



GALE FORCETM **PETROLEUM**

NATIONAL INSTRUMENT 51-101F1

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

As at June 30, 2011



STATEMENT OF RESERVES DATA AND OTHER OIL & GAS INFORMATION

As at June 30, 2011

This statement of reserves data and other information (the "Statement") is dated October 27th, 2011 and is effective June 30, 2011. The information regarding reserves in the Statement was prepared between June and October, 2011.

The future net revenue numbers presented throughout this Statement, whether calculated without discount or using a discount rate, are estimated values and do not represent fair market value. There is no assurance that the price and cost assumptions will be attained and variances could be material.

Disclosure of Reserves Data

In accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities, Harper & Associates, Inc. ("Harper") prepared a report (the "Reserves Report") dated October 27, 2011. The Reserves Report evaluated, as at June 30, 2011, Gale Force Petroleum Inc.'s oil and natural gas reserves.

The tables summarize the data contained the Reserves Report and as a result, may contain slightly different numbers than those reports due to rounding. There is no assurance that the price and cost assumptions set out below will be attained and variances could be material. The reserve estimates 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.

All of the Company's properties, reserves and production are located in the States Texas, Oklahoma and Tennessee.

All dollar amounts herein are in United States dollars, unless otherwise stated.

The following two tables detail the aggregate gross and net reserves of the Company, as at June 30, 2011, using forecast prices and costs as well as the aggregate net present value of future net revenue attributable to the reserves estimated using forecast prices and costs, calculated without discount and using discount rates of 5%, 10%, 15% and 20%:

SUMMARY OF OIL AND GAS RESERVES AS OF JUNE 30, 2011 FORECAST PRICES AND COSTS

Reserves Category	Light and Medium Oil		Natural Gas (non-associated and associated)	
	Gross (Mbbl)	Net (Mbbl)	Gross (MMcf)	Net (Mbbl)
Proved Developed Producing	419	266	460	192
Proved Developed Non-Producing	569	394	556	287
Proved Undeveloped	242	158	515	406
Total Proved	1,230	818	1,531	885
Probable	113	69	225	94
Total Proved Plus Probable	1,343	887	1,756	979

**NET PRESENT VALUES OF FUTURE NET REVENUE
AS OF JUNE 30, 2011
FORECAST PRICES AND COSTS**

Reserves Category	Before Income Taxes Discounted At (%/year)					After Income Taxes Discounted at (%/year)					Future Net Val 10%/yr (\$/BOE)
	0% (\$000s)	5% (\$000s)	10% (\$000s)	15% (\$000s)	20% (\$000s)	0% (\$000s)	5% (\$000s)	10% (\$000s)	15% (\$000s)	20% (\$000s)	
Proved Developed Producing	17,094	13,929	11,680	10,033	8,791	13,675	11,208	9,449	8,156	7,179	23.56
Proved Developed Non-Producing	27,245	21,880	17,860	14,867	12,587	21,877	17,559	14,410	12,054	10,250	26.99
Proved Undeveloped	12,547	9,675	7,597	6,057	4,891	9,717	7,501	5,889	4,689	3,778	23.17
Total Proved	57,066	45,483	37,137	30,957	26,268	45,269	36,268	29,748	24,899	21,201	25.01
Probable	5,176	4,091	3,317	2,752	2,328	4,132	13,254	2,677	2,231	1,896	22.04
Total Proved Plus Probable	62,242	49,574	40,454	33,708	28,596	49,402	39,522	32,522	27,131	23,103	24.73

The following table provides a breakdown of various elements of future net revenue attributable to *Proved* reserves and *Proved plus Probable* reserves of the Company using forecast prices and costs and calculated with discount:

**TOTAL FUTURE NET REVENUE (UNDISCOUNTED)
AS OF JUNE 30, 2011
FORECAST PRICES AND COSTS**

Reserves Category	Revenue (\$000s)	Royalties (\$000s)	Operating Costs (\$000s)	Development Costs (\$000s)	Abandonment Costs (\$000s)	Future Net Revenue Before Income Taxes (\$000s)	Future Income Taxes (\$000s)	Future Net Revenue After Future Income Taxes (\$000s)
Proved	91,917	6,060	21,136	7,002	654	57,066	8,323	45,818
Proved Plus Probable	99,813	6,649	22,378	7,831	714	62,242	12,840	49,402

The following table details by production group the net present value of future net revenue (before deducting future income tax expenses) estimated using forecast prices and costs and calculated using a discount rate of 10%:

**FUTURE NET REVENUE BY PRODUCTION GROUP
AS OF JUNE 30, 2011
FORECAST PRICES AND COSTS**

Reserves Category	Production Group	Future Net Revenue Before Income Taxes (discounted at 10%/year) (\$000s)	Unit Value Before Income Taxes (Discounted at 10%/year) (\$/BOE)
Proved	Light and Medium Crude Oil (including solution gas and other by-products)	37,128	25.29
	Natural Gas (including associated by-products)	9	0.51
Proved Plus Probable	Light and Medium Crude Oil (including solution gas and other by-products)	40,445	24.99
	Natural Gas (including associated by-products)	9	0.51

Pricing Assumptions

The following table details the benchmark reference prices for the regions in which the Company as at June 30, 2011 reflected in the reserve data disclosed under "Statement of Reserves Data and Other Oil and Gas Information – Disclosure of Reserves Data". These pricing assumptions were taken from the forecast prices as at June 30, 2011 provided by Sproule Associates Limited, which are independent qualified reserves evaluators and auditors.

SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS AS AT JUNE 30, 2011 FORECAST PRICES AND COSTS

Year	WTI Cushing Oklahoma (\$US/bbl)	NATURAL GAS (\$US/Mcf)	INFLATION (2) RATES %/Year	EXCHANGE (2) RATE (\$US/\$Cdn)
Historical:				
2009	61.63	4.01	-	-
2010	79.43	4.39	-	-
2011 6 mo. Act	98.27	4.21	-	-
Forecast:				
2011 6 mo. Est	99.79	4.67	1.5	1.0
2012	101.50	4.97	1.5	1.0
2013	100.98	5.27	1.5	1.0
2014	97.91	6.19	1.5	1.0
2015	97.42	7.04	1.5	1.0
2016	99.37	7.18	1.5	1.0
2017	101.35	7.32	1.5	1.0
2018	103.38	7.47	1.5	1.0
2019	105.45	7.62	1.5	1.0
2020	107.56	7.77	1.5	1.0
2021 ⁽¹⁾	109.71	7.92	1.5	1.0

(1) Annual Escalation Rate for oil and natural gas prices of 2% thereafter.

(2) Exchange rates used to generate the benchmark reference prices in this table.

Reconciliations of Changes in Reserves and Future Net Revenue

The following table outlines the reconciliation of changes in the net reserves estimates for the Company for the period from June 30, 2010 to June 30, 2011, using forecast prices and costs.

RECONCILIATION OF CORPORATION GROSS RESERVES (BEFORE ROYALTY) AS AT JUNE 30, 2011 FORECAST PRICES AND COSTS

FACTORS	LIGHT AND MEDIUM OIL			NATURAL GAS		
	Proved (Mbbl)	Probable (Mbbl)	Proved Plus Probable (Mbbl)	Proved (MMcf)	Probable (MMcf)	Proved Plus Probable (MMcf)
June 30, 2010	989	3	992	999	-	999
Extensions	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-
Technical Revisions	(77)	44	(33)	23	-	23
Discoveries	-	-	-	-	-	-
Acquisitions	686	65	751	462	225	687
Dispositions	(230)	-	(230)	-	-	-
Economic Factors	(156)	-	(156)	26	-	26
Production	19	-	19	20	-	20
June 30, 2011	1,230	113	1,343	1,531	225	1,756

Significant Factors or Uncertainties

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. The Company's reserves are evaluated by Harper & Associated, Inc., an independent engineering firm. As circumstances change and additional data become available, reserve estimates also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and governmental restrictions. Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. As a result, the subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimates can arise from changes in year-end oil and gas prices, and reservoir performance. Such revisions can be either positive or negative. These factors and uncertainties shall be discussed in greater detail in the Company's annual financial statements and management discussion and analysis for the period ended June 30, 2011.

Future Development Costs

The following table details the development costs deducted in the estimation of future net revenue attributable to proved and proved plus probable reserves of the Company (estimated using forecast prices and costs):

FUTURE DEVELOPMENT COSTS FORECAST AS AT JUNE 30, 2011

Year	Proved Reserves (\$000s)	Probable Reserves (\$000s)	Proved and Probable (\$000s)
2011	1,422	35	1,457
2012	3,475	85	3,560
2013	1,881	0	1,881
Thereafter	235	697	932

The Company's source of funding for future development cost of the Company's reserves will be derived from a combination of cash-flow, debt, new equity financing, farm-outs or similar arrangements. Management of the Company does not anticipate that the costs of funding referred to above will materially affect the Company's disclosed reserves and future net reserves or will make the development of any of the Company's properties uneconomic.

Undeveloped Reserves

The Company attributed *Proved Undeveloped* reserves for one location in South Texas expected to be drilled to the Slick Wilcox in the next 18 months, two well locations in East Texas, expected to be drilled to the Woodbine and Sub-Clarksville formations in the next 24 months, and three well locations in Central Oklahoma, expected to be drilled to the Bromide in the next 24 months. The Company also attributed *Probable Undeveloped* reserves for one location in East Texas, expected to be drilled to the Sub-Clarksville formation in the next 36 months. These *Proved Undeveloped* reserves and *Probable Undeveloped* reserves were determined by analogy to offset wells. These reserves represent approximately 19% of total *Proved* oil reserves and 33% of total *Proved* natural gas reserves, and 38% of *Probable* oil reserves.

PROVED UNDEVELOPED GROSS RESERVES VOLUMES, YEAR OF ATTRIBUTION OF RESERVES AS AT JUNE 30, 2011

Year	Light and Medium Oil				Natural Gas (non-associated and associated)			
	1 st Attributed (Mbbbl)	Revised (Mbbbl)	Dispositions (Mbbbl)	Booked (Mbbbl)	1 st Attributed (MMcf)	Revised (MMcf)	Dispositions (MMcf)	Booked (MMcf)
Prior to 2010	-	-	-	-	-	-	-	-
2010	115	5	-	120	652	76	-	728
2011	120	-	-	120	-	-	-	-
Total	235	5	-	235	652	76	-	816

**PROBABLE UNDEVELOPED GROSS RESERVES VOLUMES, YEAR OF ATTRIBUTION OF RESERVES
AS AT JUNE 30, 2011**

Light and Medium Oil				
Year	1 st Attributed (Mbbbl)	Revised (Mbbbl)	Dispositions (Mbbbl)	Booked (Mbbbl)
Prior to 2010	-	-	-	-
2010	-	-	-	-
2011	39	-	-	-
Total	39	-	-	39

Oil and Gas Properties and Wells

All the Company's properties are located onshore in mature basins, and therefore forecast production has low decline rates and relatively high predictability of reservoir performance.

East Texas Properties

With respect to the Company's properties in East Texas, the *Proved Developed Producing* reserves and *Proved Developed Non-producing* reserves are located in Wood, Gregg and Rusk Counties, Texas.

South Texas Properties

With respect to the Company's properties in South Texas, all reserves are in Bee County, Texas.

Oklahoma Properties

With respect to the Company's properties in Oklahoma, the *Proved Developed Producing* reserves are located in the central part of the State in Garvin County; the *Proved Developed Non-Producing* reserves are in Seminole and Potawatomie Counties, Oklahoma.

Tennessee Properties

The Company also owns a non-operated interest in some *Proved Developed Producing* reserves in Overton County, Tennessee.

Non-producing Properties

The Properties for which reserves were attributed, but are not currently producing, have not produced in several years. The primary reason is neglect of the operator, not known reservoir restrictions or other limitations. The Company has plans to reactive those wells mechanically and then subsequently rework them, add stimulation, and then may eventually commence water-flooding.

Location and Type of Wells

In Texas, production was 99% crude oil during the year ended June 30, 2011. However, with the purchase of the Thunder properties, natural gas production should account for up to 10% of revenues in the future. In Central Oklahoma, production is approximately 60% gas and 40% oil by sales value. In Tennessee, production is 100% oil. The following table summarizes the gross and net wells held by the Company as at June 30, 2011:

SUMMARY OF GROSS AND NET PRODUCING AND NON-PRODUCING WELLS AS AT JUNE 30, 2011

WELL TYPE	EAST TEXAS	SOUTH TEXAS	OKLAHOMA	TENNESSEE	KENTUCKY	TOTAL
Gross Producing Oil Wells	117.00	4.00	2.00	5.00	-	128.00
Gross Producing Gas Wells	-	-	2.00	-	-	2.00
Total Gross Producing Wells ⁽¹⁾	117.00	4.00	4.00	5.00	0	130.00
Gross Non-Producing Wells	102.00	1.00	11.00	-	9.00	123.00
TOTAL Gross Wells	219.00	5.00	15.00	5.00	9.00	253.00
Net Producing Oil Wells	116.10	4.00	1.71	1.00	-	122.81
Net Producing Gas Wells	-	-	1.90	-	-	1.9
Total Net Producing Wells ⁽¹⁾	116.10	4.00	3.61	1.00	-	124.71
Net Non-Producing Wells	102.00	1.00	10.29	-	4.50	117.79
TOTAL Net Wells	218.10	5.00	13.90	1.00	4.50	242.50

Properties with No Attributed Reserves

As at June 30, 2011, the Company did not own any interests in any properties in Texas or Oklahoma for which there are no reserves attributed. However, the Company owned a 50% working interest in an onshore property with approximately 4,000 gross acres (4,000 net acres) in and around Morgan County, Kentucky, with nine wells and a gathering line system connected to a pipeline.

Forward Contracts

The Company sells the crude oil it produces to a variety of purchasers, including Sunoco, High Sierra and. The Company sells its gas to OneOk Gas Pipeline on a monthly pricing basis, with no minimum sales requirements.

Additional Information Concerning Abandonment and Reclamation Costs

The Company performs an initial review and environmental study assessing any abandonment retirement obligations when it purchases each property. Additionally, the Company conducts an annual review of its forecast abandonment costs. The initial and annual review considers the following factors in assessing liability: well depth, nature of the production stream, the nature, location and condition of the surface lease, age of the well and/or facility, number of zones to be abandoned, and presence of salvageable equipment such as tanks, tubing, and rods. The Company owns a total 242.50 net wells, all of which will eventually need to be abandoned. The costs of Abandonment of these wells are determined net of salvage, and were estimated as at June 30, 2011, in the aggregate, using an inflation rate for costs of 3% and a discount rate of 10%, to have a present value of CA\$1,556,598, none of which is expected to be incurred in the next three years.

Tax Horizon

The Company has a tax loss carry forward from prior years, and does not forecast having any taxable income until after the completion of the 2013 tax year.

Costs Incurred

All properties owned by the Company are in the United States. During the year ended June 30, 2011, the Company acquired two properties: (1) the Colgate properties in Gregg and Rusk counties, Texas, at a cost of CA\$3,805,000 (US\$3,805,000) plus any assumed abandonment retirement obligations, and (2) the Thunder properties in Bee County, Texas, at a cost of CA\$1,569,170 (US\$1,630,000) plus any assumed abandonment retirement obligations. The Company also incurred CA\$3,106,000 in capitalized development costs on its properties.

The following table summarizes the capital expenditures related to the Company's activities for the year ended June 30, 2011:

SUMMARY OF CAPITAL EXPENSES, FIXED ASSETS FOR THE YEAR ENDED JUNE 30, 2011

	Exploration (\$000s)	Development (\$000s)	Total (\$000s)
Property Acquisitions	-	5,874	5,874
New Abandonment Retirement Obligations	-	856	856
Land or Drilling , Completion, Tie-ins New Wells	-	-	-
Development Existing Wells and Facilities	-	3,106	3,106
TOTAL	-	9,836	9,836

Exploration and Development Activities

No exploration or development drilling was performed during the year ended June 30, 2011.

Production Estimates

During the year ended June 30, 2011, the Company produced in the aggregate 27,999 bbls of crude oil and 20,119 mcfs of natural gas.

In the remaining six months of 2011, it is estimated that the Company will produce 24,000 bbls of crude oil and 18,000 Mcfs of natural gas. In 2012, it is estimated that the Company will produce 94,000 bbls of crude oil and 125,000 Mcfs of natural gas.

Production History

The following table summarizes the production history of the Company for the year ended June 30, 2011, by providing average daily production, sales and cost information per barrel or mcf, net to the Company's working interests (prices and costs shown in US dollars):

SUMMARY OF NET PRODUCTION HISTORY, NETBACKS FOR THE YEAR ENDED JUNE 30, 2011

	Light & Medium Oil (bbls)	Light & Medium Oil (bbls)	Natural Gas (mcfs)
Avg. Daily Production	89.91	89.91	55.12
Price	67.25	67.25	4.33
Royalties & Taxes	3.4	3.4	0.30
Production Costs	29.61	29.61	0.48
Netback	34.24	34.24	3.55

For readers who are accustomed to seeing netbacks from companies who have properties in Canada, the sales price, royalties and production taxes may appear low; this is because the Company is not the "first purchaser" of its crude produced in the USA, and therefore does not account for sales or pay royalties, accounting only for revenues to its own net revenue interest.

Note that with many recent acquisitions and reactivations the Company has had limited production history with most of its wells on production, so future production rates and costs could vary material from the data presented here.

DEFINITIONS, NOTES AND OTHER CAUTIONARY STATEMENTS

In this document, the abbreviations set forth below have the following meanings:

bbl	Barrel.
bbl/d	Barrels per day.
Mbbl	Thousands of barrels.
Mcf	Thousand cubic feet.
Mcf/d	Thousand cubic feet per day.
BOEs	Barrel of Oil Equivalent. Note that BOEs may be misleading, particularly if used in isolation. The BOE conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.
°API	An indication of the specific gravity of crude oil measured on the API gravity scale. Liquid petroleum with a specified gravity of 28° API or higher is generally referred to as light crude oil.
\$000s	Thousands of dollars.
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade

Certain terms used herein but not defined herein are defined in NI 51-101 and shall have the same meanings herein as in NI 51-101. The following words and phrases have the following meanings, unless the context otherwise requires:

"Abandonment costs" means costs of abandoning a well and surface lease reclamation. They do not include costs of abandoning the gathering system, suspended wells, batteries, plants, or processing facilities.

"COGEH" 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;

"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 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, pumping equipment and wellhead assembly;
- (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 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.

"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 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, geo-chemical, 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;

- (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.

"Gross" means:

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

"Net" means:

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

"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.

"Property" includes:

- (a) fee ownership or a lease, concession, agreement, permit, licence or other interest representing the right to extract oil or gas subject to such terms as may be imposed by the conveyance of that interest;
- (b) royalty interests, production payments payable in oil or gas, and other non-operating interests in properties operated by others; and
- (c) an agreement with a foreign government or authority under which a reporting issuer participates in the operation of properties or otherwise serves as "producer" of the underlying reserves (in contrast to being an independent purchaser, broker, dealer or importer).

A property does not include supply agreements, or contracts that represent a right to purchase, rather than extract, oil or gas.

"Property acquisition costs" means costs incurred to acquire a property (directly by purchase or lease or indirectly by acquiring another corporate entity with an interest in the property), including:

- (a) costs of lease bonuses and options to purchase or lease a property;
- (b) the portion of the costs applicable to hydrocarbons when land including rights to hydrocarbons is purchased in fee;
- (c) brokers' fees, recording fees, legal costs and other costs incurred in acquiring properties.

“Reserves” are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on (a) analysis of drilling, geological, geophysical, and engineering data; (b) the use of established technology; and (c) specified economic conditions, which are generally accepted as being reasonable and shall be disclosed; and (d) a remaining reserve life of 50 years. Reserves are classified according to the degree of certainty associated with the estimates. Reserves categories are:

“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.

“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 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.

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

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

FORWARD-LOOKING STATEMENTS

Certain of the statements contained herein including, without limitation, financial and business prospects and financial outlook, reserve and production estimates, drilling and re-completion plans, timing of drilling, re-completion and tie-in of wells, productive capacity of wells and productive capacity of wells and capital expenditures and the timing thereof may be forward-looking statements. Words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "estimate", "forecast", "intend", "plan", "potential", "continue" and similar expressions may be used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve significant risk and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources and the risk factors outlined under "Risk Factors" and elsewhere herein. The recovery and reserve estimates of the Company's reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhausted. Additional information on these and other factors that could affect the Company's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and the Company assumes no obligation to update or review them to reflect new events or circumstances except as required by applicable securities laws.

Forward-looking statements and other information contained herein concerning the oil and gas industry and the Company's general expectations concerning this industry is based on estimates prepared by management using data from publicly available industry sources as well as from reserve reports, market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

**Form 51-101F2
Report on Reserves Data
By
Independent Qualified Reserves Evaluator**

To the Board of Directors of Gale Force Petroleum Inc., hereinafter referred to as (the "Company"):

1. We have evaluated the Company's Reserves Data as of June 30, 2011. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as of June 30, 2011, 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 Canadian Oil and Gas Evaluation Handbook (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 as of June 30, 2011, and identifies the respective portions thereof that we have evaluated and reported on to the Company's management and Board of Directors:

Independent Qualified Reserves Evaluator or Auditor	Description and Preparation Date of Evaluation Report	Location of Reserves (Country)	Net Present Value of Future Net Revenue			
			Before Income Taxes		10% Discount Rate)	
			Audited (US\$)	Evaluated (US\$)	Reviewed (US\$)	Total (US\$)
Harper & Associates, Inc.	Appraisal of Certain Oil and Gas Properties Owned by Gale Force Petroleum, Inc. Located in Oklahoma, Tennessee, and Texas As of June 30, 2011	USA		40,454,200		40,454,200

5. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are presented in accordance with the COGE Handbook.
6. We have no responsibility to update the report referred to in paragraph 4 for events and circumstances occurring after their respective preparation date.
7. 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.

Executed as to our report referred to above:

Harper and Associates, Inc.
6815 Manhattan Blvd., Ste. 201
Fort Worth, TX, USA 76120
Executed October 26, 2011



 Michael Harper
 Professional Petroleum Engineer
 President
 P. E. # 34481 Texas

REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

Management of Gale Force Petroleum Inc. (the "Company") is responsible for the preparation and disclosure of information with respect to the Corporation's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data which are estimates of proved reserves and probable reserves and related future net revenue as at June 30, 2011, estimated using forecast prices and costs.

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

The Reserves Committee of the board of directors has

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

The Reserves Committee of the Board of Directors has reviewed the Corporation's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The Board of Directors has, on the recommendation of the Reserves Committee, approved

- a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
- b) the Company not filing Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data because the Corporation has no reserves; and
- c) the content and filing of this report.

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.

"Signed"
Michael McLellan, CFA
Chairman of the Board and Chief Executive Officer

"Signed"
Ruben Alba
Director, Chairman of the Reserves Committee

"Signed"
Robert Johnson
Director, Member of the Reserves Committee

"Signed"
Charles Marleau
Director, Member of the Reserves Committee