

FORM 51-101 F1

KODIAK ENERGY, INC. (the "Corporation")

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

This statement of reserves data and other information (the "Statement") is dated February 16, 2009 and is effective December 31, 2008. The preparation date of the information in this Statement was February 10, 2008.

Terms used and not otherwise defined herein shall have the meanings ascribed thereto in National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities, of the Canadian Securities Administrators.

Disclosure of Reserve Data

As at December 31, 2008, the Corporation did not have any proved, probable or possible reserves attributed to any of its properties.

Oil and Gas Properties and Wells

As at December 31, 2008, the Corporation had interests in a total of six projects; four in Canada and two in the United States. Following is a description of each of the Corporation's properties

Canada:

Lucy – Northern British Columbia

The Corporation is the operator and 80% working interest owner of a 1,920 acre lease located in Northeastern British Columbia. The Corporation believes the lease is situated on the southeast edge of the Horn River Basin and the Muskwa Shale gas prospect. Industry continues to show increased interest in this shale gas play with several comparisons of the Muskwa Shale gas potential as an analogue of the Barnett Shale gas potential.

The Corporation has been involved in two previous drilling operations on the lease. In the fourth quarter of 2006, Kodiak farmed in as a non-operated partner, paying 10% to earn 7.5%, on a drilling operation in the Lucy (Gunnell) area. This first drilling operation, designed to target a Middle Devonian reef prospect, had several operational problems and was unsuccessful.

After performing an internal review of seismic and drilling data, it was determined there was a seismic anomaly on the southern half of the lease. This anomaly was identified on several different seismic lines and a decision was made to drill a well on that part of the lease to evaluate both the anomaly as the primary target and the Muskwa Shale, seen in the first well but not evaluated by the operator at that time.

In the third quarter of 2007, the Corporation served partners with an independent operations notice which resulted in the Corporation increasing its working interest in the lease to 80%.

In the first quarter of 2008, a second drilling operation was completed and a vertical well was cased. It was determined that the Middle Devonian seismic anomaly was not a reef buildup and the wellbore was cased due to encountering significant gas shows in the previously identified Muskwa Shale with a formation thickness of approximately sixty meters.

The Corporation submitted an application to the British Columbia Oil & Gas Commission (“OGC”) for an experimental scheme to test the Muskwa Shale gas potential. On August 12, 2008, Kodiak received the final approval of the Lucy experimental scheme application. The Corporation has prepared a multi-phase work program designed to test the deliverability of the Muskwa Shale gas formation using vertical and horizontal drilling and completion techniques. Kodiak’s proposed work program would allow for early production into a pipeline in order to monitor long-term deliverability rates and pressures of horizontal and vertical test wells on the periphery of the Horn River Basin.

These results would be some of the first commercial production results for a Horn River Basin shale gas project and would provide information that would help define the effective exploration area of the Basin and assist in the validation of adjoining properties in a divestiture process, should that occur.

Kodiak contracted an industry-recognized shale gas assessment laboratory to prepare and analyze the drill cuttings from the 2008 well in order to evaluate the Muskwa Shale interval for gas potential. The shale gas assessment is conducted by performing various tests on the rock cuttings that were obtained while drilling the well in order to determine the type, quality and amount of both adsorbed and free gas.

The most important conclusion from the drill cutting analysis is that the information received continues to support the evaluation of Kodiak’s Muskwa (Evie) Shale gas prospect. The laboratory data is consistent with other public industry and government data on the Muskwa Shale. It should also be noted that the numbers obtained on the laboratory analysis of drill cuttings may be conservative due to the nature of sampling drill cuttings on a drilling rig. Another significant point is that all three wells on the Kodiak lease, drilled deep enough to penetrate the Muskwa Shale, had elevated gas detector readings while penetrating the shales.

The prospect is still in the early stages of delineation and no assurance can be given that its exploitation will be successful. However, based on well cuttings and drilling data, Kodiak’s internal technical analysis has estimated the volume of adsorbed and free gas in the Muskwa (Evie) shales to have potential net reserves of 41 bcf per section or 123 bcf total. Based on estimated 25% recovery factor on the three sections of land, we estimate a total of 30.75 bcf recoverable contingent resources. In calculating this number, the Corporation used all of the laboratory analysis findings and wellbore information obtained during the drilling operation. For reference, this internally calculated volume is between the “best” and “high” calculations listed in the Chapman report that only had the TOC analysis and industry available data. Further appraisal work is required before these estimates can be finalized and commerciality assessed.

The current intention is to perform the following work commitments for the license (target dates are subject to change as new information becomes available):

- Second Quarter 2009 and Third Quarter 2009 - Perforate the Muskwa intervals, perform a vertical shale gas fracture treatment, test and evaluate pressures and production and, if economic, equip and tie in well to an existing pipeline approximately 1 Km from the wellhead.
- First Quarter 2010 and Second Quarter 2010 – Drill and case a 1000 meter horizontal leg from an existing cased vertical well on the lease, perform a horizontal staged fracture treatment, test and evaluate pressures and production and, if economic, equip and tie in well to pipeline.

Province/Granlea – Southeast Alberta

The Corporation purchased a 50% working interest in two sections (1280 acres gross - 640 net) of P&NG rights at a provincial land sale on September 22, 2005. In 2005, a 2D seismic program was completed on the property and in 2006, a well was drilled and completed; surface facilities were installed and a pipeline

tie-in was completed. Production commenced in September, 2006. The well produced for a short period until excess water rates occurred and in October, 2006 the well was shut in. After the well bore was evaluated as having no current economic production potential, the well was abandoned. An internal geological review of the prospect will be done to determine if any further drilling is warranted.

Cree Energy Lands, Alberta

On November 28, 2008, Kodiak entered into a binding letter agreement with CREnergy Oil and Gas Inc., a company which is the authorized agent of Peerless/Trout Lake First Nation and Alberta Cree Nation, which are new First Nations in various stages of ratification from the federal Government of Canada to satisfy outstanding Treaty Land Entitlement claims. As part of the Treaty Land Entitlement settlements it is expected these new First Nations will receive approximately 15 townships or 540 sections of mineral rights for development in Alberta.

In exchange for Kodiak advancing certain contracted funds and making work program commitments, the Corporation will have an exclusive opportunity to develop certain identified oil and gas properties within the Peerless/Trout Lake First Nation and the Alberta Cree Nation. The joint venture is based on a confidential letter of intent with a term sheet and a head agreement for developing the relationship going forward. This arrangement is designed to be the stepping stone for a larger scale oil and gas development project.

Kodiak will initially have the opportunity to select up to approximately two townships (72 sections or 46,000 acres) of mineral rights from the combined Peerless/Trout Lake First Nations identified lands and Alberta Cree Nation identified lands. The leases will be for ten years, paid up with all rights. Kodiak will submit to CREnergy a development plan for the two selected townships on or before May 1, 2009 with a goal to begin exploration and development operations on or before November 1, 2009. CREnergy and Kodiak will discuss terms and conditions for the development of other townships of land on or before May 1, 2010.

Little Chicago – Northwest Territories

The Company is the operator and largest working interest owner of the 201,160 acre Exploration Licence 413 (“EL 413”) in the Mackenzie River Valley centered along the planned Mackenzie Valley Pipeline.

In 2006, the Company signed an exploration farm-in agreement with the two 50% working interest owners of EL 413. The company reprocessed 50 km of existing seismic data in Q4 of 2006 and during the 2006-07 winter work season, the Company shot and acquired 84 km of high resolution proprietary 2D seismic and gravity survey data on the farm-out lands, thus earning a 12.5% working interest in the property. In September, 2007, the Company acquired Thunder River Energy, Inc.’s (“Thunder”) remaining 43.75% in the property giving the Company a 56.25% interest in EL 413. A letter of intent signed earlier in 2008 with the Company’s remaining partner in the project, which would have allowed Kodiak to acquire the balance of the working interest in EL 413 and become a 100% working interest owner, recently expired.

A 2007-08 43 km 2D high resolution proprietary seismic program and gravity survey was completed on the property and the results were processed and interpreted and used to support the Corporations planned drilling program. This project was completed on budget and schedule. The seismic and gravity data from the two projects show substantial structural closure and formation character and support the planning for a future multiple well drilling program. That data was included in an updated Chapman Prospective Resource report published in May, 2008.

The decision to acquire additional seismic and gravity data in the winter of 2007-08 was made to improve the potential to drill both the Devonian Bear Rock and the Basal Cambrian Sand targets from a common drilling site. This would substantially lower drilling costs on a per well basis and reduce the overall project risk.

Kodiak has analyzed the 2007-08 seismic data and the various reservoir indicators/leads and identified 11 drill locations. These drill locations have been selected to evaluate three primary target formations on EL 413 including the Devonian Bear Rock Oil Prospect, the Basal Cambrian Sand /Top Precambrian Oil and Gas Prospect and the Canol Oil Prospect. These locations have been further high graded into a two phase drilling program consisting of two wells with a planned total depth of 2400 meters each targeting both the Basal Cambrian/Precambrian and the Bear Rock prospects and a multi-well shallow drilling program with a planned total depth of 400m each targeting the Canol prospect. A scouting trip was completed in the third quarter of 2008 which allowed the Corporation to review potential access routes, well sites and camp locations.

The Devonian Bear Rock Prospect (“Bear Rock”) is the first described target and is located at a shallow depth of approximately 700 meters (2,300 ft.). This reservoir was previously identified and preliminarily evaluated in the initial Chapman Report prepared in 2005. The expected product from the reservoir is light and medium oil, with no consideration to solution gas.

The combined seismic obtained during 2007 and 2008 acknowledged a series of pools distributed throughout the project. The Chapman Report identified fifteen Bear Rock leads located along the seismic lines with five of them being selected as well defined high grade Bear Rock leads. This is an increase of 5 additional leads from the initial 2007 work program. Indicators of these potentially prolific reservoirs are present along several seismic lines that may imply these Bear Rock occurrences to be present throughout EL 413.

The additional 2008 seismic further defined a hydrocarbon trap in the Basal Cambrian Sand sitting on the top of the Precambrian. This interval, found at a depth of approximately 2,300 meters (7,545 feet), has never been regionally penetrated and tested; however, it has been proven as a productive reservoir in the Colville Hills area approximately 125 kilometers (77 miles) east of EL 413. With this additional data, the Chapman Report identified five drilling locations that will allow the Basal Cambrian Sand and the top of the Precambrian to be drilled and tested.

Physical evidence of hydrocarbons is present with a natural surface oil seep on the northern edge of the license area on the banks of the Mackenzie River. This natural occurrence is suggestive of a shallow oil pool, possibly in the Canol formation, and warrants further investigation. While reviewing core samples and well logs from previous regional drilling activity. Kodiak was able to map out the Canol/Imperial formation and determine that it is the likely source of the natural surface seeps. This prospect will be found on the Northwest quarter of EL 413 and is at a very shallow depth of approximately 350 meters (1,148 feet). The Corporation has identified 5 drilling locations which will be evaluated during a planned future project drilling program.

Kodiak is preparing for the previously mentioned drilling program and has commenced work on the necessary permits and applications. The Corporation is working with the Sahtu and the Gwich'in, which are the beneficiaries of the land claims containing the EL 413 licence. The Corporation does not believe there will be any difficulty finishing the Access and Benefits Agreement prior to submitting the final applications to the regulators for approval. The Corporation is currently in discussions with other industry partners to share in the costs of the drilling programs, thus reducing risk and capital commitments. Financing plans will be finalized when overall partnerships are established. Kodiak intends on retaining operatorship.

In addition, Kodiak has made application with regulators to extend the EL 413 license and has recently received written notification from Indian and Northern Affairs Canada that a 1 year extension is available to the EL 413 licence. The licence extension is subject to certain terms and conditions, which Kodiak is presently reviewing for consideration.

United States

New Mexico

Through its acquisition of Thunder, the Corporation acquired a 100% interest in 55,000 acres of property located in northeast New Mexico. Additional land acquisitions have increased the Corporation's land position to approximately 79,000 acres. These lands have potential for natural gas and CO₂ and oil and helium resources at shallow depths. In 2008, the Corporation purchased 19,000 stations of gravity data and 37 miles of trade seismic data, completed a 35 mile 2D high resolution proprietary seismic program and a three well drilling program.

The three wells were drilled with air to reduce formation damage and they were cased to the base of the Yeso formation. Based on gas detector results, drill cutting samples and open hole logs, all wells showed three potential shallow porous sandstone formations capable of CO₂ production with up to 200 feet of identified net pay thickness. The Yeso, Glorieta and Santa Rosa formations were perforated and flow tested to determine deliverability and pressure. There were multiple gas samples analyzed at specialized independent laboratories from two separate extended flow tests that identified CO₂ concentration quality from 98.4% to 99.5%. Two of the wells were stimulated with a nitrified acid squeeze and were able to sustain an extended flow rate of approximately 375mcf/d. The shallow sands have been mapped using offset well control and the newly acquired seismic data and the Corporation has determined there is a very high likelihood of encountering the target formations throughout the leased project area; provided, however, that no assurance can be given that this will be the case.

The 35 mile 2D high resolution seismic program was completed on schedule and on budget and after reviewing the seismic data, the Company was able to effectively map out a probable long term development area which would result in CO₂ production from the previously identified formations. The seismic is currently being evaluated to identify possible conventional oil and gas prospects on the leased project area.

A preliminary project feasibility study was commissioned to identify capital development costs and timelines as well as projected operating costs in order to provide information to support a large scale long-term plan of development. This information will enable the definitions for pipeline access planning and negotiation, transportation agreements, sales contracts for the CO₂, additional land acquisition terms and conditions, facility engineering and construction and ultimately the parameters for financing the project development.

Several companies have expressed interest in participating in the New Mexico properties at several levels of involvement. There is also potential for the integration of the CO₂ production into Permian Basin enhanced oil recovery projects.

Montana

During 2006, the Company, under a joint venture farmout agreement, participated in a seismic acquisition program and a two well drilling program to earn a 50% non-operating working interest in the wells and well spacing. This joint venture project provides the company with the right to participate on a 50% basis going forward on this prospect in the Hill County area of Montana. The Operator of the project had

60,000 contiguous undeveloped acres of P&NG rights in the area, as well as some excess capacity in facilities and pipelines. Two wells were drilled in the third quarter of 2006; one is cased for subsequent evaluation of the multiple zones found and one was abandoned. In order to facilitate the efficient exploration of this prospect area, the company has acquired from the original operator a 100% working interest of 12,000 acres of P&NG rights while retaining the right to participate and initiate operations on the remaining approximate 48,000 acres of prospect leases. After an internal geological review of this prospect, and in light of current commodity prices, consideration is being given to the divestiture of the property and the company is working jointly with our partner to obtain the best value.

Producing and Non-Producing Wells

The following table summarizes the Corporation's interests, as at December 31, 2008, in oil and gas wells located in Canada and the United States:

Producing and Non-Producing Wells as at December 31, 2008						
	<u>Oil wells</u>		<u>Natural gas wells</u>		<u>Total</u>	
	Gross	Net	Gross	Net	Gross	Net
Canada Producing ⁽¹⁾	0	0	0	0	0	0
Canada Non-producing ⁽²⁾	0	0	3.0	1.375	3.0	1.375
U. S. Producing ⁽¹⁾	0	0	0	0	0	0
U.S. Non-producing ⁽²⁾	0	0	5.0	4.0	5.0	4.0
Total Producing ⁽¹⁾	0	0	0	0	0	0
Total Non-producing ⁽²⁾	0	0	8.0	5.375	8.0	5.375

Notes:

- (1) Includes wells that are temporarily shut-in but which are capable of production.
- (2) Includes wells that are not capable of production but that are not yet abandoned.

Properties with No Attributed Reserves

The following table summarizes information with respect to the Corporation's properties to which no reserves have been specifically attributed:

Land Holdings Without Attributed Reserves as at December 31, 2008		
	Unproved Properties (Acres)	
	Gross	Net
Canada	204,360	115,329
U.S.	92,485	91,525
Total	296,845	206,853

There are no material work commitments on the above undeveloped land holdings.

The Corporation is not a party to any forward contracts (incl. transportation agreements) under which it may be precluded from fully realizing, or may be protected from future market prices for oil and gas.

Additional Information Concerning Abandonment and Reclamation Costs

The Corporation bases its estimates for the costs of abandonment and reclamation of surface leases, wells, facilities and pipelines on previous experience of management with similar well sites and facility locations. As at December 31, 2008, management expected to incur such future costs on 5.375 net wells. The total of such costs, net of estimated salvage value, was \$302,000. Within the next three financial years, it is expected such costs will total \$500,000.

Tax Horizon

The Corporation's current resource tax pools of \$32,200,000 and estimated non-capital tax loss carry-forward balance of \$ 7,400,000 have sheltered it from paying cash taxes. Based on current operations, with no proved reserves or production, it is anticipated that the Corporation's resource tax pools and non-capital tax loss carry-forward balance will shelter it from paying cash taxes until approximately 2014.

Costs Incurred

For the financial year ended December 31, 2008, the Corporation incurred the following costs on properties in Canada and the United States:

Costs Incurred	
Year Ended December 31, 2008	
(Canadian Dollars)	
Property Acquisition costs:	
Proved Properties	0
Unproved Properties	4,764,403
Exploration costs	6,209,815
Development costs	0
Total	10,974,218

Exploration and Development Activities

For the year ended December 31, 2008, the Corporation completed the following exploratory and development wells:

Exploration and Development Activities				
Year ended December 31, 2008				
	Exploratory wells		Development wells	
	Gross	Net	Gross	Net
Oil	0	0	0	0
Gas	4	3.8	0	0
Service	0	0	0	0
Dry	0	0	0	0
Total	4	3.8	0	0

The Corporation's most important current and likely exploration and development activities are described under "Oil and Gas Properties".