GEAR ENERGY

# Corporate Presentation
## February 2021

# Highlights

## Exceptional Financials

**Top FFO/boe for Q3 2020 within entire public peer group**

$20.09/boe and $10.8MM Q3 2020 Funds From Operations (“FFO”)

$15.41/boe and $17.24/boe Q4 2020 and 2020 FFO respectively

## Balance Sheet Strength

**Top three net debt to FFO ratio for Q3 2020 within peer group**

$60.5 million Q3 2020 net debt

1.4 times Q3 2020 annualized net debt to FFO ratio

$52.9 million Q4 2020 net debt 1.6 times 2020 net debt to FFO

## Deep Inventory of Economic Oil Drilling Locations

500 management estimated drilling locations (Dec 31, 2020). 86/161 booked as TP/P+P (2)

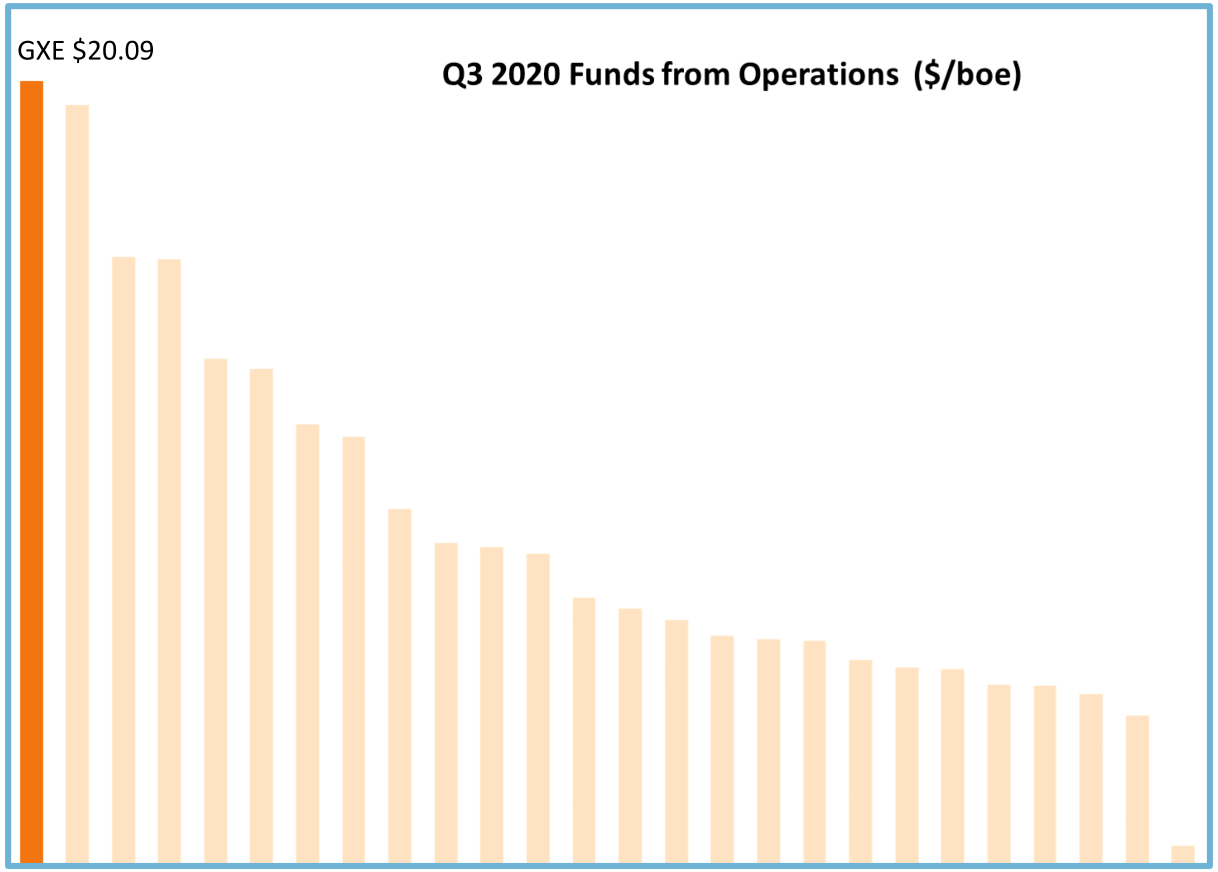
## Low Costs

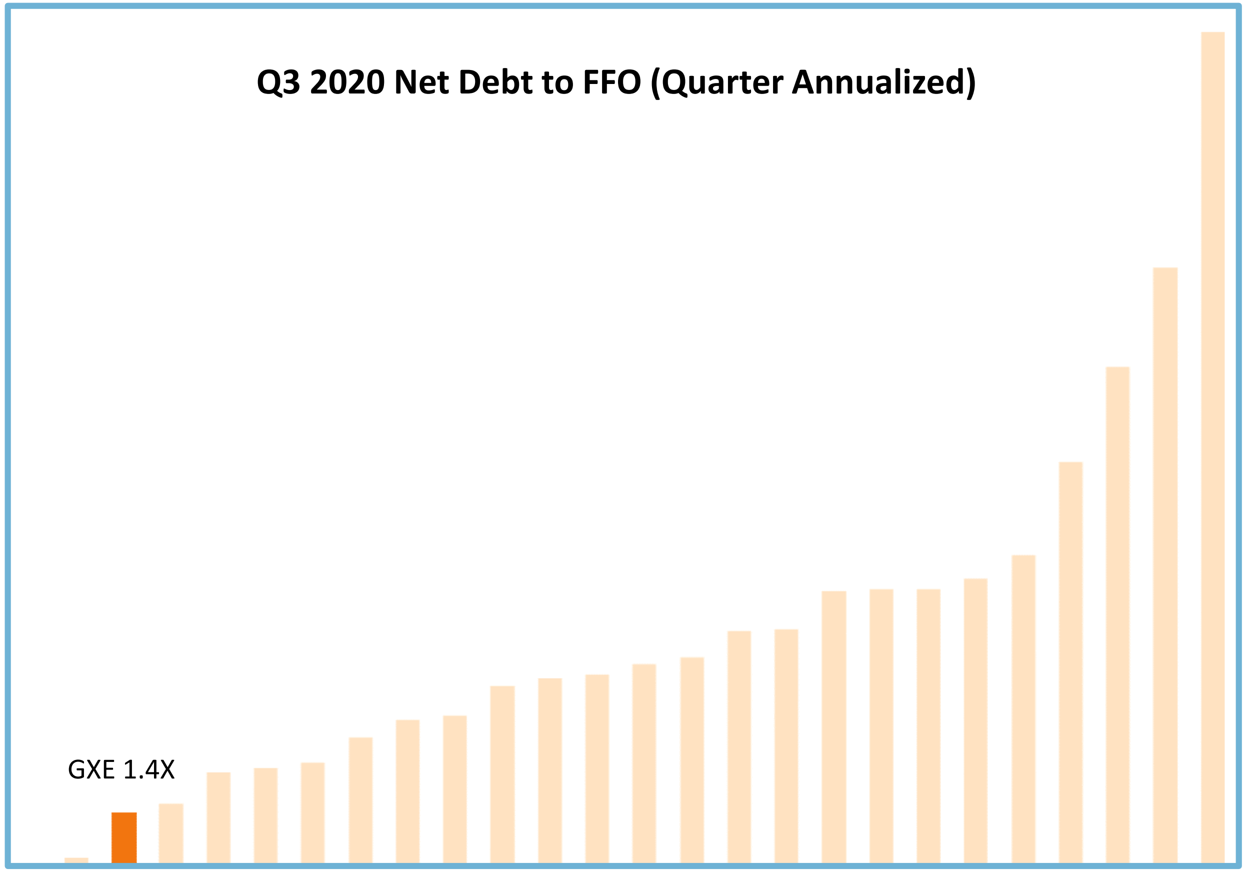
Total forecast cash costs per unit reduced by 30% since 2014

## Shareholder Alignment

9% Basic and 11% fully diluted insider ownership

# Top Tier Benchmarking




*(1) All peer data calculated internally from published 2020 Q3 financial reports. Peer group includes 25 publicly listed Canadian energy companies; AAV, ATH, BIR, BNE, BTE, CJ, CR, IPO, JOY, KEL, NVA, OBE, PEY, PIPE, PNE, POU, PPR, PRQ, SDE, SGY, SRX, TOG, TVE, WCP, YGR*

*(2) All management estimated drilling locations that are not Proved ("TP") or Proved plus Probable ("P+P") locations are considered as "unbooked" drilling locations. See "Drilling Locations" in Advisories*

*(3) See "Non-GAAP Measures" in Advisories*

# Corporate Information

## Public Listing
**TSX**

## Symbol
**GXE**

## Market Capitalization
**$80MM** (Feb 17, 2021)

## 52 Week Share Price Range
**$0.08 - $0.395**

## Outstanding Shares
**216.5MM**

## Net Debt
**$52.9MM** (Q4 2020)

## Outstanding Options
**13.3MM** (6.1%)

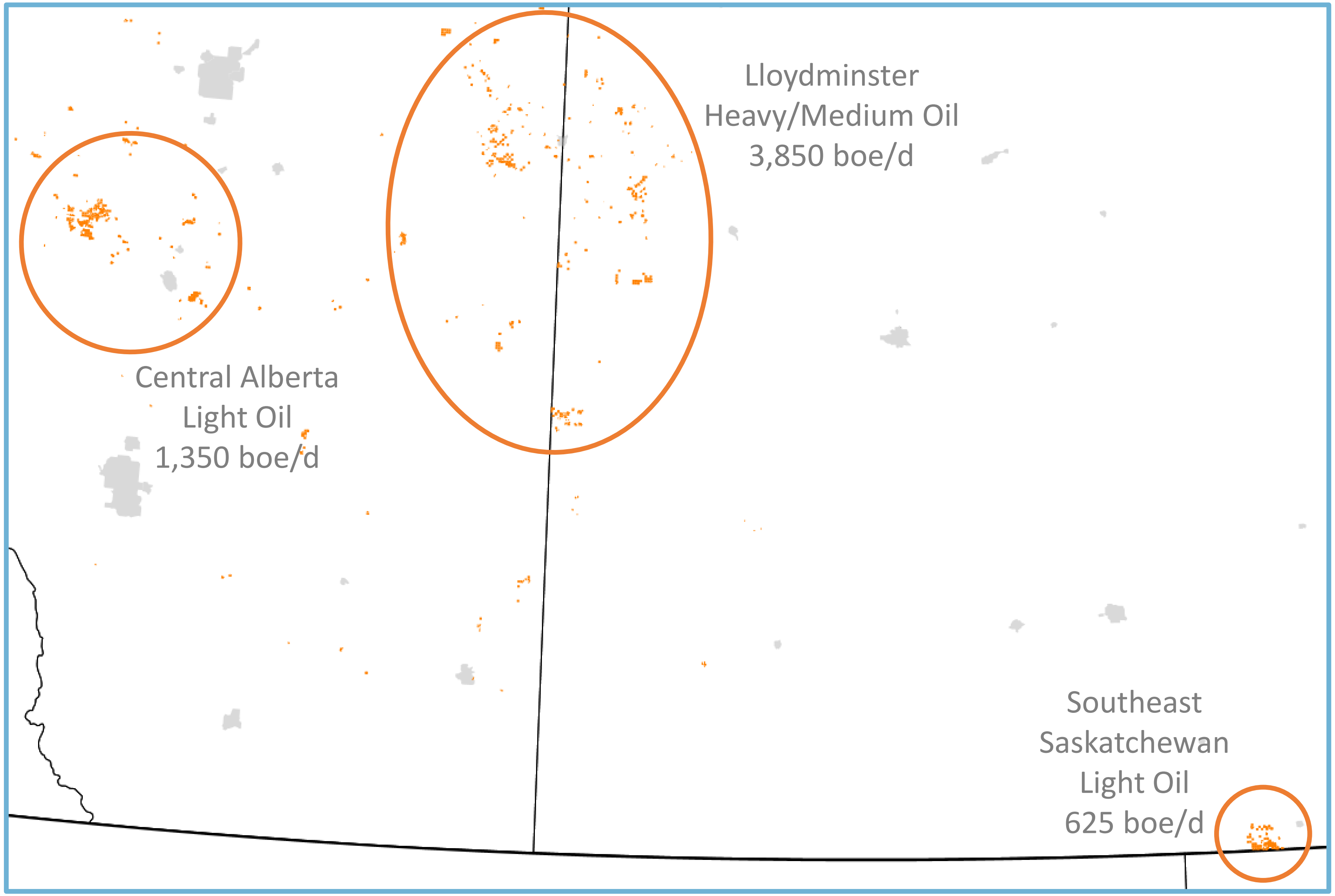
## Average Option Strike Price
**$0.40** (Dec 31, 2020)

## Insider Ownership
**9%** (11% diluted)

## Decommissioning Liability
**$87.5MM** (Q4 2020)


*(1) See "Non-GAAP Measures" in Advisories*

# Core Areas




## Lloydminster

66% of corporate production

Cold-flow heavy and medium oil from multiple Mannville formations

## Central Alberta

23% of corporate production

Light oil in the Belly River and Cardium formations

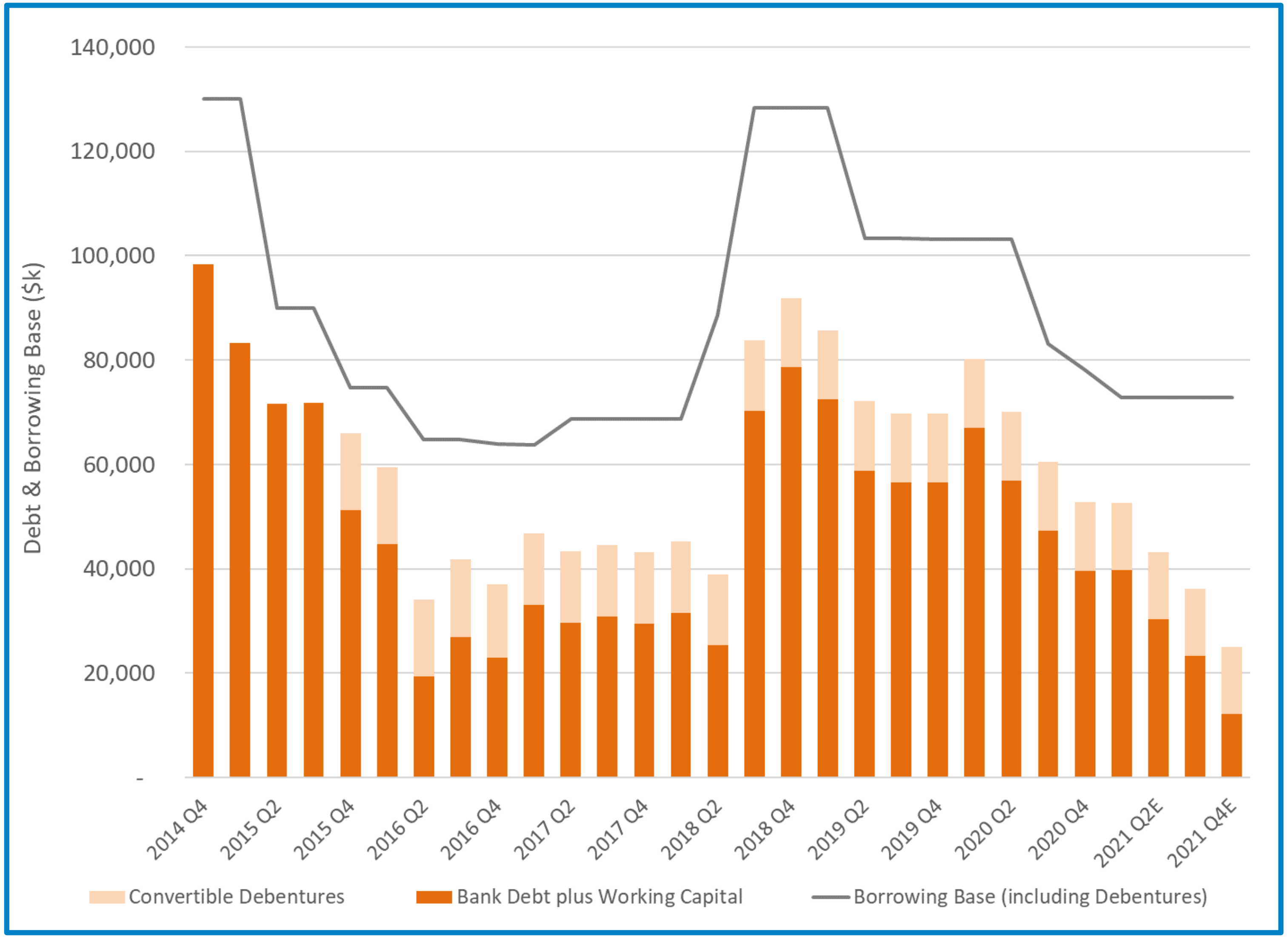
## SE Saskatchewan

11% of corporate production

Light oil in the Torquay

(Q4 2020 - 87% Liquids)

# Financial Strength




Exit 2020 net debt of $52.9MM and 2020 net debt to FFO ratio of 1.6x

2021 Forecasted FFO expected to fund the $20MM capital program and provide significant free FFO to reduce debt or potentially expand development capital (Feb 17, 2021 strip prices)

Convertible debentures amended on December 16, 2020:

- Maturity extension to Nov 30, 2023
- Interest rate of 7%
- 1 year Pay-In-Kind option
- Conversion price of $0.32 per share
- Current balance $12.8MM

*(1) See "Non-GAAP Measures" in Advisories*

# 2021 Plan

Capital budget of $20MM targeting production stability through drilling in existing and new economic core areas and continued improvement of the strong balance sheet

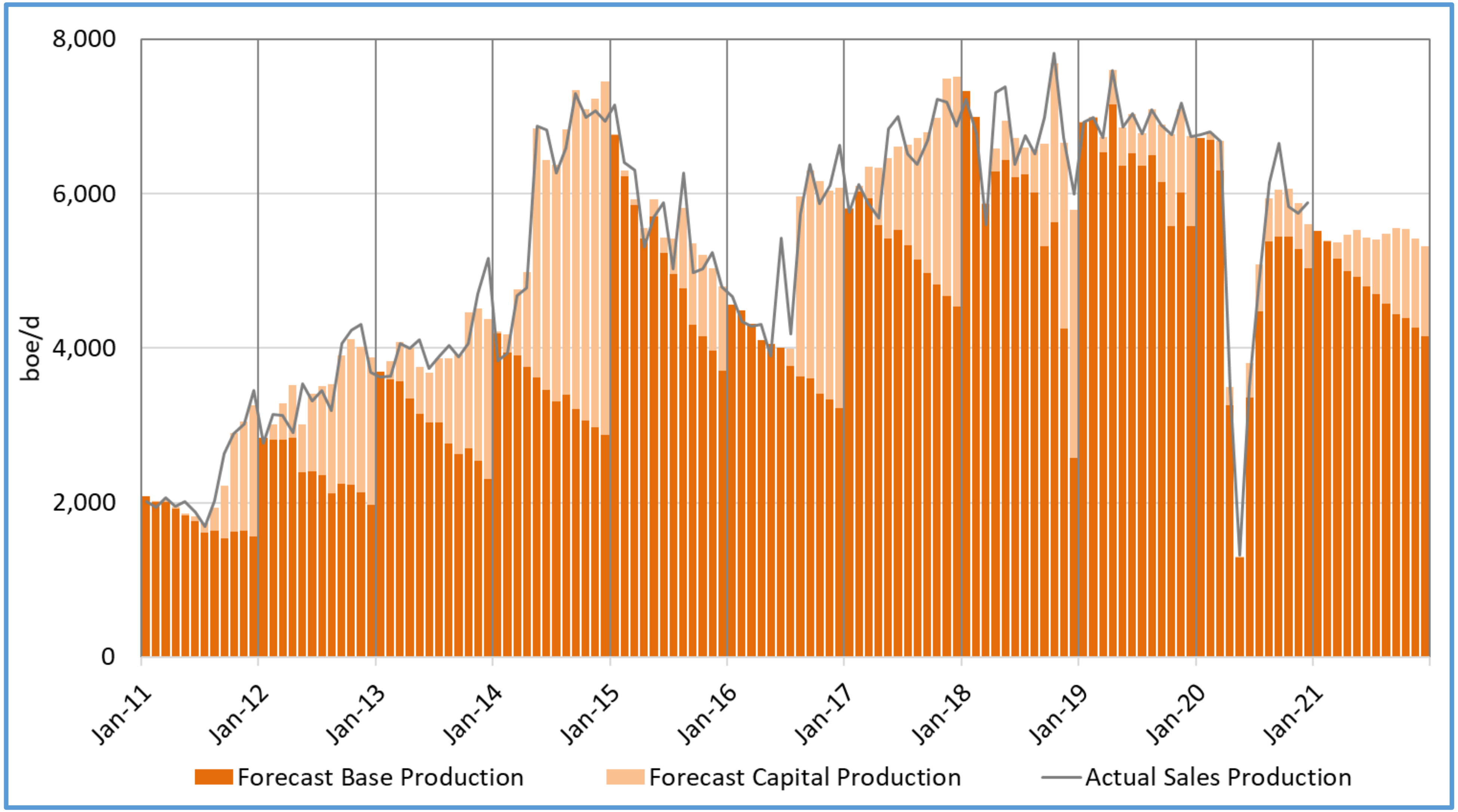
FFO in excess of capital will be balanced between further debt reduction and/or incremental growth opportunities

| Capital | |
|---|---|
| 11.7 | Drill 14 heavy oil wells in Lloydminster area |
| 2.8 | Drill 3 medium oil wells in Provost area |
| 1.3 | Drill 1 gross (0.5 net) light oil wells in Tableland area |
| 1.6 | Waterflood, recompletions and field capital projects |
| 1.5 | Workovers, land and corporate costs |
| 1.1* | Abandonment and reclamation activities |
| **$20 MM** | |

| | Guidance |
|---|---|
| Average Production | **5,400 – 5,500 boe/d** |
| Heavy Oil % | **55** |
| Light/Medium/NGL % | **33** |
| Royalties % | **11** |
| Operating & Transportation | **$18.00/boe** |
| G&A | **$2.15/boe** |
| Cash Interest | **$1.50/boe** |

***Additional $4.8 MM of government sponsored ARO funding commitments have been received for 2021**

# Production Summary




2020 production was curtailed to maximize the long-term value of reserves through the period of record pricing weakness

2021 capital budget of $20MM is forecast to stabilize production by offsetting the estimated 27% base decline

# Funds From Operations Sensitivity

The budget is estimated to deliver the following results if WTI oil prices average the displayed flat prices from Feb to Dec. First table includes the continuation of the $12.8 MM of Convertible Debentures ("CDs"), Second table assumes the CDs are equity retired on July 1, 2021 at $0.32 per share.

| **WTI US$/bbl** | **40** | **50** | **60** | **70** |
|---|---|---|---|---|
| 2021 FFO Estimate | $20.5 MM | $34.6 MM | $48.3 MM | $58.0 MM |
| FFO/share | $0.09 | $0.16 | $0.22 | $0.26 |
| 2021 Exit Net Debt | $51.5 MM | $37.4 MM | $23.8 MM | $14.1 MM |
| Net Debt/FFO Ratio | 2.5x | 1.1x | 0.5x | 0.2x |

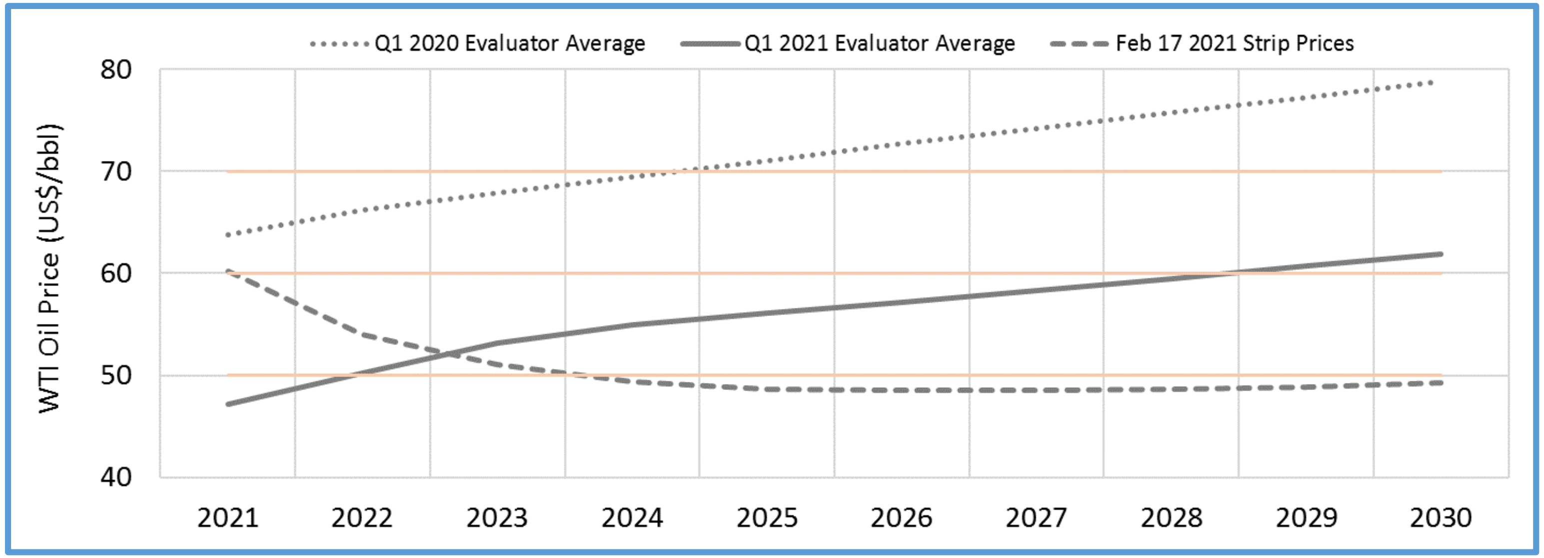
| | | | | |
|---|---|---|---|---|
| 2021 FFO Estimate (equity retired CDs) | $20.9 MM | $35.0 MM | $48.7 MM | $58.4 MM |
| FFO/share | $0.08 | $0.14 | $0.19 | $0.23 |
| 2021 Exit Net Debt | $38.3 MM | $24.2 MM | $10.6 MM | $0.9 MM |
| Net Debt/FFO Ratio | 1.8x | 0.7x | 0.2x | 0.0x |

Other assumptions based on recent strip pricing; WCS diff US$12/bbl, MSW/LSB diffs US$4/bbl, FX 0.79, AECO CAD$2.90/GJ, current guidance on corporate costs and inclusive of estimated risk management contracts

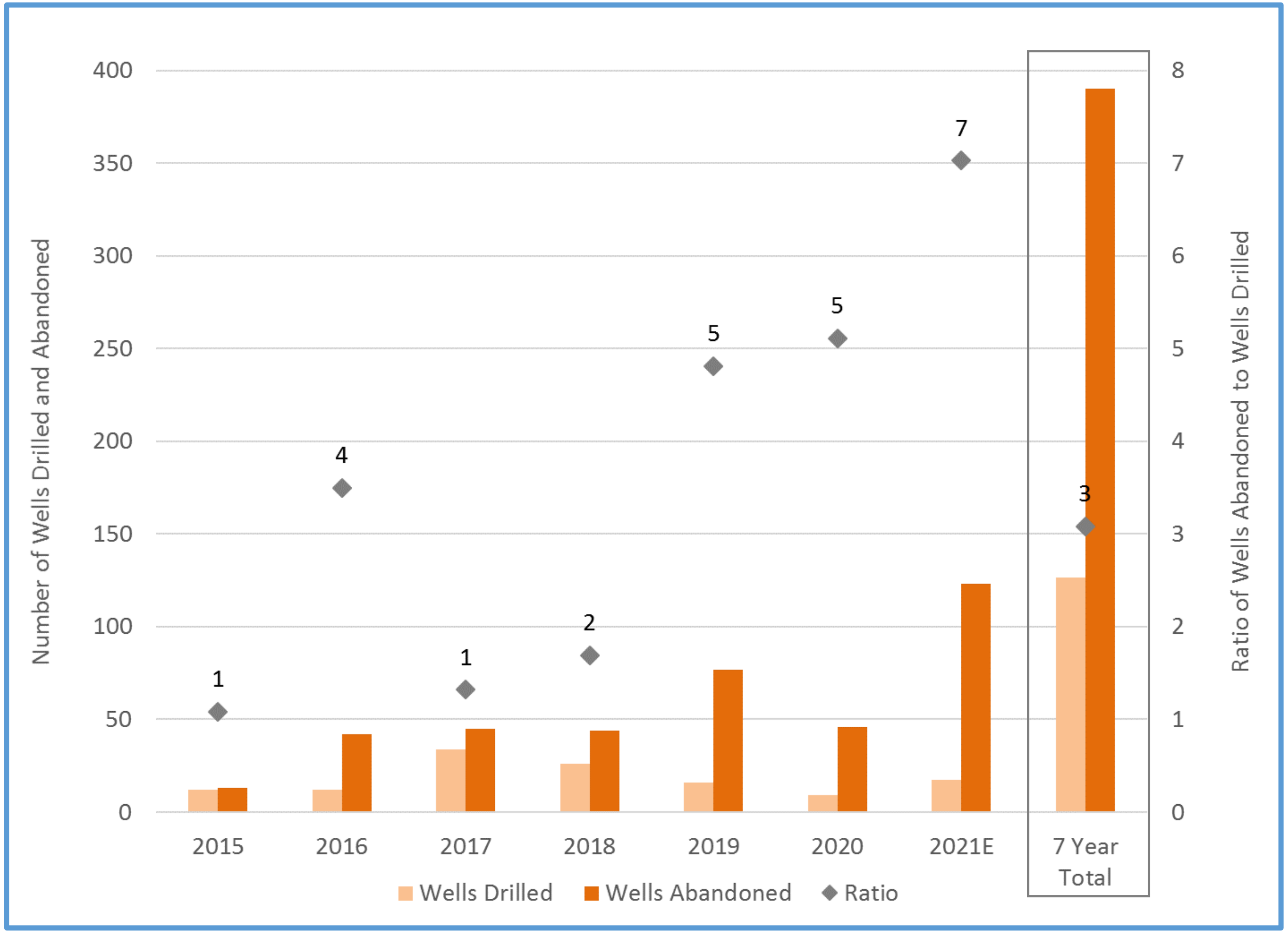
# Net Asset Value Sensitivity

The following table outlines the debt and land value adjusted reserves Net Asset Value ("NAV") at various price forecasts. At year-end 2020, net debt was $52.9MM, undeveloped land value was $5.7MM and there were 216.5MM shares outstanding. NAV's effective Dec 31, 2020. ("EV") is the Evaluator Average price forecast

| Forecast Pricing WTI US$/bbl | Q1 2021 EV | 50 | 60 | 70 | Q1 2020 EV |
|---|---|---|---|---|---|
| Proved Developed Producing ($/share) | 0.12 | 0.10 | 0.29 | 0.48 | 0.42 |
| Total Proved ($/share) | 0.29 | 0.20 | 0.51 | 0.87 | 0.82 |
| Proved plus Probable ($/share) | 0.80 | 0.57 | 1.10 | 1.67 | 1.66 |



# Reducing Liabilities




Improving our environmental footprint is a key goal at Gear

Abandonment and reclamation investments in 2021 are forecast at \$5.9MM including \$1.1MM internally sourced and \$4.8MM from Federal sources. (Further applications under the Federal programs are being pursued)

Plan to abandon approximately seven times as many wells as will be drilled in 2021

A total of 390 wells are estimated to be abandoned since 2015, over three times as many wells as drilled

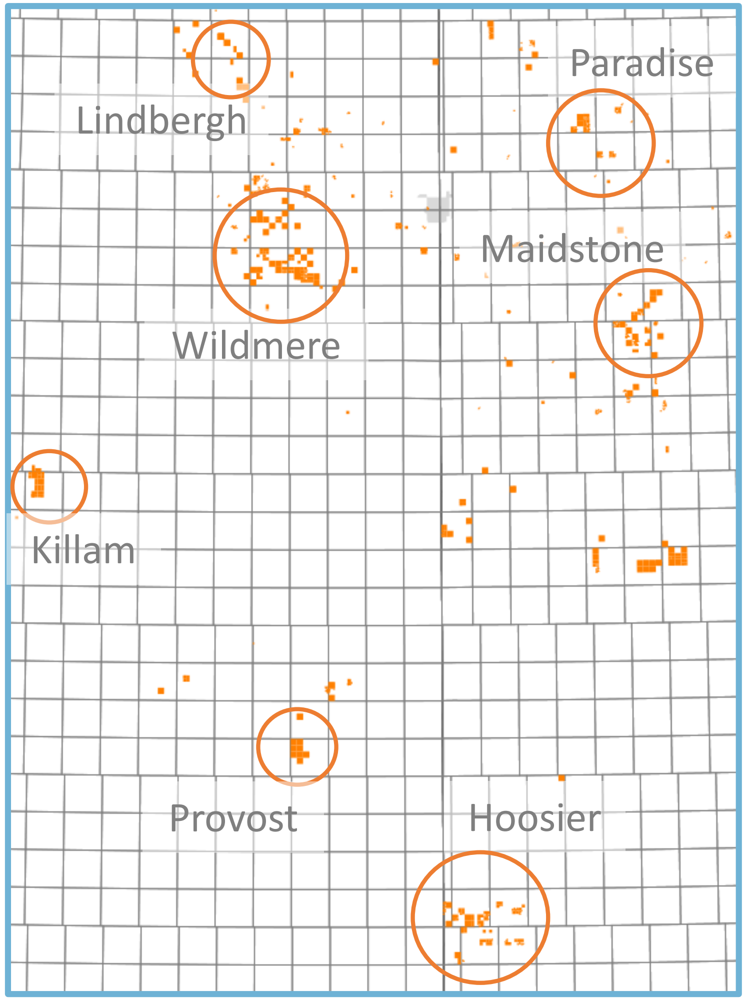
# Drilling Inventory

Future growth potential across the three core areas

| Core Areas | Lloydminster MLU<br>Multi-lateral unlined | Lloydminster SLL<br>Single leg lined | SE Saskatchewan | Central Alberta |
|---|---|---|---|---|
| Properties | Wildmere, Provost, Lindbergh, Maidstone | Paradise, Frenchman's Butte, Killam | Tableland | Wilson Creek, Ferrier |
| Formations | Cummings, GP, Sparky | McLaren, Lloydminster | Torquay | Belly River, Cardium |
| WTI$40US IRR% - Payout | 50% - 1.6yrs | 45% - 1.6yrs | 10% - 4.1yrs | 20% - 3.0yrs |
| WTI$50US IRR% - Payout | 110% - 1.1yrs | 100% - 1.2yrs | 30% - 2.3yrs | 50% - 1.5yrs |
| WTI$60US IRR% - Payout | 175% - 0.9yrs | 165% - 1.0yrs | 55% - 1.6yrs | 90% - 1.0yrs |
| Other Area Opportunities | Hoosier, Swimming, Soda Lake | Morgan, Wildmere, Swimming | Bakken, Ratcliffe | Drayton Valley, Brazeau |
| Estimated Inventory | 155 | 125 | 65 | 35 |
| Booked Locations | 21 TP / 51 P+P | 36 TP/ 45 P+P | 14 TP / 32 P+P | 11 TP / 19 P+P |

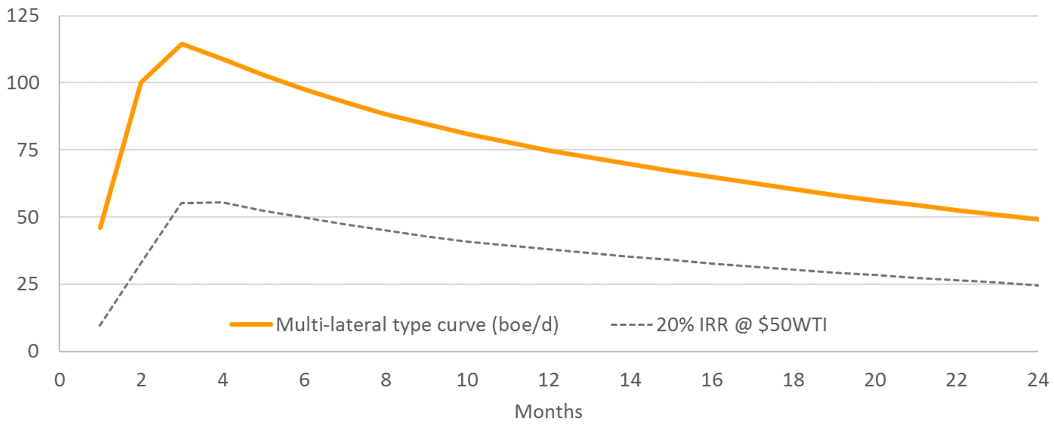
1) *See Appendix for economic assumptions. See also "Oil and Gas Metrics" and "Well Economics and Type Curves" and "Drilling Locations" in Advisories*
2) *Table excludes 120 Estimated Inventory locations including Hoosier Success multi-stage fractured locations and other various vertical heavy oil wells.*
3) *Table excludes 5 TP and 16 P+P booked vertical drilling locations*
4) *Estimated inventory locations and economics are presented on a net un-risked basis.*
5) *Booked locations are at of Dec 31, 2020*

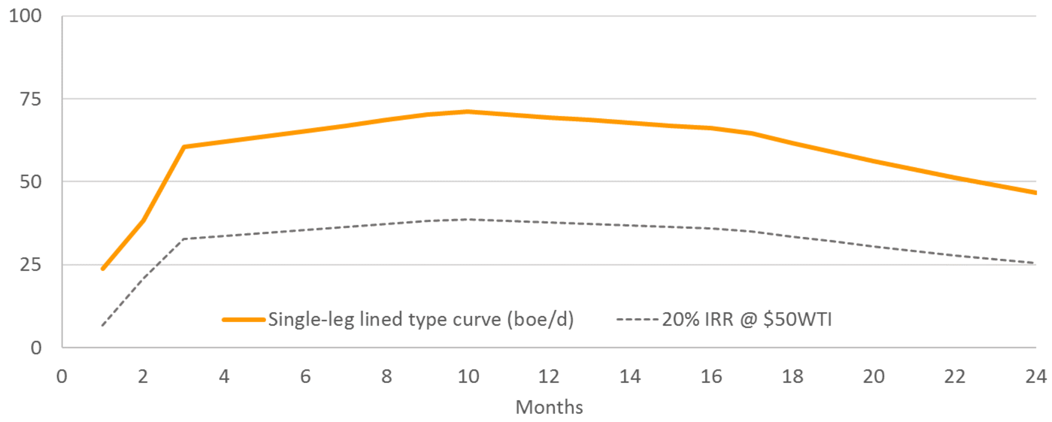
# Lloydminster




Future inventory of 280 heavy and medium oil multi-lateral unlined (MLU) horizontal wells and single-leg lined (SLL) horizontal wells

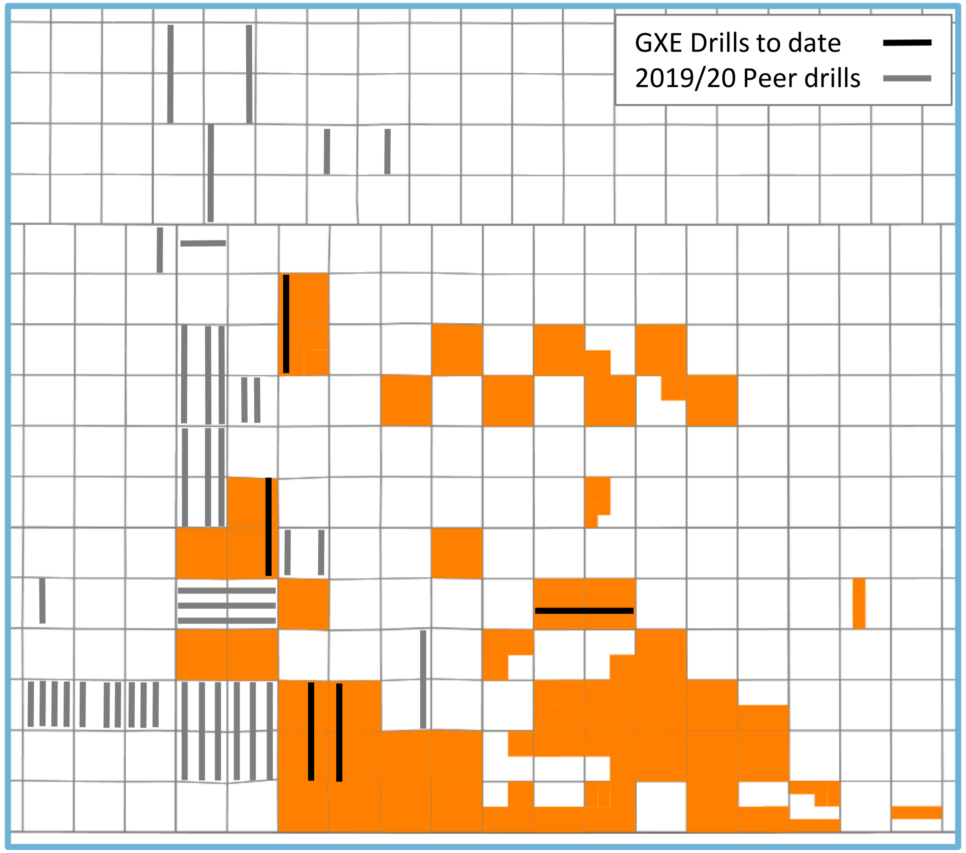
2021 plan includes 10 SLL wells in Paradise Hill, 4 MLU wells in the Lloydminster area and 3 MLU follow ups to the successful medium oil discovery in Provost

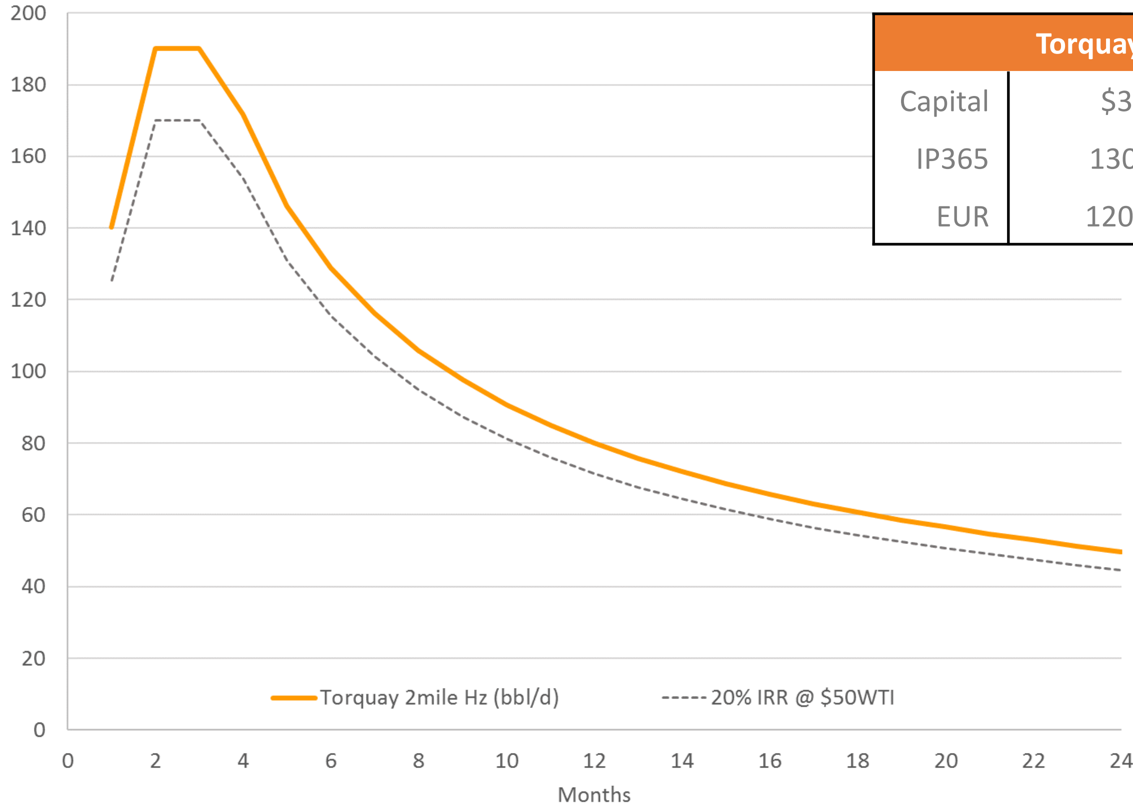



| | MLU Hz |
|---|---|
| Capital | $940k |
| IP365 | 80 boe/d |
| EUR | 90 mboe |
| | **SLL Hz** |
| Capital | $740k |
| IP365 | 60 boe/d |
| EUR | 65 mboe |

# SE Saskatchewan



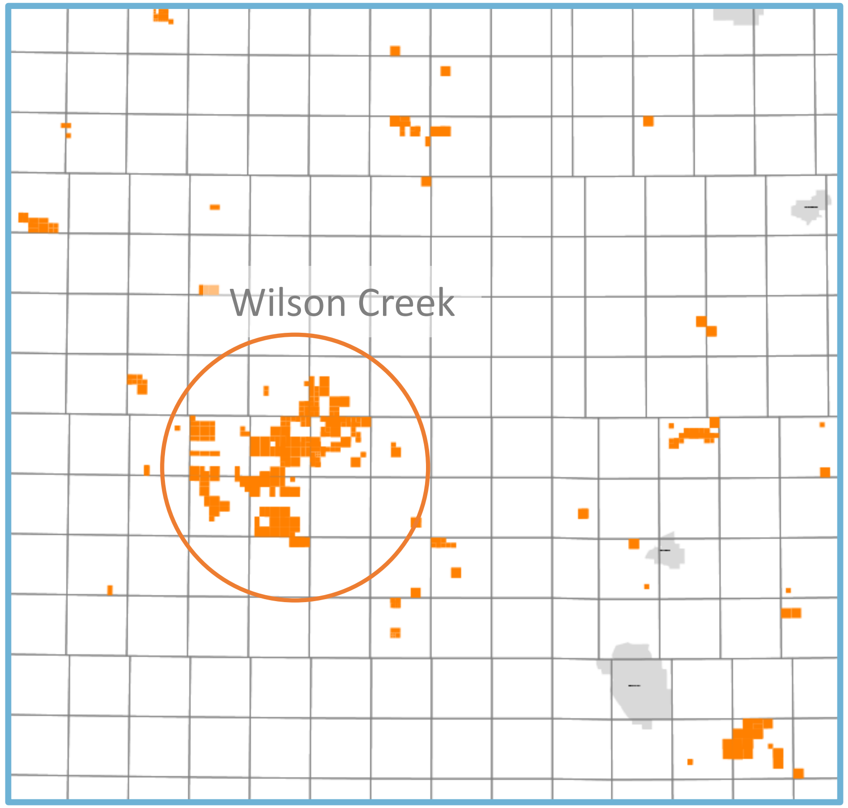

| | Torquay two-mile |
|---|---|
| Capital | $3,350k |
| IP365 | 130 bbl/d |
| EUR | 120 mbbls |

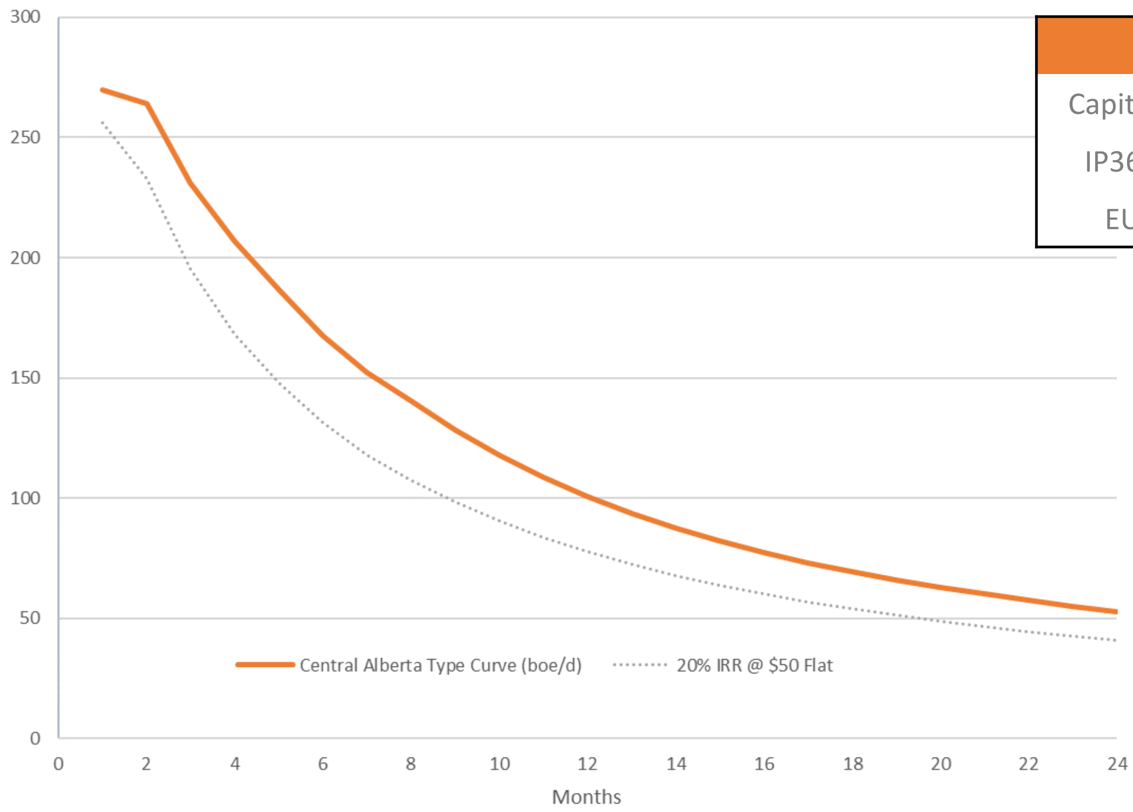
Future inventory of 65 horizontal light oil locations in the Torquay

2021 plan includes 1 gross (0.5 net) two-mile well to be drilled as part of a larger program by a low-cost working interest partner. (Gross capital of $2.6MM currently budgeted)

Oil price stability could drive increased investment in this high netback asset

# Central Alberta



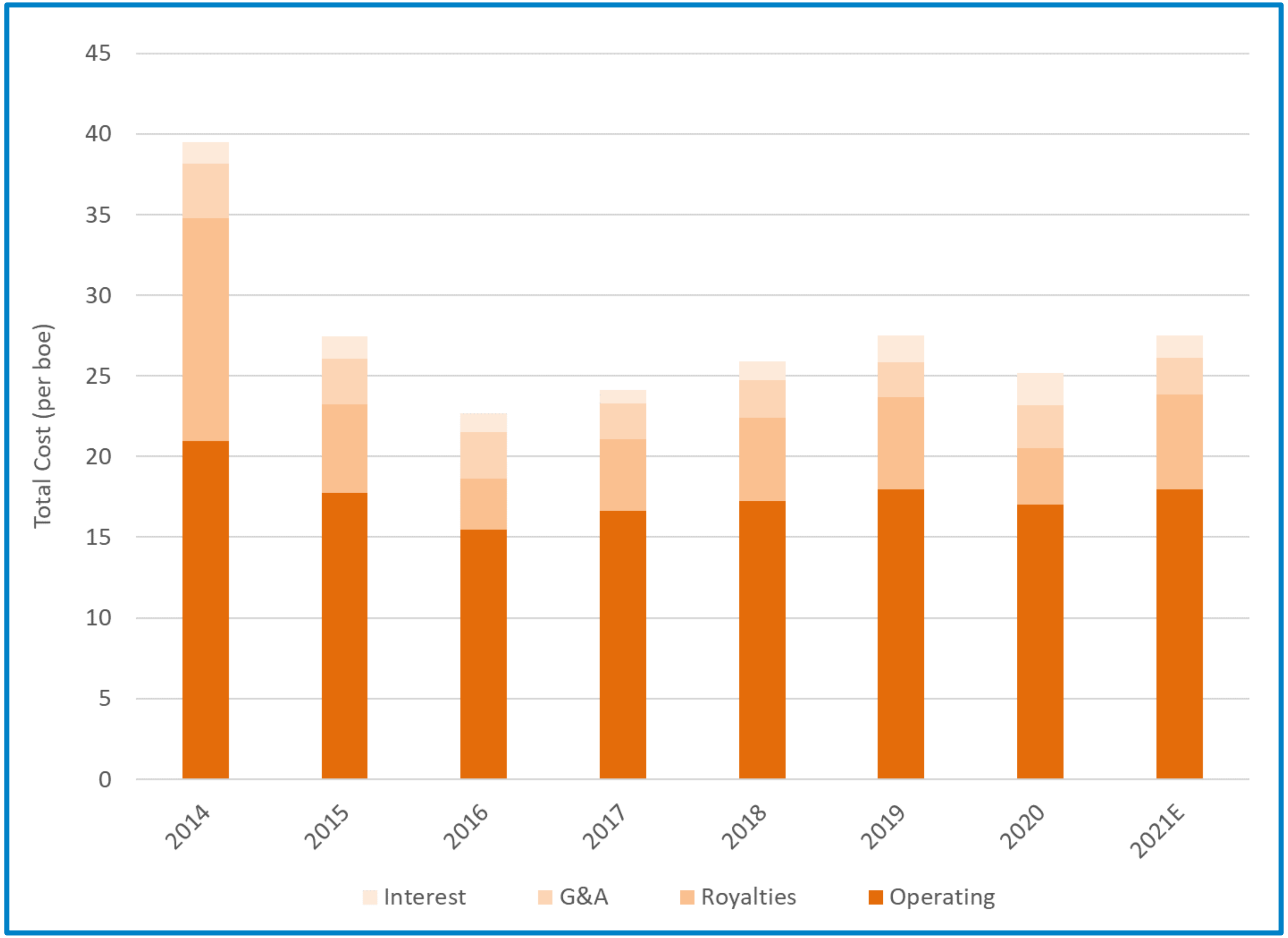




| | Central Well |
|---|---|
| Capital | $2,265k |
| IP365 | 170 boe/d |
| EUR | 155 mboe |

Future inventory of 35 horizontal light oil wells in Wilson Creek Belly River and Ferrier Cardium

Waterfloods continue to be expanded and optimized throughout Central Alberta, including multiple areas in Wilson Creek and in Chigwell

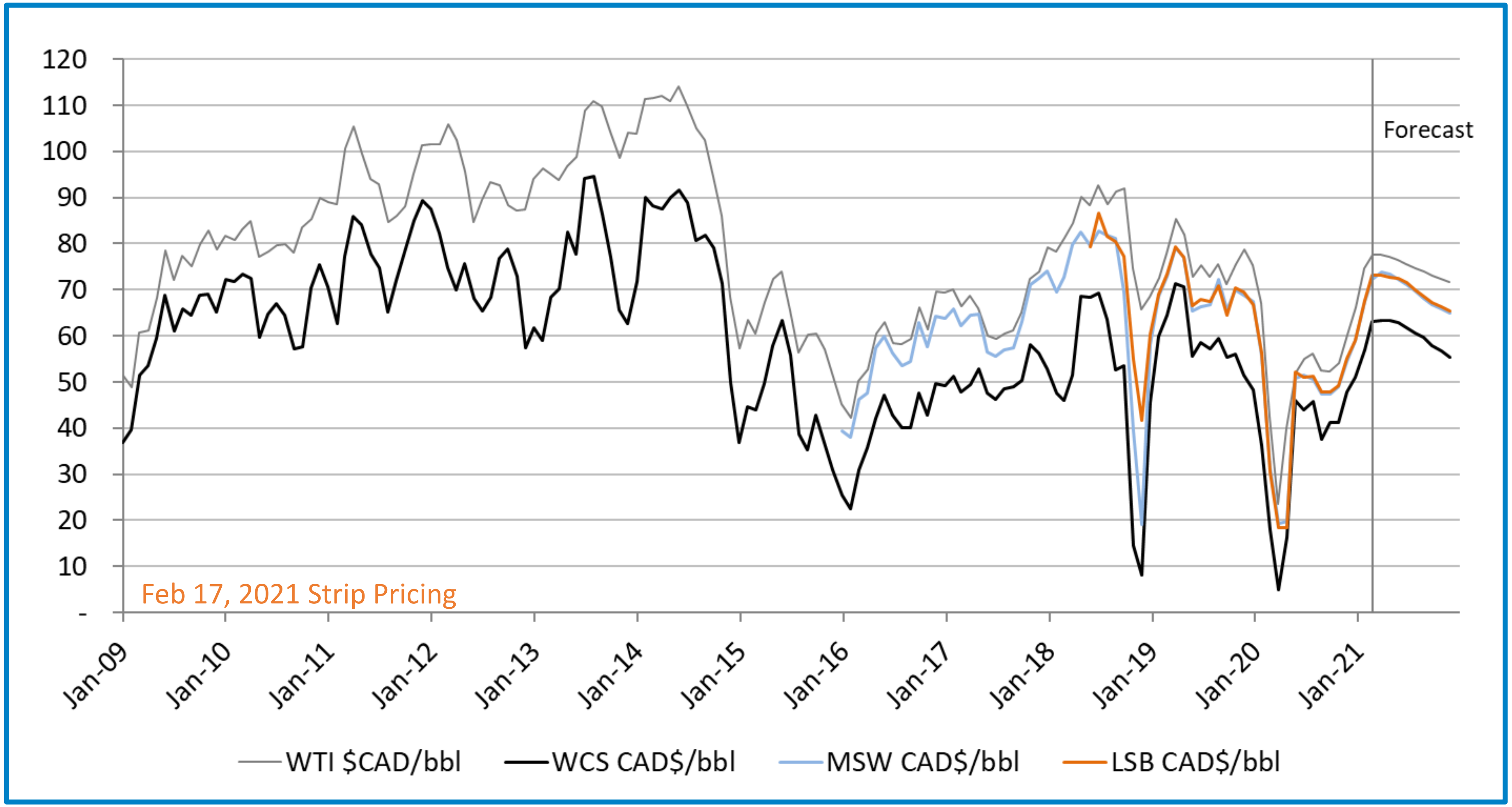
# Low Costs




Forecasting 30% reduction in estimated 2021 total costs per unit (Compared to 2014)

Accomplished by continuing to lower debt balances, utilizing a low compensation structure and focusing production operations on low cost, high productivity horizontal wells (primarily on Crown lands)

# Oil Marketing




Diversified liquids production linked to three different benchmark price streams

All liquids pricing has improved dramatically into 2021

WCS differentials should improve through the year with the commissioning of Line 3 in H2/21 and with turnarounds and reduced diluent usage through the summer months

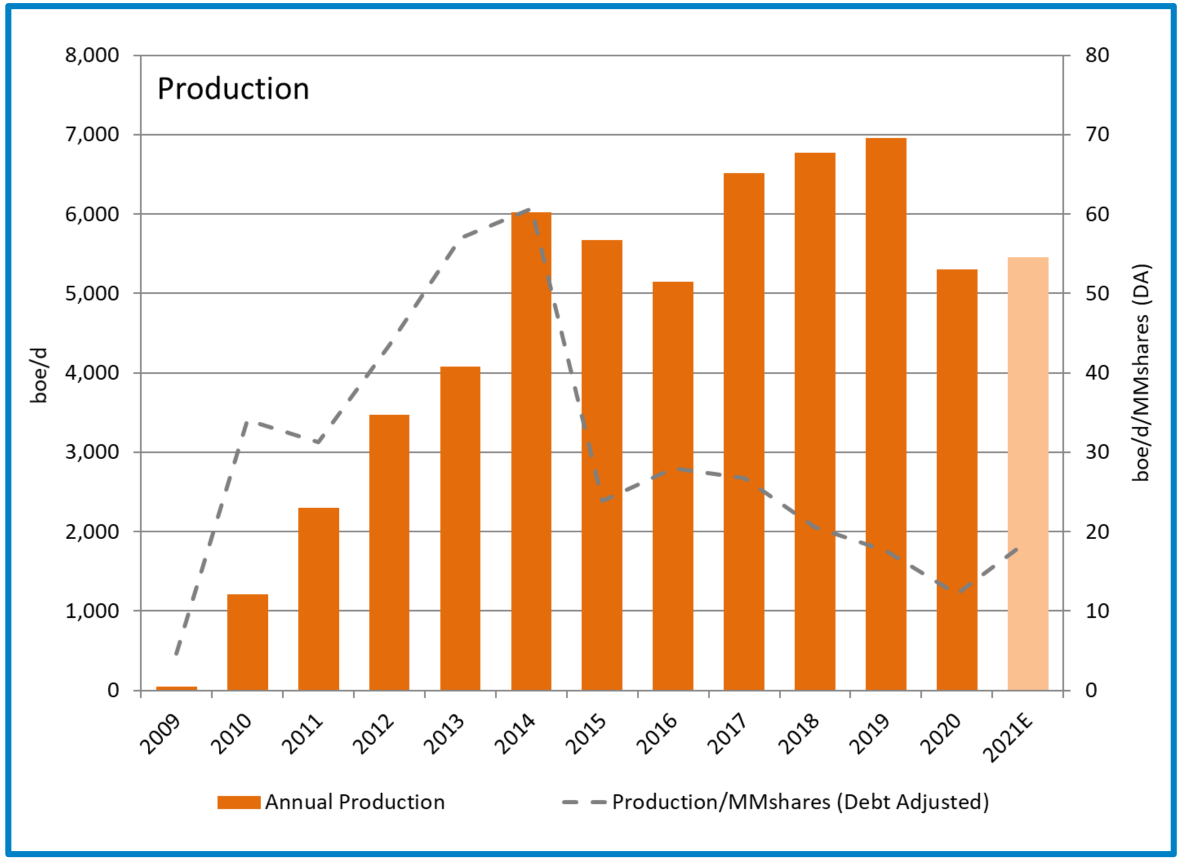
Lloydminster heavy oil prices = CAD WCS – $4.25/bbl
Central Alberta light oil prices = CAD MSW * 97%
SE Saskatchewan light oil prices = CAD LSB

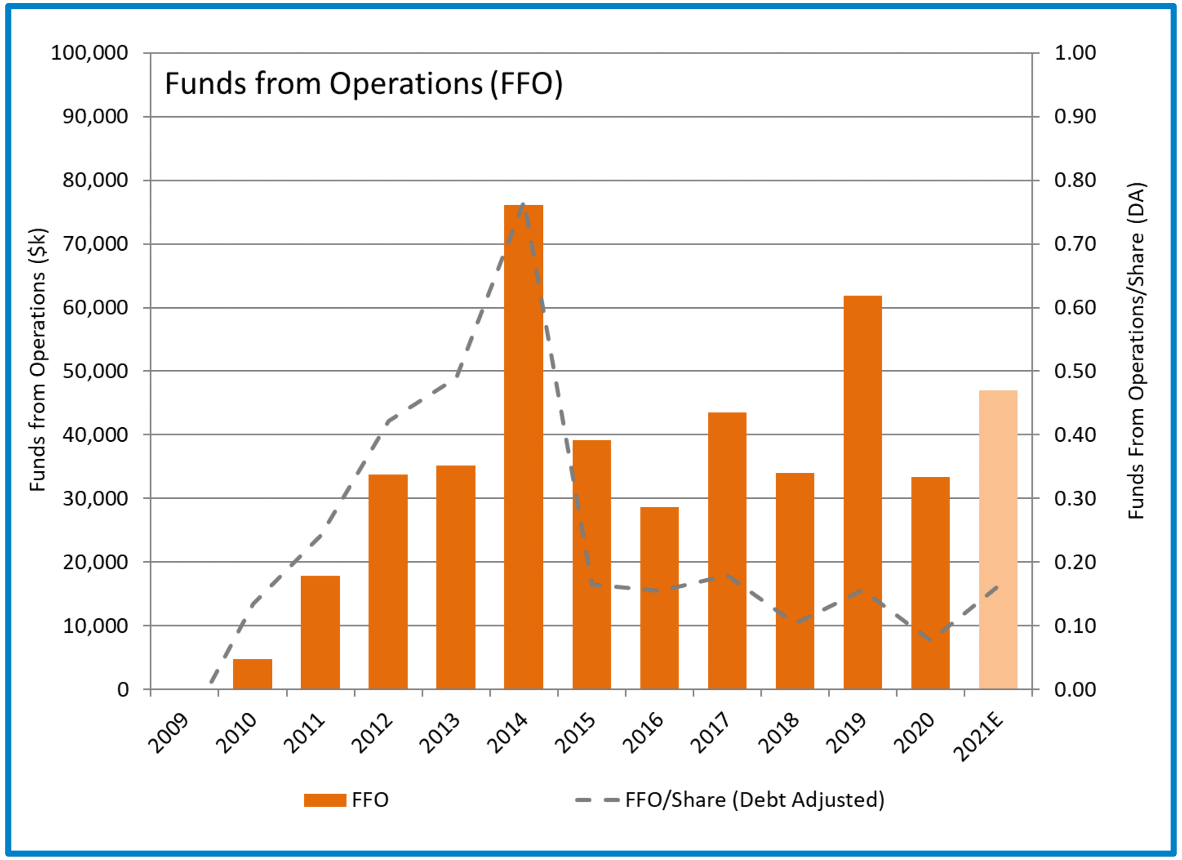
# Hedging

Gear targets the protection of approximately 50% of budgeted corporate production, net of royalties
Gear currently has approximately 53% of forecasted production protected, net of royalties

| Product | Term (inclusive) | Contract | Volume bbl/d | Currency | Sold Call $/bbl | Bought Put $/bbl | Sold Put $/bbl | Sold Swap $/bbl |
|---|---|---|---|---|---|---|---|---|
| WTI | Jan 21 – Mar 21 | Enhanced swap | 800 | US | | | 35.00 | 46.50 |
| WTI | Jan 21 – Mar 21 | 3-way collar | 1,300 | US | 50.00 | 42.00 | 35.00 | |
| WCS Diff | Jan 21 – Mar 21 | Physical | 1,300 | US | | | | (15.15) |
| WTI | Apr 21 – Jun 21 | 3-way collar | 1,100 | CAD | 70.50 | 55.00 | 45.00 | |
| WTI | Apr 21 – Jun 21 | Enhanced swap | 1,200 | CAD | | | 50.00 | 65.85 |
| WTI | Apr 21 – Jun 21 | 3-way collar | 300 | CAD | 83.00 | 55.00 | 45.00 | |
| WTI | Jul 21 – Dec 21 | 3-way collar | 400 | CAD | 83.00 | 55.00 | 45.00 | |
| WTI | Jul 21 – Dec 21 | 3-way collar | 800 | CAD | 71.00 | 55.00 | 45.00 | |
| WTI | Jul 21 – Dec 21 | 3-way collar | 800 | CAD | 74.00 | 55.00 | 45.00 | |
| AECO | Jan 21 – Dec 21 | Swap | 2,400 GJ/d | CAD | | | | 2.75 |

# History




Gear has all the ingredients for future value growth:
Strong balance sheet, Deep inventory of opportunities, low costs and a proven history of execution

Charts compiled using forward strip pricing as at Feb 17, 2021 and current guidance
2021 Debt adjusted shares calculated using a share price estimate of 2.5x FFO per share

*(1) See "Non-GAAP Measures" in Advisories*

# Gear Team

| Management | Role | Prior Experience |
|---|---|---|
| Ingram Gillmore | President & CEO, Director | VP Engineering – ARC Resources, Talisman |
| Yvan Chretien | VP Land | VP Land – ARC Resources, CNRL |
| Bryan Dozzi | VP Engineering | VP Business Development – Rock Energy |
| David Hwang | VP Finance & CFO | Controller – ARC Resources, EnCana |
| Jason Kaluski | VP Operations | Manager Operations – Questerre, ARC Resources |
| Dustin Ressler | VP Exploration | Manager Geology – Gear, CNRL |
| **Independent Directors** | | **Current/Prior Experience** |
| Don T. Gray | Chairman | Prior founder, President & CEO – Peyto Exploration & Development Corp. |
| Greg Bay | Governance & Comp Chair | Founding Partner, Managing Partner – Cypress Capital Management |
| Harry English | Audit Chair | Prior Senior Partner – Deloitte LLP |
| Scott Robinson | | Prior EVP Operations & COO – Peyto Exploration & Development Corp. |
| Wilson Wang | | Founder, Managing Partner – Twin Peaks Capital LLC, HFI research |
| Bindu Wyma | Reserves Chair | Prior VP Development North America – Talisman Energy |

# Advisories

*The information contained in this presentation does not purport to be all-inclusive or to contain all information that prospective investors may require. Additional information relating to Gear Energy Ltd. ("Gear" or the "Corporation") is available on Gear's profile on SEDAR at www.sedar.com and readers should read such information prior to making an investment decision. Prospective investors are also encouraged to conduct their own analysis and reviews of the Corporation and of the information contained in this presentation. Without limitation, prospective investors should consider the advice of their financial, legal, accounting, tax and other advisors and such other factors they consider appropriate in investigating and analyzing the Corporation.*

***Forward Looking Information****: Certain statements included in this presentation constitute forward looking statements or forward looking information under applicable securities legislation. Such forward looking statements or information are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes. Forward looking information in this presentation includes, but is not limited to, information with respect to: details of Gear's strategy for future operations and growth; expected future drilling locations and inventory; forecast production in 2021 (including expected commodity weightings); forecast of 2021 funds from operations to fully fund the $20 million capital program; forecast abandonment and reclamation investments in 2021, including the estimated number of wells that the Corporation will abandon as compared to how many it will drill; forecast reduction in estimated 2021 total costs per unit; the intent of the Corporation to protect and continue to improve the strength of its balance sheet in the future; forecast 2021 royalties, operating and transportation costs per boe, general and administrative costs per boe, interest costs per boe; estimated 2021 capital budget and details of such budget; forecast production per debt adjusted share in 2021; forecast funds from operations and funds from operations per debt adjusted share in 2021; expected sensitivities in funds from operations and net debt to changes in commodity prices; expected economics associated with certain drilling programs; expected future growth areas; expected waterflood optimization; expected drilling potential in certain other formations or zones; expected commodity prices and differentials; expectations of how Gear will transport and market its production; expectations of the hedging program and amount of production expected to be hedged; and the continued availability of adequate debt and equity financing and funds from operations to fund its planned expenditures.*

*Forward looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although Gear believes that the expectations reflected in such forward looking statements or information are reasonable, undue reliance should not be placed on forward looking statements because Gear can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this presentation, assumptions have been made regarding, among other things: the impact of the COVID-19 pandemic; the impact of increasing competition; the general stability of the economic and political environments in which Gear operates; the timely receipt of any required regulatory approvals; the ability of Gear to obtain qualified staff, equipment and services in a timely and cost efficient manner; the ability of the operator of the projects which Gear has an interest in to operate the field in a safe, efficient and effective manner; field production rates and decline rates; the ability to replace and expand oil reserves through acquisition, development or exploration; the timing and costs of pipeline, storage and facility construction and expansion and the ability of Gear to secure adequate product transportation; future oil prices; the differentials between heavy and light oil pricing; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Gear operates; the ability to secure financing on terms acceptable to Gear; the continuation or retirement of the Corporation's convertible debentures; the performance of existing and future wells to be as expected, the ability of Gear to successfully market its oil and natural gas products; and the expected continued availability of credit under Gear's credit facilities. In addition, to the extent that any forward-looking information presented herein constitutes future-oriented financial information or a financial outlook such information has been approved by management on December 17, 2020 and has been presented to provide management's expectations used for budgeting and planning purposes based on the assumptions presented herein and such information may not be appropriate for other purposes. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which have been used. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties.*

*Other risks include risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets and other economic and industry conditions, ability to transport production and access markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling services, incorrect assessment of value of acquisitions and failure to realize the benefits therefrom, delays resulting from or inability to obtain required regulatory approvals, the lack of availability of qualified personnel or management, health and safety hazards posed by the COVID-19 pandemic; stock market volatility and ability to access sufficient capital from internal and external sources and economic or industry condition changes.*

# Advisories

*Actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Gear will derive therefrom. Additional information on these and other factors that could affect Gear are included in reports on file with Canadian securities regulatory authorities that may be accessed through the SEDAR website (www.sedar.com) or at Gear's website www.gearenergy.com. The forward-looking statements contained in this presentation are made as of the date hereof and Gear undertakes no obligations to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

***Non-GAAP Measures**: In this presentation, management uses certain key performance indicators ("KPI's") and industry benchmarks such as funds from operations, net debt, net debt to annualized funds from operations and total cash costs to analyze financial and operating performance.*

*Management believes that these KPI's and benchmarks are key measures of financial performance for Gear and provide investors with information that is commonly used by other oil and gas companies. However, these KPI's do not have standardized meanings under Canadian generally accepted accounting principles ("GAAP") and therefore may not be comparable with the calculation of similar measures by other companies. Funds from operations is calculated as cash flows from operating activities before changes in non-cash operating working capital and decommissioning liabilities settled. Net debt is calculated as debt less current working capital items, excluding risk management contracts and the current portion of decommissioning liabilities. Net debt to annualized funds from operations is calculated as net debt divided by the funds from operations for the relevant quarter multiplied by four. Management presents both funds from operations and certain other metrics on a per unit (or boe) basis. Per unit basis is calculated by the dividing funds from operations (or such other metric) by the average production in a period. For additional information on the use of these measures including reconciliations to the most directly comparable GAAP measures, if any, and their pertinent relevance, please see Gear's most recent Management's Discussion and Analysis ("MD&A") on Gear's profile at www.sedar.com. The following KPI's and benchmarks are not described in Gear's MD&A. Total cash costs are calculated by adding interest expense, general and administrative expense, royalties and operating costs together on a per unit basis of production. Management considers total cash costs to be a key measure of all the costs associated with producing each unit of production.*

***Drilling Locations**: This presentation discloses Gear's expectations of future drilling locations. While certain of these estimated drilling locations may be consistent with "booked" drilling locations identified in Gear's most recent independent reserves report (the "**Sproule Report**") as prepared by Sproule Associates Limited ("**Sproule**") effective December 31, 2020, as having associated proved and/or probable reserves, other locations are considered "unbooked" as they have no associated proved and/or probable reserves in Gear's most recent independent reserves report or any associated resources other than reserves. All drilling locations have been presented on a net basis. Unbooked locations are internal estimates based on Gear's prospective acreage and an assumption as to the number of wells that can be drilled per section based on industry practice and internal review. Unbooked locations have been identified by management as an estimation of our multi-year drilling activities based on evaluation of applicable geologic, seismic, engineering, production, pricing assumptions and reserves information. There is no certainty that Gear will drill all drilling locations identified herein and if drilled there is no certainty that such locations will result in additional oil and gas reserves, resources or production. The drilling locations on which Gear actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results, additional reservoir information that is obtained and other factors. While the majority of Gear's unbooked locations are extensions or infills of the drilling patterns already recognized by Gear's independent evaluator, other unbooked drilling locations are farther away from existing wells where management has less information about the characteristics of the reservoir and therefore there is more uncertainty whether wells will be drilled in such locations and if drilled there is more uncertainty that such wells will result in additional oil and gas reserves, resources or production.*

***Net Asset Value**: This presentation contains a calculation of the net asset value per share of Gear. The net asset value has been calculated based on the net present value of the future net revenue discounted at 10% of both proved reserves and proved plus probable reserves as set out in the Sproule Report utilizing the price forecast used for the Sproule Report, which was the average of price forecasts prepared by Sproule, GLJ Petroleum Consultants Ltd. and McDaniel & Associates Consulting Ltd. effective at January 1, 2021. In addition, a sensitivity has been presented showing the net asset value per share based on the net present value of the future net revenue discounted at 10% of both proved reserves and proved plus probable reserves using different constant commodity price scenarios. In addition, the net asset value calculation also includes an internal management estimate of the value of Gear's undeveloped land.*

# Advisories

**Oil and Gas Metrics**: *This presentation contains a number of oil and gas metrics, including capital efficiency, peak IP 365, internal rate of return or "IRR", pay-out-period or "POP", and estimated ultimate recovery or "EUR", which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies. Such metrics have been included herein to provide readers with additional measures to evaluate the Corporation's performance; however, such measures are not reliable indicators of the future performance of the Corporation and future performance may not compare to the performance in previous periods. Capital efficiency is based on the total capital invested in a period divided by the average daily production additions (over the period indicated) resulting from such activity. IP 365 is the expected or actual initial production rate for the first 365 days of production of a well. Internal rate of return is calculated by taking the expected capital costs to drill, complete and equip wells and balancing them against the future net revenue expected using various commodity price forecasts and management estimates of operating costs, royalties, production rates and reserves. The production and reserves estimates are based on a combination of actual area average results and independently assessed values from the independent engineers. Payout is the estimated period to fully recover all capital spent for drilling, completion and tie-in of a well. EUR is the estimate of all resources expected to be recovered from a well based on the type curve presented. The capital efficiencies, initial rates of production, internal rates of return, pay-out-periods and EURs associated with the wells or assets have been provided herein to give an indication of management's assumptions used for budgeting, planning and forecasting purposes. The capital efficiencies, initial rates of production and internal rates of return associated with the wells or assets will most likely be different than projected. Any references in this presentation to capital efficiencies, initial rates of production and internal rates of return associated with the wells or assets are useful in confirming the presence of hydrocarbons, and for understanding assumptions used for budgeting and planning purposes, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter and are not necessarily indicative of long term performance or long term economics of the relevant well or fields or of ultimate recovery of hydrocarbons. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production or performance for Gear.*

**Well Economics and Type Curves**: *The economics presented are based on the type curves presented for each of the areas. Such type curves have been prepared internally by a qualified reserves evaluator in accordance with the Canadian Oil and Gas Handbook. The well economics and type curves presented in respect of Lloydminster Multi-lateral unlined and Single leg lined wells are sourced from an average of all the current P+P locations booked by Sproule in the Sproule Report. The well economics and type curve presented in respect of SE Saskatchewan two-mile wells are reflective of the average P+P Sproule bookings in the Sproule Report in the core areas where we recognize future inventory. The shape of the type curves is based on internal analysis of analogue well results utilizing modern completion technology similar to how Gear intends to develop the area. The well economics and type curve presented in respect of Central Alberta are sourced from an average of all P+P locations booked by Sproule in the Sproule Report as well as an internal analysis of analogue well results. Such type curves and well economics are useful in understanding management's assumptions of well performance in making investment decisions in relation to development drilling in the various areas and for determining the success of the performance of development wells; however, such type curves and well economics are not necessarily determinative of the production rates and performance of existing and future wells. Analogous Information: Certain information in this presentation may constitute "analogous information" as defined in National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities with respect to certain drilling results and plans of other companies with operations that are in geographical proximity to Gear's assets. Management of Gear believes the information may be relevant to help determine the expected results that Gear may achieve within Gear's lands and such information has been presented to help demonstrate the basis for Gear's business plans and strategies with respect to its assets. There is no certainty that the results of the analogous information or inferred thereby will be achieved by Gear.*

*Certain natural gas volumes have been converted to barrels of oil equivalent ("boe") based on a conversion ratio of one bbl to six mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not necessarily represent value equivalency at the well head. Given that the value ratio based on the current price of oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.*
*Definitions: Boe = barrel of oil equivalent (6:1), Boe/d = Boe per day, Mmcf/d = MM cubic feet per day, WI = working interest, MM = million, CAGR = compound annual growth rate, DA = debt adjusted, EV = enterprise value*

# APPENDIX: Economic Assumptions

Economics using flat WTI oil prices at US$40, 50 and 60 per barrel, fx of 0.78, WCS differential of 30%, MSW differential of 12% and LSB differential of 11%, all in relation to WTI. Price discounts to benchmarks as per oil marketing slide. Productivity estimates are un-risked

| Core Areas | Lloydminster MLU<br>Multi-lateral unlined | Lloydminster SLL<br>Single leg lined | SE Saskatchewan<br>Two mile wells | Central Alberta |
|---|---|---|---|---|
| Wells | Average productivity representing blend of remaining multi-lateral inventory | Average productivity representing blend of remaining single leg well inventory | Based on drilling 2-mile wells in Torquay | Average of remaining Belly River and Cardium inventory |
| Production and Reserves | Blended average of independent engineer P+P bookings | Blended average of independent engineer P+P bookings | Based on independent engineer P+P bookings and internal estimates | Blended average of independent engineer P+P bookings |
| Royalties | Dominantly Crown with Alberta 5% (from 1.5 to 12 years) or Saskatchewan 2.5% for the first 38 mbbls | Dominantly Crown with Alberta 5% (from 1.5 to 12 years) or Saskatchewan 2.5% for the first 38 mbbls | Average of Crown Saskatchewan 2.5% for the first 100 mbbls and various Freehold burdens | Weighted average of Alberta Crown and area Freehold royalties |