

FROM THE DESK OF INGRAM GILLMORE, PRESIDENT & CEO

We regularly include the following data populated with estimated monthly results:

| Capital * | | | | | | | | | |
|------------------|---------------|--------------|--------------|---------------|---------------|--------------|--------------|--------------|----------------|
| <i>(\$k CAD)</i> | | | | | | | | | |
| | 2017 | Q1 18 | Q2 18 | 18-Sep | Q3 18 | 18-Oct | 18-Nov | Q4 18 TD | 2018 YTD |
| Drill & Complete | 33,766 | 3,624 | 3,451 | 4,978 | 14,936 | 3,546 | 1,219 | 4,765 | 26,776 |
| Facilities | 14,223 | 3,742 | 2,742 | -337 | 3,490 | 2,467 | 1,825 | 4,292 | 14,266 |
| Land & Seismic | 2,280 | 2,766 | 282 | 19 | 39 | 10 | 20 | 30 | 3,117 |
| A&D | 1,710 | 390 | 10 | 66,027 | 65,471 | 48 | 142 | 190 | 66,061 |
| Other | -2,505 | -889 | -90 | 300 | 285 | -2 | 123 | 121 | -573 |
| TOTAL | 49,474 | 9,633 | 6,395 | 70,987 | 84,220 | 6,069 | 3,329 | 9,398 | 109,646 |

| Production (boe/d) * | | | | | | | | | |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Sales | 6,511 | 6,522 | 7,025 | 6,987 | 6,747 | 7,819 | 6,729 | 7,283 | 6,860 |
| Field | 6,648 | 6,810 | 6,532 | 7,082 | 6,729 | 7,536 | 6,739 | 7,144 | 6,773 |

** Estimates based on field data, actuals will vary from estimates due to accruals and adjustments. Such variances may be material.*

As we rapidly approach the end of the year, I do not think I am alone in my desire to see 2018 in the rear view mirror. Despite reasonably supportive energy fundamentals, this week every single stock in the S&P 500 energy sector traded below its 10, 50 and 200 day moving averages. That has only happened once before in the last 28 years, during the depths of the financial crisis in 2008. Does that mean we are approaching a bottom in the market? Who knows. But I sure hope so. Regardless, it is time to break this trend and get back on track towards healthy growth.

With the holiday season approaching it provides us all with an opportunity to take a well deserved break, put the past behind us and focus on the future. With that in mind I think it is worthwhile pointing out a few of the potential macro items that have me optimistic for oil prices in the new year.

- OPEC+ oil production cuts.
- Alberta oil production curtailments
- Continued increases in crude by rail
- The Enbridge line 3 expansion
- Initiating construction of the new Trans Mountain pipeline
- Initiating construction of the Keystone XL pipeline
- Increased awareness of the value and support for the future of the energy industry across Canada
- Opportunity to elect governments that support the high quality of life that our affordable and clean energy has brought us and governments that support the people who work in Canada's world class energy industry

The list could likely go on, but fundamentally I am optimistic that we have a solid chance of having a "Happy New Year" in 2019.

With that in mind, I would like to wish a happy and healthy holiday season to all Gear shareholders, and to thank you all for your continued support of the Gear strategy and team.

To better days!



Certain information in this monthly update is forward-looking within the meaning of certain securities laws, and is subject to important risks, uncertainties and assumptions. This forward-looking information may include, among other things, estimated production, expected cash flow and profit from certain assets of Gear, expectations of commodity prices and price differentials, demand for oil, capital expenditure budgets and estimates, royalty rates, operating costs, credit/debt requirements, and drilling inventory and locations. Readers should not rely on such forward-looking information to make investment decisions as the results or events anticipated or predicted in such forward-looking information may differ materially from actual results or events as a result of a number of factors including based on the risk factors as set forth in Gear's most recent annual information form (the "AIF"), which is available on this website and at www.sedar.com. Gear has based the forward-looking information on a number of assumptions including the assumptions identified in such monthly updates, which may not be realized. It has also assumed that the risk factors discussed in the AIF will not cause such forward-looking information to differ materially from actual results or events. The forward-looking information in this monthly update describes the expectations of management of Gear as of the respective dates of this monthly update and Gear 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 rely on the views of management of Gear as set out in this monthly update to make investment decisions with respect to Gear or other companies in the oil and gas industry and should instead consult with their own investment advisors.

This monthly update may include certain key performance indicators to analyze financial and operating performance such as cash flow from operations, cash flow from operations per debt adjusted share, production per day per thousand debt adjusted shares, operating netbacks, corporate netbacks and net debt, which do not have any standardized meaning prescribed by Canadian generally accepted accounting principles ("GAAP") and therefore may not be comparable with the calculation of similar measures for other entities. For additional information on these non-GAAP measures, see Gear's most recent management's discussion and analysis which is available on Gear's website at www.gearenergy.com and at www.sedar.com.

Barrel of oil equivalent ("boe") used in the monthly updates have been based on a conversion ratio of 1 barrel of oil to 6 thousand cubic feet of natural gas. A boe may be misleading, particularly if used in isolation, as such conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.