

FORM 51-101F3

REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

This is the form referred to in item 3 of section 2.1 of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"). Terms to which a meaning is ascribed in NI 51-101 have the same meaning in this form.¹

Report of Management and Directors on Reserves Data and Other Information

Management of **Porto Energy Corp** (the "**Company**") is responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. The Company is a reporting issuer involved in oil and gas activities pursuant to NI 51-101.

The Reserves Committee of the Board of Directors of the Company has reviewed the assets, data and position of the Company as of August 31, 2011 and has determined that, as of the last day of the Company's most recently completed financial year, the Company had no reserves or related future net revenue from reserves. As a result, no reserves data for the Company has been disclosed as of August 31, 2011.

An independent qualified reserves evaluator has not been retained to evaluate the Company's reserves data as the Company has no reserves as of the last day of the Company's most recently completed financial year and no report of an independent qualified reserves evaluator will be disclosed by the Company for the period from September 1, 2010 to August 31, 2011.

The Reserves Committee of the Board of Directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management of the Company. 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 information detailing the Company's oil and gas activities;
- (b) the Company not filing form 51-101F2, which is the report of the independent qualified reserves evaluator on reserves data because the Company has no reserves; and
- (c) the content and filing of this report.

Because reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

/s/ Joseph Ash
Joseph Ash, President and Chief Executive Officer

/s/ Ian McMurtrie
Ian McMurtrie, Director

/s/ Heath Cleaver
Heath Cleaver, Chief Financial Officer

/s/ Greg Turnbull
Greg Turnbull, Director

Date: December 29, 2011

¹ For the convenience of readers, CSA Staff Notice 51-324 *Glossary to NI 51-101 Standards of Disclosure for Oil and Gas Activities* sets out the meanings of terms that are printed in italics in sections 1 and 2 of this Form or in NI 51-101, *Form 51-101F1*, *Form 51-101F2* or *Companion Policy 51-101CP*.