SISM

Research & Investment Services

April 27, 2010

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Company Insight!

18-24 Months Price Target $2.20

Industry: Oil & Gas Exploration & Production
Grid Petroleum Corporation US$1.42
Initiating Coverage on Grid Petroleum Corporation

Grid Petroleum Corporation (OTC BB: GRPR) is a newly formed independent oil and gas exploration and development company focused strategically on low-risk, high-impact exploration and development in areas with very high success rates for drilling and completion. Just recently, Grid acquired a 100% working interest in the West and SE Jonah Prospects in Wyoming, targeting tight-gas-sand reservoirs with significant natural gas resources. The prospect is located six miles southeast of the prolific Jonah Field, which has reserve estimates ranging from 8 to 15 Tcf and produces from an excess of 500 wells. Wyoming natural gas drilling success has an incredible 98% success rate. Grid's Jonah Prospects encompass 3,744 acres of high impact gas leases and offer a very high leverage and significant exposure to this emerging unconventional resource play. A March 2010 technical report conducted by Schlumberger on Grid's gas play estimated EUR in the base case to be 292.4 Bcf of natural gas and in the high case to be an astonishing 1.28 Tcf. Very positively for Grid, the Company secured $5 million in equity financing to start the Jonah Field development process. Major players, have a strong focus to grow the low-cost North American shale-gas business, which is exactly what Grid is doing right now. Natural gas is currently the worst performing commodity, but offers tremendous opportunities long-term. As Grid proves up its emerging play, we expect the valuation to begin to expand. Our 18 – 24 month target price of $2.20 is in line with our risked-adjusted ANW estimate. The unrisked potential of this play is between $2.78/share and approximately $9.80/share.

Grid Petroleum Corporation

Risk-Adjusted Appraised Net Worth, April 26, 2010

	VALUE	SHARE
Proven and probable reserves 03/31/2010	$0	$0.00
Net working capital	$300,000	$0.01
Petroleum and gas properties at costs	$0	$0.00
Other assets	$0	$0.00
Long-term debt and other liabilities	-$0	$0.00
Appraised Net Worth (O/S 65,290,000)	**$300,000**	**$0.01**
Possible Adjustments:		
Exercise of Warrants	$0	$0.00
South Jonah Field Upside	$116,960,000	$1.79
West Jonah Field Upside	$24,815,000	$0.38
Subtotal Potential ANW (65,290,000 O/S)	**$141,775,000**	**$2.17**
Total Appraised Net Worth	**$142,075,000**	**$2.18**

Source: Company reports, business plan, SEC filings, SISM Research estimates

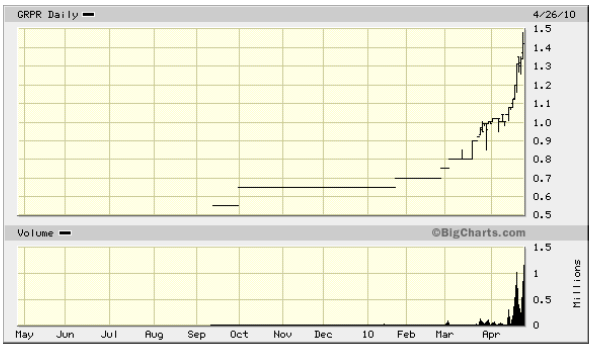
Financial Data

FY 2011	Ends March 30, 2011
Market Capitalization	US$ 92.7 million
Shares outstanding (April 26, 2010)	65,290,000
Book Value/ Share (March 31, 2010)	$0.01
Price/Book Ratio	N/A
Est. 5 Year Earning Growth	N/A

Stock Data

52-Week Range	$1.48 – 0.55
Symbol / Exchange	OTC BB:GRPR
1-Year Return	N/A

Stock Chart



INVESTMENT HIGHLIGHTS:

- **Year-over-year oil exploration in the US is up 124.1 percent while gas exploration is up 17.5 percent.** The weekly average of crude oil spot prices is 65.5% higher than last year and natural gas spot prices are 4.3% higher. Rigs directed toward natural gas were up 8 at 949 during the week of April 2, 2010 compared to March 26, 2010 according Baker Hughes. The number of rigs currently drilling for gas is 141 greater than last year's level of 808. Natural gas is down by 30% from the beginning of the year and has dropped below what many believe to be the cost of bringing new wells into production.

- **Oil and natural gas prices appear to have disconnected from their historical relationship.** For many years, oil prices tended to be 6 to 12 times natural gas prices. That ratio blew out to more than 20 in late 2009, then receded to more traditional levels, and then blew out again in recent months. Currently, the ratio is holding at 21.8, far above its historical range. Looking further ahead, however, we believe that a new arbitrage of relationships will develop. If the relationship of cheap natural gas/expensive oil continues, it will create an incentive to find ways to use natural gas to serve what have traditionally been oil demands. That should eventually limit the degree to which the prices can deviate.

- **Natural gas set to gain as Exxon bets $28.5 billion on this year's worst performing energy commodity.** If history is a guide, the acquisition of XTO Energy may make this natural gas producer a winner. The combination of faster economic growth, the demand for cleaner-burning fuels, and higher coal prices may spur demand from factories, power plants and chemical makers, which account for 60% of gas consumption. Demand will rebound with the economy, as the industry is setting up for a recovery, with the US economy forecasted to grow 3% both this year and next. ConocoPhillips expects natural gas prices in the short term in the neighborhood of around $5.00, however, in the longer term, they see prices more in $6.00 to $8.00 range. Goldman Sachs forecasts $6/Mcf 12 months from now.

- **We are initiating coverage of Grid Petroleum with a SPECULATIVE BUY/4 rating**, and an 18 – 24 month target price of $2.20, which is supported by our total Company risk-adjusted Appraised Net Worth of $2.18/share. The unrisked potential of the Jonah Field play is between $2.78/share base case and approx. $9.80/share high case. Very positively, Grid has the funds in place to start its exploration and development work. The Company secured a $5 to $7.5 million equity financing to develop its Jonah Field project. Its two-phase exploration and development strategy calls for it to acquire more data and evaluating of relevant wells and before beginning well testing and interpretation for a further full exploration program. As the Company proves up its emerging play, we expect the valuation to begin to expand. We acknowledge that the risk profile may be more than some investors are comfortable with and therefore we recommend the stock be purchased only by investors who can tolerate above average risk.

Company Overview

Grid Petroleum Corporation (OTC BB: GRPR) is a newly formed independent oil and gas exploration and development company focused strategically on low-risk, high-impact exploration and development in areas with very high success rates for drilling and completion. Just recently, the Company acquired a 100% working interest in the Jonah Prospects within the Green River Basin of southwestern Wyoming. One of the largest proven gas reserves in North America, Grid's Jonah Prospects encompass 3,744 acres of high impact gas leases, located six miles southeast of the prolific Jonah Field. The life of the Jonah Field is estimated to be from 40 to 60 years. The Company acquired assets in the SE Jonah Field. This final agreement was signed pursuant to the Letter Of Intent (LOI) signed earlier this year.

The assets acquired, form of part of a premium natural gas reserve in the Greater Green River Basin of the Rocky Mountains. The Green River Basin area contains approximately 26 TCF (Trillion Cubic Feet) of natural gas, with the Jonah Field estimated to contain 8 to 15 TCF and produces from an excess of 500 wells. Just recently, Schlumberger Oilfield Services completed a technical report and evaluated Grid Petroleum's SE Jonah Prospect. Based on available geological, petrophysical, and reservoir engineering data, it is estimated that the ultimate recoveries (EUR) in the base case to be 292.4 Bcf of natural gas and in the high case to be 1.28 Tcf. Gas reservoirs with no or low liquid production can commonly have recovery factors in excess of eighty percent. The upside potential, which is approaching 1.3 TCF (Trillion Cubic Feet) would be a major discovery for any oil company and presents an immense opportunity for Grid Petroleum. Most of the surrounding acreage is currently held by EnCana, Ultra Petroleum and Yates Petroleum, with BP and Chevron/Texaco also holding significant positions, as those majors know there is gas to be found.

The Jonah Natural Gas Field

The Jonah Field in southwest Wyoming has been described as one of the most significant finds of natural gas in the United States. The Jonah natural gas field is located about 30 miles south of Pinedale. The Jonah Field was discovered in the 1970s, but companies at the time did not have the technology to get the gas out of the ground. The over-pressured gas was locked in very hard rock, and the technology wasn't yet available to recover the gas. In the mid-1990s, McMurry Oil tested an application called "fracing," which involved literally fracturing the rock open with pressure to release the gas. It worked, and the Jonah Field was born. In 2001, EnCana Corporation acquired the Jonah Field leases and assumed the majority of development. Today, EnCana is Jonah Field's largest producer and has acquired a significant interest in the Jonah Field from McMurry Oil Company. It is estimated that there is eight to fifteen trillion cubic feet of recoverable natural gas, in a field that is only about 24,000 acres in size. It accounts for about 13.5% of all natural gas produced in Wyoming and 1.5% of the nation's natural gas supply. The gas is trapped in a series of relatively tiny pockets called "lenses." There are tens of thousands of these lenses throughout the field. The large number of lenses makes finding the individual pockets difficult, and it's the reason why drilling companies need closer drill spacing in order to hit gas-bearing sands pockets. EnCana created innovative techniques for recovering the gas, while protecting the environment and wildlife values as best as possible. Jonah Field operators have indentified more than 2,600 wells to drill, with an average of 20 days to drill one well. It is estimated by operators in the Field that there is 13 Tcf of gas in place. The average Jonah well is 11,000 feet deep. Wells drilled into the field do not all drain from the same big pocket or reservoir of gas, but rather drain from a set of much smaller lenses. Oil and gas companies have found in the Field that subsequent wells are often just as strong as previous wells because they are not draining from the same reservoir of gas. As a result, the total gas-in-place for the Jonah Field keeps increasing. At the beginning of the decade, engineers estimated the Field held approximately 3 Tcf, but as EnCana and other companies continued to drill wells and did not witness the draw down effect, the total gas-in-wells were producing as much gas as previous wells.

The unique geology of the Jonah Field has led to a decrease in spacing density between the wells. In simple terms, more wells are needed to penetrate the individual lenses that contain the pockets of gas. Originally, the Jonah operators, through 40-acre spacing between wells, would drain the field. They then went to 20-acre spacing and finally, with the Jonah Infill project, 5-acre spacing. The number of Jonah wells increased accordingly, from 450 wells originally, to 1,250 wells, and finally to 3,100 wells.

We like Grid Petroleum's Jonah Field Prospect. The 3,744-acre acquisition is a world-class, low risk, natural gas development area. During 2006, 3,243 wells were drilled in Wyoming, with an astonishing success rate of 97.9% for drilling and completion. Independent geophysical studies on the Jonah Field leasehold outlined an average of 2 BCF per well using 40-acre well spacing as a reasonable expectation. If we only calculate the drill potential at the SE Jonah Prospect, which covers 2,477.68 acres, and was evaluated by Schlumberger last month, we could expect Grid to drill 62 wells and find 124 Bcf of gas. As we learned above, 5-acre spacing is common when it comes to infill project drilling and will increase reserves significantly.

The new Grid Petroleum/Schlumberger potential reserve assessment report has increased potential gas reserves. Based on available geological, petrophysical, and reservoir engineering data, Schlumberger, an industry leader, quotes the estimated ultimate recoveries (EUR) on Grid's Prospect in the base case to be 292 Bcf of natural gas and in the high case 1.28 Tcf. Based on the available geological and engineering data, the SE Jonah Prospect has a good probability of encountering producible hydrocarbons. Many of the geological features and conditions are similar to those found at Jonah Field.

Important Corporate Developments

In January 2010, Grid Petroleum Corporation signed a letter of intent to acquire natural gas leases in Jonah Field, Wyoming, USA. The agreement provides a 100% working interest in four separate oil and gas prospects within the Jonah Field area. The Jonah Prospects encompass more than 6,000 acres of high impact gas leases, and the transaction will be subject to further due diligence.

On March 1, 2010, Grid Petroleum Corporation announced the appointment of Paul Watts as its CEO. Mr. Watts has extensive industry experience and will lead Grid Petroleum in this venture. During a career spanning thirty-seven years, Mr. Watts has worked as a Senior Broker in both London and New York, chartering VLCC, Suezmax and Aframax tankers to the Far East and Singapore, as well as to European, American, Indian and Chinese markets, shipping billions of barrels of oil worldwide. His career has seen him work alongside the world's leading companies including BP, Shell, Elf, ExxonMobil, ChevronTexaco, Hess, Sun Oil, Maraven, Cities Service (now Citgo) and Tenneco, as well as numerous dealings with Vela, the Saudi Arabian government, and with co-brokers dealing with Statoil, Cepsa, Repsol, Petrogal, ENI, S Oil, Hyundai, SK Corp., and GS Caltex. Additionally, Mr. Watts has been elected a Fellow of the Institute of

Chartered Shipbrokers as well as serving as a deputy on the London Tanker Brokers panel and Worldscale Association panel.

On March 10, 2010, Grid Petroleum completed its initial financing. The Company received an initial $500,000 from European institutional investors. This first tranche of funding gives the Company some working capital to start exploration and close on the acquisition of the assets.

On March 15, 2010, Grid Petroleum closed the acquisition of assets in the SE Jonah Field. The Company paid $300,000 for the assets and assumed all liabilities and obligations of this transaction. The Jonah Field currently produces from an excess of 500 wells. This well-defined region also fits Grid's model of low-risk, high-impact exploration and development, in that the region has an incredibly high success rate for drilling and completion. It is reported that in 2006, more than 3,000 wells were drilled with a success rate of almost ninety-eight percent.

On March 28, 2010, Grid Petroleum received a technical report on its Jonah Field assets conducted by Schlumberger, a world leader in oilfield services. Based on the available geological and engineering data, the report states: "…good possibility of productive hydrocarbons being encountered in the prospect and the surrounding area." The original gas-in-place (OGIP) and estimated ultimate recoveries (EUR), on a "per well basis" were also calculated by varying the gross sand thickness and recovery for the prospect and included low, base and high cases by varying the net sand thickness and recovery factor. The report continues, advising: "…the values used for the recovery factor were conservative as gas reservoirs with no or low liquid production can commonly have recovery factors in excess of 80%." In completing the evaluation, the report cites a base case EUR estimate of 292.4 Billion standard cubic feet (Bscf) and a high case estimate of EUR 1280.8 Bscf. and recommends the acquisition of additional seismic data over the prospect to allow for greater subsurface control and better positioning of drilling locations. The upside potential, which is approaching 1.3 TCF (Trillion Cubic Feet) would be a major discovery to any oil company and presents an immense opportunity for Grid Petroleum.

On April 26, 2010 Grid Petroleum announced the execution of a $5 million equity financing agreement with a European Institutional Investor. The initial agreement is for $5 million, with the provision to increase the amount further, if necessary. Grid will use the funds to finance its exploration and development activities in one of the richest natural gas sites in North America, the Jonah Field in Wyoming. This transaction will allow the Company to fully develop its assets.

SCHLUMBERGER ASSESMENT REPORT

Schlumberger conducted an evaluation of Grid's SE Jonah Prospect in March 2010, which covers 2,480 acres in T27N R107W, Sublette County, Wyoming. The Prospect is located 6 miles southeast of the prolific Jonah Field, which has reserve estimates ranging from 8 to 15 TCF. Production in this field is from fluvial sandstones of the Late Cretaceous Lance and Mesaverde formations and Early Tertiary Fort Union Formation. The western part of the Prospect is included in the 19,290-acre Teakettle Federal Unit that was proposed by EnCana in 2005. At the present time, it is uncertain if EnCana will move ahead with forming this unit. It is possible that it may be willing to entertain offers on its acreage position. Based on the available geological and engineering data, the SE Jonah Prospect has a good probability of encountering producible hydrocarbons. Many of the geological features and conditions are similar to those found at Jonah Field. The major difference between the Prospect and Jonah Field is the pressure gradient. Gross sand in the Lance Formation, which is the primary reservoir interval, exceeds 1,000 feet in the Prospect. This area of higher gross sand thickness trends to the northwest through Jonah Field.

Original Gas-In-Place and Estimated Ultimate Recoveries

The original gas-in-place (OGIP) estimation was performed by integrating the available geological, petrophysical and reservoir engineering data. Where property distribution data were available, the low, average and high case for original gas in place (OGIP) was used. When property distributions were not available, ranges of the properties from literature were used to be able provide low and high estimates of OGIP. The gross sand values for wells in the prospect area were utilized in conjunction with the petrophysical analysis to determine OGIP. Schlumberger calculated a base case EUR estimate of 292.4 Bscf and a high case estimate of EUR 1280.8 Bscf.

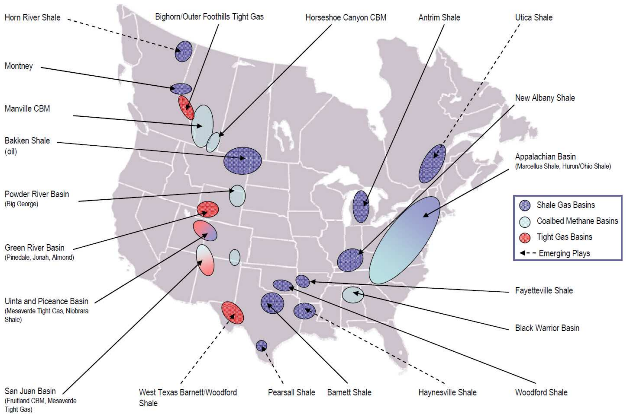
Summary OGIP and EUR values:

	Current Acreage			**Teakettle Unit**		
Case	OGIP Bscf	Recovery Factor	EUR Bscf	OGIP Bscf	Recovery Factor	EUR Bscf
Low	118	54%	63.7	915	54%	494.1
Base	443	66%	**292.4**	3,445	66%	2,273.7
High	1,601	80%	**1,280.8**	12,454	80%	9,963.2

INDUSTRY TREND - MAJOR ENERGY PRODUCER INVESTS IN SHALE GAS ASSETS IN NORTH AMERICA

Exxon Mobil, the world's largest publicly traded oil company, made a $29 billon bet last December that pressure to curb climate change will mean natural gas — cleaner than coal and suddenly much easier to reach — will become a crucial source of US power. Exxon agreed to buy XTO Energy in an all-stock deal at a 25% premium, showing how eagerly a company that is among the most conservative in a conservative industry is jumping into the market for natural gas. The technology to unlock natural gas from tight rock formations has advanced so rapidly that energy experts have raised their estimates of how much fuel is available by 35% in just two years. Talisman Energy is the latest major energy producer to sell conventional assets to free up cash to invest in shale gas assets. Talisman has agreed to sell assets in Alberta and Ontario for C$1.9 billion and expects to close the sales by the end of June. Talisman focuses its activities to grow the low-cost North American shale-gas business. The North American shale business is supported by significantly reduced production costs, allowing producers to make money at lower prices on higher volume. Despite very low commodity prices, very surprisingly, drilling activities are up. In the short term, natural gas producers are in a very challenging position as many are forced to drill in order to maintain their land leases, leases in which they have invested substantial capital in acquiring. If a producer fails to advance its properties, it risks losing the license and the capital along with it. With natural gas stabilizing at lower prices, utility companies can no longer ignore the cost savings to be realized from converting coal-fired electricity plants over to natural gas. Even with renewed economic demand, the summer heating season, etc., most forecast natural gas to be around $6.00 on average for 2010. According to the Conference Board of Canada, prices will return and will average $5.44 for the year. ConocoPhillips believes we'll see natural gas prices in the short term somewhere in the neighbourhood of around $5.00, but ultimately, longer-term prices will be in the $6.00 to $8.00 range. North America's largest natural gas producer, EnCana predicts that up to 20% of the coal-fired power plants in the US will likely shift to burning natural gas in the next decade or so, boosting demand for the fuel dramatically. Natural gas will take a big chunk of the market share as a fuel of choice for the transportation industry, as the fuelling infrastructure throughout North America is already in place. The problem exists, however, that only Honda Motor Corp., markets a natural gas-fuelled vehicle in North America, the Honda Civic GX, which is available in most of North America. There are nine million natural gas-fuelled vehicles on the roads worldwide and only 125,000 in North America. The demand is growing by 30% a year worldwide, but so far not in North America.

UNCONVENTIONAL RESOURCE PLAYS IN NORTH AMERICA



TIGHT GAS

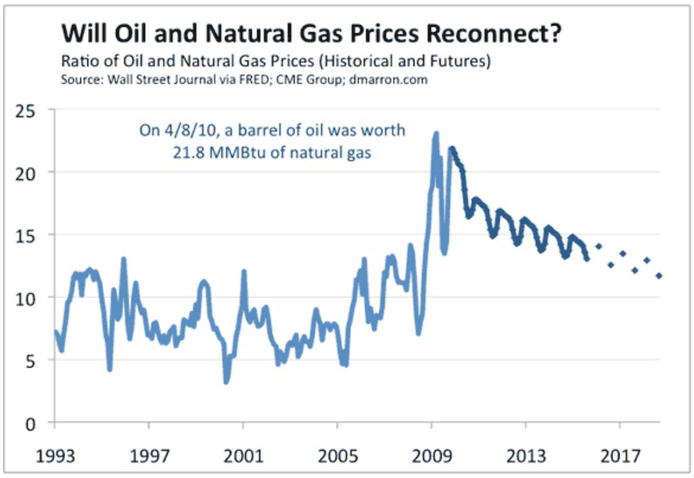
Of the three main types of unconventional gas, tight gas is the most similar to conventional oil and gas. Conventional reservoirs are composed of rock made up of clastic or carbonate grains arranged in such a manner that they are in contact with each other, but there is still a network of connected pore spaces between the grains. Porosity (what stores the natural gas) and permeability (how connected the pore spaces are) are important reservoir characteristics. Conventional reservoirs typically have relatively high porosity and permeability and therefore are capable of producing economically without the need for large-scale stimulation. Tight reservoirs are those that have low permeability, often quantified as less than 0.1 millidarcies. Poor permeability is primarily caused by the fine-grained nature of the sediments, compaction, or infilling of pore spaces by carbonate or silicate cements precipitated by water within the reservoir. Tight gas can be found in small discrete accumulations; however, when companies refer to tight gas, it is usually in the context of a large, continuous resource-style play. Tight gas typically displays relatively high productivity rates, followed by steep initial declines, but thereafter followed by exceptionally long-life and low, long-term declines.

NATURAL GAS - THE CLEAR ENERGY CHOICE

Natural gas has an important and expanded role to play in the future energy supply of North America, addressing both energy security and growing environmental mandates. Recognizing that North American natural gas is now likely to be both more abundant and more affordable, there is an opportunity for natural gas to displace even more coal and imported oil and for it to become a much larger source of energy for power generation and transportation. A secure, affordable domestic energy supply is only one case for expanded natural gas use. It is also the cleanest burning fuel, emitting up to 25% less carbon dioxide than gasoline or diesel and 50% cleaner than coal when used for power generation. Burning natural gas emits virtually no sulphur dioxide, which is a major contributor to smog. Significant reductions in emissions can be achieved by broadly switching to natural gas as a fuel source. The rapid and revolutionary technological changes sweeping through North America's natural gas industry provide extraordinary new opportunities to power the economic growth with abundant, affordable supplies of clean natural gas. Expanding natural gas use will create thousands of jobs and generate new opportunities for public investment. The winners in North America's emerging natural gas economy will be its consumers, who have a cheaper and cleaner fuel to heat their homes, power their computers and fuel their vehicles.

WILL OIL AND NATURAL GAS PRICES RECONNECT

Oil and natural prices have disconnected from their historical relationship. For many years, oil prices tended to be 6 to 12 times natural gas prices. That ratio blew out to more than 20 in late 2009, then receded to more traditional levels, and then blew out again in recent months. At early April 2010 closing prices, the ratio stood at 21.8, far above its historical range.



The current unusual pricing reflects the sudden increase in natural gas supplies, and it is expected that oil and natural gas prices will eventually move back toward their historical relationship as markets absorb the new gas. As shown in the graph, the futures markets are indeed signalling some normalization in the price ratio in coming years, but not a rapid one. Moreover, even after eight years, the ratio would return only to the upper end (12) of its historical range.

Below is an interpretation of the pricing relationship that we believe will narrow in the years to come:

For many years, the electric utility industry had generating plants that ran on oil, natural gas, or both. The ability to fuel switch limited how much oil and natural gas prices could deviate. If oil prices fell too low, utilities would move from natural gas to oil, and vice-versa. Similar fuel arbitrage occurred, to varying degrees, among other uses as well as home heating and industrial uses.

In recent decades, electric utilities have embraced natural gas and moved away from oil. As a result, there is much less opportunity for arbitrage between the fuels. The same thing has happened with regard to other fuel consumers as well. Oil and natural gas prices nonetheless remained within their usual historical relationship. For example, oil and natural gas prices rose and fell in tandem during 2008. This suggests that the markets encountered similar shocks during those years.

Looking further ahead, if we have persistently cheap natural gas and persistently expensive oil, that creates a major incentive to use natural gas to serve what have traditionally been oil demands. That should eventually limit the degree to which the prices can deviate. Two leading candidates for this linkage are using natural gas as a transportation fuel (directly as a fuel and perhaps indirectly as electricity) and increased international trade in liquefied natural gas.

MAJOR SHAREHOLDERS OF GRID PETROLEUM

Beneficial Owner	Amount of Shares	Percent
Share issued and outstanding	65,290,000	100.00%
Paul Watts CEO	6'000'000	9.19%
Premier Global Corp.	26'000'000	39.82%
Kelly Sundberg	2'000'000	3.06%
Sub-Total	**34'000'000**	**52.07%**
Retail/Institutional Shareholders	31,290,000	47.93%

.MANAGEMENT

Paul Watts - Director, Chief Executive Officer

Mr. Watts' professional career spans more than thirty-seven years. He worked as a senior broker in London and New York chartering VLCC Suezmax and Aframax tankers to the Far East and Singapore as well as to European, American, Indian and Chinese markets, shipping billions of barrels of oil worldwide. He has worked with world's leading companies including BP, Shell, Elf, ExxonMobil, ChevronTexaco, Hess, Sun Oil, Maraven, Cities Service (now Citgo) and Tenneco, as well as having had numerous dealings with Vela, the Saudi Arabian government, and with co-brokers dealing with Statoil, Cepsa, Repsol, Petrogal, ENI, S Oil, Hyundai, SK Corp, and GS Caltex. Mr. Watts also has been elected a Fellow of the Institute of Chartered Shipbrokers as well as serving as a deputy on the London Tanker Brokers panel and Worldscale Association.

ADVISOR TO GRID PETROLEUM

Robert Murphy – Chief Geological & Geophysical Advisor

Mr. Murphy is a Geologist with a career encompassing more than twenty years of top tier Exploration and Development experience. He has held a number of senior positions in geology and geophysics for leading International Oil and Gas companies. He worked for Conoco focusing on the North Sea and became a Senior Geophysicist for the company. He also worked as an international senior geologist for Tullow Oil PLC, Dublin, and has worked in South Asia, North Africa and Eastern Europe, in countries such as India, Pakistan, Bangladesh, Egypt, and the Czech Republic. Now he utilizes his wealth of knowledge and expertise as an Independent Consultant and contributes invaluably to the future growth of Grid Petroleum. Graduating with a BSc (Hons) Geology at University College Galway, he then achieved a Masters degree in Petroleum Geology at University College Dublin and commenced his career as a Geologist at the Petroleum Affairs Division (PAD) of the Irish Department of Energy in Dublin. He followed this with tenure as a Log Analyst at Schlumberger in London.

Maarten Middelburg – Petroleum Engineer

Mr. Middelburg has more than twelve years of experience in the oil and gas sector and is an expert in Petroleum Engineering. He worked for Anadrill-Schlumberger as a drilling services engineer in a variety of functions drilling offshore in Norway and Thailand, where he was engaged in drilling activities and the establishment of a company base. Mr. Middelburg also worked in Independent Consulting Drilling Services and was engaged in a number of assignments in Europe and Africa and then with Shell EPE as a drilling/well engineer. He also worked for Noble Drilling/Nedrill and worked on two deep-water wells for Petrobras Brazil. His unique experience and practical knowledge of all aspects of Geological engineering will provide Grid Petroleum with a premium advantage in the advance of its exploration and production portfolio. Mr. Middelburg graduated from Delft University of Technology, with a Master of Science degree in Petroleum Engineering.

CAPEX = VALUE CREATION

Grid Petroleum will spend approximately $7.5 million within the next 24 months to prove up the assets by acquiring more seismic and spend most of the money on the drill-bit to achieve revenues. Grid Petroleum has secured financing for up to $ 5Million with a potential for up to $7.5 million, providing the resources to fully undertake the exploration of the West and SE Jonah Prospects. Grid Petroleum has a two-phase strategy to provide optimal realization of its Jonah Prospect asset. The first phase incorporates acquiring further database building, acquiring seismic data, and reservoir mapping and evaluation of relevant wells. This would lead to the second phase – well test data interpretation and other data interpretations to supply the best possible circumstances for full exploration.

APPRAISED NET WORTH IS THE ONLY WAY TO VALUE GRID PETROLEUM CORPORATION

As with any company that possesses a significant exploration component that is in an early development stage, we believe the only way to accurately value Grid Petroleum shares is by a heavily risk-adjusted Appraised Net Worth analysis. Due to its sizeable acreage ownership, evaluating the Company's assets using the ANW methodology could better quantify the Company's current valuation. However, this type of evaluation can be much more volatile due to well results and industry data points. Based on our long-term commodity price forecast of $75.00/bbl for oil and $4.00 for natural gas, we calculate Grid's heavily risk-adjusted ANW to be $2.18/share and its unrisked ANW to be between $2.78/share and $9.80/share, based on Schlumberger's SE Jonah Field assessment. Our risk-adjusted Appraised Net Worth reflects credit for risked reserve potential. If results fall short of our projections, this could invalidate our price target.

Several assumptions were made in order to calculate our fully diluted risked-adjusted ANW of $2.18. (See our calculation next page). The proven ANW was calculated at $0.01/share, while the ANW for unproved reserves was computed at $2.17/share fully diluted. The SE Jonah Field Prospect was evaluated with an 80% chance of success in reaching its unproved reserve potential, and the West Jonah Prospect with a 70% chance of success. Thus, the $2.18 ANW is based on our proved ANW of $0.01 per share, plus the sum of the unbooked resource values at $2.17. Based on where Grid Petroleum is currently trading, we believe that only a portion of the upside potential is currently being priced into GRPR shares.

VALUATION AND RECOMMENDATION

We are initiating coverage of Grid Petroleum with a SPECULATIVE BUY/4 rating, and an 18 – 24 month target price of $2.20, which is supported by our total Company risk-adjusted Appraised Net Worth of $2.18/share. The unrisked potential of Jonah Field play is between $2.78/share base case and approx. $9.80/share high case. Very positively, the Company has the funds in place to start its exploration and development work. The Company secured a $5 million to $7.5 million equity financing to develop its Jonah Field project. Its two-phase exploration and development strategy calls for it to acquire more data and evaluating of relevant wells and then begin well testing and interpretation for a further full exploration program. As the Company proves up its emerging play, we expect the valuation to begin to expand. We acknowledge that the risk profile may be more than some investors are comfortable with and therefore we recommend the stock be purchased only by investors who can tolerate above average risk.

ANALYST DISCLOSURE

Analyst: Ernest C. Schlotter

Ernest C. Schlotter has been an analyst in the energy field since 1998. He is a securities analyst covering energy with SISM Research & Investment Services, Zurich, Switzerland. His areas of focus have included all energy industry sub-sectors, with a focus on independent companies in exploration/production. According to the tracking firm StarMine based in San Francisco, Ernest C. Schlotter is a four out of five star analyst for EPS estimate accuracy and stock target price projection.

Analyst Certification:

I, Ernest Schlotter, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensations, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report

RISK-ADJUSTED APPRAISED NET WORTH ANALYSIS

Grid Petroleum Corporation Estimated Appraised Net Worth as of April 26, 2010

		$	$/Shr.
PROVED & PROBABLE RESERVES:			
Oil @00.00/BBLS		$0	$0.00
Gas @00.00/MCD		$0	$0.00
SEC PV@10%		**$0**	**$0.00**
FINANCIAL ITEMS: **SISM RESEARCH ESTIMATES AS OF APRIL 26, 2010**			
Working Capital		$300,000	$0.01
Petroleum and natural gas properties		**$**0	$0.00
Other Assets		$0	$0.00
Long Term Debt		-$0	-$0.00
	APPRAISED NET WORTH	$300,000	**$0.01**
Shares Issued and Outstanding	**65,290,000**		

POSSIBLE ADJUSTMENTS

CALCULATION FULL DILUTION	Exercise Price	Number	Unrisked $	Unrisked $/Shr.	Risked $	Risked $/Share
Warrants	$0.000	0			$0	$0.00
	$0.000	0			$0	$0.0
Fully Diluted Number of Shares		65,290,000				
		Probability of success			Risked $	Risked $/Share
South Jonah Field						
292.4 Bcf recoverable reserves*	$0.50/Mcf	80.00%	$146,200,000	$2.24	$116,960,000	$1.79
West Jonah Field						
70.9 Bcf recoverable reserves**	$0.50/Mcf	70.00%	$35,450,000	$0.54	$24,815,000	$0.38
SUBTOTAL POTENTAL ADJUSTMENTS			**$181'650'000**	**$2.78**	**$141,775,000**	**$2.17**
TOTAL POTENTIAL APPRAISED NET WORTH					**$142,075,000**	**$2.18**

* Schlumberger Data Services March 2010 report, using base case EUR (P50)
** SISM Research estimates