

FROM THE DESK OF INGRAM GILLMORE, PRESIDENT & CEO

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

Capital *									
<i>(\$k CAD)</i>									
	Q1 19	Q2 19	Q3 19	19-Dec	Q4 19	2019	20-Jan	20-Feb	Q1 TD 20
Drill & Complete	6,112	1,818	9,253	2,607	9,071	26,253	2,436	3,785	6,221
Facilities	2,676	1,658	3,505	564	3,967	11,806	568	1,875	2,443
Land & Seismic	671	31	19	22	89	810	6	120	127
A & D	-1,038	-163	115	11	109	-977	3	0	3
Other	-207	-173	-977	60	-523	-1,880	-170	235	65
TOTAL	8,214	3,172	11,914	3,264	12,712	36,012	2,844	6,015	8,859

Production (boe/d) *									
Sales	6,877	7,161	6,922	6,739	6,888	6,962	6,757	6,801	6,778
Field	6,649	6,979	6,864	6,739	6,917	6,853	6,667	6,768	6,716

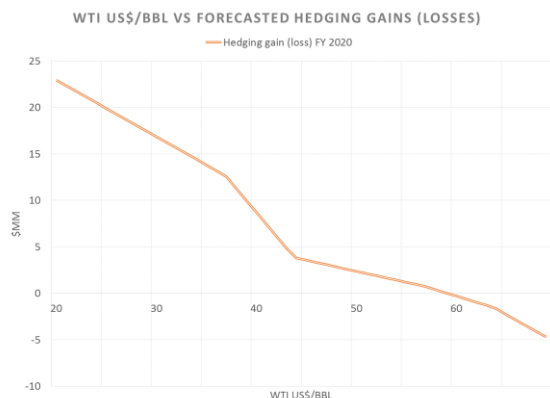
* Estimates based on field data, actuals will vary from estimates due to accruals and adjustments.

Let's begin this update with the hope that all of you and your loved ones are safe and healthy during these unprecedented times. Things have certainly escalated quickly, with health and economic panic essentially dominating everything right now. At Gear, we have been through some very volatile periods the last five years, and perhaps that was all to prepare us for this current environment. The Company is resilient, and we will do our best to navigate through to the other side of this.

On the bright side, we are well hedged through 2020, with approximately 3,200 barrels per day of oil protected through the year. Under current strip prices (including actuals to date) that risk management program is currently forecast to generate over \$20 million of gains. The following is a summary of our hedges:

Product	Term (Inclusive)	Contract	Volume bbl/d	Currency	Sold Call \$/bbl	Bought Put \$/bbl	Sold Put \$/bbl	Sold Swap \$/bbl
WTI	Jan 20 – Dec 20	Collar	700	CAD	C94.00	C65.00		
WTI	Jan 20 – Jun 20	Swap	1,800	CAD				C72.50
WTI	Jan 20 – Jun 20	Collar	700	CAD	C84.00	C65.00		
WTI	Jul 20 – Dec 20	3-way collar	400	CAD	C75.40	C65.00	C55.00	
WTI	Jul 20 – Dec 20	3-way collar	850	CAD	C75.75	C65.00	C55.00	
WTI	Jul 20 – Dec 20	3-way collar	1,250	CAD	C81.00	C65.00	C55.00	

Depending on what oil prices do over the rest of the year, the scale of those hedging gains can be quite volatile as shown here:



Counterbalancing that good news is the fact that current prices are not supporting field cash flow at a meaningful level, and the fixed costs of the business (general & administrative costs and interest expenditures) will erode some of those hedging gains.

In an effort to minimize that potential erosion and to maximize 2020 realized funds from operations, Gear is pursuing multiple cost saving initiatives. These measures include, but are not limited to:

- Immediately reducing compensation levels by 20% for all employees, officers and directors.
- Suspending the servicing of most wells that go down due to equipment failure.
- Reviewing all producing wells in detail and shutting in any that do not meet economic hurdles at current pricing.
- Continuing to scour the entire business for any other initiatives that may assist in lowering costs.
- Screening potential merger and acquisition prospects for synergistic opportunities and/or increase corporate liquidity.

These initiatives are similar to those taken in 2015 and in 2016 when we experienced similar oil price weakness, and hopefully the positive outcomes then will be replicated again.

The Gear team will remain nimble and opportunistic as we do everything we can to manage your company through these challenging times. Stay safe.

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.