

**NEWTON ENERGY CORP.
STATEMENT OF RESERVES DATA
AND OTHER OIL AND GAS INFORMATION
(Form NI 51-101F1)**

Part 1 – Date of Statement

This statement of reserves data and other oil and gas information is dated December 31, 2009.

The effective date is December 31, 2009.

The preparation date is April 9, 2010.

Part 2 – Disclosure of Reserves Data

The following is a summary of the oil and natural gas reserves and the value of future net revenue of Newton Energy Corp. ("Newton" or the "Company") as evaluated by Chapman Petroleum Engineering Ltd. as at December 31, 2009 and dated April 9, 2010 (the "Chapman Report").

All evaluations of future revenue are after the deduction of future income tax expenses, unless otherwise noted in the tables, royalties, development costs, production costs and well abandonment costs but before consideration of indirect costs such as administrative, overhead and other miscellaneous expenses. The estimated future net revenue contained in the following tables does 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 the Chapman Report will be attained and variances could be material. Other assumptions and qualifications relating to costs and other matters are included in the Chapman Report. The recovery and reserves estimates on the Company's properties described herein are estimates only. The actual reserves on the Company's properties may be greater or less than those calculated.

SUMMARY OF OIL AND GAS RESERVES BASED ON FORECAST PRICES AND COSTS

Reserves Category	Company Reserves ⁽¹⁾							
	Light and Medium Oil		Heavy Oil		Natural Gas ⁽⁹⁾		Natural Gas Liquids	
	Gross MSTB	Net MSTB	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbbl	Net Mbbbl
PROVED								
Developed Producing ⁽²⁾⁽⁶⁾	0	0	0	0	0	0	0	0
Developed Non-Producing ⁽²⁾⁽⁷⁾	119	116	0	0	0	0	0	0
Undeveloped ⁽²⁾⁽⁸⁾	327	317	0	0	0	0	0	0
TOTAL PROVED⁽²⁾	446	433	0	0	0	0	0	0
TOTAL PROBABLE⁽³⁾	5,906	5,729	0	0	0	0	0	0
TOTAL PROVED + PROBABLE⁽²⁾⁽³⁾	6,352	6,161	0	0	0	0	0	0
TOTAL POSSIBLE⁽⁴⁾	17,721	17,189	0	0	0	0	0	0
TOTAL PROVED + PROBABLE + POSSIBLE	24,073	23,351	0	0	0	0	0	0

**SUMMARY OF NET PRESENT VALUES
BASED ON FORECAST PRICES AND COSTS**

Reserves Category	Net Present Values of Future Net Revenue									
	Before Income Tax					After Income Tax				
	Discounted at					Discounted at				
	0%/yr	5%/yr.	10%/yr.	15%/yr.	20%/yr.	0%/yr	5%/yr.	10%/yr.	15%/yr.	20%/yr.
	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M
PROVED										
Developed Producing ⁽²⁾⁽⁶⁾	0	0	0	0	0	0	0	0	0	0
Developed Non-Producing ⁽²⁾⁽⁷⁾	6,132	4,444	3,368	2,641	2,126	4,292	3,079	2,304	1,779	1,407
Undeveloped ⁽²⁾⁽⁸⁾	18,309	8,116	4,168	2,221	1,107	12,816	5,542	2,686	1,259	433
TOTAL PROVED⁽²⁾	24,442	12,561	7,536	4,862	3,234	17,109	8,622	4,989	3,038	1,841
TOTAL PROBABLE⁽³⁾	408,090	202,677	123,798	84,725	62,029	175,447	90,275	55,425	37,340	26,512
TOTAL PROVED + PROBABLE⁽²⁾⁽³⁾	432,532	215,239	131,333	89,568	65,262	285,663	141,320	85,722	58,099	42,013
TOTAL POSSIBLE⁽⁴⁾	1,214,970	622,060	387,936	269,877	200,603	850,479	434,638	270,231	187,241	138,514
TOTAL PROVED + PROBABLE + POSSIBLE	1,647,502	837,299	519,268	359,465	265,866	1,153,251	584,581	360,941	248,379	182,367

**TOTAL FUTURE NET REVENUE
(UNDISCOUNTED)
BASED ON FORECAST PRICES AND COSTS**

	Revenue (\$M)	Royalties (\$M)	Operating Costs (\$M)	Development Costs (\$M)	Abandonment and Reclamation Costs (\$M)	Future Net Revenue Before Income Taxes (\$M)	Income Taxes (\$M)	Future Net Revenue After Income Taxes (\$M)
Total Proved ⁽²⁾	45,753	1,373	14,631	5,207	101	24,442	(7,333)	17,109
Total Proved Plus Probable ⁽²⁾⁽³⁾	676,946	20,308	201,638	21,923	545	432,532	(129,760)	302,772
Total Proved Plus Probable Plus Possible ⁽⁴⁾	2,569,317	77,070	798,264	45,129	1,353	1,647,502	(494,251)	1,153,251

**FUTURE NET REVENUE BY PRODUCTION GROUP
BASED ON FORECAST PRICES AND COSTS**

Reserve Category	Production Group	Future Net Revenue Before Income Taxes (Discounted at 10%/Year)
		(\$M)
Total Proved ⁽²⁾	Light and Medium Oil (including solution gas and other by-products)	7,536
	Heavy Oil (including solution gas and other by-products)	0
	Natural Gas (including by-products but not solution gas)	0
Total Proved Plus Probable ⁽²⁾⁽³⁾	Light and Medium Oil (including solution gas and other by-products)	131,333
	Heavy Oil (including solution gas and other by-products)	0
	Natural Gas (including by-products but not solution gas)	0
Total Proved Plus Probable Plus Possible ⁽⁴⁾	Light and Medium Oil (including solution gas and other by-products)	519,268
	Heavy Oil (including solution gas and other by-products)	0
	Natural Gas (including by-products but not solution gas)	0

**OIL AND GAS RESERVES AND NET PRESENT VALUES BY PRODUCTION GROUP
BASED ON FORECAST PRICES AND COSTS**

Reserve Group by Category	Reserves						Net Present Value (BIT) 10% M\$	Unit Values @ 10%/yr
	Oil		Gas ⁽¹⁰⁾		NGL			
	Gross MSTB	Net MSTB	Gross MMscf	Net MMscf	Gross Mbbl	Net Mbbl		
Light and Medium Oil								
Proved								
Developed Producing	0	0	0	0	0	0	0	N/A
Developed Non-Producing	119	116	0	0	0	0	3,368	29.09
Undeveloped	327	317	0	0	0	0	4,166	13.15
Total Proved	446	433	0	0	0	0	7,536	17.40
Probable	5,906	5,729	0	0	0	0	123,798	21.61
Proved Plus Probable	6,352	6,161	0	0	0	0	131,333	21.32
Possible	17,721	17,189	0	0	0	0	387,936	22.57
Proved + Probable + Possible	24,073	23,351	0	0	0	0	519,268	22.24

Notes:

- "Gross Reserves" are the Company's working interest (operating or non-operating) share before deducting of royalties and without including any royalty interests of the Company. "Net Reserves" are the Company's working interest (operating or non-operating) share after deduction of royalty obligations, plus the Company's royalty interests in reserves.
- "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.
- "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.
- "Possible" reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.
- "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 (e.g. when compared to the cost of drilling a well) to put the reserves on production.
- "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 know 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, possible) to which they are assigned.
- Includes associated, non-associated and solution gas where applicable.

Part 3 - Pricing Assumptions

The following tables detail the benchmark reference prices for the regions in which the Company operated, as at December 31, 2009, reflected in the reserves data disclosed above under "Part 2 – Disclosure of Reserves Data". There will be adjustments to field prices from the benchmarks below

CHAPMAN PETROLEUM ENGINEERING LTD.
Crude Oil & Natural Gas
HISTORICAL, CONSTANT, CURRENT AND FUTURE PRICES

January 1, 2010

Date	WTI	Brent Spot	Production	AECO Spot	Henry Hub
	\$US/STB[1]	(ICE) \$US/STB[2]	price \$US/STB	Gas [3] C\$/MMBTU	Gas[4] \$US/MMBTU
HISTORICAL PRICES					
2004	41.48	38.03	37.96	6.60	5.91
2005	56.62	55.28	55.67	8.82	8.92
2006	65.91	66.09	67.04	6.55	6.75
2007	72.35	72.74	74.68	6.47	6.97
2008	99.70	98.33	101.78	8.17	8.98
2009	61.64	62.52	63.02	3.99	3.94
CONSTANT PRICES					
December 31, 2009 [5]	79.39	77.91	75.91	5.79	5.63
CURRENT YEAR FORECAST					
2010	80.00	80.00	78.00	5.89	6.84
FUTURE FORECAST					
2011	83.00	83.00	81.00	6.63	7.25
2012	86.00	86.00	84.00	6.96	7.60
2013	90.00	90.00	88.00	7.49	8.18
2014	94.00	94.00	92.00	7.70	8.42
2015	96.00	96.00	96.00	7.92	8.65
2016	101.00	101.00	99.00	8.13	8.88
2017	103.02	103.02	101.02	8.45	9.23
2018	105.08	105.08	103.08	8.77	9.59
2019	107.18	107.18	105.18	8.95	9.78
2020	109.33	109.33	107.33	9.13	9.97
2021	111.51	111.54	109.51	9.31	10.17
2022	113.74	113.74	111.74	9.50	10.38
2023	116.02	116.02	114.02	9.69	10.58
2024	118.34	118.34	116.34	9.88	10.79
2025	120.70	120.70	118.70	10.08	11.01

Constant thereafter

- Notes:
- [1] West Texas Intermediate quality (D2/S2) crude landed in Cushing, Oklahoma.
 - [2] The Brent Spot price is estimated based on historic data.
 - [3] The AECO Spot price is the Alberta gas trading price.
 - [4] Henry Hub is the pricing point for natural gas futures contracts traded on the New York Mercantile Exchange (NYMEX).
 - [5] December 31, 2009 is the last trading day of 2009.
 - [6] Capital expenditures and operating costs are escalated at 2.0% per year from 2010 until 2025.

Part 4 – Reconciliation of Changes in Reserves

The following table sets forth a reconciliation of the changes in the Company's gross reserves as at December 31, 2009 against reserves as at December 31, 2008 based on the forecast price and cost assumptions:

RECONCILIATION OF COMPANY GROSS RESERVES BY PRINCIPAL PRODUCT TYPE BASED ON FORECAST PRICES AND COSTS

	Light and Medium Oil				
	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved Plus Probable (Mbbbl)	Gross Possible (Mbbbl)	Gross Proved Plus Probable Plus Possible (Mbbbl)
At December 31, 2008	446	5,906	6,352	17,721	24,073
Production(Sales)					
Acquisitions					
Dispositions	0	0	0	0	0
Discoveries					
Extensions	0	0	0	0	0
Revisions to Previous Estimate					
Economic Factors Technical Improved Recovery	0	0	0	0	0
At December 31, 2009	446	5,906	6,352	17,721	24,073

The Company doesn't have any heavy oil and associated and non-associated gas reserves.

Part 5 – Additional Information Relating to Reserves Data

Undeveloped Reserves

The Company had proved undeveloped reserve (see following table) as at December 31, 2009 or in prior years.

	Light and Medium Oil (Mbbbl)	Heavy Oil (Mbbbl)	Natural Gas (MMscf)	Natural Gas Liquids (Mbbbl)
Aggregate prior to 2007	0	0	0	0
2007	0	0	0	0
2008	327	0	0	0
2009	327	0	0	0

The following table sets forth the volumes of probable undeveloped net reserves that were attributed for each of the Company's product types for the most recent three financial years and in the aggregate before that time:

	Light and Medium Oil (Mbbbl)	Heavy Oil (Mbbbl)	Natural Gas (MMscf)	Natural Gas Liquids (Mbbbl)
Aggregate prior to 2007	0	0	0	0
2007	0	0	0	0
2008	5,111	0	0	0
2009	5,111	0	0	0

The following table sets forth the volumes of possible undeveloped reserves that were attributed for each of the Company's product types for the most recent three financial years and in the aggregate before such time:

	Light and Medium Oil (Mbbbl)	Heavy Oil (Mbbbl)	Natural Gas (MMscf)	Natural Gas Liquids (Mbbbl)
Aggregate prior to 2007	0	0	0	0
2007	0	0	0	0
2008	17,721	0	0	0
2009	17,721	0	0	0

The following discussion generally describes the basis on which the Company attributes Proved, Probable and Possible Undeveloped reserves and its plans for developing those Undeveloped Reserves.

Proved Undeveloped Reserves

The Company's Proved Undeveloped reserves are 327 MBBL from Belvoir and Bingham fields. These reserves are anticipated to be developed in 2010. The basis for the reserves assignment is log analysis of two wells drilled on the Cropwell Butler structure.

Probable Undeveloped Reserves

The Company's Probable Undeveloped reserves are 5,111 MBBL from Harlequin, Belvoir, Sedgebrook, Bingham, and Granby fields. These reserves are expected to be developed in 2010 and 2011. The basis of the probable reserves assignment is from log analysis on existing well bores drilled into the respective structures and geological control. These reserves have been assigned predominantly to existing well bores and in some cases to direct offset locations for zones tested in the adjacent well.

Possible Undeveloped Reserves

The Company's Possible Undeveloped reserves are located in Harlequin, Belvoir, Sedgebrook, and Granby fields the majority of which is from the Kilburn Sill formation in the Harlequin field. The possible reserves have been based on analogs to the proved and probable reserves assigned to each structure, extending the locations to cover the interpreted pool edge. For the Kilburn Sill the pool extent was defined by numerous old Coal Board wells and by 2-D seismic coverage. The possible reserves are anticipated to be developed mostly in 2011 and 2012.

Significant Factors or Uncertainties

The estimation of reserves requires significant judgment and decisions based on available geological, geophysical, engineering and economic data. These estimates can change substantially as additional information from ongoing development activities and production performance becomes available and as economic and political conditions impact oil and gas prices and costs change. The Company's estimates are based on current production forecast, prices and economic conditions. All of the Company's reserves have been evaluated by Chapman Petroleum Engineering Ltd., an independent engineering firm.

As circumstances change and additional data becomes available, reserve estimates also change. Based on new information, reserves estimates are reviewed and revised, either upward or downward, as warranted. Although every reasonable effort has been made by the Company to ensure that reserves estimate are accurate, revisions may arise as new information becomes available. As new geological, production and economic data is incorporated into the process of estimating reserves the accuracy of the reserve estimate improves.

Future Development Costs

The following table shows the development costs anticipated in the next five years, which have been deducted in the estimation of the future net revenues of the proved and probable reserves.

	Total Proved Estimated Using Forecast Prices and Costs (Undiscounted) (\$M)	Total Proved Plus Probable Estimated Using Forecast Prices and Costs (Undiscounted) (\$M)
2010	3,575	18,659
2011	1,632	3,264
2012	0	0
2014	0	0
2013	0	0
Total for five years	5,207	21,923
Remainder	0	0
Total for all years	5,207	21,923

The Company has been successful in raising its required capital through equity financings and plans to continue to do so for the development costs specified above. The effect of the costs of the expected funding would have no impact on the revenues or reserves currently being reported.

Part 6 – Other Oil and Gas Information

Oil and Gas Properties and Wells

The following table sets forth the number of wells in which the Company held a working interest as at December 31, 2009

	Oil		Natural Gas	
	Gross ⁽¹⁾	Net ⁽¹⁾	Gross ⁽¹⁾	Net ⁽¹⁾
Nottingham Area				
Producing	0	0	0	0
Non-producing	1	1	0	0

All of the Company's wells are located in the Nottingham area, onshore in the east Midlands basin, England. The Proved Developed Non-Producing oil reserves of 119 Mbbl have been estimated for Kinderscout Grit sandstone formation in the Cropwell Butler #2 well.

All future production anticipated from this property is oil and water, which would be transportable by truck to market on the existing road infrastructure.

Properties with No Attributed Reserves

The Company owns a 100% working interest in PEDL 254,208, and 204, which are located in the United Kingdom within the East Midlands Basin, and comprise a total of 100,000 acres in size.

Under the terms of the UK license, production will be subject to a 3% gross overriding royalty and will not be burdened by government royalties.

Forward Contracts

Currently, the Company has no forward contracts.

Additional Information Concerning Abandonment and Reclamation Costs

The estimated abandonment and restoration costs used by Chapman are based on company estimates. The Company expects to have costs relating to 19 net wells (Proved plus Probable), including the locations to be drilled. All costs have been included in the Chapman report.

FUTURE ABANDONMENT AND RESTORATION COSTS

	Total Proved Estimated Using Forecast Prices and Costs (Undiscounted) (\$M)	Total Proved Estimated Using Forecast Prices and Costs (10% Discounted) (\$M)	Total Proved Plus Probable Estimated Using Forecast Prices and Costs (Undiscounted) (\$M)	Total Proved Plus Probable Estimated Using Forecast Prices and Costs (10% Discounted) (\$M)
2009	0	0	0	0
2010	0	0	0	0
2011	0	0	0	0
Total for three years	0	0	0	0
Remainder	101	8	545	30
Total for all years	101	8	545	30

Tax Horizon

The Company is expected to be taxable under all cash flow forecasts in this report.

Costs Incurred

The following table summarizes the capital expenditures made by the Company on oil and natural gas properties for the year ended December 31, 2009

Property Acquisition Costs (\$M)		Exploration Costs (\$M)	Development Costs (\$M)
Proved Properties	Unproved Properties		
0	0	0	0

Exploration and Development Activities

The following table sets forth the number of exploratory and development wells which the Company completed during its 2009 financial year:

	Exploratory Wells		Development Wells	
	Gross ⁽¹⁾	Net ⁽¹⁾	Gross ⁽¹⁾	Net ⁽¹⁾
Oil Wells	0	0	0	0
Gas Wells	0	0	0	0
Service Wells	0	0	0	0
Dry Holes	0	0	0	0
Total Completed Wells	0	0	0	0

The Company did not drill or develop any additional reserves in the fiscal year. The Company financed the licensing of the properties during the fiscal year.

Production Estimates

The following table sets forth the volume of production estimated by Chapman for 2009 (12 months):

TOTAL PROVED RESERVES				
AREA	Light and Medium Oil (Mbbl)	Heavy Oil (Mbbl)	Natural Gas (MMscf)	Natural Gas Liquids (Mbbl)
Cropwell Butler	0	0	0	0
Belvoir	0	0	0	0
Bingham	0	0	0	0
Total for all areas	0	0	0	0

TOTAL PROVED PLUS PROBABLE RESERVES				
AREA	Light and Medium Oil (Mbbl)	Heavy Oil (Mbbl)	Natural Gas (MMscf)	Natural Gas Liquids (Mbbl)
Cropwell Butler	0	0	0	0
Harlequin	0	0	0	0
Belvoir	0	0	0	0
Sedgebrook	0	0	0	0
Granby	0	0	0	0
Bingham	0	0	0	0
Total for all areas	0	0	0	0

Production History

The following table sets forth certain information in respect of production, product prices received, royalties, production costs and netbacks received by the Company for each quarter of its most recently completed financial year:

	Three Months Ended March 31, 2009	Three Months Ended June 30, 2009	Three Months Ended September 30, 2009	Three Months Ended December 31, 2009
Average Daily Production				
Light and Medium Oil (Mbb/d)	0	0	0	0
Natural Gas (MMscf/d)	0	0	0	0
Average Net Prices Received				
Light and Medium Oil (\$/Mbb)	0	0	0	0
Natural Gas (\$/MMscf)	0	0	0	0
Royalties				
Light and Medium Oil (\$/Mbb)	0	0	0	0
Natural Gas (\$/MMscf)	0	0	0	0
Production Costs				
Light and Medium Oil (\$/Mbb)	0	0	0	0
Natural Gas (\$/MMscf)	0	0	0	0
Netback Received				
Light and Medium Oil (\$/Mbb)	0	0	0	0
Natural Gas (\$/MMscf)	0	0	0	0

ABBREVIATIONS AND CONVERSION

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

Oil and Natural Gas Liquids		Natural Gas	
Bbl	barrel	Mscf	thousand standard cubic feet
Bbls	barrels	MMscf	million standard cubic feet
Mbbls	thousand barrels	Mscf/d	thousand standard cubic feet per day
MMbbls	million barrels	MMscf/d	million standard cubic feet per day
MSTB	1,000 stock tank barrels	MMBTU	million British Thermal Units
Bbls/d	barrels per day	Bcf	billion cubic feet
BOPD	barrels of oil per day	GJ	gigajoule
NGLs	natural gas liquids		
STB	stock tank barrels		
Other			
AECO	Niska Gas Storage's natural gas storage facility located at Suffield, Alberta.		
BIT	before Income Tax		
AIT	after Income Tax		
BOE	barrel of oil equivalent on the basis of 1 BOE to 6 Mscf of natural gas. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 1 BOE for 6 Mscf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.		
BOE/d	barrel of oil equivalent per day		
m ³	cubic metres		
\$M	thousands of dollars		
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade		