

Reserves and Resources Evaluation Report On
Wasatch Plateau Gas Project
Emery and Sevier Counties, East-Central Utah, USA

Lewis and Clark Shallow Mississippian Oil Project
Pondera and Teton Counties, NW. Montana, USA

Effective Date: 1 September 2011

Prepared on Behalf of
MENA Hydrocarbons Inc.

Report Prepared: October 7, 2011

Submitted By:



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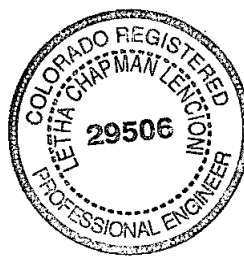
Independent Qualified Reserves Evaluators

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1. EXECUTIVE SUMMARY

This Report includes description of reserves and resource estimates prepared under Standards 51-101 for one gas project and one oil project located in the Rocky Mountains Province in east-central Utah and in northwestern Montana, USA.

The Southern Wasatch Plateau Gas Project is located in east-central Utah south of Price and along I-70 between the western edge of the San Rafael Swell and the eastern side of the Sanpete valley. The primary target zones are Cretaceous (Turonian) sands and coals of the Ferron Sandstone Member. The Clear Creek Field is an established analog for the Ferron sandstone production and has produced approximately 138 Bcf as of August 2011. The Drunkard's Wash coalbed methane field is an analog for CBM targets and has produced 833 Bcf as of August 2011.

MENA Hydrocarbons Inc. acquired Raven Wing Resources Inc. who owns approximately 36,201.31 gross acres and 36,033.56 net acres. The company has a 99.5% average working interest (WI) and an 82.0% average net revenue interest (NRI) in the 36,201.31 gross acres. The leases are burdened by a 12.5% landowner royalty and total fixed overriding royalties (ORRI) of 5.0% of 8/8ths. MENA Hydrocarbons Inc. owns 100% WI in the net acreage of each lease.

Overall, Gustavson Associates considers the South Wasatch Plateau Project to be a low to moderate risk profile exploration project in light of the analogies with the commercial gas sand (Clear Creek) and CBM (Drunkard's Wash) fields in the nearby northern Wasatch Plateau area.

The Lewis and Clark Shallow Mississippian Oil Project is located on the south dome of the Sweetgrass Arch in Pondera and Teton counties, northwest Montana. The project is centered on and adjacent to the existing Pondera Field that produces oil from porous carbonates of the Mississippian-age Sun River Dolomite – the same horizon targeted by the Project. The target zones at Lewis and Clark Project are heterogeneous porous dolomite reservoirs that are present within combination structural-stratigraphic traps at drilling depths of approximately 2,000 feet. Pondera field has produced over 26.7 MMBbl from 547 wells for an average of over 50,000 Bbl

per well on 10-acre spacing. The field is currently producing 16,159 Bbl and 401,616 BW per month from 268 active wells. The general well spacing in the Lewis and Clark area is 10-acre spacing per well. Development would be initially drilled on a 20-acre spacing density with the potential to down-space to 10-acre spacing in the future.

MENA Hydrocarbons Inc. has purchased its leasehold position within the project area from Raven Wing Resources. MENA Hydrocarbons Inc. acquired approximately 6,241.59 gross acres and 5,069.09 net acres. The company has an 81.21% average working interest (WI) and a 65.0% average net revenue interest (NRI) over the 6,241.59 gross acres. MENA Hydrocarbons Inc. owns 100% WI in the net acreage of each lease. The leases are burdened by a 12.5% average landowner royalty and total overriding royalties (ORRI) of 5.0% of 8/8ths. Additional new leases covering currently open tracts may be acquired, if available, in order to fill in holes in the current acreage position and expand MENA Hydrocarbons Inc.'s lease position. Additional interest in the project area may also be acquired through farm outs from adjoining operators.

Both resources and reserves have been estimated for these project areas. There is no certainty that any portion of the resources will be commercially viable to produce. The only area with reserves is the Lewis and Clark area. Based on the probabilistic analyses described herein, net prospective oil and gas resources are attributed to the two projects as shown in Table 1-1 below.

Table 1-1 Summary of Resource Estimates

	Prospective Gas Resources, Bcf Wasatch Plateau Project					
	Gross			Net		
Reservoir	Low Estimate	Best Estimate	High Estimate	Low Estimate	Best Estimate	High Estimate
Ferron Sandstone	11.1	36.7	177.8	9.1	30.1	146.0
Ferron Coal	20.3	35.9	57.4	16.7	29.4	47.1
Emery Coal	16.5	32.2	56.4	13.5	26.4	46.3
Blackhawk Coal	13.8	25.7	43.1	11.4	21.1	35.4
Total	61.7	130.4	334.7	50.7	107.1	274.8
	Prospective Oil Resources, MMBbl					
	Gross			Net		
Prospect	Low Estimate	Best Estimate	High Estimate	Low Estimate	Best Estimate	High Estimate
Lewis and Clark	1.7	10.5	22.0	1.1	7.0	14.6

The oil resources are classified as Prospective Resources based on the commercial risk as defined by the Society of Petroleum Evaluation Engineers, (Calgary Chapter): *Canadian Oil and Gas Evaluation Handbook, Second Edition, Volume 1, September 1, 2007, pg 5-7*. Prospective Resources are defined as “those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development. Prospective Resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.”¹ There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

The gas resources are classified as Prospective Resources based on the possibility that structures with reservoir quality Ferron Sandstone may not be discovered on the subject acreage, and that

¹ Society of Petroleum Evaluation Engineers, (Calgary Chapter): *Canadian Oil and Gas Evaluation Handbook, Second Edition, Volume 1, September 1, 2007, pg 5-7*.