Management's Discussion and Analysis
Years Ended December 31, 2012 and 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") has been prepared by management as of April 24, 2013 and reviewed and approved by the Board of Directors of Forent Energy Ltd. ("Forent" or the "Company"). The MD&A reviews the operational results of the Company with disclosure of oil and gas activities in accordance with Canadian Securities Regulators National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101") and a review of financial results of the Company based on accounting principles generally accepted in Canada. Its focus is primarily a comparison of the operational and financial performance for the years ended December 31, 2012 and 2011. This MD&A should be read in conjunction with the Corporation's audited financial statements and notes thereto for the year ended December 31, 2012. In 2010, the CICA Handbook was revised to incorporate International Financial Reporting Standards ("IFRS"), and to require publicly accountable enterprises to apply such standards effective for years beginning on or after January 1, 2011. In this MD&A, the term "previous GAAP" refers to Canadian GAAP before the adoption of IFRS.

As a result of changes in interpretations of IFRS standards the quarterly information has been restated for comparative periods.

All financial measures presented in this MD&A are expressed in Canadian dollars unless otherwise indicated.

Forward Looking Information

Certain statements contained in this report, including statements that may contain words such as "anticipates," "can," "may," "expect," "believe or believes" and "will" and similar expressions are forward-looking statements. These statements may include, but are not limited to, future capital expenditures, future financial resources, future oil and gas well activity, outcome of specific events, and trends in the oil and gas industry. These statements are derived from certain assumptions and analyses made by the Company based on its experience and interpretation of historical trends, current conditions and expected future developments, and other factors that it believes are appropriate in the circumstances. These statements or predictions are subject to a number of known and unknown risks and uncertainties, which are discussed previously in this report that could cause actual results to differ materially from the Company's expectations. Consequently, all of the forward-looking statements made in this report are qualified by these cautionary statements and there can be no assurance that actual results or developments anticipated by the Company will be realized, or that they will have the expected consequences or effects on the Company or its business or operations. The Company assumes no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

For the purpose of calculating unit costs, natural gas volumes have been converted to a barrel equivalent ("boe") using six thousand cubic feet equal to one barrel equivalent unless otherwise stated. A boe conversion ratio of 6:1 is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. This conversion conforms with national instrument NI 51-101. Boe's may be misleading, particularly if used in isolation.

The terms funds from operations, funds from operations per share and operating netback are terms that do not have a standardized measuring prescribed by IFRS. Management believes that funds from operations, funds from operations per share and operating netback are useful supplemental measures as they demonstrate the Company's ability to generate the cash necessary to repay debt or fund future growth through capital investment. Investors are cautioned, however, that these measures should not be construed as an alternative to cash flow determined in accordance with IFRS as an indication of the Company's performance. Forent's method of calculating these measures may differ from other companies, and accordingly, may not be comparable to measures used by other companies. For these purposes, the Company defines funds from operations as cash provided by operations before changes in non-cash operating working capital and defines operating netback as revenue less royalties and operating expenses. The Company also presents funds from operations per share whereby amounts per share are calculated using weighted average shares outstanding consistent with the calculation of earnings per share.

Introduction and Overview of Forent Energy Ltd.

Forent Energy Ltd. is a crude oil and natural gas production, exploration and development company headquartered in Calgary, Alberta. The Company's operations include established oil and gas production in Alberta and Saskatchewan and exploration for both oil and gas onshore in Nova Scotia and in Alberta. Subsequent to December 31, 2012, Forent disposed of all of its properties in Saskatchewan through the sale of its Mervin wells and facilities.

Forent Energy Ltd. was incorporated under the *Business Corporations Act* of Alberta as a private company on April 6, 1999. Forent became a public company as a result of the reverse takeover of Seriatim Ventures Inc., a capital pool company listed on the TSX Venture Exchange, which was completed on December 18, 2008.

The Company's operational focus over the next year is to continue its strategy of growth through focused exploration on it two core exploration areas consisting of i) the onshore Alton Block ("Alton") in Nova Scotia and ii) on its 29 section Montgomery, Alberta property ("Montgomery"). Forent has assembled a team of individuals with many years' experience in both western Canada and frontier exploration, such as Nova Scotia, in order to take advantage of these opportunities.

Critical Accounting Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised.

Accounts receivable

Accounts receivable are recorded at the estimated recoverable amount that includes an estimate of uncollectible amounts.

Property, plant and equipment

The Company's oil and natural gas reserves are determined using estimates of oil and natural gas in place, recovery factors and future prices by an independent reserve engineering firm. A significant number of estimates and assumptions are made in determining the reserves in place and the valuation of those reserves, requiring many judgements based on geological, geophysical, engineering and economic data. These estimates may change, having either a positive or negative impact on net earnings as further information becomes available and as the economic environment changes. The reserves estimate is a key driver in determining the Company's depletion rate and used in impairment testing.

Oil and natural gas assets are grouped into cash generating units ("CGUs") that have been identified as being the smallest identifiable group of assets that generate cash flows that are independent of cash flows of other assets or groups of assets. The determination of these CGUs was based on management's judgment in regards to shared infrastructure, geographical proximity, petroleum type and similar exposure to market risk and materiality.

Exploration and evaluation assets

Exploration and evaluation assets are initially capitalized with the intent to establish commercially viable reserves. Exploration and evaluation assets included undeveloped land, geophysical and geological activities, and costs related to exploratory wells. The Company is required to make estimates and judgments about future events and circumstances regarding the economic viability of extracting the underlying resources. The costs are subject to technical, commercial and management review to confirm the continued intent to develop and extract the underlying resources. Changes to project economics, resource quantities, expected production techniques, unsuccessful drilling, expired mineral leases, production costs and required capital expenditures are important factors when making this determination. If an exploration and evaluation project is determined to be unsuccessful, all associated costs are charged to net income. If commercial reserves are established, the relevant costs are transferred from exploration and evaluation to development and production assets that are classified as property, plant, and equipment.

Decommissioning liabilities

The calculation of decommissioning liabilities includes estimates of the ultimate settlement amounts, inflation factors, risk free rates, and timing of settlement. The actual decommissioning costs are uncertain and the estimates can vary in response to changes in regulatory requirements and new restoration techniques. The impact of future revisions to these assumptions on the annual financial statements of future periods could be significant.

Share based compensation

The fair value of employee stock options is measured using a Black Scholes option pricing model. The option pricing model requires management to estimate expected volatility, weighted average expected life, expected forfeiture rate, expected dividends, and the risk-free interest rate (based on government bonds). The expected volatility, life of the options and forfeiture rates are based upon historical experience. Dividends are assumed to be nil, as management does not anticipate any dividends to be paid in the future. The risk-free rate is based upon government bond rates at the time of issuance of the options.

Deferred taxes

Tax interpretations, regulations and legislation in which the Corporation is subject to change. As such, income taxes are subject to measurement uncertainty. Management assumes that the Company will use its tax pools to the full extent in future periods and has determined its deferred tax balance on that basis.

E XECUTIVE SUMMARY & OUTLOOK

Overview of 2012

In 2012 Forent made significant progress on the exploration of our held mineral rights in Alberta and on-shore Nova Scotia. Forent completed a non-brokered financing of $400,000 in early 2012 and drilled two exploration wells in Nova Scotia. In Alberta, the Company secured a joint venture partner to assist with exploration at Montgomery and the first exploration well on these lands was drilled in December 2012. Also in the fourth quarter of 2012, the operated Mervin field was impaired from both a production and financial perspective due to infiltration of sour (presence of H2S) water from another operator's activities. As a safety precaution, the Mervin field was temporarily shut in. Once returned to production two weeks later, higher water and lower oil production significantly reduced the cash flow generated from the company's primary producing asset. The issue was resolved through the effective sale of the Mervin property on December 31, 2012 for net proceeds of $5.5 million, a value in excess of the previous year's proved plus probable reserve value. The sale was closed in early 2013.

Due to ending the year with a negative working capital of $1.2 million, and the uncertainty on the timing of the closing of the Mervin asset sale, the company completed an additional non-brokered financing of $1.5 million early in 2013.

The Company's two core exploration areas and the Mervin asset sale are more fully described below:

Nova Scotia

Forent reached a significant milestone in 2012 with the drilling of two exploration wells for Gays River reefs on the Alton Block. Forent Alton #1 and Forent South Branch #1 were both drilled through the zones of interest to basement. These wells provided significant information about the presence of hydrocarbons in the system and reef development at depth. They also reduced the Company's three year $6.3 million exploration agreement commitment to $1.7 million. Under the current terms of the Alton Block exploration agreement, the balance of the work commitment is required to be spent by April 8, 2014.

The first well drilled by the Company in 2012 was the Forent Alton #1 well, which was rig released March 13, 2012, after reaching a total depth of 996 meters. This well was positioned where a Gays River reef was anticipated to have been built up on a geophysically identified Meguma basement structural high. This geological interpretation was based on gravity gradiometry, 2D and 3D seismic information and incorporated third party well information. The well targeted the flank of the anticipated reef to increase the probability of encountering significant porosity in the Gays River formation and encountered the flank of a Gays River reef as predicted. During drilling several significant natural gas shows were detected and live oil was found in the mud tank. This validated the existence of an active petroleum system and the presence of natural gas and free hydrocarbon in the system. Petrophysical logs evaluated by Forent's technical team indicated that the Gays River reef build up had minor porosity at the well bore. The Company does not anticipate production from this well, however it has been cased and left in a condition that it may be easily re-entered for further evaluation. The results of this well are considered encouraging and do not preclude future wells drilled into the same reef from being productive.

Forent followed up the drilling of Forent Alton #1 with the second well referred to as Forent South Branch #1. This well was rig released April 28, 2012 after drilling to an identified basement at approximately 783 meters from surface. The well targeted the top of a geophysically identified Meguma structural high. The Forent South Branch #1 well encountered the interpreted Meguma structural high, but unfortunately, no Gays River reef build up was present and no hydrocarbons were encountered while drilling the well.

Although it is disappointing that economic quantities of oil and/or natural gas were not encountered in either of the two wells, Forent is extremely pleased to be able to confirm the presence of both Gays River Reef development at depth and obtain positive indications of an active petroleum system. This new information will greatly assist in the assessment of the 8 additional geophysical anomalies currently identified on the Alton Block, allow the exploration team to further refine their geological and geophysical models, and focus future efforts. Forent's intent is to actively pursue Gays River reef oil and natural gas opportunities as well as evaluate the potential of other nonconventional natural gas opportunities on the block.

Montgomery, Alberta

During the second quarter of 2012, Forent was successful in entering into a joint venture partnership with BlackShale Resources Inc. ("BlackShale"), a wholly owned subsidiary of Houston based Kerogen Exploration LLC. BlackShale is a private company specializing in identifying and exploiting unconventional oil and gas opportunities in Canada. After extensive assessment of regional light oil resource opportunities in Western Canada, BlackShale chose Forent's Montgomery lands as one of its initial projects.

Under the terms of the Agreement, BlackShale will fund the cost to drill and complete a vertical test well to the base of the Mannville Formation (approximately 3,100 meters) to earn a 70% interest in all PNG rights to the base of the deepest formation penetrated in four contiguous sections of land. Forent will retain 30% of the pre-farmout interest in these four sections. Upon drilling the first well and having evaluated all of the formations of interest in the borehole, BlackShale has the option to drill additional vertical or horizontal wells under similar earning conditions. Forent provided BlackShale with access to the lands and proprietary 3D seismic survey that images most of Forent’s Montgomery acreage.

The first earning well, BlackShale Montgomery 01-16-012-29W4/00, was drilled and cased to the base of the Mannville formation at 3,227 meters. The initial well was placed in an area that is interpreted as having minimal naturally enhanced fracturing in the Second White Specs formation in order to obtain base line data for the regional play. A full suite of conventional and specialized petrophysical logs were run over the entire well bore and extensive core was cut to analyze both unconventional and conventional hydrocarbon potential. While a natural gas target was identified on logs in the base of the well, it was decided to complete and test the up-hole Second White Specs formation first, in order to obtain as much information about the reservoir potential as possible prior to Spring break up. This zone was perforated and stimulated in order to obtain rock mechanical properties and additional data, which will aid in the development of this potential resource into commercial reserves. After partial stimulation clean up, the well was shut in for a reservoir pressure build up and remains in this state today. Tight reservoirs typically require an extended shut-in period to fully build up to initial reservoir conditions in order to adequately analyze the data and calculate the stimulated permeability. Additional evaluations of the well, core and log data will occur over the next several months. BlackShale and Forent have been actively supporting each other’s efforts and are currently collaborating on future drilling locations.

Mervin, Saskatchewan

In mid-September an offset operating company initiated a well re-entry program on lands adjacent to Forent's Mervin oil pool and salt water disposal facility located in section 34-50-21W3. During the offset operations a deeper sour water bearing formation flowed for a number of days into the Waseca formation, from which Forent was producing sweet oil. As a safety precaution due to the H2S in the produced water, Forent shut in the Mervin field on September 22, 2012. After taking appropriate operating measures to remove the H2S from the produced water, production resumed on October 4, 2012. Due to production decreases and increased operational expense, the Mervin property operated at a break-even level during the fourth quarter of 2012. In contrast, this property generated significant income during the first nine months of 2012.

On February 1, 2013, the Company closed the sale of all of its interests in the Mervin, Saskatchewan property for proceeds of $5.5 million, resulting in a gain of $4.0 million over the carrying cost of the property. The property was classified as a discontinued asset held for sale as of December 31, 2012. The disposition of the property allowed Forent to realize a value that was comparable to the fair market value of the asset prior to the impairment and in excess of the independently assigned proved plus probable value from December 31, 2011.

Outlook for 2013

The immediate focus for the Company will be to replace production from the sale of the Mervin property, in order to restore operating cash flow. Forent will be focusing on adding liquid weighted production through an accretive asset purchase or corporate merger. The cash flows generated from new operations will assist in underpinning the Company with steady cash flow and reserves while we continue to advance our core projects in Montgomery, Alberta and Alton, Nova Scotia from prospects into producing reserves.

Forent will provide long term corporate growth by continuing our efforts to secure a partner to assist with the capital programs and technical evaluations of both the potential reef structures and the extensive shale gas potential of the Alton Block. The two exploration wells drilled in 2012 confirmed the presence of Gays River reef development at depth, and the presence of hydrocarbons in a significant portion of the Shubenacadie sub-basin. Also on Forent's lands we have identified 8 geophysical anomalies that we believe represent Gays River reef build-ups. Based on data obtained from offset operators the Forent acreage block has significant shale gas potential. Additional geological and geophysical data will most likely be required prior to initiating the next drilling program with a joint venture partner.

Forent anticipates that, while the first well in the Montgomery block was intended as a regional test well, a longer term production test will occur after the reservoir recorders are removed and the pressure build up has been analyzed. We anticipate the reservoir recorders will be pulled from the wellbore in June 2013 and the data will be analyzed to evaluate the effectiveness of the stimulation. This will provide valuable input for development of a production model and assist in the planning of future wells. In Montgomery, we will continue to work closely with our joint venture partner's technical team on analyzing the results of the 01-16-12-29W4 well and evaluate future drilling locations. We will continue to communicate with the landowners in the area and remain a good neighbor and joint venture partner.

Financial Results

Subsequent event – Disposition of discontinued operations held for sale

On February 1, 2013, the Company closed the sale of all its interests in its Mervin, Saskatchewan property for $5.5 million plus customary adjustments, resulting in a gain of $4,018,867, over the carrying amount of the property. The property was classified as a discontinued operations held for sale as at December 31, 2012. The disposition of the property allowed Forent to realize a value that was comparable to the fair market value prior to the impairment of the property and in excess of the independently assigned proved plus probable value from December 31, 2011.

Operations results comparative period notice

As a result of the Mervin, Saskatchewan property being classified as discontinued operations held for sale as at December 31, 2012, the financial statements and management discussion and analysis have been prepared to reflect only continuing operations for comparison purposes, unless otherwise disclosed.

All revenues and expenses and depletion and depreciation related to the operations Mervin property being held for sale have been reclassified in 2012 and prior periods and presented as a single line item in the statement of operations and comprehensive income as profit from discontinued operations.

Production from Continuing Operations

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2012	2011	Change	**2012**	2011	Change
			(%)			*(%)*
Daily Production						
Natural gas *(mcf/d)*	**380**	421	(10)	**397**	474	(16)
Crude oil and NGLs *(bbls/d)*	**7**	9	(22)	**7**	17	(59)
Boe/d	**71**	79	(10)	**73**	96	(24)
	(%)	*(%)*	*(%)*	*(%)*	*(%)*	*(%)*
Production Mix						
Natural gas	**90**	89	1	**90**	82	10
Crude oil and NGLs	**10**	11	(9)	**10**	18	(44)
	100	100		**100**	100	

During the year ended December 31, 2012, the Company's total production from continuing operations decreased 24% to 73 boe/d in 2012, compared to 96 boe/d in 2011. Natural gas production decreased in the year ended December 31, 2012, to 397 mcf/d from 474 mcf/d in 2011. The decrease in natural gas production was primarily the result of production declines at the Ferrybank well with the remainder of the Company's natural gas production holding relatively steady. Crude oil and natural gas liquids ("NGLs") production decreased to 7 bbls/d during the year ended December 31, 2012 from 17 bbls/d in 2011. The decrease in crude oil and NGLs was the result of operational issues with the Lloydminster 7B well in 2012 as compared to 2011.

The Company's production from continuing operations in the fourth quarter of 2012 averaged 71 boe/d, a decrease of 10% from the 79 boe/d produced during the same quarter of 2011. Natural gas production decreased in the fourth quarter of 2012 to 380 mcf/d vs. 421 mcf/d in the fourth quarter of 2011, as a result of production declines at Ferrybank and the Huxley fields operated by Forent. Crude oil and NGLs production decreased to 7 bbls/d during the three months ended December 31, 2012, from 9 bbls/d in the same quarter of 2011. The reduction in crude oil and NGLs between the quarters resulted from decreased production from the Lloydminster 7B well that was somewhat offset by increases from the Company's Caroline well.

Natural Gas Prices

United States natural gas prices are commonly referenced off the New York Mercantile Exchange at the Henry Hub, Louisiana ("NYMEX") index price, while Canadian natural gas prices are typically referenced to the AECO Hub in Alberta ("AECO"). Natural gas prices are primarily influenced by North American supply and demand rather than global fundamentals. During the year ended December 31, 2012, the AECO natural gas price averaged $2.39/mcf compared to $3.62/mcf in the same period of 2011, being a decrease of 34%. In the three months ended December 31, 2012, the average AECO natural gas price was flat at $3.22/mcf compared to $3.20/mcf in the same period of 2011. The overall lower natural gas prices in 2012 compared to 2011 were primarily a result of strong supply resulting from various new shale gas projects, which led to an abundant supply of natural gas throughout 2011 and into 2012, with a modest recovery occurring the fourth quarter of 2012.

Crude Oil Prices

Alberta crude oil prices are commonly referenced to Edmonton par crude prices with adjustments (normally discounts) being taken to reflect the quality of the actual produced crude oil. The average Edmonton par price for the year of 2012 decreased 9% to $86.53/bbl from $95.16/bbl in 2011. Edmonton par price for the three months ended December 31, 2012 was $84.28/bbl and $97.87/bbl in the same quarter of 2011, representing a decrease of 14% in pricing. Edmonton based oil prices decreased primarily as a result of transportation capacity issues that lead to an oversupply of Western Canadian crude oil relative to WTI pricing, which remaining relatively flat between 2012 and 2011.

Pricing from Continuing Operations

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2012	2011	Change	**2012**	2011	Change
	($)	*($)*	*(%)*	*($)*	*($)*	*(%)*
Selling Prices						
Natural gas *($/mcf)*	**3.18**	3.19	-	**2.41**	3.86	(38)
Crude oil and NGLs *($/bbl)*	**78.03**	99.12	(21)	**51.32**	61.88	(17)
Total combined *($/boe)*	**25.17**	12.85	96	**17.97**	26.88	(33)

(1) Combined crude oil and NGLs pricing reflects the impact of actual crude quality; in addition prices may be significantly different than those received for crude oil in isolation, due to NGLs being priced on a different basis then crude oil.

Selling prices for the year ended December 31, 2012 averaged $2.41/mcf for natural gas compared to $3.86/mcf during 2011. The Company's selling prices of natural gas decreased 38% between the periods, reflecting the oversupply of natural gas in North America that is consistent with the 34% decrease in the annual AECO average price. Crude oil and NGLs prices decreased 17% during the year ended December 31, 2012 to $51.32/bbl, as compared to $61.88/bbl in 2011. The decrease in the crude oil and NGL pricing received by the Company was a result of the 9% decrease in the Edmonton par price and the lower average quality (API rating) of oil delivered by Forent during the year.

Average natural gas prices received by Forent were consistent in the fourth quarter of 2012 at $3.18/mcf from $3.19/mcf received during the same quarter of 2011. The fourth quarter natural gas pricing is consistent with the negligible AECO price change between the fourth quarters of 2012 and 2011. Crude oil and NGLs prices decreased 21% during the fourth quarter of 2012, to $78.03/bbl as compared to $99.12/bbl in the same quarter of 2011. The decrease in the crude oil and NGL pricing received by the Company was a combination of the 14% decrease in Edmonton par pricing and a decrease in the proportion of higher priced NGLs delivered in the fourth quarter of 2012, as compared to 2011.

Oil and Gas Revenue from Continuing Operations

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2012	2011	Change	**2012**	2011	Change
	($)	*($)*	*(%)*	*($)*	*($)*	*(%)*
Revenue						
Natural gas sales	**111,118**	15,437	620	**350,396**	558,457	(37)
Crude oil and NGLs sales	**52,434**	77,613	(32)	**130,817**	381,889	(66)
Total petroleum sales	**163,552**	93,050	76	**481,213**	940,346	(49)
Less: Crown, freehold and gross over riding royalties	**(20,087)**	25,678	(178)	**(72,200)**	(4,925)	1,366
Net petroleum sales	**143,465**	118,728	21	**409,013**	935,421	(56)
Other petroleum operating revenues	**19,599**	19,648	-	**70,538**	77,537	(9)
Total revenues from crude oil, NLGs and natural gas operations	**163,064**	138,376	18	**479,551**	1,012,958	(53)

During the year ended December 31, 2012, the Company's total revenues from crude oil, NGLs and natural gas operations decreased 53% to $479,551 from $1,012,958 in 2011. Gross natural gas sales decreased 37% to $350,396 in 2012 from $558,457 in 2011, largely as a result of significantly lower average natural gas prices and a decrease in production in the year. Gross crude oil and NGL sales decreased 66% in the year ended December 31, 2012 to $130,817 from $381,889 in 2011, as a result of a decrease in crude oil and NGL volumes and lower selling prices.

The Company's total revenues from crude oil, NGLs and natural gas operations for the three months ended December 31, 2012, was $163,064, an increase of 18% from the same quarter of 2011, when sales totalled $163,064. Gross natural gas revenues were $111,118 in the fourth quarter of 2012, which were significantly higher than the $15,437 recorded in 2011, as a result of a $111,816 joint venture partner revenue adjustment to natural gas sales attributed to prior periods being recorded fully recognize in the fourth quarter of 2011. Gross crude oil and NGL revenues decreased 32% between the fourth quarters of 2012 and 2011, to $52,434 from $77,613, as a result of decreased crude oil and NGL volumes and lower selling prices.

Other petroleum operating revenues consist of third party processing charges at natural gas facilities operated by Forent. During the year December 31, 2012, other petroleum operating revenues decreased 9% to $70,538 from $77,537 in the fourth quarter of 2011. The decrease in other petroleum operating revenues between the years was primarily attributed to lower natural gas volumes handled by the Huxley gas gathering system and compression facilities that charges based on processed volumes. In the fourth quarter of 2012 the other petroleum operating revenues remained consistent at $19,599, as compared to $19,648 in the fourth quarter of 2011.

Royalty Expense from Continuing Operations

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2012	2011	Change	**2012**	2011	Change
	($)	*($)*	*(%)*	*($)*	*($)*	*(%)*
Total royalties	**20,087**	(25,678)	(178)	**72,200**	4,925	1,366
As a % of oil and NGLs and gas sales	**12%**	(28%)	(143)	**15%**	1%	1,400
$/boe	**3.09**	(3.55)	(187)	**2.70**	0.14	1,829

During the year ended December 31, 2012, the royalty expense increased to $72,200 as compared to $4,925 in 2011. During the three months ended December 31, 2012, the Company's royalty expense was $20,087 as opposed to a recovery of $25,678 in the same period of 2011. The significant variance in the royalty expense between the yearly and quarterly periods ending December 31, 2011 and 2012, primarily resulted from recognizing a $28,532 joint venture adjustment, which reduced the overall royalties in the fourth quarter of 2011 attributable to prior periods. In addition, there was a reduction in Forent's Alberta natural gas royalty allowances from the capital cost, operating cost and processing fees in regards to qualifying Alberta natural gas crown production in 2012.

Royalties as a percentage of sales for the year ended December 31, 2012 were 15% of oil and NGLs and natural gas sales and 12% for the fourth quarter of 2012.

Operating Expenses from Continuing Operations

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2012	2011	Change	**2012**	2011	Change
	($)	*($)*	*(%)*	*($)*	*($)*	*(%)*
Operating expenses	**144,714**	207,159	(30)	**538,431**	755,109	(29)
Operating expenses *($/boe)*	**22.27**	28.62	(22)	**20.11**	21.58	(7)

During the year ended December 31, 2012, operating costs decreased 29% to $538,431 from $755,109 in 2011. Operating expenses decreased 30% to $144,714 in the fourth quarter of 2012 compared to $207,159 in fourth quarter of 2011. The decrease in operating costs are primarily the result of the Company's decreased production that lead to a reduction in associated variable operating costs and less repairs and maintenance costs on Forent's wells and facilities in 2012 as compared to 2011.

In the year ended December 31, 2012 operating expenses decreased 7% to $20.11 per boe from $21.58 per boe in 2011. On a per boe basis, operating expenses decreased 22% to $22.27 per boe in the fourth quarter of 2012 from $28.62 per boe in the fourth quarter of 2011. The decrease in the per boe costs was primarily a result of shutting in the Lloydminster well in late 2012 allowing the Forent to reduce its operating costs on a per boe basis.

General and Administrative ("G&A") Expenses

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2012	2011	Change	**2012**	2011	Change
	($)	*($)*	*(%)*	*($)*	*($)*	*(%)*
Gross expenses	**359,487**	437,211	(18)	**1,262,001**	1,361,993	(7)
Overhead recoveries	**(22,295)**	(26,180)	(15)	**(104,613)**	(105,353)	(1)
Total G&A expense	**337,192**	411,031	(18)	**1,157,388**	1,256,640	(8)
$/boe	**51.90**	56.78	(9)	**43.22**	35.92	20

In the year ended December 31, 2012, general and administrative expenses decreased 8% to $1,157,388 from $1,256,640 in 2011. During the fourth quarter of 2012, general and administrative expenses decreased 18% to $337,192 from $411,031 in the fourth quarter of 2011. The decrease in the quarterly and yearly periods was mainly a result of reduced professional fees related to lower engineering fees, audit fees and other professional service costs.

The overhead recoveries from partners, related to Forent operated projects, resulted in $104,613 being recovered in 2012, as compared to a similar amount of $105,353 being recovered in 2011. Overhead recoveries from joint venture partners are earned at the Huxley area gas wells, plant and gas gathering system that the Company operates, along with any operated capital projects, of which there were none in 2012. The relatively stable amount of overhead recoveries are due to the Huxley gas property being a coal bed methane gas field with a fairly stable cost structure and production base.

Stock Based Compensation

During the year ended December 31, 2012, the stock-based compensation expense decreased 15% to $232,704 from $273,300 in 2011. The decrease in stock based compensation between the periods was a result of a greater amortization base for stock options in 2011 and that a large portion of options fully vested prior to 2012. In addition the Company capitalized $59,870 of stock based compensation to exploration and evaluation assets in 2012 as compared to $58,810 capitalized in 2011.

The total number of options outstanding as at December 31, 2012 is 10,202,687 with a weighted average exercise price of $0.24 and life of 3.49 years.

Operating Netbacks per boe from Continuing Operations

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2012	2011	Change	**2012**	2011	Change
	($/boe)	*($/boe)*	*(%)*	*($/boe)*	*($/boe)*	*(%)*
Sales price	**25.17**	12.85	96	**17.97**	26.88	(33)
Royalties	**(3.09)**	3.55	(187)	**(2.70)**	(0.14)	1,829
Operating	**(22.27)**	(28.62)	(22)	**(20.11)**	(21.58)	(7)
Operating netback	**(0.19)**	(12.22)	(98)	**(4.84)**	5.16	(194)
G&A (net of non-cash items)	**(51.90)**	(56.78)	(9)	**(43.22)**	(35.92)	20
Interest and other (net of non-cash items)	**(1.16)**	(0.22)	427	**(0.95)**	(0.41)	132
Corporate netback (loss)	**(53.25)**	(69.22)	(23)	**(49.01)**	(31.17)	57

During the year ended December 31, 2012, the operating netback decreased to negative $4.84/boe, a 194% decrease from the operating netback of $5.16/boe in the same period of 2011. The change in the operating netback was primarily the result of the decreased selling on a per boe basis. In the fourth quarter of 2012, the Company’s operating netback on a per boe basis was negative $0.19/boe from negative $12.22/boe in same period of 2011. The improvement in the fourth quarter netback was primarily related to the increase in the natural gas sales price and decreased operating expenses between the quarters, which was partially offset by an increase in royalties, all on a per boe basis.

In the year ended December 31, 2012, the Company’s corporate netback was negative $49.01/boe and negative $31.17/boe in 2011. The decrease between the years was primarily a result of the decrease in the operating netback and increase in general and administrative costs, all on a per boe basis. In the three months ended December 31, 2012, the Company’s corporate netback improved to negative $53.25/boe from negative $69.22/boe in the same quarter of 2011. The improvement was a result of the improved operating netback and general and administrative costs, all on a per boe basis, between the periods.

Prior to the disposal of the Company’s Mervin property, Forent had both a positive operating netback and corporate netback that generated positive cash flow to the Company. Management is committed to returning to a positive corporate netback position by adding production through a corporate merger or asset acquisition in 2013, along with achieving success in operating activities.

Depletion and Depreciation from Continuing Operations

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2012	2011	Change	**2012**	2011	Change
	($)	*($)*	*(%)*	*($)*	*($)*	*(%)*
DD&A provision	**179,442**	677,220	(74)	**423,575**	1,225,591	(65)
Oil and gas asset Impairment	**225,882**	1,821,328	(88)	**314,537**	1,896,329	(83)
Total DD&A and impairment	**405,324**	2,498,548	(84)	**738,112**	3,121,920	(76)
DD&A provision *($/boe)*	**62.39**	345.15	(82)	**27.56**	89.23	(69)

In the year ended December 31, 2012, the depletion, depreciation and amortization expense ("DD&A") decreased by 65% to $423,575 from $1,225,591 in 2011. The DD&A provision decreased by 74% to $179,442 in the fourth quarter of 2012, from $677,220 in the same quarter of 2011. Depletion is determined by a unit of production rate for each cost generating unit based on reserve levels and the net book value of those cost generating units. The significant reduction in the amount of DD&A recorded in 2012 is a result of the impairments in 2011 that reduced the net book value of depletable assets to be depleted.

On a per boe basis, the DD&A provision decreased 69% to $27.56/boe from $89.23/boe between the years of 2012 and 2011. During the quarter ended December 31, 2012, the DD&A provision decreased 82% to $62.39/boe from $345.15/boe in fourth quarter of 2011. In 2011 the Company incurred significant write-downs on the reserves of a number of its producing natural gas properties that led to significant depletion and impairments being recorded in the fourth quarter of 2011. These impairment write-downs resulted in a lower net book value to be depleted, resulting in less DD&A provision on a per boe basis to be recorded in 2012, as compared to 2011.

The Company evaluates the carrying value of its assets relative to fair value at each balance sheet date. During the year ended December 31, 2012, the Company recorded an impairment of $314,537. The impairments in 2012 reflected the continued trend of decreasing natural gas prices and decreased future expectations of natural gas pricing, which significantly reduced the forecasted future cash flows of the Company's natural gas properties.

Income Taxes

During the year ended December 31, 2012, a future income tax recovery on continuing operations of $341,587 was realized, as compared to a recovery of $190,705 in 2011. The changes in this non-cash item are due to the anticipated future tax effect of the period's activities after reconciling recorded net assets with the Company's tax pool assets at the end of each period.

As at December 31, 2012, the Company had approximately $8.9 million in tax pools available to shelter taxable income in future years, although subsequent to year end the disposition of discontinued assets held for sale and the renouncement of flow-through expenditures reduced the tax pools by approximately $5.6 million to $3.3 million. Within the tax pools the non-capital losses carried forward will begin to expire in 2026.

Funds from Operations

The Company determines funds from operations as cash provided from operations before changes in non-cash operating working capital.

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2012	2011	Change	**2012**	2011	Change
	($)	*($)*	*(%)*	*($)*	*($)*	*(%)*
Cash flow from continuing operating activities	**(16,449)**	(394,183)	(96)	**(886,499)**	(1,067,646)	(17)
Decommissioning costs incurred	**-**	-	-	**60,478**	2,557	2,265
Change in non-cash working capital	**(291,607)**	(89,596)	225	**(390,442)**	66,996	(683)
Funds from continuing operations	**(308,056)**	(483,779)	(36)	**(1,216,463)**	(998,093)	22

Funds from continuing operations decreased to negative $1,216,463 for the year ended December 31, 2012 compared to negative $998,093 in 2011. The decrease was primarily related to the significant reduction in sale revenues as a result of reduced production and the decrease in natural gas selling prices between the years. In the fourth quarter of 2012, funds from continuing operations improved to a deficit of $308,056, as a result of the fourth quarter of 2011 having a significant prior period joint venture operating adjustment that reduced cash flows in the period.

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2012	2011	Change	**2012**	2011	Change
	($)	*($)*	*(%)*	*($)*	*($)*	*(%)*
Funds from continuing operations	**(308,056)**	(483,779)	(36)	**(1,216,463)**	(998,093)	22
Funds from discontinued operations	**245,569**	178,312	38	**1,674,302**	1,075,879	56
Combined funds from operations	**(62,487)**	(305,467)	(80)	**457,839**	77,786	489
Per share – basic and diluted						
From continuing operations	**-**	-	-	**-**	-	-
From discontinued operations	**-**	-	-	**-**	-	-
Funds from operations for the year	**-**	-	-	**-**	-	-

The reclassification of the Mervin property as a discontinued operation held for sale has had a significant impact on the year over year and quarter to quarter comparisons of 2012 and 2011, respectively. The Mervin property was the primary cash flow contributor of the Company prior to the reclassification with $1,674,302 being generated in 2012. The sale of the Mervin property essentially crystallized the future cash flows and has allowed Forent the flexibility to redeploy that capital.

The funds from continuing operations in the year and quarter ended December 31, 2012 include $1,157,388 and $337,192, respectively, of the Company's general and administrative costs, being the full amount, with discontinued operations having no general and administrative costs allocated.

Net Earnings

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2012	2011	Change	**2012**	2011	Change
	($)	*($)*	*(%)*	*($)*	*($)*	*(%)*
Loss from continuing operations for the year	**(498,185)**	(2,677,210)	(81)	**(2,892,005)**	(4,781,595)	(40)
Earnings from discontinued operations for the year	**23,154**	(209,251)	(111)	**371,380**	41,605	793
Net loss for the year	**(475,031)**	(2,886,461)	(84)	**(2,520,625)**	(4,739,990)	(47)
Per share – basic and diluted						
From continuing operations	**-**	(0.02)	(100)	**(0.02)**	(0.04)	(50)
From discontinued operations	**-**	-	-	**-**	-	-
Net loss for the year	**-**	(0.03)	(100)	**(0.02)**	(0.04)	(50)

During the year ended December 31, 2012, Forent incurred a loss from continuing operations of $2,892,005 ($0.02 per basic and diluted share), as compared to the loss from continuing operations of $4,781,595 ($0.02 per basic and diluted share) in 2011. In the fourth quarter of 2012, the Company recorded a loss from continuing operations of $498,185 ($nil per basic and diluted share) versus a loss from continuing operations of $2,677,210 ($0.02 per basic and diluted share) in the same quarter of 2011. The significant improvement in the amount of the loss from continuing operations was due to the notable amounts of $1,225,591 and $1,896,329 in DD&A and impairment expenses recognized in 2011, respectively. The loss from continuing operations in 2012 was mainly influenced by the $1,027,088 in exploration and evaluation expense and general and administration costs of $1,157,388 during the year from continuing operations

The Mervin, Saskatchewan property classified as discontinued operations held for sale earned $371,380 during the year ended December 31, 2012, compared to income of $41,605 in 2011. The appreciable increased earnings in 2012 was the result of the tie-in off the six wells to the Company's water disposal facility that eliminated the significant water hauling costs incurred in 2011, which was offset by a greater amount of deferred taxes recognized in 2012.

During the year ended December 31, 2012, Forent incurred a net loss from continuing and discontinued operations of $2,520,625 ($0.02 per basic and diluted share), as compared to the loss of $4,739,990 ($0.04 per basic and diluted share) in 2011. In the fourth quarter of 2012, the Company recorded a net loss of $475,031 ($nil per basic and diluted share) versus a net loss of $2,886,461 ($0.03 per basic and diluted share) in the same quarter of 2011. The net loss in 2012 was mainly influenced by the loss from continuing operations that was partially offset by income from discontinued operations.

Capital Expenditures

During the year ended December 31, 2012, the Company spent $3.0 million related to the drilling and evaluation of the Forent Alton #1 and Forent South Branch #1 wells in Nova Scotia. The company was encouraged by the results of its first reef oil targeting well Forent Alton #1 that encountered the flank of a Gays River reef, having indications of an active petroleum system including NGLs or light oil associated with natural gas. Forent Alton #1 logs indicated minimal porosity and permeability near the well bore and the company does not anticipate production from this well, however, future wells drilled into the same reef may be productive. The second well drilled, South Brach #1, was positioned on a geophysically determined basement high anomaly where a Gays River reef was anticipated to have been deposited. The well encountered a structurally high basement, however no Gays River reef was detected and no significant hydrocarbon accumulations were observed. This well was abandoned and the lease reclaimed subsequent to drilling. The Company is continuing to evaluate the Alton Block and seeking a joint venture partner to assist in the exploration of the block.

Spending on development and production activities of continuing operations totalled $0.2 million during 2012, related to a work-over of its Lloydminster 7B well. Expenditures on discontinued assets totalling $0.3 million were incurred to replace a number of pumps for the Mervin heavy oil wells.

Subsequent to December 31, 2012, the Mervin wells and water disposal facility were disposed of for $5.5 million plus customary adjustments, realizing a gain of $4.0 million that also included the removal of the Mervin decommissioning and restoration liability transferred to the purchaser of the field at close.

Share Capital

The Company has authorized an unlimited number of common and preferred shares with no par value. At December 31, 2012, the Company had 135,515,715 common shares outstanding and no preferred shares outstanding.

Subsequent to the year ended December 31, 2012, the Company conducted a non-brokered private placement consisting of 30,000,000 common shares and raised $1.5 million in gross proceeds. The non-brokered private placement closed on February 20, 2013, thereby increasing the outstanding common shares to $165,515,715.

Working Capital

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2012	2011	Change	**2012**	2011	Change
	($)	*($)*	*(%)*	*($)*	*($)*	*(%)*
Working capital, beginning of year	**(426,728)**	1,604,379	(127)	**2,022,555**	888,092	128
Funds from continuing operations	**(308,056)**	(483,779)	(36)	**(1,216,463)**	(998,093)	22
Funds from discontinued operations	**245,569**	178,312	38	**1,674,302**	1,075,879	56
Issue of capital stock, net	**4,900**	2,202,072	(100)	**389,534**	4,754,841	(92)
Decommissioning costs incurred	**-**	-	-	**(60,478)**	(2,557)	2,265
Capital expenditures from continuing operations, net	**(219,526)**	(587,646)	(63)	**(3,227,336)**	(1,712,233)	88
Capital expenditures from discontinued operations, net	**26,784**	(890,783)	(103)	**(259,171)**	(1,983,374)	(87)
Transfer of discontinued operations to held for sale, net	**1,468,469**	-	-	**1,468,469**	-	-
Working capital, end of period	**791,412**	2,022,555	(61)	**791,412**	2,022,555	(61)

Forent opened 2012 with a working capital surplus of $2.0 million. The change in the Company's net working capital resulted from funds from continuing operations of negative $1.2 million, funds from discontinued operations of $1.7 million, net equity of $0.4 million from a share financing, net capital expenditures and abandonments from continuing operations of $3.2 million, net capital expenditures on discontinued operations totalling $0.3 million and the transfer of discontinued operations to held for sale from a non-current classification to being presented as a current asset of $1.5 million, thereby leaving the Company with working capital of $791,412 at December 31, 2012. For the purposes of the working capital calculation the Company does not include the flow-through share deferred liability, which was $10,500, as at December 31, 2012.

Cash flows from operations for were primarily generated through the Mervin property that was classified as held for sale at December 31, 2012. Cash flows subsequent to year end will be materially lower without the profit generated from the Mervin field. With the recovery of natural gas prices at the end of 2012 management anticipates that its cash flows from continuing properties in 2013 will be approximately $15,000 per month not including general and administrative costs. As this amount is not sufficient to offset Forent's general and administrative costs, the Company is actively engaged in finding new sources of revenue generation through the acquisition of oil and gas production and the development and optimization of its currently inventory of properties. The anticipated sale of the Mervin property is expected to provide adequate funds to operate effectively for the next year and provide adequate funds to carry out its planned exploration programs.

As a result of the tight working capital in 2012 the Company had scaled back its Nova Scotia capital budget until funds are raised or other alternatives identified to support continued exploration and development expenditures. Forent is currently looking for a partner to assist in the exploration of the Alton Block.

The Montgomery program is an exciting exploration program on approximately 29 net sections of mineral rights that Forent regards as its core medium-term growth strategy. The land block encompasses multi zone potential in both conventional and unconventional prospects. In 2011 Forent acquired a proprietary 3D seismic data on the majority of the lands and over analogous wells nearby, including the prolific 6-6 Second White Speck well that produced 1.5 million bbls of oil and 2.6 million mcf of natural gas to date. The Company has identified numerous drilling locations, including multi-zone, three-way structural closures of significant areal extent, and a number of fractured Second White Specs prospects analogous to the offsetting 06-06 well. Forent has partnered with BlackShale Resources ("BSR") to fund the drilling and completion of test wells at 100% capital expenditure on behalf of BlackShale to earn a 70% interest to the base of the deepest formation penetrated in four contiguous sections of land for each earning well drilled and completed. Upon drilling the first well and having evaluated all of the formations in the borehole, BSR may exercise a rolling option to drill additional vertical or horizontal wells under similar earning conditions. Forent will retain 30% of its pre-farmout interest within the partners' earning sections. In December 2012 BSR spud its first well and completion activities have continued up to the date of this report. Additional wells are anticipated to be funded by BlackShale in 2013 as the exploration and evaluation program continues.

Quarterly Data from Continuing Operations

The following summarizes key financial and operating information on a quarterly basis for the two most recently completed financial years relating continuing operations.

	Three months ended Mar. 31, 2012	Three months ended Jun. 30, 2012	Three months ended Sep. 30, 2012	**Three months ended Dec. 31, 2012**
	($)	*($)*	*($)*	***($)***
Oil and gas revenue, net of royalties	80,490	99,713	136,284	**163,064**
Funds from (used in) operations [(1)]	(331,223)	(280,835)	(296,349)	**(308,056)**
Per share – basic and diluted	-	-	-	**-**
Loss from continuing operations	(1,156,447)	(800,237)	(315,537)	**(456,848)**
Per share – basic and diluted	(0.01)	(0.01)	-	**-**
Capital expenditures	1,505,799	1,178,607	323,404	**129,526**
Total assets	14,997,915	13,667,848	13,557,844	**12,806,290**
Working capital	1,045,540	17,013	(426,728)	**791,412**
Total non-current financial liabilities	-	-	-	
Average daily production				
Natural gas *(mcf/d)*	418	451	341	**380**
Crude oil and NGLs *(bbls/d)*	4	13	7	**7**
Total *(boe/d)*	74	88	63	**71**

	Three months ended Mar. 31, 2011	Three months ended Jun. 30, 2011	Three months ended Sep. 30, 2011	Three months ended Dec. 31, 2011
	($)	*($)*	*($)*	*($)*
Oil and gas revenue, net of royalties	312,968	342,578	219,036	138,376
Funds from (used in) operations [(1)]	(167,511)	(317,157)	(29,646)	(483,779)
Per share – basic and diluted	-	-	-	-
Loss from continuing operations	(997,142)	(375,726)	(643,880)	(2,668,681)
Per share – basic and diluted	(0.01)	-	-	(0.03)
Capital expenditures	328,876	668,212	237,499	392,646
Total assets	13,852,012	16,156,956	15,161,949	15,083,077
Working capital	277,346	2,207,420	1,604,379	2,022,555
Total non-current financial liabilities	-	-	-	-
Average daily production				
Natural gas *(mcf/d)*	559	465	452	421
Crude oil and NGLs *(bbls/d)*	32	18	6	9
Total *(boe/d)*	125	96	81	79

(1) Funds from operations is defined as cash provided by operations before changes in non-cash operating working capital.

Compensation for key management

Key management includes the company's directors and executives. Compensation awarded to key management included the following:

For the period ended,	December 31, 2011	December 31, 2010
	($)	($)
Salaries and employee benefits	**421,840**	413,097
Share based payments	**189,553**	224,893
	611,393	637,990

Off Balance Sheet Transactions

Forent was not involved in any off balance sheet transactions during the year ended December 31, 2012.

Contractual Obligations

On February 22, 2012, the Company issued flow-through shares requiring that $84,000 in qualifying exploration expenditures be expended by December 31, 2013. The Company satisfied this commitment through continued geophysical study of the Alton Block during 2012.

On December 29, 2011 and June 1, 2011 the Company issued flow-through shares requiring that $2,426,026 and $2,251,000, respectively, in qualifying exploration expenditures be expended by December 31, 2012. As at December 31, 2012 the Company has incurred the full amount of qualifying expenditures to be expended.

The Company is committed to expend a minimum of $6.3 million on the Alton Block, in Nova Scotia, over a three year period, ending April 8, 2014, in a work program consisting of initiation and interpretation of geological, geophysical, geomagnetic and geochemical data and culminating in an exploration and well testing program within the boundaries of the Alton Block. As at December 31, 2012 the Company has incurred approximately $4.4 million of the commitment. The Company intends to satisfy the commitments to retain the block as part of its long-term high impact exploration strategy. In obtaining the funds to continue this exploration Forent is actively pursuing joint venture partners to assist in the project.

Alton Commitment	
	($)
2012	1,350,000
2013	1,800,000
2014	3,150,000
	6,300,000

The Company entered into an office lease effective September 1, 2011. The lease is for a three year term ending August 31, 2014 and requires the following annual payments as at December 31, 2012, which are paid on a monthly basis.

Office lease	
	($)
2013	130,592
2014	89,208
	314,525

Risks and Uncertainties

The Company is exposed to a number of risks and uncertainties inherent in exploring for, developing and producing crude oil and natural gas. These risks and uncertainties include but are not limited to, the following:

- risk of finding and producing reserves economically;
- uncertainty associated with obtaining drilling licenses and other consents and approvals;
- production risk associated with sour hydrocarbons;
- marketing reserves at acceptable prices;
- cost of capital risk associated with securing the needed capital to carry out the Company's operations;
- risk of fluctuating foreign currency exchange rates;
- risk of governmental policies, social instability or other political, economic or diplomatic developments in its operations;
- market risks associated with investing the Company's cash reserves in interest bearing depository instruments; and
- environmental risks related to its oil and gas properties.

Many of the previously mentioned risks are beyond the Company's control, and it is impossible to ensure that any exploration drilling program will result in commercial operations. As at December 31, 2012 the Company had no derivative instruments to hedge its commodity price, foreign currency exchange or interest rate risks in place. The Company may enter into such risk management contracts from time to time as appropriate.

Forent strives to minimize and manage these risks in a number of ways including:

- Employing qualified professional technical staff;
- Communicating openly with members of the public regarding its activities;
- Concentrating in a limited number of operation areas;
- Utilizing the latest technology for finding and developing reserves;
- Constructing high-quality, environmentally sensitive, safe production facilities; and
- Maximizing operational control of drilling and producing operations;

FORENT ENERGY

DIRECTORS
W. Brett Wilson[1, 2]
Robert S. Crosbie
John A. Forgeron[3]
Douglas Porter[1]
Scott Reeves[4]
Wayne Rousch[1, 3, 4]

[1] Member of the Audit Committee
[2] Chairman of the Board
[3] Member of the Technical Committee
[4] Member of the Compensation Committee

LEGAL COUNSEL
TingleMerrett LLP

BANKERS
National Bank of Canada

AUDITORS
PricewaterhouseCoopers LLP

EVALUATION ENGINEERS
Sproule Associates Limited
Calgary, Alberta

OFFICERS
Richard Wade, President & CEO
Ian Shook, Vice President Exploration
Tim Laska, Vice President Geology
Scott Reeves, Corporate Secretary

EXECUTIVE OFFICE
Forent Energy Ltd.
Suite 200, 340 – 12th Ave SW
Calgary, Alberta, Canada T2R 1L5

Telephone: (403) 262-9444
Facsimile: (403) 262-4651

HALIFAX OFFICE
Forent Energy Ltd.
P.O. Box 201
Halifax, Nova Scotia B3J 2M4