

Form 51-101F1

**STATEMENT OF RESERVES DATA AND OTHER OIL
AND GAS INFORMATION**

for

BIRCHCLIFF ENERGY LTD.

dated

March 30, 2010

ABBREVIATIONS AND CONVERSION

In this document, Birchcliff Energy Ltd. is referred to as Birchcliff or the Corporation and the abbreviations set forth below have the following meanings:

Oil, Natural Gas and Natural Gas Liquids

bbbl	barrel
bbls	barrels
bbls/day	barrels per day
bcf	billion cubic feet
boe	barrel of oil equivalent on the basis of 1 boe to 6 mcf of natural gas
boe/day	barrel of oil equivalent per day
BOPD	barrels of oil per day
GJ	gigajoule
m ³	cubic metres
mbbl	thousand barrels
mboe	1,000 barrels of oil equivalent
mcf	thousand cubic feet
mcf/day	thousand cubic feet per day
mmbbl	million barrels
MMBTU	million British Thermal Units
mmcf	million cubic feet
mmcf/day	million cubic feet per day
mstb	thousand stock tank barrels
NGLs	natural gas liquids
STB	stock tank barrels

Other

AECO	The natural gas storage facility located at Suffield, Alberta.
API	American Petroleum Institute
°API	an indication of the specific gravity of crude oil measured on the API gravity scale. Liquid petroleum with a specified gravity of 28° API or higher is generally referred to as light crude oil.
\$000s or \$M	thousands of dollars
\$MM	millions of dollars
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade.

Gross reserves or production volumes means the Corporation's working interest share of such volumes before the deduction of royalty interests and without including any royalty interests of the Corporation.

Gross wells means any well in which the Corporation has an interest.

Gross acres means any acreage in which the Corporation has an interest.

Net reserves or production volumes means the Corporation's working interest share of such volumes after the deduction of royalty interests and after including any royalty interests of the Corporation in production or reserves.

Net wells means the number of wells obtained by aggregating the Corporation's working interest in each of its wells.

Net acres means the number of acres obtained by aggregating the Corporation's working interest in each of the acres in which the Corporation has an interest.

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

Reserves Data and Future Net Revenue

AJM Petroleum Consultants (“AJM”), qualified independent petroleum engineers of Calgary, Alberta prepared a Reserves Assessment and Economic Evaluation effective December 31, 2009 in respect of Birchcliff’s oil and natural gas properties which is contained in a report dated February 16, 2010 (the “AJM Evaluation”). AJM has confirmed to Birchcliff’s Reserves Evaluation Committee of its Board of Directors that the AJM Evaluation has been prepared in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook and the reserves definitions contained in National Instrument 51-101 - *Standards of Disclosure For Oil and Gas Activities*.

In preparing its report, AJM obtained basic information from Birchcliff, which included land data, well and accounting information, reservoir and geological studies, estimates of on-stream dates for certain properties, contract information, current hydrocarbon product prices, operating cost data, test data, estimates of future capital expenditures and financial data. Other engineering, geological or economic data required to conduct the evaluation and upon which the AJM Evaluation is based, were obtained from public records, other operators and from AJM’s non-confidential files. The extent and character of ownership and the accuracy of all factual data supplied for the independent evaluation, from all sources, was accepted by AJM.

For the purposes of properly understanding the reserves and future net revenue data presented from AJM’s Evaluation it is important to understand each of the following:

Due to rounding, certain columns may not add exactly.

The net present value of future net revenue attributable to the Corporation’s reserves is based on AJM's December 31, 2009 price forecast and is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, transportation and marketing costs, development costs, other income, future capital expenditures, and well abandonment costs for only those wells assigned reserves by AJM.

It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to the Corporation’s reserves estimated by AJM represent the fair market value of those reserves.

The recovery and reserve estimates of the Corporation's oil, NGL and natural gas reserves provided herein 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 herein. Reservoir performance after December 31, 2009 may justify revision of assessed reserves, either upward or downward.

The Tables below are a summary of the oil, NGLs and natural gas reserves of the Corporation and the net present value of future net revenue attributable to such reserves as evaluated in the AJM Evaluation based on forecast price and cost assumptions. The Tables summarize the data contained in the AJM Evaluation.

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

The term “boes” may be misleading, particularly if used in isolation. In accordance with National Instrument 51-101, a boe conversion ratio for natural gas of 6 mcf: 1 bbl has been used which is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

**SUMMARY OF OIL AND NATURAL GAS RESERVES
AND NET PRESENT VALUES OF FUTURE NET REVENUE
as of December 31, 2009
FORECAST PRICES AND COSTS**

The following Tables set forth a summary of AJM's estimates of Birchcliff's oil and natural gas reserves and net present values of future net revenue at December 31, 2009 using AJM's December 31, 2009 forecast of prices and costs which are set forth below.

Table 1

**Reserves Summary at December 31, 2009
(Forecast Prices and Costs)**

	LIGHT AND MEDIUM OIL		NATURAL GAS⁽¹⁾		NATURAL GAS LIQUIDS		BOEs	
	Gross (mdbl)	Net (mdbl)	Gross (mmcf)	Net (mmcf)	Gross (mdbl)	Net (mdbl)	Gross (mboe)	Net (mboe)
PROVED								
Developed Producing	6,269	5,320	82,787	66,175	548	336	20,615	16,686
Developed Non-Producing	2,091	1,204	13,692	11,083	96	65	4,469	3,116
Undeveloped	10,546	8,297	314,337	242,448	2,018	1,280	64,953	49,985
TOTAL PROVED	18,907	14,821	410,817	319,707	2,661	1,681	90,037	69,787
PROBABLE	8,854	5,745	337,519	266,836	2,122	1,342	67,229	51,560
PROVED PLUS PROBABLE	27,761	20,566	748,336	586,543	4,783	3,023	157,266	121,346

(1) Estimates of reserves of natural gas include both associated and non-associated gas.

Table 2

**Net Present Value of Future Net Revenue⁽¹⁾ at December 31, 2009
(Forecast Prices And Costs)**

	Before Income Taxes Discounted at (%/year)						After Income Taxes Discounted at (%/year)					
	0% (MMS)	5% (MMS)	8% (MMS)	10% (MMS)	15% (MMS)	20% (MMS)	0% (MMS)	5% (MMS)	8% (MMS)	10% (MMS)	15% (MMS)	20% (MMS)
PROVED												
Developed Producing	789.5	606.9	534.0	494.9	419.6	365.7	757.7	585.5	516.8	479.9	408.8	357.7
Developed Non-Producing	201.7	130.7	108.1	97.1	77.7	65.0	152.5	97.9	81.0	72.8	58.6	49.4
Undeveloped	2,210.7	1,317.2	1,008.4	854.0	580.1	404.7	1,658.6	971.2	733.1	614.0	402.8	267.9
TOTAL PROVED	3,201.9	2,054.7	1,650.5	1,446.0	1,077.5	835.4	2,568.7	1,654.5	1,330.9	1,166.7	870.2	675.0
PROBABLE	2,803.0	1,441.3	1,034.0	845.2	537.8	361.3	2,104.1	1,075.4	767.2	624.2	391.4	257.9
PROVED PLUS PROBABLE	6,004.8	3,496.0	2,684.5	2,291.2	1,615.2	1,196.7	4,672.8	2,729.9	2,098.1	1,791.0	1,261.6	932.9

(1) National Instrument 51-101 requires the inclusion of the following statement: estimates of future net revenues whether discounted or not do not represent fair market value.

Table 3
Net Present Value of Pre-tax Future Net Revenue at
December 31, 2009 (Forecast Prices And Costs)
(10% discount rate)

	<u>LIGHT AND MEDIUM OIL</u>		<u>NATURAL GAS</u>	
PROVED	<u>(MM\$)</u>	<u>(\$/bbl)</u>	<u>(MM\$)</u>	<u>(\$/boe)</u>
Developed Producing	261.7	37.86	233.2	23.86
Developed Non-Producing	56.0	34.95	41.1	27.17
Undeveloped	245.3	26.04	608.7	15.01
TOTAL PROVED	563.0	31.39	883.0	17.03
PROBABLE	201.5	29.56	643.6	14.39
PROVED PLUS PROBABLE	764.5	30.89	1,526.7	15.81

- (1) Estimates of reserves include both associated and non-associated gas and by-products. The production groupings are determined based upon the primary product produced from each reserve entity.
- (2) Unit amounts are derived using net reserves volumes.
- (3) National Instrument 51-101 requires the inclusion of the following statement: estimates of future net revenues whether discounted or not do not represent fair market value.
- (4) Future net revenues are after deduction of estimated costs of abandonment of existing and future wells and costs of reclamation of future wells only.

The following Table sets forth the various elements of future net revenue on an undiscounted basis using December 31, 2009 forecast prices and costs.

Table 4
Components of Future Net Revenue⁽¹⁾ at December 31, 2009
(Forecast Prices And Costs)
(Undiscounted)

	Estimated Future Net Revenues (MM\$)	Royalties (MM\$)	Operating Costs (MM\$)	Development Costs (MM\$)	Well Abandonment Costs (MM\$)⁽²⁾	Future Net Revenue Before Income Taxes (MM\$)	Income Taxes (MM\$)	Future Net Revenues After Income Taxes (MM\$)
PROVED								
Developed Producing	1,361.1	244.0	275.5	19.2	33.0	789.5	31.8	757.7
Developed Non-Producing	376.0	134.4	34.9	5.1	-	201.7	49.2	152.5
Undeveloped	4413.9	958.6	581.0	644.2	19.4	2,210.7	552.1	1,658.6
TOTAL PROVED	6,151.1	1,337.0	891.4	668.5	52.4	3,201.9	633.1	2,568.7
PROBABLE	4,961.0	1,158.0	700.3	285.2	14.5	2,803.0	698.9	2,104.1
PROVED PLUS PROBABLE	11,112.1	2,494.9	1,591.7	953.7	66.8	6,004.8	1,332.0	4,672.8

- (1) National Instrument 51-101 requires the inclusion of the following statement: estimates of future net revenues whether discounted or not do not represent fair market value.
- (2) Does not include abandonment costs for facilities and reclamation costs for facilities and existing wells.

The actual weighted average commodity prices received by Birchcliff in 2009 are as follows:

- Crude Oil: \$64.35
- Natural Gas: \$4.28
- Natural Gas Liquids: \$55.52

The forecast prices used by AJM for the AJM Evaluation are set forth in the following Table.

Table 5
AJM December 31, 2009 Price Forecast

Year	<u>Crude Oil</u>		<u>Natural Gas</u>		<u>Natural Gas Liquids</u>		Currency Exchange Rate (\$US/\$Cdn.)	Inflation Rate (%)
	WTI Crude Oil (\$US/bbl)	Edmonton City Gate (\$CDN/bbl)	Natural Gas at AECO (\$CDN/mcf)	Edm Propane (\$CDN/bbl)	Edm Butane (\$CDN/bbl)	Edm C ⁵⁺ (\$CDN/bbl)		
2010	\$75.00	\$77.55	\$5.80	\$42.65	\$62.05	\$81.45	0.950	0.0%
2011	\$81.60	\$84.45	\$6.70	\$46.45	\$67.55	\$88.65	0.950	2.0%
2012	\$85.85	\$88.90	\$7.05	\$48.90	\$71.10	\$93.35	0.950	2.0%
2013	\$90.20	\$93.45	\$7.45	\$51.40	\$74.75	\$98.15	0.950	2.0%
2014	\$97.40	\$101.05	\$7.55	\$55.60	\$80.85	\$106.10	0.950	2.0%
2015	\$104.90	\$108.85	\$7.75	\$59.85	\$87.10	\$114.30	0.950	2.0%
2016	\$112.60	\$116.95	\$7.90	\$64.30	\$93.55	\$122.80	0.950	2.0%
2017	\$114.85	\$119.30	\$8.25	\$65.60	\$95.45	\$125.25	0.950	2.0%
2018	\$117.15	\$121.70	\$8.55	\$66.95	\$97.35	\$127.80	0.950	2.0%
2019	\$119.50	\$124.10	\$8.85	\$68.25	\$99.30	\$130.30	0.950	2.0%
2020	\$121.90	\$126.60	\$9.15	\$69.65	\$101.30	\$132.95	0.950	2.0%
2021	\$124.35	\$129.15	\$9.35	\$71.05	\$103.30	\$135.60	0.950	2.0%
2022	\$126.80	\$131.70	\$9.50	\$72.45	\$105.35	\$138.30	0.950	2.0%
2023	\$129.35	\$134.35	\$9.70	\$73.90	\$107.50	\$141.05	0.950	2.0%
2024	\$131.95	\$137.05	\$9.90	\$75.40	\$109.65	\$143.90	0.950	2.0%
2025	\$134.60	\$139.80	\$10.10	\$76.90	\$111.85	\$146.80	0.950	2.0%
2026	\$137.30	\$142.55	\$10.30	\$78.40	\$114.05	\$149.70	0.950	2.0%
2027	\$140.00	\$145.40	\$10.50	\$79.95	\$116.30	\$152.65	0.950	2.0%
2028	\$142.80	\$148.35	\$10.70	\$81.60	\$118.70	\$155.75	0.950	2.0%
2029	\$145.70	\$151.30	\$10.95	\$83.20	\$121.05	\$158.85	0.950	2.0%
thereafter	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	0.950	2.0%

The following Tables set forth reconciliations of the Corporation's gross reserves for the year ended December 31, 2009 as derived from the AJM Evaluation using forecast prices and costs.

Table 6
2009 Reconciliation of Birchcliff Gross Proved Reserves
December 31, 2009 Forecast Prices and Costs

	<u>Light and Medium Crude Oil (mdbl)</u>	<u>Natural Gas (mmcf)</u>	<u>NGL's (mdbl)</u>	<u>Oil Equivalent (mboe)</u>
Opening Balance December 31, 2008	18,033.9	213,663.2	2,026.3	55,670.7
Discoveries	-	-	-	-
Extensions ⁽¹⁾	1,041.2	136,934.2	892.6	24,756.2
Improved Recovery	-	-	-	-
Recompletions	-	-	-	-
Technical Revisions ⁽²⁾	870.6	79,257.6	(110.8)	13,969.3
Acquisitions	53.4	999.0	6.6	226.6
Dispositions	-	-	-	-
Economic Factors ⁽³⁾	(21.4)	(2,590.0)	(39.2)	(492.3)
Working Interest Adjustment ⁽⁴⁾	-	1.2	0.1	0.3
Production ⁽⁵⁾	(1,071.0)	(17,448.2)	(114.7)	(4,093.8)
Closing Balance December 31, 2009	18,906.7	410,817.0	2,660.8	90,037.0

**2009 Reconciliation of Birchcliff Gross Probable Reserves
December 31, 2009 Forecast Prices and Costs**

	Light and Medium Crude Oil (mdbl)	Natural Gas (mmcf)	NGL's (mdbl)	Oil Equivalent (mboe)
Opening Balance				
December 31, 2008	8,170.4	197,193.9	1,814.0	42,850.1
Discoveries	-	-	-	-
Extensions ⁽¹⁾	327.4	143,249.5	864.2	25,066.5
Improved Recovery	-	-	-	-
Recompletions	-	-	-	-
Technical Revisions ⁽²⁾	385.7	4,790.8	(494.7)	689.5
Acquisitions	15.0	280.5	2.0	63.6
Dispositions	-	-	-	-
Economic Factors ⁽³⁾	(44.5)	(1,347.0)	(12.5)	(281.5)
Working Interest Adjustment ⁽⁴⁾	-	(6,648.3)	(51.1)	(1,159.2)
Production ⁽⁵⁾	-	-	-	-
Closing Balance				
December 31, 2009	8,854.0	337,519.4	2,121.9	67,229.1

**2009 Reconciliation of Birchcliff Gross Proved plus Probable Reserves
December 31, 2009 Forecast Prices and Costs**

	Light and Medium Crude Oil (mdbl)	Natural Gas (mmcf)	NGL's (mdbl)	Oil Equivalent (mboe)
Opening Balance				
December 31, 2008	26,204.3	410,857.2	3,840.2	98,520.7
Discoveries	-	-	-	-
Extensions ⁽¹⁾	1,368.6	280,183.7	1,756.8	49,822.7
Improved Recovery	-	-	-	-
Recompletions	-	-	-	-
Technical Revisions ⁽²⁾	1,256.4	84,048.2	(605.5)	14,659.0
Acquisitions	68.4	1,279.5	8.6	290.2
Dispositions	-	-	-	-
Economic Factors ⁽³⁾	(66.0)	(3,937.0)	(51.7)	(773.9)
Working Interest Adjustment ⁽⁴⁾	-	(6,647.1)	(51.0)	(1,158.9)
Production ⁽⁵⁾	(1,071.0)	(17,448.2)	(114.7)	(4,093.8)
Closing Balance				
December 31, 2009	27,760.7	748,336.4	4,782.7	157,266.1

- (1) The majority of reserve changes comprising "Extensions" were the result of drilling activities in the Montney/Doig natural gas resource play. Much of the capital in 2009 was in support of the Pouce Coupe South Gas Plant, scheduled for start-up in April 2010. Wells were drilled extending the resource play beyond lands to which reserves had previously been attributed. As a result of these successful wells, reserves were attributed to future well locations proximal to these wells.
- (2) These "Technical Revisions" result from improved performance of the existing Montney/Doig horizontal wells as compared to the forecast performance in the reserve evaluation prepared by AJM, effective December 31, 2008 (the "2008 AJM Evaluation").
- (3) "Economic Factors", although not significant, result from lower crude oil forecast prices from 2011 to 2015 as compared to the 2008 AJM Evaluation. The natural gas prices forecast by AJM were significantly lower than the 2008 AJM Evaluation for the entire forecast period, but resulted in only minor negative impacts on reserve volumes.
- (4) "Working Interest Adjustment" results from working interest changes that were identified since the 2008 AJM Evaluation.
- (5) Represents production for 2009.

UNDEVELOPED RESERVES

The following Table sets forth each of the gross proved undeveloped reserves and the gross probable undeveloped reserves for each product type that were first attributed as reserves in each of the most recent three financial years based on forecast prices and costs.

Table 7

Year	Proved Undeveloped Reserves			Probable Undeveloped Reserves		
	Light and Medium Crude Oil (mmbbl)	Natural Gas (mmcf)	Natural Gas Liquids (mmbbl)	Light and Medium Crude Oil (mmbbl)	Natural Gas (mmcf)	Natural Gas Liquids (mmbbl)
2009	980	121,507	787	1,368	267,538	1,669
2008	1,516	146,460	938	2,242	266,911	1,716
2007	7,156	42,063	249	11,822	72,983	434
Prior Years	895	4,307	43	1,290	9,080	86

Proved Undeveloped Reserves and Probable Undeveloped Reserves

All of Birchcliff's proved undeveloped reserves are located in the Peace River Arch area of Alberta.

Birchcliff has a large inventory of development opportunities in its portfolio. As a result, its capital spending activities are prioritized to optimize development plans, achieve strategic goals and maximize shareholder value.

With respect to the Proved Undeveloped Reserves attributed to the Montney/Doig natural gas resource play, the AJM Evaluation has attributed Proved Undeveloped Reserves to each future horizontal well location that is proximal to an existing well to which AJM has attributed Proved Developed reserves. AJM has estimated such Proved Undeveloped Reserves using forecast production rates that are based on a statistical analysis of production rates of existing wells operated by Birchcliff or others on the Montney/Doig natural gas resource play in the regional area.

There are 142 future horizontal development well locations to which the AJM Evaluation has attributed Proved Undeveloped Reserves. During 2010 and 2011, Birchcliff plans to drill as many of these future horizontal well locations as processing capacity can be arranged for. The remaining future horizontal well locations are expected to be drilled during the ensuing 3 years on a schedule consistent with Birchcliff's access to required processing capacity.

Approximately 75% of the Proved Undeveloped Reserves attributed to the Worsley property are based on the forecast results of the waterflood enhanced recovery scheme that has been underway for a number of years and a forecast expansion of the waterflood. These Proved Undeveloped Reserves will be developed prior to the end of 2011 contingent upon obtaining third party and regulatory approvals.

The balance of the Proved Undeveloped Reserves attributed to the Worsley property relate in part to 53 future drilling locations. Birchcliff is planning to develop approximately 35 of these future drilling locations prior to the end of 2011 to the extent that their production can be accommodated at Birchcliff's Worsley facilities. The balance of these future drilling locations will be developed thereafter as processing capacity becomes available at Worsley.

Of Birchcliff's total Proved plus Probable reserves at December 31, 2009, approximately 42% were Probable Reserves. Birchcliff's plans to develop the Probable Undeveloped Reserves are largely dependent on the development of the Proved Undeveloped Reserves discussed above. For the same reasons described above, the development of the Probable Undeveloped Reserves is planned to occur during the same period described above for the Proved Undeveloped Reserves.

Birchcliff's plans relating to the development of its Proved Undeveloped Reserves and its Probable Undeveloped Reserves and therefore the timing of development described above may change based on changes in geological, geophysical, engineering data and commodity prices that become available to Birchcliff and based upon the array of other potential investments that become available to Birchcliff in its areas of interest and elsewhere.

SIGNIFICANT FACTORS OR UNCERTAINTIES

National Instrument 51-101 requires that this disclosure discuss the significant factors or uncertainties that affect the reserves data presented herein.

The process of estimating reserves is complex. It requires significant judgments and decisions based on available geological, geophysical, engineering, and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and natural gas prices and costs change. The reserve estimates contained herein are based on AJM's production forecasts, prices and economic conditions at the time of preparation of the AJM Evaluation.

As circumstances change and additional data becomes available, reserve estimates also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required over time due to changes in well performance, prices, economic conditions and governmental restrictions. Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. As a result, the subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimates can arise from changes in year-end oil and gas prices, and reservoir performance. Such revisions can be either positive or negative.

FUTURE DEVELOPMENT COSTS

The following Table sets forth the future development costs which have been deducted in determining future net revenues estimated by the AJM Evaluation.

Table 8

Future Development Costs (Forecast Prices and Costs)

<u>Calendar Year</u>	<u>Forecast Prices and Costs</u>	
	<u>Total Proved (MMS)</u>	<u>Proved Plus Probable (MMS)</u>
2010	151.6	171.1
2011	149.6	204.1
2012	145.3	232.1
2013	142.3	193.3
2014	79.0	150.1
Thereafter	.7	3.0
Total Undiscounted	668.5	953.7

Birchcliff expects to be able to fund the development costs required in the future from internally generated funds and available bank lines. Birchcliff does not expect any inordinate costs to be associated with such funding sources.

OIL AND NATURAL GAS PROPERTIES AND WELLS

Birchcliff's important properties and facilities are described in its Annual Information Form to which this Statement of Reserves Data and Other Oil and Gas Information is attached.

The following Table shows Birchcliff's producing and non-producing wells at the date of this disclosure, all of which are in Alberta.

Table 9

	<u>Oil Wells</u>				<u>Gas Wells</u>			
	<u>Producing</u>		<u>Non-producing</u>		<u>Producing</u>		<u>Non-producing</u>	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Alberta Wells	308	206.8	115	69.5	137	96.4	93	55.3

Note: Table does not include water injection wells, service wells, capped wells and wells that have not been categorized as either oil wells or natural gas wells.

PROPERTIES WITH NO ATTRIBUTED RESERVES

At December 31, 2009 Birchcliff held 398,308 gross (353,150 net) acres of undeveloped land. Of this, 72,320 gross (67,382 net) acres are due to expire prior to the end of 2010. Birchcliff expects that its planned operations will continue its tenure with respect to approximately 15 % of this expiring acreage, primarily where it recognizes the most value.

FORWARD CONTRACTS

Birchcliff is not party to any forward contracts that are of a material nature which are not disclosed as financial instruments in accordance with Section 3862 of the CICA Handbook.

ABANDONMENT AND RECLAMATION COSTS

Birchcliff estimates the future costs for abandonment and reclamation of surface leases, wells, facilities and pipelines by using amounts that are consistent with the actual experience of its technical personnel in handling such matters in the past. Abandonment costs incurred by Birchcliff are typically in the range of \$30,000 to \$60,000 per well depending on the specific circumstances and the reclamation costs are forecast to be between \$10,000 and \$25,000 per well. Costs of abandoning facilities are estimated on a case by case basis. Estimated well abandonment costs have been included for all existing wells and future drilling locations in the AJM Evaluation, but reclamation costs have been included only for future drilling locations.

Birchcliff has 579 net wells that ultimately will need to be abandoned and/or reclaimed.

The following Table sets forth the total amount of future costs to be incurred by Birchcliff in connection with the abandonment and reclamation of wells in the proved category.

Table 10

Future Abandonment and Reclamation Costs relating to Proved Reserves (Forecast Pricing and Costs)

	Undiscounted Amount (M\$)	Discounted Amount at 10% per year (M\$)
Total amount of the future costs to be incurred by Birchcliff in connection with abandonment and reclamation net of salvage value	76,430	20,788
Portion not deducted in the AJM Evaluation in determining future net revenues ⁽¹⁾	24,051	4,238
Portion that Birchcliff expects to pay in the next three years	3,175	2,665

(1) Includes reclamation costs for existing wells and abandonment and reclamation costs for facility sites.

TAX HORIZON

Birchcliff estimates that based on current expenditure plans and the current price environment no income taxes will become payable on Birchcliff's income during 2010. If Birchcliff continues to expend capital beyond its internally generated cash flow, it is likely that Birchcliff will not become taxable so long as such expenditures continue and commodity prices remain consistent with today's environment.

COSTS INCURRED

The following Table sets forth amounts of Birchcliff's property acquisition costs, exploration costs and development costs for the year ended December 31, 2009.

Table 11

2009 Acquisition, Exploration and Development Costs

Proved Properties Acquisition Costs (M\$)	Unproved Properties Acquisition Costs (M\$)	Exploration Costs (M\$)	Development Costs (M\$)
3,334	-	19,212	78,509

EXPLORATION AND DEVELOPMENT ACTIVITIES

Birchcliff's planned exploration and development activities are described in its Annual Information Form to which this Statement of Reserves Data and Other Oil and Gas Information is attached.

The following Table sets forth a summary of Birchcliff's exploration and development drilling activities during 2009.

Table 12

	Exploration Wells		Development Wells		Total	
	Gross	Net	Gross	Net	Gross	Net
Oil Wells	1	1.0	5	5.0	6	6.0
Natural Gas Wells	6	4.8	5	3.8	11	8.6
Dry Holes	1	1.0	0	0	1	1.0
Service Wells	0	0	0	0	0	0
Totals	8	6.8	10	8.8	18	15.6

PRODUCTION ESTIMATES

The following Table sets forth AJM's forecast volumes of Birchcliff's production from gross proved reserves and gross probable reserves as estimated in the AJM Evaluation for the 2010 financial year.

Table 13

2010 Production Volume Estimates

	Light and Medium			
	Crude Oil (mdbl)	Natural Gas (bcf)	NGL's (mdbl)	Oil Equivalent (mboe)
Total Proved Reserves	1,404.0	24.6	165.7	5,673.2
Total Probable Reserves	64.7	1.4	10.6	314.3

The estimated production volumes for each of the fields that account for more than 20% of AJM's total forecast production for the 2010 financial year are set forth below:

Table 14

Field name	2010 AJM Forecast Production for determining Gross Proved Reserves (mboe)	2010 AJM Forecast Production for determining Gross Probable Reserves (mboe)
Pouce Coupe South	1,689.1	100.0
Worsley	1,482.0	47.5

PRODUCTION PRICES, ROYALTIES AND PRODUCTION COSTS HISTORY

The following Tables set forth for each product type, on a quarterly basis, for the year ended December 31, 2009, Birchcliff's share of average daily production before deduction of royalties, prices received, royalties paid, production costs incurred and netbacks on a per unit of volume basis.

Table 15

2009 Quarterly Production History

Product Type	Three months ended				Year ended December 31, 2009
	March 31, 2009	June 30, 2009	September 30, 2009	December 31, 2009	
Light and Medium Crude Oil (bbl/day)	3,154	2,844	2,698	3,045	2,934
Natural Gas (mcf/day)	54,180	48,808	45,210	43,170	47,805
NGL's (bbl/day)	329	334	319	275	314
Total (boe/day)	12,513	11,313	10,552	10,515	11,216

Light and Medium Crude Oil 2009 Quarterly Price, Royalty, Production Cost and Netback History

	Three months ended				Year ended
	March 31, 2009	June 30, 2009	September 30, 2009	December 31, 2009	December 31, 2009
Price Received (\$/bbl) ⁽¹⁾	49.33	63.84	70.00	75.01	64.35
Royalties Paid (\$/bbl)	(6.39)	(7.62)	(12.35)	(13.80)	(10.01)
Production Costs (\$/bbl)	(12.19)	(11.46)	(10.32)	(8.38)	(10.59)
Transportation and Marketing (\$/bbl)	(5.19)	(5.39)	(5.13)	(4.88)	(5.15)
Netback (\$/bbl)	25.56	39.37	42.20	47.95	38.60
Royalty Income	0.46	0.21	0.21	0.18	0.27
Netback including Royalty Income	26.02	39.58	42.41	48.13	38.87

(1) Does not include royalty income

Natural Gas 2009 Quarterly Price, Royalty, Production Cost and Netback History

	Three months ended				Year ended
	March 31, 2009	June 30, 2009	September 30, 2009	December 31, 2009	December 31, 2009
Price Received (\$/mcf) ⁽¹⁾	5.27	3.75	3.20	4.81	4.28
Royalties Paid (\$/mcf)	(1.28)	1.06	0.02	(0.16)	(0.12)
Production Costs (\$/mcf)	(1.55)	(1.35)	(1.37)	(1.22)	(1.38)
Transportation and Marketing (\$/mcf)	(0.25)	(0.21)	(0.23)	(0.26)	(0.23)
Netback (\$/mcf)	2.19	3.25	1.62	3.17	2.55
Royalty Income	0.03	0.02	0.01	0.01	0.01
Netback including Royalty Income	2.22	3.27	1.63	3.18	2.56

(1) Does not include royalty income

NGL 2009 Quarterly Price, Royalty, Production Cost and Netback History

	Three months ended				Year ended
	March 31, 2009	June 30, 2009	September 30, 2009	December 31, 2009	December 31, 2009
Price Received (\$/bbl) ⁽¹⁾	46.70	52.38	57.00	67.94	55.52
Royalties Paid (\$/bbl)	(19.46)	(20.32)	(22.53)	(26.22)	(21.96)
Production Costs (\$/bbl)	(9.60)	(8.44)	(8.55)	(7.62)	(8.60)
Transportation and Marketing (\$/ bbl)	(1.57)	(1.32)	(1.46)	(1.53)	(1.48)
Netback (\$/bbl)	16.07	22.30	24.46	32.57	23.48
Royalty Income	0.87	0.40	0.31	0.27	0.48
Netback including Royalty Income	16.94	22.70	24.77	32.84	23.96

(1) Does not include royalty income

2009 PRODUCTION VOLUMES

The following Table sets forth Birchcliff's production volumes for 2009 for each product type.

Table 16

2009 Production Volumes by Product Type

	Light and Medium Crude Oil (bbls)	Natural Gas (mcf)	NGL's (bbls)	Oil Equivalent (boe)
Total Annual Production Volumes	1,071,034	17,448,787	114,706	4,093,871

FORWARD LOOKING INFORMATION

This Statement of Reserves Data and Other Oil and Gas Information contains certain forward-looking statements and forward-looking information (hereinafter collectively referred to as “forward-looking information”) within the meaning of applicable Canadian securities laws. These statements relate to future events or future performance and are based upon the Corporation’s current internal expectations, estimates, projections, assumptions and beliefs. All statements other than statements of historical fact are forward-looking statements. In some cases, words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “may”, “will”, “potential”, “proposed” and other similar words, or statements that certain events or conditions “may” or “will” occur, are intended to identify forward-looking statements.

In particular, this Statement of Reserves Data and Other Oil and Gas Information contains forward-looking information, including among other places, under the headings “Proven Undeveloped Reserves and Probable Undeveloped Reserves”, “Future Development Costs”, “Properties With No Attributed Reserves”, “Abandonment and Reclamation Costs”, “Tax Horizon” and “Production Estimates” . This forward-looking information includes but is not limited to statements regarding: business strategy, plans and priorities; planned drilling, exploration and development; the quantity and development of oil and gas reserves; and other expectations, beliefs, plans, goals, objectives, assumptions, information and statements about possible future events, conditions, results of operations or performance. The Corporation cannot guarantee future results, levels of activity, performance or achievements. Consequently, there is no representation by the Corporation that actual results achieved will be the same in whole or in part as those set out in the forward-looking information.

Statements regarding oil and gas reserves may be deemed to be forward-looking information as such statements involve the implied assessment that the resources described can be profitably produced in the future.

With respect to such forward-looking information the key assumptions on which the Corporation relies are: that future prices for crude oil and natural gas, future currency exchange rates and interest rates, and future availability of debt and equity financing will be at levels and costs that allow the Corporation to manage, operate and finance its business and develop its properties and meet its future obligations; that the regulatory framework in respect of royalties, taxes and environmental matters applicable to the Corporation will not become so onerous as to preclude the Corporation from viably managing, operating and financing its business and the development of its properties; that the Corporation will continue to be able to identify, attract and employ qualified staff and obtain the outside expertise and specialized and other equipment it requires to manage, operate and finance its business and develop its properties; and various assumptions as to future prices for crude oil and natural gas, currency exchange rates, inflation rates, future well production rates, well drainage areas, success rates of future well drilling and future costs and availability of labour and services. With respect to estimates of reserves volumes and associated future net revenues and numbers of future wells to be drilled a key assumption is the validity of the commodity prices, currency exchange rates, future capital and operating costs and well production rates forecast by the Corporation’s independent reserves evaluator. With respect to the number of future wells to be drilled a key assumption is the validity of the geological and other technical interpretations that have been performed by Birchcliff’s technical staff and that indicate that commercially economic reserves can be recovered from Birchcliff’s lands as a result of drilling such future wells.

Undue reliance should not be placed on forward-looking information, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. Forward-looking information involves numerous assumptions, uncertainties and both known and unknown risks. There is a risk that such predictions, forecasts, and projections may not occur. Although the Corporation believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. Some of those risks include: risks inherent of the oil and gas industry, such as operational risks in exploring for, developing and producing crude oil and nature gas, market demand and unpredictable facilities outages; risks and uncertainties involving geology of oil and gas deposits; uncertainty of reserves and resources estimates, reserves life and underlying reservoir risk; general economic conditions in Canada, the United States and globally; changes in governmental regulation of the oil and gas industry, including environmental regulation; fluctuations in foreign exchange rates or interest rates; adverse conditions in the debt and equity markets; and competition from others for scarce resources.

The foregoing list of risk factors is not exhaustive. The forward-looking information contained in this Statement of Reserves Data and Other Oil and Gas Information are expressly qualified by this cautionary statement. Additional information on these and other risk factors that could affect operations or financial results are included the heading “Risk Factors” in the Annual Information Form; in the Report on Reserves Data by Birchcliff’s Independent Qualified Reserves Evaluator; and in the Report of Management and Directors on Oil and Gas Disclosure. In addition, information is available in the Corporation’s other reports filed with Canadian securities regulatory authorities.

Forward-looking information is based on estimates and opinions of management at the time the information is presented. The Corporation is not under any duty to update the forward-looking information after the date of this Statement of Reserves Data and Other Oil and Gas Information to conform such information to actual results or to changes in the Corporation's plans or expectations, except as otherwise required by applicable securities laws.