

FORM 51-101 F1

STRATEGIC AMERICAN OIL CORPORATION

**STATEMENT OF RESERVES DATA
AND OTHER OIL & GAS INFORMATION**

AS OF

July 31, 2008

Prepared by AJM Petroleum Consultants

December 22, 2008

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PART 1: DATE OF STATEMENT

Date of Statement: **December 22, 2008**
Effective Date: **July 31, 2008**
Preparation Date: **December 15, 2008**

Oil and gas reserves were evaluated by AJM Petroleum Consultants ("AJM"), effective July 31, 2008, for Strategic American Oil Corporation (the "Company"). AJM was engaged by the Company to evaluate proved and proved plus probable reserves; no valuation of possible reserves or resources was undertaken. The AJM evaluation was prepared in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* and the *Canadian Oil and Gas Evaluation Handbook* ("COGE Handbook").

All of the Company's oil and gas reserves are on-shore, USA.

The reserves on the properties described herein are estimates only. By nature, such forecasting of reserves and related economic parameters and analyses are forward-looking statements based on predictions of future events. Actual events or results may differ materially. Furthermore, the estimated future net revenue contained in the following tables does not necessarily represent the fair market value of the reserves.

In certain instances, numbers may not total due to computer-generated rounding.

PART 2: DISCLOSURE OF RESERVES DATA

Item 2.1 Reserves Data (Forecast Prices and Costs)

Item 2.1.1 Breakdown of Reserves (Forecast Case)

Please refer to NI 51-101 Table 1 – Forecast – Summary of Oil and Gas Reserves.

Item 2.1.2 Net Present Value of Future Net Revenue (Forecast Case)

Please refer to NI 51-101 Table 2 – Forecast – Summary of Net Present Values of Future Net Revenue.

Item 2.1.3 Additional Information Concerning Future Net Revenue (Forecast Case)

Please refer to NI 51-101 Table 3 – Forecast – Total Future Net Revenue (Undiscounted).

Item 2.2 Supplemental Disclosure of Reserves Data (Constant Prices and Costs)

Supplemental constant price estimates are not reported.

Item 2.3 Reserves Disclosure Varies with Accounting

Strategic American owns 100% of the issued and outstanding share capital of Penasco. Penasco holds all of the oil and gas assets of Strategic American. While Strategic American issues consolidated financial statements, oil and gas reserves and all value derived from those reserves are identical for both Strategic American and Penasco.

Item 2.4 Future Net Revenue Disclosure Varies with Accounting

Strategic American owns 100% of the issued and outstanding share capital of Penasco. Penasco holds all of the oil and gas assets of Strategic American. While Strategic American issues consolidated financial statements, oil and gas reserves and all value derived from those reserves are identical for both Strategic American and Penasco.

PART 3: PRICING ASSUMPTIONS

Item 3.1 Constant Prices Used in Estimates

Supplemental constant price estimates are not reported.

Item 3.2 Forecast Prices Used in Estimates

Forecast oil and gas prices are laid out in the AJM Petroleum Consultants Price Forecast (2008 06 30) Table (see Appendix). All prices are stated in Canadian dollars unless otherwise indicated. Adjustments for oil differential and gas heating values are applied to these prices, as appropriate for each entity. Capital and operating costs are inflated.

PART 4: RECONCILIATIONS OF CHANGES IN RESERVES

Item 4.1 Reserves Reconciliation

Please refer to Table 5 - Reserves Reconciliation Summary

PART 5: ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Item 5.1 Undeveloped Reserves

Proved undeveloped reserves are attributed to one location in the South Delhi, LA area. The proposed location is a replacement well for Holt #4 and reserves attributed are those which would have been produced from the original Holt #4 well which is no longer producing. The re-drill is forecast to be on production mid-2009. There are no probable undeveloped reserves assigned.

Note that this fiscal year is the first for which Strategic American has assigned any undeveloped reserves.

	Light & Medium Oil		Heavy Oil		Natural Gas	
	First Attributed	Cumulative	First Attributed	Cumulative	First Attributed	Cumulative
	WI*, Mbbl	WI*, Mbbl	WI*, Mbbl	WI*, Mbbl	WI*, Mbbl	WI*, Mbbl
Proved Undeveloped						
prior to 2006	-	-	-	-	-	-
2006	-	-	-	-	-	-
2007	-	-	-	-	-	-
2008	18.7	18.7	0	0	0	0
Probable Undeveloped						
prior to 2006	-	-	-	-	-	-
2006	-	-	-	-	-	-
2007	-	-	-	-	-	-
2008	0	0	0	0	0	0

* WI = working interest before royalties

Item 5.2 Significant Factors or Uncertainties

Reserve estimates are subject to change with such factors as, updated production data, well performance and operational issues, ongoing development activities, price forecasts, and other economic conditions. However, the bulk of the reserves assigned is based on historical well performance and, as such, have a lower risk associated with them.

Item 5.3 Future Development Costs

Year	Future Costs Net (M\$)	
	Proved	Proved + Probable
2009	262.5	262.5
2010	0	0
2011	0	0
2012	0	0
2013	0	0
2014+	162	145.8
Total	424.5	408.3

Development costs in the foreseeable future will be equity financed.

PART 6: OTHER OIL AND GAS INFORMATION

Item 6.1 Oil and Gas Properties and Wells

Strategic American holds interests (via its 100% interest in Penasco) in two properties, as follows:

The Barge Canal property is located in Calhoun County, Texas, approximately 120 miles southwest of Houston. Penasco Petroleum Inc. ("Penasco") holds a working interest of 100 percent with 72.5 percent revenue interest in two producing oil wells and one developed non-producing salt water disposal well. This working interest reverts to 90 percent with a 65.25 percent revenue interest after October 1, 2008.

The South Delhi property is located in the Richland and Franklin Parishes in Louisiana, approximately 120 miles west of Schreveport. Penasco Petroleum Inc. ("Penasco") holds a working interest of 75 percent of an 81.25 percent net royalty interest lease in the property that currently consists of three producing oil wells and one proved undeveloped oil well scheduled to come on-stream in Q2 2009. Two of the producing wells on the Holt lease are located in the Franklin Parish, while one well is currently producing from the Strahan lease. The undeveloped well is to be drilled to offset the Holt # 4 well located in Franklin Parish.

Item 6.1.2 Gross and net oil and gas wells:

Country/Province	Oil		Gas		Non-Producing		Total	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
U.S.A.								
Louisiana	3	2.25	0	0.00	3	2.25	6	4.5
Oklahoma					1	0.04	1	0.04
Texas	2	1.80	1	0.03	3	2.05	6	3.88
Total USA	5	4.05	1	0.03	7	4.34	13	8.42

Item 6.2 Properties with No Attributed Reserves

The following lands do not have reserves attributed:

State	Lease	Acres Land w/o reserves assigned	
		Gross	Net
Illinois	Gobbler's Knob	214	214
	various other	2260	2260
Texas	Janssen	138	6
	Koliba	79	20
Oklahoma	Little Mule Creek	11550	404
Total		14241	2904

Item 6.3 Forward Contracts

There are no forward contracts applicable to any produced product.

Item 6.4 Additional Information Concerning Abandonment and Reclamation Costs

No. of Net Wells:

Included in evaluation	8.4
Not included in evaluation	0.3

Gross cost of abandonment (\$/well)* 15,000

Forecast Abandonment Costs

	Undiscounted	Discounted at 10%
Next 3 fiscal years	\$22,500	\$17,750
Following Years	\$99,000	\$33,680
Total	\$121,500	\$51,430

* costs provided by client

Item 6.5 Tax Horizon

Strategic American is currently not taxable. This is not forecast to change in the foreseeable future.

Item 6.6 Costs Incurred

Costs incurred during the fiscal year can be broken down as follows:

		<u>M\$</u>
Property Acquisition	Proved	0
	Unproved	79
Exploration		101
Development		0

Item 6.7 Exploration and Development Activities

Strategic American participated in the drilling of one well (0.04 net wells) in the US in this fiscal year. Note that this well was still drilling at the end of the fiscal period. The well was exploratory in nature and results are pending.

Development drilling is planned for both Koliba, Texas and within the Louisiana leases. Each of these areas have locations offsetting current producers. There are similar opportunities on the Illinois leases.

Exploratory activities are focused on 3-D seismic identification of potential reef-type structures on a number of leasehold areas.

Item 6.8 Production Estimates from November 30, 2006 to November 30, 2007 (Forecast and Constant Cases):

		Forecast Production W.I. Volume Aug 1/08 - July 31/09	
		Proved	Proved + Probable
<hr/>			
South Delhi, LA			
	Oil (stb)	5,800.7	5,800.7
	Gas (MMcf)	0	0
	Liquids (bbls)	0	0
Barge Canal, TX			
	Oil (stb)	8,300	8,300
	Gas (MMcf)	19	19
	Liquids (bbls)	0	0
<hr/>			
Total, US			
	Oil (stb)	14,100.7	14,100.7
	Gas (MMcf)	19	19
	Liquids (bbls)	0	0

RESERVE DEFINITIONS

Reserves are classified in accordance with the following definitions which meet the standards established by National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities and found in Appendix 1 to Companion Policy 51-101 CP, Part 2 Definition of Reserves.

Reserve Categories

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on

- analysis of drilling, geological, geophysical and engineering data;
- the use of established technology; and
- specified economic conditions, which are generally accepted as being reasonable and are disclosed.

Reserves are classified according to the degree of certainty associated with the estimates:

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.

Possible Reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

Development and Production Status

Each of the reserves categories (proved, probable and possible) may be divided into developed and undeveloped categories:

Developed Reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

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 classification (proved, probable, possible) to which they are assigned.

APPENDIX

STRATEGIC AMERICAN OIL CORPORATION
NI 51-101 TABLE 1 - FORECAST
SUMMARY OF OIL AND GAS RESERVES
AJM June 30, 2008 Forecast Pricing
Unrisked

Effective July 31, 2008

Page 1 of 1

Reserves Category	VOLUMES IN IMPERIAL UNITS													
	Oil				Natural Gas									
	Light and Medium		Heavy		Solution		Associated & Non-Associated		Coalbed Methane		Natural Gas Liquids		Sulphur	
	Gross (Mstb)	Net (Mstb)	Gross (Mstb)	Net (Mstb)	Gross (MMcf)	Net (MMcf)	Gross (MMcf)	Net (MMcf)	Gross (MMcf)	Net (MMcf)	Gross (Mstb)	Net (Mstb)	Gross (Mlt)	Net (Mlt)
Proved Developed Producing	122.9	111.7	0.0	0.0	180.8	145.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved Developed Non-Producing	48.9	39.4	0.0	0.0	67.4	54.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved Developed	171.8	151.1	0.0	0.0	248.3	199.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved Undeveloped	18.7	20.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved	190.6	171.4	0.0	0.0	248.3	199.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Probable Additional	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved Plus Probable Additional	190.6	171.4	0.0	0.0	248.3	199.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Reserves Category	VOLUMES IN METRIC UNITS													
	Oil				Natural Gas									
	Light and Medium		Heavy		Solution		Associated & Non-Associated		Coalbed Methane		Natural Gas Liquids		Sulphur	
	Gross (E3m3)	Net (E3m3)	Gross (E3m3)	Net (E3m3)	Gross (E6m3)	Net (E6m3)	Gross (E6m3)	Net (E6m3)	Gross (E6m3)	Net (E6m3)	Gross (E3m3)	Net (E3m3)	Gross (E3t)	Net (E3t)
Proved Developed Producing	19.5	17.8	0.0	0.0	5.1	4.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved Developed Non-Producing	7.8	6.3	0.0	0.0	1.9	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved Developed	27.3	24.0	0.0	0.0	7.0	5.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved Undeveloped	3.0	3.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved	30.3	27.2	0.0	0.0	7.0	5.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Probable Additional	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved Plus Probable Additional	30.3	27.2	0.0	0.0	7.0	5.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Notes: Values may not add due to rounding.
Report Time: Fri, 05 Dec 2008 13:41
Economic Case: AJM June 30, 2008 Forecast Pricing
Hierarchy: Reserves
DB: sac0000v252 : mos2prod Version: 2.5.2.9961

STRATEGIC AMERICAN OIL CORPORATION
NI 51-101 TABLE 2 - FORECAST
SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE
AJM June 30, 2008 Forecast Pricing

Effective July 31, 2008

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Reserves Category	Before Income Taxes				
	5.0% (M\$)	10.0% (M\$)	12.0% (M\$)	15.0% (M\$)	20.0% (M\$)
Proved Developed Producing	7,208.4	5,952.9	5,559.6	5,055.8	4,390.8
Proved Developed Non-Producing	1,538.8	979.6	825.7	645.0	437.5
Proved Undeveloped	1,349.3	1,101.6	1,020.9	915.1	771.3
Total Proved	10,096.6	8,034.1	7,406.2	6,615.9	5,599.6
Probable Additional	0.0	0.0	0.0	0.0	0.0
Total Proved Plus Probable Additional	10,096.6	8,034.1	7,406.2	6,615.9	5,599.6

Reserves Category	After Income Taxes				
	5.0% (M\$)	10.0% (M\$)	12.0% (M\$)	15.0% (M\$)	20.0% (M\$)
Proved Developed Producing	5,549.3	4,572.5	4,267.8	3,878.4	3,366.0
Proved Developed Non-Producing	1,169.5	744.5	627.5	490.2	332.5
Proved Undeveloped	1,024.7	835.8	774.2	693.5	583.7
Total Proved	7,743.5	6,152.8	5,669.6	5,062.2	4,282.2
Probable Additional	0.0	0.0	0.0	0.0	0.0
Total Proved Plus Probable Additional	7,743.5	6,152.8	5,669.6	5,062.2	4,282.2

Taxpool: SAO 07/31/2008 Tax Pools Vintage: 2008 : United States

M\$ = Thousands of Dollars
 Values may not add due to rounding
 Report Time: Fri, 05 Dec 2008 13:41
 Economic Case: AJM June 30, 2008 Forecast Pricing
 Hierarchy: Reserves
 DB: sa0000v252 : mos2prod Version: 2.5.2.9961

STRATEGIC AMERICAN OIL CORPORATION
 NI 51-101 TABLE 3 - Forecast
TOTAL FUTURE NET REVENUE (UNDISCOUNTED)
 AJM June 30, 2008 Forecast Pricing

Effective July 31, 2008

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Reserve Category	Revenue	Royalties	Operating Costs	Development Costs	Well Abandonment Costs	Future Net Revenue Before Income Taxes	Income Taxes	Future Net Revenue After Income Taxes
	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)
Proved Developed Producing	12,917.8	510.3	3,211.3	0.0	152.2	9,044.0	2,207.1	6,989.1
Proved Developed Non-Producing	4,395.4	202.2	1,486.4	194.1	0.0	2,512.8	603.1	1,909.7
Proved Undeveloped	2,284.6	71.5	259.7	266.9	0.0	1,686.6	404.8	1,281.8
Total Proved	19,597.9	784.0	4,957.4	461.0	152.2	13,243.4	3,214.9	10,180.6
Probable Additional	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Proved Plus Probable Additional	19,597.9	784.0	4,957.4	461.0	152.2	13,243.4	3,214.9	10,180.6

Taxpool: SAO 07/31/2008 Tax Pools Vintage: 2008 : United States

Revenue includes product revenue and other income from facilities, wells and corporate if specified
 Royalties include ARTC Values may not add due to rounding
 Report Time: Fri, 05 Dec 2008 13:42
 Economic Case: AJM June 30, 2008 Forecast Pricing
 Hierarchy: Reserves
 DB: sac0000v252 : mos2prod Version: 2.5.2.9961

Opening July 31, 2007
Closing: AJM June 30, 2008 Forecast Pricing
Effective July 31, 2008

	Proved Developed Producing						Proved						Probable Additional						Proved Plus Probable Additional					
	Light & Medium Oil	Heavy Oil	Assoc & Non Assoc Gas	Coalbed Methane	NGL	BOE	Light & Medium Oil	Heavy Oil	Assoc & Non Assoc Gas	Coalbed Methane	NGL	BOE	Light & Medium Oil	Heavy Oil	Assoc & Non Assoc Gas	Coalbed Methane	NGL	BOE	Light & Medium Oil	Heavy Oil	Assoc & Non Assoc Gas	Coalbed Methane	NGL	BOE
	Mstb	Mstb	MMcf	MMcf	Mstb	Mboe	Mstb	Mstb	MMcf	MMcf	Mstb	Mboe	Mstb	Mstb	MMcf	MMcf	Mstb	Mboe	Mstb	Mstb	MMcf	MMcf	Mstb	Mboe
Opening Balance	63.0	0.0	90.0	0.0	0.0	78.0	63.0	0.0	90.0	0.0	0.0	78.0	0.0	0.0	0.0	0.0	0.0	0.0	63.0	0.0	90.0	0.0	0.0	0.0
Production	-7.6	0	-11.1	0	0	-9.5	-7.6	0.0	-11.1	0.0	0.0	-9.5	0	0	0	0	0	0	-7.6	0.0	-11.1	0.0	0.0	0.0
Drilling Activity																								
Discovery	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Extensions	0	0	0	0	0	0	79.6	0	0	0	0	79.6	0	0	0	0	0	0	79.6	0.0	0.0	0.0	0.0	0.0
Recompletion	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
A&D																								
Acquisition	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dispositions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Revisions																								
Revision	67.5	0	101.9	0	0	84.6	55.6	0	169.4	0	0	83.8	0	0	0	0	0	0	55.6	0	169.4	0	0	0
Recovery	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Econ Factors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NI 51-101	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
WI Error	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Facility	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Infill Drilling	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Abandonment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Enhanced Recovery	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative																								
Eval Date Rollover	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Logical Entity Change	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
System Admin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Upgrade	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Closing	122.9	0	180.8	0	0	153.1	190.6	0	248.3	0	0	231.9	0	0	0	0	0	0	190.6	0	248.3	0	0	2

**8FORM 51-101 F2
REPORT ON RESERVES DATA
BY
INDEPENDENT QUALIFIED RESERVES
EVALUATOR OR AUDITOR**

To the Board of Directors of Strategic American Oil Corporation (the "Company"):

1. We have evaluated the Company's reserves data as at July 31, 2008. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at July 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 presented 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 end ("effective date") and identifies the respective portions thereof that we have evaluated and reported on to the Company's management/Board of Directors:

Independent Qualified Reserves Evaluator or Auditor	Strategic American Oil Corporation Reserve Estimation and Economic Evaluation	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (\$M, before income taxes, 10% discount rate)			
			Audited	Evaluated	Reviewed	Total
AJM Petroleum Consultants	December 19, 2008	United States	-	\$8,034.10	-	\$8,034.10

5. In our opinion, the reserves data respectively **evaluated** by us have, in all material respects, been determined and are in accordance with the COGE Handbook. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
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 events will vary and the variations may be material. However, any variation 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:

AJM Petroleum Consultants
Fifth Avenue Place, East Tower
6th Floor, 425 – 1st Street S.W.
Calgary, Alberta
T2P 3P8

Original signed by: "Robin G. Bertram"
Robin G. Bertram, P. Eng
Vice President Engineering

Execution date: December 19, 2008



**REPORT OF MANAGEMENT AND DIRECTORS
ON OIL AND GAS DISCLOSURE IN FORM 51-101F3**

Management of Strategic American Oil Corporation (the "Company") are responsible for the preparation and disclosure of information with respect to the Company's 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 July 31, 2008, estimated using forecast prices and costs.

An independent qualified reserves evaluator has evaluated the Company's reserves data. The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The board of directors of the Company has

- a) reviewed the Company'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 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.

The board of directors has 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 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.

By: "Randall Reneau"
Randall Reneau
President, Chief Executive Officer,
and a Director

By: "Johnathan Lindsay"
Johnathan Lindsay
Secretary, Treasurer, Chief Financial
Officer and a director

By: "Alan P. Lindsay"
Alan P. Lindsay
a Director

By: "Leonard Garcia"
Leonard Garcia
a Director

February 10, 2009