

HORIZON PETROLEUM LTD.

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION (Form 51-101F1)

Part 1 – Date of Statement

This statement of reserves data and other oil and gas information is dated December 29, 2017.

The effective date is August 31, 2017.

The preparation date is December 29 2017.

Part 2 – Disclosure of Reserves Data

None – Not included.

Part 3 -Pricing Assumptions

None – Not included.

Part 4 – Reconciliation of Changes in Reserves

None – Not included.

Part 5 – Additional Information Relating to Reserves Data

None – Not included.

Part 6 – Other Oil and Gas Information

6.1 Oil and Gas Properties and Wells

The Company has interests in two onshore exploration permits in France which are held through its wholly owned subsidiaries Petromanas Energy France SAS.

As of August 31, 2017, the Company had no producing oil or gas wells and the following nonproducing oil or gas well on these properties.

- France
 - Ger Permit, Ossun 2D well (suspended)

6.2 Properties with No Attributed Reserves

At August 31, 2017, the Company had an interest in 169,760 net and gross acres of properties onshore, in the Ger and Ledeuix Permits, in France.

The exploration rights under the Ger Permit were originally granted for a 5 year term beginning on April

3, 2008, and extended for an additional five year term. Petromanas will be required to spend €3 million on the Ger Permit before its expiry on April 3, 2018 in order to retain the permits for another exploration period.

The exploration rights under the Ledeuix Permit were originally granted for a 5 year term beginning on August 8, 2008 and extended for an additional five year term ending on August 8, 2018. Petromanas will be required to spend €8 million on the Ledeuix Permit prior to its expiry in order to retain the permits for another exploration period.

The Company is reviewing all available information to decide the next steps that it will take with respect to the Ger and Ledeuix Permits. Currently, the Company plans to let the Ger Permit expire at the end of the term of the license and accordingly be relieved of any spending obligations. The Company plans to apply for an exceptional prolongation of the Ledeuix Permit, with the intent of conducting seismic and drilling on the permit lands. Seismic permits have previously taken 3-4 months to obtain, and drilling permits have been known to take over one year to obtain.

6.2.1 Significant Factors or Uncertainties Relevant to Properties with No Attributed Reserves

- Exploration and Reserve Risk. Exploration, appraisal and development of oil and gas reserves are speculative and involve a significant degree of risk. There can be no assurances that exploration or appraisal of the properties in which the Company's subsidiaries hold rights will be successful.
- Market Risk. In the event of successful development of oil and gas reserves, the marketing of the Company's subsidiaries' prospective production of oil and gas from such reserves will be dependent on market fluctuations and the availability of processing and refining facilities and transportation infrastructure, including roads, access to ports, shipping facilities, pipelines and the pipeline capacity at economic tariff rates over which the Company's subsidiaries may have limited or no control.
- Government Risk. The Company may not be able to obtain the proper permits or be successful in its prolongation application for the Ledeuix Permit.
- Commercial Risk. The Company may not be able to meet the required spending requirements for its France assets due to both ability to raise capital as well as delays as a result of regulatory requirements and ability to obtain permits.
- In the absence of receiving the proper permits, raising financing or otherwise meeting the requirements to maintain the licenses, the Company will be relieved of any further spending obligations other than any reclamation requirements, including the requirement to abandon and remediate the Ossun-2 well.

6.3 Forward Contracts

Currently, the Company has no forward contracts.

6.4 Additional Information Concerning Abandonment and Reclamation Costs

The Company received an estimate from the prior holder of the license for abandonment and restoration

costs for wells in place as at December 31, 2015, on estimates from internal and external engineers. Using this methodology, the Company's total unescalated abandonment and restoration costs, net of estimated salvage value, are estimated at Euro 1.82 million (CDN\$ 2.72 million) for 1 net wells over the next three years. The Company believes reclamation could be less than this estimated amount, and will provide further information as it becomes available, but currently is operating based on the numbers set out above.

6.5 Tax Horizon

The Company was not required to pay income taxes during the year ended August 31, 2017. The terms of the PSC allow the Company to recover its capital and operating costs prior to becoming taxable and the Company can dispose of its interest in the PSC on a tax-free basis. Due to the uncertain outcome of its oil and gas activities in France, the Company cannot at this time reasonably estimate when it will begin paying income taxes.

6.6 Costs Incurred

The capital expenditures made by the Company through Petromanas Energy (France) SAS in France total \$Nil for the year ended in August 31, 2017.

6.7 Exploration and Development Activities

The Company participated in no exploratory or development wells during its 2017 financial year.

6.8 Production Estimates

Since the Company has no oil and gas reserves, there have been no production estimates forecast at the effective date.

6.9 Production History

The Company has no production history

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Yogeshwar Sharma

"David Winter"
David Winter

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December 29, 2017