

**CANADIAN NATIONAL INSTRUMENT 51-101
FORM 51-101F1 STATEMENT OF RESERVES DATA
AND OTHER OIL AND GAS INFORMATION OF VITAL ENERGY INC.**

Part 1 Date of Statement

Item 1.1 Relevant Dates

The preparation date of the Reserves Data and Other Oil and Gas Information of Vital Energy Inc. (“Vital” or the “Corporation”) is March 17, 2017. The effective date of the information provided in this Statement is December 31, 2016 unless otherwise indicated. The information was prepared using data available to the effective date.

Part 2 Disclosure of Reserves Data

GLJ Petroleum Consultants Ltd. (“GLJ”) has prepared a report dated April 10, 2017 (the “GLJ Report”), in which it has evaluated as at December 31, 2016, the oil and natural gas reserves attributable to all of the properties of the Corporation.

The GLJ Report also presents the estimated net value of future revenue of Vital’s properties before and after taxes, at various discount rates. Assumptions and qualifications relating to costs, prices for future production and other matters are summarized in the notes to the following tables.

The extent and nature of all information supplied by Vital and/or the operator of its properties, which may have included ownership data, well information, geological information, reservoir studies, timing and future production, gas sales contract information, current product prices, operating cost data, capital budget forecasts and future operating plans, have been relied upon by GLJ in preparing the GLJ Report and were accepted as represented without independent verification. In the absence of such information, GLJ relied, with the approval of Vital, upon its opinion of reasonable practice in the industry. All information provided to GLJ was as at December 31, 2016 and, accordingly, certain of such information may not be representative of current conditions.

The definitions of the various categories of reserves and expenditures are those set out in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (“NI 51-101”).

BOEs may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf to 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.

It should not be assumed that the present worth of estimated future net revenue represents the fair market value of the reserves. There is no assurance that the escalating price and cost assumptions contained in the GLJ Report will be attained and variances could be material. The reserve and revenue estimates set forth below are estimates only and the actual reserves and realized revenue may be greater or less than those calculated.

Item 2.1 Reserves Data - Forecast Prices and Costs

The following table discloses, in the aggregate, the Corporation’s gross and net proved reserves, estimated using forecast prices and costs, by product type. “Forecast prices and costs” means future prices and costs used by GLJ in the GLJ Report that are generally accepted as being a reasonable outlook of the future.

**Table FP-1a
NI 51-101**

SUMMARY OF RESERVES AS OF DECEMBER 31, 2016 (Forecast Prices & Costs)

Reserves Category	Light & Medium Oil		Heavy Oil		Conventional Natural Gas		Natural Gas Liquids		Total Oil Equivalent	
	Gross (1)	Net (2)	Gross (1)	Net (2)	Gross (1)	Net (2)	Gross (1)	Net (2)	Gross (1)	Net (2)
	Mbbl	Mbbl	Mbbl	Mbbl	MMcf	MMcf	Mbbl	Mbbl	Mboe	Mboe
Proved										
Developed Producing	261	242	14	14	593	551	4	4	378	352
Developed Non-Producing	-	-	-	-	-	-	-	-	-	-
Undeveloped	75	73	67	64	-	-	-	-	142	137
Total Proved	336	315	82	78	593	551	4	4	520	489
Total Probable	283	259	296	257	330	306	2	2	636	569
Total Proved Plus Probable	619	575	377	335	923	857	6	6	1,156	1,058

(1) "Gross Reserves" are Corporation's working interest share of remaining reserves before the deduction of royalties by others.

(2) "Net Reserves" are Corporation's working interest share of remaining reserves less all Crown, freehold, and overriding royalties and interests.

The following table discloses, in the aggregate, the net present value of the Corporation's future net revenue attributable to the reserves categories in the previous table, estimated using forecast prices and costs, before and after deducting future income tax expenses, and calculated without discount and using discount rates of 5%, 10%, 15% and 20%.

**Table FP-1b
NI 51-101**

**SUMMARY OF NET PRESENT VALUE OF FUTURE NEW REVENUE
AS OF DECEMBER 31, 2016 (Forecast Prices & Costs)**

Reserves Category	Net Present Values (NPV) of Future Net Revenue (FNR)										Unit Value Before Income Tax	
	Before Income Taxes Discounted At (%/yr)					After Income Taxes Discounted At (%/yr)					Discounted at 10%/yr	
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%	\$/boe	\$/Mcf
Proved												
Producing	10,440	8,758	7,541	6,631	5,930	10,440	8,758	7,541	6,631	5,930	21.42	3.57
Developed Non-Producing	0	0	0	0	0	0	0	0	0	0	0	0
Undeveloped	3,305	2,333	1,664	1,190	844	3,305	2,333	1,664	1,190	844	12.15	2.03
Total Proved	13,745	11,091	9,205	7,821	6,774	13,745	11,091	9,205	7,821	6,774	18.82	3.14
Total Probable	19,795	14,079	10,475	8,073	6,395	19,795	14,079	10,475	8,073	6,395	18.41	3.07
Total Proved Plus Probable	33,540	25,170	19,680	15,893	13,169	33,540	25,170	19,680	15,893	13,169	18.60	3.10

NPV of FNR includes all resource income: sale of oil, gas, by-product reserves; processing of third party reserves; other income.

The following two tables provide additional information regarding the future net revenue attributable to the Corporation's reserves as outlined in the previous table.

This table discloses, in the aggregate, certain elements of the Corporation's future net revenue attributable to its proved reserves and its proved plus probable reserves, estimated using forecast prices and costs, and calculated without discount.

Table FP-2
NI 51-101

TOTAL FUTURE NET REVENUE (Undiscounted)
AS OF DECEMBER 31, 2016 (Forecast Prices & Costs)

Reserves Category	Revenue	Royalties	Operating Costs	Capital Development Costs	Abandonment Costs	BT Future Net Revenue (1)	Income Tax	AT Future Net Revenue (2)
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
Proved								
Producing	20,020	1,559	7,511	40	470	10,440	-	10,440
Developed Non-Producing	0	0	0	0	0	0	-	-
Undeveloped	9,126	420	2,561	2,636	205	3,305	-	3,305
Total Proved	29,147	1,978	10,072	2,676	675	13,745	-	13,745
Total Probable	40,693	4,412	11,757	4,301	428	19,795	-	19,795
Total Proved Plus Probable	69,839	6,390	21,828	6,978	1,103	33,540	-	33,540

(1) BT = Before Taxes

(2) AT = After Taxes

This table discloses, by production group, the net present value of the Corporation's future net revenue attributable to its proved reserves and its proved plus probable reserves, before deducting future income tax expenses, estimated using forecast prices and costs, and calculated using a 10% discount rate.

Table FP-3
NI 51-101

NET PRESENT VALUE OF FUTURE REVENUE BY PRODUCTION GROUP
AS OF DECEMBER 31, 2016 (Forecast Prices & Costs)

Reserves Category	Production Group	BT Discounted (10%/Yr)	Unit Value	Unit Value
		Future Net Revenue (1)		
		M\$	\$/boe	\$/Mcf
Proved Producing				
	Light & Medium Oil (including associated by-products)	7230	23.14	3.86
	Heavy Oil (including associated by-products)	78	5.45	0.91
	Conventional Natural Gas (including associated by-products)	233	9.17	1.53
	Total: Proved Producing	7541	21.42	3.57
Total Proved				
	Light & Medium Oil (including associated by-products)	8177	21.22	3.54
	Heavy Oil (including associated by-products)	795	10.15	1.69
	Conventional Natural Gas (including associated by-products)	234	9.18	1.53
	Total: Total Proved	9205	18.82	3.14
Total Proved Plus Probable				
	Light & Medium Oil (including associated by-products)	13486	19.77	3.29
	Heavy Oil (including associated by-products)	5844	17.45	2.91
	Conventional Natural Gas (including associated by-products)	350	8.56	1.43
	Total: Total Proved Plus Probable	19680	18.60	3.10

(1) BT= Before Taxes

Item 2.2 Supplementary Disclosure (Constant Prices and Costs)

Supplementary constant price disclosure has not been included.

Part 3 Pricing Assumptions

Item 3.1 Constant Prices used in Supplementary Estimates

Supplementary constant price disclosure has not been included

Item 3.2 Forecast Prices Used in Estimates

The forecast reference prices used in preparing Vital's reserves data are provided in the tables below.

Table FP-4a
NI 51-101
Crude Oil and Natural Gas Liquids
SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS AS OF JANUARY 1, 2017 (Forecast Prices & Costs)

Year	Inflation %	CADUSD Exchange Rate USD/CAD	NYMEX WTI Near Month Contract	ICE Brent Near Month Contract	Light, Sweet Crude Oil (40 API, 0.3%S) at Edmonton	Bow River Crude Oil at Hardisty	WCS Crude Oil at Hardisty	Heavy Crude Oil (12 API) at Hardisty	Light Sour Crude Oil (35 API, 1.2%S) at Cromer	Medium Crude Oil (29 API, 2.0%S) at Cromer	Alberta Natural Gas Liquids (Then Current Dollars)				
			Constant 2016 \$ USD/bbl	Then Current USD/bbl	Then Current USD/bbl	Then Current CAD/bbl	Then Current CAD/bbl	Then Current CAD/bbl	Then Current CAD/bbl	Then Current CAD/bbl	Then Current CAD/bbl	Spec Ethane CAD/Btu	Edmonton Propane CAD/bbl	Edmonton Butane CAD/bbl	Edmonton C5+ Stream Quality CAD/bbl
2016	1.5	0.7554	43.93	43.30	45.01	52.95	39.71	38.84	32.66	51.34	48.71	N/A	13.03	34.36	56.12
2017	2.0	0.750	55.00	55.00	57.00	69.33	54.02	53.32	46.69	67.95	64.48	11.15	28.43	49.92	72.11
2018	2.0	0.775	57.84	59.00	61.00	72.26	57.52	56.79	50.40	70.81	67.20	9.92	26.74	54.19	74.79
2019	2.0	0.800	61.51	64.00	66.00	75.00	62.02	61.27	55.03	73.50	69.75	10.52	26.25	56.25	78.75
2020	2.0	0.825	63.14	67.00	70.00	76.36	63.76	63.00	56.96	74.84	71.02	11.27	26.73	57.27	79.80
2021	2.0	0.850	65.59	71.00	74.00	78.82	66.68	65.90	59.95	77.25	73.31	11.87	27.59	59.12	82.37
2022	2.0	0.850	67.02	74.00	77.00	82.35	70.25	69.42	63.43	80.71	76.59	12.54	28.82	61.76	86.06
2023	2.0	0.850	68.37	77.00	80.00	85.88	73.77	72.91	66.99	84.16	79.87	13.20	30.06	64.41	89.32
2024	2.0	0.850	69.64	80.00	83.00	89.41	77.34	76.45	70.48	87.62	83.15	13.56	31.29	67.06	92.99
2025	2.0	0.850	70.84	83.00	86.00	92.94	80.86	79.93	73.63	91.08	86.44	13.83	32.53	69.71	97.59
2026	2.0	0.850	72.00	86.05	89.64	95.61	84.43	83.47	77.54	93.70	88.92	14.13	33.46	71.71	99.91
2027+	2.0	0.850	72.00	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr

A historical futures contract price is an average of the daily settlement price of the near month contract over the calendar month.

Table FP-4b
NI 51-101
Natural Gas
SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS AS OF JANUARY 1, 2017 (Forecast Prices & Costs)

Year	NYMEX Henry Hub Near Month Contract		Midwest Price at Chicago		Alberta Plant Gate				Saskatchewan Plant Gate	
	Constant 2016 \$ USD/MMBtu	Then Current USD/MMBtu	Then Current USD/MMBtu	Then Current CAD/MMBtu	Spot		ARP	Alliance	SaskEnergy	Spot
	USD/MMBtu	USD/MMBtu	USD/MMBtu	CAD/MMBtu	Constant 2016 \$ CAD/MMBtu	Then Current CAD/MMBtu	CAD/MMBtu	CAD/MMBtu	CAD/MMBtu	CAD/MMBtu
2016	2.59	2.55	2.48	2.19	2.31	1.98	1.95	1.95	2.22	2.09
2017	3.60	3.60	3.65	3.46	3.46	3.20	3.20	3.20	3.30	3.36
2018	3.14	3.20	3.25	3.10	3.10	2.79	2.85	2.85	2.95	3.00
2019	3.27	3.40	3.45	3.27	3.27	2.91	3.02	3.02	3.12	3.17
2020	3.39	3.60	3.65	3.49	3.49	3.05	3.24	3.24	3.34	3.39
2021	3.51	3.80	3.85	3.67	3.67	3.15	3.41	3.41	3.51	3.57
2022	3.62	4.00	4.05	3.86	3.86	3.26	3.60	3.60	3.70	3.76
2023	3.73	4.20	4.25	4.05	4.05	3.37	3.79	3.79	3.89	3.95
2024	3.75	4.31	4.36	4.16	4.16	3.39	3.90	3.90	4.00	4.06
2025	3.75	4.39	4.44	4.24	4.24	3.39	3.97	3.97	4.07	4.14
2026	3.75	4.48	4.53	4.32	4.32	3.40	4.06	4.06	4.16	4.22
2027+	3.75	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	3.40	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr

Unless otherwise stated, the gas price reference point is the receipt point on the applicable provincial gas transmission system known as the plant gate.

The plant gate price represents the price before raw gas gathering and processing charges are deducted.

AECO/NIT Spot refers to the same-day spot price averaged over the period.

This price forecasts shown above are GLJ's standard price forecast effective January 1, 2017.

Part 4 Reconciliation of Changes in Reserves and Future Net Revenue

Item 4.1 Reserves Reconciliation

The following table provides a reconciliation of Vital's company gross reserves based on forecast prices and costs.

Table FP-5
NI51-101
RECONCILIATION OF COMPANY GROSS RESERVES BY PRINCIPAL PRODUCT TYPE
Forecast Prices and Costs

	Light and Medium Oil			Heavy Oil			Conventional Natural Gas			Natural Gas Liquids			BOE		
	Proved	Probable	Proved + Probable	Proved	Probable	Proved + Probable	Proved	Probable	Proved + Probable	Proved	Probable	Proved + Probable	Proved	Probable	Proved + Probable
	(Mbbbl)	(Mbbbl)	(Mbbbl)	(Mbbbl)	(Mbbbl)	(Mbbbl)	(MMcf)	(MMcf)	(MMcf)	(Mbbbl)	(Mbbbl)	(Mbbbl)	(Mboe)	(Mboe)	(Mboe)
December 31, 2015	257	350	607	85	295	380	555	451	1,006	0	0	0	434	720	1,154
Discoveries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Extensions & Improved Recovery	75	(75)	0	0	0	0	0	0	0	0	0	0	75	(75)	0
Technical Revisions	68	8	76	4	0	4	185	(117)	68	4	2	6	107	(9)	97
Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dispositions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Economic Factor	(2)	0	(1)	0	0	0	0	(3)	(3)	0	0	0	(2)	(0)	(2)
Production	(62)	0	(62)	(7)	0	(7)	(147)	0	(147)	(0)	0	(0)	(94)	0	(94)
December 31, 2016	336	283	619	82	296	377	593	330	923	4	2	6	520	636	1,156

Part 5 Additional Information Relating To Reserves Data

Item 5.1 Undeveloped Reserves

Table FP-6 provides a summary of the undeveloped reserves first attributed during the current fiscal year and the Company total at the current year-end effective date.

Table FP-6

Company Gross Reserves First Attributed by Year

Proved Undeveloped Reserves

	Light & Medium Oil (Mbbbl)		Heavy Oil (Mbbbl)		Conventional Natural Gas (MMcf)		Natural Gas Liquids (Mbbbl)	
	* First Attributed	Total at Year-end	First Attributed	Total at Year-end	First Attributed	Total at Year-end	First Attributed	Total at Year-end
2014	39	39	70	70	-	-	-	-
2015	-	-	-	71	-	-	-	-
2016	75	75	-	67	-	-	-	-

	Tight Oil (Mbbbl)		Synthetic Crude Oil (Mbbbl)		Bitumen (Mbbbl)	
	* First Attributed	Total at Year-end	First Attributed	Total at Year-end	First Attributed	Total at Year-end
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-

	Shale Gas (MMcf)		CBM (MMcf)		Oil Equivalent (Mbbbl)	
	* First Attributed	Total at Year-end	First Attributed	Total at Year-end	First Attributed	Total at Year-end
2014	-	-	-	-	109	109
2015	-	-	-	-	-	71
2016	-	-	-	-	75	142

Probable Undeveloped Reserves

	Light & Medium Oil (Mbbbl)		Heavy Oil (Mbbbl)		Conventional Natural Gas (MMcf)		Natural Gas Liquids (Mbbbl)	
	* First Attributed	Total at Year-end	First Attributed	Total at Year-end	First Attributed	Total at Year-end	First Attributed	Total at Year-end
2014	391	391	300	300	-	-	-	-
2015	160	169	-	290	-	-	-	-
2016	-	155	-	290	-	-	-	-

	Tight Oil (Mbbbl)		Synthetic Crude Oil (Mbbbl)		Bitumen (Mbbbl)	
	* First Attributed	Total at Year-end	First Attributed	Total at Year-end	First Attributed	Total at Year-end
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-

	Shale Gas (MMcf)		CBM (MMcf)		Oil Equivalent (Mbbbl)	
	* First Attributed	Total at Year-end	First Attributed	Total at Year-end	First Attributed	Total at Year-end
2014	-	-	-	-	691	691
2015	-	-	-	-	160	459
2016	-	-	-	-	-	445

* "First Attributed" refers to reserves first attributed at year-end of the corresponding fiscal yr

Proved and probable undeveloped reserves have been estimated in accordance with procedures and standards contained in the COGE Handbook. The significant majority of the undeveloped reserves are scheduled to be developed within the next three years.

Depending on the economics of each of Vital's properties with proven undeveloped reserves it is Vital's intention to develop the proven undeveloped reserves within the next three (3) years by drilling. The project economics depend greatly on the prevailing price of oil. A lower oil price will lead to a slower development of the proved undeveloped reserves and a higher oil price will lead to faster development of proved undeveloped reserves.

Item 5.2 Significant Factors or Uncertainties

GLJ conducted its independent engineering evaluation on Vital's reserves as of December 31, 2016. The process of establishing reserves 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.

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.

Item 5.3 Future Development Costs

The following table provides information regarding the development costs deducted in the estimation of future net revenue attributable to the Corporations reserves.

**TABLE FP-7
NI 51-101**

FUTURE DEVELOPMENT COSTS (1)(2)

Forecast Prices & Costs		
YEAR	For Proved Reserves (M\$)	For Proved + Probable Reserves (M\$)
2017	1,440	2,840
2018	612	1,724
2019	624	2,414
2020	-	-
2021		
<u>Other</u>	-	-
TOTAL	2,676	6,978
Undiscounted	2,676	6,978
Discounted @ 10%/Yr	2,395	6,104

- (1) *Future Development Costs shown are associated with booked reserves in the Reserves Report and do not necessarily represent the Corporation's full exploration and development budget.*
- (2) *Future Development Costs under Constant Prices are the same as the Future Development Costs under Forecast Prices.*

Part 6 Other Oil and Gas Information

Item 6.1 Oil and Gas Properties and Wells

The following is a description of the Corporation's principal properties on production or under development.

Gull Lake (Suffield) Area, Saskatchewan

1,640 gross acres and 820 net acres of lands and leases located onshore in the south west portion of the Province of Saskatchewan, Canada. Vital has a 50% interest in the property currently with 7 producing wells and 2 water injection wells. The oil currently being produced is medium gravity oil from the Roseray and Cantuar formations. Vital has 3D seismic coverage on all of the Gull Lake area lands. Vital's 50% interest will maintain and is not subject to any mandatory changes in ownership whatsoever. The water injection scheme was implemented in 2015 and is currently operational. The Corporation has been drilling and producing oil from the Gull Lake Area since 2012. The Gull Lake area is in close proximity to all necessary infrastructure including oil treating/separation and gas pipelines.

Pennant (Battrum) Area, Saskatchewan

3,813 gross and net acres located onshore in the south west portion of the Province of Saskatchewan, Canada. Vital has a 100% interest which will be maintained and is not subject to any mandatory changes in interest/ownership whatsoever. Vital has 4 wells in the Pennant area. Medium gravity oil is being produced from the Shaunavon formation. Development of the lands will consist primarily of drilling and producing horizontal wells. Vital has 3D seismic coverage over three quarters of the Pennant lands. The Pennant area is in close proximity to all necessary infrastructure including water injection, treating/separating and pipelines. Vital has been drilling and producing from the Pennant area since 2014.

Baxter Lake Area, Alberta

277 acres of 100% owned lands situated in the central east portion of the Province of Alberta, Canada. Vital has an interest in 7 wells. The wells are either shut in due to low rate or are producing heavy oil from the Sparky formation. The project requires well remediation, water injection and additional drilling to enhance the current economics. Oil prices need to increase significantly to allow Vital to expend the capital required to perform the well remediation and install water injection. Vital may reduce its interest to as low as 30% in the Baxter Lake area via the farmout process. The farmout process would include a third party performing the required well remediation and installation of water injection and drilling up to 6 more wells. The Baxter Lake area is in close proximity to all necessary oil producing and transportation infrastructure.

Standard Hill, Saskatchewan

100% interest/owned 320 gross and net acres located onshore in the central west portion of the Province of Saskatchewan, Canada. Vital has an interest in 2 wells which are currently shut in. Heavy oil production is obtained from the Waseca and McLaren formations. The shut in wells require remediation and there is potential to drill 2 more wells. The remediation and potential drilling are subject to having better project economics which currently involve having higher oil prices. The Corporation has been drilling and producing oil from the Standard Hill property since 2009. The Standard Hill Area is in close proximity to all oil producing and transportation infrastructure.

The following table shows additional information regarding the Corporation's wells at December 31, 2016.

FP-7.1					
NI 51-101					
OIL AND GAS WELLS					
Wells		Producing		Non-Producing	
		Gross(1)	Net (2)	Gross (1)(3)	Net (2)(3)
	Alberta	3.0	3.0	5.0	5.0
	Saskatchewan	11.0	7.50	5.0	5.0
	British Columbia	0.0	0.0	0.0	0.0
	Total	14.0	10.5	10.0	10.0
(1)	<i>"Gross" wells means the number of wells in which the Corporation has a working interest or a royalty interest that may be converted into a working interest.</i>				
(2)	<i>"Net" wells means the aggregate number of wells obtained by multiplying each gross well by the Corporation's percentage working interest therein.</i>				
(3)	<i>One well was still being evaluated as at the date of this report.</i>				

Item 6.2 Properties with No Attributed Reserves

The following table sets forth information respecting Vital's undeveloped lands as at December 31, 2016.

FP-7.2				
NI 51-101				
PROPERTIES WITH NO ATTRIBUTED RESERVES				
Location		Unproved Properties		2016 expiring
		Gross Acres	Net Acres	Net Acres
	Alberta	2,056	2,056	3,202
	Saskatchewan	4,227	4,227	0
	British Columbia	0	0	0
	Total	6,283	6,283	3,202
(1)	<i>Unproved Properties have no attributed reserves as at December 31, 2016. Undeveloped acreage within properties where proven reserves have been booked as at December 31, 2016 have not been included.</i>			

As of December 31, 2016 the Corporation has no outstanding material work commitments in any areas of its operations as all of its significant obligations are discretionary.

Item 6.3 Forward Contracts

Vital confirms that as of December 31, 2016 Vital is not party to any forward sale contracts.

Item 6.4 Additional Information Concerning Abandonment and Restoration Costs

The following table sets forth abandonment costs forecast in the GLJ report as at December 31, 2016.

**Table FP-8
NI 51-101**

ABANDONMENT & RECLAMATION COSTS (Forecast Prices & Costs) Undiscounted

		Well Abandonment Costs (M\$)
Total Proved Reserves (Yr)		
	2017	0
	2018	0
	2019	0
	2020	0
	Remainder	675
Proved + Probable Reserves (Yr)		
	2017	0
	2018	0
	2019	0
	2020	0
	Remainder	1,103

The above abandonment costs only include estimated abandonment and reclamation costs for all wells assigned reserves. These costs do not include any salvage value, non-reserves well abandonments, pipelines abandonment, production facilities abandonment and or site reclamation/remediation costs.

In addition to the above costs the Corporation has estimated additional abandonment and reclamation costs of \$98,000.

Item 6.5 Tax Horizon

The Corporation was not required to pay income taxes during the year ended December 31, 2016. Based on after tax economic forecasts prepared by GLJ, income taxes are not payable by the Corporation for the life of the total proved plus probable reserves forecast.

Item 6.6 Costs Incurred

The following table summarizes certain expenditures for the Corporation during the year ended December 31, 2016.

PROPERTY ACQUISITION / DISPOSITION COSTS AND CAPITAL EXPENDITURES FOR THE YEAR ENDING DECEMBER 31, 2016	
Amounts (\$)	
Property Acquisition	
Proved	0
Unproved	0
Capital Expenditures	
Land Purchases	120,190
Exploration Costs	0
Development Costs	37,088
TOTAL	157,278

Item 6.7 Exploration and Development Activities

The following table sets forth the number of gross and net wells completed by Vital during the year ended December 31, 2016.

OIL AND GAS WELL ACTIVITY IN YEAR 2016(1)			
		Well Activity	
WELLS		Gross (2)(4)	Net(3)(4)
Development			
	Gas	0.0	0.0
	Oil	0.0	0.0
	Service	0.0	0.0
	Dry	0.0	0.0
	TOTAL	0.0	3.0
Exploratory			
	Gas	0.0	0.0
	Oil	0.0	0.0
	Service	0.0	0.0
	Dry		
	TOTAL	0.0	0.0
TOTAL		0.0	0.0
(1)	<i>Results of Development and Exploratory activities during the financial year ending December 31, 2016</i>		
(2)	<i>"Gross" wells means the number of wells in which the Corporation has a working interest or a royalty interest that may be converted into a working interest.</i>		
(3)	<i>"Net" wells means the aggregate number of wells obtained by multiplying each gross well by the Corporation's percentage working interest therein.</i>		
(4)	<i>One well was still being evaluated as at the date of this report.</i>		

Item 6.8 Production Estimates

The following table summarizes the Corporation's estimated future average daily production volumes for 2017, as forecast in the year-end 2016 GLJ reserves report, for each product type.

Production for properties which individually account for 20 percent or more of the Company's forecast production (total proved plus probable reserves, boe basis) in the first year of forecast has been identified separately in this table.

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**SUMMARY OF PRODUCTION ESTIMATES (1) BY FIELD
TOTAL PROVED PLUS PROBABLE RESERVES FOR YEAR 2017 (Forecast Prices & Costs)**

FIELD	Light & Medium Oil (bbl/d)	Heavy Oil (bbl/d)	Conventional Natural Gas (Mcf/d)	Natural Gas Liquids (bbl/d)
Gull Lake	83	-	398	2
Pennant	183	-	-	-
Other	-	17	-	-
TOTAL	266	17	398	2

(1) Daily production is taken from the 2016 Year-end Reserves Report as of December 31, 2016, prepared by GLJ.

Item 6.9 Production History

The following table summarizes the Corporation's quarterly oil production for the year ended December 31, 2016.

	Q1/2016	Q2/2016	Q3/2016	Q4/2016	Total
Daily boe	296	243	240	246	257
Sales/boe	\$21	\$32	\$35	\$38	\$31
Royalties	\$2	\$2	\$4	\$4	\$3
Production costs	\$14	\$18	\$17	\$15	\$16
Netback	\$5	\$12	\$14	\$19	\$12

The Corporation's oil production by field is summarized below.

Field	BOE
Baxter Lake	7,107
Suffield/Gull Lake	59,364
Battrum/Pennant	27,443
Standard Hill	-
Total boe	93,914