

Finding, Development and Acquisition (“FD&A”) Costs

Under NI 51-101, the methodology used to calculate FD&A costs requires incorporating changes in future development capital (“FDC”) required to bring the proved undeveloped and probable reserves to production. WestFire has chosen to present FD&A costs calculated by both including and excluding FDC as well as FD&A excluding land costs. The following table provides detailed calculations relating to FD&A costs and recycle ratios for 2010:

	Total Proved	Proved Plus Probable
Capital Expenditures excluding Land (\$000)	72,685	72,685
Capital Expenditures including Land (\$000)	75,181	75,181
Change in FDC Required to Develop Reserves (\$000)	61,956	91,679
Total Capital Costs ((\$000)	137,137	166,860
Reserve Additions (Mboe)	3,739	5,317
FD&A Costs before Land & FDC (\$/boe)	19.44	13.67
FD&A Costs before FDC (\$/boe)	20.11	14.14
FD&A Costs Including FDC (\$/boe)	36.68	31.38
Operating Netback (\$/boe) ⁽¹⁾	34.79	34.79
Recycle Ratio before Land & FDC	1.8	2.5
Recycle Ratio before FDC	1.7	2.5
Recycle Ratio including FDC	0.9	1.1

⁽¹⁾ Netback for month of December 2010