



**LOTUS CREEK**  
EXPLORATION

**INVESTOR PRESENTATION**

FEBRUARY 2025

# Lotus Creek Asset Highlights



Low decline, high netback and opportunity rich land base create the foundation for growth

## Asset Highlights

### Central Alberta

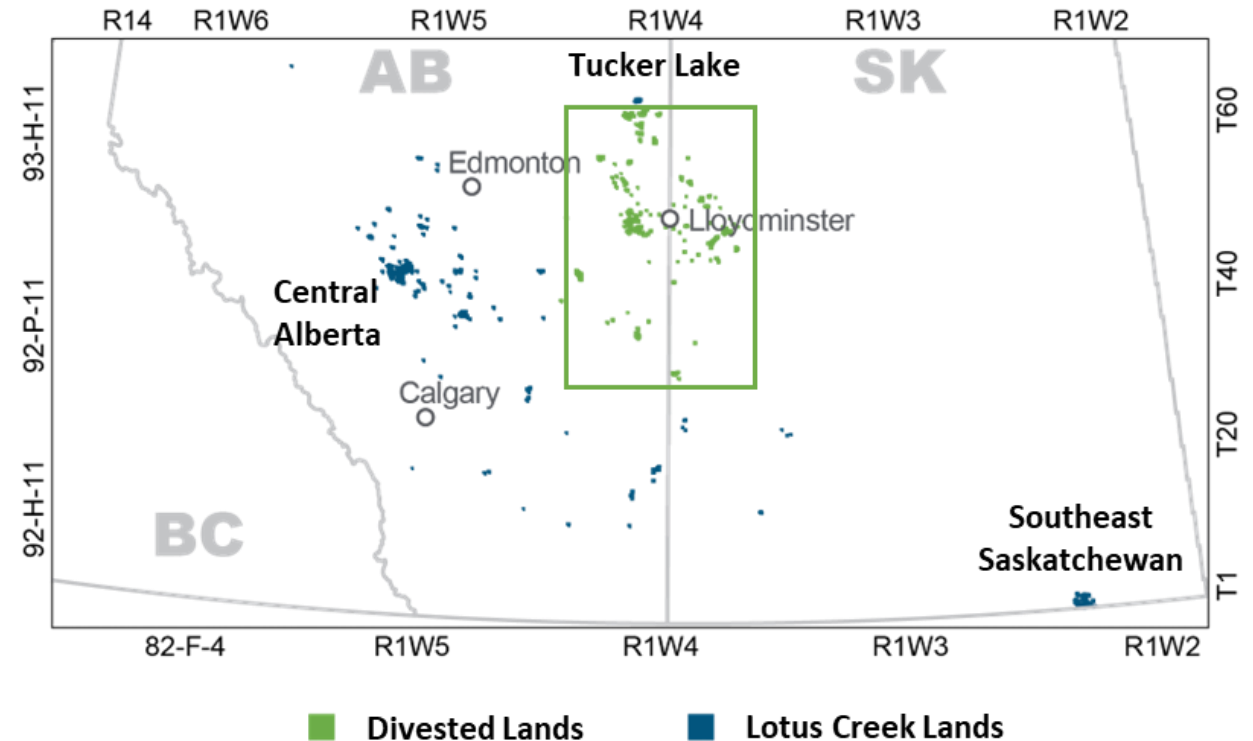
- Low decline production supported by multiple Belly River waterfloods
- Regional Belly River activity provides development roadmap

### SE Saskatchewan

- Established light oil development with waterflood potential
- Gas conservation in place, reducing emissions footprint and increasing revenue through gas and NGL sales

### Tucker Lake

- Heavy oil opportunity with up to six prospective zones mapped
- Recent offset development highlights the upside potential of this asset



# Lotus Creek Business Model & Profile



## Focussed on simplifying and high grading the business

### Business Model

- Maximize full cycle profits and deliver superior total shareholder returns through share price appreciation
- Deliver best-in-class organic growth in cashflow, production and producing reserves per debt adjusted share
- Invest in only the highest quality, internally generated growth opportunities
- Continue to simplify and high grade the business, build and leverage technical expertise, increase operational focus, and create lasting strategic advantages

### Key Attributes

- Low decline, light sweet oil, base production
- Oil prone and opportunity rich undeveloped land base
- Fully capitalized for growth in 2025 and beyond
- Experienced technical and operational team in place

### Corporate Profile

Capitalization	LTC.V	
Basic Shares Outstanding	MM	40
Estimated initial cash position <sup>1</sup>	\$MM	\$20
Available credit facility	\$MM	\$35
Estimated tax pools <sup>2</sup>	\$MM	\$60
2025 Guidance and Asset Data		
2025 CAPEX incl. ARO	\$MM	\$43
FY/2025E production	BOE/d	2,000-2,400
Q4/2025E production	BOE/d	3,000-3,400
PDP reserve value <sup>3</sup>	\$MM	\$76
Decommissioning obligations <sup>4</sup>	\$MM	\$26

1. The cash contributed to Lotus Creek will be subject to adjustment pursuant to the Transaction, which could result in less cash being available to Lotus Creek

2. As at December 31, 2024, 80% COGPE, 20% CCA class 41

3. After Tax NPV-10% PDP Reserves value effective November 30, 2024 based on average of price forecasts prepared by Sproule, GLJ Petroleum Consultants Ltd. and McDaniel & Associates Consulting Ltd. effective at September 30, 2024

4. Undiscounted and un-inflated as at November 30, 2024

# 2025 Lotus Creek Budget & Guidance



## 88% Production Growth From Q4 2024 to Q4 2025

### Budget Snapshot<sup>1</sup>

- Capital of \$43 MM including ARO
- 3 gross (3.0 net) Mannville, open hole, multi-lateral heavy oil wells in Tucker Lake (Q1 2025)
- 4 gross (4.0 net) Belly River, frac'd multi-stage horizontal light oil wells in Wilson Creek (Q3 2025)
- 44 square mile 3D seismic program to reinforce existing inventory and identify new light oil opportunities (Q1 2025)
- Design and procurement work for a new, 100% owned and operated, oil battery in Wilson Creek (Q4 2025)
- Continued acquisition of undeveloped lands in both our core areas and on new, internally generated organic growth opportunities (FY 2025)

### Guidance

<b>Capital and abandonment expenditures (\$MM)</b>	<b>\$43</b>
<b>Annual average production (BOE/d)</b>	<b>2000 - 2400</b>
Q1 2025 average production (BOE/d)	1600 - 1700
Q4 2025 average production (BOE/d)	3000 - 3400
<b>Q4 2024 to Q4 2025 production growth (%)</b>	<b>+88</b>
Light oil and NGLs weighting (%)	74
Heavy oil weighting (%)	10
Natural gas weighting (%)	13
Royalty rate (%)	12 - 13
Operating and transportation costs (\$/BOE)	19.50 - 20.50
General and administrative expense (\$/BOE)	5.00 - 5.50
Interest and other expense (\$/BOE)	0.50 - 1.00

1. \$23 MM dedicated to drilling, \$15 MM allocated to longer term, strategic projects such as seismic, major infrastructure and acquisition of new undeveloped lands, \$2 MM applied to field projects and other, \$3 MM dedicated to abandonment and reclamation activities

# 2025 Lotus Creek FFO Sensitivity



Program is fully capitalized at WTI US\$60/bbl

## Summary

- Lotus Creek is well-capitalized to execute the 2025 capital program with an estimated \$20 million of initial cash and a \$35 million credit facility
- Based on current commodity prices and the 2025 guidance figures, minimal bank debt is expected by the end of 2025
- No commodity price hedges are currently in place, hedges may be placed strategically throughout 2025 to manage future commodity price risks

## Sensitivity Analysis<sup>1,2</sup>

	WTI US\$/bbl		
	60	70	80
2025 FFO <sup>3</sup> (\$MM)	23	31	39
2025 FFO <sup>3</sup> (\$/share)	0.55	0.77	0.99
2025 Capital (\$MM)	43	43	43

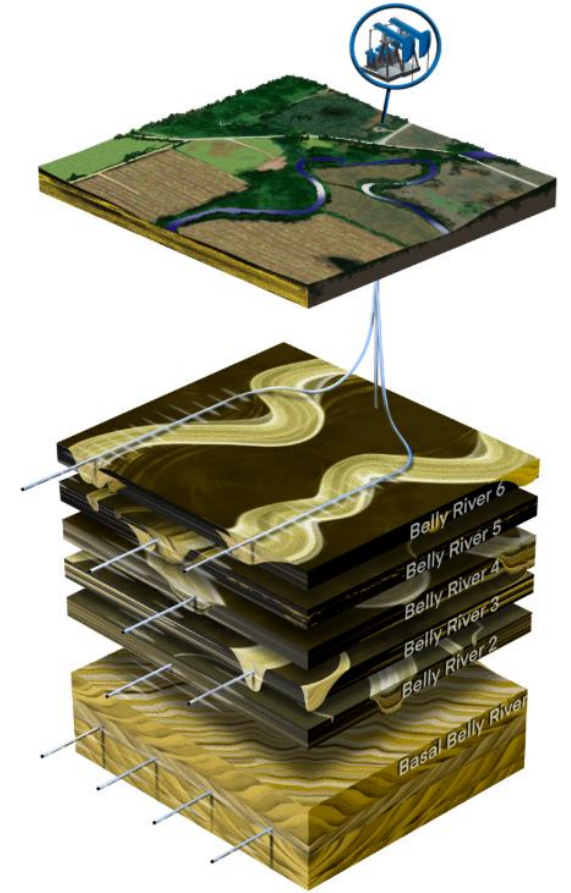
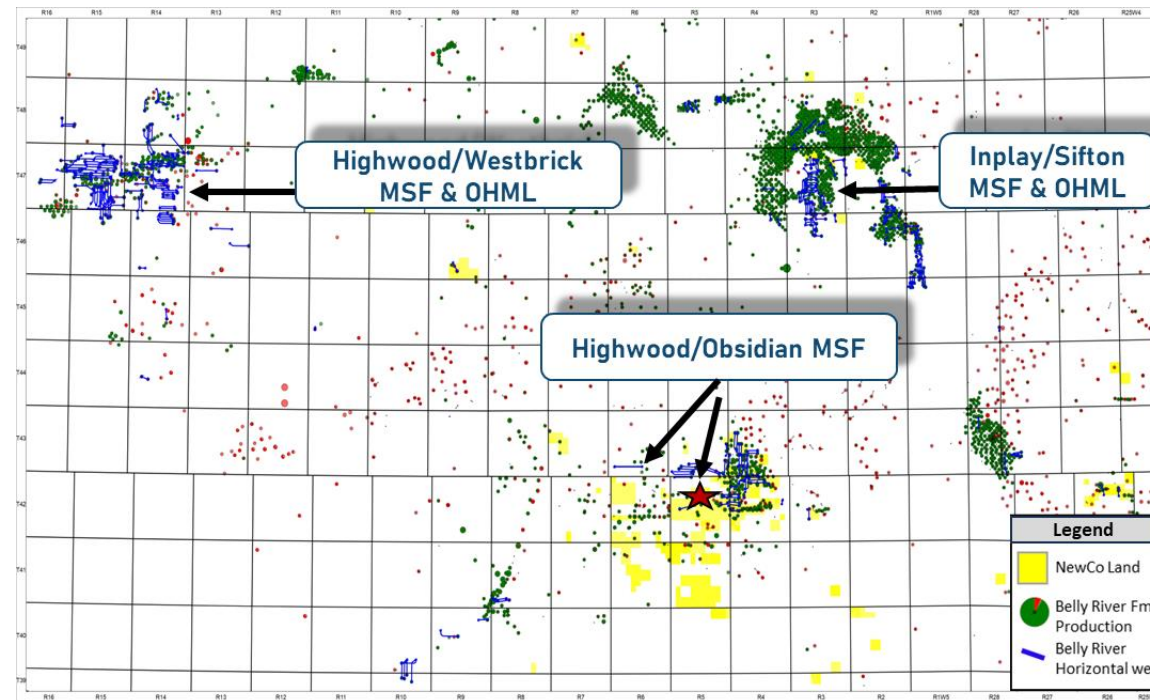
1. Flat WTI forecasts for 2025, MSW diff. US\$4.75/bbl, LSB diff. of US\$5.75/bbl, WCS diff. of US\$14.50/bbl, AECO C\$2.00/GJ, FX US\$0.71/C\$, 2025 guidance figures  
2. Based on 40 million Lotus Creek shares outstanding throughout 2025  
3. Refer to "Non-GAAP and other financial measures"  
4. Initial cash position of \$20 MM which is subject to adjustment pursuant to the Transaction

# Central Alberta – Wilson Creek

## Multizone, sweet light oil development potential

### Highlights

- 73 sections (avg. 82% WI) of Belly River rights
- Up to 6 stacked, oil charged, prospective Belly River sands at depths less than 1500 m
- Successful offsetting and regional competitor results in the Belly River delivering 90 day oil rates of 200-680 bbl/d
- Lotus Creek has currently identified the potential for over 30 future development locations

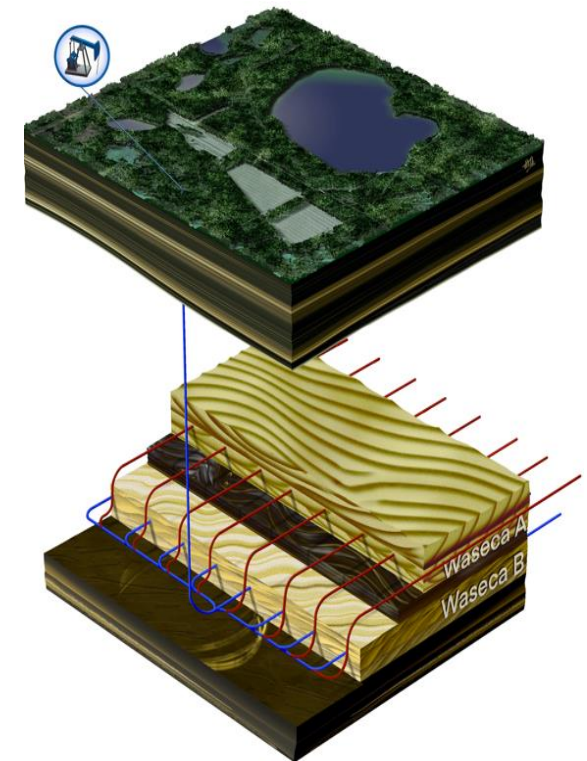
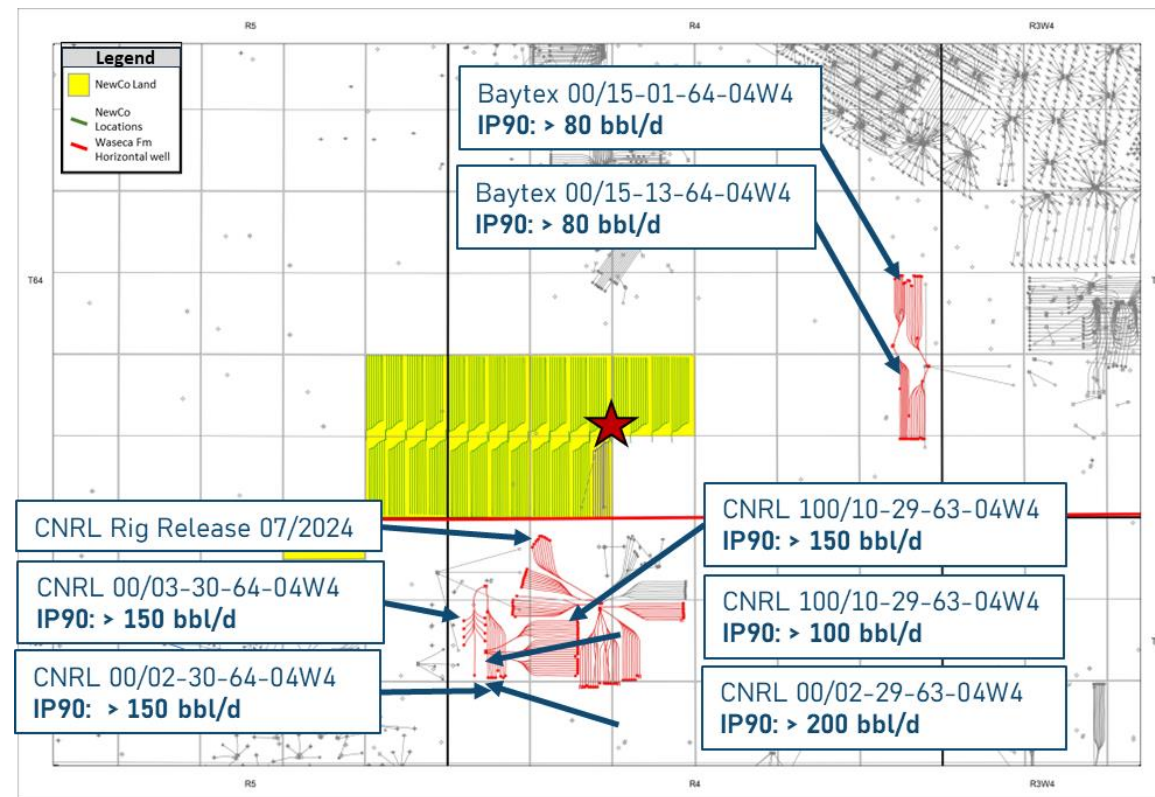


# Tucker Lake

## Undeveloped lands with substantial Mannville heavy oil upside with multi-lateral drilling

### Highlights

- 7.5 sections of contiguous oil sands leases (100% WI) with favorable tenure
- Up to 6 stacked, oil charged, prospective Mannville sands at depths less than 400 meters
- Offset, open hole multi-laterals, delivering 90 day oil rates from the Waseca B of 80-150 bbl/d
- Lotus Creek has currently identified the potential for over 60 future development locations

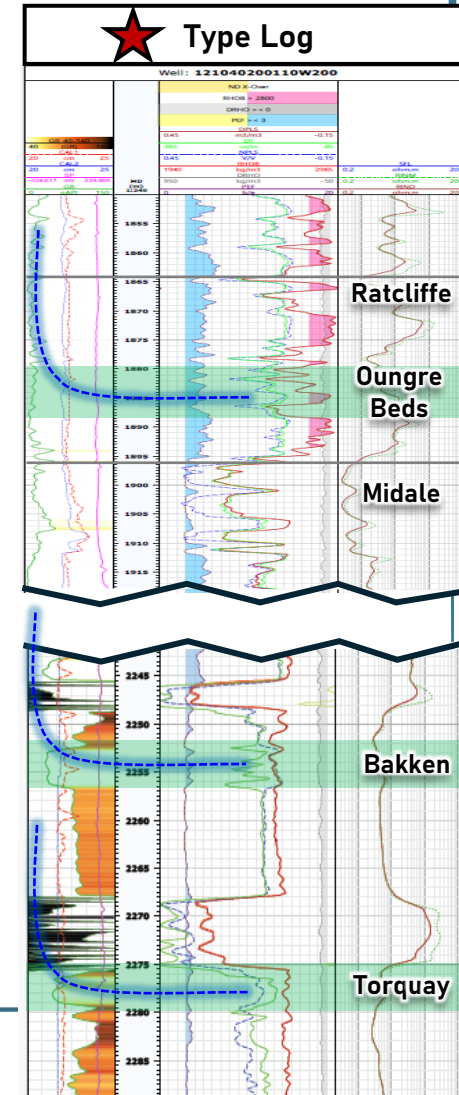
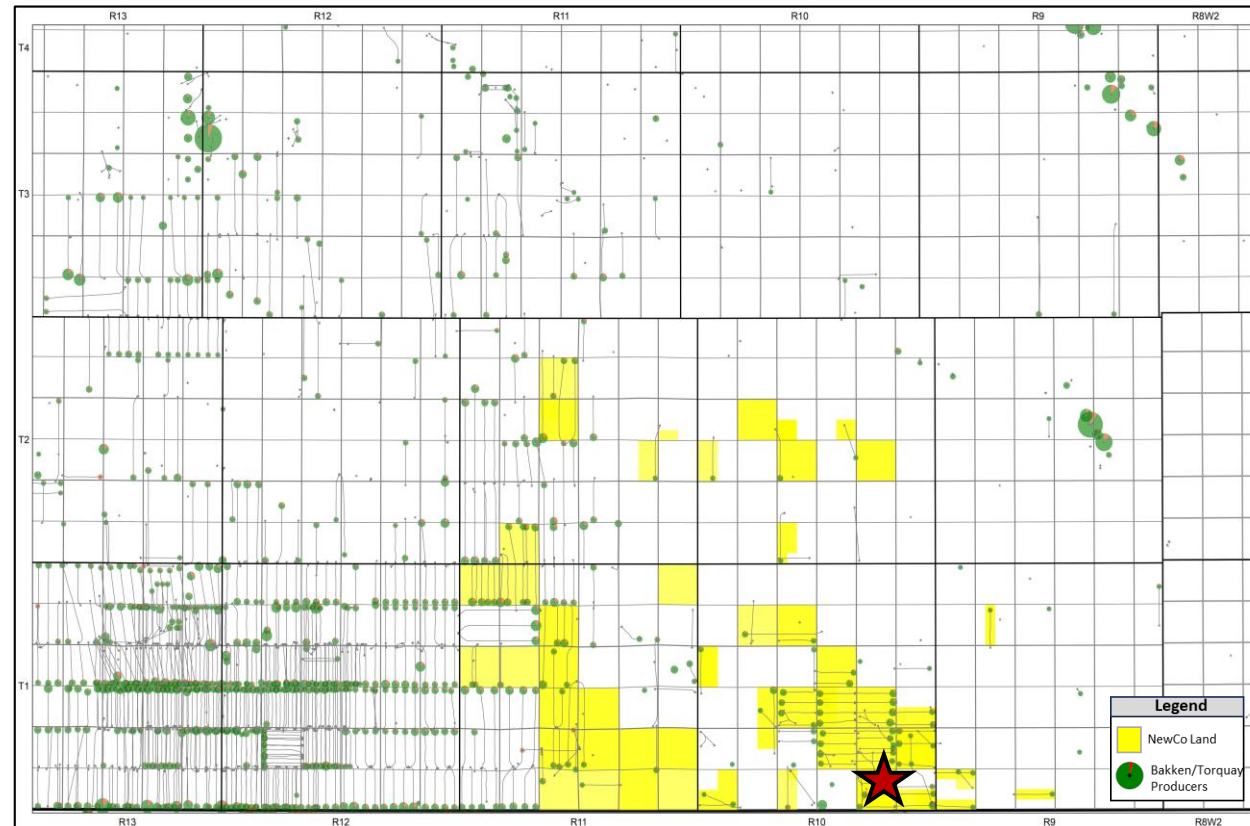


# Southeast Saskatchewan

High netback, sweet light oil with waterflood upside and potential additional zones

## Highlights

- 40 sections of contiguous light oil rights (100% WI)
- 3 prospective light oil zones at depths between 1800 and 2300 m
- Bakken and Torquay historical development with waterflood upside
- Ongoing evaluation of development and optimization opportunities

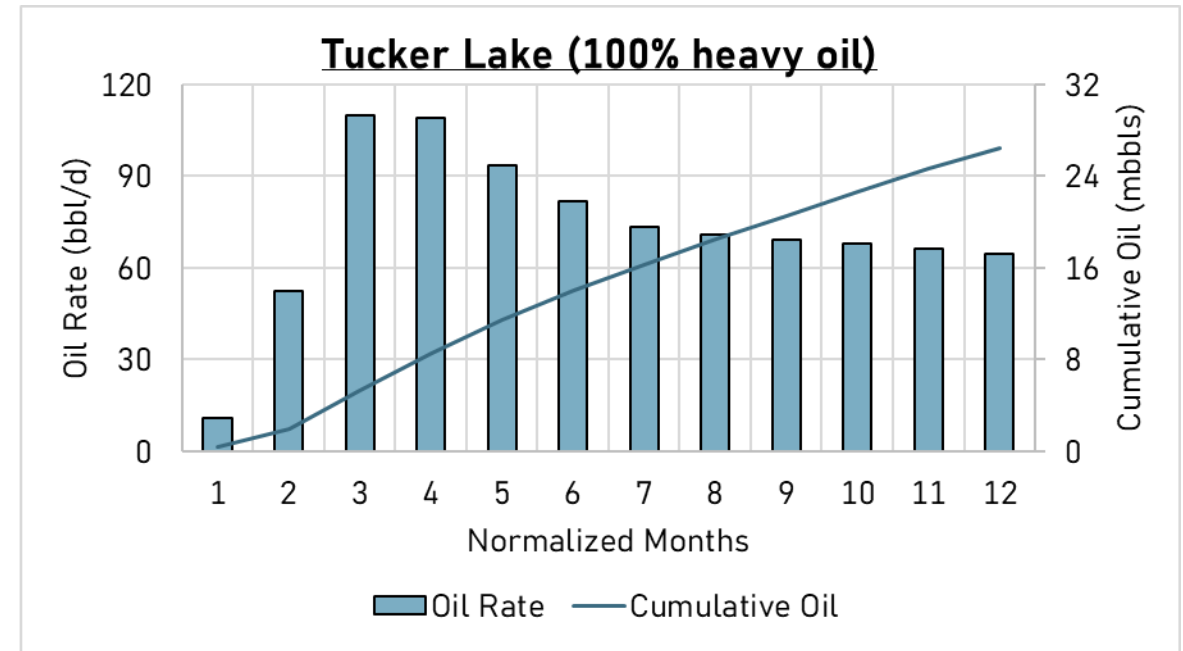
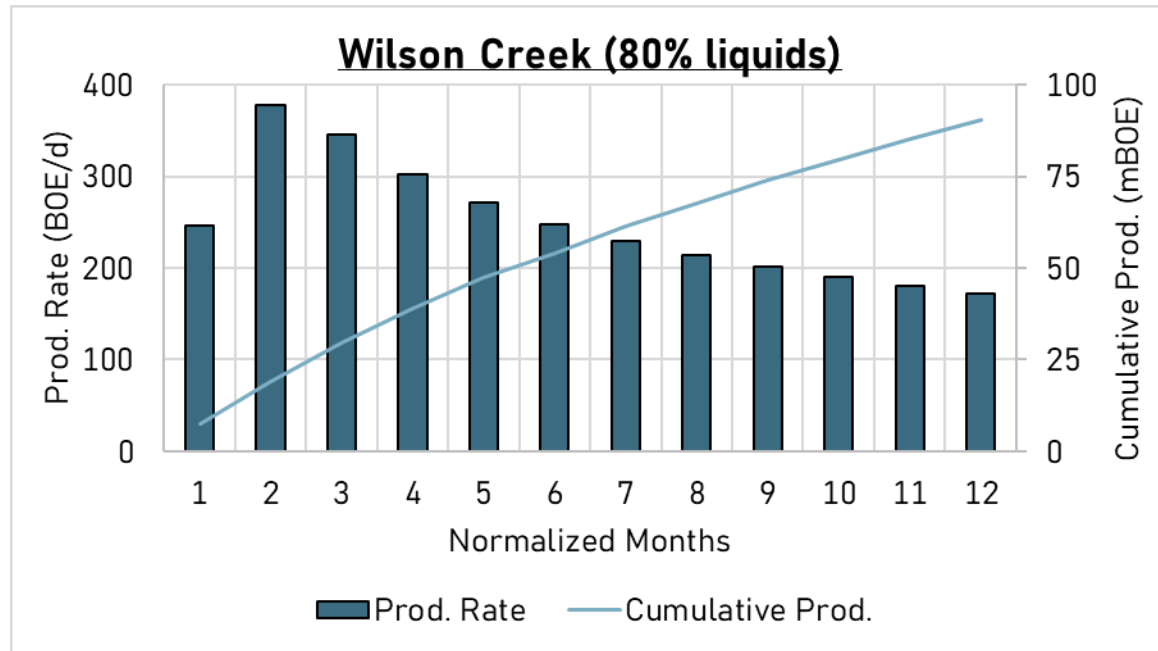




# Type Well Economics

Strong project returns drive robust growth and full cycle returns

Property	Depth	Fluid	Target	Technology	Well Capital	EUR mBOE	IP365 BOE/d	NPV-10%	Payout Period	Rate of Return
Wilson Creek	1500 m	Light Oil	Belly River	2 mi. multi-stage frac'd horizontals	\$4.5 MM	300	250	\$4.5 MM	< 1 yr.	> 100%
Tucker Lake	325 m	Heavy Oil	Mannville	open hole multi-laterals	\$1.8 MM	100	75	\$1.8 MM	1.5 yr.	70%



1. Based on flat US \$70/bbl WTI and C\$2.00/GJ, 0.74 FX USD/CAD

# Leadership Team



## Balanced & Experienced

### Leadership Team

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**Kevin Johnson – President/CEO – 19 Yrs.**

- Former VP Engineering Artis Exploration
- Vermilion Energy, Kereco Energy, Ketch Resources

**David Hwang – CFO/VP Finance – 27 Yrs.**

- Former controller of ARC Resources
- Encana, Deloitte & Touche

**Jason Kaluski – VP Operations – 27 Yrs.**

- Former Manager Operations - Questerre Energy
- Richmount, ARC Resources, Beau Canada

**Steve Power – VP Exploration – 24 Yrs.**

- Vermilion Energy, Profound, Highpine, Kick Energy

### Independent Directors

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Scott Robinson – Chairman, Reserves Chair

Kathy Turgeon – Audit Chair

Grey Bay – GC&S Chair

Don Gray – Director

Bindu Wyma – Director

Wilson Wang- Director

# APPENDIX

# Reserves as of November 30, 2024



## \$76 MM PDP After Tax Net Present Value at 10% Discount

### Company Gross Volumes<sup>1</sup>

	Light & Medium Oil (mdbl)	Heavy Oil (mdbl)	NGL's (mdbl)	Natural Gas (mmcf)	Equivalent (mBOE)	Liquids Ratio (%)
Proved Developed Producing	2,830	-	471	4,280	4,014	82
<b>Total Proved</b>	<b>3,786</b>	<b>-</b>	<b>697</b>	<b>7,930</b>	<b>5,805</b>	<b>77</b>
Total Probable	1,859	-	342	3,587	2,799	79
<b>Total Proved plus Probable</b>	<b>5,645</b>	<b>-</b>	<b>1,040</b>	<b>11,518</b>	<b>8,604</b>	<b>78</b>

### A/T Net Present Value<sup>2</sup> (\$M)

Discount Rate →	0%	5%	10%	15%	20%
Proved Developed Producing	107,454	90,467	75,962	65,095	56,968
<b>Total Proved</b>	<b>143,408</b>	<b>114,309</b>	<b>92,466</b>	<b>76,857</b>	<b>65,494</b>
Total Probable	88,315	57,191	40,143	29,925	23,383
<b>Total Proved plus Probable</b>	<b>231,723</b>	<b>171,499</b>	<b>132,609</b>	<b>106,783</b>	<b>88,777</b>

1. Reserves included herein are stated on a company gross basis (working interest before deduction of royalties without inclusion of any royalty interests)

2. The reserves evaluation was based on an average of price forecasts prepared by Sproule, GLJ Petroleum Consultants Ltd. and McDaniel & Associates Consulting Ltd. effective at September 30, 2024

# Advisories



The information contained in this presentation does not purport to be all-inclusive or to contain all information that prospective investors may require. Additional information relating to Gear Energy Ltd. ("Gear" or the "Corporation") is available on Gear's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and readers should read such information prior to making an investment decision. Prospective investors are also encouraged to conduct their own analysis and reviews of the Corporation and of the information contained in this presentation. Without limitation, prospective investors should consider the advice of their financial, legal, accounting, tax and other advisors and such other factors they consider appropriate in investigating and analyzing the Corporation.

**Forward Looking Information:** Certain information in this presentation contains certain forward-looking statements, including within the meaning of applicable securities laws. These statements relate to future events or our future intentions or performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "future", "may", "could", "targeted", "should", "would", "suspect", "outlook", "believe", "anticipate", "estimate", "expect", "intend", "plan", "target", "potential" and similar words and expressions and include statements related to, among other things: Gear's position, focus and strategy; the Transaction, including the conditions thereof, the anticipated benefits to be derived therefrom and the anticipated timing thereof; the anticipated value of Lotus Creek shares; the amount of cash that will go into Lotus Creek on closing of the Transaction; the various scenarios for how cash and Lotus Creek shares will be allocated to shareholders based on elections made by shareholders; the expected timing for holding the meeting of shareholders to consider the Transaction; the anticipated focus of Lotus Creek and the intention that it will be committed to profitability, growing sustainably and emerging as a leader in the energy sector; details of the 2025 capital budget for Lotus Creek, including the type and timing of capital expenditures; anticipated 2025 average production, Q1 2025 average production and Q4 2025 average production including commodity weightings; the expectation that the 2025 capital expenditure program will generate an 88% increase in production from Q4 2024 to Q4 2025; 2025 guidance including royalty rates, operating and transportation costs, general and administrative expenses, interest and other expense and capital and abandonment expenditures; forecast 2025 funds flow from operations, funds flow from operations per share, capital, free cash flow, 2025 opening cash and 2025 year end cash based on various commodity price sensitivities; the expectation that Lotus Creek will re-invest its capital into the business; the expectation that Lotus Creek's assets are well positioned and capitalized to generate outsized cashflow growth per debt adjusted share; the expected characteristics of certain of the locations comprising Lotus Creek's assets; the anticipated capitalization, cash flow and average daily production of Lotus Creek; the expectation that Lotus Creek will establish a credit facility and the anticipated principal amount of such credit facility; and the anticipated management team of Lotus Creek. Gear and Lotus Creek's actual decisions, activities, results, performance or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits that Gear or Lotus Creek, as applicable, will derive from them. In addition, forward-looking statements contained in this presentation include, statements relating to "reserves", which are by their nature forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future. The recovery and reserve estimates of Lotus Creek's reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered.

The forward-looking information and statements contained in this presentation reflect several material factors and expectations and assumptions of Gear including, without limitation: that Gear will continue to conduct its operations in a manner consistent with past operations; the general continuance of current industry conditions; the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes; the amount of cash available to Lotus Creek may be adjusted downward pursuant to the Transaction which could result in the value of the Lotus Creek shares being less than anticipated; the accuracy of the estimates of Gear's reserves and resource volumes; certain commodity price and other cost assumptions; that the closing of the Transaction will occur when anticipated and on the terms anticipated; the ability to meet the conditions to closing the Transaction and the receipt of all shareholder, exchange, court and regulatory approvals; the performance of Lotus Creek's business and Lotus Creek's assets; and that Lotus Creek will establish a new credit facility upon the completion of the Transaction. Gear believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct. Readers are cautioned that the foregoing list of factors are not exhaustive.

# Advisories



The forward-looking information and statements included in this presentation are not guarantees of future performance and should not be unduly relied upon. Such information and statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information or statements including, without limitation: the upcoming change in administration in the United States and any implementation of tariffs on exports from Canada to the United States; change in policies in Canada in response to the change in administration in the United States; the impact of the Russian-Ukraine war on the global economy and commodity prices; the impact of the conflict in the middle east involving Israel, Hamas, Hezbollah and Iran on the global economy and commodity prices; the impacts of inflation and supply chain issues; pandemics, political events, natural disasters and terrorism, changes in commodity prices; changes in the demand for or supply of Gear's products; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; inability to obtain debt or equity financing as necessary to fund operations, capital expenditures and any potential acquisitions; any ability for Gear to repay any of its indebtedness when due; inaccurate estimation of Gear's oil and gas reserve and resource volumes; limited, unfavorable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; the risk that the Transaction may not close when anticipated, or at all, and may not result in the benefits anticipated; the risk that the Corporation may not hold its shareholder meeting when anticipated, or at all; the risk that the Corporation may not satisfy all closing conditions or receive all necessary shareholder, exchange, court or regulatory approvals for the Transaction when anticipated, or at all; the risk that the Lotus Creek's assets may have lower levels of production than anticipated; the risk that Lotus Creek's financial and operating results may not be consistent with its expectations; the risk that the characteristics of Lotus Creek's assets may not be consistent with the Corporation's expectations; the risk that Lotus Creek may not re-invest its capital into the business; the risk that Lotus Creek's assets may not generate outsized cashflow growth per debt adjusted share; the risk that Lotus Creek may not establish a credit facility when anticipated or on the terms anticipated; and certain other risks detailed from time to time in Gear's public documents including in Gear's most current annual information form which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The forward-looking information and statements contained in this presentation speak only as of the date of this presentation. The Corporation does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date.

This presentation contains information that may be considered a financial outlook under applicable securities laws about the Corporation's potential financial position, including, but not limited to: details of the 2025 capital budget for Lotus Creek, including the type and timing of capital expenditures; 2025 guidance including royalty rates, operating and transportation costs, general and administrative expenses, interest and other expense and capital and abandonment expenditures; forecast 2025 funds flow from operations, funds flow from operations per share, capital, free cash flow, 2025 opening cash and 2025 year end cash based on various commodity price sensitivities; the anticipated capitalization and cash flows of Lotus Creek; and the expectation that Lotus Creek will establish a credit facility and the anticipated principal amount of such credit facility; all of which are subject to numerous assumptions, risk factors, limitations and qualifications, including those set forth in the above paragraphs. The actual results of operations of the Corporation and the resulting financial results will vary from the amounts set forth in this presentation and such variations may be material. This information has been provided for illustration only and with respect to future periods are based on budgets and forecasts that are speculative and are subject to a variety of contingencies and may not be appropriate for other purposes. Accordingly, these estimates are not to be relied upon as indicative of future results. Except as required by applicable securities laws, the Corporation undertakes no obligation to update such financial outlook. The financial outlook contained in this presentation was made as of the date of this presentation and was provided for the purpose of providing further information about the Corporation's potential future business operations. Readers are cautioned that the financial outlook contained in this presentation is not conclusive and is subject to change.

**Non-GAAP and Other Financial Measures:** This presentation includes references to non-GAAP and other financial measures that Gear uses to analyze financial performance. These specified financial measures include non-GAAP financial measures, non-GAAP ratios, capital management measures and supplementary financial measures, and are not defined by IFRS and are therefore referred to as non-GAAP and other financial measures. Management believes that the non-GAAP and other financial measures used by the Corporation are key performance measures for Gear and provide investors with information that is commonly used by other oil and gas companies. These key performance indicators and benchmarks as presented do not have any standardized meaning prescribed by Canadian GAAP and therefore may not be comparable with the calculation of similar measures for other entities. These non-GAAP and other financial measures should not be considered an alternative to or more meaningful than their most directly comparable financial measure presented in the financial statements, as an indication of the Corporation's performance. Descriptions of the non-GAAP and other financial measures used by the Corporation as well as reconciliations to the most directly comparable GAAP measure for the three and nine months ended September 30, 2024 and year ended December 31, 2023, where applicable, is provided below.

## **Net debt**

Net debt is a capital management measure defined as debt less current working capital items (excluding debt, risk management contracts and decommissioning liabilities). Gear believes that net debt provides management and investors with a measure that is a key indicator of its leverage and strength of its balance sheet. Changes in net debt are primarily a result of funds from operations, capital and abandonment expenditures, equity issuances, dividends paid and equity repurchases pursuant to the Corporation's normal course issuer bid, if the Corporation chooses to do so.

## **Net operating income or NOI**

Net operating income or NOI is a non-financial measure defined as Petroleum and natural gas sales less Royalties, Operating expenses and Transportation expenses. Gear believes that NOI provides management and investors with income generating capabilities at an asset category level.

## **Funds Flow from Operations**

Funds flow from operations is a non-GAAP financial measure defined as cash flows from operating activities before changes in non-cash operating working capital and decommissioning liabilities settled. Gear evaluates its financial performance primarily on funds from operations and considers it a key measure for management and investors as it demonstrates the Corporation's ability to generate the funds from operations necessary to fund its capital program, settle decommissioning liabilities, repay debt, finance dividends and/or repurchase common shares under the Corporation's normal course issuer bid, if the Corporation chooses to do so.

## **Funds Flow from Operations per Share**

Funds from operations per share is a non-GAAP ratio calculated as funds from operations, as defined above, divided by the weighted average basic share amount. Gear considers this non-GAAP ratio a useful measure for management and investors as it demonstrates its ability to generate the funds from operations, on a per weighted average basic share basis, necessary to fund its capital program, settle decommissioning liabilities, repay debt, finance dividends and/or repurchase common shares under the Corporation's normal course issuer bid, if the Corporation chooses to do so.

**Oil and Gas Metrics:** This presentation contains the terms NAV, reserves life index, EUR, payout period and rate of return, which are oil and gas metrics that do not have a standardized meaning or standard method of calculation and therefore such measures may not be comparable to similar measures used by other companies. NAV has been calculated based on the assumptions as presented on slide 18. Reserves life index is calculated by dividing the reserves in each category by the corresponding Sproule forecast of annual production. Certain other oil and gas metrics have been presented as part of the type curves and well economics presented herein including:

- EUR represents the estimated ultimate recovery of resources associated with the type curves presented.
- Payout period means the anticipated years of production from a well required to fully pay for the estimated well capital of such well based on the type curves presented herein.
- Rate of return represents the discount rate at which the before tax, net present value of the project equals zero,

**Oil and Gas Information:** Certain natural gas volumes have been converted to barrels of oil equivalent ("BOE") based on a conversion ratio of one bbl to six mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not necessarily represent value equivalency at the well head. Given that the value ratio based on the current price of oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

References to heavy and medium oil, light oil, NGLs and natural gas in this presentation refer to the heavy crude oil, medium crude oil and light crude oil, natural gas liquids and conventional natural gas, respectively, product types as defined in National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101").

**Reserves:** Sproule Associates Limited ("Sproule") was engaged as an independent qualified reserve evaluator to evaluate Gear's proved plus and probable reserves specifically related to the Newco Assets as at December 31, 2023 and as of November 30, 2024 in accordance with NI 51-101 and the Canadian Oil and Gas Evaluation Handbook ("Newco Reserves Report"). It should not be assumed that the estimates of future net revenues presented herein represent the fair market value of the reserves. Additional details relating to the Newco Reserves Report are provided in the accompanying tables to this release and additional reserve information as required under NI 51-101 is included in "Appendix E – Information Concerning Newco" to the management information circular of Gear dated December 30, 2024 which is available on Gear's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). In addition, Gear has presented certain reserves and associated net present values associated with Gear's heavy oil assets which are based on an evaluation completed by Sproule as at December 31, 2023 in accordance with NI 51-101 and the Canadian Oil and Gas Evaluation Handbook; however, such estimates of reserves and net present values have been updated using constant pricing as presented on slide 2 herein. The recovery and reserve estimates of reserves provided in this presentation are estimates only, and there is no guarantee that the estimated reserves will be recovered. Actual reserves may eventually prove to be greater than, or less than, the estimates provided herein.

"Proved Developed Producing Reserves" are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

"Proved" reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

"Probable" reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.



**Type Curves and Well Economics:** Certain type curve and well economics have been presented for Wilson Creek and Tucker Lake. In respect of Wilson Creek, the information presented is based on the type curves and well economics used by Sproule to estimate proved plus probable reserves in the Newco Reserves Report. In respect of Tucker Lake, the type curve and well economics have been based on production history from analogous wells drilled by other producers in close proximity to Lotus Creek's assets as adjusted for reservoir quality associated with Lotus Creek's assets relative to the reservoir quality of the assets of the other producers in the area; as a result such type curves and well economics presented herein have a lower estimated ultimate recovery volumes than the average wells drilled in the area. Such type curves and well economics are useful in understanding management's assumptions of well performance in making investment decisions in relation to drilling in such areas and for determining the success of the performance of such wells; however, such type curves and well economics are not necessarily determinative of the production rates and performance of existing and future wells and such type curves. In this presentation, estimated ultimate recovery represents the estimated ultimate recovery associated with the type wells presented; however, there is no certainty that Gear will ultimately recover such volumes from the wells it drills.

**Initial Production Rates:** References in this presentation to initial production rates, IP90, IP365 other short-term production rates or initial performance measures relating to new wells are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for Gear. Accordingly, Gear cautions that the initial production results should be considered to be preliminary.

**Information Regarding Public Issuer Counterparties :** Certain information contained in this presentation relating to the Corporation's public issuer counterparties and the nature of their respective businesses is taken from and based solely upon information published by such issuers. None of Gear or its affiliates have independently verified the accuracy or completeness of any such information.

**Analogous Information:** Certain information in this presentation may constitute "analogous information" as defined in NI 51-101 with respect to certain drilling results and plans of other companies with operations that are in geographical proximity to Gear's assets. Management of Gear believes the information may be relevant to help determine the expected results that Gear and Lotus Creek may achieve within such lands and such information has been presented to help demonstrate the basis for Gear and Lotus Creek's business plans and strategies with respect to its assets. There is no certainty that the results of the analogous information or inferred thereby will be achieved by Gear or Lotus Creek.

**Drilling Locations:** This presentation discloses unbooked drilling location inventory. Unbooked locations are internal estimates based on Lotus Creek's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations do not have attributed reserves or resources and have been identified by management of Gear as an estimation of Lotus Creek's multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves information. There is no certainty that Lotus Creek will drill all unbooked drilling locations and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which Lotus Creek actually drills wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While certain of the unbooked drilling locations have been de-risked by Gear previously drilling existing wells in relative close proximity to such unbooked drilling locations, other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.

**Definitions:** BOE = barrel of oil equivalent (6:1), BOE/d = BOE per day, bbl/d = barrels per day, Mmcf/d = MM cubic feet per day, WI = working interest, MM = million, m = metres, EV = enterprise value, TV = transaction value, VWAP = volume-weighted average price and WTI = West Texas Intermediate