

CLAREN ENERGY CORP.
(Formerly Terra Nova Energy Ltd.)

The Reporting Issuer or the Company
Form 51-101F1

Statement of Reserves Data and Other Oil and Gas Information

PART 1 DATE OF STATEMENT

Item 1.1 Relevant Dates

1. The date of this report is November 17, 2016.
2. The effective date of the information provided in this statement is as of the Company's most recently completed fiscal year ended July 31 2016.
3. The date of preparation of the information provided herein is November 17, 2016.

PART 2 DISCLOSURE OF RESERVES DATA

The Company has no reserves.

PART 3 PRICING ASSUMPTIONS

Not applicable.

PART 4 RECONCILIATION OF CHANGES IN RESERVES

Not applicable.

PART 5 ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Not applicable.

PART 6 OTHER OIL AND GAS INFORMATION

Item 6.1 Oil and Gas Properties and Wells

The Company did not have any properties with oil and gas reserves as of July 31, 2016. The Company had exploration properties with no reserves as described in item 6.2.

Item 6.2 Properties With No Attributed Reserves

a) Farm-in Agreement

On May 11, 2012, as amended on May 29, 2013, the Company entered into an oil and gas farm-in agreement to secure the right to earn up to a 55% working interest in petroleum and natural gas rights on certain on-shore Australian Petroleum Exploration Licenses (PELs), known as PELs 112 and 444 (the "Farm-in Agreement").

PEL's 112 and 444 comprise approximately 1,086 km² and 1,166 km² respectively. These properties are located on the Western flank of the Cooper-Eromanga Basin in the northeastern sector of the state of South Australia.

To earn an initial 20% interest in each PEL, the Company completed initial seismic acquisition requirements as outlined in the Farm-in Agreement (the "Seismic Earn-in Obligation").

During the year ended July 31, 2013, the Company completed the seismic acquisition requirements for PEL 112 and accordingly, the Company earned a 20% interest in PEL 112. During the year ended July 31, 2014, the Company earned a 20% interest in PEL 444 on completion of the seismic acquisition requirements. The Company earned an additional 5.8333% interest in each PEL by drilling one well at PEL 112 during the year ended July 31, 2014.

On February 23, 2015, the Company sold a 5.1666% working interest in each of PEL 112 and PEL 444 to Perseville Investing Inc. ("Perseville") for a total of \$3,000,000 (the "Transaction"), including payment of A\$191,226 (\$188,011) of amounts owing to the Company. The net amount of \$2,811,989 was applied to the sale of the 5.1666% working interest in the PELs.

Prior to closing of the Transaction, Perseville owned a 25.6664% working interest in each of PEL 112 and PEL 444. Accordingly, Perseville increased its working interest in PEL 112 and PEL 444 to 30.8330% with Claren owning a 20.6667% working interest in each of PEL 112 and PEL 444. Holloman Energy Corporation ("Holloman") has the remaining 48.5003% working interest. Subsequent to July 31, 2016, the Company acquired the 30.8330% interest in the PELs held by Perseville. The Company currently owns a 51.4997% working interest in each of PELs 112 and 444 and Holloman has the remaining 48.5003%.

On May 19, 2015, the Company terminated the Farm-In Agreement and the joint venture co-venturers are now subject to the 2006 Joint Operating Agreement (the "JOA") which governs the PEL 112 and PEL 444 joint ventures (the "JVs").

b) Joint Operating Agreement

Claren, being appointed as operator pursuant to the Farm-In Agreement and Deeds of Assignment, continues to serve as operator.

The JVs had a budget of A\$3,000,000 to drill a well ("Baikal 1") at PEL 444, A\$493,500 for seismic reprocessing at PELs 112 and 444 and additional amounts for license administration on PELs 112 and 444. The JV co-venturers were cash called and, during the year ended July 31, 2016, the JVs received an aggregate of A\$2,694,688 from Perseville and Holloman. Subsequent to July 31, 2016, the JVs refunded A\$287,611 to Perseville and Holloman as the final drilling cost was A\$2,158,838.

The minimum one year work commitment under PEL 444 was to drill a well by the end of the license term on January 11, 2016. With the drilling of Baikal 1, the Company has entered into a new five year lease period on PEL 444, with the license expiring on January 11, 2021. The minimum one year work commitment under PEL 112 is to carry out geological and geophysical studies and the license term expires on January 10, 2019.

Item 6.2.1 Significant Factors or Uncertainties Relevant to Properties With No Attributed Reserves

The Company drilled a well on PEL 112 during fiscal 2014 and a well on PEL 444 during fiscal 2016. No hydrocarbons were found to be present.

The minimum one year work commitment under PEL 444 was to drill a well by the end of the license term on January 11, 2016. With the drilling of Baikal 1, the Company has entered into a new five year lease period on PEL 444, with the license expiring on January 11, 2021. The minimum one year work commitment under PEL 112 is to carry out geological and geophysical studies and the license term expires on January 10, 2019.

To continue to fund additional drilling on the PELs, the Company will require additional financing. There is no certainty that equity financing will be available to the Company for exploration activities. The availability of equity capital to junior oil and gas companies is affected by commodity prices, global economic conditions and economic conditions and government policies in the countries of operation, among other things. These factors are beyond the control of the management of the Company and have a direct effect on the Company's ability to raise capital.

Item 6.3 Forward Contracts

Not applicable.

Item 6.4 Additional Information Concerning Abandonment and Reclamation Costs

During the year ended July 31, 2013, the Company commenced one well at PEL 112. During the year ended July 31, 2014, the well resulted in a dry hole and the well was plugged and abandoned. At July 31, 2016, the Company has accrued A\$35,000 for reclamation costs associated with the PEL 112 well.

During the year ended July 31, 2016, the Company commenced one well at PEL 444 which resulted in a dry hole and the well was plugged and abandoned. At July 31, 2016, the JV has accrued A\$60,000 for reclamation costs associated with the PEL 444 well.

Item 6.5 Tax Horizon

The Company was not required to pay income taxes in Canada or Australia during the year ended July 31, 2016. The Company will not be required to pay income taxes until the Company has taxable income.

Item 6.6 Costs Incurred

The following table summarizes certain costs (irrespective of whether such costs were capitalized or recorded as an expense) incurred by the Company during the most recently completed financial year.

	Year Ended July 31, 2016 \$
Expenditures	
Recovery of Farm-in Agreement costs	(281,199)
The Company's share of PEL 112 and 444 Joint Venture costs	574,818
	<u>293,619</u>

Item 6.7 Exploration and Development Activities

As at July 31, 2016, the Company has been engaged in exploration activities aimed on PEL 112 and PEL 444.

The Company has completed one exploration well at PEL 112 and one exploration well at PEL 444.

Item 6.8 Production Estimates

Not applicable.

Item 6.9 Production History

Not applicable.