



**ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2008**

April 27, 2009

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FORWARD LOOKING INFORMATION

Certain information in this Annual Information Form ("AIF") is "forward looking information". Forward looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" or other similar words, or statements that certain events or conditions "may" or "will" occur. Forward looking information involves significant known and unknown risks and uncertainties. A number of factors, many of which are beyond the control of the Corporation could cause actual results to differ materially from the results discussed in the forward looking information. Although the forward looking information contained in this AIF is based upon assumptions which Management believes to be reasonable, the Corporation cannot assure investors that actual results will be consistent with this forward looking information. The forward looking information contained herein is made as of the date of this AIF, and the Corporation assumes no obligation to update or revise it to reflect new events or circumstances, except as required by law. Because of the risks, uncertainties and assumptions inherent in forward looking information, prospective investors in the Corporation's securities should not place undue reliance on this forward looking information.

In particular, this AIF contains forward looking information pertaining to the following:

- the quantum of, and future net revenues from, crude oil, natural gas and natural gas liquids reserves;
- crude oil, natural gas and natural gas liquids production levels;
- expectations regarding future developments costs and the ability to fund such costs;
- projections of market prices and costs; and
- expectations regarding capital expenditures and exploration activities.

With respect to forward looking information contained in this AIF, the Corporation has made assumptions regarding, among other things:

- the continued existence and operation of existing pipelines;
- future prices for crude oil, natural gas and natural gas liquids;
- future currency and exchange rates;
- the Corporation's ability to generate sufficient cash flow from operations and access existing credit facilities and capital markets to meet its future obligations; and
- the Corporation's ability to obtain qualified staff and equipment in a timely and cost-efficient manner to meet the Corporation's demand.

Some of the risks that could affect the Corporation's future results and could cause results to differ materially from those expressed in the Corporation's forward looking statements include:

- the impact of competition;
- compliance with and liabilities under environmental laws and regulations;
- the uncertainties of estimates by the Corporation's independent consultants with respect to the Corporation's reserves;
- the volatility of crude oil, natural gas and natural gas liquids prices;
- changes in the foreign exchange rate;
- general economic conditions in the countries in which the Corporation operates;
- changes to royalty regimes and government regulations regarding royalty payments;
- risks associated with developing, producing, processing, storing and transporting oil and natural gas;

- geological, technical, drilling and processing problems;
- the Corporation's ability to hire and retain staff;
- imprecision in estimating capital expenditures and operating expenses;
- imprecision in estimating the timing, costs and levels of production and drilling;
- imprecision in estimates of future production capacity;
- potential delays or changes in plans with respect to exploration and development projects or capital expenditures;
- changes to regulations and legislation applicable to Trafina;
- general economic and business conditions;
- unavailability of required equipment and services; and
- the other factors discussed under "Risk Factors".

Statements relating to "reserves" are deemed to be forward looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated, and can be profitably produced in the future. The assumptions relating to the reserves of the Corporation are discussed under "Oil and Gas Reserves".

ABBREVIATIONS

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

"API"	American Petroleum Institute measure of specific gravity of crude oil or condensate in degrees	"Mcf/d"	One thousand cubic per day
"bbl"	Barrels	"MMcf"	One million cubic feet
"bbl/d"	Barrels per day	"WTI"	West Texas Intermediate
"boe"	Barrels of crude oil equivalent		
"CBM"	Coal Bed Methane		
"M\$"	Thousands of Canadian dollars		
"Mbbl"	One thousand barrels		
"Mcf"	One thousand cubic feet		

For the purposes of this document, 6 Mcf of natural gas and 1 bbl of NGL each equal 1 bbl of crude oil. Boes may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In this AIF, references to "dollars" and "\$" are to the currency of Canada, unless otherwise indicated.

THE CORPORATION

Incorporation and Organization

Trafina Energy Ltd. (the "Corporation" or "Trafina") was incorporated pursuant to the *Business Corporations Act* (Alberta) (the "ABCA") on December 24, 1991. The Corporation has no direct or indirect wholly-owned subsidiaries.

The corporate headquarters of the Corporation and its registered office are located at Suite 1160, 1015 - 4 Street S.W., Calgary, AB T2R 1J4.

General Development of the Corporation

Trafina Energy is a junior oil and gas company based in Calgary, Alberta. It is primarily a natural gas producer, with its main areas of interest in Wetaskiwin, Jenner and Bindloss, all of which are located in the Province of Alberta. The following is a general description of the development of the Corporation over the past three years.

In 2005, Trafina entered into an agreement to farm-out its CBM interests in the Wetaskiwin area to Nexen Inc. In the first half of 2006, there were four Mannville CBM wells drilled and completed in the Wetaskiwin area. Upon review of Trafina's participation interest, it was determined that the costs were too high and the payout was too long-term for the size of the Corporation at that time. As such, in August 2006, Trafina announced the completion of a sale of its 40% interest in the Upper Mannville zone for \$7.35 million (after closing adjustments) and a 1% gross overriding royalty.

Also in 2006, Trafina drilled four gross (2.7 net) conventional wells and participated in the recompletion of 2 gross (1.4 net) conventional wells in the greater Wetaskiwin area. In the second half of 2006, Trafina initiated plans to develop its shallow Horseshoe Canyon CBM production on its remaining lands in the Wetaskiwin area. Overall, capital expenditures and Trafina's drilling activities in 2006 did not find sufficient additional reserves to offset downward reserve revisions.

On May 8, 2007, Trafina announced that the Alberta Energy and Utilities Board ("AEUB") has approved Trafina's application for a facility licence (single well oil battery) for its 50% working interest well east of Wetaskiwin near Bittern Lake, Alberta. The well had been previously licenced, drilled and completed in November/December of 2005 and subsequently shut-in in May 2006 pending a facility application as a result of the discovery of slightly sour gas. Trafina made a further application to the AEUB to expand its operations to a multi-well level. The well recommenced production in 2007.

In 2007 all of Trafina's drilling activity was in the Wetaskiwin area. The Corporation participated in the drilling of four successful non-operated 40% interest CBM Horseshoe Canyon wells and three Trafina operated wells.

On February 4, 2008, Trafina announced that the independent committee of the board of directors (the "Board") of the Corporation, which was formed on November 29, 2007, has completed its review of strategic alternatives available to Trafina. Upon hearing the committee's report, the Board announced its intention to pursue a business plan of focused exploration and development of existing assets and selective property acquisition.

In July 2008, the Corporation announced its financial exposure to SemGroup LP's filing for bankruptcy under Chapter 11 proceedings. In September 2008, Trafina increased its estimate of bad debt expense by another \$225,551 to a total of \$604,861. Trafina does not expect to recover any amount of this exposure.

On October 9, 2008, Trafina announced the appointment of Kelly J. Ogle as the new President and Chief Executive Officer and a director of the Corporation. Mr. Ogle's appointment followed the stepping down of Mr. Rolly Valentine, the founder of the Corporation, as the President and Chief Executive Officer of Trafina announced effective February 1, 2008. Mr. Valentine has agreed to continue as a director of Trafina. See "Directors and Officers" for more information.

On October 31, 2008, Trafina announced the appointment of Gary Taylor as Chief Financial Officer of the Corporation. See "Directors and Officers" for more information.

On November 28, 2008, Trafina completed a brokered private placement of 4,700,000 Class A common shares in the capital of the Corporation ("Common Shares") issued on a flow-through basis at a price of \$0.43 per Common Share for total proceeds of approximately \$2 million. Concurrently, Trafina completed a sale of an additional 800,000 Common Shares at a price of \$0.40 per Common Share for total proceeds of \$320,000 to the new executive officers of the Corporation.

In 2008, Trafina participated in the drilling of 31 (11.1 net) gas wells, 15 (6.2 net) of which were placed on production. An additional 7 (3.2 net) wells were also brought on as a result of recompletions and tie-ins from the Corporation's 2007 drilling program. Total proved plus probable reserves increased by 192 Mboe in 2008.

On January 15, 2009, Trafina finalized a new \$3.5 million revolving operating loan credit facility with an Alberta-based financial institution.

On February 23, 2009, the Corporation announced that that TSX Venture Exchange ("TSXV") has accepted Trafina's notice of intention to purchase up to 111,111 Common Shares within a twelve month period ending on February 26, 2010.

BUSINESS OF THE CORPORATION

The Corporation is engaged in the exploration, development and production of crude oil, natural gas and natural gas liquids in the Province of Alberta, Canada. Its core operational activities are in the Wetaskiwin area, where Trafina pursues production from both conventional and CBM wells. The Corporation also had other non-operational oil and gas interests in the Wetaskiwin area and other areas in Alberta, more specifically Bindloss, Jenner/Atlee Buffalo areas.

Principal Properties

Wetaskiwin, Alberta

Wetaskiwin is Trafina's core area and accounts for approximately 80% of aggregate production and revenues. The majority of the Corporation's natural gas is produced in Wetaskiwin and is the only area where Trafina operates properties. The two significant producing intervals are the shallow Horseshoe Canyon ("HSC") and the deeper Mannville group. CBM is produced from the HSC and conventional natural gas is recovered from several different zones within the Mannville. CBM production is gathered and transported via non-operated gathering systems and processed at an Altagas or Quicksilver gas facility. Trafina takes its production in-kind.

In 2005, Trafina entered into a joint venture agreement with a major operator who has successfully drilled 42 HSC CBM wells on the joint lands. Of the wells drilled in 2008, 21 are currently producing. With regard to the deeper Mannville zones, three oil wells and three gas wells, all operated, are on production.

Jenner/Atlee Buffalo, Alberta

Trafina holds a varied working interest of between 12.5-37.5% and between 1.23-15.0% royalty interest in the Jenner area. During the second quarter of 2008, the Corporation participated in the drilling of two (0.25 net) heavy oil development wells. Both wells were successful and commenced initial production in July 2008. Trafina takes its working interest production in-kind and its royalty interest production is managed by reputable industry partners.

Bindloss, Alberta

Trafina holds an approximate 3.52% working interest in the Bindloss unit. Trafina did not participate in any capital activities in the area in 2008.

OIL AND GAS RESERVES

The following is a summary of Trafina's crude oil, natural gas and natural gas liquids reserves in Canada which comprise all of the Corporation's reserves. The information set forth below relating to the Corporation's reserves constitute forward looking information which is subject to certain risks and uncertainties. See "Forward Looking Information" and "Risk Factors".

Reserves and Future Net Revenue

The following is a summary of the crude oil, natural gas and natural gas liquids reserves and the value of future net revenue of the Corporation as at December 31, 2008 as evaluated by McDaniel and Associates Consultants Ltd. ("McDaniel"), independent petroleum engineering consultants of Calgary, Alberta, the summary is part of a report prepared by McDaniel dated March 20, 2009 and effective December 31, 2008 (the "McDaniel Report"). The preparation date of the McDaniel report is March 9, 2009. All of the reserves assigned in the McDaniel Report are located in Alberta. The McDaniel Report was prepared using assumptions and methodological guidelines outlined in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and in accordance with National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). The pricing used in the forecast price evaluation is set forth in the notes to the tables.

All evaluations of future revenue contained in the McDaniel Report are after the deduction of royalties, development costs, production costs and well abandonment costs (for wells with attributed reserves) but before consideration of indirect costs such as reclamation and environmental remediation, administrative, overhead and other miscellaneous expenses. The estimated future net revenues contained in the following tables do not necessarily represent the fair market value of the Corporation's reserves. There is no assurance that the forecast price and cost assumptions contained in the McDaniel Report will be attained and variances could be material. Other assumptions and qualifications relating to costs and other matters are included in the notes to the tables. The recovery and reserves estimates of the Corporation's properties described herein are estimates only. The actual reserves on the Corporation's properties may be greater or less than those calculated.

OIL AND GAS RESERVES BASED ON FORECAST PRICES AND COSTS - DECEMBER 31, 2008⁽⁷⁾

	Light/Medium Crude Oil		Heavy Oil		Natural Gas		Natural Gas Liquids	
	Gross ⁽¹⁾ (Mbbbl)	Net ⁽¹⁾ (Mbbbl)	Gross ⁽¹⁾ (MMcf)	Net ⁽¹⁾ (MMcf)	Gross ⁽¹⁾ (Mbbbl)	Net ⁽¹⁾ (Mbbbl)	Gross ⁽¹⁾ (Mbbbl)	Net ⁽¹⁾ (Mbbbl)
Proved Developed Producing ⁽²⁾⁽⁴⁾	31.4	24.9	39.7	31.7	2,676.0	2,311.0	2.9	2.0
Proved Developed Non-Producing ⁽²⁾⁽⁵⁾	13.7	9.6	-	-	898.0	767.0	0.7	0.4
Proved Undeveloped ⁽²⁾⁽⁶⁾	-	-	-	-	677.0	586.0	-	-
Total Proved ⁽²⁾	45.1	34.5	39.7	31.7	4,251.0	3,663.0	3.6	2.4
Total Probable ⁽³⁾	27.7	20.8	12.1	9.7	1,715.0	1,416.0	1.5	1.0
Total Proved Plus Probable ⁽²⁾⁽³⁾	72.8	55.3	51.7	41.4	5,966.0	5,079.0	5.1	3.4

**NET PRESENT VALUES OF FUTURE NET REVENUE BASED ON
FORECAST PRICES AND COSTS - DECEMBER 31, 2008⁽⁷⁾**

(M\$)	Before Deducting Income Taxes Discounted At					After Deducting Income Taxes Discounted At					Net Unit Value Before Income Tax Discounted at 10%/year
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%	(\$/boe)
	Proved Developed Producing ⁽²⁾⁽⁴⁾	13,387	11,083	9,657	8,653	7,888	12,496	10,493	9,207	8,286	7,578
Proved Developed Non - Producing ⁽²⁾⁽⁵⁾	3,816	3,523	3,253	3,011	2,796	2,690	2,465	2,269	2,096	1,944	19.82
Proved Undeveloped ⁽²⁾⁽⁶⁾	1,411	1,114	859	651	483	1,046	764	545	374	240	7.61
Total Proved ⁽²⁾	18,614	15,719	13,769	12,314	11,167	16,232	13,722	12,021	10,756	9,762	17.28
Total Probable ⁽³⁾	9,590	7,153	5,640	4,583	3,804	7,137	5,326	4,187	3,387	2,798	17.24
Total Proved Plus Probable ⁽²⁾⁽³⁾	28,204	22,873	19,408	16,897	14,971	23,369	19,049	16,208	14,143	12,560	17.27

**TOTAL FUTURE NET REVENUE (UNDISCOUNTED)
BASED ON FORECAST PRICES AND COSTS - DECEMBER 31, 2008⁽⁷⁾**

(M\$)	Revenue	Royalties	Operating Expenses	Development Costs	Abandonment Costs	Future Net Revenue Before Income Taxes	Income Taxes	Future Net Revenue After Income Taxes
Total Proved ⁽²⁾	41,947	6,063	13,344	2,167	1,759	18,614	2,383	16,232
Total Proved Plus Probable ⁽²⁾⁽³⁾	61,223	9,476	18,994	2,667	1,882	28,204	4,835	23,369

**FUTURE NET REVENUE BY PRODUCTION GROUP
BASED ON FORECAST PRICES AND COSTS⁽⁷⁾**

	Production Group	Future Net Revenue Before Income Taxes (Discounted at 10% Year)	Unit Value	
		(M\$)	(\$/boe)	(\$/Mcf)
Total Proved ⁽²⁾	Light and medium crude oil	1,083	24.01	
	Heavy oil	669	16.85	
	Associated gas and non-associated gas	12,016		2.83
Total Proved Plus Probable ⁽²⁾⁽³⁾	Light and medium crude oil	1,697	23.31	
	Heavy Oil	889	17.20	
	Associated gas and non-associated gas	16,822		2.82

**RECONCILIATION OF COMPANY GROSS
RESERVES BY PRINCIPAL PRODUCT TYPE
BASED ON FORECAST PRICES AND COSTS⁽⁸⁾**

The following tables set forth a reconciliation of the changes in Trafina's working interest, before royalties, of light and medium crude oil and associated and non-associated gas as at December 31, 2008 against such reserves as at December 31, 2007 based on the forecast price and cost assumptions set forth in Note 8.

	Light and Medium Oil			Heavy Oil			Associated and Non-Associated Natural Gas			Natural Gas Liquids		
	Gross Proved	Gross Probable	Gross Proved Plus Probable	Gross Proved	Gross Probable	Gross Proved Plus Probable	Gross Proved	Gross Probable	Gross Proved Plus Probable	Gross Proved	Gross Probable	Gross Proved Plus Probable
	(1)(2) (Mbbl)	(1)(3) (Mbbl)	(1)(2)(3) (Mbbl)	(1)(2) (MMcf)	(1)(3) (MMcf)	(1)(2)(3) (MMcf)	(1)(2) (Mbb)	(1)(3) (Mbb)	(1)(2)(3) (Mbb)	(1)(2) (Mbb)	(1)(3) (Mbb)	(1)(2)(3) (Mbb)
At December 31, 2007	39.5	42.1	81.6	18.0	4.4	22.4	3,539.0	1,390.0	4,928.0	4.7	2.1	6.8
Extensions and Improved Recovery	-	-	-	11.2	3.5	14.7	1,375.0	447.0	1,822.0	-	-	-
Technical Revisions	13.1	(14.4)	(1.3)	20.4	4.2	24.6	(108.0)	(122.0)	(230.0)	(0.4)	(0.5)	(0.9)
Discoveries	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-	-	-	-	-	-	-
Economic Factors	-	-	-	-	-	-	-	-	-	-	-	-
Production	(7.5)	-	(7.5)	(10.0)	-	(10.0)	(554.0)	-	(554.0)	(0.8)	-	(0.8)
At December 31, 2008	45.1	27.7	72.8	39.6	12.1	51.7	4,251.0	1,714.0	5,966.0	3.5	1.7	5.2

Notes:

- "Gross Reserves" are the Corporation's working interest (operating or non-operating) share before deducting royalties and without including any royalty interests of the Corporation. "Net Reserves" are the Corporation's working interest (operating or non-operating) share after deduction of royalty obligations, plus the Corporation'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.
- "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 known 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 category (proved, probable, possible) to which they are assigned.
- The pricing assumptions used in the McDaniel Report with respect to values of future net revenue (forecast) as well as the inflation rates used for operating and capital costs are set forth below. McDaniel is an independent qualified reserves evaluator appointed pursuant to NI 51-101.

	Light and Medium Crude Oil	Heavy Oil	Natural Gas	Natural Gas Liquids	Inflation	Bank of Canada Average Noon Exchange Rate
	WTI Cushing Oklahoma (\$US/bbl)	Wellhead Current (\$Cdn/bbl)	Alberta Spot (\$Cdn/Mcf)	Edmonton Propane (\$Cdn/bbl)	%/year	\$US/\$Cdn
Forecast						
2009	60.00	47.00	7.40	44.10	2.0	0.85
2010	71.40	56.10	8.00	50.80	2.0	0.85
2011	83.20	61.80	8.45	55.10	2.0	0.9
2012	90.20	64.00	8.80	56.90	2.0	0.95
2013	97.40	65.60	9.05	58.40	2.0	1.0
2014	99.40	67.00	9.25	59.70	2.0	1.0
2015	101.40	68.80	9.45	60.80	2.0	1.0
2016	103.40	70.20	9.60	62.00	2.0	1.0
2017	105.40	71.60	9.80	63.20	2.0	1.0
2018	107.60	73.00	10.00	64.50	2.0	1.0
Thereafter	+2%/year	+2%/year	+2%/year	+2%/year	+2%/year	1.00

Weighted average historical prices realized by the Corporation for the year ended December 31, 2008 were \$84.00/bbl for light and medium crude, \$7.96/Mcf for natural gas, \$78.02/bbl for natural gas liquids and \$82.19/bbl for heavy oil.

Undeveloped Reserves

Proved undeveloped reserves are generally those reserves related to planned infill drilling locations. Such reserves may also relate to wells that have been drilled and not yet tied in because of seasonal access issues, the need for further testing of the wells or construction of pipelines and production facilities for the well.

Proved undeveloped reserves are generally those reserves related to wells that have not been drilled. Such reserves may also relate to planned infill drilling locations. Trafina plans to put these reserves onstream, following economic evaluation, within two years.

The majority of these reserves relate to operated HSC CBM locations in the Wetaskiwin area.

The following table sets out the volumes of gross proved undeveloped reserves that were first attributed for each of the Corporation's product types for each of the Corporation's most recent three financial years and in the aggregate before that time using forecast prices and costs:

Period	Light and Medium Crude Oil (Mbbbl)	Heavy Oil (Mbbbl)	Natural Gas (MMcf)	Natural Gas Liquids (Mbbbl)
Aggregate Prior to December 31, 2006	-	-	692	-
December 31, 2006	-	-	501	-
December 31, 2007	-	-	710	-
December 31, 2008	-	-	677	-

The McDaniel Report estimates the Corporation's probable reserves to be 27.7 Mbbbl of light or medium crude oil, 1,715 MMcf of natural gas, 12.1 Mbbbl of heavy oil and 1.5 Mbbbl of natural gas liquids. Probable undeveloped reserves relate to wells to be drilled, tied-in and brought on-stream in the future. Approximately 100 percent of the Corporation's proved plus probable undeveloped conventional reserves will be developed over the next 2 years.

The Corporation's probable reserves include "better well performance" for the majority of the probable reserves. The following table sets out the volumes of gross probable reserves that were first attributed for each of the Corporation's product types for each of the Corporation's most recent three financial years and in the aggregate before that time using forecast prices and costs:

Period	Light and Medium Crude Oil (Mbbbl)	Heavy Oil (Mbbbl)	Natural Gas (MMcf)	Natural Gas Liquids (Mbbbl)
Aggregate Prior to December 31, 2006	37.9		3,156.0	0.0
December 31, 2006	52.8		2,241.0	0.0
December 31, 2007	42.1	4.4	1,352.0	2.1
December 31, 2008	27.7	12.1	1,714.0	1.7

Significant Factors or Uncertainties

The process of estimating reserves is complex. It requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. The reserves estimates contained herein are based on current production forecasts, prices and economic conditions.

Although every reasonable effort was made to ensure that reserves estimates are accurate, reserve estimation is an inferential science. As a result of the subjective decisions implied, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimates can arise from changes in year-end oil and gas prices, and reservoir performance. Such revisions can be either positive or negative. Except as required by law, the Corporation undertakes no obligation to publicly update its reserve estimates.

Future Development Costs

The following table sets forth the development costs deducted in the estimation of future net revenue attributable to each of the following reserves categories contained in the McDaniel Report:

	Total Proved Future Development Costs Using Forecast Dollar Costs (M\$)	Total Proved Plus Probable Future Development Costs Using Forecast Dollar Costs (M\$)	Total Proved Plus Probable Plus Possible Future Development Costs Using Forecast Dollar Costs (M\$)
2009	234	234	234
2010	1,933	2,433	2,433
2011	-	-	-
2012	-	-	-
2013	-	-	-
Total for all remaining years	-	-	-
Total, undiscounted	<u>2,167</u>	<u>2,667</u>	<u>2,667</u>

The Corporation estimates that its internally generated cash flow and available bank debt will be sufficient to fund the future development costs disclosed above. Trafina typically has available two sources of funding to finance its capital expenditures program: internally generated cash flow from operations and debt financing. Debt financing is available to Trafina at prime rate plus 1.00%, which is currently 3.50% per annum. The Corporation expects to fund its total 2009 capital program with internally generated cash flow and bank debt.

The timing of such funding may influence the timing of the developmental work expenditures.

Crude Oil and Natural Gas Properties and Wells

The following table sets forth the number of crude oil and natural gas wells in which Trafina held a working interest as at December 31, 2008:

	Crude Oil		Natural Gas	
	Gross⁽¹⁾	Net⁽¹⁾	Gross⁽¹⁾	Net⁽¹⁾
Alberta				
Producing	11	3.21	58	18.23
Non-producing	4	0.50	45	12.80
Total	<u>15</u>	<u>3.71</u>	<u>103</u>	<u>31.03</u>

Notes:

(1) "Gross Wells" are the total number of wells in which Trafina has an interest. "Net Wells" are the number of wells obtained by aggregating Trafina's working interest in each of its gross wells.

Costs Incurred

The following table summarizes the capital expenditures made by the Corporation on crude oil, heavy oil and natural gas properties for the year ended December 31, 2008.

Property Acquisition Costs (M\$)		Exploration Costs (M\$)	Development Costs (M\$)
Proved Properties	Unproved Properties		
-	-	-	5,259

Exploration and Development Activities

The following table sets forth the number of development wells which Trafina completed during its 2008 financial year:

	Development Wells	
	Gross⁽¹⁾	Net⁽¹⁾
Oil Wells	2	0.25
Gas Wells	31	11.10
Suspended Wells	-	-
Observation Wells	-	-
Water Source / Disposal Wells	-	-
Dry Holes	-	-
Total Completed Wells	33	11.35

Notes:

- (1) "Gross Wells" are the total number of wells in which Trafina has an interest. "Net Wells" are the number of wells obtained by aggregating Trafina's working interest in each of its gross wells.

The Corporation did not complete any exploratory wells during 2008.

Properties with No Attributed Reserves

The following table sets out the Corporation's undeveloped land position effective December 31, 2008.

	Undeveloped Acreage (Acres)	
	Gross⁽¹⁾	Net⁽¹⁾
Alberta	14,036	4,418
Total	14,036	4,418

Note:

- (1) "Gross" means the total area of properties in which the Corporation has a working interest. "Net" means the total area in which the Corporation has an interest multiplied by the working interest owned by the Corporation.

The Corporation expects 508 acres of its rights to explore, develop and exploit any of its unproved property to expire within the next year.

Asset Retirement Obligations

McDaniel has included estimated well abandonment costs, net of salvage values, in its estimates of future net revenue in the McDaniel Report as set forth in the following table. Abandonment and reclamation costs for facilities are not included in the McDaniel Report:

	Total Proved (constant prices & costs) - M\$ (undiscounted)	Total Proved (constant prices & costs) - M\$ (discounted at 10%)	Total Proved (forecast prices & costs) - M\$ (undiscounted)	Total Proved (forecast prices & costs) - M\$ (discounted at 10%)	Total Proved Plus Probable (forecast prices & costs) - M\$ (undiscounted)	Total Proved Plus Probable (forecast prices & costs) - M\$ (discounted at 10%)
Portion deducted in estimating future net revenue	1,411	657	1,759	742	1,882	693

At December 31, 2008, total future asset retirement obligations ("ARO") were estimated by management, before deduction of salvage values, based on Trafina's working interest in its wells and facilities, management's estimate of costs to remediate, reclaim and abandon the wells and facilities and the estimated timing of the costs to be incurred in future periods. Factors that affect these estimated costs include: site location, nature and amount of equipment on the site, well depth, age of the well and primary product being produced from the well. ARO costs associated with these tangible long-life assets are initially measured at fair value by estimating the cost a third party would incur in performing the tasks necessary to retire such assets. Management's estimate of the ARO is summarized below:

Asset Retirement Obligation - \$M (undiscounted)	Asset Retirement Obligation - \$M (discounted at 10%)	Estimated total ARO expected to be paid 2009-2011 - \$M	Estimated number of net wells for which costs are expected to be incurred
1,920	1,222	201	156

Tax Horizon

The Corporation is not required to pay any income or capital taxes for the year ended December 31, 2008. In the economic forecasts prepared by McDaniel for the McDaniel Report, income taxes are payable by the Corporation in 2009. Depending on production levels, commodity prices, ultimate tax classification of wells drilled, the nature, timing and amount of capital expenditures, general and administrative expense and interest expense, income taxes may not be payable in 2009.

Production Estimates

The following table sets forth the volume of working interest production, before royalties, estimated for 2009 in the McDaniel Report for gross proved reserves and gross probable reserves:

	Light/Medium Crude Oil (Mbbl)	Heavy Oil (Mbbl)	Natural Gas Liquids (Mbbl)	Natural Gas (MMcf)
Total Proved ⁽¹⁾	15.9	9.3	0.7	829
Total Probable ⁽²⁾	1.6	0.6	0.1	44
Total Proved Plus Probable ⁽¹⁾⁽²⁾	17.5	9.9	0.8	873

Notes:

- "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.

The following table indicates the volume of working interest production, before royalties, estimated for 2009 from fields considered to be individually important:

	Light/Medium Crude Oil (Mbbl)			Natural Gas (MMcf)			Natural Gas Liquids (Mbbl)			Heavy Oil (Mbbl)		
	Total Proved	Total Probable	Total Proved Plus Probable	Total Proved	Total Probable	Total Proved Plus Probable	Total Proved	Total Probable	Total Proved Plus Probable	Total Proved	Total Probable	Total Proved Plus Probable
Wetaskiwin	15.9	1.7	17.6	695	41	736	0.6	-	0.6	-	-	-
Jenner	-	-	-	50.8	1.0	51.8	-	-	-	9.3	0.5	4.8
Bindloss	-	-	-	45	0.3	45.3	-	-	-	-	-	-

Production History

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

	Three Months Ended March 31, 2008	Three Months Ended June 30, 2008	Three Months Ended September 30, 2008	Three Months Ended December 31, 2008
Average Daily Production				
Heavy Oil (bbl/d)	22	16	38	34
Light and Medium Oil (bbl/d)	29	26	15	25
Natural Gas (Mcfpd)	1,167	1,296	1,343	2,154
Natural Gas Liquids (bbl/d)	2	4	2	2
Average Net Prices Received				
Heavy Oil (\$/bbl)	53.48	115.06	106.87	55.06

	Three Months Ended March 31, 2008	Three Months Ended June 30, 2008	Three Months Ended September 30, 2008	Three Months Ended December 31, 2008
Light and Medium Oil (\$/bbl)	61.78	85.56	176.18	60.04
Natural Gas (\$/Mcf)	7.78	9.49	7.73	6.70
Natural Gas Liquids (\$/bbl)	76.64	68.25	102.84	67.18
Royalties				
Heavy Oil (\$/bbl)	-	-	18.93	44.96
Light and Medium Oil (\$/bbl)	9.43	12.52	26.95	4.42
Natural Gas (\$/Mcf)	1.13	1.48	1.07	0.99
Natural Gas Liquids (\$/bbl)	16.72	20.00	36.82	15.18
Production Costs				
Heavy Oil (\$/bbl)	60.11	53.83	29.72	5.79
Light and Medium Oil (\$/bbl)	15.14	23.99	40.27	20.21
Natural Gas (\$/Mcf)	2.02	2.49	2.64	2.21
Natural Gas Liquids (\$/bbl)	-	-	-	-
Netback Received				
Heavy Oil (\$/bbl)	(6.63)	61.23	58.22	4.31
Light and Medium Oil (\$/bbl)	37.21	49.05	108.96	35.41
Natural Gas (\$/Mcf)	4.63	5.52	4.02	3.50
Natural Gas Liquids (\$/bbl)	59.92	48.25	66.02	52.00

The following table indicates the Corporation's average daily production for the year ended December 31, 2008 from fields considered to be individually important:

	Heavy Crude Oil (bbl/d)	Light/Medium Crude Oil (bbl/d)	Natural Gas (Mcf/d)	Natural Gas Liquids (bbl/d)
Wetaskiwin	-	21	1,057	2
Jenner	27	3	162	-
Bindloss	-	-	129	-

DIRECTORS AND OFFICERS

The name, municipality of residence, positions held with the Corporation and principal occupation during the preceding five years of each of the directors and officers of the Corporation are set forth in the table below. The directors of the Corporation will hold office until the next annual meeting of shareholders of the Corporation or until their respective successors have been duly elected or appointed.

Name and Province/Country of Residence	Principal Occupation	Date First Became a Director	Shares Beneficially Owned or Controlled ⁽¹⁾
Robert W. Lamond ⁽⁴⁾ Alberta, Canada	Chairman of the Board. Also, Chairman of the Board and President and Chief Executive Officer, Diaz resources Ltd. (a TSXV listed oil and gas exploration and development company), Chairman of the Board and Chief Executive Officer, Humboldt Capital Corporation (a TSXV listed investment company) and Chairman of the Board, Sharon Energy Ltd. (a TSXV listed oil and gas exploration and development company).	October 3, 2008	1,328,400 ⁽⁷⁾
Kelly J. Ogle ⁽³⁾⁽⁴⁾ Alberta, Canada	President and Chief Executive Officer of the Corporation. Previously, President and Chief Executive Officer of Upper Lake Oil and Gas Ltd. (a Toronto Stock Exchange ("TSX") listed oil and gas exploration and development company). Prior thereto, Mr. Ogle was President of Diamond Tree Energy Ltd. (a TSX listed oil and gas company) (and Diamond Tree Resources Ltd., a private oil and gas company) from October, 2004 until	October 3, 2008	350,000 ⁽⁸⁾

<u>Name and Province/Country of Residence</u>	<u>Principal Occupation</u>	<u>Date First Became a Director</u>	<u>Shares Beneficially Owned or Controlled⁽¹⁾</u>
	October 12, 2007. Prior thereto, President and Chief Executive Officer of Ranchgate Energy Inc. (then a TSX listed oil and gas company) from January 2003 to August 2004.		
Gary Taylor	Chief Financial Officer of the Corporation. Previously, Controller of Upper Lake Oil and Gas Ltd. (a TSX listed oil and gas exploration and development company) since November 2007. Prior thereto, Mr. Taylor served as Controller of Diamond Tree Energy Ltd. (a TSX listed oil and gas company), from November 2006 until November 2007. From January 2005 until November 2006, Mr. Taylor was Controller of Blue Mountain Energy Ltd. From January 2002 until December 2004, Mr Taylor was Senior Accountant, Corporate Reporting of Provident Energy Trust.	N/A	100,000
Charles A. (Tony) Teare ⁽²⁾ Alberta, Canada	Executive Vice-President and director, Diaz resources Ltd. (a TSXV listed oil and gas exploration and development company), Executive Vice-President, Humboldt Capital Corporation (a TSXV listed investment company) and Executive Vice President and Secretary Sharon Energy Ltd. (a TSXV listed oil and gas exploration and development company).	October 3, 2008	Nil
Donald J. Douglas ⁽²⁾⁽³⁾ Alberta, Canada	President and Chief Executive Officer, United Inc. (a private property development company).	December 24, 1991	700,483 ⁽⁶⁾
Roland T. Valentine ⁽²⁾⁽³⁾ Alberta, Canada	Independent businessman. Previously Chairman and Chief Executive Officer of the Board of the Corporation from March, 2004 to February, 2008 and President of the Corporation from December, 1991 to March, 2004.	December 24, 1991	1,488,000 ⁽⁵⁾
Russell J. Kalmacoff ⁽²⁾⁽⁴⁾ Alberta, Canada	President, Rockmount Corporation (a real estate finance company).	July 21, 2000	10,000

Notes:

- (1) Information as to Shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective directors and proposed directors or derived from public filings available at www.sedi.ca.
- (2) Member of the Audit Committee, of which Mr. Teare is the Chairman.
- (3) Member of the Reserves Committee, of which Mr. Valentine is the Chairman.
- (4) Member of the Compensation Committee, of which Mr. Lamond is the Chairman.
- (5) Includes Shares beneficially owned by Mr. Valentine personally and through holding companies controlled by Mr. Valentine.
- (6) Includes Shares beneficially owned by Mr. Douglas personally and through holding companies controlled by Mr. Douglas.
- (7) Includes Shares beneficially owned by Mr. Lamond personally and through holding companies controlled by Mr. Lamond.
- (8) Includes Shares beneficially owned by Mr. Ogle personally and through holding companies controlled by Mr. Ogle.

As at April 27, 2009, the directors and executive officers of the Corporation, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 4,326,883 Common Shares, constituting approximately 38.3 percent of the issued and outstanding Common Shares.

No director, officer or shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation, a personal holding company of any such person, or a company for which such person is or has acted as a director or executive officer that while such person was acting in that capacity, or within a year of

the person ceasing to act in that capacity is or has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person, except as hereinafter set forth. Kelly J. Ogle became a director of Carmanah Resources Ltd. ("Carmanah") on October 14, 1999. Mr. Ogle resigned as a director of Carmanah on May 18, 2000. A receiver was appointed to hold Carmanah's assets on January 16, 2001, approximately eight months after Mr. Ogle's resigned as a director of Carmanah.

CONFLICTS OF INTEREST

There are potential conflicts of interest to which some of the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Some of the directors of the Corporation are engaged and will continue to be engaged in the search for oil and gas on behalf of other corporations, and situations may arise where the directors will be in direct competition with the Corporation.

Conflicts of interest, if any, which arise will be subject to and be governed by procedures prescribed by the ABCA which require a director or officer of a corporation who is a party to or is a director or an officer of or has a material interest in any person who is a party to a material contract or a material transaction or proposed material contract or proposed material transaction with the Corporation, to disclose his interest and to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA.

AUDIT COMMITTEE

Information with respect to Trafina's audit committee is disclosed in Appendix B to the Management Information Circular of the Corporation dated April 15, 2008 available on SEDAR at www.sedar.com.

PERSONNEL

As at December 31, 2008, the Corporation had 3 employees at its head office in Calgary.

DESCRIPTION OF SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Common Shares, of which 11,302,472 Common Shares were issued and outstanding as at April 27, 2009.

The holders of Common Shares are entitled to: dividends if, as and when declared by the board of directors; one vote per share at meetings of the holders of Common Shares of the Corporation; and upon liquidation, dissolution or winding up of the Corporation, receive pro rata the remaining property and assets of the Corporation, subject to the rights of shares having priority over the Common Shares. All of the Common Shares outstanding are fully-paid and non-assessable.

DIVIDEND POLICY

The Corporation has not declared or paid any dividends on its Common Shares since incorporation. Any decision to pay dividends on the Common Shares will be made by the Board of Directors on the basis of the Corporation's earnings, financial requirements and other conditions that the Board of Directors may consider appropriate in the circumstances.

MARKET FOR SECURITIES

The Common Shares are listed and posted for trading on the TSX Venture Exchange under the trading symbol "TFA.A." The following table sets out the high and low price for, and the volume of trading in, the Common Shares on the TSXV on a monthly basis for the financial year ended December 31, 2008:

Common Shares			
	Volume	Monthly Price Range	
		High	Low
		(\$)	(\$)
January	43,000	0.60	0.41
February	22,100	0.60	0.51
March	15,000	0.60	0.51
April	11,000	0.65	0.60
May	65,000	0.60	0.51
June	21,500	0.70	0.60
July	28,500	0.70	0.70
August	25,000	0.70	0.65
September	216,500	0.65	0.40
October	125,700	0.40	0.30
November	11,000	0.45	0.35
December	27,400	0.45	0.30

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares of the Corporation is Computershare Trust Company of Canada ("Computershare"), and the Corporation's Common Shares are transferable at the offices of Computershare in Calgary and Toronto.

RISK FACTORS

The Corporation attempts to mitigate business risks inherent in the Corporation's involvement in the exploration for, and the acquisition, development and production of, conventional oil and gas, by hiring competent, qualified personnel, either directly as employees or indirectly when contracting for services. The Corporation's philosophy of focusing on a limited number of core geographical areas allows it to develop a high level of technical and managerial expertise in each area. Whenever possible, the Corporation will operate properties in which it has a high working interest. If operatorship is not possible, then the Corporation attempts to maintain joint interest relationships with reputable industry partners. Risks associated with commodity prices, interest and exchange rates are generally beyond the control of the Corporation; and although not part of its strategy in 2008, various hedging projects may be considered by the Corporation in 2009 to reduce exposure to volatility in commodity prices and to add a degree of certainty to its cash flow. In the field, the Corporation adheres to sound operational standards, which meet recognized levels and seeks joint interest partners with similar standards. Safety and environmental risks are addressed by compliance with government regulations as well as adoption of, and compliance with, safety and environmental standards. From a financial perspective, the Corporation attempts to prudently manage debt levels to ensure it is not in violation of its financial covenants.

Global Financial Conditions

In the last quarter of 2008 and the first quarter of 2009, the collapse of various financial institutions and other related factors caused dramatic disruptions in global financial markets, resulting in a loss of investor confidence therein. This uncertainty contributed to dramatic decreases in commodity prices, liquidity and significantly tighter credit conditions. The economic volatility is expected to continue throughout 2009. Low commodity prices and credit tightening may adversely affect Trafina's cash flows and debt repayment.

Trading Prices

Share prices of oil and gas companies have historically experienced substantial volatility, which have often been based on factors that were unrelated to financial performance. These factors include attractiveness of the industry, new government policies, commodity price fluctuations, foreign exchange rates and lower trading volume of shares.

Reserve Estimates

The reserve and recovery information contained in the McDaniel Report is only an estimate and the actual production and ultimate reserves from the Corporation's properties may be greater or less than the independent estimates of McDaniel.

There are numerous uncertainties inherent in estimating quantities of reserves and cash flows to be derived therefrom, including many factors that are beyond the Corporation's control. The reserve and associated cash flow information set forth herein represent estimates only. The reserves and estimated future net cash flow from the Corporation's oil and gas properties have been independently evaluated by McDaniel effective December 31, 2008. These evaluations are based upon a number of assumptions and factors such as historical production from the properties, initial production rates, production decline rates, ultimate recovery of reserves, timing and amount of capital expenditures, availability of funds, marketability of production, future prices of oil and natural gas, drilling and operating costs, abandonment and salvage values and royalties and other government levies that may be imposed over the producing life of the reserves. Commodity price assumptions were based on McDaniel price forecasts in use at the date of the McDaniel Report and those assumptions are subject to change and are beyond the control of the Corporation. Actual quantities of recoverable oil and gas reserves, production, revenues, taxes and development and operating expenditures will vary from those assumed for purposes of the McDaniel Report, and such variations could be material. In addition, the evaluations are based in part on the assumed success of exploitation activities intended to be undertaken in future years. The reserves and estimated cash flows to be derived therefrom contained in the McDaniel Report will be reduced to the extent that such exploitation activities do not achieve the level of success assumed in the evaluations.

The present value of estimated future net cash flows referred to herein should not be construed as the fair value of estimated oil and natural gas reserves attributable to the Corporation's properties. The estimated discounted future cash flow from reserves are based upon price and cost estimates that may vary from actual prices and costs and such variance could be material. Actual future net cash flows will also be affected by factors such as the amount and timing of actual production, supply and demand for oil and natural gas, curtailments or increases in consumption by purchasers and changes in governmental regulations or taxation.

Exploration, Development & Production Risks

Oil and natural gas exploration involves a high degree of risk, which a combination of experience, knowledge and careful evaluation may not be able to overcome. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by the Corporation. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over-pressured zones, tools lost in the hole and changes in drilling plans and locations as a result of prior exploratory wells.

The long-term commercial success of the Corporation depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. No assurance can be given that the Corporation will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or opportunities are identified, the Corporation may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisition or participation uneconomic.

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

Oil and gas production operations are also subject to all of the risks typically associated with such operations, including premature decline of resources, invasion of water into producing formations or encountering unexpected formations or pressures. Losses from the occurrence of any of these risks could have a materially adverse effect on results of operations, liquidity and financial condition.

Need to Replace and Grow Reserves

The future oil and natural gas production of the Corporation, and its cash flows, are highly dependent upon ongoing success in exploring its undeveloped land base, exploiting the current producing properties and acquiring or discovering additional reserves. Without reserves additions through exploration, acquisition or development activities, reserves and production will decline over time as reserves are depleted.

The business of discovering, developing, or acquiring reserves is capital intensive. To the extent cash flows from operations are insufficient and external sources of capital become limited or unavailable, the ability of the Corporation to make the necessary capital investments to maintain and expand its oil and natural gas reserves may be impaired.

There can be no assurance that the Corporation will be able to find and develop or acquire additional reserves to replace production at commercially feasible costs.

Volatility of Oil and Natural Gas Prices & Marketing

The marketability and price of oil and natural gas that may be acquired or discovered by the Corporation will be affected by numerous factors beyond its control.

The Corporation's revenues, profitability, future growth and carrying value of its oil and gas properties are substantially dependent on prevailing prices of oil and gas. Prices for oil and gas are subject to wide fluctuations in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of additional factors beyond the control of the Corporation. These factors include economic conditions in the United States and Canada, the actions of the Organization of the Petroleum Exporting Countries, governmental regulation, and political stability in the Middle East and elsewhere, the foreign supply of oil and gas, the price of foreign imports and the availability of alternative fuel sources. Any substantial and extended decline in the price of oil or gas would have an adverse effect on the Corporation's carrying value of its proved reserves, borrowing capacity, revenues, profitability and cash flows from operations. The exchange rate between the Canadian and U.S. dollar also affects the profitability of the Corporation. Volatile oil and gas prices make it difficult to estimate the value of producing properties for acquisition and often cause disruption in the market for oil and gas producing properties, as buyers and sellers have difficulty agreeing on value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects.

The Corporation's ability to borrow and to obtain additional capital on attractive terms is substantially dependent upon oil and gas prices. Bank borrowings available to the Corporation are in part determined by the Corporation's borrowing base. A sustained material decline in prices from historical average prices could reduce the Corporation's borrowing base, therefore reducing the bank credit available to the Corporation, which could require that a portion, or all, of the Corporation's bank debt be repaid.

The Corporation's ability to market its natural gas may depend upon its ability to acquire space on pipelines that deliver natural gas to commercial markets. The Corporation may also be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing facilities, and related to operational problems with such pipelines and facilities as well as extensive government regulation relating to allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

Capital Requirements, Additional Financing and Issuance of Debt

Depending on future exploration, development, production, acquisition and divestiture plans, the Corporation may require additional financing in the future. The ability of the Corporation to arrange such financing

in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Corporation. There can be no assurance that the Corporation will be successful in its efforts to arrange additional financing on terms satisfactory to the Corporation. If additional financing is raised by the issuance of shares from treasury of the Corporation, control of the Corporation may change and shareholders may suffer additional dilution.

From time to time the Corporation may enter into transactions to acquire assets or securities of other entities. These transactions may be financed wholly or partially with debt, which may increase the Corporation's debt levels above industry standards.

Bank Financing

Continued uncertainty in domestic and international credit markets could materially affect the Corporation's ability to access sufficient capital for its capital expenditures and acquisitions and, as a result, may have a material adverse effect on the Corporation's ability to execute its business strategy and on its financial condition. There can be no assurance that financing will be available or sufficient to meet these requirements or for other corporate purposes or, if financing is available, that it will be on terms appropriate and acceptable to the Corporation

Availability of Drilling Equipment and Access Restrictions

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities are conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Corporation and may delay exploration and development activities, which could have a material adverse effect on production and cash flow.

Insurance

Oil and natural gas exploration operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering sour gas releases and spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or in personal injury or death. In accordance with industry practice, the Corporation is not fully insured against all of these risks, nor are all such risks insurable. Although the Corporation maintains liability insurance, where available, in an amount which it considers adequate and consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event the Corporation could incur significant costs having a material adverse effect upon its financial condition. Business interruption insurance may also be purchased for selected facilities, to the extent that such insurance is available on terms acceptable to the Corporation and determined to be required. In the event of an insurance claim, any delay in processing such claim or dispute regarding coverage for such claim could have a material adverse effect on the Corporation.

Permits, Licenses and Leases

The Corporation's properties are held in the form of licenses and leases and working interests in licenses and leases. If the Corporation, or the holder of the license or lease, fails to meet the specific requirements of a license or lease, the license or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each license or lease will be met. The termination or expiration of the Corporation's licenses or leases or the working interests relating to a license or lease may have a material adverse effect on the Corporation's results of operations and business.

To conduct its operations the Corporation may require licenses and permits from various governmental authorities. There can be no assurance that the Corporation will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development at its properties and the obtaining of such licenses and permits may delay operations of the Corporation.

Environmental Regulations and Risks / Abandonment and Reclamation

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of the applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operation costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Corporation to incur significant costs to remedy such discharge. The Corporation maintains an insurance program consistent with industry practice to protect against losses due to accidental destruction of assets, well blowouts, pollution and other operating accidents or disruptions and has implemented an Emergency Response Plan. Although the Corporation believes that it is in material compliance with current applicable environmental regulations, no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Corporation's financial condition, results of operation or prospects.

Hedging and Foreign Currency Exposure

Although the Corporation has not employed hedging or similar risk management strategies in 2008, from time to time the Corporation may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline; however, if commodity prices increase beyond the levels set in such agreements, the Corporation will not benefit from such increases and the Corporation may nevertheless be obligated to pay royalties on such higher prices, even though not received by it, after giving effect to such agreements. The Corporation is also exposed to foreign currency fluctuations as crude oil and natural gas prices received are referenced to U.S. dollar denominated prices. As such, from time to time the Corporation may enter into agreements to fix the exchange rate of Canadian to U.S. dollars in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to the U.S. dollar; however, if the Canadian dollar declines in value compared to the U.S. dollar, the Corporation will not benefit from the fluctuating exchange rate.

Reliance on Key Personnel & Operators

The Corporation does not operate the majority of the properties it maintains an interest in. To the extent the Corporation is not the operator of its oil and gas properties or the facilities through which its production runs, it will be dependent on such operators for the timing of activities related to such properties and facilities and will largely be unable to direct or control the activities of such operators.

The success of the Corporation will depend in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse affect on the Corporation. The Corporation does not have key person insurance in effect for management. The contributions of these individuals to the immediate operations of the Corporation are likely to be of central importance. In addition, the competition for qualified personnel in the oil and natural gas industry is intense and there can be no assurance that the Corporation will be able to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Corporation.

Title to Properties

Title to oil and natural gas interests is often not capable of conclusive determination without incurring substantial expense. In accordance with industry practice, the Corporation conducts such title reviews in connection with its principal properties as it believes are commensurate with the value of such properties. However, no absolute assurances can be given that title defects do not exist. If title defects do exist, it is possible the Corporation may lose all or a portion of its right, title and interest in and to the properties to which the title defects relate.

Competition

Oil and gas exploration is intensely competitive in all its phases. The Corporation competes with numerous other industry participants in the search for, and the acquisition of, oil and natural gas properties and in the marketing of oil and natural gas. The Corporation's competitors include oil and natural gas companies that have substantially greater financial resources, staff and facilities than those of the Corporation. The Corporation's ability to increase reserves in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil and natural gas include price and methods and reliability of delivery. Competition may also be presented by alternate fuel sources.

Seasonality

The level of activity in the Canadian oil and gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Also, certain oil and gas producing areas are located in areas that are inaccessible other than during winter months because the ground surrounding the sites in these areas consists of swampy terrain. At present, all of the Corporation's properties are accessible year round, except during spring break-up. The Corporation does not have operations in "winter access only" areas. Seasonal factors and unexpected weather patterns may lead to declines in exploration and production activity and corresponding declines in the demand for the goods and services of the Corporation. Major facilities through which the Corporation's production is processed may temporarily be shut down for a short period of time during the year to conduct repair and maintenance operations.

Third Party Credit Risk

The Corporation is or may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to the Corporation, such failures could have a material adverse effect on the Corporation and its cash flow from operations.

Kyoto Protocol

Canada is a signatory to the United Nations Framework Convention on Climate Change and has ratified the Kyoto Protocol established thereunder to set legally binding targets to reduce nation-wide emissions of carbon dioxide, methane, nitrous oxide and other so-called "greenhouse gases". The Corporation's exploration and production facilities and other operations and activities emit a small amount of greenhouse gases which may subject the Corporation to legislation regulating emissions of greenhouse gases. The Government of Canada indicated it intends to put forward an emissions reduction plan for Canada and Clean Air legislation that will set greenhouse gases emission reduction requirements for various industrial activities, including oil and gas production. Future federal legislation, together with existing provincial emission reduction legislation, such as in Alberta's *Climate Change and Emissions Management Act*, may require the reduction of emissions and/or emissions intensity from the Corporation's oil and gas exploration and development activities. The direct or indirect costs of such legislation may adversely affect the Corporation's operations. No assurance can be given that future environmental approvals, laws or regulations will not adversely impact (i) the ability of the Corporation to conduct its operations; (ii) the Corporation's production; (iii) the Corporation's unit costs of production. Equipment from suppliers which can meet future emission standards may not be available on an economic basis and other methods of reducing emissions to required levels in the future may significantly increase operating costs or reduce output. There is a risk that the federal and/or provincial governments could pass legislation which would tax such emissions or require, directly or indirectly, reductions in such emissions produced by energy industry participants, such as the Corporation. Mitigation of the risk of future legislative or regulatory limits on the emission of greenhouse gases may include the acquisition of emission reduction or off-set credits from third parties. However, emission reduction or off-set credits may not be available for acquisition by the Corporation or may not be available on an economic basis and may not be recognized or qualify under future legislative or regulatory regimes as mitigation for the emission of greenhouse gases by the Corporation.

Aboriginal Claims

Aboriginal peoples have claimed aboriginal title and rights to portions of western Canada. The Corporation is not aware that any claims have been made in respect of its property and assets; however, if a claim arose and was successful this could have an adverse effect on the Corporation and its operations.

LEGAL PROCEEDINGS

Management is not aware of any claims that are presently outstanding or contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Management is not aware of any material interest, direct or indirect, of any director or executive officer of the Corporation, any person or company beneficially owning or exercising control or direction over, directly or indirectly, more than ten percent of the Corporation's voting securities, or any associate or affiliate of such person or company in any transaction since January 1, 2006 that has materially affected or will materially affect the Corporation.

MATERIAL CONTRACTS

The Corporation has not entered into any material contracts within the most recently completed financial year, or before the most recently completed financial year but which are still in effect.

INTERESTS OF EXPERTS

McDaniel has prepared the report described herein. McDaniel did not hold any interests in securities or other property of Trafina when it prepared its report, has not received any such interest since such time and will not receive any such interest. No director, officer or employee of McDaniel is to be elected, appointed or employed by Trafina.

ADDITIONAL INFORMATION

Additional information, including information as to directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Management Information Circular of the Corporation prepared in connection with the most recent annual meeting of shareholders of the Corporation that involved the election of directors. Additional financial information is provided in the Corporation's financial statements and management discussion and analysis for the year ended December 31, 2008, which are available on SEDAR and the Corporation's website.

Copies of this AIF, any interim financial statements of the Corporation subsequent to those statements contained in the Corporation's financial statements and management discussion and analysis, Corporation's Management Information Circular and other additional information relating to the Corporation are available on SEDAR at www.sedar.com.

**REPORT ON RESERVES DATA BY
INDEPENDENT QUALIFIED RESERVES EVALUATOR OR AUDITOR**

To the board of directors of Trafina Energy Ltd. (the "**Company**"):

1. We have prepared an evaluation of the Company's reserves data as at December 31, 2008. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2008, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "**COGE Handbook**") prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions in the COGE Handbook.
4. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us for the year ended December 31, 2008, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company's board of directors:

Independent Qualified Reserves Evaluator	Description and Preparation Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate - \$M)			
			<u>Audited</u>	<u>Evaluated</u>	<u>Reviewed</u>	<u>Total</u>
McDaniel & Associates Consultants Ltd.	March 20, 2009	Canada	-	19,408	-	19,408

5. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook.
6. We have no responsibility to update our reports referred to in paragraph 4 for events and circumstances occurring after their respective preparation dates.
7. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

EXECUTED as to our report referred to above:

McDaniel & Associates Consultants Ltd., Calgary, Alberta, Canada, March 9, 2009.

(Signed) "*P.A. Welch*"

P.A. Welch, P. Eng
President & Managing Director

REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

Management of Trafina Petroleum Limited (the "Corporation") is responsible for the preparation and disclosure of information with respect to the Corporation's crude oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data which are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2008, estimated using forecast prices and costs.

An independent qualified reserves evaluator has evaluated the Corporation's reserves data. The report of the independent qualified reserves evaluator is presented in Schedule A and will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the Board of Directors of the Corporation has:

- (a) reviewed the Corporation's procedures for providing information to the independent qualified reserves evaluator;
- (b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and
- (c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The Reserves Committee of the board of directors has reviewed the Corporation's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has, on the recommendation of the Reserves Committee, approved:

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and
- (c) the content and filing of this report.

Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

DATED this 27th day of April, 2009.

(Signed) Kelly J. Ogle
President and Chief Operating Officer

(Signed) Gary Taylor
Chief Financial Officer

(Signed) Kelly J. Ogle
Director

(Signed) Robert W. Lamond
Director