Monthly Update

GEAR ENERGY

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FROM THE DESK OF INGRAM GILLMORE, PRESIDENT & CEO

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

Capital *

($k CAD)	Q1 18	Q2 18	Q3 18	Q4 18	**2018**	19-Jan	19-Feb	19-Mar	Q1 19
Drill & Complete	3,624	3,451	14,936	5,596	**27,607**	623	3,912	1,576	6,112
Facilities	3,742	2,742	3,490	5,137	**15,110**	608	640	1,428	2,676
Land & Seismic	2,766	282	39	34	**3,121**	104	54	514	671
A&D	390	10	65,471	301	**66,172**	-3	25	-1,059	-1,038
Other	-889	-90	285	-1,285	**-1,979**	28	99	-334	-207
TOTAL	**9,633**	**6,395**	**84,220**	**9,783**	**110,032**	**1,360**	**4,729**	**2,125**	**8,214**

Production (boe/d) *

Sales	**6,522**	**7,025**	**6,747**	**6,847**	**6,786**	**6,926**	**6,983**	**6,731**	**6,877**
Field	6,810	6,532	6,729	7,030	6,776	6,547	6,664	6,737	6,649

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

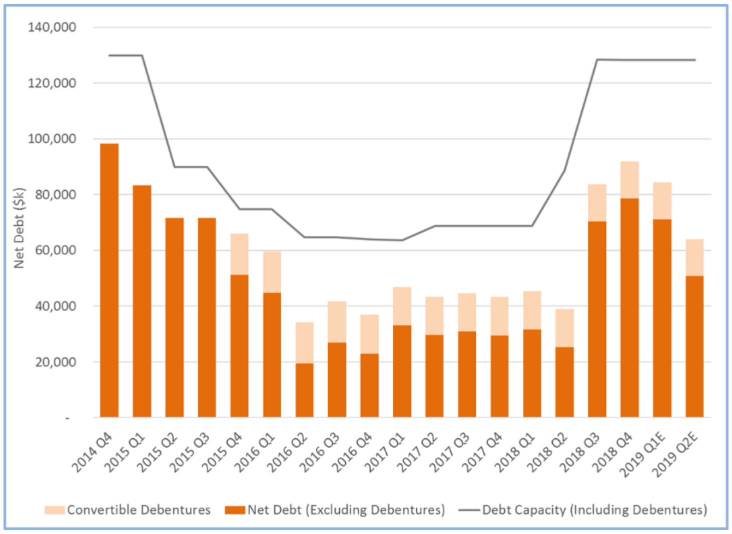
Gear Energy attended the Scotiabank CAPP Energy Symposium in Toronto last week, presenting alongside approximately 60 other energy focused organizations. It was a diverse slate of presenters with companies ranging from market capitalization values of a few million dollars, all the way up to multi-billion dollar integrated multi-nationals. Interestingly, the themes were relatively consistent, with discussions of significantly improved fundamentals, forecasts of potential free cash flow and an overarching observation that equity values have not yet adjusted to improved commodity prices.

Individual companies' strategic plans for free cash flow varied but were mostly revolving around similar actions; a huge focus on improving balance sheets to protect against volatility, discussions of implementing or potentially inclining dividends, and the contemplation of an extension or adoption of share repurchase programs. The one usual theme that did not get much airtime was talk of aggressive growth. The last point is not a big surprise considering the ongoing uncertainty with future pricing as it relates to the timing and scale of Canadian egress solutions.

The Gear presentation essentially contained the same general themes as outlined above. Despite Gear's strengthening fundamentals and deep inventory of economic growth opportunities, our current top priority remains to protect the company from external challenges and volatility by adopting an aggressive debt reduction strategy for the first half of 2019.

One of the highlights of the Gear presentation is the chart forecasting net debt by quarter. The chart was built using actual prices to date, the forward strip price predictions as of April 5, 2019, and corporate guidance for the remainder of the first half of 2019. The key forecasted outcome is an estimated 30% reduction in net debt from December 31, 2018 to June 30, 2019. This result should reduce the Gear net debt well below the forecasted year end 2018 value of $71 million, guided back in July of 2018 upon announcement of the Steppe Resources light oil acquisition.

In addition, the second quarter (and first half) annualized net debt to funds from operations ratios are forecasted to be back below one times, similar to the same July 2018 guidance.



From the chart you can see that the biggest reduction in net debt is planned for the second quarter of 2019. The main driver here being that there is only an approximate $2 million of capital spending forecast to be spent in the second quarter to reach the current guidance of $10 million for the first half of 2019. In addition to low capital spending, the forecasted debt reduction should be supported by continued strong prices, an easing of egress restrictions and the addition of new production from Tableland.

If current pricing expectations remain stable through the second quarter and into the rest of the year, Gear should be well positioned by the end of June to start considering a more ambitious capital investment plan for the second half of the year.

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.