BIRCHCLIFF ENERGY LTD.

Year Ended December 31, 2014

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

March 18, 2015

DATE OF STATEMENT

This Form 51-101 F1 – *Statement of Reserves Data and Other Oil and Gas Information* (the "**Statement of Reserves Data**") of Birchcliff Energy Ltd. ("**Birchcliff**" or the "**Corporation**") is dated March 18, 2015. The effective date of the reserves and future net revenue information provided is December 31, 2014, unless otherwise indicated. The preparation date in respect of the disclosures contained herein is December 31, 2014.

DISCLOSURE OF RESERVES DATA

Deloitte prepared the 2014 Reserves Evaluation. Deloitte has confirmed to the Reserves Evaluation Committee of the Corporation's Board of Directors that the 2014 Reserves Evaluation was prepared in accordance with the standards contained in the COGE Handbook and NI 51-101.

In preparing its evaluation, Deloitte obtained basic information from the Corporation, which included land data, well and accounting information, reservoir and geological studies, estimates of on-stream dates for certain properties, contract information, budget forecasts and financial data. Other engineering, geological or economic data required to conduct the evaluation, and upon which the 2014 Reserves Evaluation is based, were obtained from public records, other operators and from Deloitte's non-confidential files. The extent and character of ownership and all factual data supplied to Deloitte by the Corporation were accepted by Deloitte as presented.

For the purposes of properly understanding the reserves and future net revenue data presented from the 2014 Reserves Evaluation, it is important to understand each of the following:

- The net present value of future net revenue attributable to the Corporation's reserves is based on the Deloitte Price Forecast and was determined without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, transportation and marketing costs, development costs, other income, future capital expenditures and well abandonment and reclamation costs for wells that were evaluated by Deloitte in the 2014 Reserves Evaluation.
- Well abandonment and reclamation costs used by Deloitte were not independently evaluated and were assumed to be equal to the average costs for the Corporation's regional reclamation cost area set forth in Directive 11 from the Alberta Energy Regulator.
- 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 Deloitte, represent the fair market value of those reserves.
- The recovery and reserve estimates of the Corporation's oil, natural gas and NGLs reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein. Reservoir performance after December 31, 2014 may justify revision of assessed reserves, either upward or downward.
- The tables below are a summary of the oil, natural gas and NGLs reserves of the Corporation and the net present value of future net revenue attributable to such reserves as evaluated in the 2014 Reserves Evaluation based on the Deloitte Price Forecast. The tables summarize the data contained in the 2014 Reserves Evaluation.
- The 2014 Reserves Evaluation is based on certain factual data supplied by the Corporation and Deloitte'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 Deloitte and accepted without any further investigation. Deloitte accepted this data as presented and neither title searches nor field inspections were conducted.

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

All of the Corporation's reserves are in Canada, specifically, in the Peace River Arch area in the Province of Alberta.

Due to rounding, certain columns in the tables below may not add.

Reserves Summary

The following table summarizes Deloitte's estimates of the Corporation's oil, natural gas and NGLs reserves at December 31, 2014, using the Deloitte Price Forecast.

Summary of Oil, Natural Gas and NGLs Reserves at December 31, 2014
(Forecast Prices and Costs)

	Light and Medium Oil *(Mbbls)*		**Natural Gas**[1] *(Bcf)*		**Natural Gas Liquids** *(Mbbls)*		**Total Boe** *(Mboe)*	
Reserves Category	*Gross*	*Net*	*Gross*	*Net*	*Gross*	*Net*	*Gross*	*Net*
Proved								
Developed Producing	6,732.9	5,741.7	445.1	412.8	3,805.5	2,643.9	84,726.9	77,182.6
Developed Non-Producing	4,032.7	3,040.7	13.1	11.6	144.7	96.1	6,364.5	5,067.0
Undeveloped	7,418.1	5,775.5	1,049.7	971.3	8,847.5	6,713.7	191,223.4	174,364.9
Total Proved	18,183.7	14,557.9	1,508.0	1,395.6	12,797.7	9,453.6	282,314.9	256,614.6
Probable	17,765.4	14,126.6	936.5	856.9	8,875.4	6,212.6	182,723.0	163,149.2
Total Proved Plus Probable	35,949.1	28,684.5	2,444.5	2,252.5	21,673.2	15,666.2	465,037.9	419,763.8

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

Net Present Value of Future Net Revenue

The following table is a summary of the net present value of future net revenue attributable to the Corporation's reserves at December 31, 2014, using the Deloitte Price Forecast, before and after deducting future income tax expenses, and calculated at various discount rates.

Summary of Net Present Values of Future Net Revenue at December 31, 2014[(1)(2)]
(Forecast Prices and Costs)

	Before Income Taxes Discounted At (%/year)						
Reserves Category	0 *(MM$)*	5 *(MM$)*	8 *(MM$)*	10 *(MM$)*	15 *(MM$)*	20 *(MM$)*	Unit Value Discounted at 10%/year *($/boe)*
Proved							
Developed Producing	2,285.7	1,672.5	1,438.3	1,316.1	1,088.6	932.6	17.05
Developed Non-Producing	276.3	191.1	157.7	140.1	107.2	84.8	27.64
Undeveloped	3,867.9	2,097.4	1,479.6	1,174.4	645.9	321.2	6.74
Total Proved	6,429.9	3,961.0	3,075.6	2,630.5	1,841.7	1,338.6	10.25
Probable	5,525.7	2,386.4	1,534.7	1,163.6	604.7	320.0	7.13
Total Proved Plus Probable	11,955.6	6,347.4	4,610.4	3,794.1	2,446.4	1,658.6	9.04

Reserves Category	After Income Taxes Discounted At (%/year) 0 (MM$)	5 (MM$)	8 (MM$)	10 (MM$)	15 (MM$)	20 (MM$)
Proved						
Developed Producing	2,059.2	1,544.1	1,343.7	1,238.0	1,038.5	899.1
Developed Non-Producing	207.3	145.1	120.7	107.9	83.9	67.4
Undeveloped	2.897.3	1,523.6	1,041.6	802.9	388.9	134.7
Total Proved	5,163.8	3,212.8	2,506.1	2,148.8	1,511.3	1,101.2
Probable	4,151.2	1,759.4	1,110.4	827.9	404.2	190.6
Total Proved Plus Probable	9,315.1	4,972.2	3,616.5	2,976.8	1,915.5	1,291.7

(1) Estimates of future net revenue, whether discounted or not, do not represent fair market value.
(2) Future net revenue is after deduction of estimated costs of abandonment and reclamation of existing and future wells that were evaluated by Deloitte in the 2014 Reserves Evaluation and does not include costs of abandonment and reclamation of facilities.

Elements of Future Net Revenue

The following table sets out, in the aggregate, the various elements of the Corporation's future net revenue attributable to the Corporation's reserves as estimated by Deloitte at December 31, 2014, calculated using the Deloitte Price Forecast and without discount.

Elements of Future Net Revenue (Undiscounted) at December 31, 2014(1)(2)
(Forecast Prices and Costs)

Reserves Category	Revenue (MM$)	Royalties (MM$)	Operating Costs (MM$)	Develop-ment Costs (MM$)	Abandon-ment and Reclama-ion Costs(2) (MM$)	Future Net Revenue Before Future Income Tax Expenses (MM$)	Future Income Tax Expenses (MM$)	Future Net Revenue After Future Income Tax Expenses (MM$)
Proved								
Developed Producing	3,372.8	353.9	656.9	0.0	76.3	2,285.7	226.5	2,059.2
Developed Non-Producing	447.5	101.1	65.4	4.7	0.0	276.3	69.0	207.3
Undeveloped	7,945.7	801.3	1,361.7	1,862.9	51.9	3,867.9	970.5	2,897.3
Total Proved	11,766.0	1,256.2	2,084.1	1,867.6	128.2	6,429.9	1,266.0	5,163.8
Probable	10,068.4	1,241.6	1,929.6	1,308.9	62.5	5,525.7	1,374.5	4,151.2
Total Proved Plus Probable	21,834.4	2,497.9	4,013.7	3,176.5	190.7	11,955.6	2,640.5	9,315.1

(1) Estimates of future net revenue, whether discounted or not, do not represent fair market value.
(2) Future net revenue is after deduction of estimated costs of abandonment and reclamation of existing and future wells that were evaluated by Deloitte in the 2014 Reserves Evaluation and does not include costs of abandonment and reclamation of facilities.

Net Present Value of Future Net Revenue by Production Group

The following table sets forth by production group, the future net revenue associated with the Corporation's reserves at December 31, 2014, before deducting future income tax expenses and calculated using a 10% discount rate.

Net Present Value Of Future Net Revenue by Production Group at December 31, 2014(1)(2)
(Forecast Prices and Costs)

	Before Income Taxes Discounted at 10%/year			
	Light and Medium Oil(3)		Natural Gas(3)	
Reserves Category	(MM$)	($/boe)(4)	(MM$)	($/boe)(4)
Proved				
Developed Producing	237.5	25.6	1,078.6	15.9
Developed Non-Producing	123.4	34.2	16.7	11.5
Undeveloped	118.5	15.8	1,055.8	6.3
Total Proved	479.4	23.5	2,151.1	9.1
Probable	277.4	13.5	886.2	6.2
Total Proved Plus Probable	756.8	18.5	3,037.4	8.0

(1) Estimates of future net revenue, whether discounted or not, do not represent fair market value.

(2) Future net revenue is after deduction of estimated costs of abandonment and reclamation of existing and future wells that were evaluated by Deloitte in the 2014 Reserves Evaluation and does not include costs of abandonment and reclamation of facilities.
(3) Estimates of reserves include associated and non-associated gas and by-products. The production groupings are determined based upon the primary product produced from each reserve entity. The values and volumes of associated gas and the by-products derived from such associated gas are included with oil. The values and volumes of the by-products derived from non-associated gas are included with natural gas.
(4) Unit amounts are derived using net reserves volumes.

PRICING ASSUMPTIONS

Forecast Prices Used in Estimates

The following table sets forth the forecast price assumptions used by Deloitte for the 2014 Reserves Evaluation as contained in the Deloitte Price Forecast. The pricing and cost assumptions used were determined by Deloitte based on information available from numerous governmental agencies, industry publications, oil refineries, natural gas marketers and industry trends. These long-term forecasts of prices are subject to the many uncertainties that affect long-term future forecasts.

	Crude Oil		**Natural Gas**	**NGLs**				
Year	**WTI Crude Oil** *($US/bbl)*	**Edmonton City Gate** *($CDN/bbl)*	**Natural Gas at AECO** *($CDN/Mcf)*	**Edmonton Propane** *($CDN/bbl)*	**Edmonton Butane** *($CDN/bbl)*	**Edmonton C5+** *($CDN/bbl)*	**Currency Exchange Rate** *($US/$CDN)*	**Inflation Rate** *(%)*
2015	67.00	70.95	3.85	28.40	46.10	70.95	0.86	0.0
2016	71.40	77.10	4.15	30.85	50.15	77.10	0.86	2.0
2017	74.90	82.25	4.45	32.90	53.50	82.25	0.86	2.0
2018	78.55	87.60	4.80	35.00	56.95	87.60	0.86	2.0
2019	82.25	93.15	5.05	37.25	60.55	93.15	0.86	2.0
2020	86.10	97.55	5.35	39.05	63.45	97.55	0.86	2.0
2021	90.10	102.15	5.65	40.90	66.40	102.15	0.86	2.0
2022	91.90	104.20	5.85	41.70	67.70	104.20	0.86	2.0
2023	93.75	106.25	6.20	42.55	69.05	106.25	0.86	2.0
2024	95.60	108.40	6.40	43.40	70.45	108.40	0.86	2.0
Thereafter	Escalate at 2.0% per annum							

Actual Weighted Average Commodity Prices

The actual weighted average commodity prices received by the Corporation in 2014 are as follows:

- Crude Oil: $92.39 per bbl
- Natural Gas: $4.74 per Mcf
- NGLs: $85.13 per bbl

RECONCILIATION OF CHANGES IN RESERVES

The following tables set forth a reconciliation of the Corporation's gross reserves at December 31, 2014 set forth in the 2014 Reserves Evaluation, using the Deloitte Price Forecast, to the Corporation's gross reserves at December 31, 2013 set forth in the 2013 Reserves Evaluation, using the Deloitte price forecast at December 31, 2013.

Reconciliation of Gross Reserves from December 31, 2013 to December 31, 2014
(Forecast Prices and Costs)

Factors	Light and Medium Crude Oil *(Mbbls)*	Natural Gas *(Bcf)*	NGLs *(Mbbls)*	Oil Equivalent *(Mboe)*
GROSS TOTAL PROVED				
Opening balance December 31, 2013	**17,621.0**	**1,164.7**	**8,313.2**	**220,049.4**
Discoveries	128.1	10.5	172.6	2,044.6
Extensions[1] & Improved Recovery	1,703.3	217.7	2,412.5	40,405.6
Technical Revisions[2]	240.5	23.5	1,661.8	5,820.4
Acquisitions	30.5	155.6	781.8	26,737.9
Dispositions	0.0	0.0	0.0	0.0
Economic Factors[3]	(27.6)	(0.6)	(5.5)	(127.2)
Production[4]	(1,512.1)	(63.4)	(538.7)	(12,615.8)
Closing balance December 31, 2014	**18,183.7**	**1,508.0**	**12,797.7**	**282,314.9**
GROSS TOTAL PROBABLE				
Opening balance December 31, 2013	**18,201.3**	**755.9**	**5,813.6**	**150,002.9**
Discoveries	63.4	1.9	32.9	418.4
Extensions[1] & Improved Recovery	567.3	83.8	1,721.2	16,250.4
Technical Revisions[2]	(1,156.9)	14.9	898.0	2,232.5
Acquisitions	89.0	80.8	419.0	13,971.5
Dispositions	0.0	0.0	0.0	0.0
Economic Factors[3]	1.3	(0.9)	(9.2)	(152.6)
Production[4]	0.0	0.0	0.0	0.0
Closing balance December 31, 2014	**17,765.4**	**936.5**	**8,875.5**	**182,723.1**
GROSS TOTAL PROVED PLUS PROBABLE				
Opening balance December 31, 2013	**35,822.3**	**1,920.6**	**14,126.8**	**370,052.2**
Discoveries	191.5	12.4	205.5	2,463.0
Extensions[1] & Improved Recovery	2,270.6	301.5	4,133.7	56,656.0
Technical Revisions[2]	(946.4)	38.4	2,559.5	8,018.6
Acquisitions	119.5	236.3	1,200.8	40,709.4
Dispositions	0.0	0.0	0.0	0.0
Economic factors[3]	3.7	(1.4)	(14.4)	(245.6)
Production[4]	(1,512.1)	(63.4)	(538.7)	(12,615.8)
Closing balance December 31, 2014	**35,949.1**	**2,444.5**	**21,673.2**	**465,037.9**

(1) The majority of gas and NGLs reserve changes comprising *"Extensions"* were the result of drilling activities on the Montney/Doig Natural Gas Resource Play. Wells were drilled extending the resource play beyond lands to which reserves had previously been attributed. The majority of oil reserve changes comprising *"Extensions"* were the result of drilling activity in the Charlie Lake Light Oil Resource Play in the Progress area. As a result of these successful wells, reserves were attributed to future well locations proximal to these wells.

(2) The majority of the *"Technical Revisions"* in the proved category are a result of better performance of some Charlie Lake oil wells at Worsley and some of the Montney/Doig wells exceeding the type curve in Pouce Coupe South. The negative technical revisions in the probable and proved plus probable category for light and medium crude oil is mainly a result of the removal of Doig reserves from the waterflood at Worsley.

(3) The change in reserves attributed to *"Economic Factors"* results from Deloitte's oil and NGLs price forecasts used in the 2014 Reserves Evaluation being lower than Deloitte's oil and NGLs price forecasts used in the 2013 Reserves Evaluation, increasing the economic limit thereby reducing reserves, or making some future oil locations uneconomic to develop in the total proved category. Some additional oil reserves were added in the probable and proved plus probable categories due to an increased time to payout.

(4) Represents Deloitte's estimate of actual production for the year ended December 31, 2014 before year-end results were available.

ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Undeveloped Reserves

The following table sets forth the volumes of each of the proved undeveloped reserves and the probable undeveloped reserves from the applicable reserves evaluation for such year for each product type that were first attributed as reserves in each of the most recent three financial years and in the aggregate, before that time.

Undeveloped Reserves

	Proved Undeveloped Reserves			Probable Undeveloped Reserves		
Year of first attribution	**Light and Medium Crude Oil** *(Mbbls)*	**Natural Gas** *(MMcf)*	**NGLs** *(Mbbls)*	**Light and Medium Crude Oil** *(Mbbls)*	**Natural Gas** *(MMcf)*	**NGLs** *(Mbbls)*
2014	663	242,463	1,902	1,472	159,942	2,247
2013	894	154,141	924	2,901	70,102	948
2012	1,323	229,087	1,243	465	29,515	161
Aggregate attributed in prior years	6,256	440,361	3,745	10,629	572,396	4,076

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

There are 328 (315.6 net) future horizontal well locations to which the 2014 Reserves Evaluation has attributed proved undeveloped reserves.

Approximately 95% of the proved undeveloped reserves are attributed to the Montney/Doig Natural Gas Resource Play, and the 2014 Reserves Evaluation has attributed proved undeveloped reserves to each future horizontal well location that is proximal to an existing well to which Deloitte has attributed proved developed reserves. Deloitte has estimated such proved undeveloped reserves using forecast production rates that are based on a statistical analysis of production rates of existing wells operated by the Corporation or others on the Montney/Doig Natural Gas Resource Play in the regional area.

There are 288 (277.4 net) future horizontal well locations in the Montney/Doig Natural Gas Resource Play to which the 2014 Reserves Evaluation has attributed proved undeveloped reserves. In the 2014 Reserves Evaluation, Deloitte forecast that 47 net wells and 71 net wells would be drilled in 2015 and 2016, respectively. The Corporation anticipates that drilling activities in 2015 will utilize existing and expansion capacity available at the PCS Gas Plant totalling 180 MMcf/d. In 2016, the Corporation expects that it will continue to develop its proved undeveloped reserves on the Montney/Doig Natural Gas Resource Play as processing capacity is expanded to 260 MMcf/d at the PCS Gas Plant and new capacity becomes available from third party plants.

Approximately 4% of the proved undeveloped reserves are attributed to the Corporation's Worsley Charlie Lake Light Oil Resource Play and of those, approximately 55% are based on Deloitte's forecast of increased recoveries from the waterflood enhanced recovery scheme that has been underway for a number of years and Deloitte's forecast areal expansion of the waterflood. During 2015, the Corporation anticipates that it will develop a portion of these undeveloped reserves by the conversion of existing wells to water injection wells.

The balance of the proved undeveloped reserves attributed by Deloitte to the Worsley Charlie Lake Light Oil Resource Play relate in part to 40 (39.1 net) future drilling locations. In the 2014 Reserves Evaluation, Deloitte forecast that approximately 6 (6.0 net) of these future drilling locations would be drilled prior to the end of 2015 and the balance of these future drilling locations would be drilled thereafter, in each case to the extent that their production could be accommodated at the Corporation's Worsley facilities. As a result of a reduced capital budget for 2015, the drilling of these future drilling locations has been delayed.

With respect to the probable undeveloped reserves, on both the Montney/Doig Natural Gas Resource Play and the Worsley Charlie Lake Light Oil Resource Play, the Corporation's development plans are largely dependent on the development of the proved undeveloped reserves discussed above. The development of the probable undeveloped reserves is planned to occur during the ensuing six years, on a schedule consistent with the Corporation's access to required processing capacity.

The Corporation's plans relating to the development of its proved undeveloped reserves and its probable undeveloped reserves and the timing of such development may change based on changes in geological, geophysical, engineering data and commodity prices that become available to the Corporation and upon the characteristics of other potential investments that become available to the Corporation in its areas of interest and elsewhere.

Significant Factors or Uncertainties Affecting Reserves Data

There are a number of uncertainties inherent in estimating the quantities of reserves and resources and the future cash flows attributed to such reserves, including many factors beyond the control of the Corporation. In general, estimates of oil and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as: (i) historical production from the properties; (ii) initial production rates; (iii) production decline rates; (iv) ultimate recovery of reserves; (v) the success of future development activities; (vi) the timing and amount of capital expenditures; (vii) marketability of production; (viii) future operating costs; and (ix) the assumed effects of regulation by governmental agencies and government levies imposed over the life of the reserves, all of which may vary considerably from actual results. For these reasons, estimates of oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues expected therefrom, prepared by different engineers or by the same engineer at different times, may vary substantially. The actual production, revenues, taxes and development and operating expenditures of the Corporation with respect to these reserves will vary from such estimates and such variances could be material.

Estimates with respect to proved plus probable reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history will result in variations, which may be substantial, in the estimated reserves.

Consistent with Canadian securities disclosure legislation and policies, the Corporation has used forecast prices and costs in calculating reserve quantities. Actual future net cash flows also will be affected by other factors such as actual production levels, supply and demand for oil and natural gas, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulations or taxation and the impact of inflation on costs.

Actual production and cash flows derived from the Corporation's reserves will vary from the estimates contained in the 2014 Reserves Evaluation, and such variations could be material. The 2014 Reserves Evaluation is based in part on the assumed success of activities the Corporation intends to undertake in future years. The reserves and estimated cash flows to be derived therefrom and contained in the 2014

Reserves Evaluation will be reduced to the extent that such activities do not achieve the level of success assumed in the evaluation. The 2014 Reserves Evaluation is effective as of December 31, 2014 and has not been updated and therefore does not reflect changes in the Corporation's reserves since that date.

The Corporation has a significant amount of proved and probable undeveloped reserves. At the forecast prices and costs used in the 2014 Reserves Evaluation, these development activities are expected to be economic. However, should oil and natural gas prices decrease materially, these activities may not be economic and the Corporation may defer their implementation.

See also the Corporation's Annual Information Form under the heading *"Risk Factors".*

Future Development Costs

The following table sets forth the future development costs that have been deducted in the estimation of future net revenue attributable to the Corporation's reserves estimated by Deloitte in the 2014 Reserves Evaluation using the Deloitte Price Forecast and calculated without discount.

Future Development Costs
(Forecast Prices and Costs)

	Proved *(M$)*	**Proved Plus Probable** *(M$)*
2015	396.3	411.6
2016	499.9	580.8
2017	367.7	454.4
2018	362.5	526.1
2019	169.4	499.4
2020	71.9	382.5
Thereafter	0.1	321.7
Total undiscounted	1,867.6	3,176.5

The Corporation expects to be able to fund the development costs required in the future primarily from working capital, internally generated cash flow, existing credit facilities and access to debt. Interest and other costs of external funding are not included in the future net revenue estimates. The Corporation does not expect any inordinate costs to be associated with such funding sources.

There can be no guarantee that funds will be available or that the Corporation will allocate funding to develop all of the reserves attributed in the 2014 Reserves Evaluation. Failure to develop those reserves would have a negative impact on future production and cash flow estimated by Deloitte.

OTHER OIL AND GAS INFORMATION

Oil and Gas Properties and Wells

The Corporation's important properties and facilities are described in the Annual Information Form into which this Statement of Reserves Data is incorporated by reference.

The following table sets forth the Corporation's producing and non-producing oil and natural gas wells at December 31, 2014, all of which are in Alberta.

Producing and Non-Producing Wells at December 31, 2014[1]

	OIL WELLS				NATURAL GAS WELLS			
	Producing		Non-producing		Producing		Non-producing	
	Gross	*Net*	*Gross*	*Net*	*Gross*	*Net*	*Gross*	*Net*
Alberta	255	214.21	100	76.23	215	191.46	143	96.38

(1) Does not include water injection wells, service wells, capped wells and wells that have not been categorized as either oil wells or natural gas wells.

Properties with No Attributed Reserves

At December 31, 2014, the Corporation held 506,621.5 (478,295.1 net) acres of undeveloped land. The Corporation has 121,600 (120,960 net) acres where the rights to explore, develop and exploit are expected to expire prior to the end of 2015. The Corporation expects that the majority of this acreage will expire; however, such expiries will not materially affect the reserves attributable to Birchcliff's lands.

Significant Factors or Uncertainties Relevant to Properties with No Attributed Reserves

There are several economic factors and significant uncertainties that affect the anticipated development of the Corporation's properties with no attributed reserves. The Corporation will be required to make substantial capital expenditures in order to prove, exploit, develop and produce oil and natural gas from these properties in the future. If the Corporation's cash flow from operations is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or, if available, that the terms will be acceptable to the Corporation. Failure to obtain such financing on a timely basis could cause the Corporation to forfeit its interest in certain properties, miss certain opportunities and reduce its development. The inability of the Corporation to access sufficient capital for its exploration and development purposes could have a material adverse effect on the Corporation's ability to execute its business strategy to develop its prospects.

The significant economic factors that affect the Corporation's development of its lands to which no reserves have been attributed are future commodity prices for crude oil and natural gas (and the Corporation's outlook relating to such prices), the future costs of drilling, completing, tying in and operating wells at the relevant times.

The significant uncertainties that affect the Corporation's development of its lands are the future drilling and completion results the Corporation achieves in its development activities, drilling and completion results achieved by others on lands in proximity to the Corporation's lands and future changes to applicable regulatory or royalty regimes that affect timing or economics of proposed development activities. All of these uncertainties have the potential to delay the development of such lands. On the other hand, uncertainty as to the timing and nature of the evolution or development of better exploration, drilling, completion and production technologies have the potential to accelerate development activities and enhance the economics relating to the development of such lands.

In the Elmworth area, the Corporation expects that to develop on an economic basis the lands to which no reserves have yet been attributed, the construction of pipelines and a processing plant will be necessary.

See also the Corporation's Annual Information Form under the heading "*Risk Factors*".

Forward Contracts

In 2014, the Corporation initiated a hedging program with contracts for forward physical sales of natural gas during the summer months of April 1 to October 31, 2014 and WTI put options (financial derivatives) for crude oil throughout the year. As at December 31, 2014, the Corporation had no financial derivatives in place as all 2014 contracts expired on December 31, 2014 and the Corporation was not otherwise a party to or otherwise bound by any agreement under which it may be precluded from fully realizing, or may be protected from the full effect of, future market prices for oil or gas.

The Corporation was a party to the following financial derivative contracts during the financial year ended December 31, 2014.

Product	Option traded	Notional quantity	Term	Strike price
Crude oil	Put option	500 bbls/day	January 1, 2014 – December 31, 2014	WTI USD $90/bbl
Crude oil	Put option	500 bbls/day	January 1, 2014 – December 31, 2014	WTI USD $85/bbl

The Corporation was a party to the following physical sales contracts during the financial year ended December 31, 2014.

Product	Type of contract	Volume	Term(1)	Contract price
Natural gas	AECO fixed price	75,000 GJ/day	April 1, 2014 to October 31, 2014	$3.82 CDN/GJ

(1) Transactions with common terms have been aggregated and presented as the weighted average price.

Birchcliff's total natural gas hedge position for 2014 is summarized below.

Product	Term(1)	Average production hedged(2)	Estimated average wellhead price(2)
Natural gas	April 1, 2014 to October 31, 2014	65,908 Mcf/day	$4.35 CDN/Mcf

(1) Transactions with common terms have been aggregated and presented as the weighted average price.
(2) The conversion from GJ to Mcf is based on an estimated average natural gas heat content for Birchcliff's Pouce Coupe area of 40.4 MJ/m3.

For further details regarding the Corporation's financial derivative and physical sales contracts in respect of its hedging activities during 2014, please see Note 17 *"Financial Risk Management"* to the Corporation's audited financial statements for the year ended December 31, 2014 and *"Risk Management Contracts"* in the Corporation's management's discussion and analysis for the year ended December 31, 2014, copies of which are available under the Corporation's profile on www.sedar.com.

Additional Information Concerning Abandonment and Reclamation Costs

The Corporation estimates the future costs for abandonment and reclamation of surface leases, wells and facilities by using amounts that are consistent with Directive 11 of the Alberta Energy Regulator, which provides ranges of typical costs for abandonment and reclamation experienced by the industry in the Corporation's areas of operation. Based on this information and the actual experience of its technical personnel in handling such matters in the past, the Corporation estimates its typical abandonment costs to be in the range of $61,000 to $67,000 per well depending on the specific circumstances. Reclamation costs are forecast at approximately $34,000 per wellsite. Costs of abandoning pipelines are estimated by the Corporation on a case-by-case basis relying on the knowledge and experience of its technical personnel.

The 2014 Reserves Evaluation has included estimated well abandonment and reclamation costs for all existing wells and future drilling locations identified in the 2014 Reserves Evaluation.

The Corporation currently has 726 net wells that ultimately will need to be abandoned and/or reclaimed.

The following table sets forth the total amount of future costs to be incurred by the Corporation in connection with the abandonment and reclamation of wells in the proved and proved plus probable categories at December 31, 2014.

Future Abandonment and Reclamation Costs Relating to Proved and Proved Plus Probable Reserves
(Forecast Prices and Costs)

	Undiscounted Amount		Discounted Amount at 10% per year	
	Proved *(M$)*	**Proved Plus Probable** *(M$)*	**Proved** *(M$)*	**Proved Plus Probable** *(M$)*
Total amount of the future abandonment and reclamation costs, net of salvage value estimated by Deloitte to be incurred	128,208	190,732	31,775	28,078
Portion not deducted as abandonment and reclamation costs, in determining future net revenue(1)	46,727	54,672	7,945	5,024
Portion that the Corporation expects to pay in the next three years	7,200	7,200	5,968	5,968

(1) Includes estimated abandonment and reclamation costs for facility sites and pipelines.

Tax Horizon

The Corporation was not required to pay any cash income taxes for the year ended December 31, 2014. The Corporation estimates that based on current expenditure plans and the current price environment, no income taxes will become payable on the Corporation's income during 2015. If the Corporation continues to expend capital beyond its internally generated funds flow, it is likely that the Corporation will not become taxable within the next five years as long as such expenditures continue and commodity prices remain consistent with today's environment.

Costs Incurred

The following table sets forth the Corporation's property acquisition costs for proved properties and unproved properties, exploration costs and development costs for the year ended December 31, 2014.

2014 Acquisition, Exploration and Development Costs

Acquisition Costs			
Proved Properties *(M$)*	**Unproved Properties** *(M$)*	**Exploration Costs** *(M$)*	**Development Costs** *(M$)*
56,494	183	33,997	362,559

Exploration and Development Activities

The following table sets forth a summary of the Corporation's exploration and development drilling activities for the year ended December 31, 2014.

2014 Exploration and Development Activities

	Exploration Wells		Development Wells		Total	
	Gross	*Net*	*Gross*	*Net*	*Gross*	*Net*
Oil Wells	2	2	18	17	20	19
Natural Gas Wells	3	3	34	34	37	37
Service Wells	–	–	–	–	–	–
Stratigraphic Test Wells	–	–	–	–	–	–
Dry Holes	–	–	–	–	–	–
Total	5	5	52	51	57	56

The Corporation's most important current and likely exploration and development activities for 2015 will focus on the drilling and completion of wells on the Montney/Doig Natural Gas Resource Play. The Corporation's 2015 capital budget contemplates the drilling of 25 (24.5 net) wells, which includes the drilling of 22 (22.0 net) horizontal gas wells on the Montney/Doig Natural Gas Resource Play. Birchcliff will adjust its 2015 capital budget to respond to changes in commodity prices and other material changes in the assumptions underlying its 2015 budget.

Production Estimates

The following table sets forth Deloitte's forecast volumes of the Corporation's production from gross proved reserves and gross probable reserves as estimated in the 2014 Reserves Evaluation for the year ending December 31, 2015.

2015 Production Volume Estimates

	Light and Medium Crude Oil *(Mbbls)*	Natural Gas *(Bcf)*	NGLs *(Mbbls)*	Oil Equivalent *(Mboe)*
Gross Proved	1,549.6	80.8	751.7	15,774.5
Gross Probable	129.8	0.7	8.6	255.1

The estimated production volumes for the field that accounts for more than 20% of Deloitte's total forecast production for the year ending December 31, 2015 is set forth below.

2015 Production Volume Estimates for Important Field

	Deloitte Forecast Production	
Field Name	Gross Proved Reserves *(Mboe)*	Gross Probable Reserves *(Mboe)*
Pouce Coupe South	12,485.0	48.7

Production History

2014 Average Daily Production by Product Type

The following table sets out, by product type, the Corporation's average gross daily production volumes, quarterly and for the year ended December 31, 2014.

2014 Quarterly Production History

	Three months ended				Year ended
Product Type	**March 31, 2014**	**June 30, 2014**	**September 30, 2014**	**December 31, 2014**	**December 31, 2014**
Light and Medium Crude Oil *(bbls/d)*	3,977	3,936	3,957	3,957	3,957
Natural Gas *(Mcf/d)*	158,456	155,373	172,675	192,499	169,852
NGLs *(bbls/d)*	1,362	1,346	1,499	1,664	1,469
Total *(boe/d)*	31,749	31,178	34,235	37,704	33,734

2014 Annual Production by Product Type

The following table sets forth the Corporation's annual production volumes for the year ended December 31, 2014 by product type, for each of the fields comprising more than 10% of the Corporation's total production.

2014 Production Volumes

	Light and Medium Crude Oil *(bbls)*	**Natural Gas** *(Mcf)*	**NGLs** *(bbls)*	**Oil Equivalent** *(boe)*
Worsley	1,183,094	3,421,218	44,654	1,797,951
Pouce Coupe South	91,367	52,888,236	432,665	9,338,738
Total Annual Production Volumes[(1)]	1,274,461	56,309,454	477,319	11,136,689

(1) Total actual annual production volumes provided by Birchcliff.

2014 Price Received, Royalties Paid, Production Costs and Netbacks

The following table sets forth, by product type, the prices received, royalties paid, production costs incurred, transportation and marketing costs incurred and the resulting netback (with and without royalty income) on a per unit of volume basis, quarterly and for the year ended December 31, 2014.

2014 Quarterly Price, Royalty, Production Cost and Netback History

	Three months ended				Year ended
	March 31, 2014	**June 30, 2014**	**September 30, 2014**	**December 31, 2014**	**December 31, 2014**
Light and Medium Crude Oil *($/bbl)*					
Price Received [1]	97.30	104.72	95.94	71.87	92.39
Royalties Paid	(13.98)	(17.61)	(16.71)	(12.61)	(15.22)
Production Costs	(12.87)	(7.82)	(12.17)	(14.23)	(11.80)
Transportation and Marketing	(7.28)	(7.09)	(7.58)	(10.00)	(8.00)
Netback	63.17	72.20	59.48	35.03	57.37
Royalty Income	0.02	0.03	0.02	0.02	0.03
Netback Including Royalty Income	63.19	72.23	59.50	35.05	57.40
Natural Gas *($/Mcf)*					
Price Received[1]	6.10	4.81	4.37	3.91	4.74
Royalties Paid	(0.39)	(0.13)	(0.07)	(0.06)	(0.15)
Production Costs	(0.68)	(0.81)	(0.69)	(0.71)	(0.72)
Transportation and Marketing	(0.30)	(0.30)	(0.28)	(0.26)	(0.29)
Netback	4.73	3.57	3.33	2.88	3.58
Royalty Income	–	–	–	–	–
Netback Including Royalty Income	4.73	3.57	3.33	2.88	3.58
NGLs *($/bbl)*					
Price Received [1]	95.35	96.13	87.38	66.10	85.13
Royalties Paid	(17.25)	(11.02)	(8.27)	(4.21)	(9.79)
Production Costs	(4.31)	(5.16)	(4.33)	(4.49)	(4.56)
Transportation and Marketing	(1.88)	(1.88)	(1.83)	(1.59)	(1.79)
Netback	71.91	78.07	72.95	55.81	68.99
Royalty Income	0.05	0.07	0.07	0.04	0.06
Netback Including Royalty Income	71.96	78.14	73.02	55.85	69.05

(1) Does not include royalty income and excludes the effect of hedges using financial instruments.

DEFINITIONS

In this Statement of Reserves Data, the capitalized terms set forth below have the following meanings. Certain terms used but not defined herein shall have the same meanings as in NI 51-101 and CSA Staff Notice 51-324.

"**2013 Reserves Evaluation**" means the independent evaluation dated February 5, 2014 prepared by Deloitte evaluating the Corporation's oil and natural gas reserves at December 31, 2013.

"**2014 Reserves Evaluation**" means the independent evaluation dated January 30, 2015 prepared by Deloitte evaluating the Corporation's oil and natural gas reserves at December 31, 2014.

"**Annual Information Form**" means the Corporation's annual information form dated March 18, 2015 for the year ended December 31, 2014.

"**Charlie Lake Light Oil Resource Play**" means the Corporation's Charlie Lake formation light oil resource play located northwest of Grande Prairie, Alberta.

"**COGE Handbook**" means the Canadian Oil and Gas Evaluation Handbook.

"**CSA Staff Notice 51-324**" means Canadian Securities Administrators Staff Notice 51-324 – *Glossary to NI 51-101*.

"**Deloitte**" means Deloitte LLP, independent qualified reserves evaluators of Calgary, Alberta.

"**Deloitte Price Forecast**" means Deloitte's December 31, 2014 forecast price assumptions set out under the heading *"Pricing Assumptions – Forecast Prices used in Estimates".*

"**GAAP**" means generally accepted accounting principles.

"**Gross**" means:

(a) in relation to the Corporation's interest in production or reserves, the Corporation's working interest (operating or non-operating) share before deduction of royalty obligations and without including any royalty interests;

(b) in relation to wells, the total number of wells in which the Corporation has an interest; and

(c) in relation to properties, the total area in which the Corporation has an interest.

"**Montney/Doig Natural Gas Resource Play**" means the Corporation's Montney and Doig formations natural gas resource play located northwest of Grand Prairie, Alberta.

"**Net**" means:

(a) in relation to the Corporation's interest in production or reserves, the Corporation's working interest (operating or non-operating) share after deduction of royalty obligations, plus the Corporation's royalty interests in such production or reserves;

(b) in relation to wells, the number of wells obtained by aggregating the Corporation's working interest in each of the Corporation's gross wells; and

(c) in relation to properties, the total area in which the Corporation has an interest multiplied by the working interest owned by the Corporation.

"**NI 51-101**" means National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*.

"**PCS Gas Plant**" means the Corporation's 100% owned and operated natural gas plant located in the Pouce Coupe South area.

"**Reserves**" means 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 the analysis of drilling, geological, geophysical and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are classified according to the degree of certainty associated with the estimates:

(a) **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;

(b) **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 plus probable reserves; and

(c) **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 plus probable plus possible reserves.

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

(a) **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 non-producing; and

(b) **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 classification (proved, probable, possible) to which they are assigned.

"**working interest**" means a percentage of ownership in an oil and gas property, obligating the owner to share in the costs of exploration, development and operations and granting the owner the right to share in production revenue after royalties are paid.

"**Worsley Charlie Lake Light Oil Resource Play**" means the Corporation's Charlie Lake Light Oil Resource Play located near Worsley, Alberta.

ABBREVIATIONS, CONVERSIONS AND CONVENTIONS

Abbreviations

The abbreviations set forth below have the following meanings:

Oil and Natural Gas Liquids

bbls	barrels
bbls/d	barrels per day
Mbbls	thousand barrels
NGLs	natural gas liquids

Natural Gas

Bcf	billion cubic feet
GJ	gigajoule
GJ/d	gigajoule per day
Mcf	thousand cubic feet
Mcf/d	thousand cubic feet per day
MJ	megajoule
MMcf	million cubic feet
MMcf/d	million cubic feet per day

Other

AECO	benchmark natural gas price determined at the AECO 'C' hub in southeast Alberta
boe	barrels of oil equivalent
boe/d	barrels of oil equivalent per day
m^3	cubic metres
M$	thousands of dollars
MM$	millions of dollars
Mboe	thousand barrels of oil equivalent
WTI	West Texas Intermediate crude oil, a benchmark oil price determined at Cushing, Oklahoma

Conversions

The following table sets forth certain Standard Imperial Units and International System of Units conversions.

From	To	Multiply By
Mcf	m^3	28.174
Mcf	GJ	1.055
m^3	cubic feet	35.494
bbls	m^3	0.159
acres	hectares	0.405
sections	acres	640
sections	hectares	256

Conventions

Unless otherwise indicated, references herein to "$" or "dollars" are to Canadian dollars.

ADVISORIES

Non-GAAP Measures: *This Statement of Reserves Data uses "netback" which does not have a standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies where similar terminology is used. Netback denotes petroleum and natural gas revenue less royalties, less operating expenses and less transportation and marketing expenses. Management uses netback as a key measure to assess the Corporation's efficiency and its ability to generate the cash necessary to fund future growth through capital investments, pay dividends on preferred shares and repay debt.*

Boe Conversions: *Boe amounts have been calculated by using the conversion ratio of 6 Mcf of natural gas to one bbl of oil. Boe amounts 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.*

Forward-Looking Information: *This Statement of Reserves Data contains forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking information relates to future events or future performance and is based upon the Corporation's current internal expectations, estimates, projections, assumptions and beliefs. All information other than historical fact is forward-looking information. Information relating to "reserves" is forward-looking as it involves the implied assessment, based on certain estimates and assumptions, that the reserves exist in the quantities estimated and that they will be commercially viable to produce in the future. Words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words that convey certain events or conditions "may" or "will" occur are intended to identify forward-looking information. In particular, this Statement of Reserves Data contains forward-looking information, including among other places, under the document headings "Net Present Value of Future Net Revenue", "Pricing Assumptions", "Additional Information Relating to Reserves Data – Undeveloped Reserves", "Additional Information Relating to Reserves Data – Future Development Costs", "Other Oil and Gas Information – Properties With No Attributed Reserves", "Other Oil and Gas Information – Additional Information Concerning Abandonment and Reclamation Costs", "Other Oil and Gas Information – Tax Horizon", "Other Oil and Gas Information – Exploration and Development Activities" and "Other Oil and Gas Information – Production Estimates". This forward-looking information includes but is not limited to statements regarding: the Corporation's plans and other aspects of its anticipated future operations, management focus, strategies and priorities; estimates of reserves and future net revenue attributable to the Corporation's reserves; price forecasts; planned drilling, exploration and development activities including the number of wells to be drilled, completed, equipped and tied-in; the quantity and development of oil and gas reserves; statements regarding the future processing capacity of the PCS Gas Plant and expectations as to new capacity becoming available from third party plants; the conversion of existing wells into water injection wells on the Charlie Lake Light Oil Resource Play; the Corporation's capital budget for 2015; future development costs and the availability and sources of capital to fund future development costs; the amount of undeveloped land on which the right to explore, develop and exploit the Corporation expects to expire in 2015; future abandonment and reclamation costs; the Corporation's income tax horizon; and estimated production for 2015.*

The forward-looking information contained in this Statement of Reserves Data is based upon certain expectations and assumptions including: prevailing and future commodity prices, currency exchange rates, interest rates, inflation rates and applicable royalty rates and tax laws; the state of the economy *and the exploration and production business; reserve and resource volumes; anticipated timing and results of capital expenditures; the sufficiency of budgeted capital expenditures to carry out planned expenditures; results of operations; operating and general and administrative costs; the performance of existing and future wells and well production rates; well drainage areas; success rates for future drilling; the impact of competition; the availability and demand for labour, services and materials; the Corporation's ability to access capital; and the Corporation's ability to market oil and gas. In addition, the Corporation has made the following key assumptions with respect to certain forward-looking information contained in this Statement of Reserves Data:*

- *With respect to estimates of reserves and the net present values of future net revenue associated with the Corporation's reserves, the key assumption is the validity of the data used by Deloitte in their independent reserves evaluations and resource assessments.*

- *With respect to statements of future wells to be drilled, completed, equipped and tied-in, the key assumption is the validity of the geological and other technical interpretations performed by the Corporation's technical staff, which indicate that commercially economic volumes can be recovered from the Corporation's lands as a result of drilling future wells.*

- *With respect to statements regarding the Corporation's capital budget, the key assumption is that Birchcliff realizes the average annual production target of 38,000 to 40,000 boe/d and the commodity prices upon which the Corporation's 2015 capital budget is based, being a forecast average WTI price of US$60.00 per barrel of oil and an AECO price of CDN$3.00 per GJ of natural gas during 2015. Birchcliff will adjust its 2015 capital budget to respond to changes in commodity prices and other material changes in the assumptions underlying its 2015 budget.*

Undue reliance should not be placed on forward-looking information, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. Although the Corporation believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. As a consequence, actual results may differ materially from those anticipated.

Forward-looking information necessarily involves both known and unknown risks and uncertainties that could cause actual results to differ materially from those anticipated including risks associated with oil and gas exploration, production, transportation and marketing such as uncertainty of geological and technical data, imprecision of reserves and resource estimates, operational risks, environmental risks, loss of market demand, general economic conditions affecting ability to access sufficient capital, commodity price fluctuations, changes in governmental regulation of the oil and gas industry and competition from others for scarce resources.

The foregoing list of risk factors is not exhaustive. Additional information on these and other risk factors that could affect operations or financial results are included in the Corporation's most recent Annual Information Form, in the Report on Reserves Data by the Corporation's Independent Qualified Reserves Evaluator; and in the Report of Management and Directors on Oil and Gas Disclosure and in other reports filed with Canadian securities regulatory authorities. Forward-looking information is based on estimates and opinions of management at the time the information is presented. The Corporation is not under any duty to update the forward-looking information after the date of this Statement of Reserves Data to conform such information to actual results or to changes in the Corporation's plans or expectations, except as otherwise required by applicable securities laws.