

PETROX RESOURCES CORP.
(“Petrox”)

STATEMENT OF RESERVES DATA
AND OTHER OIL AND GAS INFORMATION

April 24, 2018

PETROX RESOURCES CORP.
(“Petrox”)

FORM 51-101F1
STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

This Statement of Reserves Data and Other Oil and Gas Information in Form 51-101F1 is provided in accordance with NI 51-101. Attached as Appendices to this statement are the following documents derived from and prepared in accordance with, NI 51-101:

- (a) Form 51-101F2 – “Report on Reserves Data” by Ryder Scott Company – Canada dated March 9, 2018 (Appendix “A”); and
- (b) Form 51-101F3 – “Report of Management and Directors on Oil and Gas Disclosure” dated April 24, 2018 (Appendix “B”).

Petrox commissioned a report (the “**Ryder Scott Report**”) from Ryder Scott Company (“**Ryder Scott**”), which appraises Petrox’s oil and gas assets for the estimates of proved, proved plus probable and proved plus probable plus possible reserves, future production and income attributable to certain leasehold interests of Petrox’s properties located in the provinces of Alberta and Saskatchewan, Canada (collectively referred to herein as the “**Properties**”). The following is a summary of the reserves data and other oil and gas information with respect to the Properties dated effective December 31, 2017 taken from the Ryder Scott Report.

Classification of Reserves

Petroleum reserves included in this summary are classified by degree of proof as proved, probable, or possible. For purposes of this summary, reserves are those quantities of oil or gas anticipated to be economically recoverable from known accumulations. The definitions of reserves shown below serve as the basis for the estimates contained herein. The definitions are in accordance with those prepared for National Instrument 51-101 as presented in the Canadian Oil and Gas Evaluation Handbook Second Edition September 1, 2007, Volume 1 Reserves Definitions and Evaluation Practices and Procedures (“**COGEH**”), Section 5. The petroleum reserves are classified in accordance with Sections 5.4.1, 5.4.2, and 5.4.3 of COGEH.

Reserves Categories

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

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

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

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

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

Possible Reserves – Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved + probable + possible reserves.

Reserve Status Categories

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

Developed Reserves – Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and nonproducing.

Developed Producing Reserves – Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

Developed Nonproducing Reserves – Developed nonproducing reserves are those reserves that either have not been on production, or have previously been on production, but are shut in and the date of resumption of production is unknown.

Undeveloped Reserves

Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities, and completion intervals in the pool and their respective development and production status.

Levels of Certainty for Reported Reserves

The qualitative certainty levels contained in the definitions in the reserves categories above are applicable to individual reserves entities, which refers to the lowest level at which reserves calculations are performed, and to reported reserves, which refers to the highest level sum of individual entity estimates for which reserves estimates are presented. Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves,
- at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved + probable reserves,
- at least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved + probable + possible reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

1. DATE OF STATEMENT

1.1 Relevant Dates:

Statement Date: April [XX], 2018
 Effective Date: December 31, 2017
 Preparation Date: March 1, 2018

2. DISCLOSURE OF RESERVES DATA

The following is expressed in thousands of barrels (“**Mbbl**”) for oil and NGL and millions of cubic feet (“**MMcf**”) for sales gas. Liquid hydrocarbons are expressed in standard 35 Imperial gallon barrels and shown herein as barrels (“**bbl**” or “**barrels**”). There are no gas sales associated with the properties included in this evaluation. The revenues, deductions, and income data are expressed as Canadian dollars.

Certain information is expressed in BOE’s using a conversion ratio of 6Mcf: 1 bbl. It should be noted that 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.

2.1 Reserves Data (Forecast Price Case)

Ryder Scott prepared the following summary (Table 1, below) of estimated reserves as of December 31, 2017 based on escalated hydrocarbon prices:

TABLE 1:

ESCALATED PARAMETERS					
Estimated Reserve and Income Data					
Certain Leasehold Interests as at December 31, 2017					
	Total Proved Developed Producing	Total Probable Producing	Total Proved + Probable	Total Possible Producing	Total Proved + Probable + Possible
<u>WI Remaining Reserves</u>					
Oil – bbl	36,602	8,302	44,904	13,746	58,650
Sales Gas – MMcf	0	0	0	0	0
NGL – bbl	0	0	0	0	0
<u>Net Remaining Reserves</u>					
Oil – bbl	33,437	7,532	40,969	12,425	53,394
Sales Gas – MMcf	0	0	0	0	0
NGL – bbl	0	0	0	0	0
<u>Income Data (\$)</u>					
Future Gross Revenue	\$2,389,688	\$603,727	\$2,993,415	\$1,027,559	\$4,020,974
Mineral Taxes	0				
Deductions	2,041,894	440,876	2,482,770	762,739	3,245,509
Future Net Income (FNI)	\$347,794	\$162,851	\$510,645	\$264,820	\$775,465
Discounted FNI @ 10%	\$374,647	\$123,579	\$498,226	\$188,025	\$686,251

2.1.1. Breakdown of Reserves (Forecast Prices and Costs)

The breakdown of reserves by reserve category for the Forecast Price Case, specifying both the gross and company net at the Effective Date, is presented in Table 2, below.

2.1.2. Net Present Value of Future Net Revenue (Escalated Parameters)

Based on the Forecast Price Case described herein, estimated future net revenue and net present value of future net revenue before income tax attributable to the Properties in the total proved developed, proved-plus-probable, and proved-plus-probable-plus-possible reserves are summarized in Table 2, below. Ryder Scott estimated that no income taxes would be paid during the life of their evaluation so the net present values after income tax expenses are the same as before tax expenses.

2.1.3. Additional Information Concerning Future Net Revenue (Forecast Case)

Based on the Forecast Price Case described herein, the elements of future net revenue, calculated without discount, are presented in Table 3, below.

Table 3 also sets out by product type, in each case with associated by-products, and on a unit value basis for each product type, in each case with associated by-products, the net present value of future net revenue (before deducting future income tax expenses) estimated using forecast prices and costs and calculated using a discount rate of 10 percent.

TABLE 2:

PETROX RESOURCES CORP. SUMMARY OF GROSS AND NET RESERVE AND INCOME DATA CURRENCY : CANADIAN PRICE SCENARIO : ESCALATED AS OF DECEMBER 31, 2017									WED FEB 28 13:20:40 2018	
<u>PETROX RESOURCES CORP.</u>										
GROSS RESERVES (COMPANY WORKING INTEREST RESERVES BEFORE ROYALTIES)										
	Total (BOE)	Light and Medium Oil (Barrels)	Heavy Oil (Barrels)	Non-Conv. Oil (Barrels)	Conventional Associated (MMcf)	Natural Gas Non-Associated (MMcf)	Natural Gas Liquids (Barrels)	Non-Conventional Associated (MMcf)	Natural Gas Non-Associated (MMcf)	
Proved Producing	36,603	36,603	-	-	-	-	-	-	-	-
Proved Non-Producing	-	-	-	-	-	-	-	-	-	-
Proved Undeveloped	-	-	-	-	-	-	-	-	-	-
Total Proved	36,603	36,603	-	-	-	-	-	-	-	-
Total Probable	8,302	8,302	-	-	-	-	-	-	-	-
Total Proved Plus Probable	44,904	44,904	-	-	-	-	-	-	-	-
Total Possible	13,746	13,746	-	-	-	-	-	-	-	-
Total Proved Plus Probable Plus Possible	58,650	58,650	-	-	-	-	-	-	-	-
NET RESERVES (COMPANY RESERVES AFTER ROYALTIES)										
	Total (BOE)	Light and Medium Oil (Barrels)	Heavy Oil (Barrels)	Non-Conv. Oil (Barrels)	Conventional Associated (MMcf)	Natural Gas Non-Associated (MMcf)	Natural Gas Liquids (Barrels)	Non-Conventional Associated (MMcf)	Natural Gas Non-Associated (MMcf)	
Proved Producing	33,437	33,437	-	-	-	-	-	-	-	-
Proved Non-Producing	-	-	-	-	-	-	-	-	-	-
Proved Undeveloped	-	-	-	-	-	-	-	-	-	-
Total Proved	33,437	33,437	-	-	-	-	-	-	-	-
Total Probable	7,532	7,532	-	-	-	-	-	-	-	-
Total Proved Plus Probable	40,969	40,969	-	-	-	-	-	-	-	-
Total Possible	12,425	12,425	-	-	-	-	-	-	-	-
Total Proved Plus Probable Plus Possible	53,394	53,394	-	-	-	-	-	-	-	-
DISCOUNTED NET REVENUE BEFORE TAX - (\$C)										
		0 %	5 %	8 %	10 %	15 %	20 %		Net Unit Value Disc. @ 10 % (\$C/boe)	
Proved Producing		347,795	370,101	374,338	374,647	369,560	359,451		11.20	
Proved Non-Producing		-	-	-	-	-	-		-	
Proved Undeveloped		-	-	-	-	-	-		-	
Total Proved		347,795	370,101	374,338	374,647	369,560	359,451		11.20	
Total Probable		162,851	142,649	130,984	123,579	106,820	92,561		16.41	
Total Proved Plus Probable		510,646	512,750	505,322	498,226	476,381	452,012		12.16	
Total Possible		264,820	224,829	202,118	188,025	156,930	131,569		15.13	
Total Proved Plus Probable Plus Possible		775,466	737,578	707,420	686,251	633,310	583,581		12.85	
GAS: 6.0 MCF/BOE										
FILTER: PETROX.XML										

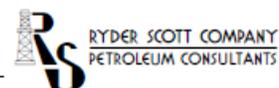
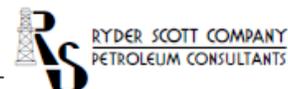


TABLE 3:

PETROX RESOURCES CORP. SUMMARY OF GROSS AND NET RESERVE AND INCOME DATA CURRENCY : CANADIAN PRICE SCENARIO : ESCALATED AS OF DECEMBER 31, 2017							WED FEB 28 13:20:40 2018		
PETROX RESOURCES CORP.									
NET REVENUE (UNDISCOUNTED) BEFORE TAX - (\$C)									
	Revenue	Prod. Taxes, Surcharges & Royalties	Operating Costs	Development Costs	Abandonment Costs	Future Net Revenue			
Total Proved	2,811,641	287,073	1,730,725	-	246,048	347,795			
Total Proved Plus Probable	3,275,801	364,429	2,149,756	-	250,989	510,646			
Total Proved Plus Probable Plus Possible	4,410,393	500,488	2,873,331	-	261,109	775,466			
DISCOUNTED NET REVENUE BEFORE TAX BY PRODUCTION GROUP (\$C)							Net Unit Value Disc. @ 10 %		
	Production Group				Disc. @ 10 %	(\$C/boe)	(\$C/Mcfe)		
Total Proved	Light and Medium Crude Oil (Including Solution Gas and Products)				374,647	11.20			
	Heavy Oil (Including Solution Gas and Products)				-	-			
	Conventional Natural Gas (Non-Associated and Products)				-	-			
	Non-Conventional Oil and Gas				-	-			
	Total				374,647				
Total Proved Plus Probable	Light and Medium Crude Oil (Including Solution Gas and Products)				498,226	12.16			
	Heavy Oil (Including Solution Gas and Products)				-	-			
	Conventional Natural Gas (Non-Associated and Products)				-	-			
	Non-Conventional Oil and Gas				-	-			
	Total				498,226				
Total Proved Plus Probable Plus Possible	Light and Medium Crude Oil (Including Solution Gas and Products)				686,251	12.85			
	Heavy Oil (Including Solution Gas and Products)				-	-			
	Conventional Natural Gas (Non-Associated and Products)				-	-			
	Non-Conventional Oil and Gas				-	-			
	Total				686,251				
UNDISCOUNTED FUTURE NET DEVELOPMENT COSTS - (\$C)									
	2018	2019	2020	2021	2022	2023	Remainder	Total Future	
Total Proved	-	-	-	-	-	-	-	-	
Total Proved Plus Probable	-	-	-	-	-	-	-	-	
GROSS UNDEVELOPED RESERVES (COMPANY WORKING INTEREST BEFORE ROYALTIES)									
	Total (BOE)	Light and Medium Oil (Barrels)	Heavy Oil (Barrels)	Non-Conv. Oil (Barrels)	Conventional Natural Gas Associated (MMcf)	Natural Gas Non-Associated (MMcf)	Natural Gas Liquids (Barrels)	Non-Conventional Natural Gas Associated (MMcf)	Non-Associated Non-Associated (MMcf)
Proved Undeveloped	-	-	-	-	-	-	-	-	-
Probable Undeveloped	-	-	-	-	-	-	-	-	-
Possible Undeveloped	-	-	-	-	-	-	-	-	-
GAS: 6.0 MCF/BOE									
FILTER: PETROX.XML									



3. PRICING ASSUMPTIONS

3.1 Constant Prices Used in Supplementary Estimates

Not applicable.

3.2 Forecast Prices Used in Estimates

- (a) The following assumptions were used by Ryder Scott in estimating the reserves data disclosed in Item 2.1:

Hydrocarbon Prices

At the request of Petrox, future hydrocarbon price parameters used in the Ryder Scott Report reflect the price forecasts published by Sproule Associates Limited, as of the Effective Date. This price forecast is presented in Table 4 (below) of this summary. In the opinion of Ryder Scott, this price forecast was within the range of future hydrocarbon price parameters considered reasonable at that time. Estimates of future price parameters have been revised in the past because of changes in government policies, imbalances in hydrocarbon supply and demand, and variation in general economic conditions. Price parameters used in the Ryder Scott Report may be revised in the future for similar reasons.

The product prices which were actually used to determine the future gross revenue for the properties reflect adjustments to the benchmark prices for gravity, quality, local conditions, and/or distance from market, referred to herein as “differentials”. The benchmark prices used in this evaluation were Canadian Light Sweet 40°API.

The effects of derivative instruments designated as price hedges of oil quantities are not reflected in Ryder Scott’s individual property evaluations.

Costs

The cost inflation forecast used in the evaluation was published by Sproule Associates Limited as of the Effective Date and is provided in Table 4.

- (b) Presentation of the historical prices as required by Section 3.2(1)(b) of NI 51-101F1 occurs in Table 12, below.

[Remainder of page has been left blank intentionally. Table 4 follows.]

TABLE 4:

FORECAST OIL PRICES *
As of December 31, 2017

Year	Cost Inflation %	WTI Cushing Oklahoma \$/Bbl	Canadian Light Sweet 40 API \$/Bbl
2018	2.0	55.00	65.44
2019	2.0	65.00	74.51
2020	2.0	70.00	78.24
2021	2.0	73.00	82.45
2022	2.0	74.46	84.10
2023	2.0	75.95	85.78
2024	2.0	77.47	87.49
2025	2.0	79.02	89.24
2026	2.0	80.60	91.03
2027	2.0	82.21	92.85
2028	2.0	83.85	94.71
2029	2.0	85.53	96.60
2030	2.0	87.24	98.53
2031	2.0	88.99	100.50
2032	2.0	90.77	102.51
2033	2.0	92.58	104.56
2034	2.0	94.43	106.65
2035	2.0	96.32	108.79

* Sproule Associates Limited

4. RECONCILIATION OF CHANGES IN RESERVES

4.1 Reserves Reconciliation

Table 5, below, sets out the reserves reconciliation estimated using forecast prices and costs.

5. ADDITIONAL INFORMATION RELATING TO RESERVES DATA

5.1 Undeveloped Reserves

Petrox has no undeveloped reserves.

5.2 Significant Factors or Uncertainties Affecting Reserves Data

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 gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions.

As circumstances change and additional data become 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 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.

5.3 Future Development Costs

As set out in Table 6, below, Ryder Scott estimates that the Undiscounted Future Net Development Costs until 2023 will be Nil.

[Remainder of page has been left blank intentionally. Tables 5 and 6 follow.]

TABLE 5:

COMPANY TOTAL
PETROX RESOURCES CORP.
Reconciliation of Company Gross Reserves (Before Royalties)
By Principal Product Type
As of December 31, 2017
Forecast Prices and Costs

March 9, 2018

Factors	Light and Medium Oil						Solution Gas						TOTAL BOE						
	PVPD	Proved	Probable	Possible	PV+PB	PV+PB+PS	PVPD	Proved	Probable	Possible	PV+PB	PV+PB+PS	PVPD	Proved	Probable	Possible	PV+PB	PV+PB+PS	
	(BBL)	(BBL)	(BBL)	(BBL)	(BBL)	(BBL)	(MCF)	(MCF)	(MCF)	(MCF)	(MCF)	(MCF)	(BBL)	(BBL)	(BBL)	(BBL)	(BBL)	(BBL)	
Opening Balance (1)	49,594	123,313	115,888	95,965	239,201	335,166	-	26,321	107,578	88,460	133,899	222,359	49,594	127,700	133,818	110,708	261,518	372,226	
Discoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Extensions and Improved Recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Infill Drilling	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical Revisions (2)	(2,678)	(76,397)	(107,587)	(82,219)	(183,984)	(266,203)	-	(26,321)	(107,578)	(88,460)	(133,899)	(222,359)	(2,678)	(80,784)	(125,517)	(96,962)	(206,301)	(303,263)	
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic Factors (3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Production	(10,313)	(10,313)	-	-	(10,313)	(10,313)	-	-	-	-	-	-	(10,313)	(10,313)	-	-	(10,313)	(10,313)	
Closing Balance (4)	36,603	36,603	8,301	13,746	44,904	58,650	-	-	-	-	-	-	36,603	36,603	8,301	13,746	44,904	58,650	

The numbers in this table may not add exactly due to rounding

Notes:

- (1) From DeGolyer and MacNaughton Canada Limited Report, effective December 31, 2016
- (2) Includes changes due to economic factors, see note (3)
- (3) Prior year database not available to determine changes due to this factor
- (4) From Ryder Scott Company-Canada Report, effective December 31, 2017

TABLE 6:

		PETROX RESOURCES CORP. SUMMARY OF GROSS AND NET RESERVE AND INCOME DATA CURRENCY : CANADIAN PRICE SCENARIO : ESCALATED AS OF DECEMBER 31, 2017							WED FEB 28 13:20:40 2018
<u>PETROX RESOURCES CORP.</u>									
UNDISCOUNTED FUTURE NET ABANDONMENT AND RECLAMATION COSTS - (\$C)									
	2018	2019	2020	2021	2022	2023	Remainder	Total Future	
Total Proved	-	-	-	-	-	-	246,048	246,048	
Total Proved Plus Probable	-	-	-	-	-	-	250,969	250,969	
Total Proved Plus Probable Plus Possible	-	-	-	-	-	-	261,109	261,109	
GROSS 2018 PRODUCTION VOLUMES (COMPANY WORKING INTEREST BEFORE ROYALTIES)									
	Total (BOE)	Light and Medium Oil (Barrels)	Heavy Oil (Barrels)	Non-Conv. Oil (Barrels)	Conventional Natural Gas Associated (MMcf)	Natural Gas Non-Associated (MMcf)	Natural Gas Liquids (Barrels)	Non-Conventional Natural Gas Associated (MMcf)	Non-Conventional Natural Gas Non-Associated (MMcf)
Total Proved	9,190	9,190	-	-	-	-	-	-	
Total Probable	136	136	-	-	-	-	-	-	
Total Proved Plus Probable	9,326	9,326	-	-	-	-	-	-	
Total Possible	148	148	-	-	-	-	-	-	
Total Proved Plus Probable Plus Possible	9,473	9,473	-	-	-	-	-	-	
GROSS 2018 PRODUCTION RATES (COMPANY WORKING INTEREST BEFORE ROYALTIES)									
	Total (BOE/d)	Light and Medium Oil (bbl/d)	Heavy Oil (bbl/d)	Non-Conv. Oil (bbl/d)	Conventional Natural Gas Associated (MMcf/d)	Natural Gas Non-Associated (MMcf/d)	Natural Gas Liquids (bbl/d)	Non-Conventional Natural Gas Associated (MMcf/d)	Non-Conventional Natural Gas Non-Associated (MMcf/d)
Total Proved	25	25	-	-	-	-	-	-	
Total Probable	-	-	-	-	-	-	-	-	
Total Proved Plus Probable	26	26	-	-	-	-	-	-	
Total Possible	-	-	-	-	-	-	-	-	
Total Proved Plus Probable Plus Possible	26	26	-	-	-	-	-	-	
GAS: 6.0 MCF/BOE FILTER: PETROX.XML									
							 RYDER SCOTT COMPANY PETROLEUM CONSULTANTS		

6. OTHER OIL AND GAS INFORMATION

6.1 Oil and Gas Properties and Wells

Petrox's principal assets are located in the Bashaw area of Alberta (referred to herein as the "**Bashaw Assets**") and in the Fletwode area in Saskatchewan (referred to herein as the "**Fletwode Assets**").

The Fletwode Assets were acquired by Petrox in June 2014 (effective April 2014) and consist of a 100% working interest in a producing light oil property located in the Fletwode area of Saskatchewan. The property is located approximately 90 km Northeast of Estevan, Saskatchewan, and approximately 175 km due West of Brandon, Manitoba. Recent production net to Petrox from its 100% working interest in six producing, low-decline rate Tilston oil wells at Fletwode has averaged approximately 30 barrels of oil per day.

Petrox operates a central battery on the Property, which is located at 06-01-11-04W2. All production is pipelined to the 06-01-11-04W2 battery where oil and water are treated and is separated on site. Produced water is disposed into company operated injection wells and clean oil is stored and trucked to Gibson's terminal located in Manitoba.

Petrox acquired the Bashaw Assets in May 2012. The Bashaw Assets are non-producing.

The following Table 7 summarizes Petrox's interest as at December 31, 2017 in wells that are producing and non-producing.

TABLE 7:

	Producing Wells				Non-Producing Wells	
	Oil		Gas		Oil/Gas	
	Gross	Net	Gross	Net	Gross	Net
Alberta	0	0	0	0	0	0
Saskatchewan	6	6	0	0	0	0

6.2 Properties with No Attributed Reserves

The following Table 8 summarizes the gross and net acres of unproved properties in which Petrox has an interest effective December 31, 2017. These lands are all located in Alberta, Canada. No work commitments have been made on these lands.

TABLE 8:

Gross Acres	Net Acres
10,640	10,640

The following Table 9 sets out the gross and net acres for which Petrox's rights to explore, develop or exploit will, absent further action, expire within one year.

TABLE 9:

Gross Acres	Net Acres
10,640	10,640

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

Development of the above unproven properties is dependent upon the confirmation of potential oil and gas in place. Petrox is continuing to evaluate potential.

The economic conditions on drilling and completion will determine the timing as to the exploration and development of such properties.

6.3 Forward Contracts

Petrox does not have any product price hedges on forward contracts at December 31, 2017.

6.4 REPEALED

6.5 Tax Horizon

Petrox estimates that taxes will not be payable over the remaining life of the reserves.

6.6 Costs Incurred

The following Table 10 outlines the property acquisition costs, exploration costs and development costs incurred by Petrox during the financial year ended December 31, 2017:

TABLE 10:

	Property Acquisition Costs	Exploration Costs	Development Costs
Alberta	Nil	Nil	Nil
Saskatchewan	Nil	Nil	Nil

6.7 Exploration and Development Activities

The following Table 11 sets out the exploratory and development wells completed by Petrox during the financial year ended December 31, 2017:

TABLE 11:

	Exploratory Wells				Development Wells			
	Oil		Gas		Oil		Gas	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Alberta	0	0	0	0	0	0	0	0
Saskatchewan	0	0	0	0	0	0	0	0

At present, Petrox does not plan to carry out any exploration and development activities on its properties.

6.8 *Production Estimates*

Table 6, above, under “Gross 2018 Production Volumes (Company Working Interest Before Royalties)” and “Gross 2018 Production Rates (Company Working Interest Before Royalties)” sets out by Reserves Category the total volume of production estimated by Ryder Scott for the year 2018 as of December 31, 2017 (Forecast prices and Costs). 100% of the 2018 production will be from the Fletwode Field in Saskatchewan and therefore the values presented in Table 6 are both for total company and for the Fletwode Field.

6.9 *Production History*

The following Table 12 sets out for each quarter during the financial year ended December 31, 2017 Petrox’s share of average gross daily production volume, the prices received, royalties paid, production costs and the resulting netback.

[Remainder of page has been left blank intentionally. Tables 12 and 13 follow.]

TABLE 12:

FIELD	Light & Medium Oil (/bbl)				Heavy Oil (bbl)				Natural Gas (Mcf)				Natural Gas Liquids (bbl)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Alberta - Bashaw																
Production Volume	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Average Price	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Royalty	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Netback	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Saskatchewan - Fletwode																
Production Volume	2,726	2,586	2,577	2,629	-	-	-	-	-	-	-	-	-	-	-	-
Average Price/bbl	\$59.21	\$57.08	\$52.41	\$64.65	-	-	-	-	-	-	-	-	-	-	-	-
Royalty/bbl	\$3.01	\$2.53	\$1.98	\$2.99	-	-	-	-	-	-	-	-	-	-	-	-
Operating Cost/bbl	27.82	\$42.28	\$38.63	\$24.70	-	-	-	-	-	-	-	-	-	-	-	-
Netback/bbl	\$28.38	\$12.27	\$11.79	\$36.96	-	-	-	-	-	-	-	-	-	-	-	-

The following Table 13 sets out Petrox's production volumes for the financial year ended December 31, 2017:

TABLE 13:

FIELD	Light & Medium Oil (bbl)	Heavy Oil (bbl)	Natural Gas (Mcf)	Natural Gas Liquids (bbl)
Alberta	-	-	-	-
Bashaw	-	-	-	-
Saskatchewan	-	-	-	-
Fletwode	10,513	-	-	-
	-	-	-	-
TOTAL	10,513	-	-	-

APPENDIX “A”

[attached]



FORM 51-101F2
REPORT ON RESERVES DATA
BY
RYDER SCOTT COMPANY-CANADA

To The Board of Directors of Petrox Resources Corp. (the "Company"):

1. We have evaluated the Company's reserves data as at December 31, 2017. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2017, 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.
3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "COGE Handbook") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).
4. 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.
5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated for the year ended December 31, 2017, and identifies the respective portions thereof that we have evaluated and reported on to the Company's management.

Independent Qualified Reserves Evaluator or Auditor	Effective Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate) (CAD M\$)			
			Audited	Evaluated	Reviewed	Total
Ryder Scott Company	December 31, 2017	Canada	\$0	\$498	\$0	\$498

Petrox Resources Corp.

March 9, 2018

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6. 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, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
7. We have no responsibility to update our reports referred to in paragraph 5 for events and circumstances occurring after the effective date of our report.
8. 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:

Ryder Scott Company-Canada, Calgary, Alberta, Canada

Execution Date: Dated as of the 9th day of March, 2018

Signed by:



Howard C. Lam, P.Eng.
Managing Senior Vice President

APPENDIX “B”

FORM 51-101F3

REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

Management of Petrox Resources Corp. (the “**Corporation**”) is responsible for the preparation and disclosure of information with respect to the Corporation’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, 2017, estimated using forecast prices and costs.

An independent qualified reserves evaluator has evaluated the Corporation’s reserves data. The report of the independent qualified reserves evaluator is presented above in Appendix “A”.

The Reserves Committee of the board of directors of the Corporation has

- (a) reviewed the Corporation’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 of the Corporation has reviewed the Corporation’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 the Ryder Scott Report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

(Signed)

EDWIN TAM Chief Executive Officer

(Signed)

ALAN CHAN, Chief Financial Officer

(Signed)

GARRY LOHUIS
Director

(Signed)

HUI YU
Director

April 24, 2018