

**SAHARA ENERGY LTD.**

Statement of Reserves Data and Other Oil and Gas Information

Year Ended December 31, 2007

Dated June 11, 2008

## ABBREVIATIONS

### Crude Oil and Natural Gas Liquids

bbl	barrel
bbls	barrels
boe	barrels of oil equivalent
Mbbls	thousand barrels
MMbbls	million barrels
bbls/d	barrels per day
boe/d	barrels of oil equivalent per day
NGLs	natural gas liquids
STB	stock tank barrels

### Natural Gas

Mcf	thousand cubic feet
MMcf	million cubic feet
Mcf/d	thousand cubic feet per day
MMcf/d	million cubic feet per day
MMbtu	million British Thermal Units
Bcf	billion cubic feet
GJ	gigajoule

### Other

AECO	EnCana Corp.'s 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
BOE/d	barrel of oil equivalent per day
BOE	barrel of oil equivalent
m <sup>3</sup>	cubic metres
MBOE	1,000 barrels of oil equivalent
M\$	thousands of dollars
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade

**BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of six Mcf to one 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. This conversion factor is an industry accepted norm and is not based on either energy content or current prices.**

## CONVERSIONS

The following table sets forth certain standard conversions from Standard Imperial units to the International System of Units (or metric units).

<u>To Convert From</u>	<u>To</u>	<u>Multiply By</u>
Mcf	m <sup>3</sup>	28.174
thousand m <sup>3</sup>	Mcf	35.494
bbls	m <sup>3</sup>	0.159
m <sup>3</sup>	Bbls	6.290
feet	metres	0.305
metres	feet	3.281
miles	kilometres	1.609
kilometres	miles	0.621
acres	hectares	0.405
hectares	acres	2.471

## CONVENTIONS

National Instrument 51-101 *Standards of Disclosure For Oil and Gas Activities*.

Certain other terms used herein but not defined herein are defined in NI 51 101 and, unless the context otherwise requires, shall have the same meanings herein as in NI 51 101.

Words importing the singular number only include the plural, and vice versa, and words importing any gender include all genders. All dollar amounts set forth in this Statement are in Canadian dollars, except where otherwise indicated.

## NOTES AND DEFINITIONS

The determination of oil and gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved, probable and possible reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery.

The estimation and classification of reserves requires the application of professional judgment combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions.

"**Cdn**" means Canadian;

"**COGE Handbook**" means the Canadian Oil and Gas Evaluation Handbook prepared jointly by The Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society), as amended from time to time;

"**DeGolyer**" means DeGolyer and MacNaughton Canada Limited;

"**DeGolyer Report**" means the independent reserves assessment and evaluation of the oil and gas properties of Sahara prepared by DeGolyer with an effective date of December 31, 2007;

"**Developed Non-Producing 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;

"**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 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 (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing;

"**development costs**" means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas from the reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

- (a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves;
- (b) drill and equip development wells, development type stratigraphic test wells and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and the wellhead assembly;

- (c) acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and
- (d) provide improved recovery systems;

"**development well**" means a well drilled inside the established limits of an oil or gas reservoir, or in close proximity to the edge of the reservoir, to the depth of a stratigraphic horizon known to be productive;

"**exploration costs**" means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil and gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as "prospecting costs") and after acquiring the property. Exploration costs, which include applicable operating costs of support equipment and facilities and other costs of exploration activities, are:

- (a) costs of topographical, geochemical, geological and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as "geological and geophysical costs");
- (b) costs of carrying and retaining unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defence, and the maintenance of land and lease records;
- (c) dry hole contributions and bottom hole contributions;
- (d) costs of drilling and equipping exploratory wells; and
- (e) costs of drilling exploratory type stratigraphic test wells;

"**exploratory well**" means a well that is not a development well, a service well or a stratigraphic test well;

"**future net revenue**" means the estimated net amount to be received with respect to the development and production of reserves (including synthetic oil, coal bed methane and other non-conventional reserves) estimated using constant prices and costs or forecast prices and costs;

"**forecast prices and costs**" means future prices and costs that are:

- (a) generally accepted as being a reasonable outlook of the future;
- (b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the Corporation issuer is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a);

"**Gross**" means:

- (a) in relation to a reporting issuer's interest in production or reserves, its "company gross reserves", which are the reporting issuer's working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the reporting issuer;
- (b) in relation to wells, the total number of wells in which a reporting issuer has an interest; and
- (c) in relation to properties, the total area of properties in which a reporting issuer has an interest;

"**Mirage**" means Mirage Energy Ltd., a corporation amalgamated pursuant to the provisions of the *Business Corporations Act* (Alberta);

"**Mirage Arrangement**" means the plan of arrangement between Sahara, Mirage and the shareholders of Mirage with an effective date of March 31, 2008 completed pursuant to the provisions of the *Business Corporations Act* (Alberta) and an arrangement agreement between Sahara and Mirage dated February 25, 2008;

"**Net**" means:

- (a) in relation to a reporting issuer's interest in production or reserves, the reporting issuer's working interest (operating or non-operating) share after deduction of royalty obligations, plus the reporting issuer's royalty interests in production or reserves;
- (b) in relation to a reporting issuer's interest in wells, the number of wells obtained by aggregating the reporting issuer's working interest in each of its gross wells; and
- (c) in relation to a reporting issuer's interest in a property, the total area in which the reporting issuer has an interest multiplied by the working interest owned by the reporting issuer;

"**NI 51-101**" means National Instrument 51-101 *Standards of Disclosure For Oil and Gas Activities*;

"**operating costs**" or "**production costs**" means costs incurred to operate and maintain wells and related equipment and facilities, including applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities;

"**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 Reserves plus Probable Reserves;

"**production**" means recovering, gathering, treating, field or plant processing (for example, processing gas to extract NGLs) and field storage of oil and gas;

"**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;

"**reserves**" are the 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 must be disclosed. Reserves are classified according to the degree of certainty associated with the estimates;

"**reservoir**" means a porous and permeable underground formation containing a natural accumulation of producible oil or gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs;

"**Sahara**" or the "**Corporation**" means Sahara Energy Ltd.;

"**service well**" means a well drilled or completed for the purpose of supporting production in an existing field. Wells in this class are drilled for the following specific purposes: gas injection (natural gas, propane, butane or flue gas), water injection, steam injection, air injection, salt-water disposal, water supply for injection, observation, or injection for combustion;

"**Statement**" means this statement of reserves data and other oil and gas information; and

"**Undeveloped Reserves**" are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, 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.

## **FORWARD-LOOKING STATEMENTS**

Certain statements included in this Statement may constitute forward-looking statements under applicable securities legislation. Forward-looking statements or information typically contain statements with words such as "anticipate", "believe", "expect", "plan", "intend", "estimate", "propose", "will", "should", "could", "potential", "continue" or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking statements or information in this Statement may include but are not limited to statements regarding the business strategy and objectives of Sahara, reserve quantities and the discounted present value of future net cash flows from such reserves, net revenue, future production levels, exploration plans, development plans, capacity quantities, supply, acquisition and disposition plans and the timing thereof, operating and other costs, royalty rates and crude oil and natural gas prices.

Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect. In addition to any other assumptions identified in this Statement, assumptions have been made regarding, among other things:

- the ability to obtain equipment, services and supplies in a timely manner to carry out activities;
- the ability to market oil and natural gas successfully to current and new customers;
- the timing and costs of pipeline, terminal and storage facility construction and expansion and the ability to secure adequate product transportation;
- the timely receipt of required regulatory approvals;
- the ability to obtain financing on acceptable terms;
- currency, exchange and interest rates; and
- future oil and gas prices.

Although Sahara believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Sahara cannot give assurance that such expectations will prove to be correct. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Sahara and described in the forward-looking statements or information. These risks and uncertainties include but are not limited to:

- changes in laws affecting Sahara, including laws relating to taxation and royalty regimes in the jurisdictions in which Sahara operates;
- the ability of management to execute its business plan;
- the risks of the oil and gas industry both domestically and internationally, such as operational risks in exploring for, developing and producing crude oil and natural gas and market demand;
- risks and uncertainties involving geology of oil and gas deposits;
- risks inherent in marketing operations, including credit risk;

- the uncertainty of reserves estimates and reserves life;
- the uncertainty of estimates and projections relating to production, costs and expenses;
- potential delays or changes in plans with respect to exploration or development projects or capital expenditures;
- the ability to enter into or renew leases;
- fluctuations in oil and gas prices, foreign currency exchange rates and interest rates;
- health, safety and environmental risks;
- uncertainties as to the availability and cost of financing;
- the ability to add production and reserves through development and exploration activities;
- general economic and business conditions;
- the possibility that government policies or laws may change or governmental approvals may be delayed or withheld;
- uncertainty in amounts and timing of royalty payments;
- risks associated with any existing and/or potential future law suits and regulatory actions; and
- other risks and uncertainties described elsewhere in this Statement or in Sahara's other filings with Canadian securities regulatory authorities.

The forward-looking statements and information contained in this Statement speak only as of the date of this Statement. Except as expressly required by applicable securities laws, Sahara does not undertake any obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise. The forward-looking statements and information contained in this Statement are expressly qualified by this cautionary statement.



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

### Disclosure of Reserves Data

The tables below summarize Sahara's crude oil, natural gas and NGLs reserves and the net present value of future net revenue attributable to such reserves as evaluated by DeGolyer, based on forecast price and cost assumptions. In accordance with NI 51-101, DeGolyer prepared the DeGolyer Report, evaluating the crude oil, natural gas and NGLs of Sahara's oil and gas properties, with an effective date of December 31, 2007. The preparation date of the DeGolyer Report is April 25, 2008. The information set forth below is prepared in accordance with standards contained in the COGE Handbook and the reserves definitions contained in NI 51-101 and the COGE Handbook.

All of Sahara's reserves are in Canada, and specifically, in the provinces of Alberta and Saskatchewan. Sahara's Report of Management and Directors on Oil and Gas Disclosure, the Report on Reserves Data by DeGolyer are attached as Schedule "A", and Schedule "B", respectively, hereto.

The tables summarize the data contained in the DeGolyer Report and as a result may contain slightly different numbers than such report due to rounding. Also due to rounding, certain columns may not add exactly.

**The net present value of future net revenue attributable to the Corporation's reserves is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures, and well abandonment costs for only those wells assigned reserves by DeGolyer. 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 the DeGolyer represent the fair market value of those reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. 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.**

Estimates of reserves and the related future net revenue presented below have an effective date of December 31, 2007 and therefore as the acquisition of Mirage pursuant to the Mirage Arrangement was not effective until March 31, 2008, such estimates do not include the reserves and related future net revenue of Mirage. For information with respect to the effect of the Mirage Arrangement on Sahara's oil and gas properties, please see "Information About Sahara After Giving Effect to the Mirage Arrangement" in this Statement.

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

**Summary of Oil and Gas Reserves as of December 31, 2007 – Forecast Prices and Costs**

	Gross Reserves				Net Reserves			
	Light and Medium Crude Oil (Mbbls)	Heavy Oil (Mbbls)	Natural Gas Liquids (Mbbls)	Natural Gas <sup>(1)</sup> (MMcf)	Light and Medium Crude Oil (Mbbls)	Heavy Oil (Mbbls)	Natural Gas Liquids (Mbbls)	Natural Gas <sup>(1)</sup> (MMcf)
Proved								
Developed Producing	20	65	2	87	16	57	2	69
Developed Non-Producing	-	13	4	320	-	11	2	240
Undeveloped	-	114	-	-	-	95	-	-
Total Proved	20	192	6	407	16	163	4	309
Total Probable	6	424	2	144	5	373	1	102
Total Proved plus Probable	26	616	8	551	21	536	5	411

*Notes:*

- (1) Estimates of reserves of natural gas include associated and non-associated gas.  
(2) The numbers in this table may not add exactly due to rounding.

**Summary of Net Present Values of Future Net Revenue as of December 31, 2007 – Forecast Prices and Costs**

	Before Income Taxes Discounted at (%/year):				
	0% (M\$)	5% (M\$)	10% (M\$)	15% (M\$)	20% (M\$)
Proved					
Developed Producing	1,668	1,585	1,507	1,436	1,369
Developed Non-Producing	1,478	1,113	872	706	590
Undeveloped	1,122	886	690	526	388
Total Proved	4,268	3,584	3,069	2,668	2,347
Total Probable	7,495	6,049	4,937	4,062	3,362
Total Proved plus Probable	11,763	9,633	8,006	6,730	5,709
	After Income Taxes Discounted at (%/year):				
	0% (M\$)	5% (M\$)	10% (M\$)	15% (M\$)	20% (M\$)
Proved					
Developed Producing	1,652	1,570	1,494	1,423	1,358
Developed Non-Producing	1,204	902	703	567	472
Undeveloped	791	584	415	278	164
Total Proved	3,647	3,056	2,612	2,268	1,994
Total Probable	5,374	4,252	3,397	2,729	2,199
Total Proved plus Probable	9,021	7,308	6,009	4,997	4,193

*Notes:*

- (1) The numbers in this table may not add exactly due to rounding.

**Total Future Net Revenue (Undiscounted) as of December 31, 2007 – Forecast Prices and Costs**

	Revenue (M\$)	Royalties (M\$)	Operating Costs (M\$)	Development Costs (M\$)	Abandonment and Reclamation Costs (M\$)	Future Net Revenue Before Income Taxes (M\$)	Income Taxes (M\$)	Future Net Revenue After Income Taxes (M\$)
Total Proved	14,714	2,706	5,394	1,712	634	4,268	621	3,647
Total Proved plus Probable	37,415	5,653	14,355	4,547	1,097	11,763	2,742	9,021

**Future Net Revenue by Production Group as of December 31, 2007 – Forecast Prices and Costs**

	Future Net Revenue Before Income Taxes and Discounted at 10%/Year (M\$)	Unit Value <sup>(3)</sup> (\$/BOE)
Proved		
Light and Medium Crude Oil <sup>(1)</sup>	551	29.78
Heavy Oil <sup>(1)</sup>	1,727	10.62
Natural Gas <sup>(2)</sup>	790	14.79
Proved plus Probable		
Light and Medium Crude Oil <sup>(1)</sup>	699	28.91
Heavy Oil <sup>(1)</sup>	6,201	11.56
Natural Gas <sup>(2)</sup>	1,106	15.64

*Notes:*

- (1) Including solution gas and other by-products.
- (2) Including by-products, but excluding solution gas and by-products from oil wells.
- (3) Unit values are based on net reserve volumes before income tax.

**Forecast Price and Cost Assumptions**

The forecast price and cost assumptions assume increases in wellhead selling prices and take into account inflation with respect to future operating and capital costs. Crude oil and natural gas benchmark reference pricing, inflation and exchange rates utilized by DeGolyer in the DeGolyer Report were the DeGolyer forecasts as of December 31, 2007 as follows:

Year	Oil				NATURAL GAS	NATURAL GAS	INFLATION RATES <sup>(1)</sup> (%/Year)	EXCHANGE RATE <sup>(2)</sup> (\$US/\$Cdn)
	WTI Cushing Oklahoma (\$US/bbl)	Edmonton Par Price 40° API (\$Cdn/bbl)	Hardisty Heavy 25° API (\$Cdn/bbl)	Hardisty Heavy 12° API (\$Cdn/bbl)	AECO Gas Price (\$Cdn/MMBtu)	LIQUIDS FOB Field Gate (\$Cdn/bbl)		
Forecast								
2008	90.00	89.50	63.55	54.30	6.69	91.29	0.0	1.000
2009	86.52	86.01	61.06	52.31	7.29	87.73	3.0	1.000
2010	84.87	84.34	59.88	52.13	7.18	86.03	3.0	1.000
2011	83.32	82.78	59.78	51.28	7.13	84.44	2.0	1.000
2012	82.78	82.23	58.38	50.88	7.19	83.87	2.0	1.000
2013	82.19	81.62	58.36	50.86	7.21	83.26	2.0	1.000
2014	81.53	80.96	58.29	50.79	7.35	82.58	2.0	1.000
2015	81.99	81.41	59.02	51.52	7.49	83.03	2.0	1.000
2016	83.63	83.03	60.62	53.12	7.64	84.70	2.0	1.000
2017	85.30	84.70	61.83	54.33	7.78	86.39	2.0	1.000
2018	87.01	86.39	63.06	55.56	7.97	88.12	2.0	1.000
2019	88.75	88.12	64.33	56.83	8.17	89.88	2.0	1.000
Thereafter	Escalated rate of 2.0% thereafter.							

*Notes:*

- (1) Inflation rates for forecasting prices and costs.
- (2) Exchange rates used to generate the benchmark reference prices in this table.
- (3) Forecast price and cost assumptions assume the continuance of current laws and regulations.

The weighted average historical prices for Sahara for the year ended December 31, 2007 was \$7.29 per Mcf for natural gas, \$37.53 per bbl for heavy oil, \$55.11 per bbl for light and medium oil, \$94.84 per bbl for NGLs (including butane and propane).

**Reconciliation of Changes in Reserves*****Reserves Reconciliation by Principal Product Type - Forecast Prices and Costs***

The following table sets forth a reconciliation of the Corporation's total gross proved, gross probable and total gross proved plus probable reserves as at December 31, 2007 against such reserves as at December 31, 2006 based on forecast prices and cost assumptions:

Factors	Light and Medium Oil			Heavy Oil			Associated and Non-Associated Gas			Natural Gas Liquids		
	Gross Proved (bbl)	Gross Probable (bbl)	Gross Proved Plus Probable (bbl)	Gross Proved (bbl)	Gross Probable (bbl)	Gross Proved Plus Probable (bbl)	Gross Proved (MMcf)	Gross Probable (MMcf)	Gross Proved Plus Probable (MMcf)	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved Plus Probable (Mbbbl)
December 31, 2006	27,658	13,116	40,774	406,843	597,776	1,004,619	635	197	832	3,418	732	4,150
Extensions	-	-	-	20,059	19,591	39,650	15	3	18	-	-	-
Improved Recovery	-	-	-	-	-	-	-	-	-	-	-	-
Technical Revisions	18,016	(7,046)	10,970	(219,105)	(185,431)	(404,536)	(114)	(14)	(128)	3,408	710	4,118
Discoveries	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-	(110)	(49)	(159)	-	-	-
Economic Factors	180	191	371	4,126	(7,774)	(3,648)	18	7	25	-	-	-
Production	(25,821)	-	(25,821)	(19,687)	-	(19,687)	37	(74)	(37)	(500)	-	(500)
December 31, 2007 <sup>(2)</sup>	20,033	6,261	26,294	192,236	427,162	619,398	407	144	551	6,326	1,442	7,768

*Notes:*

- (1) The Corporation has no unconventional reserves (bitumen, synthetic crude oil, natural gas from coal, etc.).
- (2) Numbers may not add due to rounding.

## Additional Information Relating to Reserves Data

### *Undeveloped Reserves*

The following discussion generally describes the basis on which Sahara attributes proved and probable undeveloped reserves and its anticipated plans for developing those undeveloped reserves.

### *Proved Undeveloped Reserves*

Proved undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production. In addition, such reserves may relate to planned infill drilling locations. The majority of these reserves are planned to be on-stream within a two year timeframe.

The following table discloses, for each product type, the volumes of proved undeveloped reserves that were first attributed in each of the most recently completed three financial years. Sahara did not have any oil and gas assets prior to 2005.

Year	Light and Medium Oil (Mbbbl)	Heavy Oil (Mbbbl)	Natural Gas (MMcf)	NGLs (Mbbbl)
Prior thereto	-	-	-	-
2005	-	15.0	-	-
2006	-	188.0	26.0	-
2007	-	114.6	-	-

### *Probable Undeveloped Reserves*

Probable undeveloped reserves are generally those reserves tested or indicated by analogy to be productive, infill drilling locations and lands contiguous to production. The majority of these reserves are planned to be on-stream within a two year timeframe.

The following table discloses, for each product type, the volumes of probable undeveloped reserves that were first attributed in each of the most recently completed three financial years. Sahara did not have any oil and gas assets prior to 2005.

Year	Light and Medium Oil (Mbbbl)	Heavy Oil (Mbbbl)	Natural Gas (MMcf)	NGLs (Mbbbl)
Prior thereto	-	-	-	-
2005	-	208.2	57.0	-
2006	-	360.7	-	-
2007	-	208.2	-	-

### *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 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 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 table below sets out the development costs deducted in the estimation of future net revenue attributable to proved reserves and proved plus probable reserves (using forecast prices and costs only).

	Forecast Prices and Costs	
	Total Proved Reserves (M\$)	Total Proved Plus Probable Reserves (M\$)
2008	1,174	3,070
2009	297	1,051
2010	-	13
2011	-	43
2012	110	153
Remaining Years	131	217
Total Undiscounted	1,712	4,547
Total Discounted 10% per year	1,505	4,069

On an ongoing basis, the Corporation will use internally generated cash flow from operations, debt and new equity issues if available on favourable terms to finance its capital expenditure program. The cost of funding is not expected to have any effect on disclosed reserves or future net revenue, nor make the development of a property uneconomic for the Corporation.

### **Other Oil and Gas Information**

#### ***Principal Properties***

As of the date hereof, Sahara focused its oil and gas field operations in the provinces of Alberta and Saskatchewan. The following is a description of Sahara's principal producing oil and gas properties. Unless otherwise stated, gross and net acres and well count information are as at December 31, 2007. For a description of Sahara's principal producing oil and gas properties after giving effect to the Mirage Arrangement see "*Information About Sahara After Giving Effect To Mirage Arrangement*" in this Statement.

#### *Lloydminster, Alberta*

The Lloydminster property is located near Lloydminster, Alberta. The Lloydminster property was producing approximately 26 Boe/d as at the end of 2007, 100% of which was heavy oil, which represents approximately 20% of Sahara's total 2007 production volumes. Sahara's property interests in Lloydminster consist of working interests ranging from 30% to 100% and averaging 56%. Sahara operates 8 gross (4.5 net) wells associated with this property. Well depths average 633 metres in this area and target the Mannville formation. Production from the area is processed at a third party facility.

The Lloydminster property consists of 160 gross (122 net) hectares of developed land and 208 gross (136 net) hectares of undeveloped land.

For the year ended December 31, 2007, exploration and development activity on the Lloydminster property included the drilling of 1 gross (0.5 net) wells and related completion to bring the well on-stream.

#### *Gold Creek – Alberta*

The Gold Creek property is located approximately 40 kilometres south of Grand Prairie, Alberta. The Gold Creek property was producing at approximately 6 BOE/d which is approximately 4.6% of Sahara's total production volumes in 2007, 20% of which was oil and 80% of which was natural gas. Sahara's interests in Gold Creek consist of a 20% working interest. Sahara operates 1 gross (.2 net) wells associated with this property. Well depths average 2,450 metres in this area and target the Halfway and Nikanassin zones. Production from the area is processed at a third party facility.

The Gold Creek property consists of 256 gross (51.2 net) hectares of developed land and no undeveloped land.

For the year ended December 31, 2007, no exploration and development activity occurred on the Gold Creek property.

#### *Buzzard – Saskatchewan*

The Buzzard property is located approximately 100 kilometres south-east of Lloydminster, Saskatchewan. The Buzzard property was producing at approximately 53.7 BOE/d which is approximately 41% of Sahara's total production volumes in 2007, 100% of which was heavy oil. Sahara's interests in Buzzard consist of working interests ranging from 30% to 40% and averaging 33%. The property is non-operated; Sahara's interest includes 15 gross (4.6 net) wells associated with this property. Production from the area is processed at a third party facility.

The Buzzard property consists of 210.9 gross (66.5 net) hectares of developed land and no undeveloped land.

For the year ended December 31, 2007, exploration and development activity on the Buzzard property included the drilling of 2 gross (.6 net) wells and related completions to bring the wells on-stream.

#### *Minor Properties*

Sahara also has a number of minor non-core properties located throughout Alberta and Saskatchewan. These properties account for approximately 5% of Sahara's current production. Sahara does not currently intend to focus a material amount of time on these properties.

At December 31, 2007, aggregate Sahara's acreage included 2762 gross (877.5 net) hectares of developed land and 5741.6 gross (1927.3) hectares of undeveloped land.

#### *Disposed of Properties*

In addition to the above properties, Sahara had a 30% working interest in a property located in the Tangent area of Alberta. The Tangent property was producing at approximately 20.7 boe/d, which was approximately 15.9% of Sahara's total production volumes in 2007, 88% of which was oil and 12% of

which was natural gas. The Tangent property consisted of 256 gross (76.8 net) hectares of developed land and 256 gross (76.8 net) hectares of undeveloped land. Sahara sold its interest in the Tangent area of Alberta on February 19, 2008. Sahara's interest was sold for approximately \$806,000. In addition, Sahara also sold an interest in the section of Nikanassin rights in the Gold Creek area of Alberta for \$101,000. The portion sold in the Gold Creek area was shut-in for economic reasons and had no related production. The property sold in the Gold Creek area consisted of 256 gross (43.52 net) hectares of developed land and no hectares of undeveloped land. At Simonette, Alberta, Sahara sold a 15% working interest in a shut-in gas well, for \$400,000. The property sold at Simonette consisted of 256 gross (38.4 net) hectares of developed land and no undeveloped hectares. Sahara sold its interest in the Buzzard oil pool in Saskatchewan for a total of \$1,387,142, effective March 31, 2008. Sahara also sold its interest in a marginal oil well at Pembina for \$187,700, effective March 31, 2008.

### *Oil and Gas Wells*

The following table sets forth the number and status of wells in which Sahara had a working interest as at December 31, 2007.

	Oil Wells				Natural Gas Wells			
	Producing		Non-Producing		Producing		Non-Producing	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Alberta	11.00	4.26	5.00	0.6	1.00	0.20	7.00	1.53
Saskatchewan	18.00	4.60	11.00	2.97	2.00	0.40	0.00	0.00
Total	29.00	8.86	16.00	3.57	3.00	0.60	7.00	1.71

### *Properties with no Attributable Reserves*

The following table sets out the Sahara's developed and undeveloped land holdings as at December 31, 2007.

	Developed Acres		Undeveloped Acres		Total Acres	
	Gross	Net	Gross	Net	Gross	Net
Alberta	6021.93	2345.76	12980.00	3813.93	19001.93	6159.69
Saskatchewan	2652.24	977.59	-	-	2652.24	977.59
Montana	-	-	1440.00	1440.00	1440.00	1440.00
Total	8674.17	3323.35	14420.00	5253.93	23094.17	8577.28

Sahara has 570 net acres of its undeveloped land holdings that will expire by December 31, 2008. The aforementioned work program will satisfy a net of 60 acres, with the balance expiring.

### *Exploration and Development Activities*

The following table sets forth the gross and net exploratory and development wells in which Sahara participated in the year ended December 31, 2007.

	Exploratory Wells		Development Wells	
	Gross	Net	Gross	Net
Oil	1	0.12	-	-
Natural Gas	-	-	7	2.1
Service	-	-	1	0.2
Dry	5	1.05	-	-
Total	6	1.17	8	2.3



### ***Production History***

The following tables summarize certain information in respect of Sahara's production, product prices received, royalties paid, operating expenses and resulting netback for the periods indicated below:

	Quarter Ended			
	2007			
	Dec. 31	Sept. 30	Jun. 30	Mar. 31
<b>Average Daily Production<sup>(1)</sup></b>				
Light and Medium Oil (bbls/d)	17.55	21.03	13.78	10.91
Heavy Oil (bbl/d)	102.31	109.65	101.89	116.09
Gas (Mcf/d)	97.00	114.00	114.00	84.00
NGLs (bbls/d)	0.21	2.02	2.26	0.40
Combined (BOE/d)	136.23	151.70	136.93	141.40
<b>Average Price Received</b>				
Light and Medium Oil (bbls/d)	78.69	74.49	61.97	55.11
Heavy Oil (bbl/d)	34.35	39.07	38.30	37.53
Gas (\$/Mcf)	6.12	5.37	7.47	7.29
NGLs (bbls/d)	79.94	70.27	115.80	94.84
Combined (\$/BOE)	36.84	39.84	36.63	36.84
<b>Royalties Paid</b>				
Light and Medium Oil (bbls/d)	16.45	18.94	12.86	5.61
Heavy Oil (bbl/d)	6.20	7.71	6.51	5.96
Gas (\$/Mcf)	1.43	1.56	1.54	1.42
NGLs (bbls/d)	5.03	42.58	78.51	28.45
Combined (\$/BOE)	10.42	12.44	9.32	7.06
<b>Production Costs<sup>(2)(3)</sup></b>				
Light and Medium Oil (bbls/d)	11.86	18.15	42.07	56.10
Heavy Oil (bbl/d)	23.24	31.69	36.53	29.08
Gas (\$/Mcf)	5.53	4.58	5.78	6.68
NGLs (bbls/d)	22.43	22.43	22.43	32.46
Combined (\$/BOE)	23.66	32.46	37.78	28.92
<b>Netback Received<sup>(4)</sup></b>				
Light and Medium Oil (bbls/d)	50.38	37.40	7.04	(6.60)
Heavy Oil (bbl/d)	4.91	(0.33)	(4.74)	2.49
Gas (\$/Mcf)	(0.84)	(0.77)	0.15	(0.81)
NGLs (bbls/d)	52.48	5.26	14.86	33.93
Combined (\$/BOE)	14.95	7.57	(1.44)	7.01

*Notes:*

- (1) Before deduction of royalties.
- (2) Operating expenses are composed of direct costs incurred to operate both oil and gas wells. A number of assumptions have been made in allocating these costs between oil, natural gas and natural gas liquids production.
- (3) Operating recoveries associates with operating properties are included in operating costs.
- (4) Netbacks are calculated by subtracting royalties and operating costs from revenues.

The following table indicates Sahara's average daily production from its important fields for the year ended December 31, 2007:

	Light and Medium Oil (bbls/d)	Heavy Oil (bbls/d)	Gas (Mcf/d)	NGLS (bbls/d)
Lloydminster	-	26.58	-	-
Gold Creek	1.01	-	34	0.4
Tangent	17.42	-	10.2	1.06
Other Alberta	3.57	-	17.56	0.12
Buzzard	-	48.76	-	-
Other Saskatchewan	-	27.01	44.79	-
Total	<u>22</u>	<u>102.35</u>	<u>106.55</u>	<u>1.58</u>

### ***Forward Contracts***

The Corporation's crude oil, natural gas and natural gas liquids production is sold directly to credit-worthy counterparties, with the exception of some quantities of non-operated properties which are marketed by the operator. The Corporation has no hedge instruments in place.

### ***Additional Information Concerning Abandonment and Reclamation Costs***

The Corporation uses its internal historical costs to estimate its abandonment and reclamation costs when available. The costs are estimated on an area-by-area basis. The industry's historical costs are used when available. If representative comparisons are not readily available, an estimate is prepared based on the various regulatory abandonment requirements. As at December 31, 2007 the Corporation had 4 net wells for which it expects to eventually incur abandonment and reclamation costs.

The total abandonment and reclamation costs in respect of proved and probable reserves using forecast prices is \$411,000 (undiscounted) and \$594,000 (discounted at 10%).

The following table sets forth abandonment and reclamation costs deducted in the estimation of the Corporation's future net revenue:

#### **Forecast Prices and Costs (Total Proved) (M\$)**

Year	Abandonment and Reclamation Costs (Undiscounted)
2008	45
2009	10
2010	201
Thereafter	378
Total Undiscounted	<u>634</u>
Total Discounted at 10%	<u>411</u>

**Forecast Prices and Costs (Total Proved and Probable) (\$000's)**

<u>Year</u>	<u>Abandonment and Reclamation Costs (Undiscounted)</u>
2008	42
2009	3
2010	165
Thereafter	887
Total Undiscounted	<u>1097</u>
Total Discounted at 10%	<u>594</u>

Expected future abandonment and reclamation costs related to facilities are expected to match the salvage value recovery.

***Tax Horizon***

The Corporation was not required to pay income taxes during the year ended December 31, 2007. Based on a strategy of re-investing fully all internally generated cash flow in an exploration and development program and based on the commodity prices used in the DeGolyer Report, the Corporation estimates that it will not be required to pay income taxes.

***Costs Incurred***

The following table summarizes Sahara's property acquisition costs, exploration costs and development costs for the year ended December 31, 2007 (irrespective of whether such costs were capitalized or charged to expense when incurred).

	<u>2007</u>
Property Acquisition Costs	
Proved Properties	\$ 366,085
Unproved Properties	\$ 981,288
Exploration Costs	\$ 3,723,761
Development Costs	<u>\$ 6,581,777</u>
Total	<u>\$ 11,652,911</u>

***Production Estimates***

The following table sets forth the volume of Sahara's production estimated for the year ended December 31, 2008 reflected in the estimates of gross proved reserves and gross probable reserves disclosed in the tables contained under "Disclosure of Reserves Data".

	<u>Light and Medium Oil (bbls/d)</u>	<u>Heavy Oil (bbls/d)</u>	<u>Natural Gas (Mcf/d)</u>	<u>Natural Gas Liquids (bbls/d)</u>
Total Gross Proved	20,033	192,236	407	6,326
Total Gross Probable	6,261	424,162	144	1,442
Total Gross Proved Plus Probable	26,294	616,398	551	7,768

The Lloydminster field accounts for 20% or more of the estimated production disclosed above. The volume of production estimated for the Lloydminster field for the year ended December 31, 2008 is 150 gross BOE/d (150 BOE/d net) of heavy oil.

## **INFORMATION ABOUT SAHARA AFTER GIVING EFFECT TO MIRAGE ARRANGEMENT**

### **Description of Principal Properties after Giving Effect to the Mirage Arrangement**

The following is a pro forma description of Sahara's principal oil and natural gas properties and minor exploration properties as at December 31, 2007 giving effect to the Mirage Arrangement as if it was completed on January 1, 2007. Unless otherwise specified, gross, net acres, well count and production information are as at December 31, 2007.

#### ***Lloydminster, Alberta***

The Lloydminster property is located near Lloydminster, Alberta. The Lloydminster property was producing approximately 38 BOE/d at the end of 2007, 100% of which was heavy oil, which represents approximately 20% of Sahara's 2007 exit production volumes. Sahara's property interests in Lloydminster consist of 100% working interests. Sahara operates 8 gross (8.0 net) wells associated with this property. Well depths average 633 metres in this area and target the Mannville formation. Production from the area is processed at a third party facility.

The Lloydminster property consists of 160 gross (160 net) hectares of developed land and 208 gross (208 net) hectares of undeveloped land.

For the year ended December 31, 2007, exploration and development activity on the Lloydminster property included the drilling of 1 gross (1 net) well and related completion to bring the well on-stream.

#### ***Buzzard – Saskatchewan***

The Buzzard property is located approximately 100 kilometres south-east of Lloydminster, Saskatchewan. The Buzzard property was producing at approximately 74.9 BOE/d which is approximately 39% of Sahara's total production volumes in 2007, 100% of which was heavy oil. Sahara's interests in Buzzard consist of working interests ranging from 40% to 50% and averaging 42%. The property is non-operated; Sahara's interest includes 15 gross (6.2 net) wells associated with this property. Production from the area is processed at a third party facility.

The Buzzard property consists of 210.9 gross (108.68 net) hectares of developed land and no undeveloped land.

For the year ended December 31, 2007, exploration and development activity on the Buzzard property included the drilling of 3 gross (0.8 net) wells and related completions to bring the wells on-stream.

#### ***Minor Properties***

Sahara also has a number of minor non-core properties located throughout Alberta and Saskatchewan. These properties account for approximately 15% of Sahara's current production. Sahara does not currently intend to focus a material amount of time on these properties.

At December 31, 2007, aggregate Sahara's acreage included 10,847.6 gross (3219 net) hectares of undeveloped land.

## Disposed of Properties

In addition to the above properties, Sahara and Mirage had a 60% working interest in a property located in the Tangent area of Alberta. The Tangent property was producing at approximately 47.9 BOE/d, which was approximately 25% of Sahara and Mirage's combined total exit volumes in 2007, 90% of which was oil and 10% of which was natural gas. The Tangent property consisted of 256 gross (153.6 net) hectares of developed land and 256 gross (153.6 net) hectares of undeveloped land. Sahara and Mirage sold their respective interests in the Tangent area of Alberta on February 19, 2008. Sahara's interest was sold for approximately \$806,000, and Mirage's interest was sold for approximately \$762,000. In addition, Sahara and Mirage also sold a combined 30% interest in the section of Nikanassin rights in the Gold Creek area of Alberta for \$202,000. The portion sold in the Gold Creek area was shut-in for economic reasons and had no related production. The property sold in the Gold Creek area consisted of 256 gross (76.8) hectares of developed land and no hectares of undeveloped land. At Simonette, Alberta, Sahara and Mirage sold a 30 % working interest in a shut-in gas well, for \$800,000. The property sold at Simonette consisted of 256 gross (76.8 net) hectares of developed land and no undeveloped hectares. Sahara sold its interest in the Buzzard oil pool in Saskatchewan for a total of \$1,387,142, effective March 31, 2008. Sahara also sold its interest in a marginal oil well at Pembina for \$187,700, effective March 31, 2008.

## Oil and Gas Wells

The following table sets forth the number and status of wells in which Sahara and Mirage had a working interest as at December 31, 2007. The gross and net numbers reflect giving effect to the acquisition of Mirage pursuant to the Mirage Arrangement.

	Oil Wells				Natural Gas Wells			
	Producing		Non-Producing		Producing		Non-Producing	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Alberta	11	7.40	5	3.85	1	0.3	6	1.21
Saskatchewan	16	7.16	11	4.30	2	0.8	1	0.20
Total	27	14.56	16	8.15	3	1.1	7	1.41

## Properties with no Attributable Reserves

The following table sets out the Sahara and Mirage's combined developed and undeveloped land holdings as at December 31, 2007.

	Developed Acres		Undeveloped Acres		Total Acres	
	Gross	Net	Gross	Net	Gross	Net
Alberta	6501.93	3276.16	15060.0	6917.06	21561.93	10193.22
Saskatchewan	2652.24	1208.57			2652.24	1208.57
Montana	-	-	1440.00	1440.00	1440.00	1440.00
Total	9154.17	4484.73	16500.0	8357.06	25654.17	12841.79

Sahara has 760 net acres of its undeveloped land holdings that will expire by December 31, 2008. The aforementioned work program will satisfy a net of 80 acres.

## Exploration and Development Activities

The following table sets forth the gross and net exploratory and development wells in which Sahara and Mirage participated in the year ended December 31, 2007. The gross and net numbers give effect to the Mirage Arrangement as if it was completed on January 1, 2007:

	Exploratory Wells		Development Wells	
	Gross	Net	Gross	Net
Natural Gas	1	0.12	0	0
Oil	0	0	7	3.4
Service	0	0	1	0.2
Dry	6	1.6	0	0
Total	7	1.72	8	3.6

## Production History

The following tables summarize certain information in respect of Sahara and Mirage's combined production, product prices received, royalties paid, operating expenses and resulting netback for the three month period ended December 31, 2007 indicated below giving effect to the Mirage Arrangement as if it was completed on October 1, 2007:

	<u>Quarter Ended Dec. 31, 2007</u>
Average Daily Production <sup>(1)</sup>	
Light and Medium Oil (bbls/d)	50.41
Heavy Oil (bbl/d)	129.55
Gas (Mcf/d)	143.04
NGLs (bbls/d)	1.22
Combined (BOE/d)	205.02
Average Price Received	
Light and Medium Oil (bbls/d)	78.43
Heavy Oil (bbl/d)	41.69
Gas (\$/Mcf)	6.23
NGLs (bbls/d)	82.32
Combined (\$/BOE)	46.84
Royalties Paid	
Light and Medium Oil (bbls/d)	7.31
Heavy Oil (bbl/d)	23.73
Gas (\$/Mcf)	1.48
NGLs (bbls/d)	0.23
Combined (\$/BOE)	40.18
Production Costs <sup>(2)(3)</sup>	
Light and Medium Oil (bbls/d)	13.47
Heavy Oil (bbl/d)	26.56
Gas (\$/Mcf)	1.39
NGLs (bbls/d)	13.51
Combined (\$/BOE)	21.15

**Quarter Ended Dec. 31, 2007**

Netback Received <sup>(4)</sup>	
Light and Medium Oil (bbls/d)	60.54
Heavy Oil (bbl/d)	14.29
Gas (\$/Mcf)	3.34
NGLs (bbls/d)	68.58
Combined (\$/BOE)	26.66

*Notes:*

- (1) Before deduction of royalties.
- (2) Operating expenses are composed of direct costs incurred to operate both oil and gas wells. A number of assumptions have been made in allocating these costs between oil, natural gas and natural gas liquids production.
- (3) Operating recoveries associates with operating properties are included in operating costs.
- (4) Netbacks are calculated by subtracting royalties and operating costs from revenues.

The following table indicates Sahara and Mirage's average daily production from its important fields for the year ended December 31, 2007 giving effect to the Mirage Arrangement as if it was completed on January 1, 2007:

	Light and Medium Oil (bbls/d)	Heavy Oil (bbls/d)	Gas (Mcf/d)	NGLS (bbl/d)
Lloydminster	0	38.3	0	0
Tangent	36.9	0	66	0
Other Alberta	15.0	0	0	0.6
Buzzard	0	74.9	0	0
Other Saskatchewan	0	0	80.0	0
Total	51.9	113.2	146.0	0.6

**SCHEDULE "A"**  
**FORM 51-101F3**  
**REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE**

Management of Sahara Energy Ltd. (the "**Company**") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2007, estimated using forecast prices and costs.

An independent qualified reserves evaluator has evaluated the Company's reserves data. The report of the independent qualified reserves evaluator is presented below.

The board of directors of the Company has

- (a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and
- (c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has approved

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and
- (c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

DATED as of this 11<sup>th</sup> day of June, 2008.

(signed) "Peter Boswell"  
Peter Boswell  
President and Chief Executive Officer

(signed) "Dufton Lewis"  
Dufton Lewis  
Vice-President, Finance  
and Chief Financial Officer

(signed) "Quentin Enns"  
Quentin Enns  
Director

(signed) "Peter Boswell"  
Peter Boswell  
Director



**SCHEDULE "B"**  
**FORM 51-101F2**

**REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATORS**

To the board of directors of Sahara Energy Ltd. (the "**Company**"):

1. We have evaluated the Company's reserves data as at December 31, 2007. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2007, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

We carried out our evaluation in accordance with standards set out in the COGE Handbook prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
4. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us for the year ended December 31, 2007, and identifies the respective portions thereof that we have evaluated and reported on to the Company's board of directors:

Independent Qualified Reserves Evaluator	Description and Preparation Date of Evaluation Report	Location of Reserves	Net Present Value of Future Net Revenue (before income tax, 10% discount rate)			
			Audited M\$	Evaluated M\$	Reviewed M\$	Total M\$
DeGolyer and MacNaughton Canada Ltd.	Appraisal Report as of December 31, 2007 on Certain Properties owned by Sahara Energy Ltd. dated April 25, 2008	Canada	-	\$8,006	-	\$8,006

5. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
6. We have no responsibility to update our reports referred to in paragraph 4 for events and circumstances occurring after their respective preparation dates.
7. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

EXECUTED as to our report referred to above:

DeGolyer and MacNaughton Canada Limited, Calgary, Alberta, dated April 25, 2008.

Per: (signed) "Colin P. Outtrim"  
Colin P. Outtrim, P. Eng  
Manager, Engineering