ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2012

APRIL 17, 2013

TABLE OF CONTENTS

Page

FORWARD-LOOKING INFORMATION 2
CORPORATE STRUCTURE 4
GENERAL DEVELOPMENT OF THE BUSINESS OVER THE LAST THREE YEARS 4
NARRATIVE DESCRIPTION OF THE BUSINESS 4
STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION 5
DESCRIPTION OF CAPITAL STRUCTURE 16
TRANSFER AGENT AND REGISTRAR 17
MARKET FOR SECURITIES 17
RISK FACTORS 17
DIRECTORS AND OFFICERS 19
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS 20
INTEREST OF EXPERTS 20
ADDITIONAL INFORMATION 20

APPENDIX A: REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATOR
APPENDIX B: REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

GLOSSARY OF ABBREVIATIONS

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

Where any disclosure of reserves data is made in this Annual Information Form that does not reflect all reserves of Traverse, the reader should note that the estimates of reserves and future net revenue for individual properties or groups of properties may not reflect the same confidence level as estimates of reserves and future net revenues for all properties, due to the effects of aggregation.

FORWARD-LOOKING INFORMATION

Certain statements contained in this Annual Information Form constitute forward-looking information. These statements relate to future events or Traverse Energy Ltd.'s ("**Traverse**" or the "**Company**") 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:

- 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.

In addition, statements relating to "reserves" are deemed to be forward-looking information as they involve the implied assessment based on certain estimates and assumptions that the reserves described can be profitably produced in the future.

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 the Company’s 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 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 780, 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 10 individuals, on a full or part-time basis in Calgary, Alberta.

GENERAL DEVELOPMENT OF THE BUSINESS OVER THE LAST THREE YEARS

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.

In 2011 Traverse participated in the drilling of 5 wells resulting in 4 gross (3.93 net) oil wells and 1 net potential natural gas well. Production during 2011 averaged 197 BOE/d comprised of 127 bbl of oil and natural gas liquids per day and 420 Mcf/d of natural gas. The Company acquired 46,200 acres of Crown and freehold undeveloped lands during 2011 and disposed of 3,200 acres of Crown lands. At year end Traverse held 155,600 gross (152,200 net) acres of undeveloped lands and 27,360 acres of royalty lands. In May 2011 Traverse completed a private placement of common shares resulting in the issuance of 6,531,128 common shares for gross proceeds of $5.6 million. In November 2011 Traverse completed a private placement of common shares resulting in the issuance of 3,725,450 common shares for gross proceeds of $2.9 million.

In 2012 Traverse participated in the drilling of 7 wells resulting in 3 gross (2.75 net) oil wells, 1.75 net suspended potential natural gas wells and 1.75 abandoned wells. Production during 2012 averaged 405 BOE/d comprised of 245 bbl of oil and natural gas liquids per day and 957 Mcf/d of natural gas. The Company acquired 41,000 acres of Crown and freehold undeveloped lands during 2012 and disposed of approximately 650 acres of Crown lands. At year end Traverse held 147,500 gross (144,700 net) acres of undeveloped lands. In July 2012 Traverse completed a private placement of common shares resulting in the issuance of 2,078,000 common shares for gross proceeds of $1.4 million. In December 2012 Traverse completed a private placement of common shares resulting in the issuance of 2,800,000 common shares for gross proceeds of $1.8 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, 2012 Traverse's asset base included proved plus probable reserves (before royalties) of 3,986 MMcf of natural gas and 554.3 Mbbl of oil and NGL, based on escalated price and costs assumptions, and an inventory of undeveloped lands totaling 147,500 gross (144,7200 net) acres.

Traverse 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 $1,054,000 for reserve and abandonment site restoration as at December 31, 2012. 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 ("**NI 51-101**"), Sproule Associates Limited ("**Sproule**") prepared a report (the "**Sproule Report**") dated March 19, 2013. The Sproule report evaluated as at December 31, 2012, Traverse's natural gas, oil and NGL reserves.

The reserves data set forth below (the "**Reserves Data**") is based upon an evaluation by Sproule with an effective date of December 31, 2012 and is contained in the Sproule Report. The Reserves Data summarizes the crude oil, natural gas liquids and natural gas reserves of the Company and the net present value of future net revenue for these reserves using forecast prices and costs. The Sproule 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 management believes is important to the readers of this information. The Company engaged Sproule to provide an evaluation of proved and proved plus probable reserves and no attempt was made to evaluate possible reserves.

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.

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

SUMMARY OF OIL AND GAS RESERVES

	Light and Medium Oil		Non Associated Gas		Solution Gas		Natural Gas Liquids		Total BOE	
Reserves category	Gross Mbbl	Net Mbbl	Gross MMcf	Net MMcf	Gross MMcf	Net MMcf	Gross Mbbl	Net Mbbl	Gross MBOE	Net MBOE
Proved										
Developed Producing	193.7	274.3	-	96	1,234	1,586	14.7	34.2	414.1	588.9
Developed Non-Producing	-	4.8	649	590	-	57	8.9	9.1	117.0	121.8
Undeveloped	-	28.6	-	-	-	134	-	5.0	-	55.9
Total proved	193.7	307.6	649	687	1,234	1,778	23.6	48.2	531.1	766.6
Total probable	88.6	115.0	223	250	575	796	9.8	19.8	231.4	309.2
Total proved plus probable	282.3	422.7	872	936	1,809	2,574	33.4	68.0	762.5	1075.8

NET PRESENT VALUE OF FUTURE NET REVENUE BEFORE INCOME TAXES

	Before Income Taxes					Unit Value Before Income Taxes
Reserves category	0% M$	5% M$	10% M$	15% M$	20% M$	10% $/BOE
Proved						
Developed Producing	25,360	20,124	17,048	14,983	13,478	28.95
Developed Non-Producing	1,815	1,547	1,359	1,217	1,106	11.16
Undeveloped	3,414	2,430	1,898	1,559	1,320	33.94
Total proved	30,589	24,102	20,305	17,759	15,904	26.49
Total probable	13,605	8,068	5,618	4,246	3,372	18.17
Total proved plus probable	44,194	32,170	25,922	22,004	19,277	24.10

NET PRESENT VALUE OF FUTURE NET REVENUE AFTER INCOME TAXES

	After Income Taxes				
Reserves category	0% M$	5% M$	10% M$	15% M$	20% M$
Proved					
Developed Producing	21,513	17,217	14,665	12,938	11,673
Developed Non-Producing	1,361	1,151	1,003	893	807
Undeveloped	2,561	1,823	1,423	1,169	991
Total proved	25,435	20,191	17,091	15,000	13,471
Total probable	10,208	6,052	4,214	3,185	2,530
Total proved plus probable	35,643	26,243	21,305	18,185	16,000

TOTAL FUTURE NET REVENUE (UNDISCOUNTED)

Reserves category	Revenue	Royalties	Operating Costs	Development Costs	Well Abandonment Costs	Future Net Revenue Before Income Taxes	Income Taxes	Future Net Revenue After Income Taxes
	M$	M$	M$	M$	M$	M$	M$	M$
Proved	46,560	4,800	10,224	480	466	30,589	5,154	25,435
Proved plus probable	68,070	7,157	15,744	480	494	44,194	8,551	35,643

FUTURE NET REVENUE BY PRODUCTION GROUP

	Future Net Revenue Before Income Taxes (Discounted at 10%) M$	Unit Value $/BOE[1]
Proved		
Light and Medium Crude Oil (including solution gas and by-products)	19,173	29.80
Natural Gas (including associated by-products)	1,132	9.19
Proved plus probable		
Light and Medium Crude Oil (including solution gas and by-products)	24,243	26.68
Natural Gas (including associated by-products)	1,680	10.04

[1]Unit values are based on Company net reserves.

Notes to reserves data tables

1. Columns may not add due to rounding.

2. The crude oil, natural gas liquids and natural gas reserves estimates presented in the Sproule Report are based on the definitions and guidelines contained in the COGE Handbook. A summary of those definitions are set forth below.

   Reserves Categories

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

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

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

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

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

Other criteria that must also be met for the categorization of reserves are provided in the COGE Handbook.

Each of the reserves categories (proved and probable) may be divided into developed or undeveloped categories.

- Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.
    - Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
    - Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.
- Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved or probable) to which they are assigned.

3. Forecast prices and costs

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, as at December 31, 2012, inflation and exchange rates utilized by Sproule in the Sproule Report were as follows:

	Oil		Natural Gas	Natural Gas Liquids			
Year	WTI @ Cushing ($US/bbl)	Edmonton Par Price ($C/bbl)	AECO Gas Prices ($C/MMBtu)	Edmonton Propane ($C/bbl)	Edmonton Butane ($C/bbl)	Edmonton Pentanes Plus ($C/bbl)	Exchange Rate ($US/$C)
Forecast							
2013	89.63	84.55	3.31	47.15	63.02	90.53	1.001
2014	89.93	89.84	3.72	50.22	66.96	96.19	1.001
2015	88.29	88.21	3.91	49.45	65.74	94.44	1.001
2016	95.52	95.43	4.70	53.82	71.13	102.18	1.001
2017	96.96	96.87	5.32	54.97	72.20	103.71	1.001
2018	98.41	98.32	5.40	55.74	73.28	105.27	1.001
2019	99.89	99.79	5.49	56.52	74.38	106.85	1.001
2020	101.38	101.29	5.58	57.31	75.50	108.45	1.001
2021	102.91	102.81	5.67	58.12	76.63	110.08	1.001
2022	104.45	104.35	5.76	58.93	77.78	111.73	1.001
2023	106.02	105.92	5.85	55.84	78.95	113.40	1.001

Thereafter escalation at 1.5% per year.

Traverse's average prices for the 2012 financial year were as follows: $2.51 per Mcf for natural gas and $77.90 per bbl of oil and natural gas liquids.

4. The forecast price and cost assumptions assume the continuance of current laws and regulations.

5. The extent and character of all factual data supplied to Sproule were accepted by Sproule as represented. No field inspection was conducted.

6. The after-tax net present value of the Company's properties reflects the tax burden on the properties on a stand-alone basis and utilizing the Company's tax pools. It does not reflect the business entity level tax situation or tax planning. It does not provide an estimate of the value at the level of the business entity, which may be significantly different. The financial statements and management's discussion and analysis of the Company should be consulted for information at the level of the business entity. Furthermore, the tax methodology used assumes that all tax pools are utilized to the maximum deprecation rate as currently permitted.

RESERVES RECONCILIATIONS

The following tables reconcile Traverse's gross reserves by principal product type. Gross reserves 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 & Solution Gas		
	WI P	WI PA	WI P+PA	WI P	WI PA	WI P+PA
	Mbbl	Mbbl	Mbbl	MMcf	MMcf	MMcf
December 31, 2011	143.2	63.4	206.6	830	287	1,118
Extensions	27.9	11.7	39.6	395	134	529
Infill drilling	104.6	38.8	143.4	835	319	1,154
Technical revisions	(33.7)	(25.3)	(59.0)	76	58	133
Production	(48.3)	0.0	(48.3)	(253)	0.0	(253)
December 31, 2012	193.7	88.6	282.3	1,883	798	2,681

	Natural Gas Liquids			BOE		
	WI P	WI PA	WI P+PA	WI P	WI PA	WI P+PA
	Mbbl	Mbbl	Mbbl	MMcf	MMcf	MMcf
December 31, 2011	10.3	4.3	14.5	291.8	115.6	407.4
Extensions	4.8	1.7	6.5	98.6	35.6	134.2
Infill drilling	10.3	3.9	14.2	254.1	95.7	349.8
Technical revisions	1.6	0.0	1.6	(19.5)	(15.5)	(35.0)
Production	(3.4)	0.0	(3.4)	(93.9)	0.0	(93.9)
December 31, 2012	23.6	9.8	33.4	531.1	231.4	762.5

The following tables reconcile Traverse's net over-riding royalty interest reserves by principal product type:

	Light & Medium Oil			Solution Gas		
	Net P	Net PA	Net P+PA	Net P	Net PA	Net P+PA
	Mbbl	Mbbl	Mbbl	MMcf	MMcf	MMcf
December 31, 2011	50.1	27.1	77.2	295	106	400
Extensions	55.2	17.6	72.8	312	173	485
Infill drilling	23.8	3.8	27.6	77	15	91
Technical revisions	58.0	(6.8)	51.2	318	108	426
Production	(35.6)	0.0	(35.6)	(98)	0.0	(98)
December 31, 2012	151.5	41.7	193.2	904	401	1,305

	Natural Gas Liquids			BOE		
	Net P	Net PA	Net P+PA	Net P	Net PA	Net P+PA
	Mbbl	Mbbl	Mbbl	MMcf	MMcf	MMcf
December 31, 2011	10.5	4.2	14.7	109.8	48.9	158.6
Extensions	11.7	6.4	18.1	118.8	53.0	171.8
Infill drilling	2.9	0.5	3.4	39.5	6.9	46.2
Technical revisions	9.5	2.2	11.7	120.6	13.1	133.8
Production	(2.5)	0.0	(2.5)	(54.4)	0.0	(54.4)
December 31, 2012	32.1	13.3	45.4	334.2	121.8	456.1

The following tables reconcile Traverse's company share reserves which include working interest reserves, before royalty payable, and royalty interest reserves.

	Light & Medium Oil			Solution Gas		
	Net P	Net PA	Net P+PA	Net P	Net PA	Net P+PA
	Mbbl	Mbbl	Mbbl	MMcf	MMcf	MMcf
December 31, 2011	193.3	90.5	283.8	1,125	393	1,518
Extensions	83.1	29.3	112.4	707	307	1,014
Infill drilling	128.4	42.6	171.0	912	334	1,245
Technical revisions	24.3	(32.1)	(7.8)	394	165	559
Production	(83.9)	0.0	(83.9)	(351)	0.0	(351)
December 31, 2012	345.2	130.3	475.5	2,787	1,199	3,986

	Natural Gas Liquids			BOE		
	Net P	Net PA	Net P+PA	Net P	Net PA	Net P+PA
	Mbbl	Mbbl	Mbbl	MMcf	MMcf	MMcf
December 31, 2011	20.8	8.5	29.2	401.6	164.5	566.0
Extensions	16.5	8.1	24.6	217.4	88.6	306.0
Infill drilling	13.2	4.4	17.6	293.5	102.7	396.2
Technical revisions	11.1	2.2	13.3	101.1	(2.4)	98.7
Production	(5.9)	0.0	(5.9)	(148.2)	0.0	(148.2)
December 31, 2012	55.7	23.1	78.8	865.4	353.2	1,218.6

ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Undeveloped reserves – attribution history

The following tables set forth the proved undeveloped net reserves and the probable undeveloped net reserves, each by product type, attributed to Traverse's assets for the years ended December 31, 2012 and, in the aggregate, before that time based on forecast prices and costs.

Proved undeveloped reserves

	Light & Medium oil		Associated & Non-Associated Gas		Natural gas liquids	
Year	First attributed Net Mbbl	Total at year end Net Mbbl	First attributed Net MMcf	Total at year end Net MMcf	First attributed Net Mbbl	Total at year end Net 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
2011	0.0	0.0	0.0	0.0	0.0	0.0
2012	28.6	28.6	133.9	133.9	5.0	5.0

Probable undeveloped reserves

	Light & Medium oil		Associated & Non-Associated Gas		Natural gas liquids	
Year	First attributed Net Mbbl	Total at year end Net Mbbl	First attributed Net MMcf	Total at year end Net MMcf	First attributed Net Mbbl	Total at year end Net 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
2011	17.1	17.1	0.0	0.0	0.0	0.0
2012	11.1	11.1	113.7	113.7	4.3	4.3

Traverse attributes proved and probable undeveloped reserves to wells which require additional expenditures in order to commence production. At December 31, 2012 proved undeveloped net reserves were attributed to three locations at Brazeau. Proved undeveloped net reserves attributed in 2010 related to a well at Carbon drilled late in the year. That well was tied in during 2011.

Probable undeveloped net reserves attributed in 2011 relate to two additional wells in the Brazeau area. These wells were drilled and completed in the first quarter of 2012. Probable net reserves attributed in 2012 relate to four additional wells in the Brazeau area which were drilled after December 31, 2012.

Significant factors or uncertainties

The estimation of reserves requires significant judgment and decisions based on available geological, 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 Sproule Report except for the smaller minor ORR properties which produced a combined volume of less than 10 BOE per day in 2012.

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

The following table sets forth future development costs deducted in the estimation of Traverse's future net revenue attributable to the reserves categories noted below.

(thousands of dollars)	Proved reserves	Proved plus probable reserves
2013	480	480
Total (undiscounted)	480	480
Total (discounted at 10%)	442	442

The future development costs in 2013 relate to the equipping and tie-in of 2 natural gas wells at Turin and 1 natural gas well at Deanne. 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, 2012. Production stated is production before deduction of royalties and includes royalty interests to Traverse and, unless otherwise stated, is average production for 2012. Unless otherwise specified, gross and net acres and well count information are as at December 31, 2012.

Overview

Traverse spent $3.8 million on drilling and completion activities in 2012 with a total of 7 wells drilled (6.25 net), resulting in 3 (2.75 net) oil wells, 2 (1.75 net) suspended potential natural gas wells and 2 (1.75 net) abandoned wells. Equipping and facility expenditures of $2.5 million in 2012 related to the expansion of the Turin battery and equipping of wells.

Turin
In the Turin area, production increased with the addition of 2.75 net oil wells and the expansion of the battery facilities. Expansion of the Turin battery was completed in the first quarter of 2012 with the addition of an injection facility for water disposal and the addition of a treater capable of handling up to 2,500 barrels of fluid per day. Two (1.75 net) natural gas wells resulted from the current drilling program, however the wells are suspended until the economics for natural gas production improve. Traverse's land holdings in the area total 11,300 gross (10,900 net) acres. The majority of land in the area is exploratory and will require further evaluation. Seismic surveys (2D and 3D) shot during 2012 resulted in a number of new exploration targets. Production during the fourth quarter of 2012 averaged 325 BOE/d (approximately 50% oil and NGL). Five wells are scheduled to be drilled in 2013.

Brazeau ORR
In the Brazeau area of West Central Alberta, an industry partner commenced production in 2011 from horizontal Cardium wells in which the Company has a gross overriding royalty interest. Traverse's royalty is 5 to 10 percent on oil, dependent on production rates, and 10 percent on natural gas and liquids in 10 sections (6,400 acres). At December 31, 2012 Traverse was receiving royalty income from fifteen horizontal Cardium wells in the area. The production from this property is light oil with associated natural gas and natural gas liquids. Production during the fourth quarter of 2012 averaged 145 BOE/d (approximately 80% oil and NGL). This is a high net back property for Traverse.

Minor working interest properties
Minor working interest properties consist mainly of single producing oil wells (100% interest) at each of the Alliance, Carbon and Long Coulee areas. In addition, minor working interest properties include suspended natural gas wells at both Little Bow and Deanne.

Minor ORR properties
At December 31, 2012, Traverse holds various ORR interests in 29 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 2012 of 17 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, 2012 of Traverse's natural gas, oil and NGL reserves as evaluated by Sproule in the Sproule Report on a forecast price and cost basis for each of Traverse's principal properties.

	Natural Gas (MMcf)			Oil and NGLs (Mbbl)			BOE		
Property	Proved	Probable	Total	Proved	Probable	Total	Proved	Probable	Total
Working interest [(1)]									
Turin	1,664	671	2,335	188.7	83.7	272.3	466.0	195.5	661.5
Minor	219	128	347	28.6	14.8	43.4	65.1	36.0	101.1
Total working interest	1,883	798	2,681	217.3	98.4	315.7	531.1	231.4	762.5
Royalty interest [(2)]									
Brazeau ORR	835	351	1,186	180.0	53.0	232.9	319.1	111.5	430.6
Minor ORR	68	50	118	3.6	2.1	5.7	15.1	10.5	25.6
Total royalty interest	903	401	1,304	183.6	55.1	238.6	334.2	122.0	456.2
Total Company [(3)]	2,787	1,199	3,986	400.9	153.4	554.3	865.4	353.2	1,218.6

(1) Working interest reserves are Traverse's working interest (operated or non-operated) share of reserves before deduction of royalty obligations and without including any royalty interests of Traverse.
(2 Royalty interest reserves are Traverse's royalty interest in reserves.
(3) Total Company reserves are Traverse's working interest reserves, before deduction of royalty obligations, and Traverse's royalty interest reserves.

Producing wells

The following tables summarize, as at December 31, 2012, the Company's interest in producing and non-producing wells which are believed to be capable of production.

	Producing			Non-producing			Total		
Natural Gas Wells	Gross [(1)]	Net [(2)]	RI [(3)]	Gross [(1)]	Net [(2)]	RI [(3)]	Gross [(1)]	Net [(2)]	RI [(3)]
Brazeau ORR	1.0	-	0.1	-	-	-	1.0	-	0.1
Turin	-	-	-	3.0	2.5	-	3.0	2.5	-
Minor working interest	-	-	-	2.0	0.3	-	2.0	0.3	-
Minor ORR	4.0	-	0.4	-	-	-	4.0	-	0.4
Total	5.0	-	0.5	5.0	2.8	-	10.0	2.8	0.5

	Producing			Non-producing			Total		
Oil Wells	Gross [(1)]	Net [(2)]	RI [(3)]	Gross [(1)]	Net [(2)]	RI [(3)]	Gross [(1)]	Net [(2)]	RI [(3)]
Brazeau ORR	15.0	-	1.4	5.0	-	0.5	20.0	-	1.9
Turin	7.0	6.3	-	-	-	-	7.0	6.3	-
Minor working interest	3.0	2.9	-	-	-	-	3.0	2.9	-
Minor ORR	3.0	-	0.2	-	-	-	3.0	-	0.2
Total	28.0	9.2	1.6	5.0	-	0.5	33.0	9.2	2.1

(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 working interest therein.
(3) RI means the product of the total number of gross wells multiplied by Traverse's percentage royalty 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, 2012, Traverse held various interests in 147,500 gross (144,700 net) acres in undeveloped lands located in Alberta. Expiries of 31,900 gross (29,500 net) acres are anticipated in 2013. Traverse plans to drill, farm out to third parties, or submit application to continue selected portions of the pending 2013 expiries. The majority of this acreage will be allowed to expire.

Forward contracts

From time to time, Traverse may employ financial instruments and physical arrangements to manage fluctuations in oil and natural gas market prices. Traverse may use fixed physical price arrangements, future contracts, swaps, collars and put options with respect to a portion of its oil and natural gas production in order to achieve a more predictable funds from operations. For details on risk management commodity contracts see the discussion under "Pricing" in Traverse's management discussion and analysis for the year ended December 31, 2012 (available on SEDAR at www.sedar.com), which in incorporated herein by reference. Traverse does not utilize financial instruments for speculative purposes.

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, 2012 the Company had 15 gross (12.0 net) wells capable of production and included in the Sproule Report 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 $1.3 million and $0.7 million, respectively. The future net revenue disclosed in this Annual Information Form based on the Sproule Report does not contain an allowance for abandonment of suspended wells, site reclamation of abandoned wells and site reclamation of facilities. The following table sets out the abandonment costs deducted in the estimation of Traverse's future net revenue attributable to the reserve categories noted below:

(in thousands of dollars)	Proved reserves	Proved plus probable reserves
2013	-	-
2014	36	-
2015	55	-
2016	-	28
2017	38	28
Remainder	337	438
Total (undiscounted)	466	494
Total (discounted at 10%)	258	194

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 $253,000 and $252,000, respectively.

Tax horizon

The Company was not required to pay any cash income taxes for the period ended December 31, 2012. The Company may be taxable on a current basis in 2013 depending on the level and type of capital expenditures in 2013 as well as the results of such expenditures. As at December 31, 2012, Traverse's total tax pools available for deduction against future taxable income are estimated at $10.2 million.

Costs incurred

The following table summarizes the capital expenditures incurred by Traverse for the year ended December 31, 2012:

(in thousands of dollars)	Year Ended December 31, 2012
Unproved property acquisition costs[1]	698
Exploration costs[2]	2,910
Development costs[3]	4,608
Property dispositions	(105)
Total	8,111

(1) Cost of land acquired and non-producing lease rentals on those lands.
(2) Geological and geophysical capital expenditure and drilling, completing and equipping exploration wells.
(3) Capital expenditures related to development wells and facilities.

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, 2012.

	Exploratory Wells		Development Wells	
	Gross	Net	Gross	Net
Light & Medium oil	0.00	0.00	3.00	2.75
Natural gas	1.00	1.00	1.00	0.75
Dry	2.00	1.75	0.00	0.00
Total	3.00	2.75	4.00	3.50

(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 2013, see "*"Statement of Reserves Data and Other Oil and Gas Information – Other Oil and Gas Information – Principal Properties"*.

Production estimates – forecast case for 2013 by reserve category

	Light & Medium oil	Natural gas	Natural gas liquids	Total
Reserves Category	bbl/d	Mcf/d	bbl/d	BOE/d
Proved				
Brazeau ORR	92	419	16	178
Turin	130	955	12	301
Minor working interest	20	148	1	46
Minor ORR	3	33	-	8
Total proved	245	1,555	26	530
Proved plus probable				
Brazeau ORR	92	419	16	178
Turin	135	989	12	312
Minor working interest	22	162	2	50
Minor ORR	3	33	-	8
Total proved plus probable	252	1,608	29	549

Production history and netbacks

The following table summarizes the average daily production and related netbacks by quarter for 2012.

	Three Months Ended, 2012				Total
	Mar. 31	June 30	Sept. 30	Dec. 31	Year
Production					
Natural gas (Mcf/d)	697	702	1,064	1,362	957
Oil and NGL (bbl/d)	213	184	266	318	245
Oil equivalent (BOE/d)	329	301	444	545	405
Average prices received					
Natural gas ($/Mcf)	2.33	2.02	2.36	2.91	2.51
Oil and NGL ($/bbl)	86.88	77.92	76.77	72.90	77.90
$ per BOE					
Petroleum and natural gas revenue	52.10	48.16	51.56	45.95	49.04
Royalties	3.72	0.85	4.56	2.95	3.19
Operating & transportation costs	15.03	13.16	10.78	13.80	13.13
Working interest operating netback	33.35	34.15	36.22	29.20	32.72
Royalty netback	76.33	57.62	52.02	61.94	61.07
Total Company operating netback	49.34	44.45	42.31	39.36	43.13

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 17, 2013 there were 47,087,911 common shares and 4,430,000 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 2012 financial year.

Month	High	Low	Volume
January	$0.75	$0.73	12,000
February	$0.73	$0.69	27,500
March	$0.70	$0.70	38,400
April	$0.65	$0.51	111,000
May	$0.62	$0.55	140,900
June	$0.68	$0.53	30,000
July	$0.68	$0.57	40,250
August	$0.68	$0.58	100,700
September	$0.65	$0.61	75,300
October	$0.62	$0.53	437,330
November	$0.62	$0.50	281,000
December	$0.60	$0.60	13,900

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. Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted by the Company. Demand for such limited equipment or access restrictions may affect the availability of such equipment to Traverse and may delay exploration and development activities.

Exploration, development and production of petroleum and natural gas involves 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 reserves 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, 2012 by Sproule Associates Limited. 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.	January 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][2][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 15,583,300 common shares or approximately 33% of the issued and outstanding common shares as of April 17, 2013. 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

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 Sproule Associates Limited, the Company's independent engineering evaluators, and KPMG LLP, the Company's auditors. None of the principals of Sproule Associates Limited 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 17, 2013 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 on May 21, 2013. Additional financial information is provided in the Company's comparative audited financial statements and management discussion and analysis for the year ended December 31, 2012.

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 780, 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, 2012. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2012, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

   We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook"), prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).
3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
4. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us as of December 31, 2012, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company's management and Board of Directors:

			Net Present Value of Future Net Revenue (before income taxes, 10% Discount Rate)			
Independent Qualified Reserves Evaluator	**Description and Preparation Date of Evaluation Report**	**Location of Reserves**	**Audited (M$)**	**Evaluated (M$)**	**Reviewed (M$)**	**Total (M$)**
Sproule	Evaluation of the P&NG Reserves of Traverse Energy Ltd., As of December 31, 2012, prepared January to March 2013	Canada				
Total			Nil	25,922	Nil	25,922

5. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are presented in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
6. We have no responsibility to update the report referred to in paragraph 4 for events and circumstances occurring after its preparation date.
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:
Sproule Associates Limited

Calgary, Alberta, March 19, 2013

Per: *"Meghan Klein"*
Meghan Klein, P. Eng.
Project Leader;
Petroleum Engineer and Partner

Per: *"Alec Kovaltchouk"*
Alec Kovaltchouk, P. Geo.
Manager, Geoscience and Partner

Per: *"Cameron P. Six"*
Cameron P. Six, P. Eng.
Vice-President, Engineering, Canada, and Director

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, 2012, 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

"David H. Erickson"
David H. Erickson
Director

"Sharon A. Supple"
Sharon A. Supple
Chief Financial Officer

"A. David van der Lee"
A. David van der Lee
Director

April 17, 2013