



**FORM 51-101F1**

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

For the Year Ended December 31, 2007

March 28, 2008

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## GLOSSARY OF TERMS

“**Addendum**” means the Addendum to the Plan of Development for the Patos Marinza oilfield submitted by Bankers Albania to Albpetrol and the AKBN in March 2008;

“**AKBN**” means the National Agency for Natural Resources in Albania;

“**AIF**” refers to the Company’s Annual Information Form filed on SEDAR;

“**AIM**” means the Alternative Investment Market of the London Stock Exchange;

“**AIT**” stands for ‘After Income Taxes’;

“**Albpetrol**” means Albpetrol Sh.A, an Albanian state-owned agency;

“**API**” is an indication of the specific gravity of crude oil measured on the American Petroleum Institute gravity scale;

“**ARMO**” means Armo Sh. A, the Albanian Refining and Marketing Organization;

“**Bankers**” means Bankers Petroleum Ltd.;

“**Bankers Albania**” means Bankers Petroleum Albania Ltd., formerly Bankers Petroleum International Ltd. and Saxon International Energy Ltd., a subsidiary of the Company;

“**Bankers US**” means Bankers Petroleum (US) Inc., a subsidiary of the Company;

“**BIT**” stands for ‘Before Income Taxes’;

“**Centillion**” means Centillion Industries Inc., a public company the shares of which trade on the NEX board of the TSX Venture Exchange;

“**Company**” means Bankers Petroleum Ltd.;

“**License Agreement**” refers to the agreement between AKBN and Albpetrol to which Bankers became a party;

“**MHA**” means MHA Petroleum Consultants, Inc., independent petroleum engineering consultants of Lakewood, CO, U.S.;

“**NI 51-101**” refers to National Instrument 51-101;

“**Petroleum Agreement**” refers to the agreement between Bankers and Albpetrol that governs the Company’s ownership and production sharing terms in the Patos-Marinza heavy oilfield;

“**PoD**” means the Plan of Development for the Patos-Marinza oilfield;

“**RPS**” means RPS Energy Canada Ltd. (formerly APA Petroleum Engineering Inc.), independent petroleum engineering consultants of Calgary, Alberta;

“**TSX**” means TSX Inc., carrying on business as the Toronto Stock Exchange; and

“**Vintage**” means Vintage Petroleum LLC.

### *Abbreviations*

API	American Petroleum Institute
Bbl	Barrel
Bbls	Barrels
Bcfe	Billion cubic feet of gas equivalent
Boe	Barrels of oil equivalent (converted at 6 Mcf to 1 Boe)
Bopd	Barrels of oil per day
Mbbls	Thousand barrels
MMboe	Millions of barrels of oil equivalent
Mcf	Thousand cubic feet
MMcf	Million cubic feet
Mcf/d	Thousand cubic feet per day
Bcf	Billion cubic feet
Brent	Brent crude oil

## **PART 1: INTRODUCTION**

The effective date of the information being provided in this statement is December 31, 2007. The preparation date of the information being provided in this statement is March 28, 2008. For a glossary of terminology and definitions relating to the information included within this statement (including the aforementioned dates), readers are referred to NI 51-101.

### **Reserves and Future Net Revenue**

The following is a summary of the oil and natural gas reserves and the net present values of future net revenue of Bankers Petroleum Ltd.'s wholly owned subsidiaries Bankers Petroleum Albania Ltd. and Bankers Petroleum (U.S.) Inc. as evaluated by RPS and MHA, respectively. The Company's properties with assigned reserves are (1) the Patos Marinza field in Albania and (2) the Tishomingo Woodford shale gasfield in Oklahoma, U.S. RPS and MHA are independent qualified reserves evaluators appointed by the Company pursuant to NI 51-101. The majority of the Company's oil and gas properties with reserves are located in Albania and were independently evaluated by RPS. MHA evaluated the Oklahoma properties. Readers should note that totals in the following tables may not add due to rounding.

Albanian taxes throughout this evaluation are based on project cash flows, assuming no financing charges.

**The estimated future net revenue figures contained in the following tables do not necessarily represent the fair market value of the Company's reserves. There is no assurance that the forecast price and cost assumptions contained in either the RPS or MHA Report will be attained and variances could be material. Other assumptions relating to costs and other matters are included in the RPS Report and the MHA Report. The recovery and reserves estimates attributed to the Company's properties described herein are estimates only. The actual reserves attributed to the Company's properties may be greater or less than those calculated.**

*All dollar values are expressed in U.S. dollars, unless otherwise indicated.*

### **Cautionary Statements**

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.

BOE's may be misleading, particularly if used in isolation. A boe conversion ratio of six mcf to one barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

## PART 2: DISCLOSURE OF RESERVES DATA

### 2.1 Reserves Data (Forecast Prices and Costs)

Summary of Oil and Gas Reserves As of December 31, 2007 Forecast Prices & Costs								
Reserve Category	Albania		United States					
	Heavy Oil		Light & Medium Oil		Natural Gas		Natural Gas Liquids	
	BNK Gross (Mbbbl)	Net (Mbbbl)	BNK Gross (Mbbbl)	Net (Mbbbl)	BNK Gross (MMcf)	Net (MMcf)	BNK Gross (Mbbbl)	Net (Mbbbl)
Proved								
Developed Producing	13,986.0	11,974.0	40.0	32.5	4,716.8	3,832.4	235.82	191.6
Developed Non-Producing	-	-	-	-	-	-	-	-
Undeveloped	36,821.0	31,701.0	101.9	82.8	9,415.5	7,650.1	470.77	382.5
<b>Total Proved</b>	<b>50,807.0</b>	<b>43,674.0</b>	<b>141.9</b>	<b>115.3</b>	<b>14,132.3</b>	<b>11,482.5</b>	<b>706.6</b>	<b>574.1</b>
Probable	96,248.0	89,004.0	209.7	170.4	28,278.4	22,976.2	1,413.9	1,148.8
<b>Total Proved Plus Probable</b>	<b>147,055.0</b>	<b>132,678.0</b>	<b>351.6</b>	<b>285.7</b>	<b>42,410.7</b>	<b>34,458.7</b>	<b>2,120.5</b>	<b>1,722.9</b>
Possible	93,505.0	87,542.0	-	-	14,809.5	12,032.7	740.4	601.6
<b>Total Proved, Probable &amp; Possible</b>	<b>240,560.0</b>	<b>220,220.0</b>	<b>351.6</b>	<b>285.7</b>	<b>57,220.2</b>	<b>46,491.4</b>	<b>2,860.9</b>	<b>2,324.5</b>

Note: May not add due to rounding

Summary of Oil & Gas Reserves As at December 31, 2007 Forecast Prices & Costs		
Reserve Category	Reserves	
	Total	
	BNK Gross (Mboe)	Net (Mboe)
Proved		
Developed Producing	15,048.0	12,836.8
Developed Non-Producing	-	-
Undeveloped	38,962.9	33,441.3
<b>Total Proved</b>	<b>54,010.9</b>	<b>46,277.2</b>
Probable	102,584.7	94,152.6
<b>Total Proved Plus Probable</b>	<b>156,595.6</b>	<b>140,429.7</b>
Possible	96,713.7	90,149.1
<b>Total Proved, Probable &amp; Possible</b>	<b>253,309.3</b>	<b>230,578.8</b>

Note: May not add due to rounding  
Boe basis: 6 Mcf to 1 boe

**Net Present Value of Future Net Revenue**  
**As of December 31, 2007**  
**Forecast Prices & Costs**

Reserve Category	Net Present Value of Future Net Revenue (\$ millions)									
	Before Income Taxes					After Income Taxes				
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%
<b>Albania</b>										
Proved										
Developed Producing	175.7	151.5	132.4	117.0	104.7	114.6	103.2	93.4	85.1	78.2
Developed Non-Producing	-	-	-	-	-	-	-	-	-	-
Undeveloped	568.0	394.3	281.0	204.6	151.6	277.8	193.6	137.2	98.5	71.3
Total Proved	743.8	546.9	413.3	321.7	256.3	392.6	296.8	230.6	183.6	149.5
Probable	2,469.4	1,494.5	979.9	682.9	498.4	1,208.7	743.1	489.5	341.4	249.0
Total Proved Plus Probable	3,213.2	2,040.3	1,393.2	1,004.5	754.7	1,601.1	1,039.9	720.1	525.0	398.4
Possible	3,174.2	1,231.9	576.6	311.5	187.9	1,573.5	615.4	289.0	156.7	95.0
Total Proved, Probable & Possible	6,387.5	3,272.3	1,969.9	1,316.0	942.5	3,174.6	1,655.2	1,009.2	681.7	493.4
<b>United States</b>										
Proved										
Developed Producing	53.1	18.9	13.4	10.9	9.5	35.2	12.5	8.8	7.2	6.3
Developed Non-Producing	-	-	-	-	-	-	-	-	-	-
Undeveloped	72.7	30.1	17.0	10.8	7.1	48.2	19.9	11.2	7.1	4.6
Total Proved	125.8	48.9	30.4	21.7	16.6	83.4	32.4	20.1	14.3	10.9
Probable	235.9	101.7	60.6	41.4	30.2	156.4	67.4	40.2	27.5	20.0
Total Proved Plus Probable	361.7	150.6	91.0	63.2	46.8	239.8	99.8	60.2	41.8	30.9
Possible	153.5	59.3	36.6	26.6	21.0	101.8	39.3	24.3	17.7	13.9
Total Proved, Probable & Possible	515.2	209.9	127.6	89.8	67.8	341.6	139.1	84.5	59.4	44.8
<b>Total</b>										
Proved										
Developed Producing	228.8	170.4	145.8	127.9	114.2	149.8	115.7	102.2	92.3	84.5
Developed Non-Producing	-	-	-	-	-	-	-	-	-	-
Undeveloped	640.7	424.4	298.0	215.4	158.7	326.0	213.5	148.4	105.6	75.9
Total Proved	869.6	595.8	443.7	343.4	272.9	476.0	329.2	250.7	197.9	160.4
Probable	2,705.3	1,596.2	1,040.5	724.3	528.6	1,365.1	810.5	529.7	368.9	269.0
Total Proved Plus Probable	3,574.9	2,190.9	1,484.2	1,067.7	801.5	1,840.9	1,139.7	780.3	566.8	429.3
Possible	3,327.7	1,291.2	613.2	338.1	208.9	1,675.3	654.7	313.3	174.4	108.9
Total Proved, Probable & Possible	6,902.7	3,482.2	2,097.5	1,405.8	1,010.3	3,516.2	1,794.3	1,093.7	771.1	538.2

Note: May not add due to rounding

**Total Future Net Revenue (Undiscounted – by Reserve Category)**  
*As of December 31, 2007*  
**Forecast Prices & Costs**

<i>Reserve Category (\$ millions)</i>	Revenue	Royalties	Oper. Costs	Severance Taxes (M\$)	Devel. Costs	Abandonment & Reclamation Costs	Future Net Revenue BIT	Income Taxes	Future Net Revenue AIT
<b>Albania</b>									
Total Proved	2,402.9	264.8	1,116.7	-	253.7	23.9	743.8	351.4	392.4
Total Proved Plus Probable	7,491.8	601.4	3,098.7	-	537.2	41.3	3,213.2	1,612.1	1,601.1
Total Proved, Probable & Possible	13,393.3	891.1	5,461.8	-	614.2	38.7	6,387.5	3,212.9	3,174.6
<b>United States</b>									
Total Proved	242.4	45.5	43.9	11.6	15.6	-	125.8	42.4	83.4
Total Proved Plus Probable	682.3	127.9	115.4	31.5	45.8	-	361.7	121.9	239.8
Total Proved, Probable & Possible	927.6	173.9	148.8	43.9	45.8	-	515.2	173.6	341.6
<b>Total</b>									
Total Proved	2,645.3	310.3	1,160.6	11.6	269.3	23.9	869.6	393.8	475.8
Total Proved Plus Probable	8,174.1	729.3	3,214.1	31.5	583.0	41.3	3,574.9	1,734.0	1,840.9
Total Proved, Probable & Possible	14,320.9	1,065.0	5,610.6	43.9	660.0	38.7	6,902.7	3,386.5	3,516.2

*Note: Well abandonment costs assumed to be salvage value for U.S. properties*

**Total Future Net Revenue by Production Group (NPV discounted 10%, BIT)**  
*As of December 31, 2007*  
**Forecast Prices & Costs**

<i>Reserve Category (\$ millions)</i>	Albania		United States	
	Heavy Oil	Unit Value	Boe	Unit Value
Total Proved	413.3	8.14	30.4	11.66
Total Proved Plus Probable	1,393.2	9.47	90.9	11.73
Total Proved, Probable + Possible	1,969.9	8.19	127.6	12.31

## 2.2 Reserves Data (Constant Prices and Costs – Optional Reporting)

Summary of Oil and Gas Reserves As of December 31, 2007 Constant Prices & Costs								
Reserve Category	Albania		United States					
	Heavy Oil		Light & Medium Oil		Natural Gas		Natural Gas Liquids	
	BNK Gross (Mbbbl)	Net (Mbbbl)	BNK Gross (Mbbbl)	Net (Mbbbl)	BNK Gross (MMcf)	Net (MMcf)	BNK Gross (Mbbbl)	Net (Mbbbl)
Proved								
Developed Producing	15,112.9	12,913.6	40.0	32.5	4,716.8	3,832.4	235.82	191.6
Developed Non-Producing	-	-	-	-	-	-	-	-
Undeveloped	38,387.0	32,944.9	101.9	82.8	9,415.5	7,650.1	470.77	382.5
Total Proved	53,500.0	45,858.5	141.9	115.3	14,132.3	11,482.5	706.6	574.1
Probable	98,878.0	90,682.6	209.7	170.4	28,278.4	22,976.2	1,413.9	1,148.8
Total Proved Plus Probable	152,378.0	136,541.1	351.6	285.7	42,410.7	34,458.7	2,120.5	1,722.9
Possible	88,182.0	83,214.1	-	-	14,809.5	12,032.7	740.4	601.6
Total Proved, Probable & Possible	240,560.0	219,755.2	361.6	285.7	57,220.2	46,491.4	2,860.9	2,324.5

Note: May not add due to rounding

Summary of Oil & Gas Reserves As at December 31, 2007 Constant Prices & Costs		
Reserve Category	Reserves	
	Total	
	BNK Gross (Mboe)	Net (Mboe)
Proved		
Developed Producing	16,174.9	13,776.4
Developed Non-Producing	-	-
Undeveloped	40,528.9	34,685.2
Total Proved	56,703.9	48,461.7
Probable	105,214.7	95,813.2
Total Proved Plus Probable	161,918.6	144,292.8
Possible	91,390.7	85,821.2
Total Proved, Probable & Possible	253,309.3	230,114.0

Note: May not add due to rounding  
Boe basis: 6 Mcf to 1 boe

**Net Present Value of Future Net Revenue**  
*As of December 31, 2007*  
**Constant Prices & Costs**

Reserve Category	Net Present Value of Future Net Revenue (M\$)									
	Before Income Taxes					After Income Taxes				
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%
<b>Albania</b>										
Proved										
Developed Producing	286.3	237.9	201.8	174.4	153.0	170.7	147.5	129.3	114.9	103.5
Developed Non-Producing	-	-	-	-	-	-	-	-	-	-
Undeveloped	881.4	609.1	436.7	322.9	244.8	436.7	302.6	216.5	159.2	119.6
Total Proved	1,167.7	847.0	638.6	497.3	397.8	607.4	450.1	345.8	274.1	223.0
Probable	3,069.4	1,849.7	1,225.6	867.7	644.2	1,517.4	922.8	613.1	434.4	322.8
Total Proved Plus Probable	4,237.1	2,696.7	1,864.2	1,365.0	1,042.0	2,124.8	1,372.9	958.9	708.5	545.8
Possible	3,188.8	1,293.9	630.3	350.5	215.2	1,593.8	647.3	315.4	175.6	108.0
Total Proved, Probable & Possible	7,425.8	3,990.7	2,494.4	1,715.5	1,257.2	3,718.7	2,020.1	1,274.3	884.1	653.8
<b>United States</b>										
Proved										
Developed Producing	28.0	14.8	11.4	9.7	8.6	18.5	9.8	7.6	6.4	5.7
Developed Non-Producing	-	-	-	-	-	-	-	-	-	-
Undeveloped	43.8	20.6	12.1	7.6	4.7	29.1	13.7	8.0	5.0	3.1
Total Proved	71.8	35.5	23.5	17.3	13.3	47.6	23.5	15.5	11.4	8.7
Probable	145.4	71.7	45.1	31.4	22.9	96.4	47.5	29.9	20.8	15.2
Total Proved Plus Probable	217.2	107.2	68.6	48.7	36.2	144.0	71.0	45.4	32.2	23.9
Possible	88.2	42.5	28.3	21.3	17.2	58.5	28.2	18.8	14.1	11.4
Total Proved, Probable & Possible	305.4	149.7	96.9	70.0	53.3	202.5	99.2	64.2	46.3	35.2
<b>Total</b>										
Proved										
Developed Producing	314.3	252.7	213.2	184.1	161.6	189.2	157.3	136.9	121.3	109.2
Developed Non-Producing	-	-	-	-	-	-	-	-	-	-
Undeveloped	925.2	629.7	448.8	330.5	249.5	465.8	316.3	224.5	164.2	122.7
Total Proved	1,239.5	882.4	662.1	514.6	411.1	655.0	473.6	361.4	285.5	231.8
Probable	3,214.8	1,921.5	1,270.7	899.1	667.1	1,613.8	970.3	642.9	455.2	337.9
Total Proved Plus Probable	4,454.3	2,803.9	1,932.8	1,413.7	1,078.2	2,268.8	1,443.9	1,004.3	740.7	569.7
Possible	3,277.0	1,336.4	658.6	371.8	232.4	1,652.3	675.5	334.2	189.7	119.4
Total Proved, Probable & Possible	7,731.2	4,140.4	2,591.3	1,785.5	1,310.5	3,921.2	2,119.3	1,338.5	930.4	689.0

**Total Future Net Revenue (Undiscounted – by Reserve Category)**  
*As of December 31, 2007*  
**Constant Prices & Costs**

Reserve Category	Revenue (M\$)	Royalties (M\$)	Oper. Costs (M\$)	Severance Taxes (M\$)	Devel. Costs (M\$)	Abandonment & Reclamation Costs (M\$)	Future Net Revenue BIT (M\$)	Income Taxes (M\$)	Future Net Revenue AIT (M\$)
<b>Albania</b>									
Total Proved	2,898.4	328.8	1,138.6	-	246.1	17.2	1,167.7	560.3	607.4
Total Proved Plus Probable	8,255.3	697.6	2,791.4	-	506.9	22.3	4,237.1	2,112.2	2,124.8
Total Proved, Probable & Possible	13,032.7	895.2	4,143.7	-	550.1	17.9	7,425.8	3,707.2	3,718.7
<b>United States</b>									
Total Proved	141.3	26.5	21.4	6.0	15.6	-	71.8	24.2	47.6
Total Proved Plus Probable	416.9	78.2	58.9	16.9	45.7	-	217.2	73.2	1,440
Total Proved, Probable & Possible	550.9	103.3	73.4	23.1	45.7	-	305.4	102.9	202.5
<b>Total</b>									
Total Proved	3,039.7	355.3	1,160.0	6.0	261.7	17.2	1,239.5	584.5	655.0
Total Proved Plus Probable	8,672.2	775.8	2,850.3	16.9	552.6	22.3	4,454.3	2,185.4	3,564.8
Total Proved, Probable & Possible	13,583.6	998.5	4,217.1	23.1	595.8	17.9	7,731.2	3,810.1	3,921.2

Note: Well abandonment costs assumed to be salvage value for U.S. properties

**Total Future Net Revenue by Production Group (NPV discounted 10%, BIT)**  
*As of December 31, 2007*  
**Constant Prices & Costs**

Reserve Category (\$ millions)	Albania		United States	
	Heavy Oil	Unit Value	Boe	Unit Value
Total Proved	638.6	12.57	23.5	9.02
Total Proved Plus Probable	1,864.2	12.68	68.6	8.85
Total Proved, Probable + Possible	2,494.4	10.37	96.9	9.35

## **PART 3: PRICING ASSUMPTIONS**

### **3.1 Forecast Prices Used in Estimates**

Forecast benchmark reference product price, inflation rate and exchange rate assumptions are summarized below. These forecast assumptions were provided in the RPS and MHA reports.

<b>Summary of Pricing &amp; Inflation Rate Assumptions</b> <i>As of December 31, 2007</i> <b>Forecast Prices &amp; Costs</b>									
Year	Albania			United States			Currency Exchange Rates		
	WTI @ Cushing, OK*	Brent @ Sollem Voe*	Inflation Rate	WTI**	Henry Hub**	Inflation Rate	US\$/CDN\$	ALL/EUR***	ALL/US\$***
	\$/barrel	\$/barrel	% /annum	\$/barrel	\$/MMbtu	%			
2008	87.50	86.00	2.0	89.61	7.56	2.0	1.00	120	82
2009	83.53	82.00	2.0	86.01	8.27	2.0	1.00	120	82
2010	81.56	80.00	2.0	84.65	8.74	2.0	1.00	120	82
2011	79.59	78.00	2.0	82.77	8.75	2.0	1.00	120	82
2012	78.62	77.00	2.0	82.26	8.66	2.0	1.00	120	82
2013	78.94	77.29	2.0	82.81	8.83	2.0	1.00	120	82
2014	80.52	78.83	2.0	84.46	9.01	2.0	1.00	120	82
2015	82.13	80.41	2.0	86.15	9.19	2.0	1.00	120	82
2016	83.77	82.02	2.0	87.87	9.37	2.0	1.00	120	82
2017	85.45	83.66	2.0	89.63	9.56	2.0	1.00	120	82
2018	87.16	85.33	2.0				1.00	120	82
2019	88.90	87.04	2.0				1.00	120	82
2020	90.68	88.78	2.0				1.00	120	82
2021	92.49	90.55	2.0				1.00	120	82
2022	94.34	92.36	2.0				1.00	120	82
2023	96.23	94.21	2.0				1.00	120	82
2024	98.15	96.09	2.0				1.00	120	82
2025	100.12	98.02	2.0				1.00	120	82
2026	102.12	99.98	2.0				1.00	120	82

\* RPS Price Forecast as at December 31, 2007

\*\* Sproule Oil & Natural Gas Forecast from MHA reports; prices escalated @ 2.0% after 2017.

\*\*\* ALL = Albanian Leke

### **3.2 Constant Prices Used in Estimates**

The constant benchmark reference product price and exchange rate assumptions reflected in the reserves data are summarized below:

<b>Summary of Pricing &amp; Inflation Rate Assumptions</b> <i>Using Year-End 2007 Values</i> <b>Constant Prices &amp; Costs</b>						
	Albania			United States		
	WTI @ Cushing, OK*	Brent @ Sollem Voe*	Inflation Rate	WTI**	Henry Hub**	Inflation Rate
Year	\$/barrel	\$/barrel	%/ annum	\$/barrel	\$/MMbtu	%/ annum
All Years	95.95	93.68	0.0	89.61	7.56	0.0

\* *RPS Constant Price Forecasts as at December 31, 2007*

\*\* *Sproule Oil & Natural Gas Forecasts from MHA report; prices escalated @ 2.0% after 2017*

## **PART 4: RECONCILIATIONS OF CHANGES IN RESERVES AND FUTURE NET REVENUE**

### **4.1 Reserves Reconciliation**

A reconciliation of changes to the Company's net proved, net probable and net proved plus probable reserves is provided below. This reconciliation reflects changes to the Company's reserves estimated using forecast prices and costs<sup>1</sup>.

<b>Reconciliation of Company Gross Reserves</b>												
<b>- By Principle Product Type</b>												
<b>Forecast Prices &amp; Costs</b>												
	Albania			United States								
	Heavy Oil			Light & Medium Oil			Natural Gas			Natural Gas Liquids		
	Proved (MMbbl)	Probable (MMbbl)	P+P (MMbbl)	Proved (Mbbbl)	Probable (Mbbbl)	P+P (Mbbbl)	Proved (MMcft)	Probable (MMcft)	P+P (MMcft)	Proved (Mbbbl)	Probable (Mbbbl)	P+P (Mbbbl)
December 31, 2006	44.2	57.7	101.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Extensions	-	-	-	-	-	-	-	-	-	-	-	-
Improved Recovery	3.8	16.1	19.8	-	-	-	-	-	-	-	-	-
Technical Revisions	0.6	4.2	4.9	-	-	-	-	-	-	-	-	-
Discoveries	-	-	-	141.9	209.7	351.6	14,132.3	28,278.4	42,410.7	706.6	1,413.9	2,120.5
Acquisitions	1.8	2.9	4.7	-	-	-	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-	-	-	-	-	-	-
Economic Factors	2.1	15.4	17.5	-	-	-	-	-	-	-	-	-
Production	(1.7)	-	(1.7)	-	-	-	-	-	-	-	-	-
December 31, 2007	50.8	96.2	147.1	141.9	209.7	351.6	14,132.3	28,278.4	42,410.7	706.6	1,413.9	2,120.5

\* *P+P stands for Proved Plus Probable*

For the purposes of this reconciliation, changes under "Acquisitions" include all forecast base production from wells taken over during 2007 and wells anticipated to be taken over in future years. Changes under "Improved recovery" include all incremental recovery gains associated with reactivating wells and infill drilling of new wells. In this category, transfer of a number of wells to the Proved category from the Probable category, compared with the 2007 plan, results in a reduction due to improved recovery in Probable category and a corresponding addition to the Proved category. Changes under "Technical Revisions" include all changes due to revisions in forecast parameters associated with all wells. Changes under "Economic Factors" result from changes in oil prices and all factors affecting changes in economic limit cutoffs.

<sup>1</sup> Note: there is no synthetic oil reserve data to report

## **PART 5: ADDITIONAL INFORMATION RELATING TO RESERVES DATA**

### **5.1 Undeveloped Reserves**

The Company's undeveloped reserves exist in its Patos Marinza, Albania property and the Tishomingo gasfield in Oklahoma, U.S. Most of these reserves are designated within the undeveloped category because relatively significant capital expenditures will be required in order to render these reserves capable of production.

Plans for future development of these undeveloped reserves (based on Forecast Prices) are summarized below:

#### **Canadian Properties**

There are no reserves assigned to any Canadian properties.

#### **Albanian Property**

##### ***Patos Marinza***

RPS assigns 36.8 MMboe (Company 100% WI share) Gross Proved Undeveloped and 96.2 MMboe Probable Additional Undeveloped reserves to the Patos Marinza field. These volumes are forecast to be recoverable from continued development of the field by taking over and re-activating heavy oil production wells throughout the reservoir and drilling infill vertical and horizontal wells. The Proved Undeveloped reserves are planned to be put on stream by a program of 313 successful well reactivations and 15 infill wells through capital investments over a period from 2008 to 2013. For the first five years, this program includes 84 successful well reactivations in 2008, 60 wells per year in 2009 and 2010, 40 wells per year in 2011 and 2012 and 29 wells in 2013. The infill drilling included in the Proved Undeveloped reserves is limited to 13 vertical and two horizontal wells in 2008.

The Probable Additional Undeveloped reserves are likewise planned to be put on stream by a programme of capital investment in 102 additional well reactivations over the same period from 2008 through 2013. For the first five years, the Proved + Probable program is comprised of 84 successful reactivations in 2008, 84 per year in 2009 and 2010, 60 per year in 2011 and 2012, and 43 in 2013. The infill drilling in the Proved + Probable programme includes 13 vertical and two horizontal wells in 2008, 30 vertical and 20 horizontal wells in 2009, and 25 vertical and 20 horizontal wells in 2010 for a total of 68 vertical infill drills and 42 horizontal drills over the next three-year period. The development programs are scheduled to maximize and maintain the capacity of production facilities for as long as is feasible.

Forecasts of oil production rate and producing well counts for the development of Proved and Probable reserves are generated utilizing the outcomes of a probabilistic approach to reserves determination. Revised production forecast are based on decline parameters from analysis of historical performance data from re-activated and re-completed existing wells applied at the P90 (Proved) and P50 (Proved + Probable) probability levels and revised development schedules to fit capital allocation.

Successful recompletion well counts are derived by applying a chance of success (COS) to the total number of reactivation opportunities. The success rate for any given reactivation attempt is uncertain, therefore has been treated probabilistically. The average success rate during 2007 is estimated at 65%, which is carried forward in future well reactivation development forecasts.

## **United States of America Properties**

### ***Tishomingo Gasfield, Oklahoma***

MHA assigns 2.1 MMboe (Company WI share) Gross Proved Undeveloped and 6.3 MMboe Probable Additional Undeveloped reserves to the Tishomingo field. These Proved Undeveloped and Probable Undeveloped reserves are forecast to be recoverable from the drilling of 10 and 20 wells in 2008, respectively. A portion of the Probable reserves are attributed to the 10 Proved Undeveloped wells ultimately producing an additional 1.4 Bcf than the assumptions used in Proven Reserves case for those locations.

The production forecast is based on producing the existing wells, drilling the additional 30 gross wells and applying the historical production behavior to the undeveloped well locations. Probabilistic reserves were determined from Monte Carlo analysis to arrive at the most likely reserves and incremental (P50) reserves.

## **5.2 Significant Factors or Uncertainties**

Estimates of economically recoverable oil and natural gas reserves (including natural gas liquids) and the future net cash flows there from are based upon a number of variable factors and assumptions, such as availability of capital to fund required infrastructure, commodity prices, production performance of re-completed wells and well re-completion success rates, successful drilling of infill wells, the assumed effects of regulation by government agencies and future operating costs. All of these estimates may vary from actual results. Estimates of the recoverable oil and natural gas reserves attributable to any particular group of properties, classifications of such reserves based on risk of recovery and estimates of future net revenues expected there from, may vary. The Company's actual production, revenues, taxes, development and operating expenditures with respect to its reserves may vary from such estimates, and such variances could be material. In addition to the foregoing, other significant factors or uncertainties that may affect either the Company's reserves or the future net revenue associated with such reserves include:

- **Canada:** Material changes to existing taxation or royalty rates and/or regulations, changes to environmental laws and regulations.
- **Albania:** Political instability, potential and actual civil disturbances, restriction on repatriation of funds, changes in laws affecting foreign ownership, existing contracts, environmental regulations, oil and gas prices, production regulations, royalty rates, income taxes, potential expropriation of property without fair compensation and restriction on exports.
- **United States:** Material changes to existing taxation or royalty rates and/or regulations, changes to environmental laws and regulations.

Information on other important economic factors or significant uncertainties that may affect components of the reserves data and other oil and gas information contained in this Form 51-101F1 are contained in the Company's Management Discussion and Analysis filed under the Company's profile at [www.SEDAR.com](http://www.SEDAR.com) and in the AIF under "Risk Factors".

### **5.3 Future Development Costs**

A summary of the estimated development costs deducted in the estimation of future net revenue attributable to various reserves categories and prepared under various price and cost assumptions are summarized in the following table. The Company expects to fund its estimated future development costs through some combination of internally generated cash flow and debt financing. There can be no guarantee that funds will be available or that the Board of Directors of the Company will allocate funding to develop all of the reserves requiring development in the RPS or MHA reports. Failure to develop such reserves could negatively impact future net revenue.

<b>Summary of Estimated Development Costs Attributed to Reserves</b>		
<i>Forecast Prices &amp; Costs</i>		
	Estimated Development Costs (\$ millions)	
	Total Proved	Total Proved + Probable
<b><i>Albania</i></b>		
2008	63.8	63.8
2009	46.7	137.4
2010	51.8	145.2
2011	21.9	49.8
2012	22.8	43.6
Total	253.7	537.2
<b><i>United States</i></b>		
2008	15.6	45.8
2009	-	-
2010	-	-
2011	-	-
2012	-	-
Total	15.6	45.8
<b><i>Total</i></b>		
2008	79.4	109.6
2009	46.7	137.4
2010	51.8	145.2
2011	21.9	49.8
2012	22.8	43.6
Total	269.3	583.0

## **PART 6: OTHER OIL AND GAS INFORMATION**

### **6.1 Oil and Gas Properties and Wells**

The following discussion outlines the Company's important properties, plants, facilities and installations:

#### **Canada:**

The Company has no oil and gas properties in Canada.

#### **Albania:**

The Patos Marinza heavy oilfield is located in southern Albania and was discovered in 1928. It the largest onshore oilfield in continental Europe in terms of original oil-in-place. Historically, Albpetrol was the sole operator of the field.

In Albania, the Company operates in the Patos Marinza oilfield pursuant to a Petroleum Agreement with Albpetrol under its existing license with the AKBN. The Company's wholly owned subsidiary Bankers Albania entered into the Petroleum Agreement in July 2004, granting the Company the right to evaluate the potential for redevelopment of the Patos Marinza oilfield for a period of 24 months and to propose a PoD. The Company started its operations by taking over 28 producing wells and 1 water disposal well in late July 2004. By the end of 2007, the Company had taken over 304 additional wells from Albpetrol and re-activated 250 of them, with 14 wells waiting to be re-completed at the end of the year. The Company's total well inventory at the end of 2007 was 333 (gross and net). Of this total well inventory, 254 are producing wells, five are water disposal wells, and 74 are non-producing wells in at year-end. The producing well count includes the 19 wells waiting to be re-activated at the end of the year and 47 wells that have demonstrated oil production potential, but require a major work-over to return to production. The non-producing well count includes 11 wells that were taken over for surface lease use only and were not attempted as reactivation candidates.

The Company's PoD was approved by the AKBN in March 2006. This approval allows the Company to take-over the remaining wells in the field on a defined basis consistent with the PoD and produce and sell oil under the existing license agreement for a period of 25 years with an option to extend at the Company's election for further five year increments. A PoD Addendum was submitted to Albpetrol and the AKBN in March 2008 to provide more detail for the infill drilling (vertical and horizontal), waterflood, and thermal programs planned by the Company in Patos Marinza over the next three years and beyond.

The terms of the Petroleum Agreement include a 1% gross over-riding royalty payable to Albpetrol which increases to 3% to 5% (based on an incremental sliding scale) after payout of funds expended by the Company. In addition, the Company pays a royalty to Albpetrol for the latter's share of pre-existing production from the wells taken over by Bankers. This royalty is calculated on a per well basis using 70% of the average production for the preceding six months declining at 15% per annum. For the original 28 oil wells taken-over in July 2004, a fixed pre-existing production rate was applied and is declined at 10% per annum; 20 of the 28 wells have no pre-existing production liability as they were newly drilled wells by the previous operator, Anglo-Albanian Petroleum ("AAP").

Bankers Albania sells crude oil produced from Patos Marinza to the Armo refineries pursuant to a sales agreement. The price per barrel received by the Company under its agreement (subject to production quality) is determined by reference to the price of the Brent crude oil. Subsequent to year-end, the Company negotiated a new price with Armo which includes volume commitments of between 50% to 55% of Bankers Albanian production in 2008. The higher domestic sales price compares favourably to the previous contract, becoming competitive with export pricing. The current price will remain in effect until the parties agree to a new price, but does include price limits for discussion and renegotiation purposes.

Bankers Albania has the right to export all of its production from the Patos Marinza oilfield. The Company commenced exporting some of its crude oil production to an Italian refinery, Alma Petroli S.p.A, in November 2005. In February 2006 the Company formalized its relationship with this refinery by entering into a contract, which was later amended effective January 1, 2008, with respect to the pricing formula. Another export agreement with Iplom S.p.A., a second refinery in Italy, was entered into in 2007, which also was amended effective January 1, 2008, with

respect to the pricing formula. Both export contracts' pricing is based on market prices of Brent crude oil; the Alma Petroli contract includes price limits for discussion and renegotiation purposes.

During 2007 Bankers Albania exported 53% of its production, and received an overall average price of \$35.54 per barrel sold. Bankers expects that its overall average sales price will approximate 56% of the Brent oil price for 2008, dependant upon total domestic versus export volumes. For January 2008, average blended sales price was \$49.51 as compared to \$39.56 for December 2007, a 25% improvement.

### **United States:**

#### ***Arkoma and Ardmore Basins, Oklahoma***

In Oklahoma, the Company is targeting the Woodford shale gas prospect in the Ardmore basin on lands acquired from Vintage in May 2006. Bankers holds about 23,000 net acres, targeting the Caney and Woodford shales in the Arkoma and Ardmore basins, which are Mississippian in age. Exploration activity has showed positive results and has led to plans for additional development drilling, which is expected to substantially increase production and reserves.

In December 2006, Bankers drilled its first well in the basin, the Nickel Hill #1-26 (75% working interest) to a total depth of 9,983 feet. Based on Schlumberger's gas shale analysis log, the well has 330 net feet of Woodford shale and a calculated original gas in place of 222 Bcf per section. The well was successful with initial production rates of approximately 900 Mcfe/d, and led to the first horizontal well being drilled in 2008.

Bankers achieved its first milestone in shale gas projects in 2007: successful discoveries and the first natural gas production from the Ardmore basin in Oklahoma. The development of Bankers' Woodford shale project, the "Tishomingo field", was significantly advanced during the year.

Over 2007 and into early 2008, one vertical well and four horizontal wells were successfully drilled and fracture stimulated in this field (total: 5.0 gross wells/ 2.8 net wells) and resulted in 45.8 Bcfe of proved plus probable reserves at December 31, 2007:

- Two of the wells were tied into a gathering system and sold through newly constructed facilities:
  - The vertical Nickel Hill #1-26 well was the initial discovery well to produce natural gas; and
  - The Company's first horizontal Woodford shale well, the Greenway 35-1H well, had an initial gross production rate of approximately 2.2 MMcfe/d.
- Bankers second successful Oklahoma horizontal well, the WLC 17-1H well, commenced initial gross production at approximately 2.1 MMcfe/d and is shut-in awaiting pipeline hook-up.
- Both the vertical Nickel Hill #1-26 and the WLC 17-1H well encountered a 325 foot thick and 320 foot thick Woodford shale section, respectively. This is twice as thick as the Woodford in the Arkoma Basin and calculates to having twice as much gas in place than other successful Woodford shale areas in the basin.
- In late 2007, the Company finished drilling and fracture stimulating its third and fourth horizontal shale wells, the Brock 4-1H and Brock 9-1H. Initial gross production rates in the first quarter of 2008 were approximately 2.1 MMcfe/d and 1.8 MMcfe/d, respectively.
- Bankers has received a preliminary brute stack for the entire 115 square mile 3D seismic survey that was acquired in 2007, and is using this data to select its drill sites for 2008 development plan.
- The Company also participated in four vertical wells operated by others; all wells encountered promising Woodford shale sections in its Tishomingo project.

A production facility was completed to handle 3.5 MMcf/d gross production from the Oklahoma Tishomingo gasfield; facility capacity can be increased to 7.0 MMcf/d with the addition of another compressor. Bankers production averaged 1.0 MMcfe/d in the fourth quarter of 2007 and had an exit production rate of 0.7 MMcfe/d. A

gathering system was installed to connect the Brock wells to the processing facility in the first quarter of 2008, bringing total production, net to Bankers to approximately 2.5 MMcfe/d.

In Hughes County, the Lake Holdenville #35-1 well (89% working interest) was drilled to a total depth of 5,499 feet and fracture stimulated with disappointing results. Bankers believes that the treatment did not effectively stimulate the shale and is completing a study on this well and those of other operators' in the area. Results from another vertical Woodford shale well, approximately two and a half miles away from Bankers' well, had a reported initial production rate of 300 mcf/d after stimulation, providing confirmation of gas productivity. There are no additional development plans for this acreage at this time.

### ***Palo Duro Basin, Texas***

The Company holds approximately 260,000 net acres of land in the Palo Duro Basin, Texas, located roughly 260 miles northwest of the Fort Worth Basin which is home to the Barnett Shale play. The Palo Duro Basin shale gas play encompasses the counties of Briscoe, Floyd and Motley and targets Pennsylvanian-aged shales that exist at depths between 7,000 and 10,500 feet in the Bend group. The Company has working interests that range from 55% to 73%

In Texas, Bankers' work to date on the Palo Duro basin has narrowed down the area of this underexplored, unproven shale gas basin, which the Company believes has the best potential for Bend shale and Granite Wash Sand wells over its acreage holdings.

During 2006 Bankers drilled three wells in the Palo Duro basin, Texas, two of which are presently suspended pending future completions and one which has oil production at a low rate. It also fracture stimulated the Cogdell #1-1 well in zones that had produced at a reported 2.8 MMcf/d upon initial completion in 2003, before being damaged by a mechanical failure; however, the stimulation was unable to regain any significant gas productivity.

Since initial exploration on this property, Bankers has drilled five wells in the Palo Duro basin, Texas, four of which are presently suspended and one which is awaiting a further fracture stimulation. In 2006, The Company fracture stimulated the Cogdell #1-1 well in zones that had produced at a reported 2.8 MMcf of natural gas per day upon initial completion in 2003 before being damaged by a mechanical failure; however, the stimulation was unable to regain any significant gas productivity.

In 2007, Bankers completed drilling the horizontal leg of the Cogdell #64-1 well in the Atoka A, Granite Wash Sand formation, which had produced 325 Mcf/day from the vertical wellbore. Indications during drilling the horizontal leg provided good natural gas shows from the sand but final results were disappointing as, after the well recovered all of the injected water, it was still producing significant water rates at the time it was shut-in. Bankers is currently evaluating its options for the remaining part of the wellbore.

In addition, Bankers drilled the Black 4#1 well, and encountered a prospective 280 foot thick Bend shale interval and numerous potentially productive Granite Wash Sands. Initial results had limited natural gas flows from some sand intervals. A fracture stimulation of the Bend shale interval is being planned that incorporates new techniques recommended by industry specialists.

The completion of a core study has confirmed that the rocks in Palo Duro contain substantial volumes of gas and have some unique rock properties that may require different stimulation/completion techniques than those commonly used in other shale basins.

### ***Appalachian Basin, New York***

In upstate New York, Bankers is targeting shale gas and hydrothermal dolomite prospects in the Appalachian Basin on 19,000 acres of land acquired from Vintage Petroleum LLC in May 2006. This area targets the early Ordovician age, Trenton-Black River limestone-shale sequence with secondary potential in the Late Ordovician age, Utica Shale.

In late 2006, Bankers commenced a shallow three-well exploration program, with target horizons ranging from 1,000 to 3,000 feet. Intermediate casing was set on two wells, the Butler Creek well and the South Mill Pond well.

In 2007, Bankers fracture stimulated two existing wells in New York with disappointing results, indicating that, in the Company's opinion, the original Trenton resource play concept would not work in this area. Drilling the three wells and fracture stimulating the two existing wells gave Bankers the right to earn a 70% working interest in two existing well bores and another 24,000 net acres. Thus it did not exercise its option to acquire this 24,000 acres, which was to the east of Bankers existing acreage block. The Company believes that its own 19,000 acre block has better potential for a hydrothermal dolomite play based on the aeromagnetic data.

Bankers is currently planning to acquire 2D seismic on its existing New York acreage to help evaluate the hydrothermal dolomite concept after reprocessing high quality aeromagnetic data over its acreage. Regionally, over 125 million barrels of oil and 200 Bcf of gas have been produced from Trenton/Blackriver hydrothermal dolomite fields.

***Black Warrior Basin, Mississippi/Alabama***

Bankers currently has approximately 85,000 net acres in the Black Warrior Basin of Mississippi and Alabama acquired as part of the Vintage transaction. This basin targets Pennsylvanian age Pottsville tight gas sands as well as the Mississippian age Floyd shale.

As this area has longer-term lease expiries, Bankers does not plan to drill any wells in 2008. Bankers US is doing geological work to high grade the first potential drilling locations for the Pottsville tight gas sands and the Floyd shale. The activity of a number of other operators that are drilling and testing wells in the Floyd shale in this project area is being monitored. Bankers US believes that the knowledge gained from the early work of these other players will further assist in understanding the basin characteristics.

At December 31, 2007, the only property that had attributable reserves was the Tishomingo gasfield in the Ardmore basin in Oklahoma. No reserves were assigned to the remaining acreage in the U.S. due to their early stage development. The following table shows the Company's interest in various properties, land holdings and their associated assets:

<b>Oil &amp; Gas Properties Associated with Reserves</b>								
<i>As of December 31, 2007</i>								
		Acreage						Plants, Facilities & Installations
		Developed		Undeveloped		Total		
Properties	Location	Gross	Net	Gross	Net	Gross	Net	
<b><i>Albania</i></b>								
Patos Marinza	Central Albania	91	91	209	209	300	300	Satellite facilities (two current plus expansion), central treatment facility, other infrastructure, adjacent offices and storage areas
Total		91	91	209	209	300	300	
<b><i>United States</i></b>								
Ardmore	Oklahoma, U.S.	3,200	1,429	21,120	9,437	24,320	10,867	Production facility & field gathering systems
Arkoma	Oklahoma, U.S.	-	-	-	-	-	-	
Palo Duro	Texas, U.S.	-	-	-	-	-	-	
Appalachian	New York, U.S.	-	-	-	-	-	-	
Total		3,200	1,429	21,120	9,437	24,320	10,867	
<b><i>Total</i></b>								
Total		3,291	1,520	21,329	9,646	24,620	11,167	

**Oil & Gas Wells Associated with Reserves**  
As of December 31, 2007

	Albania		United States						Suspended <sup>1</sup>		Service <sup>2</sup>		Total	
	Heavy Oil		Light & Medium Oil		Natural Gas		Natural Gas Liquids							
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
<b>Albania</b>														
Patos Marinza Producing	188.0	188.0	-	-	-	-	-	-	-	-	-	-	188.0	188.0
Patos Marinza Non-Producing	66.0	66.0	-	-	-	-	-	-	74.0	74.0	5.0	5.0	145.0	145.0
Total	254.0	254.0	-	-	-	-	-	-	74.0	74.0	5.0	5.0	333.0	333.0
<b>United States</b>														
Oklahoma Producing	-	-	-	-	2.0	1.3	-	-	-	-	-	-	2.0	1.3
Oklahoma Non-Producing	-	-	-	-	3.0	1.5	-	-	-	-	-	-	3.0	1.5
Texas Producing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Texas Non-Producing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New York Producing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New York Non-Producing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	5.0	2.8	-	-	-	-	-	-	5.0	2.8
<b>Total</b>														
Total	254.0	254.0	-	-	5.0	2.8	-	-	74.0	74.0	-	-	338.0	335.8

(1) Suspended wells may be capable of production but which, for a variety of reasons, including, but not limited to lack of markets or development are not placed on production at the present time.

(2) Service wells are used for the disposal or injection of water or other in-field service operations related to oil and gas production

## **6.2 Properties with No Attributed Reserves**

The Company's unproved properties, including those for which the Company expects its rights to explore, develop and exploit to expire within one year, are outlined in the following table.

### **Properties with No Attributed Reserves As of December 31, 2007**

Properties	Location	Undeveloped Acreage (Acres)		Company Interest (%)	Work Commitments (existence, nature, timing & cost)
		Gross	Net		
<b><i>United States</i></b>					
Hughes Project	Hughes county, OK	12,400	4,300	0.1 – 100	~2,380 net acres expire in 2008
Carter County	Carter county, OK	9,600	4,000	5-85	1,708 acres expire in 2008
McIntosh County	McIntosh county, OK	14,700	3,700	0.1 – 100	All acreage expires in 2008; no plans for acreage at this time
Palo Duro Basin, Texas	Floyd, Motley & Briscoe counties, TX	385,000	260,000	55-73	Drill commitments on two leases and lease expiries of 60,000 net acres, if not drilled in 2008
Empire Project	Wayne county, NY	18,600	18,000	90 - 100	Leases do not begin to expire until 2010
Woodbank Creek	Mississippi & Alabama	96,000	84,700	2 - 100	~ 9,300 acres expire in 2008; options to extend available on ~1,350 acres for <\$100,000.
Total					
<b><i>Total</i></b>					
Total (approximately)		536,300	374,700		

## **6.3 Forward Contracts**

The Company is not bound by any agreements which may impact the realization of future full market prices for its oil and gas production as described in this report.

The Company has no transportation obligations or commitments for future deliveries which exceed its expected related future production from proved reserves, as estimated using forecast prices and costs.

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

The Company uses its internal historical costs to estimate its abandonment and reclamation costs when available. The costs are estimated on an area by area basis. The industry's historical costs are used when available. If representative comparisons are not readily available, an estimate is prepared based on the various regulatory abandonment requirements.

<b>Additional Information Concerning Abandonment &amp; Reclamation Costs</b>							
<i>As of December 31, 2007</i>							
<b>Constant Prices &amp; Costs</b>							
		Total Net Wells		Total Cost (\$ millions)			
		Proved	Proved + Probable	Proved Reserves		Proved + Probable Reserves	
Estimation Method Used	Total	Proved	Proved + Probable	Undiscounted	Disc. @ 10%	Undiscounted	Disc. @ 10%
<b><i>Albania</i></b> Standard engineering design cost estimating methodology, using historical cost databases	Total	546	743	17.2	3.0	22.3	1.0
	Total	546	743	17.2	3.0	22.3	1.0
<b><i>United States*</i></b>	Total	2.8	2.8	-	-	-	-
<b><i>Total</i></b>	Total	546	743	17.2	3.0	22.3	1.0

\* For the U.S., abandonment and reclamation costs were assumed equal to salvage value for wells which have reserves assigned

## **6.5 Tax Horizon**

**Canada:** The Company has currently no revenue generating properties in Canada. Bankers has available for deduction against future Canadian taxable income non-capital losses of approximately \$13.9 million. These losses, if not utilized, will expire commencing in 2008.

**Albania:** The Patos Marinza concession is forecast to become taxable in 2010 and beyond under the forecast price scenario for proved reserves.

**United States:** With existing loss carry forwards, no federal or state income taxes are expected to become due until 2010. Federal Alternative Minimum Tax is estimated to come into effect in 2008 and 2009 at 15% of taxable income. The Company will be subject to a 34% federal and state income tax rate for fiscal years beginning 2010.

## **6.6 Costs Incurred**

For the year ended December 31, 2007, the Company incurred costs related to its acquisition, exploration and development activities as outlined in the following table.

	<b>Costs Incurred (\$ millions)</b>		
	Canada	Albania	United States
Property Acquisition Costs:			
Proved Properties	Nil	Nil	Nil
Unproved Properties/ Wells	Nil	Nil	8.1
Exploration Costs	Nil	Nil	25.8
Development Costs	Nil	45.5	Nil

## **6.7 Exploration and Development Activities**

The Company's drilling activity and results for the year ended December 31, 2007, are summarized in the following table. It should be noted that the data outlined in this table reflects those wells that the Company participated in and where the rig was released during the period.

	Exploratory Wells		Development Wells	
	Gross	Net	Gross	Net
<b><i>Canada</i></b>				
Oil Wells	Nil	Nil	Nil	Nil
Gas Wells	Nil	Nil	Nil	Nil
Service Wells	Nil	Nil	Nil	Nil
Suspended Wells	Nil	Nil	Nil	Nil
Abandoned Wells	Nil	Nil	Nil	Nil
Total Wells	Nil	Nil	Nil	Nil
<b><i>Albania</i></b>				
Oil Wells	Nil	Nil	Nil	Nil
Gas Wells	Nil	Nil	Nil	Nil
Service Wells	Nil	Nil	Nil	Nil
Suspended Wells	Nil	Nil	Nil	Nil
Abandoned Wells	Nil	Nil	Nil	Nil
Total Wells	Nil	Nil	Nil	Nil
<b><i>United States</i></b>				
Oil Wells	Nil	Nil	Nil	Nil
Gas Wells	5.0	2.8	Nil	Nil
Service Wells	Nil	Nil	Nil	Nil
Suspended Wells	Nil	Nil	Nil	Nil
Abandoned Wells	Nil	Nil	Nil	Nil
Total Wells	5.0	2.8	Nil	Nil

The Company's important exploration and development activities are summarized as follows:

### **Canada:**

The Company did not engage in any exploration and development activity in Canada during 2007.

## **Albania:**

During 2007, the Company took over 122 wells from Albpetrol to increase its total well inventory to 333 at the end of the year. In December, 188 wells were active oil producers with 66 non-producing wells (47 wells waiting on major work-over servicing prior to returning to production and 19 wells waiting to be reactivated), 74 wells suspended (63 wells suspended due to wellbore failure or high water cut production and 11 wells used for surface lease access only that were not attempted as reactivation candidates), and 5 wells used for water disposal.

Reactivation activities include removal of Albpetrol surface equipment, surface lease remediation, construction of new lease around the wellhead and road, removal of Albpetrol down-hole equipment, well clean-out, cement bond logging, and installation of progressive cavity pumping system with associated surface drive equipment. In some wells, perforations are added to complete new intervals in the well and improve productivity.

In November, the construction of a pilot thermal steam project was completed and testing and steam injection commenced. The objective of the testing was twofold: to learn the reservoir response and to implement the steaming techniques in field conditions. In February 2008, initial results were announced: flowback and production of condensed water and oil was encouraging with estimated oil production reaching over 150 bopd during the first few days of production. The well subsequently experienced casing collapse, which was not unexpected as the project was utilizing existing, older wellbores. The Company has made adjustments to place the well back on production in a non-optimized configuration; the well was producing at approximately 25 bopd to 30 bopd and has subsequently been suspended due to damaged casing.

In March 2008, the Company completed an Addendum to the Plan of Development that outlined the technical, capital and production profiles for the Patos Marinza field. Under this Addendum, Bankers plans to access additional reserves through the application of infill vertical and horizontal drilling, and waterflood and thermal recovery techniques. The Addendum was submitted to the Albanian Government and is currently awaiting final approval.

The Addendum provides a three-year plan consisting of successful reactivation of 252 existing wells, infill drilling of 68 vertical and 42 horizontal wells, implementation of a waterflood program in the Upper Marinza sands (56 oil producers and 12 water injectors), and a cyclic steam thermal project that will start with an initial eight well pilot phase in 2008, an evaluation period in 2009, and a 32 wells commercial expansion in 2010. Capital costs of approximately \$370.0 million will be required over the next 3 years to increase production to approximately 20,000 bopd by the end of 2010. Production maintenance capital expenditures of about \$260.0 million will be required between 2011 and 2030 to maintain production levels and further develop the oilfield for improved recoveries between 2011 and 2030.

## **United States**

Bankers' Woodford shale project in Oklahoma, U.S., proved capable of shale production during 2007. The successful drilling of five wells in the Tishomingo field, Ardmore basin, established first commercial natural gas production for the Company and resulted in 45.8 Bcfe of proved plus probable reserves at December 31, 2007. The success in this area has led to plans for an additional development drilling program for 2008, which is expected to substantially increase production and reserves.

In Texas, a 27% interest in the Palo Duro Basin was sold to Palo Duro Energy Inc. for a total consideration of \$19.5 million in May. The cash received was used in funding the 2007 U.S. capital program.

## 6.8 Production Estimates

Estimated production volumes derived from the first year (2008) of the cash flow forecasts prepared in conjunction with the Company's reserves data (and included in the RPS Report) are provided in the following table.

<b>Summary of Production Estimates</b> <i>Proved + Probable Reserves Case</i> <i>For Year 2008</i>					
<i>Reserve Category</i>	Estimated Production – 2008 (Gross)				
	Albania	United States			Company Total
	Heavy Oil (Mbbl)	Light & Medium Oil (Mbbl)	Natural Gas (MMcf)	Natural Gas Liquids (Mbbl)	(Mboe)
<b><i>Albania</i></b>					
Patos Marinza <sup>1</sup>	2,639.5	-	-	-	2,639.5
Total	2,639.5	-	-	-	2,639.5
<b><i>United States</i></b>					
Tishomingo, OK	-	58.5	1,319.6	66.0	344.4
Total	-	58.5	1,319.6	66.0	344.4

(1) Significant fields represent greater than 20% of Company total (by country) of production in the first year of forecast

## 6.9 Production History

The Company's historical production and netback data for period ended December 31, 2007 is presented below.

<b>Summary of 2007 Company Share of Production &amp; Netbacks</b>							
	Albania					United States	
	Heavy Oil					Light & Medium Oil + NGL	Natural Gas
	Q1	Q2	Q3	Q4	Total Year	Total Year	Total Year
Company share of daily production (bopd or Mcf/d before deduction of royalties)	4,388	4,314	4,753	5,429	4,724	26	224
Average (\$/bbl or \$/mcf)							
Price received	27.19	32.89	37.14	42.84	35.54	69.37	5.73
Royalties paid	3.65	4.28	4.40	4.42	4.21	n/a	n/a
Production costs	12.12	12.47	7.84	13.60	12.80	n/a	n/a
Netback	11.42	16.14	19.93	24.82	18.53	n/a	n/a
Total annual production (Mbbl or Mcf before deduction of royalties)	394.9	393.4	437.3	499.5	1,724.3	9.5	82.0
Important fields (greater than 20% of total)							
Patos Marina - (represents 99% of above)							

\* U.S. production commenced in September 2007; due to the low production volumes in the U.S. operations, 2007 U.S. netback is not representative of future operations

## PART 7: NOTES

The following definitions and guidelines are contained in Section 5.4 of Volume 1 of the Canadian Oil and Gas Evaluation Handbook (Second Edition, September 1, 2007) prepared jointly by The Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society) (the "COGE Handbook") and have been prepared by the Standing Committee on Reserves Definitions of the CIM (Petroleum Society). Readers should consult the COGE Handbook for additional explanation and guidance. Certain other terms used in this Listing Application have the meanings assigned to them in NI 51-101 and accompanying Companion Policy 51-101 CP, adopted by the Canadian securities regulatory authorities.

### Gross

- (a) In relation to the Company's interest in production or reserves, its "company gross reserves", which are the Company's working interest (operating or 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.
- (c) In relation to properties, the total area of properties in which the Company has an interest.

### Net

- (a) In relation to the Company's interest in production or reserves, the Company's working interest (operating and non-operating) share after deduction of royalty obligations, plus the Company's royalty interests in production or reserves.
- (b) 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.

The following definitions apply to both estimates of individual reserves entities and the aggregate of reserves for multiple entities:

### Reserve Categories

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:

- Analysis of drilling, geological, geophysical and engineering data;
- The use of established technology; and
- Specified economic conditions

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.

### Development and Production Status

Each of the reserve categories (proved and probable) 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 (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

- (i) **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.
- (ii) **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.
- (b) **Undeveloped reserves** are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable) 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 subdivide 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 recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

#### Levels of Certainty for Reported Reserves

The qualitative certainty levels referred to in the definitions above are applicable to individual reserve entities (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest level sum of individual entity estimates for which reserves are presented). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- At least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves; and
- At least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

#### Forecast prices and costs

Future prices and costs that are:

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

The forecast summary pricing table identifies benchmark reference pricing that apply to the Company.

#### Constant prices and costs

Prices and costs used in an estimate that are:

- (a) The Company's prices and costs as at the effective date of the estimation, held constant throughout the estimated lives of the properties to which the estimate applies; and
- (b) If, and only to the extent that, there are fixed or presently determinable future prices or costs to which the Company is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a). For the purposes of paragraph (a), the Company's prices are the

posted prices for oil and the spot price for gas, after historical adjustments for transportation, gravity and other factors.