



ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2011

APRIL 23, 2012

TABLE OF CONTENTS

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

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:

- 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 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 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

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 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.

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.

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, 2011 Traverse's asset base included proved and probable reserves (before royalties) of 1,518.1 MMcf of natural gas and 313 Mbbl of oil and NGL, based on escalated price and costs assumptions, and an inventory of undeveloped lands totaling 155,600 gross (152,200 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 \$860,000 for reserve and abandonment site restoration as at December 31, 2011. 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 9, 2012. The InSite report evaluated as at December 31, 2011, 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, 2011 using the InSite December 31, 2011 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.

SUMMARY OF OIL AND GAS RESERVES

Category	Oil				Natural Gas				Natural Gas		Total BOE	
	Light & Medium		Solution		Associated & Non-Associated		Coalbed Methane		Liquids		Gross	Net
	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	119.2	135.7	476.1	500.0	188.7	349.8	0.0	15.2	8.1	13.1	238.1	293.0
PDNP	23.9	45.9	143.3	183.8	22.1	20.5	0.0	0.0	2.2	4.7	53.7	84.7
P	143.2	181.7	619.5	683.7	210.8	370.3	0.0	15.2	10.3	17.7	291.8	377.6
PA	63.4	84.3	185.5	204.9	101.8	154.5	0.0	11.8	4.3	7.0	115.6	153.2
P+PA	206.6	266.0	805.0	888.6	312.6	524.8	0.0	26.9	14.5	24.8	407.4	530.8

NET PRESENT VALUE OF FUTURE NET REVENUE

Category	Before Income Taxes					Unit Value Before
	0%	5%	10%	15%	20%	Income Taxes
	M\$	M\$	M\$	M\$	M\$	\$/BOE
PDP	11,983.9	10,229.1	8,961.5	8,007.1	7,263.8	30.59
PDNP	4,243.1	3,645.8	3,213.5	2,888.0	2,634.6	37.95
P	16,227.0	13,874.9	12,175.0	10,895.0	9,898.4	32.24
PA	8,683.0	6,170.5	4,708.1	3,784.5	3,161.9	30.73
P+PA	24,910.1	20,045.4	16,883.1	14,679.6	13,060.3	31.80

Category	After Income Taxes				
	0%	5%	10%	15%	20%
	M\$	M\$	M\$	M\$	M\$
PDP	11,766.8	10,084.4	8,861.7	7,936.3	7,212.4
PDNP	3,182.7	2,761.5	2,460.2	2,235.4	2,061.4
P	14,949.5	12,845.9	11,322.0	10,171.6	9,273.7
PA	6,568.5	4,649.9	3,540.5	2,843.0	2,374.0
P+PA	21,518.0	17,495.8	14,862.5	13,014.6	11,647.8

TOTAL FUTURE NET REVENUE (UNDISCOUNTED)

Category	Revenue ⁽¹⁾	Royalties	Operating	Development	Well	Future Net	Income	Future Net
	M\$	M\$	Costs	Costs	Abandonment	Revenue	Taxes	Revenue
			M\$	M\$	Costs	Before		After
					M\$	Income		Income
						Taxes	Income	Taxes
						M\$	Taxes	M\$
PDP	19,324.8	1,268.1	5,071.3	751.5	249.9	11,983.9	217.2	11,766.8
PDNP	6,052.0	216.2	1,129.3	412.0	51.4	4,243.1	1,060.3	3,182.7
P	25,376.8	1,484.3	6,200.7	1,163.5	301.3	16,227.0	1,277.5	14,949.5
PA	12,598.9	826.3	3,068.9	0.0	20.6	8,683.0	2,114.5	6,568.5
P+PA	37,975.7	2,310.7	9,269.6	1,163.5	321.9	24,910.1	3,392.0	21,518.0

⁽¹⁾ Revenue includes product revenue and other income from facilities, wells and corporate if specified.

FUTURE NET REVENUE BY PRODUCTION GROUP

	Future Net Revenue Before Income Taxes (Discounted at 10%) M\$	Unit Value \$/BOE ⁽¹⁾
Proved		
Light and Medium Oil (including solution gas and by-products)	11,115.4	36.17
Associated and Non-Associated Gas (including by-products)	1,025.7	15.12
Coalbed Methane (including by-products)	33.9	13.41
Total	12,175.0	32.24
Proved plus probable		
Light and Medium Oil (including solution gas and by-products)	15,346.6	35.73
Associated and Non-Associated Gas (including by-products)	1,466.9	15.15
Coalbed Methane (including by-products)	69.6	15.51
Total	16,883.1	31.80

⁽¹⁾Unit values are based on Company net reserves.

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, 2011, 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)	
2012	100.00	98.00	3.45	102.90	58.80	73.50	1.000
2013	101.00	99.00	4.04	101.97	59.40	74.25	1.000
2014	102.00	99.96	4.53	102.96	59.98	74.97	1.000
2015	103.00	100.92	5.02	103.95	60.55	75.69	1.000
2016	104.00	101.88	5.51	104.93	61.13	76.41	1.000
2017	106.00	103.84	6.00	106.95	62.30	77.88	1.000
2018	108.12	105.91	6.49	109.09	63.55	79.43	1.000
2019	110.28	108.03	6.98	111.27	64.82	81.02	1.000
2020	112.49	110.19	7.12	113.50	66.11	82.64	1.000

Thereafter escalation at 2% per year. All costs escalated at 2% per year from 2012.

Traverse's average prices for the 2011 financial year were as follows: \$3.82 per Mcf for natural gas and \$85.90 per bbl of oil and natural gas liquids.

RESERVES RECONCILIATION – FORECAST CASE:

The following table reconciles 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 Gas		
	WIP	WI PA	WI P+PA	WIP	WI PA	WI P+PA
	Mbbl	Mbbl	Mbbl	MMcf	MMcf	MMcf
Opening balance	91.7	38.4	130.1	138.6	60.6	199.2
Extensions & improved recovery	62.8	15.7	78.4	0.0	0.0	0.0
Technical revisions	(6.2)	(9.3)	(15.5)	(12.1)	(25.0)	(37.1)
Discoveries	33.2	18.6	51.8	132.5	66.3	198.8
Production	(38.3)	0.0	(38.3)	(48.3)	0.0	(48.3)
Closing balance	143.2	63.4	206.6	210.8	101.8	312.6

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

	Light & Medium oil			Associated & Non-Associated Gas			Coalbed Methane		
	Net P	Net PA	Net P+PA	Net P	Net PA	Net P+PA	Net P	Net PA	Net P+PA
	Mbbl	Mbbl	Mbbl	MMcf	MMcf	MMcf	MMcf	MMcf	MMcf
Opening balance	2.1	0.9	3.0	190.9	76.1	266.9	15.0	13.8	28.8
Extensions & improved recovery	54.7	26.5	81.2	0.0	0.0	0.0	0.0	0.0	0.0
Technical revisions	0.5	(0.3)	(0.1)	24.2	(17.1)	7.1	3.1	(2.0)	1.1
Production	(7.1)	0.0	(7.1)	(43.7)	0.0	(43.7)	(2.6)	0.0	(2.6)
Closing balance	50.1	27.1	77.2	171.3	59.0	230.4	15.5	11.8	27.3

ADDITIONAL INFORMATION RELATING TO RESERVES DATA**Undeveloped reserves – attribution history:**

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, 2011 and, in the aggregate, before that time based on forecast prices and costs.

Proved undeveloped reserves

Year	Light & Medium oil		Associated & Non-Associated Gas		Natural gas liquids	
	First attributed	Total at year end	First attributed	Total at year end	First attributed	Total at year end
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	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

Probable undeveloped reserves

Year	Light & Medium oil		Associated & Non-Associated Gas		Natural gas liquids	
	First attributed	Total at year end	First attributed	Total at year end	First attributed	Total at year end
	Mbbl	Mbbl	MMcf	MMcf	Mbbl	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

Traverse attributes proved and probable undeveloped reserves to wells which require additional expenditures in order to commence production. At December 31, 2011 no proved undeveloped reserves are attributed. Proved undeveloped reserves attributed in 2010 related to a well at Carbon drilled late in the year. That well was tied in during 2011.

Probable undeveloped 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.

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

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.

<i>(thousands of dollars)</i>	Proved Reserves	Proved Plus Probable Reserves
2012	1,101.5	1,101.5
2013	61.96	61.96
Total (undiscounted)	1,163.46	1,163.46
Total (discounted at 10%)	1,131.64	1,131.64

The majority of the future development costs in 2012 relate to the expansion of the facilities at Turin and the equipping and tie-in of a well at Carbon. 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, 2011. Unless otherwise indicated, production stated is average production for 2011 received in respect of the Company's working interest share before deduction of royalties. Unless otherwise specified, gross and net acres and well count information is as at December 31, 2011.

Traverse spent \$7.3 million on drilling and completion activities in 2011 with a total of 5 wells drilled (4.9 net), resulting in 4 (3.9 net) oil wells and 1 net potential natural gas well.

Alliance

In the Alliance area, Traverse drilled one horizontal well (0.93 net) in June targeting Viking oil. A 1,075 meter horizontal leg was drilled, completed and tied-in. The well was placed on production in early August with initial rates of 50 BOE/d (90% oil). The well continues to produce at a rate of approximately 30 BOE/d (75% oil). An application has been approved by the ERCB to allow for an additional horizontal well to be drilled on the 320 acre spacing unit.

Brazeau ORR

In the Brazeau area of West Central Alberta, an industry partner commenced production in September from three horizontal Cardium wells in which the Company has a gross overriding royalty interest and a fourth well commenced production in November. 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). The operator has recently drilled five additional wells on the Traverse lands. By the end of the first quarter of 2012, the five additional wells were placed on production. The production from this property is light oil with associated natural gas and natural gas liquids. The February 2012 oil production was 100 BOE/d net to Traverse. This is a high net back property for Traverse.

Carbon

During the second quarter of 2011 Traverse placed a 100% working interest vertical Pekisko oil well on production in the Carbon area. The well produced at low oil rates with associated natural gas and has subsequently been suspended due to low gas prices. The well confirms the existence of oil within the Pekisko zone which appears to be uneconomic in vertical wells. Production rates and recoverable reserves from horizontal Pekisko wells are projected to be more economic. Traverse drilled a horizontal well targeting Pekisko oil during the fourth quarter of 2011. The well was projected to drill a 1,000 meter horizontal section in the Pekisko formation but was completed in a 450 meter open hold section. The well was placed on production in January 2012 and is currently producing 45 BOE/d (30% oil). Traverse's land holdings in the Carbon area total 12,200 acres at a 100% working interest.

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 pump oil at rates of 12 barrels per day plus associated gas. Average production for the 2011 year was 54 BOE/d. Pumping equipment was installed during the third quarter of 2011.

Turin

In the Turin area, production increased with the addition of 2 net oil wells and the expansion of the natural gas sweetening unit. Further 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. Future drilling in the Turin area can now be accommodated at the facility without further expansion. One net natural gas well resulted from the current drilling program, however the well is suspended until the economics for gas production improve. Traverse's land holdings in the area total 9,555 gross (9,104 net) acres. The majority of recently acquired land in the area is exploratory and will require further evaluation. Seismic surveys (2D and 3D) shot during the first quarter of 2012 resulted in a number of new exploration targets. Several exploratory wells are scheduled to be drilled in the second quarter of 2012.

Minor ORR properties

At December 31, 2011, Traverse holds various ORR interests in 20 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 2011 of 23 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, 2011 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.

Property	Natural Gas (MMcf)			Oil and NGLs (Mbbbl)			BOE		
	Proved	Probable	Total	Proved	Probable	Total	Proved	Probable	Total
Alliance	181.5	34.8	216.2	34.6	9.8	44.4	64.9	15.6	80.5
Carbon	290.1	74.1	364.2	34.3	8.8	43.1	82.6	21.2	103.7
Long Coulee	75.9	41.7	117.6	19.9	10.9	30.9	32.6	17.9	50.5
Turin	204.5	101.2	305.7	64.1	37.7	101.8	98.2	54.5	152.7
Minor	78.3	35.6	113.9	0.5	0.4	1.0	13.6	6.4	19.9
Working Interest	830.3	287.4	1,117.5	153.4	67.6	221.1	291.8	115.6	407.4
Brazeau Oil ORR	108.1	34.8	142.9	55.0	28.6	83.6	73.0	34.5	107.5
Minor ORR	186.8	71.0	257.7	5.6	2.7	8.3	36.7	14.4	51.2
Total	1,125.2	393.2	1,518.1	214.0	98.9	313.0	401.5	164.5	566.1

Producing wells

The following tables summarize, as at December 31, 2011, 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⁾
Turin	-	-	1.0	1.00	1.0	1.00
Minor	4.0	1.75	1.0	0.05	5.0	1.80
ORR properties	20.0	1.75	-	-	20.0	1.75
Total	24.0	3.50	2.0	1.05	26.0	4.55

Oil Wells	Producing		Non-producing		Total	
	Gross ⁽¹⁾	Net ⁽²⁾	Gross ⁽¹⁾	Net ⁽²⁾	Gross ⁽¹⁾	Net ⁽²⁾
Alliance	1.0	0.94	-	-	1.0	0.94
Brazeau ORR	4.0	0.29	5.0	0.37	9.0	0.66
Carbon	1.0	1.00	1.0	1.00	2.0	2.00
Long Coulee	1.0	1.00	-	-	1.0	1.00
Minor ORR properties	3.0	0.15	-	-	3.0	0.15
Turin	5.0	4.25	-	-	5.0	4.25
Total	15.0	7.63	6.0	1.37	21.0	9.00

⁽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, 2011, Traverse held various interests in 155,600 gross (152,200 net) acres in undeveloped lands located in Alberta. Expiries of 48,800 gross (48,300 net) acres are anticipated in 2012. Traverse plans to drill, farm out to third parties, or submit application to continue selected portions of the above acreage. The majority of this acreage will be allowed to expire.

Forward contracts

Traverse does not have any forward commodity contracts as at December 31, 2011 or as at April 23, 2012.

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, 2011 the Company had 15 gross (11 net) wells capable of production and included in the InSite 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 \$1,074,000 and \$523,000, 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, 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:

<i>(in thousands of dollars)</i>	Proved Reserves	Proved Plus Probable Reserves
2012	20.60	20.60
2013	16.22	16.54
2014	-	-
2017	23.41	-
2018	65.66	-
Remainder	175.40	284.79
Total (undiscounted)	301.29	321.93
Total (discounted at 10%)	146.09	118.21

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 \$321,000 and \$294,000, respectively.

Tax horizon

The Company was not required to pay any cash income taxes for the period ended December 31, 2011. 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 2013 or later.

Costs incurred

The following table summarizes the capital expenditures incurred by Traverse for the year ended December 31, 2011:

<i>(in thousands of dollars)</i>	Year Ended December 31, 2011
Unproved property acquisition costs ⁽¹⁾	1,176
Exploration costs ⁽²⁾	3,264
Development costs ⁽³⁾	6,258
Property dispositions	(354)
Total	10,408

⁽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, 2011.

	Exploratory Wells		Development Wells	
	Gross	Net	Gross	Net
Light & Medium oil	2.00	2.00	2.00	1.93
Natural gas	0.00	0.00	1.00	1.00
Dry	0.00	0.00	0.00	0.00
Total	2.00	2.00	3.00	2.93

(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 2012, see "'Statement of Reserves Data and Other Oil and Gas Information – Other Oil and Gas Information – Principal Properties'".

Production estimates – forecast case for 2012 by reserve category:

Reserves Category	Light & Medium oil	Natural gas	Natural gas liquids	Total
	Bbl/d	Mcf/d	Bbl/d	BOE/d
Proved				
Alliance	18	53	-	27
Brazeau	66	74	5	83
Carbon	16	142	2	42
Long Coulee	14	55	1	24
Turin	49	92	2	67
Other	-	139	-	24
Total proved	164	555	11	267
Proved plus probable				
Alliance	21	53	-	29
Brazeau	87	76	5	104
Carbon	16	142	2	42
Long Coulee	15	59	1	25
Turin	51	97	3	70
Other	-	140	1	26
Total proved plus probable	190	567	12	296

Production history and netbacks

The following table summarizes the average daily production and related netbacks by quarter for 2011.

	Three Months Ended, 2011				Total
	Mar. 31	June 30	Sept. 30	Dec. 31	Year
<u>Production</u>					
Natural gas (Mcf/d)	403	399	452	424	420
Oil and NGL (bbl/d)	120	89	126	172	127
Oil equivalent (BOE/d)	187	155	202	243	197
<u>Average prices received</u>					
Natural gas (\$/Mcf)	3.96	4.06	3.99	3.28	3.82
Oil and NGL (\$/bbl)	78.02	93.68	80.76	91.07	85.90
<u>\$ per BOE</u>					
Petroleum and natural gas revenue	58.50	63.98	59.52	70.27	63.50
Royalties	3.25	4.08	3.09	5.54	4.08
Operating costs	12.20	11.74	16.85	13.19	13.62
Transportation	1.56	2.27	1.70	1.15	1.61
Field netback	41.49	45.89	37.88	50.39	44.19

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 23, 2012 there were 42,209,911 common shares and 3,525,000 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 2011 financial year.

<u>Month</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
January	\$0.80	\$0.78	208,282
February	\$0.85	\$0.80	86,500
March	\$0.95	\$0.79	236,300
April	\$1.00	\$0.90	57,900
May	\$0.95	\$0.80	120,500
June	\$0.90	\$0.82	49,500
July	\$0.86	\$0.80	20,000
August	\$0.90	\$0.75	36,200
September	\$0.80	\$0.70	99,000
October	\$0.80	\$0.70	87,000
November	\$0.75	\$0.74	7,500
December	\$0.90	\$0.65	97,962

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 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, 2011 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.	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⁾⁽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 14,304,600 common shares or approximately 34% of the issued and outstanding common shares as of April 23, 2012. 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 23, 2012 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 25, 2012. Additional financial information is provided in the Company's comparative audited financial statements and management discussion and analysis for the year ended December 31, 2011.

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, 2011. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2011, 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, 2011, 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 9, 2012	Canada	-	16,883.1	-	16,883.1

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 9, 2012

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, 2011, 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 23, 2012