



DARK WARRIOR RESOURCES LTD.

Strategic Alternatives Process

Concentrated Oil Production in Provost

Winter 2024

DESCRIPTION OF THE PROCESS

Dark Warrior Resources Ltd. (“**Dark Warrior**” or the “**Company**”) has initiated a process to explore strategic alternatives for the Company, which may include the sale of the Company’s shares or its assets, a merger, business combination, recapitalization or some other corporate transaction (the “**Process**”). Dark Warrior has retained ARCO Capital Partners Inc. (“**ARCO**”) as its exclusive financial advisor to assist with the Process.

Dark Warrior is a private, Alberta incorporated upstream energy company with a consolidated and operated medium and heavy oil production base in Provost and minor non-core properties in Three Hills and Pembina (the “**Properties**”). In Provost, Dark Warrior’s production is sourced from the Upper and Lower Manville reservoirs.

Unless otherwise noted, referenced production data for the Properties reflects working interest field volumes for October 2024. Dark Warrior does not have a NI 51-101 compliant reserve report and has internally derived the remaining recoverable volumes and the associated economic values using GLJ’s forecasted pricing effective October 1, 2024 (“**Price Forecast**”). The Company’s reserves have not been reviewed or verified by a qualified third-party evaluator.

A Confidentiality Agreement (“**CA**”) is available to prospective parties by contacting ARCO directly. Parties that execute a CA will have access to confidential information via an online data room (the “**Data Room**”). The deadline for non-binding proposals is **December 13, 2024**, but such date may be subject to change by the Company (“**Bid Deadline**”). Parties that have executed the CA will be provided detailed bidding instructions, including the submission guideline for proposals.

It is the intention of Dark Warrior to conduct the Process with minimal disruption to the Company’s operations. As such interested parties should make inquiries and requests for information directly to ARCO. Dark Warrior reserves the right to alter the Process, close the Data Room, change the date for proposals and/or decline any or all offers.

The purchaser is responsible for its own due diligence. Dark Warrior and ARCO make no representation or warranty as to the accuracy or completeness of the information contained herein. Neither ARCO, the Company nor their respective affiliates will assume any liability for the use of information provided herein or any other oral, written or other communication transmitted to the interested parties during the course of its evaluation of the Company or its assets. ARCO and the Company expressly disclaim any and all liability and responsibility associated with the quality, accuracy, completeness or materiality of information provided herein.

PROCESS TIMELINE

October (2024)							November						
S	M	T	W	R	F	S	S	M	T	W	R	F	S
		1	2	3	4	5						1	2
6	7	8	9	10	11	12	3	4	5	6	7	8	9
13	14	15	16	17	18	19	10	11	12	13	14	15	16
20	21	22	23	24	25	26	17	18	19	20	21	22	23
27	28	29	30	31			24	25	26	27	28	29	30
December							January (2025)						
S	M	T	W	R	F	S	S	M	T	W	R	F	S
1	2	3	4	5	6	7				1	2	3	4
8	9	10	11	12	13	14	5	6	7	8	9	10	11
15	16	17	18	19	20	21	12	13	14	15	16	17	18
22	23	24	25	26	27	28	19	20	21	22	23	24	25
29	30	31					26	27	28	29	30	31	
	Weekends							Virtual Data Room Opens					
	Holidays							Bid Deadline					

CONTACT INFORMATION

Interested parties should contact the below with respect to signing a CA and/or accessing the Data Room and for any other enquiries related to the Process:

Dejan Kukic, CFA	Tel:	403.560.2398
President	Email:	dkukic@arcocapital.ca
ARCO Capital Partners Inc.	Domain:	https://arcocapital.ca



Free Cash Flow
Supported by
Base Production

- Consolidated and operated medium and heavy oil production base from shallow Upper and Lower Manville reservoirs in Provost
- 2024Q4 production estimated at ~150 BOE/d consisting of 140 bbl/d of oil and 60 Mcf/d of gas, expected to generate net operating income of \$0.52 MM for the quarter (\$38/BOE NOI) or ~\$2.0 MM annualized at US\$71 WTI
- 15% estimated production decline allows for predictable free cash flow yield which provides optionality to focus on identified low-risk growth projects

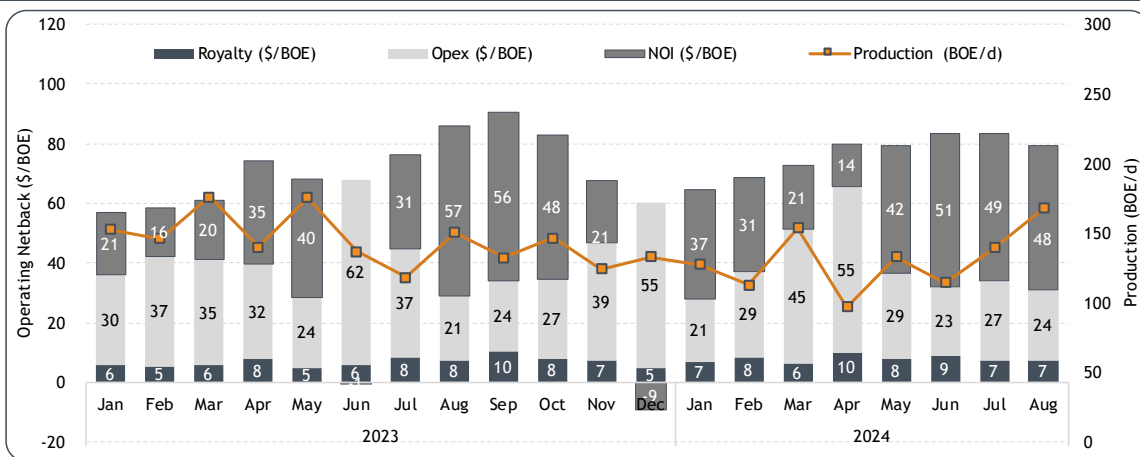
Low-Risk
Development
Profile

- Internally identified 25 to 27 horizontal drilling locations in the GP, Cummings, Sparky and McLaren Formations, supported by bypass pay, well control, seismic and offsetting analog developments by Surge, Ghost River, Ulysses, and West Lake
- Four low-risk recompletions / re-entries identified in McLaren and Cummings wells
- Internal reserve evaluation yields 224 Mbbbl of remaining recoverable oil with corresponding NPV10 (BT) of \$5.3 MM using GLJ's October 1, 2024 price forecast

Environmental &
Corporate

- Ownership of multi-well oil batteries and water disposal sites to manage growth
- Clean corporate entity with \$0.95 MM of AER Inactive Liability and Tier 1 / Tier 2 rating for AER's inactive and marginal wells, and Tier 1 for crossover timeline
- Management and insiders control 62% of shares; nine individuals control 90% of shares
- Tax pools of \$7.7 MM with \$2.7 MM categorized as non-capital losses

Company Net Operating Income & Sales Volumes (Jan 2023 – Aug 2024)



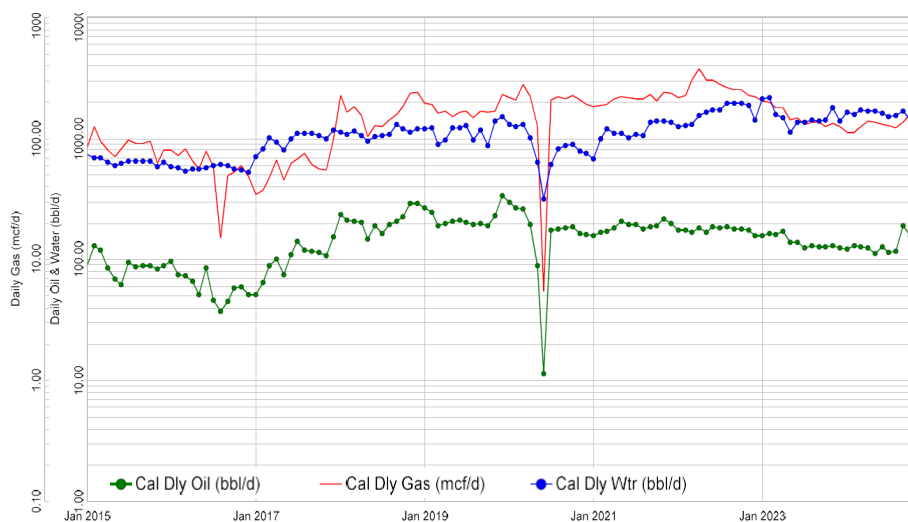
Corporate Highlights

Sales Volume 2024Q4E	Liquids	(bbl/d)	139
	Gas	(Mcf/d)	62
	Total	(BOE/d)	149
	% Liquids	(%)	93
Well Count (Net)	Total	(#)	43
	Producing	(#)	16
	Active	(#)	20
	Inactive	(#)	10
	Abandoned	(#)	14
	Active to Inactive Ratio	(x)	2.0
2025E PDP Net Operating Income	Revenue	(\$/BOE)	71.22
	Royalties	(\$/BOE)	(6.81)
	Opex	(\$/BOE)	(29.58)
	Net Operating Income	(\$/BOE)	34.82
	Sales Volume	(BOE/d)	135
	Net Operating Income	(\$M)	1,716
AER Licensee Capability Assessment	Magnitude of Liability	(\$M)	2,935
	Inactive D011 Liability	(\$M)	955
	2025E Mandatory Spend	(\$M)	60
	Inactive Well Ratio	(Tier / Percentile)	Tier 1 (78)
	Marginal Well Ratio	(Tier / Percentile)	Tier 2 (57)
	Crossover Timeline	(Tier / Percentile)	Tier 1 (80)
Internal Reserves Evaluation	PDP	(Mboe)	248
	P+PDP	(Mboe)	279
	PDP RLI	(Years)	4.5
	PDP NPV10 (BT)	(\$M)	5,283
	P+PDP NPV10 (BT)	(\$M)	5,894
Corporate Summary	Basic Shares	(MM)	17
	Shareholders	(#)	38
	Insider Ownership	(%)	62
Tax Pools (Dec. 31, 2023)	COGPE	(\$M)	937
	CDE	(\$M)	2,965
	UCC	(\$M)	1,081
	CEE	(\$M)	0
	NCL	(\$M)	2,732

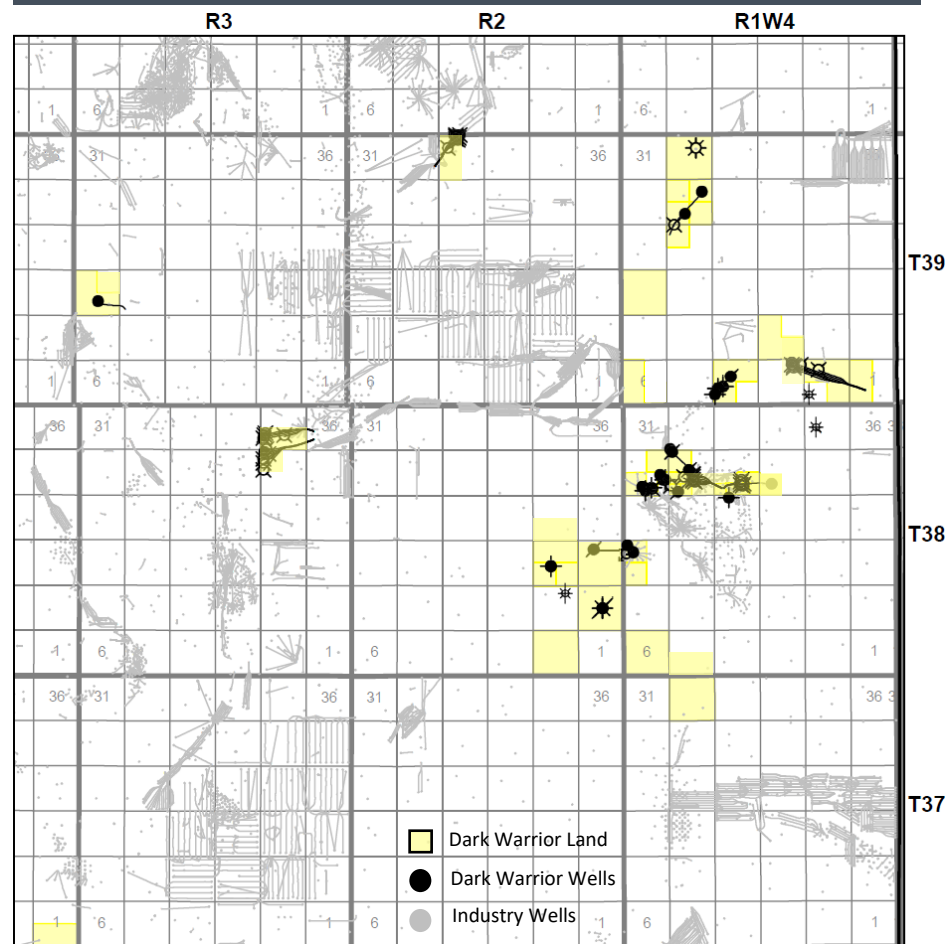
PROVOST

- Dark Warrior's core producing asset is located in Provost around T37-T39 and R1-R3 of W4 and is producing from the Upper and Lower Manville Formations
 - 100% of production is operated with 94% average working interest
 - 38 gross wells of which 15 are producing and eight are suspended
 - 17.8 net sections (mostly Crown) held by production with minimal expiries
- Average working interest production in October was 145 bbl/d with ~90% water cut, sourced from heavy and medium gravity oil ranging from 12° to 27° API
 - Producing formations include Sparky, McLaren, Cummings, Rex, GP at average vertical depth of 750 metres and stable water cut
- Seven producers are pipeline connected to Dark Warrior's multi-well oil batteries at 02-30-038-01W4 and 13-20-039-01W4, while the remaining wells are connected to single well batteries with oil and water trucked to existing facilities
 - Water is separated and injected via three active disposal wells
 - Majority of gas production is consumed onsite as fuel gas to power the batteries
- Dark Warrior's clean oil from Provost is trucked to Teine Energy's Chauvin Terminal, which has a clean oil and treating facility on site
 - Oil trucking costs to Chauvin are ~\$2.15/bbl and Teine's pipeline tariff is ~\$1.90/bbl
- Dark Warrior has an inventory of 200 km of 2D and 50 km² of 3D seismic in Provost

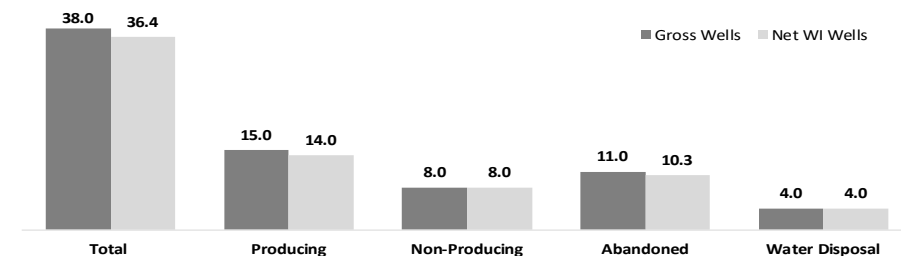
Dark Warrior Gross Working Interest Production in Provost



Provost Area Map



Provost Well Summary



PROVOST UPSIDE

- Dark Warrior has identified multiple development opportunities in the Upper and Lower Manville play types and several recompletions and re-entries in existing wellbores
 - General Petroleum** potential with offset bypass oil pay in vertical well control, positioned between two GP producing horizontal wells; access to multi-well oil battery and water disposal
 - Cummings** development supported by nearby and offset activity from Ghost River and abandoned Cummings oil pool; analogous to West Lake's nearby Cummings channel
 - Development potential in **Lower Sparky** in T39R1W4 seen on bypass pay, analogous to nearby Sparky A pool; **Middle Sparky** potential with +5 metre net pay supported by offsetting development by Surge and Ulysses to the east; multi-well oil battery and water disposal on site
 - Opportunities in **McLaren Formation** include 3 low risk re-entries in the existing Upper Manville JJ Pool and drilling of 8 horizontal locations (7.7 metre average net pay) using casing with staged completions; access to multi-well oil battery and water disposal on site

Formation	General Petroleum	Cummings	Sparky	McLaren	
Area	T38R1W4	T39R1W4	T39R1W4 T37R4W4	T38R1-R2W4	
Zone	GP	Cummings	Lower & Middle Sparky	McLaren	
WI (%)	100	100	100	100	
Land	Crown & Freehold	Crown	Crown	Crown & Freehold	
API (Degrees)	21	13.5	20 - 27	13	
Net Pay (Metres)	5	8	1.5 - 3.0	5.5 - 11.2	
Inventory (Locations)	2 Hz	2 Hz	13 - 15 Hz	8 Hz	3 Re Entries
IP Rate (BOE/d)	IP90: 90	IP90: 95	IP90: 115	IP90: 55	IP90: 24
	IP365: 65	IP365: 70	IP365: 90	IP365: 45	IP365: 22
EUR (Per Well)	70 Mbbl	90 Mbbl	80 Mbbl	65 Mbbl	30 Mbbl

Target Formations			Locations
MANVILLE	UPPER MANNVILLE	COLONY	8 Hz
		McLAREN	
		WASECA	
		SPARKY	13 - 15 Hz
		GENERAL PETROLEUM	2 Hz
	LOWER MANNVILLE	REX	2 Hz
		LLOYDMINSTER	
		CUMMINGS	
		DINA	
		DETRITAL BEDS	

