

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	Q3 18	18-Oct	18-Nov	18-Dec	Q4 18	2018
Drill & Complete	33,766	3,624	3,451	14,936	3,546	1,219	831	5,596	27,607
Facilities	14,223	3,742	2,742	3,490	2,467	1,825	845	5,137	15,110
Land & Seismic	2,280	2,766	282	39	10	20	4	34	3,121
A&D	1,710	390	10	65,471	48	142	111	301	66,172
Other	-2,505	-889	-90	285	-2	123	-1,405	-1,285	-1,979
TOTAL	49,474	9,633	6,395	84,220	6,069	3,329	386	9,783	110,032

Production (boe/d) *									
	2017	2018	2018	2018	2018	2018	2018	2018	2018
Sales	6,511	6,522	7,025	6,747	7,819	6,729	5,990	6,847	6,786
Field	6,648	6,810	6,532	6,729	7,536	6,739	6,805	7,030	6,776

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

This month, I am going to tell a story. It is a story about windsurfing, and oddly enough, I think it is an allegory for the path that many of us in the energy industry are on.

As a kid, way back in the early eighties, I was lucky enough to spend my summer holidays at the family cottage on a lake near the town of Bobcaygeon, Ontario. It was during one of these summer holidays that I was introduced to the new sport of windsurfing. Our cousins, who owned the cottage next door, rented a windsurfer for a week so everyone could give it a try. I found myself drawn to the opportunity, as were all of the kids (initially). Fortunately for me, after a couple of days, almost everyone else lost interest after realizing how difficult it was to stay standing on the board, let alone successfully maneuvering and sailing it. For the remainder of that week, I was able to spend hours each day figuring out how to get that board to go where I wanted it to. Slowly but surely, I was having some success. Those small advancements over that week were all it took, I was hooked.

A couple of years later, as a young teenager, I was able to earn enough money to buy my own windsurfer. It was previously loved, large and heavy and had a ridiculously shapeless fabric sail, but it was all mine and I loved it. I spent almost every day that summer on the board, sailing back and forth across the lake and starting to feel confident in my skills. Everything was going great, until the first day that a real wind showed up. I quickly discovered that the skills I had developed were almost completely useless as soon as high winds and large waves made an appearance.

Over that summer it became a relatively common occurrence for me to end up blown to the other side of the lake with no way to get back on my own. Fortunately, my father had my back. He had wisely purchased a set of binoculars to assist him in keeping an eye on me, and when I got stranded, he would fire up the little 5hp motor on the aluminum boat and come to my rescue.

Despite the challenges, it definitely wasn't all bad. There were those times when the wind was steady, the equipment was working perfectly, and I was balanced and strong. It was a huge rush when everything came together the way it was supposed to. It felt amazing to rip back and forth across the lake being powered by just the wind, (and the massive amount of time previously invested to build the required skills).

Over the course of that first summer, there was one day in particular, that I will never forget. The wind in the morning was steady and I was having a great time running all the way down the lake and back. However, as the day wore on, I started to get tired, the winds kept getting stronger, and then things got really bad. I was about as far as I could be from the cottage and no matter how hard I tried, I could not pull the sail out of the water. The wind was so strong that the sail was getting ripped from my hands, throwing me head over heels into the water every time. I eventually had to give up, because I was exhausted. I pulled myself out of the water one last time and just sat on the board, pathetically bobbing up and down in the huge waves.

At that point, I saw another windsurfing sail in the distance. It was an older gentleman that I had seen on the water many times before but had never really talked to. He effortlessly sailed up to me and stopped to ask how I was doing. I explained to the fellow that I just didn't think I could do it, it was too hard. I will never forget what happened next. He just smiled at me and said "Don't worry, I'm sure you will get it... with patience and perseverance, you can piss a hole through a stone." And then annoyingly, he sailed away without offering any actual help.

Although thought provoking, and a little gross, his words did nothing to help me overcome the conditions that day. Thankfully my dad showed up a short time later in the boat to rescue me, yet again.

Years later, in hindsight, it occurred to me that perhaps that fellow's comment did actually help me after all. Maybe not that day, but in the many tough days since. I think about how he made it look easy, and he had basically given me the secret ingredients to accomplishing the same thing. I know one thing for sure, I did get back on that board the next day and many days since then, regardless of how sketchy the conditions might have been.

Fast forward many decades later and here I am, still windsurfing. By continuing to be "patient and perseverant" I have been able to add innumerable small advances to my skillset. Some of those skills were attained through success. However, more often than not, it seems that most of them were gained through failure. You have not really windsurfed until you have crashed going so fast that your body skips multiple times across the surface of the water like an old worn stone.

I sometimes think back on those old days and that old equipment and I chuckle. I chuckle at how archaic the equipment really was, and I smile when I think about what I used to consider fast. Decades later, the equipment continues to evolve dramatically to be able to successfully conquer increasingly volatile and uncertain conditions. It is amazing what a little carbon fiber and modern polymers will do to enhance your results. The cumulative experience combined with the new equipment means that those conditions of old are no longer a challenge, in fact the winds that I look forward to now, would probably have killed me back in the eighties. I now travel the world seeking out new and more exciting places to windsurf and although I will always have more to learn, I have gotten pretty darn good at it. My dad has not had to rescue me for quite a while.

In my mind there is very little in this world more exhilarating and satisfying than combining your skills, energy and equipment with whatever conditions may arise to create a truly amazing and memorable experience. In this case I am talking about windsurfing, but in reality, I could be referring to just about anything.

During the last four years of this business we all have been subjected to endless turbulence and volatility, not thematically dissimilar to the challenges I faced in my early days of windsurfing. Volatile commodity prices, stymied pipeline projects and government interference just to name a few. Fortunately, through continuous learning, constant innovation, patience, and perseverance, we have always found the strength to get back up on that board ready to tackle each new challenge.

You will never succeed if you just wait on the shore hoping for the perfect wind. You need to get out on the water in every wind, bring the best equipment, stay focused, patient and determined. Then you can rely on your depth of experience to help you adapt to whatever wind happens to arrive.



(Ingram in Hood River, Oregon... not crashing spectacularly.)



(and in Baja, Mexico)

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.