

FROM THE DESK OF INGRAM GILLMORE, PRESIDENT & CEO

Gear is pleased to provide a new and comprehensive monthly format for the presentation of key operational and financial information for investors:

	Q1 20	Q2 20	Q3 20	Nov-20	Dec-20	Q4 20	2020	Jan-21	2021 TD
WTI Benchmark Price (\$US/bbl)	46.17	27.85	40.93	41.35	47.07	42.66	39.40	52.10	52.10
WCS Heavy Oil Differential (\$US/bbl)	(20.53)	(11.47)	(9.09)	(9.78)	(9.75)	(9.31)	(12.60)	(12.06)	(12.06)
MSW Light Oil Differential (US\$/bbl)	(7.58)	(6.14)	(3.51)	(3.91)	(4.57)	(4.07)	(5.33)	(5.78)	(5.78)
Funds from Operations (\$MM)	6.3	8.1	10.8	2.7	2.6	8.3	33.4	2.7	2.7
Capital and Abandonment Expenditures (\$MM)	11.8	0.3	0.8	0.0	0.3	0.5	13.4	3.5	3.5
Net Debt (\$MM)	80.3	70.2	60.5	55.2	52.9	52.9	52.9	53.1	53.1
Production (boe/d)	6,744	2,749	5,867	5,746	5,887	5,821	5,298	5,487	5,487

Note: All items are based on estimates; actuals will vary from estimates due to accruals and adjustments. Such variances may be material.

As we started to prepare this update for the first month of 2021 we stepped back and tried to decide if we were truly accomplishing our main goal with the historical data format. The goal has always been to try to ensure that shareholders have access to corporate estimates of important information in a timely fashion. Historically we have only provided monthly estimates of capital and production. Those items are absolutely important and can be very helpful in gauging how the company is doing, but they do not tell the whole story.

With this January release we have decided to exclude some less important details while expanding the scope of the data included in the monthly disclosure. As a result, we also had to change the manner in which we distribute these updates. From this point forward, monthly updates will be disseminated via press release with a link back to our website.

Monthly production used to be presented on both a sales basis and a field estimate basis. Occasionally these two data points may be helpful in determining if Gear was experiencing any egress issues or if we were building or reducing oil in storage. However, more often than not, the numbers were essentially the same, especially when presented on a quarterly basis. From now on, we will only present the sales numbers and will remind investors that monthly volatility is very normal, but most of it fades away once you average the numbers into each quarterly amount.

Although the data is readily available elsewhere, we felt that the addition of the West Texas Intermediate (“WTI”), the Western Canada Select (“WCS”) differential and the Mixed Sweet Blend (“MSW”) differential price information would provide additional monthly clarity and perspective on the rest of the presented results. These three benchmarks are the most helpful in determining the top-line revenue that Gear receives.

New to the reporting is a monthly estimate of Funds From Operations (“FFO”). Although it is not a generally accepted accounting term, it is the most common measure that investors ask about when determining the financial capability of an energy company. As a refresher, FFO is defined as received revenue, net of royalties payable, plus/minus hedging and minus operating costs, general and administrative costs, cash interest costs, and any other monthly cash costs. This number will vary month to month as a result of oil and gas pricing, produced volumes and costs.

Capital and abandonment expenditures have been scaled back to only show the total amounts. For details on the breakdown of capital expenditures go forward, investors can refer to the quarterly MD&A releases.

An estimate of corporate net debt was also thought to be extremely helpful for investors to see on a monthly basis. Although notionally it could be estimated between quarters by netting out the difference between FFO and capital, sometimes the number can be subject to a few variations due to changes in working capital (dominantly associated with the change in the value of any oil in inventory).

Those are the key changes in the data and we hope this new disclosure assists investors in feeling even more comfortable that they have a good understanding of the monthly financial and operational activities at Gear.

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 funds from operations 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 funds from operations, funds 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.