

Greater Bonnie Glen Area: Rex /Spirit River Heavy Oil Opportunity



INTRODUCTION

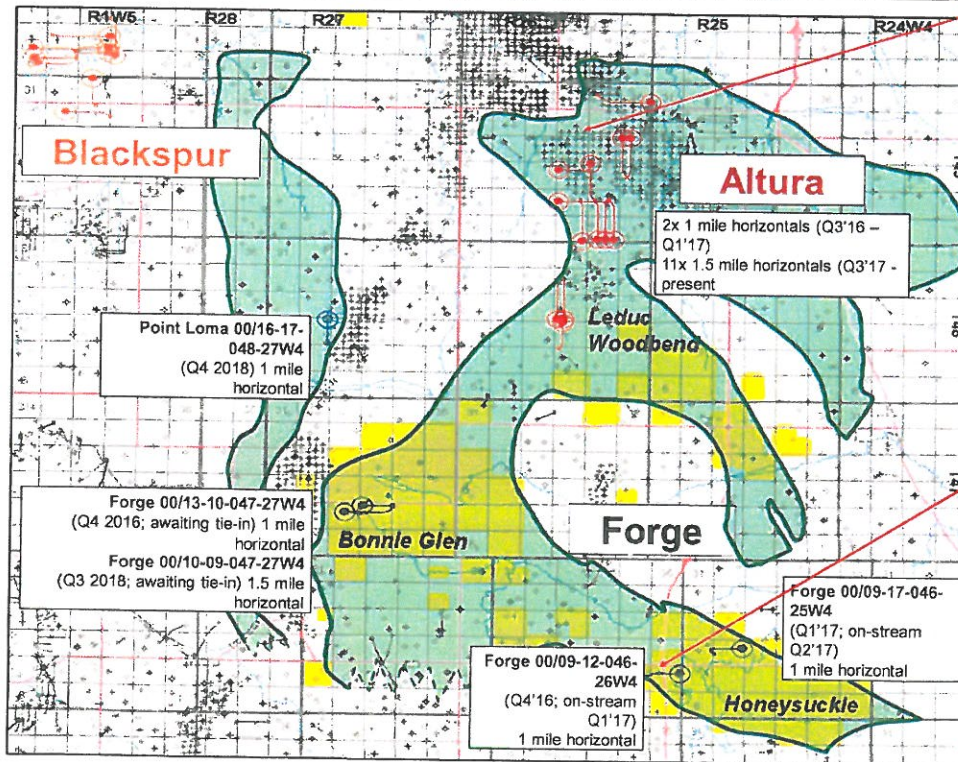
The Board of Directors of Forge Oil & Gas Ltd. ('Forge, or the 'Company') has directed Forge to consolidate its capital on a single core property. As such the Rex/Spirit River Assets are being made available for sale. The Company is open to reviewing all proposals or offers, preference is to sell these assets for cash, however shares in a public company would also be considered.

OVERVIEW

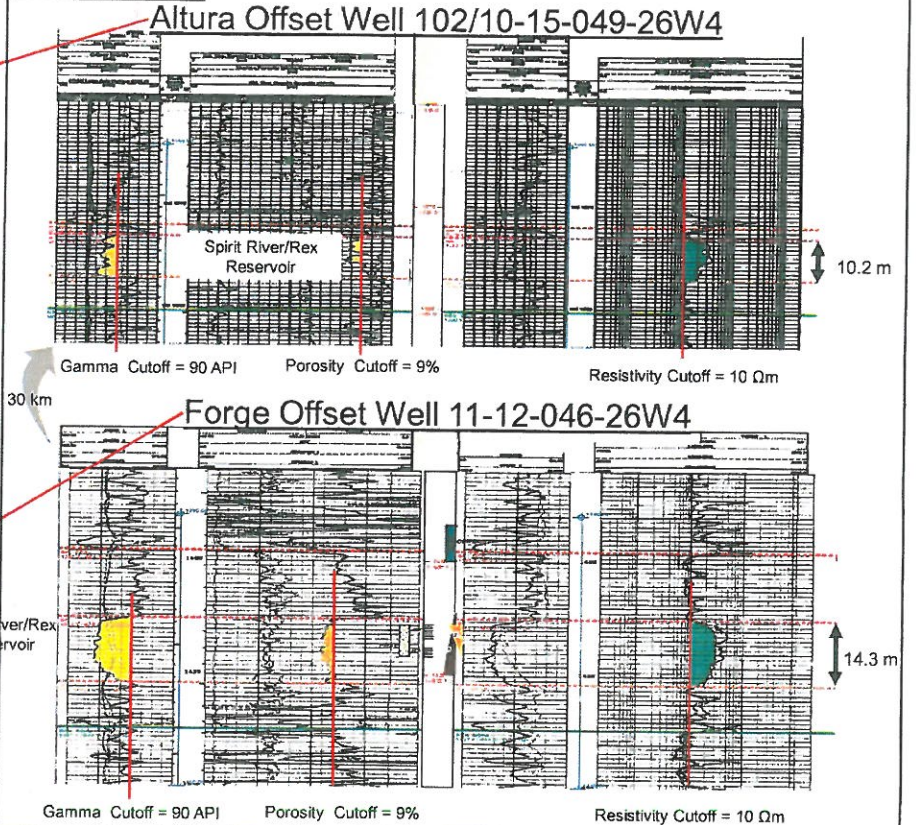
- Forge has assembled a large contiguous land base (69 sections, 100% WI) in an emerging Upper Mannville (Rex Mbr/Spirit River Group) Heavy Oil Play (16°API)
- Forge has invested \$18MM to assemble a large contiguous land position, drill 4 horizontal multi-stage fracture stimulated (MSF) wells and acquire gas infrastructure
- The 'Resource potential' has been corroborated by independent auditors, Deloitte has assigned a derived P1IP assessment of ~ 500MMboe on Forge lands
- Potential for 200 – 400 locations at 4 – 8 wells/section
- Forge has undertaken significant geotechnical & engineering studies to better understand the play and operations
- The play continues to be de-risked and developed by offset operators
- Well and completion design have evolved with each round of drilling by Forge and offset operators, now in its 4th generation

GEOLOGY

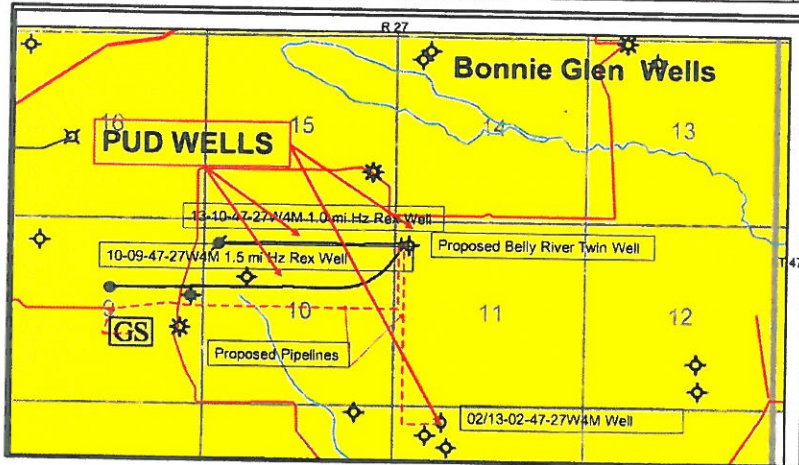
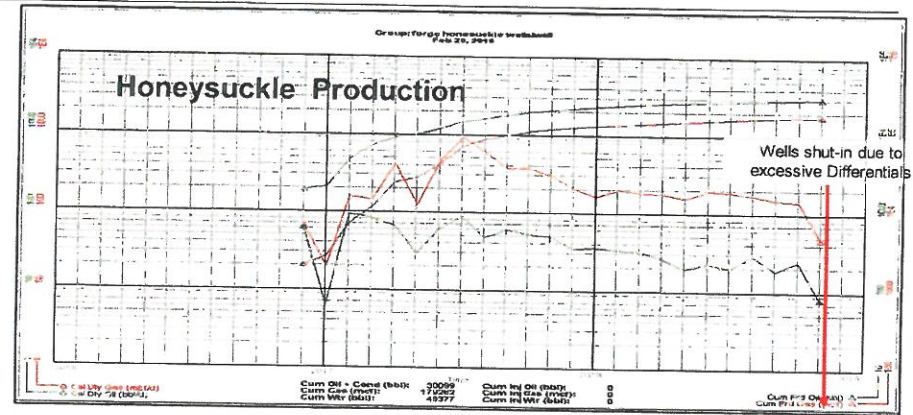
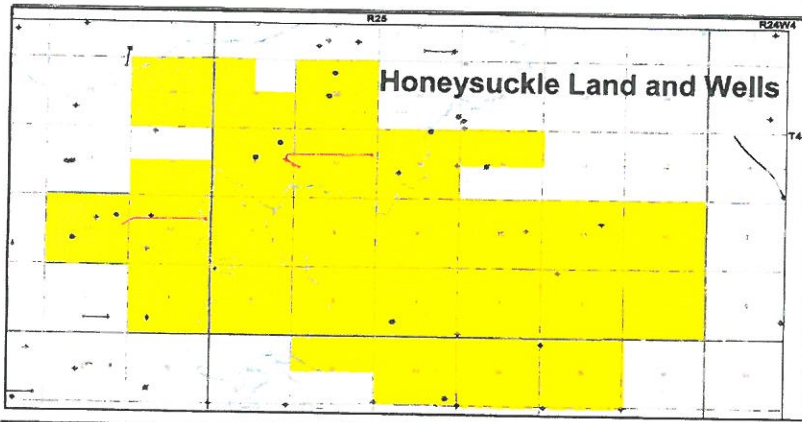
- Upper Mannville Spirit River/Rex aged reservoir
- Sand dominated deltaic distributary channels and/or incised valleys depositional setting
- Reservoir is continuous over a large geographic area
- Thick reservoir with both vertical and lateral heterogeneity
- Reservoir lithology is classified as feldspathic litharenite
- Dominantly microporosity, with permeability in the range of 0.2 – 4 mD



LOG CHARACTER



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Bonnie Glen Development Capital Program

Capital Costs:	Production Estimates
Equip 10-9 and 13-10-47-24 W4M	\$ 250 K 170bopd & 450mcf/day
Pipeline from 13-11 to 7-9	\$ 600 K
Upgrade 7-9 for Liquid Recovery	\$ 1,200 K
Drill, Equip and Tie-In Belly River well	\$ 385 K 1,000mcf/day
Equip, Tie-In 13-2 Ellerslie Well (50%)	\$ 263 K 500mcf/day
Total	\$ 2,698 K 495 boes/day

Opportunity Overview

Material Land Position Assembled

- Emerging Mannville Heavy Oil Play
- Sweet, 16° API
- 69 Sections, 100% WI
- Forge has invested \$18MM in the area to acquire land, drill initial wells and acquire gas infrastructure
- Good tenure with ability to retain expiring lands
- Proximity to services with year round access
- Multi-well pad capability
- Central AB, on QE2 corridor, easy access, proximity to services

Resource in Place Independently Corroborated

- PIIP assessment of ~500 MMbbl corroborated by independent auditors
- Forge has undertaken significant geotechnical and engineering studies to better understand the play and operations
- 200 – 400 locations are supported on Forge lands at 4-8 wells/section

Evolving Performance Improvement

- Play continues to be de-risked and developed by other operators
- Early data demonstrates significant production improvement, as predicted with modeling
- Although early, wells appear to be performing at or better than other Upper Mannville Heavy Oil producers in the area
- DCET & production practices continue to evolve

...this is a compelling early entry opportunity for a longer term focused company in an emerging play that offers a large scale resource with demonstrated and evolving production performance