Monthly Update

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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 19	Q2 19	Q3 19	Q4 19	**2019**	Q1 20	Q2 20	20-Aug	20-Sep	Q3 20	20-Oct	Q4 TD 20	**2020 YTD**
Drill & Complete	6,112	1,818	9,253	9,071	**26,253**	7,907	341	45	24	106	83	83	**8,437**
Facilities	2,676	1,658	3,505	3,967	**11,806**	3,037	-98	350	235	676	163	163	**3,777**
Land & Seismic	671	31	19	89	**810**	131	49	13	7	18	5	5	**203**
A&D	-1,038	-163	115	109	**-977**	3	0	0	0	0	0	0	**3**
Other	-207	-173	-977	-523	**-1,880**	26	-54	10	-3	-85	-11	-11	**-124**
TOTAL	**8,214**	**3,172**	**11,914**	**12,712**	**36,012**	**11,104**	**238**	**418**	**264**	**716**	**239**	**239**	**12,296**

Production (boe/d) *	Q1 19	Q2 19	Q3 19	Q4 19	2019	Q1 20	Q2 20	20-Aug	20-Sep	Q3 20	20-Oct	Q4 TD 20	2020 YTD
Sales	**6,877**	**7,161**	**6,922**	**6,888**	**6,962**	**6,744**	**2,749**	**6,139**	**6,654**	**5,867**	**5,828**	**5,828**	**5,194**
Field	6,649	6,979	6,864	6,917	6,853	6,688	3,072	6,110	5,980	5,612	5,992	5,992	5,214

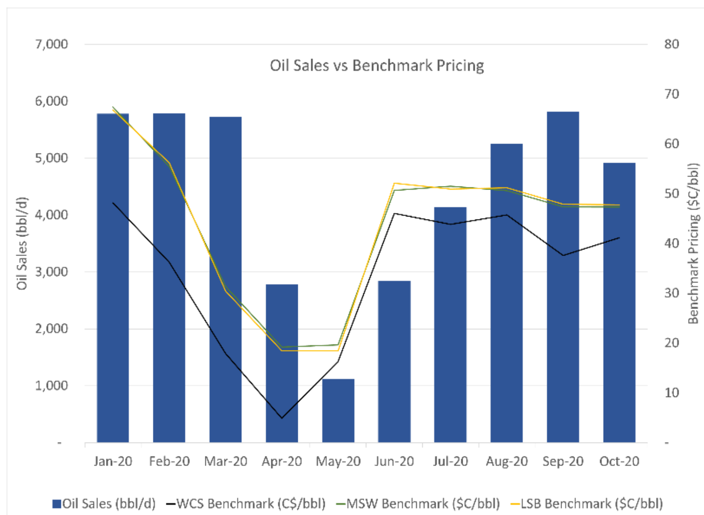
** Estimates based on field data, actuals will vary from estimates due to accruals and adjustments. Such variances may be material.*

Through volatile times such as these it is important to maintain focus on the fundamentals when working to manage the company towards long-term success. Just like in most other industries, those fundamentals, are simply to work every day to maximize revenues and minimize costs.

Looking at the revenue side of the energy business, it can be a little too easy sometimes to defer to the fact that commodity prices are beyond our control. This year is definitely a prime example of that, with unprecedented weakness and volatility in oil prices. However, despite the lack of control in pricing, there are still things that can be done to keep those numbers as strong as possible.

The first, and longest-term strategy to maximize revenue is to target a product mix that is capable of generating the highest prices possible. For Gear, this entails directing capital towards the development of high liquids weighted production. During the third quarter of 2020, Gear production was 89% weighted to liquids, with the majority of that being heavy, light and medium oil, with only 3% of corporate production being natural gas liquids. The weighted average realized price for those liquids was just over $42 per barrel. Compared to the $2.25/mcf realized for gas production during the same quarter, the liquids received over three times stronger pricing per barrel of oil equivalent (boe, on the industry standard 6 to 1 energy equivalency basis). Ultimately, Gear was able to receive a top decile price per boe for the third quarter of 2020 when compared to 25 publicly traded peers.

The second strategy to maximize revenue is to be nimble with production and take advantage of volatility and storage capabilities. This has been a common practice at Gear for many years, and 2020 is no different. The following chart shows the 2020 oil sales compared to the three benchmarks that determine Gear's pricing.



As pricing was compressing dramatically through the Spring, Gear proactively and aggressively curtailed oil sales. This was accomplished through storage in tanks as well as storage in the reservoir achieved by slowing down or temporarily shutting in producing wells. Basically, Gear chose not to give away reserves at low pricing, and instead delayed that production until prices improved. If you look very simply at April and May versus August and September, the average benchmark price in the fall is about $30 higher per barrel higher and the average volumes are about 3,600 barrels per day higher as well. Just on that simple math, the incremental revenue achieved by deferring two months of production from the Spring to the Fall is approximately $6.5 million. Definitely a worthwhile strategy to employ in 2020.

The last meaningful strategy to maximize revenue is to engage in a strategic and methodic risk management (hedging) program. Due to the ongoing uncertainty of future commodity pricing, this strategy is usually more about attempting to stabilize revenue than trying to maximize it. However, fortunately for Gear, to date the strategy has been an effective tool for maximizing value as well. Since January of 2012 up to the end of September 2020, the cumulative value of Gear's hedging programs has been a net positive gain of $20.7 million.

In aggregate, these three strategies are simple, but when executed properly, they have all been pivotal in helping to ensure Gear's success in maintaining very competitive revenues despite the continued volatility that the market has been delivering.

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.