



March 12, 2011

Reference for Arif Shivji – Financial Advisor

SkyWest Energy Corp. (“SkyWest”) is a junior oil company with approximately daily production of 1,750. SkyWest is a Cardium focused exploration, development, and production company that is publicly listed on the TSX.V exchange under the symbol SKW. Our land base is over 35,000 net acres of undeveloped land and interests in various processing and gathering facilities. In recent years, we have pursued an aggressive acquisition strategy to supplement our drilling locations and cash flow. Since inception of SkyWest, I have been the VP Finance & CFO where I am responsible for all finance functions including accounting, tax, and capital management.

In relation to our acquisition of a private oil company (“TargetCo”) in late 2010, I hired Arif to assist with valuation work and financial due diligence. He was to identify potential deal issues for the \$23,000,000 transaction, which was made up of a combination of cash and SkyWest shares. This deal involved related parties, so Arif had to be a little political to obtain necessary information helped in our analysis. In addition, Arif had to conduct many question sessions with management, especially to understand intercompany land transfers and disposition of producing assets.

The corporate structure of the TargetCo was complex given it involved a many holding companies, operating corporations, a partnership and cross ownership between the entities. This required Arif to review a number of dataroom documents, such as operating summaries, accounting detail, creditor agreements and income tax returns. From examining the agreements, Arif pointed out potential financial burdens as result of the acquisition to SkyWest, such as redundant office lease and compensation costs. Unlike most accountants who tend to focus on financial reporting disclosure issues, Arif focused on material valuation issues that would be a concern in this acquisition and SkyWest’s potential to create shareholder value.

Overall, SkyWest was able to benefit due to Arif’s ability to

- Summarize the individual entities and potential financial concerns, including production irregularities and potential liabilities;
- Present the deal issues to the SkyWest management team. He addressed questions from the management team, which demonstrated a thorough review of the TargetCo’s financial records, including asset purchase agreements and performance warrants for staff; and
- Provide guidance to advisors and legal counsel on the valuation matters and insight into tax effects and accounting disclosure issues.

Arif’s work has been highly valued by our firm and I definitely recommend him for future contract work involving valuations in the oil & gas industry. I have not come across many accountants with the ability to dig through the detail and also discuss valuation issues at a high level. Please feel free to contact me if you have any specific questions regarding his contributions to SkyWest’s project.

Sincerely,


Joel MacLeod