

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

Part 1 Relevant Dates

Item 1.1 Dates of Statement and Statement Information

- 1: The report from which the information is drawn was prepared on December 21, 2011 (the “**Ryder Report**”).
- 2: The effective date of the information provided in this statement is August 31, 2011.
- 3: The preparation date of this statement is December 23, 2011.

Part 2 Disclosure of Reserves Data

Ryder Scott Company (“Ryder”) has prepared a report dated December 21, 2011 (“the **Ryder Report**”), in which it has evaluated as at August 31, 2011, the oil and natural gas reserves attributable to all of the properties of Magnum Energy Inc. (“the Company” or “Magnum”).

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

The extent and nature of all information supplied by the Company, which may have included ownership data, well information, geological information, reservoir studies, timing and future production, gas sales contract information, current product prices, operating cost data, capital budget forecasts, and future operating plans, have been relied upon by Ryder in the preparation of the Ryder Report and were accepted as represented without independent verification. In the absence of such information, Ryder relied, with the approval of Magnum, upon its opinion of reasonable practice in the industry. All information provided to Ryder was as at August 31, 2011 and, accordingly, certain of such information may not be representative of current conditions.

The definitions of the various categories of reserves and expenditures are those set out in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (“NI51-101”).

Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf to 1 bbl is based on an energy equivalent conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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

Item 2.1 Reserves Data - Forecast Prices and Costs

All Company reserves are within Canada. The following tables disclose, in the aggregate, the Company’s gross and net proved reserves, estimated using forecast prices and costs, by product type. “Forecast prices and costs” means future prices and costs used by Ryder in the Ryder Report that are generally accepted as being a reasonable outlook of the future. Gross reserves are Magnum’s working interest share of remaining reserves before the deduction of royalties owned by others. Net reserves are the Company’s working interest share of remaining reserves less all Crown, freehold and overriding royalties and interests owned by others.

Table 2.1.1
SUMMARY OF RESERVES AS OF AUGUST 31, 2011 (Forecast Prices & Costs)

Estimated Gross (Pre-Royalties) Reserves:

Product	Reserves Category					
	Proved Developed Producing	Proved Developed Non-Producing	Proved Undeveloped	Total Proved	Probable	Total Proved + Probable
Oil – barrels	50,989	17,380	Nil	68,369	59,670	128,039
NGL – barrels	3,485	245	177	3,907	5,532	9,439
Sales Gas – mmcf	2,449	369	255	3,073	2,046	5,119

Estimated Net (After Royalties) Reserves:

Product	Reserves Category					
	Proved Developed Producing	Proved Developed Non-Producing	Proved Undeveloped	Total Proved	Probable	Total Proved + Probable
Oil – barrels	46,174	16,100	Nil	62,274	53,023	115,297
NGL – barrels	2,664	187	138	2,989	4,011	7,000
Sales Gas – mmcf	2,305	348	242	2,895	1,894	4,789

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

Table 2.1.2
SUMMARY OF NET PRESENT VALUE OF FUTURE NET REVENUE
AS OF AUGUST 31, 2011 (Forecast Prices & Costs)

	Future Net Revenue (\$000) Before Income Tax					
	Proved Developed Producing	Proved Developed Non-Producing	Proved Undeveloped	Total Proved	Probable	Total Proved + Probable
Undiscounted	8,157	1,453	453	10,063	8,080	18,143
Discounted @ 5%	6,435	1,073	276	7,784	5,000	12,784
Discounted @ 10%	5,270	812	163	6,245	3,254	9,499
Discounted @ 15%	4,444	630	92	5,166	2,199	7,365
Discounted @ 20%	3,834	500	48	4,382	1,527	5,909

	Future Net Revenue (\$000) After Income Tax					
	Proved Developed Producing	Proved Developed Non-Producing	Proved Undeveloped	Total Proved	Probable	Total Proved + Probable
Undiscounted	8,157	1,453	453	10,063	7,352	17,415
Discounted @ 5%	6,435	1,073	276	7,784	4,659	12,443
Discounted @ 10%	5,270	812	163	6,245	3,091	9,336
Discounted @ 15%	4,444	630	92	5,166	2,120	7,286
Discounted @ 20%	3,834	500	48	4,382	1,488	5,870

The following two tables provide additional information regarding the future net revenue attributable to total proved reserves outlined in the previous tables.

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

Table 2.1.3
TOTAL FUTURE NET REVENUE (Undiscounted)
AS OF AUGUST 31, 2011 (Forecast Prices & Costs)

Reserves Category	Revenue (\$000)	Royalties (\$000)	Operating Costs (\$000)	Development Costs (\$000)	Abandonment & Reclamation Costs (\$000)	Future Net Revenue Before Taxes (\$000)	Income Taxes (\$000)	Future Net Revenue After Taxes (\$000)
Proved Producing	17,946	669	8,518	Nil	602	8,157	Nil	8,157
Proved Developed Non-producing	3,790	240	1,565	430	102	1,453	Nil	1,453
Proved Undeveloped	1,545	75	668	309	40	453	Nil	453
Total Proved	23,281	984	10,751	739	744	10,063	Nil	10,063
Probable	18,724	1,679	7,498	1,324	143	8,080	728	7,352
Proved + Probable	42,005	2,663	18,249	2,063	887	18,143	728	17,415

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

Table 2.1.3c
NET PRESENT VALUE OF FUTURE NET REVENUE BY PRODUCTION GROUP
AS OF AUGUST 31, 2011 (Forecast Prices & Costs)
Before Income Tax

RESERVES CATEGORY	PRODUCTION GROUP	Future Net Revenue (discounted at 10%) (M\$)	Unit Value (\$/boe)	Unit Value (\$/mcf)
PROVED PRODUCING	Light & Medium Crude Oil (including solution gas and other by-products)	1,973	35.40	
	Natural Gas (including by-products)	3,297		1.35
TOTAL PROVED	Light & Medium Crude Oil (including solution gas and other by-products)	2,599	34.26	
	Natural Gas (including by-products)	3,646		1.19
TOTAL PROVED AND PROBABLE	Light & Medium Crude Oil (including solution gas and other by-products)	4,135	27.81	
	Natural Gas (including by-products)	5,364		1.06

Part 3 Pricing Assumptions

Item 3.2 Forecast Prices Used in Estimates

- (a) The price forecast used is as per Ryder's standard price forecast effective August 31, 2011 as follows:

Year	Crude Oil WTI (U.S.\$/bbl)	Natural Gas AECO (Cdn\$/mmbtu)	Edmonton Condensate (Cdn\$/bbl)	Exchange Rate (\$U.S./\$Cdn.)
Historical				
2005	56.47	8.48	77.30	0.82
2006	66.11	6.98	78.05	0.89
2007	72.31	6.61	82.05	0.93
2008	99.60	5.79	111.03	0.96
2009	61.69	4.14	68.88	0.87
2010	79.46	4.13	84.24	0.97
2011 Q1	94.01	3.77	96.94	1.01
2011 Q2	102.55	3.74	108.83	1.04
2011 Q3 partial	89.71	3.72	99.91	1.04
Forecast				
2011	86.00	3.24	96.62	0.98
2012	90.00	3.92	100.47	0.98
2013	95.00	4.37	105.29	0.98
2014	96.00	4.83	106.26	0.98
2015	98.00	5.06	108.18	0.98
2016	100.00	5.28	110.11	0.98
2017 (1)	101.00	5.74	111.07	0.98
<i>(1) prices escalated at 2% thereafter; exchange rate at 0.98 thereafter</i>				

- (b) The inflation factors used for costs:
Costs are escalated at 1.0% for the remainder of 2011 and escalated at 4.0% per year for 2012, 3.0% per year for 2013 and 2.0% per year thereafter.
- (c) The weighted average historical price for the most recent financial year for gas was \$3.82 per mcf and \$82.45 per bbl for oil and ngls sold.

Part 4 Reconciliation of Changes in Reserves and Future Net Revenue

Item 4.1 Reserves Reconciliation

The following table provides a reconciliation of the changes of Magnum's gross reserves; based on forecast prices and costs.

Item		Light & Medium Crude And Natural Gas Liquids			Associated & Non-Associated Natural Gas		
		Gross Proved (bbls)	Gross Probable (bbls)	Gross Proved + Probable (bbls)	Gross Proved (mmcf)	Gross Probable (mmcf)	Gross Proved + Probable (mmcf)
	August 31, 2010	9,827	14,738	24,565	5,139	4,063	9,202
(i)	Extensions						
(ii)	Improved Recovery	①2,325 ②357	①1,331 ②-195	3,656 162	②33	②-27	6
(iii)	Technical Revisions	③-903	③9	-894			
(iv)	Discoveries	④17,379	④5,000	22,379	④16	④5	21
(v)	Acquisitions	⑤49,166	⑤44,319	93,485			
(vi)	Dispositions						
(vii)	Economic Factors				⑥-1,712	⑥-1,995	-3,707
(viii)	Production	-5,875		-5,875	-403		-403
	August 31, 2011	72,276	65,202	137,478	3,073	2,046	5,119

Description of Changes:

1. Improved ngl reserve recovery assigned to producing wells in the Sedalia area based on information available from a longer production history.
2. Transfer of probable ngl and gas reserves to proven for the Enchant well based on production history
3. Revision of oil and ngl reserves in the McLeod area based on production history
4. Drilling of horizontal oil well in the Provost area
5. Acquisition of reserves on March 15, 2011 with four producing oil wells (two net wells) and 3.25 gross sections (1.63 net) of land in the Provost area.
6. Decreased economic reserve recovery assigned to producing wells in the Sedalia property based on lower than expected production, decreased natural gas prices and higher production expenses.

Part 5 Additional Information Relating to Reserves Data

Item 5.1 Undeveloped Reserves

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

Proved Undeveloped (PUD) Reserves

Proved undeveloped reserves are generally those reserves related to wells that have been tested and not yet tied-in, wells drilled near the end of the fiscal year or wells further away from gathering systems. Such reserves may also relate to planned infill drilling locations. The majority of these types of reserves would be planned to be on-stream within a two-year time frame. As of August 31, 2011, PUD reserves of 255 mmcf of gas with 177 bbls of related ngls have been assigned to one well in the Ryder Report.

The Company's PUD reserves have been assigned to one offset drilling candidate well in the Sedalia area of Alberta. The well is in a quarter section surrounded by existing gas wells producing from the Basal Quartz sands and will be drilled at a future date for production and pressure surveys to ascertain the potential for a horizontal well in the Basal Quartz reservoir.

Probable Undeveloped (PrUD) Reserves

Probable undeveloped reserves are generally reserves tested or indicated by analogy to be productive, infill drilling locations and lands contiguous to existing production. The majority of these reserves would be planned to be on-stream within a two-year time frame. As of August 31, 2011, PrUD reserves of 17,260 bbls of oil and 935 mmcf of gas with 649 bbls of related ngls have been assigned to wells in the Ryder Report.

The Company's PrUD oil reserves were assigned to one offset location in the Provost area of Alberta. The well is located in a currently producing section from the Viking "A" oil pool. The Company's PrUD gas and ngl reserves were assigned to three offset locations in the Sedalia area of Alberta. The wells are in quarter sections surrounded by existing gas wells that are currently producing from the Viking, Colony or Basal Quartz sands formations and will be drilled at a future date.

The following undeveloped reserves were first attributed in the two most recent financial years ended August 31.

Estimated Undeveloped Reserves (Forecast Case): August 31, 2011

Product	Reserves Category		
	Proved Undeveloped	Probable Undeveloped	Total Undeveloped
Oil – bbls	Nil	17,260	17,260
NGL – bbls	177	649	826
Gas – mmcf	255	935	1,190

Estimated Undeveloped Reserves (Forecast Case): August 31, 2010

Product	Reserves Category		
	Proved Undeveloped	Probable Undeveloped	Total Undeveloped
Oil – bbls	Nil	Nil	Nil
NGL – bbls	Nil	Nil	Nil
Gas – mmcf	570	2,280	2,850

Item 5.2 Significant Factors or Uncertainties

The evaluated oil and gas properties of the Company have no material extraordinary risks or uncertainties beyond those which are inherent of an oil and gas producing company. The main area of uncertainty currently experienced by Magnum is the commodity price as the Company sells all of its production at spot market prices and has no present or future hedging plans in place.

Ryder conducted its independent engineering evaluations as at August 31, 2011. The process of establishing reserves requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change.

As additional data becomes available and circumstances change, reserve estimates may also change as warranted. Revisions are often required due to changes in well performance, oil and gas prices, economic conditions, operating costs, currency exchange rates and governmental restrictions and regulations.

Item 5.3 Future Development Costs

The table below sets out the development costs deducted from the estimation of future net revenue attributable to the Reserves / Price scenarios shown.

**Table 5.3.1
Estimated Future Development Costs**

	Reserves & Price Scenario	
	Total Estimated Proved Forecast Case (\$000)	Total Estimated Proved + Probable Forecast Case (\$000)
2011/12	40	470
2012/13	108	433
2013/14	-	1,160
2014/15	591	-
Total for all years – Undiscounted	739	2,063
Total for all years – Discounted @ 10%	544	1,642

Item 5.3.2

Magnum expects to fund its future development costs in 2011 and 2012 by a combination of internally-generated cash flow and a private placement of flow-through shares and Class A common shares.

Part 6: Other Oil & Gas Information

Item 6.1 Oil and Gas Properties and Wells

Currently, the Company's properties are all located with the Province of Alberta, Canada. The following is a description of Magnum's principal properties on production or under development.

Provost

On March 15, 2011, Magnum, entered into a joint venture agreement (the “JV Agreement”) together with a joint venture partner (“JV Partner”) to acquire the Viking oil assets of a private company in the Provost Area of Eastern Alberta February 1, 2011. The wells were initially producing approximately 30 barrels of sweet light crude per day from four operated vertical wells situated on 3.25 sections of largely undeveloped land. The 100% owned infrastructure acquired included a battery, disposal well, and pipelines.

Preliminary technical evaluations indicate the potential to develop an inventory of a minimum of 12 to a maximum of 40 low-risk horizontal drilling locations. Westfire Energy Ltd. has applied to the ERCB for 4 wells per quarter section down spacing in immediately adjacent lands.

In 1968, a unitization study was performed by McDaniel Consultants engineering evaluators which was submitted to the Energy Resources Conservation Board (ERCB) that indicated that the pool contained over 80 million barrels of original oil in place (OOIP). Cumulative recovered oil production to date from vertical wells drilled over the past 20 years is approximately 3 million barrels. Vertical wells in the Viking “A” pool have produced up to 300,000 barrels of oil per well. Horizontal wells drilled in the Viking trend that extends southeast to Doddsland in Saskatchewan and northwest to Redwater have unlocked the vast reserves from these pools with excellent economics.

Terms of the JV Agreement provided for the Companies to acquire the 100% owned property from a third private party for \$2.8 million on a fifty-fifty basis. The JV Partner funded 100% of the acquisition and was to receive 100% of the net revenue from existing production until payout of the purchase price. The JV Partner was also required to pay 100% of the costs to drill and complete to tie-in two horizontal wells to earn its 50% interest in the undeveloped lands. On October 31, 2011, the Company announced that the terms of the JV Agreement had been amended such that Magnum released the JV Partner from its obligation to drill a second horizontal well in exchange for approximately \$1.2 million, which proceeds were used to repay the loan to the JV Partner.

Effective October 1, 2011, Magnum became operator of all wells on the property and will retain the cash flows generated from its 50% working interest in the Provost wells. The reduction of its debt will allow the Company to determine which projects will provide the best opportunities for future development of the Viking Oil prospect. Magnum has recently received approval of the Holding Application to produce both vertical and horizontal wells on 3.25 sections of land in Provost.

The first well at the Provost Viking Oil Project was successfully drilled and completed with a horizontal leg of 1200 meters in the summer of 2011. The well was fracture stimulated in 13 stages. Upon completion of stimulation, the well was equipped with pumping equipment for production testing purposes. Peak rate during this testing was 156 BOEPD (119 bbls/day oil, and 220 mcf/d gas). The well was production tested for a total of 278 hours over 16 days. Total production over this period was 363.5 BBLs of oil and 248 BOE of gas. Magnum’s technical team is reviewing optimization programs to increase production levels from the first horizontal well prior to completion of the gas pipeline which is expected to occur in January, 2012.

In July, 2011, Magnum acquired a 50% working interest in an additional section in the Provost area.

As of August 31, 2011, 63,426 bbls of proved reserves plus 49,319 of probable reserves have been assigned to the Provost wells.

McLeod

Through a farm-out arrangement, Magnum earned a 31.5% WI in a discovery oil well by paying 45% of the drilling and completion costs. Remaining proved reserves of 9,685 boes and probable reserves of 22,748 boes have been assigned to the well for the Company as of August 31, 2011. The well commenced production in February, 2008 and has since produced approximately 36,600 boes net to Magnum.

Vauxhall (Enchant)

Through a seismic and participating agreement, the Company holds a 40% WI of varying mineral rights in 10 sections of land in the Vauxhall / Enchant area, centered around Twp 12-16 W4M. Currently the Company has a producing gas well at 02/08-34-12-16 W4M. The well was shut-in from September, 2008 to August, 2010 prior to the resolution of a drilling spacing unit discussion with the ERCB and an industry partner. It is currently producing approximately 75 mcf/d net to Magnum. The Company holds an interest in extensive 3D seismic data over the property, and has identified possible additional drilling locations on the undeveloped sections. There is gas gathering and oil battery infrastructure in close proximity. Remaining proved reserves of 50 mmcf and probable reserves of 71 mmcf of gas have been assigned to the well at August 31, 2011.

Sedalia

Magnum holds an average 82.9% working interest in 12,160 gross acres of land in the East-Central Alberta area, which it acquired at various Crown offerings over the past five years and through an acquisition of 13 gross (9.24 net) sections of land from an industry partner (“the Acquisition”).

In December, 2008 Magnum drilled three gas wells in the Sedalia area. An existing abandoned pipeline system which was acquired in 2008 was re-activated early in 2009. Two of the wells commenced production in April, 2009 and a third in August, 2009.

The Acquisition in October, 2009 included existing gas production, a 30% working interest in a gas processing plant and a 100% working interest in a compressor facility, both of which are operated by the Company. In November 2009, Magnum acquired a dehydrator and a larger compressor which resulted in an increased capacity of the facility from 1.3 mmcf/d to 6.2 mmcf/d. The Company can increase production capacity to 7.5 mmcf/d by re-activating the smaller compressor.

During the year ended August 31, 2010, the Company re-entered 10 wells in the area to perform various production enhancing fractures and stimulation procedures. Magnum also drilled two 100% owned wells in 2010. During the year ended August 31, 2011, the Company re-entered four wells in the Sedalia area to perform various production fractures and stimulation procedures. Production from the area averaged 978 mcf/d for the year. Total remaining proved reserves of 2,986 mmcf and probable reserves of 1,917 mmcf of gas have been assigned to the Company’s interest in the Sedalia area as of the date of the Ryder Report.

**Table 6.1
Oil and Gas Wells**

Magnum has a working interest in wells in the following areas in Alberta as of August 31, 2011.

Area	Gross (1)					
	Producing			Non-Producing		
	Oil	Gas	Total	Oil	Gas	Total
Vauxhall	Nil	1	1	Nil	0	0
Sedalia	Nil	13	13	Nil	5	5
McLeod	1	Nil	1	Nil	Nil	Nil
Provost	4	Nil	4	2	Nil	2
Total	5	14	19	2	5	7

Area	Net (2)					
	Producing			Non-Producing		
	Oil	Gas	Total	Oil	Gas	Total
Vauxhall	Nil	0.4	0.4	Nil	Nil	Nil
Sedalia (3)	Nil	12.506	12.506	Nil	5	5
McLeod	0.315	Nil	0.315	Nil	Nil	Nil
Provost	2	Nil	2	1	Nil	1
Total	2.315	12.906	15.221	1	5	6

- (1) "Gross" wells means the number of wells in which the Company has a working interest
(2) "Net" wells means the aggregate number of wells obtained by multiplying each gross well by the Company's percentage working interest therein
(3) The Company has a 100% working interest Before Payout in one well in which the partner chose to go into a penalty position. The Company's working interest will revert to 50.6% After Payout

Item 6.2 Properties with No Attributed Reserves

The following table summarizes the portion of the properties noted above where no reserves have been assigned, and the net interest within those areas for which the Company's right to explore, develop or exploit will, absent of further action; expire by August 31, 2012.

Area	Gross Acres	Average Working Interest	Net Acres	Net Acres Expiring by August 31, 2012
Sedalia	6,880	87.4	6,012	640
Provost	1,440	50.0	720	Nil
Vauxhall	640	100.0	640	Nil
McLeod	160	31.5	50	Nil
Total	9,120		7,422	640

There are no contractual work commitments on the unproven portion of the properties.

6.3 Forward Contracts

The Company is not party to any forward sale contracts.

6.4 Additional Information Concerning Abandonment & Reclamation Costs

The Company estimates well abandonment based on what can typically and reasonably be expected in each operating area. These costs are included in the Ryder Report as a deduction in arriving at estimated future net revenue.

The following table summarizes the number of net wells and anticipated abandonment costs, including those costs anticipated to be incurred within the next three years:

Estimated Abandonment Costs Using Forecast Prices and Costs (Proven + Probable Reserves)

Area	Gross Wells #	Working Interest %	Net Wells #	Net Estimated Abandonment Costs (\$000)	
				Total	By August 31, 2014
Sedalia	18	97.5	17.55	718	Nil
Provost	6	50.0	3.0	138	Nil
Vauxhall	1	40.0	0.40	16	Nil
McLeod	1	31.5	0.315	15	Nil
Total	26		21.265	887	Nil

6.5 Tax Horizon

Magnum was not required to pay income taxes during the year ended August 31, 2011. As of the Effective Date, the Company has accumulated tax losses and pools of approximately \$3,647,000. Based on the after tax economic forecasts, income tax will not become payable on proved reserves.

6.6 Costs Incurred

The following table summarizes the capital expenditures incurred by the Company on oil & natural gas properties for the year ended August 31, 2011.

Table 6.6
PROPERTY ACQUISITION/DISPOSITION COSTS AND CAPITAL EXPENDITURES
FOR THE YEAR ENDED AUGUST 31, 2011

Exploration and Development Costs (\$000)			Property Acquisitions (\$000)			Property Disposals (\$000)		
Exploration	Development	Total E&D	Proved Properties	Unproved Properties	Total Properties	Proved Properties	Unproved Properties	Total Properties
1,203	266	1,469	1401	Nil	1401	Nil	Nil	Nil

6.7 Exploration and Development Activities

The following table sets forth the number of Exploratory and Development wells in which the Company participated during the year ended August 31, 2011.

Table 6.7
RESULTS OF DEVELOPMENT AND EXPLORATION ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2011

	Exploratory Wells		Development Wells	
	Gross	Net	Gross	Net
Oil Wells – drilled and completed	0	0	1	.5
Oil Wells – recompleted	0	0	1	.5
Gas Wells – completed	0	0	1	1
Gas Wells – recompleted	0	0	4	4
D&A Wells	0	0	0	0
Total Completed Wells	0	0	7	6

6.7.2

As described in section 6.1 above; in the remainder of 2011 and throughout 2012 the Company plans to focus on continued exploration and development of the Provost oil property.

6.8 Production Estimates

All production is forecast to take place in Canada. The following tables summarize the Company's estimated future production volumes for 2012 for each product type:

Table 6.8.1
SUMMARY OF PRODUCTION ESTIMATES BY PRODUCTION GROUP (1)
TOTAL PROVED AND PROBABLE RESERVES FOR THE 2012 FISCAL YEAR (Forecast Prices)

Product	Proved Reserves	Probable Reserves
	Gross Production	Gross Production
Oil & ngl's – bbls	11,827	2,687
Gas – mmcf	361	18
Total – boe (2)	71,994	5,687

(1) Production is Magnum's interest before all royalty deductions

(2) Barrels of oil equivalent (boe) have been reported based on a natural gas conversion of 6 mcf/ 1 bbl.

Table 6.8.2
SUMMARY OF PRODUCTION ESTIMATES BY FIELD (1)
TOTAL PROVED RESERVES FOR THE 2012 FISCAL YEAR (Forecast Prices)

Product	Provost	Enchant	McLeod	Sedalia	Total
	Oil & ngl's – bbls	9,440	214	1,943	230
Gas – mmcf	2	22	6	331	361
Total – boe (2)	9,773	3,881	2,943	55,397	71,994

- (1) Production is Magnum's interest before all royalty deductions
(2) Barrels of oil equivalent (boe) have been reported based on a natural gas conversion of 6 mcf/ 1 bbl.

SUMMARY OF PRODUCTION ESTIMATES BY FIELD (1)
TOTAL PROBABLE RESERVES FOR THE 2012 FISCAL YEAR (Forecast Prices)

Product	Provost	Enchant	McLeod	Sedalia	Total
	Oil & ngl's – bbls	2,353	31	294	9
Gas – mmcf	Nil	3	1	14	18
Total – boe (2)	2,353	531	461	2,342	5,687

- (1) Production is Magnum's interest before all royalty deductions
(2) Barrels of oil equivalent (boe) have been reported based on a natural gas conversion of 6 mcf/ 1 bbl.

6.9 Production History (8)

	Production Summary				
	Three Months Ended 2010-11-30	Three Months Ended 2011-02-28	Three Months Ended 2011-05-31	Three Months Ended 2011-08-31	Year Ended 2011-08-31
Production Volumes:					
Oil & ngl's (bbl/d)	11	4	20	29	16
Gas (mcf/d)	1367	1072	916	1063	1104
Boe (boe/d)	239	183	173	206	200
Prices:					
Oil & ngl's (\$/bbl)	65.99	70.76	92.19	83.41	82.45
Gas (\$/mcf)	3.59	3.97	3.91	3.88	3.82
Per boe (\$)	23.58	24.85	31.39	31.80	27.70
Royalties per boe (\$)	2.09	1.66	-.86	2.34	1.41
Production costs per boe (\$)	10.05	11.71	12.97	10.69	11.23
Netback per boe (\$)	11.44	11.48	19.28	18.77	15.06

- (1) 6 mcf Gas = 1 boe; 1 bbl Oil & Ngl's = 1 boe

Table 6.9.2
PRODUCTION BY AREA FOR YEAR ENDED AUGUST 31, 2011 (1)

Product	Provost(3)	Enchant	McLeod	Sedalia	Total
	Oil & ngl's – bbls	3,120	397	2,106	250
Gas – mmcf	-	39,568	6,232	357,129	402,929
Total – boe (2)	3,120	6,992	3,145	59,771	73,028

- (1) Production is Magnum's interest before all royalty deductions
(2) Barrels of oil equivalent (boe) have been reported based on a natural gas conversion of 6 mcf/ 1 bbl.
(3) Provost wells were acquired March 15, 2011

