

Property Divestiture: Greater Lloydminster, Saskatchewan 500 bbl/d of heavy oil

FALLON ENERGY INC.

Fallon Energy Inc. ("Fallon" or the "Company") has engaged **Sayer Energy Advisors** to assist with the sale of its oil and natural gas interests located in the Greater Lloydminster areas of Saskatchewan (the "Properties").

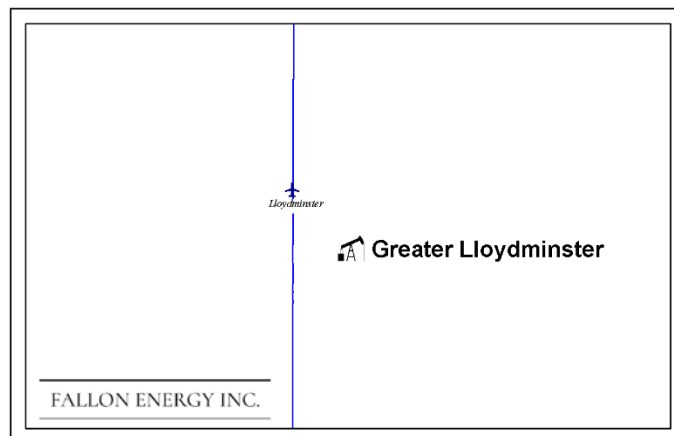
Fallon operates all of the Properties, generally holding a 100% working interest including associated facilities. The Properties are generally located near *Lloydminster*, Saskatchewan in the *Battle River*, *Big Gully*, *Forest Bank*, *Furness*, *Lashburn*, *Lone Rock*, *Maidstone*, *Marshall*, *Neilburg*, *Tangleflags* and *Unwin* areas.

Fallon has recently optimized, reactivated and recompleted several wells on the Properties which resulted in increased production rates. The Company is in the process of optimizing several additional wells.

The Company also converted one well to water injection, with one more conversion in progress. The conversions are expected to significantly reduce the expenses and trucking costs associated with the Properties.

Current production net to Fallon is estimated to be approximately 500 bbl/d of heavy oil. Total sales production net to Fallon from the Properties for July-August 2025 averaged approximately 355 bbl/d of heavy oil (355 boe/d).

The Company anticipates net operating income for 2026 to be approximately \$5.3 million. Net operating income from the Properties averaged approximately \$78,000 per month for July-August 2025, or \$936,000 on an annualized basis.



PROCESS & TIMELINE

Sayer Energy Advisors is accepting cash offers to acquire the Properties until **12:00 pm on Thursday December 11, 2025**.

Timeline		
Week of November 10, 2025		Preliminary Information Distributed
Week of November 10, 2025		Data Room Opens
December 11, 2025	12:00 noon	Bid Deadline
December 1, 2025		Effective Date
December 2025		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.

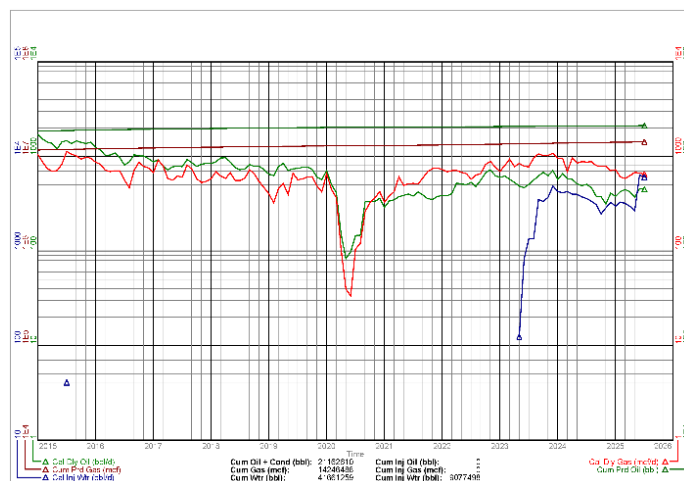
Sayer Energy Advisors is accepting cash offers from interested parties until noon on Thursday, December 11, 2025.



Production & NOI Overview

Current production net to Fallon is estimated to be approximately 500 bbl/d of heavy oil. Total sales production net to Fallon from the Properties for July-August 2025 averaged approximately 355 bbl/d of heavy oil (355 boe/d). With the additional planned workovers, the Company anticipates production to increase to over 700 boe/d.

Fallon has recently optimized several wells on the Properties which resulted in increased production rates. The Company is in the process of optimizing several additional wells.



The Company anticipates net operating income for 2026 to be approximately \$5.3 million. Net operating income from the Properties averaged approximately \$78,000 per month for July-August 2025, or \$936,000 on an annualized basis.

Fallon successfully completed an oil/water conversion in an existing oil well at *Unwin*. After setup and commissioning of the water disposal well, it is currently on vacuum and disposing of approximately 400 m³ of water per day. This conversion has significantly reduced the operating expenses and trucking costs associated with the Properties. Fallon estimates that the netback will improve by \$9/bbl, saving approximately \$85,000 per month. A second water disposal well is expected to be brought on by December 2025, which is estimated to improve the netback by \$20/bbl at *Marshall* which would result in savings of approximately \$100,000 per month in trucking and associated expenses.

Reserves Overview

GLJ Ltd. ("GLJ") prepared an independent reserves evaluation of the Properties (the "GLJ Report"). The GLJ Report is effective February 28, 2023 using an average of GLJ Ltd., *McDaniel & Associates Consultants Ltd.* and *Sproule ERCE's* January 1, 2023 forecast pricing.

GLJ estimates that, as at February 28, 2023, the Properties contained remaining proved plus probable reserves of 5.6 million barrels of heavy oil (5.6 million boe), with an estimated net present value of \$92.9 million using forecast pricing at a 10% discount.

GLJ Ltd. as at February 28, 2023							
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	5%	10% (000s)	15%
Proved Developed Producing	1,681	0	0	1,681	\$34,943	\$28,597	\$24,252
Proved Non-Producing/Undeveloped	2,092	0	0	2,092	\$47,447	\$38,844	\$32,845
Total Proved	3,773	0	0	3,773	\$82,390	\$67,441	\$57,097
Probable	1,835	0	0	1,835	\$35,428	\$25,477	\$19,801
Total Proved Plus Probable	5,607	0	0	5,607	\$117,818	\$92,918	\$76,898

The reserve estimates and forecasts of production and revenues for the Company's Properties were prepared within the context of a group of 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.

Saskatchewan Liability Assessment Summary as of October 21, 2025

As of October 21, 2025, the Properties had a positive deemed net asset value of \$4.2 million (deemed assets of \$10.9 million less deemed liabilities of \$6.7 million), with an LMR ratio of 1.62.





BID DEADLINE: 12:00 pm December 11, 2025

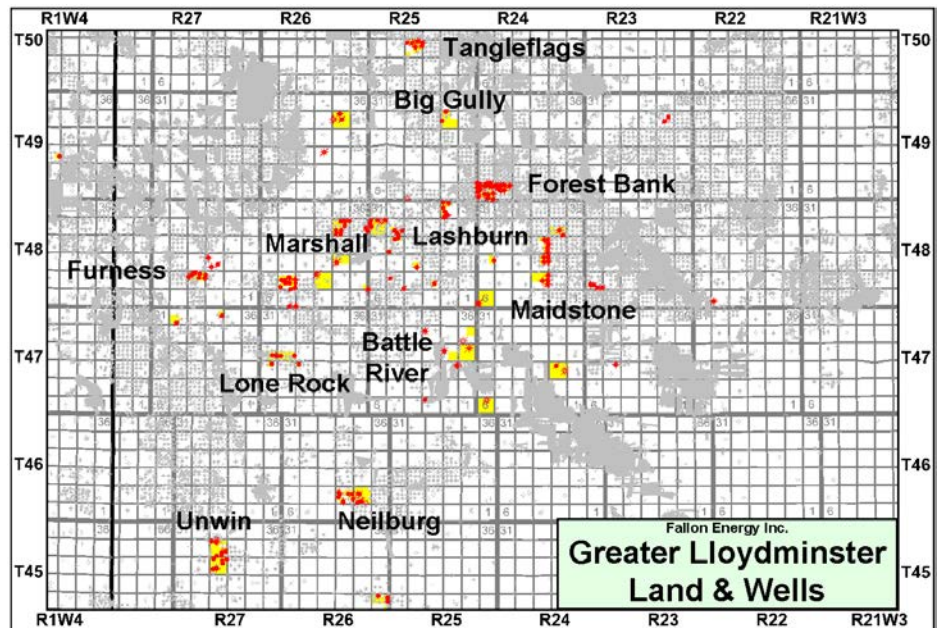
Property Divestiture

Greater Lloydminster Properties

Township 45-50, Range 22-27 W3

Fallon operates all of the Properties, generally holding a 100% working interest including associated facilities. The Properties are generally located near Lloydminster, Saskatchewan in the Battle River, Big Gully, Forest Bank, Furness, Lashburn, Lone Rock, Maidstone, Marshall, Neilburg, Tangleflags and Unwin areas.

The Company has a total of 170 wells including 2 water disposal wells and a third water disposal well to be completed in the fourth quarter of 2025. After an extensive well review, only 6 have been determined to require abandonment with the remaining wells to be reactivated or recompleted.



Operations Overview

The Company has identified several workovers on the Properties to bring a total of approximately 428 bbl/d of oil on production. Fallon is planning to complete the workovers in the fourth quarter of 2025.

Fallon is executing a total capital program of \$2.0 million over the course of 2025. The following table shows the remaining operations planned in the fourth quarter.

UWI	Property	Objective	Perf Intervals	Expected bbl/d
141/14-09-048-27W3/0	Lashburn	Fix broken and bail down	N/A	80
121/11-05-049-24W3/2	Forest Bank	Rod Job	N/A	60
121/14-09-048-27W3/2	Lashburn	Commingle w/existing with Sparky	584.5-589.1 mKB	50
111/13-16-047-26W3/0	Lone Rock	Recomplete GP	559.3-561.3 mKB	25
111/05-20-047-26W3/0	Lone Rock	Recomplete Sparky	536.3-537.8 mKB	25
111/12-35-048-25W3/0	Lashburn	Re-Perf - Run 15 Series Pump	557.5-559.3 mKB	25
111/10-15-048-24W3/0	Lashburn	Recomplete McLaren, Plug back existing zone.	524.8-525.6 mKB	25
141/10-21-045-27W3/0	Unwin	Add .6 perfs below	591.2-591.8mKB	20
191/12-08-048-26W3/0	Lashburn	Add Perfs	552.1-554.2 mKB	20
191/11-08-048-26W3/0	Lashburn	Add Perfs	550.2-552.3 mKB	20
111/07-08-048-26W3/0	Lashburn	Add Perfs	547.8-550.0 mKB	20
131/10-08-048-26W3/0	Lashburn	Add Perfs	549.2-551.4 mKB	20
111/05-35-048-25W3/0	Lashburn	Add Perfs - Run 32 Series Pump	569.5-570.0 mKB	18
101/09-18-048-24W3/2	Lashburn	Pump Change- Run an 8 Series Pump	N/A	8
111/15-15-048-24W3/2	Lashburn	Pump Change- Run an 8 Series Pump	N/A	6
111/16-12-045-26W3/0	Unwin	Pump Change- Run a 15 Series Pump	N/A	6
		Total		428

Further details of the capital program will be available in the virtual data room for parties that execute a confidentiality agreement.



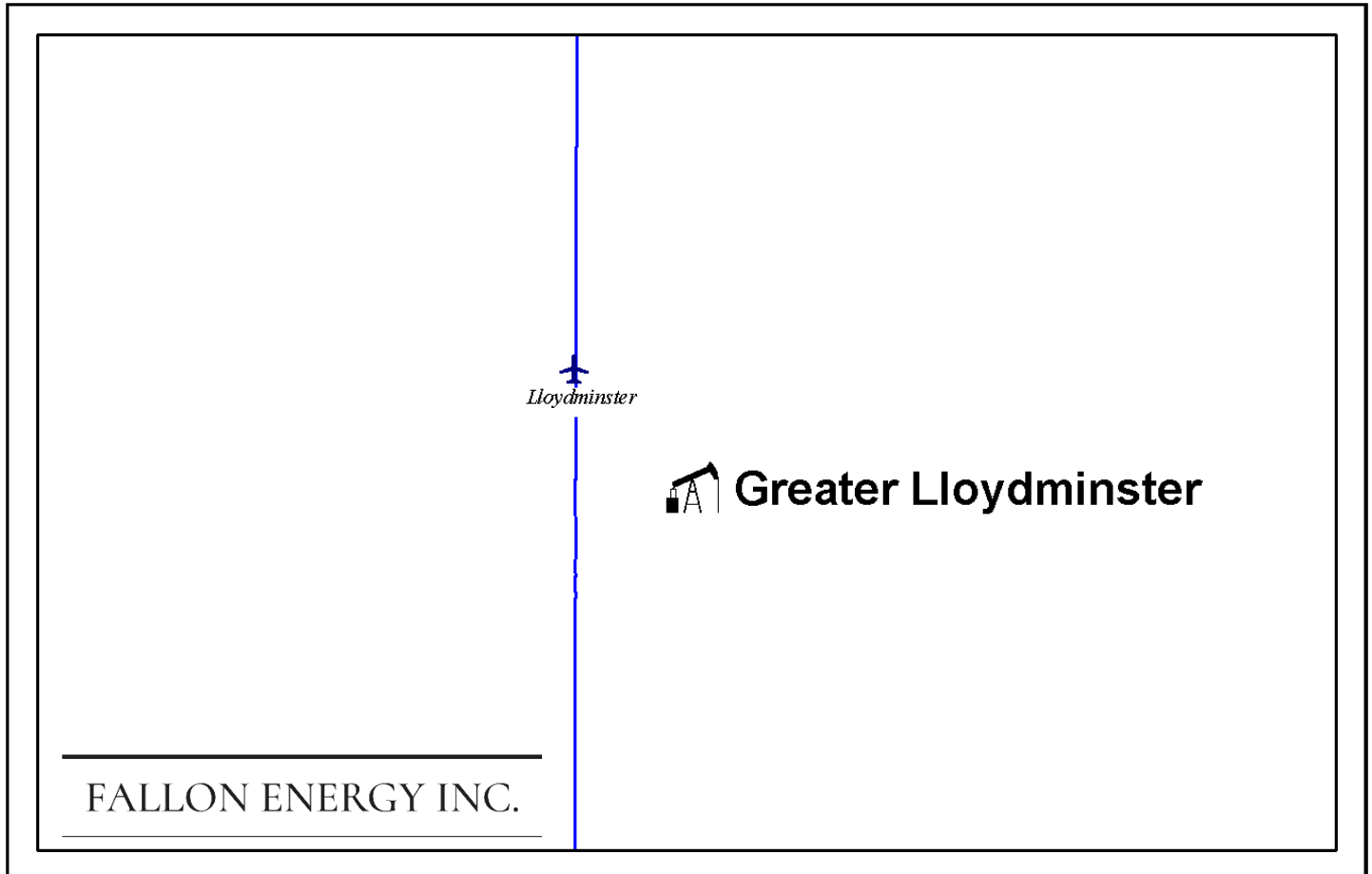
1620, 540 – 5th Avenue SW, Calgary, Alberta Canada T2P 0M2
Tel: 403.266.6133 Fax: 403.266.4467 www.sayeradvisors.com



BID DEADLINE: 12:00 pm December 11, 2025

Property Divestiture

Fallon Energy Inc. Fall 2025 Property Divestiture



CONTACT

Parties wishing to receive access to the confidential information with detailed technical information relating to this opportunity should execute the confidentiality agreement which is available on Sayer Energy Advisors' website (www.sayeradvisors.com) and return one copy to Sayer Energy Advisors by courier, email (brye@sayeradvisors.com) or fax (403.266.4467).

Included in the confidential information is the following: summary land information, the GLJ Report, deemed liability information, most recent net operations summary, detailed facilities information and other relevant technical information.

To receive further information on the Properties please contact Ben Rye, Tom Pavic or Sydney Birkett at 403.266.6133.



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