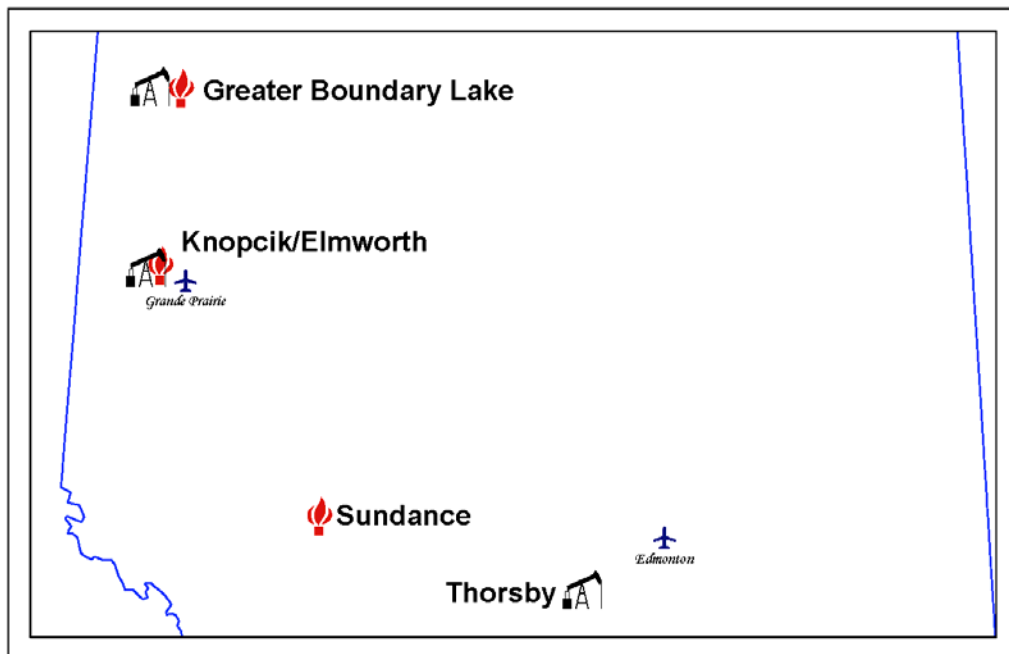


## Non-Core Property Divestiture: Various Areas of Central & Northern Alberta 869 boe/d (3.6 MMcf/d, 264 bbl/d)

Sayer Energy Advisors has been engaged to assist a senior oil and natural gas exploration and production company (the "Company") with the sale of certain non-core oil and natural gas properties located in the *Thorsby*, *Sundance*, *Knopcik/Elmworth* and *Greater Boundary Lake* areas of Alberta (the "Properties").

The Properties consist of non-operated and operated working interests and royalty interests.



Production net to the Company from the Properties in the first half of 2019 averaged approximately 869 boe/d (264 bbl/d of oil and natural gas liquids, 3.6 MMcf/d of natural gas).

Net operating income from the Properties totaled approximately \$440,000 in the first half of 2019.

### PROCESS & TIMELINE

Sayer Energy Advisors is accepting cash offers to acquire the Properties until **12:00 pm on Thursday, December 19, 2019**. Offers will be accepted on individual Properties but not portions thereof.

Timeline		
Week of November 18, 2019		Preliminary Information Distributed
Week of November 25, 2019		Data Room Opens
<b>December 19, 2019</b>	<b>12:00 noon</b>	<b>Bid Deadline</b>
December 1, 2019		Effective Date
January 2020		Closing Date

*Sayer Energy Advisors does not conduct a "second-round" bidding process; the intention is to attempt to conclude transactions with the parties submitting the most acceptable proposals at the conclusion of the process.*

**Sayer Energy Advisors is accepting cash offers from interested parties until noon on Thursday, December 19, 2019.**



## Production & NOI Overview

Production net to the Company in the first half of 2019 averaged approximately 869 boe/d (264 bbl/d of oil and natural gas liquids, 3.6 MMcf/d of natural gas).

Net operating income from the Properties totaled approximately \$440,000 in the first half of 2019.

Property	CURRENT NET PRODUCTION				NOI
	(Avg. Jan-June 2019)				Jan-June
	Oil	Ngl	Nat. Gas	Total	2019
	bbl/d	bbl/d	Mcf/d	boe/d	
Thorsby	53	11	237	104	\$173,600
Sundance	1	19	1,019	190	\$223,100
Knopcik/Elmworth	61	108	1,965	497	\$67,900
Greater Boundary Lake	12	0	397	78	(\$24,300)
TOTAL	127	138	3,618	869	\$440,300

## Reserves Overview

The Company prepared an internal reserves evaluation of the Properties specifically for this divestiture (the "Reserve Report"). The Reserve Report was audited by Sproule Associates Limited ("Sproule"). The Reserve Report is effective March 31, 2019 using Sproule's March 31, 2019 forecast pricing.

The Company estimates that, as of March 31, 2019, the Properties contained remaining proved plus probable reserves of 7.1 Bcf of natural gas and 426,000 barrels of oil and natural gas liquids (1.6 million boe), with an estimated net present value of \$7.5 million using forecast pricing at a 10% discount.

	Company Reserves as of March 31, 2019						
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	5%	10% (000s)	15%
<b>Proved Developed Producing</b>	<b>107</b>	<b>4,310</b>	<b>156</b>	<b>981</b>	<b>\$6,130</b>	<b>\$4,933</b>	<b>\$4,159</b>
Proved Undeveloped	26	996	24	216	\$586	\$512	\$454
<b>Total Proved</b>	<b>132</b>	<b>5,306</b>	<b>180</b>	<b>1,196</b>	<b>\$6,716</b>	<b>\$5,445</b>	<b>\$4,613</b>
Probable	54	1,798	60	413	\$2,767	\$2,076	\$1,677
<b>Total Proved Plus Probable</b>	<b>187</b>	<b>7,104</b>	<b>239</b>	<b>1,610</b>	<b>\$9,483</b>	<b>\$7,521</b>	<b>\$6,291</b>

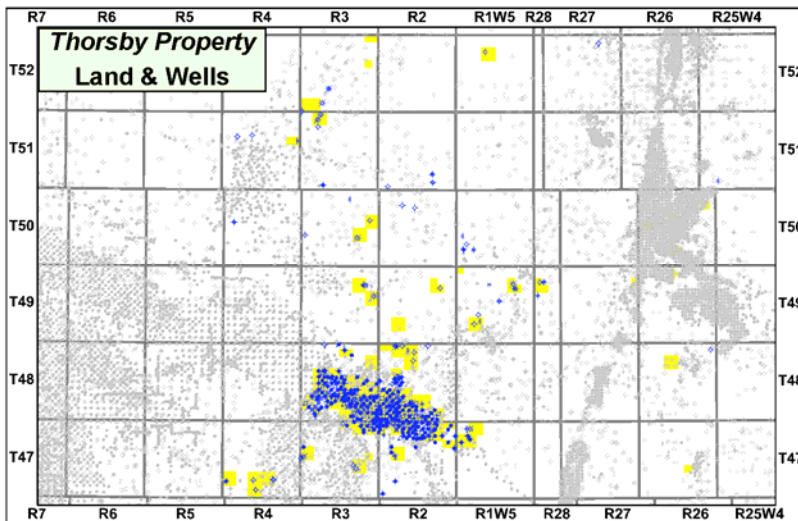
The reserve estimates and forecasts of production and revenues for the Company's properties were prepared within the context of the Company's year-end evaluation, which was an evaluation of all of the Company's properties in aggregate. Extraction and use of any individual property evaluation outside of this context may not be appropriate without supplementary due diligence. Values in the "Total" row may not correspond to the total of the values presented due to rounding.





## Thorsby Property

## Township 47-52, Range 25 W4-4 W5

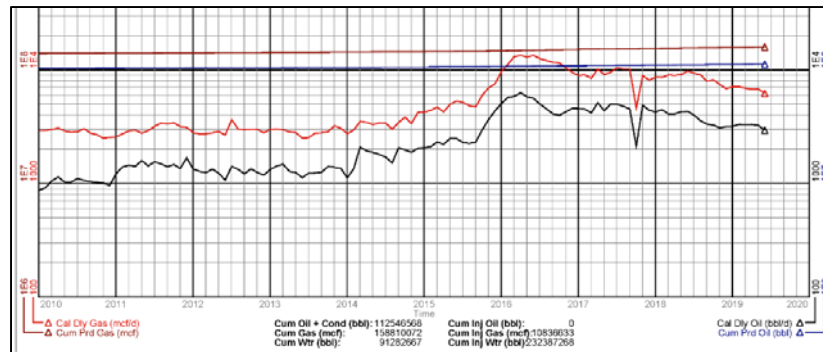


The Company holds various working interests and royalty interests at *Thorsby*, including interests in the long life, low-decline *Pembina Belly River "B" North Unit*, *Pembina Belly River "C" Unit*, *Pembina Belly River "L" Unit*, *Pembina Keystone Belly River "C" East Unit*, *Pembina Keystone Cardium Unit No. 3* and *Warburg Belly River "M" Unit*, all of which are operated by **Sinopec Daylight Energy Ltd.**

In the first quarter of 2019, production net to the Company from *Thorsby* averaged approximately 64 barrels of oil and natural gas liquids per day and 237 Mcf/d of natural gas (104 boe/d).

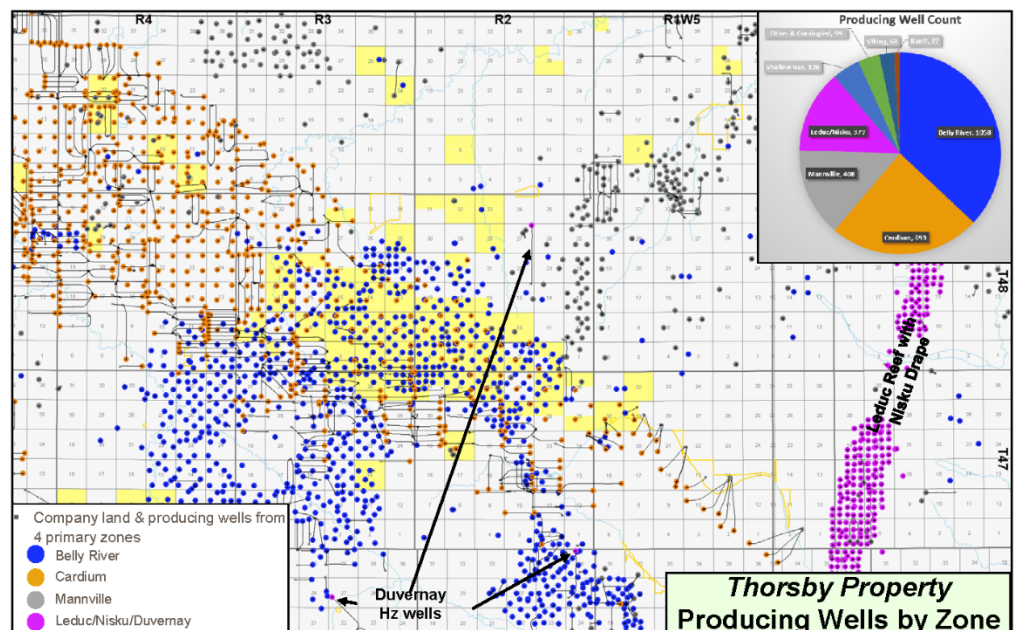
Net operating income from *Thorsby* totaled approximately \$173,600 in the first half of 2019.

### *Thorsby, Alberta – Gross Production Group Plot*



The offsetting map outlines the producing wells in the Belly River, Cardium, Mannville and Leduc/Nisku/Duvernay zones. These zones are the four primary targets of offsetting companies at *Thorsby*.

The majority of the production in the area has been from the conventional Leduc reef and Nisku drape plays.

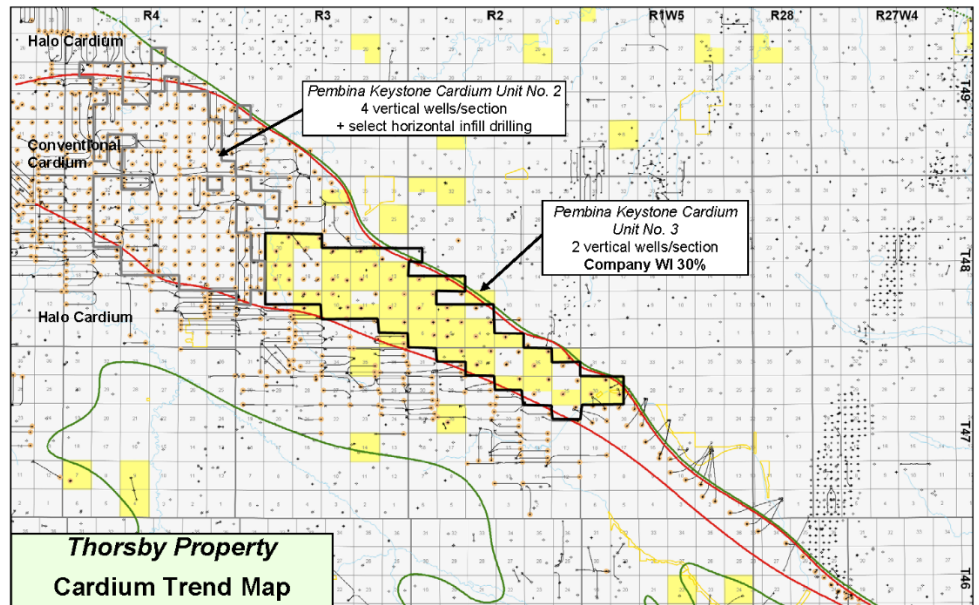




## Cardium Formation

Conventional development of the Cardium Formation at *Thorsby* began in the 1950's, followed by conventional infill and halo horizontal drilling beginning in 2010.

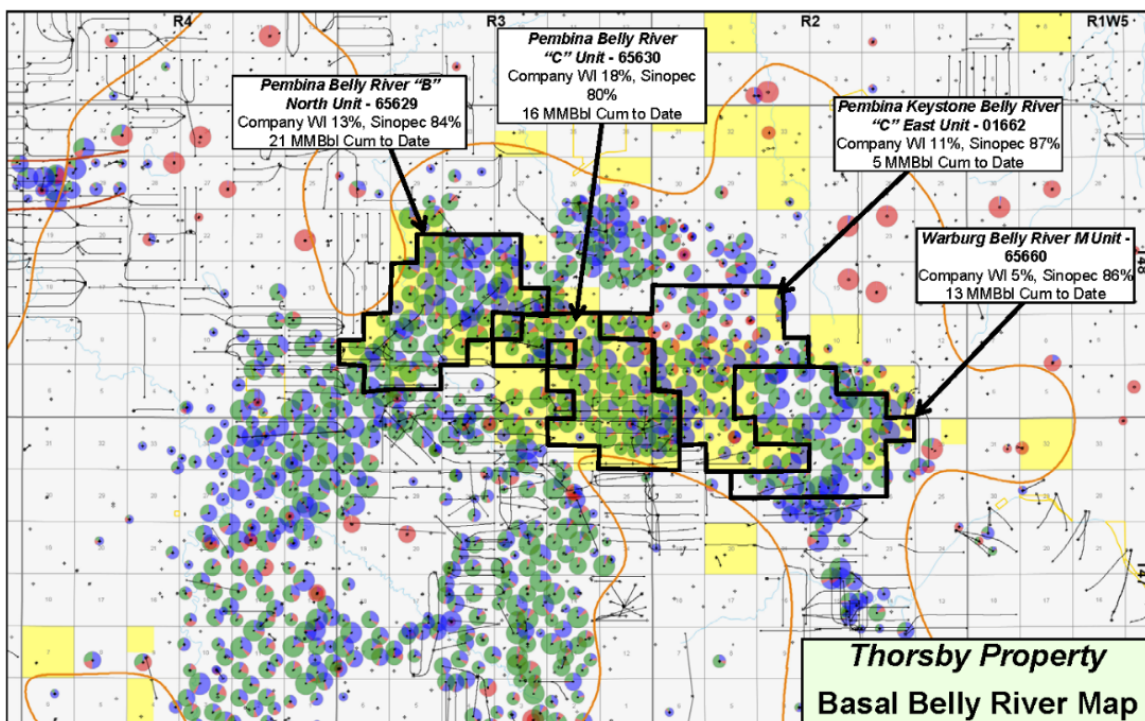
As shown in the offsetting map, the *Pembina Keystone Cardium Unit No. 3*, in which the Company holds a 30% working interest, is on trend with the conventional Cardium production which is also seen in the *Pembina Keystone Cardium Unit No. 2* to the northwest.



Potential two-mile horizontal drilling locations have been identified in the *Pembina Keystone Cardium Unit No. 3*, which has relatively low well density compared to the offsetting *Pembina Keystone Cardium Unit No. 2*.

## Basal Belly River Formation

The majority of the Company's lands are split into four unitized blocks at *Thorsby*. The following map shows wells producing from the Basal Belly River and the Company's unit interests.



The conventional Basal Belly River oil zone at *Thorsby* was developed in the 1960's.

Conventional infill horizontal drilling began in 2011.

The following map shows the regional reservoir along with hydrocarbon distribution and the producing wells in the Basal Belly River Formation.





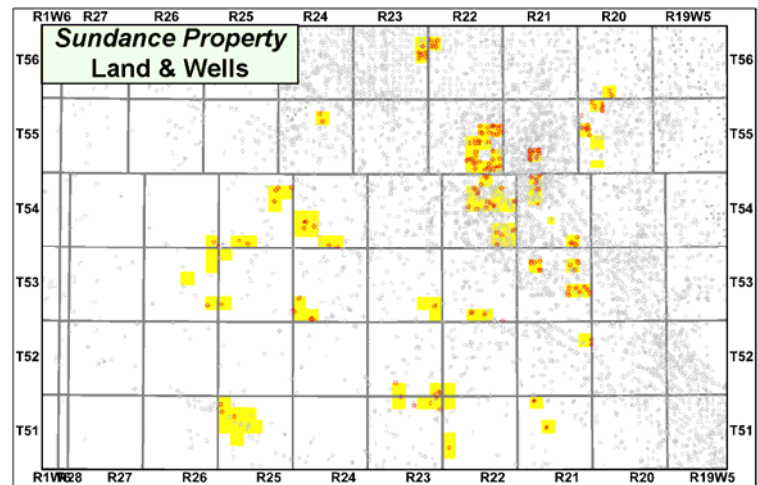
## Sundance Property

## Township 51-56, Range 20-26 W5

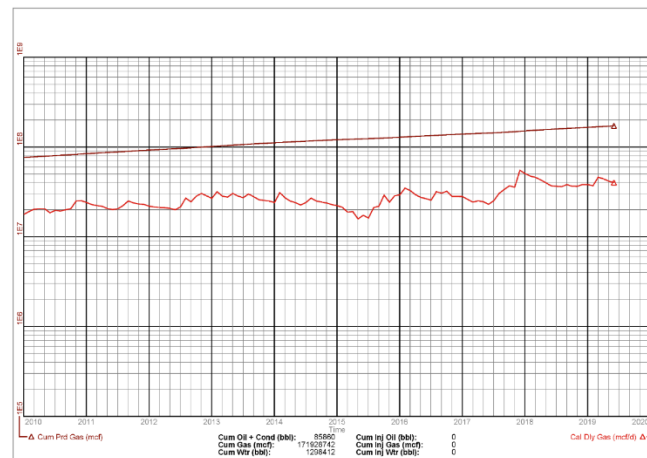
In the *Sundance* area, the Company has various working interests and royalty interests in 83.75 sections of land with long life, low-decline natural gas production from the Cardium Formation. Non-operated lands have been actively drilled by third party operators over the last several years.

Production net to the Company from *Sundance* in the first half of 2019 averaged approximately 1.0 MMcf/d of natural gas and 20 barrels per day of oil and natural gas liquids (190 boe/d).

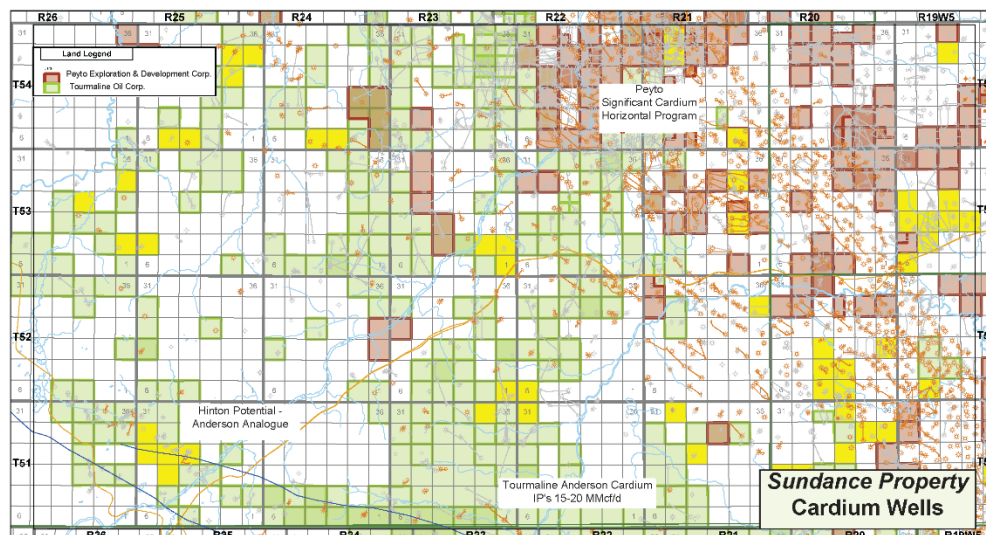
Net operating income from *Sundance* totaled approximately \$223,100 in the first half of 2019.



### Sundance, Alberta – Gross Production Group Plot



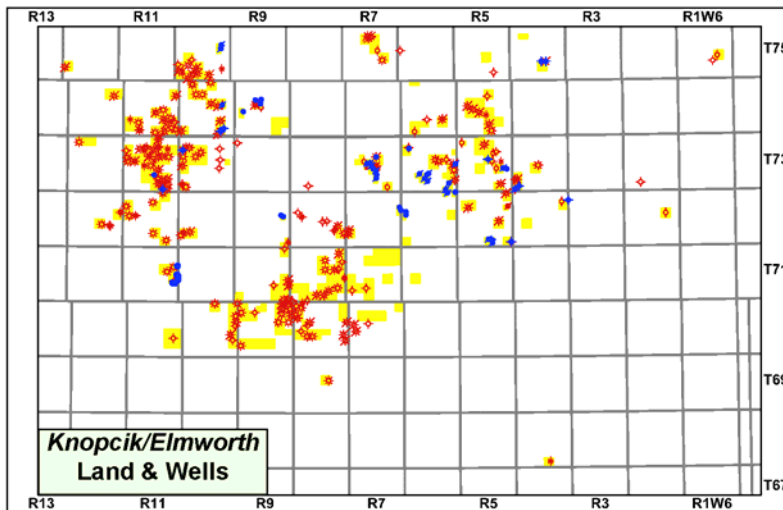
The following map shows Cardium wells in orange and offsetting Cardium lands owned by **Peyto Exploration & Development Corp.** and **Tourmaline Oil Corp.**





## Knopcik/Elmworth Property

## Township 69-75, Range 1-12 W6



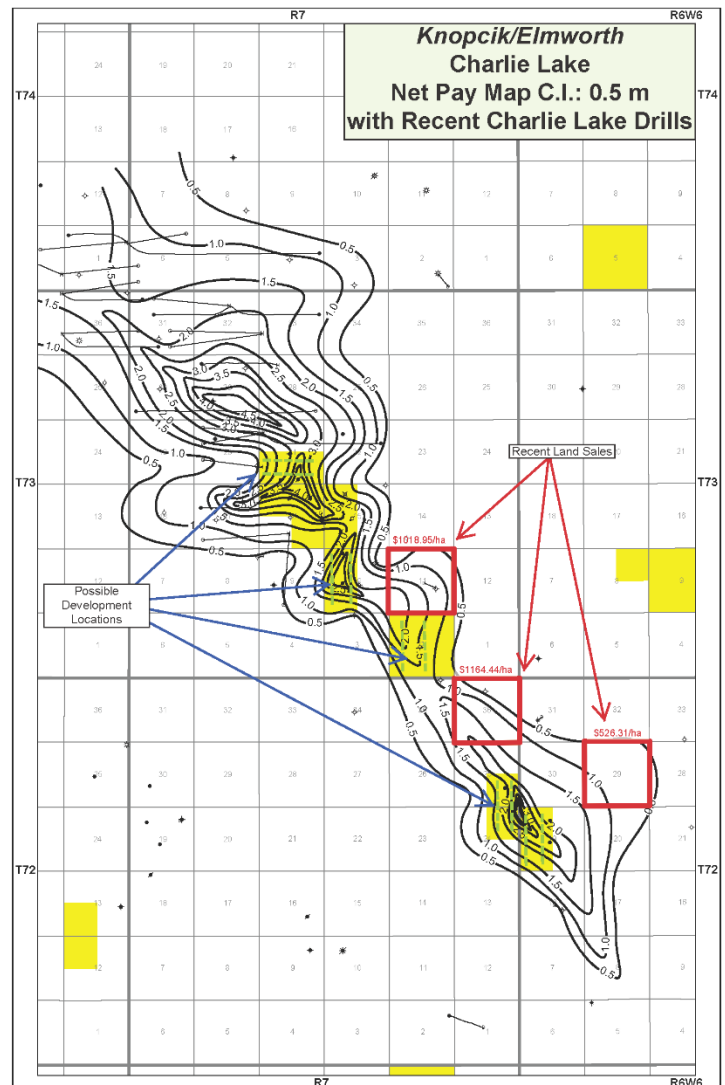
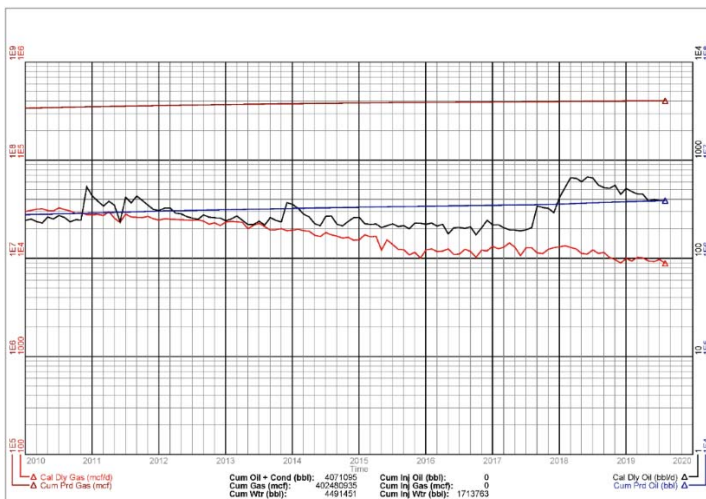
At *Knopcik/Elmworth*, the Company holds various operated and non-operated working interests as well as royalty interests in 220 sections of land.

In the first half of 2019, production net to the Company from *Knopcik/Elmworth* averaged approximately 2.0 MMcf/d of natural gas and 169 barrels of oil and natural gas liquids per day (497 boe/d).

Net operating income from *Knopcik/Elmworth* totaled approximately \$67,900 in the first half of 2019.

The offsetting map outlines recent horizontal wells drilled by **Anegada Oil Corp.** in the Charlie Lake pools at *Knopcik*. The wells have initial production rates of approximately 400 barrels of oil per day. The Company believes there is opportunity for similar infill drilling of the Charlie Lake pools on its lands at *Knopcik*.

### Knopcik/Elmworth, Alberta Gross Production Group Plot



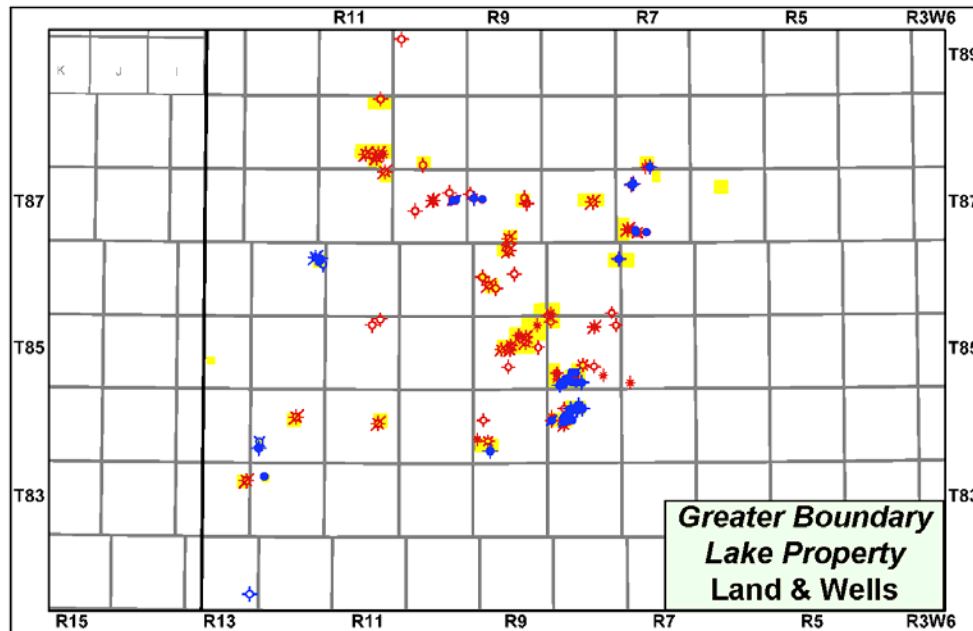


## Greater Boundary Lake Property

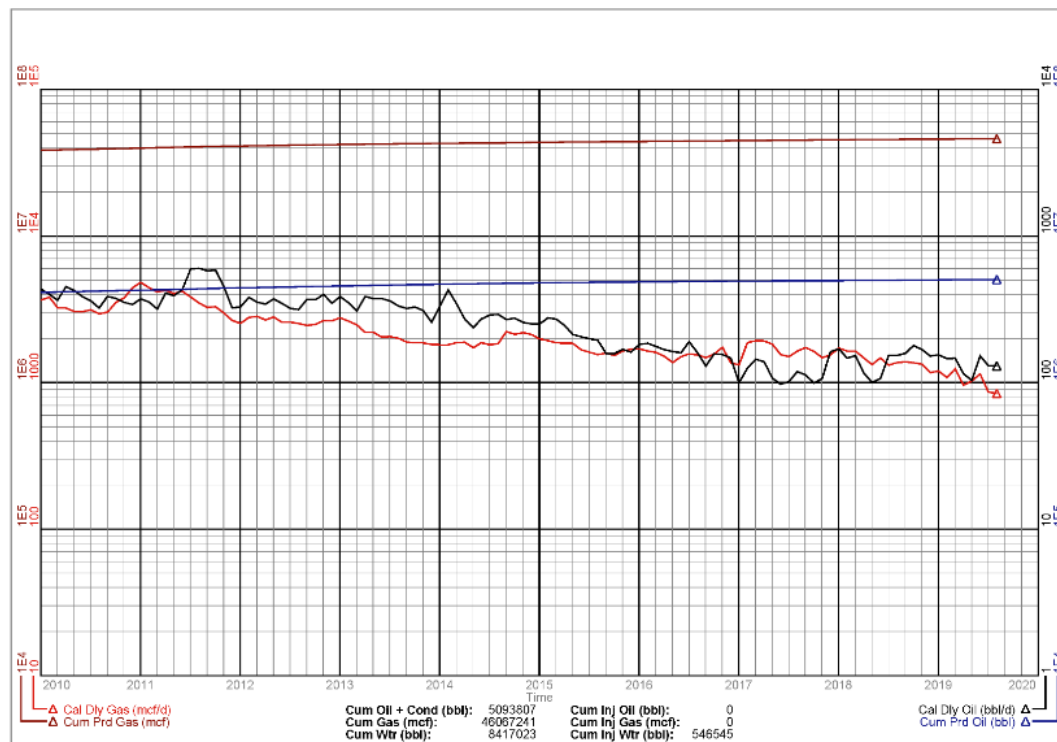
**Township 82-89, Range 6-13 W6**

The Company has various operated and non-operated working interests as well as royalty interests in 48.75 sections of land in the *Greater Boundary Lake* area.

In the first half of 2019, production net to the Company from *Greater Boundary Lake* averaged approximately 397 Mcf/d of natural gas and 12 barrels of oil per day (78 boe/d).



**Greater Boundary Lake, Alberta –Gross Production Group Plot**

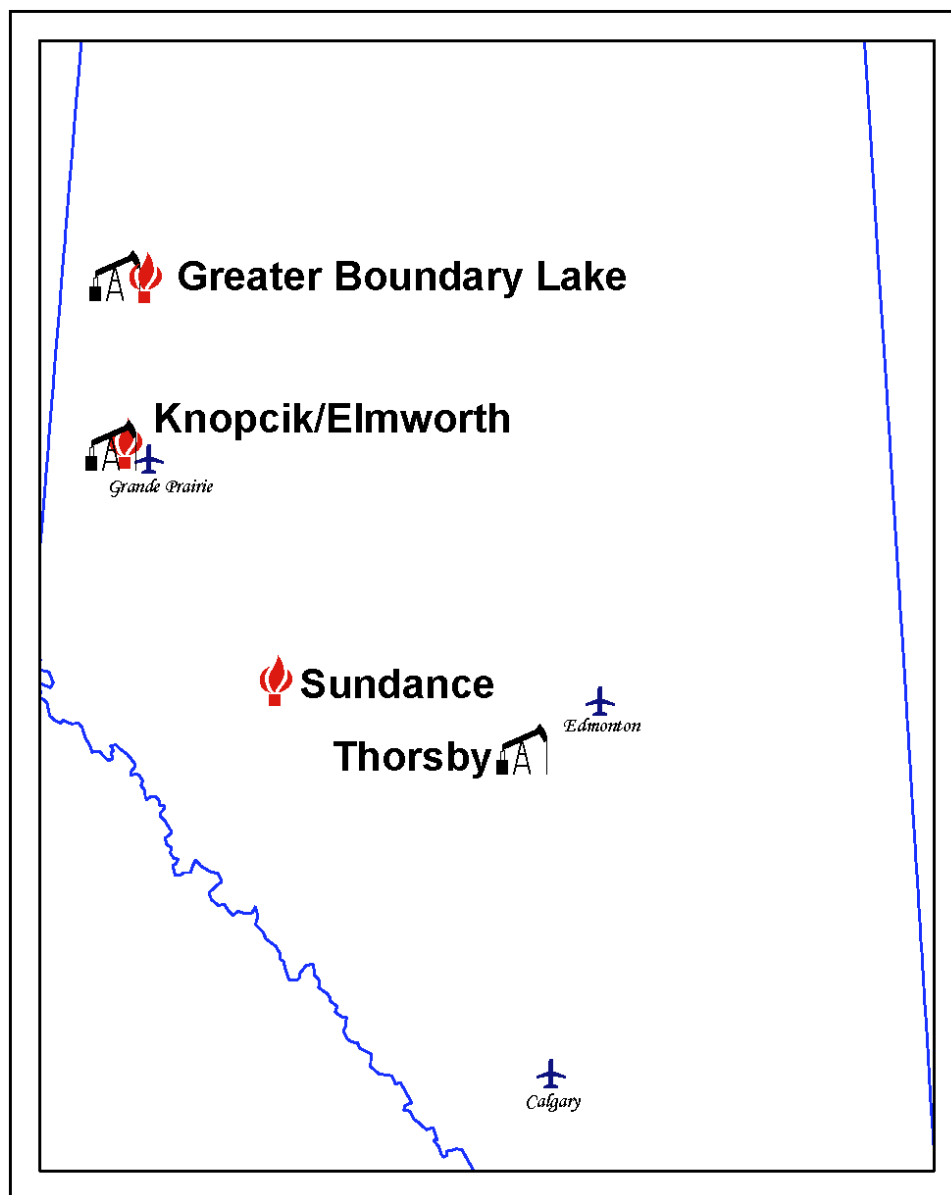




**BID DEADLINE: 12:00 pm December 19, 2019**

**Property Divestiture**

# Fall 2019 Non-Core Property Divestiture



Parties wishing to receive a Confidential Information Binder with detailed technical information relating to this opportunity should execute the Confidentiality Agreement which is available on Sayer Energy Advisors' website ([www.sayeradvisors.com](http://www.sayeradvisors.com)) and return one copy to Sayer Energy Advisors by courier, email ([brye@sayeradvisors.com](mailto:brye@sayeradvisors.com)) or fax (403.266.4467).

Included in the Confidential Information Binder is the following: summary land information, the Reserve Report, most recent net operations summary and other relevant technical information.

To receive further information on the Properties please contact Ben Rye, Tom Pavic, Grazina Palmer or Alan Tambosso at 403.266.6133.



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