a forecast price and cost basis for each of Traverse's principal properties.

	Natural Gas (MMcf)			Oil and Natural Gas Liquids (Mbbbl)		
	Proved	Probable	Total	Proved	Probable	Total
Carbon	95.6	24.1	119.7	17.8	4.5	22.3
Little Bow	85.7	35.1	120.8	0.1	0.1	0.2
Long Coulee	84.9	30.7	115.6	36.8	15.2	52.0
Turin	49.0	20.8	69.8	40.9	19.7	60.7
Minor	30.6	25.5	56.1	0.4	0.4	0.9
Warwick	22.4	-	22.4	-	-	-
Working interest	368.2	136.2	504.3	96.1	40.0	136.1
ORR properties	206.0	90.0	296.0	6.8	3.6	10.4
Total	574.2	226.2	800.3	102.8	43.5	146.5

Producing wells

The following tables summarize, as at December 31, 2010, the Company's interest in producing and non-producing wells which are believed to be capable of production, as evaluated by InSite in the InSite Report:

Natural Gas Wells	Producing		Non-producing		Total	
	Gross ⁽¹⁾	Net ⁽²⁾	Gross ⁽¹⁾	Net ⁽²⁾	Gross ⁽¹⁾	Net ⁽²⁾
Little Bow	1.0	0.25	-	-	1.0	0.25
Minor	2.0	0.50	1.0	0.05	3.0	0.55
ORR properties	23.0	1.92	-	-	23.0	1.92
Warwick	1.0	1.00	-	-	1.0	1.00
Total	27.0	3.67	1.0	0.05	28.0	3.72

Oil Wells	Producing		Non-producing		Total	
	Gross ⁽¹⁾	Net ⁽²⁾	Gross ⁽¹⁾	Net ⁽²⁾	Gross ⁽¹⁾	Net ⁽²⁾
Carbon	-	-	1.0	1.0	1.0	1.00
Long Coulee	1.0	1.00	-	-	1.0	1.00
ORR properties	3.0	0.15	-	-	3.0	0.15
Turin	4.0	3.00	-	-	4.0	3.00
Total	8.0	4.15	1.0	1.0	9.0	5.15

(1) "Gross" means the number of wells in which Traverse has an interest.

(2) "Net" means the product of the total number of gross wells multiplied by Traverse's percentage interest therein.

Properties with no attributed reserves

Traverse's gross and net acreage is determined on a title document basis. The gross and net acreage is determined based on the acreage contained in each title document. Where different title documents exist under the same surface area, acreage is counted based on title document.

At December 31, 2010, Traverse held various interests in 156,000 gross (148,000 net) acres in undeveloped lands located in Alberta. Expiries of 39,000 gross (36,000 net) acres are anticipated in 2011. Traverse plans to drill or submit application to continue selected portions of the above acreage.

Forward contracts

Traverse does not have any forward commodity contracts as at December 31, 2010 or April 26, 2011.

Additional information concerning abandonment and reclamation costs

The provision for future abandonment and reclamation costs is determined by management in consultation with the Company's independent engineers and is based on prevailing regulations, costs, and technology and industry standards. At December 31, 2010 the Company had 6.8 net wells capable of production for which it expects to incur abandonment and reclamation costs.

The Company's estimates of abandonment and reclamation costs for surface leases, wells, facilities and pipelines, undiscounted and discounted at 10 percent are \$774,000 and \$514,000, respectively. The future net revenue disclosed in this Annual Information Form based on the InSite Report does not contain an allowance for abandonment of suspended wells and site reclamation of abandoned wells. The InSite Report deducted \$165,500 (undiscounted) and \$97,940 (10 percent discount) for abandonment costs in estimating future net revenue from proved reserves using forecast prices and costs.

The Company's estimate of net abandonment and salvage costs to be incurred in the next three financial years undiscounted and discounted at 10 percent are \$272,000 and \$257,000, respectively.

Tax horizon

The Company was not required to pay any cash income taxes for the period ended December 31, 2010. Based on current estimates of the Company's future taxable income and levels of tax deductible expenditures, management believes that Traverse will not be required to pay cash income taxes until 2012 or later.

Costs incurred

The following table summarizes the capital expenditures incurred by Traverse for the year ended December 31, 2010:

	\$000s
Property acquisition costs	
Proved properties	317
Unproved properties	683
Exploration costs	2,846
Development costs	5,261
Property dispositions	(1,161)
Administrative assets	24
Total	7,970

Exploration and development activities

The following table sets forth the gross and net exploratory and development wells in which Traverse participated during the year ended December 31, 2010.

	Exploratory Wells		Development Wells	
	Gross	Net	Gross	Net
Light & medium oil	2.00	1.75	3.00	2.50
Natural gas	0.00	0.00	3.00	3.00
Dry	2.00	2.00	0.00	0.00
Total	4.00	3.75	6.00	5.50

(1) "Gross" means the number of wells in which Traverse has an interest.

(2) "Net" means the product of the total number of gross wells multiplied by Traverse's percentage interest therein.

For details on the important current and likely exploration and development activities during 2011, see "*Statement of Reserves Data and Other Oil and Gas Information – Other Oil and Gas Information – Principal Properties*".

Production estimates – forecast case

The following table summarizes the estimated production for 2011.

Reserves Category	Light & medium oil	Natural gas	Natural gas liquids	Total
	Bbl/d	Mcf/d	Bbl/d	BOE/d
Proved				
Long Coulee	46	112	1	65
Turin	33	35	0	39
Other	9	282	4	60
Total proved	88	429	5	164
Proved plus probable				
Long Coulee	47	116	1	67
Turin	34	36	0	40
Other	10	287	4	62
Total proved plus probable	91	439	5	169

Production history and netbacks

The following table summarizes the average daily production and related netbacks by quarter for 2010.

	Three Months Ended, 2010				Total Year
	Mar. 31	June 30	Sept. 30	Dec. 31	
<u>Production</u>					
Natural gas (Mcf/d)	230	403	419	423	370
Oil and NGL (bbl/d)	27	32	33	143	59
Oil equivalent (BOE/d)	66	99	103	214	121
<u>Average prices received</u>					
Natural gas (\$/Mcf)	5.09	3.80	3.55	3.73	3.91
Oil and NGL (\$/bbl)	75.84	69.88	67.93	75.10	73.46
<u>\$ per BOE</u>					
Petroleum and natural gas revenue	49.34	38.08	36.41	57.73	47.98
Royalties	1.23	1.51	2.30	2.71	2.18
Operating costs	12.29	12.98	12.98	12.59	12.72
Transportation	1.25	1.29	1.94	1.76	1.63
Field netback	34.57	22.30	19.19	40.67	31.45

DESCRIPTION OF CAPITAL STRUCTURE

Traverse is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares. As at April 26, 2011 there were 31,953,333 common shares and 2,525,000 options outstanding. Each option is exercisable into one common share. No preferred shares have been issued.

Common shares

The holders of common shares are entitled to: (i) receive notice of and to attend and vote at all meetings of shareholders on the basis of one vote per share, except meetings at which only holders of a specified class of shares are entitled to vote, (ii) receive any dividends declared on this class of shares although the Company is entitled to declare dividends on the preferred shares without being obliged to declare any dividends on the common shares, and subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company, to receive the remaining property of the Company upon dissolution.

Preferred shares

The preferred shares may be issued in one or more series. The Board of Directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to each series. The preferred shares of each series shall, with respect to payments of dividends and distributions of assets be entitled to preference over the common shares and the shares of any other class ranking junior to the preferred shares of that series.

Dividends

The Company has not paid any dividends on its common shares. Any decision to pay dividends on the common shares in the future will be made by the Board of Directors on the basis of earnings, financial requirements and other conditions existing at the time.

TRANSFER AGENT AND REGISTRAR

Valiant Trust Company Limited, at its offices in Calgary, Alberta, is the transfer agent and registrar for Traverse.

MARKET FOR SECURITIES

The common shares of the Company are listed for trading on the TSX Venture Exchange under the symbol "TVL". The following table sets out the price ranges and volumes traded by month for the 2010 financial year.

<u>Month</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
January	\$1.05	\$0.80	65,100
February	\$0.95	\$0.65	65,900
March	\$0.79	\$0.60	38,100
April	\$0.65	\$0.60	29,000
May	\$0.60	\$0.60	74,000
June	\$0.70	\$0.60	98,300
July	\$0.62	\$0.58	44,500
August	\$0.60	\$0.58	82,000
September	\$0.77	\$0.56	78,600
October	\$0.80	\$0.65	110,900
November	\$0.90	\$0.80	241,300
December	\$0.80	\$0.78	26,700

RISK FACTORS

Investors should carefully consider the risk factors set out below and consider all other information contained herein and in the Company's other public filings before making an investment decision.

An investment in Traverse should be considered speculative due to the nature of the business of exploration for, development and production of petroleum and natural gas reserves. Traverse has not paid any dividends and it is unlikely to pay dividends in the immediate or foreseeable future.

The petroleum industry is highly competitive. Traverse competes with numerous other participants for all of its business activities, including exploration and development prospects, access to commodity markets and available capital. Traverse's competitors include companies with greater financial resources, staff and facilities than those of Traverse.

Exploration, development and production of petroleum and natural gas involve many risks that even a combination of experience, knowledge and careful evaluation may not be sufficient to overcome. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by Traverse.

The marketability of oil and natural gas discovered or acquired will be affected by numerous factors beyond the control of Traverse. These factors include reservoir characteristics, market fluctuations, the proximity and capacity of oil and natural gas pipelines and processing equipment and government regulation. The effect of these factors cannot be accurately predicted.

Oil and natural gas operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government, which may be amended from time to time. Traverse's oil and natural gas operations may also be subject to compliance with international, federal, provincial and local laws, regulations and policies controlling the discharge of materials into the environment or otherwise relating to the protection of the environment. Although the Company believes that it is in material compliance with current applicable environmental regulations, changing regulations may have a material adverse effect on the Company.

Oil and natural gas operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, and oil spills, each of which could result in substantial damage to oil and natural gas wells, producing facilities, other property and the environment or in personal injury. Traverse maintains a comprehensive insurance program that insures liability and property consistent with industry practice. The program is designed to mitigate risks and protect against significant loss. However, the Company is not fully insured against all these risks, nor are all such risks insurable.

There are numerous uncertainties inherent in estimating quantities of reserves and cash flows to be derived, including many factors that are beyond the control of the Company. The reserve and cash flow information set forth in this Annual Information Form represent estimates only. The reserves and estimated future net cash flow from the Company's properties have been independently evaluated effective December 31, 2010 by InSite Petroleum Consultants Ltd. These evaluations include a number of assumptions relating to factors such as initial production rates, production decline rates, ultimate recovery of reserves, timing and amount of capital expenditures, marketability of production, future prices of oil and natural gas, operating costs and royalties and other government levies that may be imposed over the producing life of the reserves. Many of these assumptions are subject to change and are beyond the control of the Company.

DIRECTORS AND OFFICERS

Information is given below with respect to each of the current directors and officers of the Company. The terms of each of the directors expire at the next annual meeting of the shareholders of the Company.

Name, Province and Country of Residence	Position with the Company	Principal Occupation During the Preceding Five Years	Director Since
Laurie J. Smith ⁽³⁾ Alberta, Canada	President, Chief Executive Officer and Director	President and Chief Executive Officer of the Company. Prior thereto Independent Businessman.	August 1995
David H. Erickson ⁽²⁾⁽³⁾ Alberta, Canada	Vice-President and Chief Operating Officer and Director	Vice-President and Chief Operating Officer of the Company. Prior thereto Independent Businessman.	June 2009
Daniel G. Kolibar ⁽⁴⁾ Alberta, Canada	Corporate Secretary and Director	Partner with Borden Ladner Gervais LLP.	June 2009
A. David van der Lee ⁽¹⁾⁽²⁾ Alberta, Canada	Director	Independent Businessman. Prior thereto President and Chief Executive Officer of the Company.	August 1995
Robert M. Libin ⁽¹⁾⁽³⁾ Alberta, Canada	Director	Independent Businessman.	June 2002
Adam. O. Wells ⁽¹⁾⁽⁴⁾ Alberta, Canada	Director	Director at PwC LLP, previously Manager with PwC LLP. Prior thereto Management Consultant with Bearing Point LP.	February 2006
J. Reid Hutchinson ⁽¹⁾⁽⁴⁾ Alberta, Canada	Director	Property Tax consultant, Altus Group. Prior thereto with Deloitte LLP.	May 2010
Sharon A. Supple Alberta, Canada	Chief Financial Officer	Chief Financial Officer of the Company and Independent Consultant.	

⁽¹⁾ Member of the Audit Committee

⁽²⁾ Member of the Reserves Committee

⁽³⁾ Member of the Compensation Committee

⁽⁴⁾ Member of the Corporate Governance Committee

The directors and senior officers of the Company, as a group, beneficially owned, directly or indirectly 13,342,600 common shares or approximately 42% of the issued and outstanding common shares as of April 26, 2011. The information as to shares beneficially owned, directly or indirectly or over which control or direction is exercised, is based upon information furnished to the Company by the individuals indicated.

Conflicts of interest

There are potential conflicts of interest to which the directors and officers of Traverse are subject to in connection with the operations of Traverse. In particular, certain of the directors and officers of Traverse are involved in managerial or director positions with other oil and gas companies, whose operations may, from time to time, be in direct competition with Traverse. In accordance with the *Business Corporations Act* (Alberta), directors who have a material interest in, or in any person who is a party to, a material contract or a proposed material contract with Traverse are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

On March 11, 2009, Traverse announced that it intended to complete a private placement of 8,000,000 common shares of the Company at a price of \$0.25 per common share for total proceeds of \$2,000,000 (the "Private Placement"). Mr. Laurie J. Smith, a director of Traverse at the time, and the current President and Chief Executive Officer, subscribed under the Private Placement.

Pursuant to the Private Placement, Mr. Smith, together with his immediate family members subscribed for an aggregate of 5,000,000 common shares for an aggregate purchase price of \$1,250,000. The subscription by Mr. Smith and his immediate family members resulted in the creation of a new Control Person. "Control Person" means any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting shares of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

Prior to the completion of the Private Placement, Mr. Smith beneficially owned, controlled or directed, directly or indirectly, 320,000 common shares, representing 2.47% of the issued and outstanding common shares. After giving effect to the Private Placement, Mr. Smith owned controlled or directed, directly or indirectly, 5,320,000 common shares, representing 25.4% of the Company's issued and outstanding common shares.

Other than as disclosed herein, management of Traverse is not aware of any material interest of any director or executive officer or anyone who has held office as such since the beginning of Traverse's last financial period, any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class of voting securities, or of any associate or affiliate of any of the foregoing, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect Traverse.

INTEREST OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing or referred to in a filing, made under National Instrument 51-102 by the Company during, or related to, the Company's most recently completed financial year other than InSite Petroleum Consultants Ltd., the Company's independent engineering evaluators, and KPMG LLP, the Company's auditors. None of the principals of InSite Petroleum Consultants Ltd. had any registered or beneficial interests, direct or indirect, in any securities or other property of the Company either at the time they prepared the statement, report or valuation prepared by them, at any time thereafter or to be received by them. As at April 26, 2011 KPMG LLP have reported that they are independent in accordance with the Rules of Professional Conduct as outlined by the Institute of Chartered Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and options to purchase the Company's securities will be contained in the Company's Management Information Circular to be prepared and delivered in connection with the Annual and Special Meeting of Shareholders to be held in 2011. Additional financial information is provided in the Company's comparative financial statements and management discussion and analysis for the year ended December 31, 2010.

Additional copies of this Annual Information Form, the materials listed in the preceding paragraph and any interim financial statements which have been issued by the Company are available upon request by contacting the Chief Financial Officer of the Company at its offices at 800, 839 – 5th Avenue S.W., Calgary, Alberta T2P 3C8, Phone (403) 264-9223.

**APPENDIX A
FORM 51-101F2
REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATOR**

Terms to which a meaning is ascribed in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* have the same meaning in this form.

Report on Reserves Data

To the Board of Directors of Traverse Energy Ltd. (the "Company")

1. We have evaluated the Company's reserves data as at December 31, 2010. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2010, 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 reserve data of the Company evaluated by us for the year ended December 31, 2010, and identifies the respective portions thereof that we have evaluated and reported on to the Company's Board of Directors:

Independent Qualified Reserves Evaluator	Description and Preparation Date of Evaluation Report	Location of Reserves	Net Present Value of Future Net Revenue (before income taxes, 10% Discount Rate)			
			Audited (M\$)	Evaluated (M\$)	Reviewed (M\$)	Total (M\$)
InSite Petroleum Consultants Ltd.	March 8, 2011	Canada	-	7,551.7	-	7,551.7

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 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 results will vary and the variations may be material.

Executed as to our report referred to above:

InSite Petroleum Consultants Ltd.
Calgary, Alberta, Canada

Per: "D. H. Marshall"
D. H. Marshall

March 8, 2011

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

Terms to which a meaning is ascribed in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* have the same meaning in this form.

Report of Management and Directors on Reserves Data and Other Information

Management of Traverse Energy Ltd. (the “Company”) are responsible for the preparation and disclosure of information with respect to the Company’s oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2010, estimated using forecast prices and costs.

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

The 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 evaluator;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation, and
- (c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The 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 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.

“Laurie J. Smith”

Laurie J. Smith
 President and Chief Executive Officer

“Sharon A. Supple”

Sharon A. Supple
 Chief Financial Officer

“David H. Erickson”

David H. Erickson
 Director

“A. David van der Lee”

A. David van der Lee
 Director

April 26, 2011

