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Monthly Update

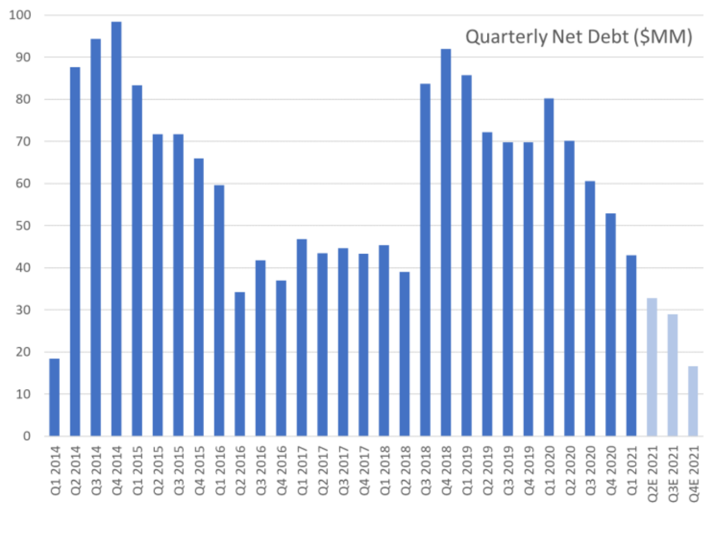
FROM THE DESK OF INGRAM GILLMORE, PRESIDENT & CEO

Gear is pleased to provide the following key operational and financial information for investors:

	Q1 20	Q2 20	Q3 20	Q4 20	2020	Jan-21	Feb-21	Mar-21	Q1 21	Apr-21	2021 TD
WTI Benchmark Price ($US/bbl)	46.17	27.85	40.93	42.66	39.40	52.10	59.06	62.36	57.84	61.70	58.81
WCS Heavy Oil Differential ($US/bbl)	(20.53)	(11.47)	(9.09)	(9.31)	(12.60)	(12.06)	(13.93)	(11.42)	(12.47)	(11.19)	(12.15)
MSW Light Oil Differential (US$/bbl)	(7.58)	(6.14)	(3.51)	(4.07)	(5.33)	(5.78)	(5.68)	(4.26)	(5.24)	(2.34)	(4.52)
Funds from Operations ($MM)	6.3	8.1	10.8	8.3	33.4	2.7	2.1	3.4	8.3	3.7	11.9
Capital and Abandonment Expenditures ($MM)	11.8	0.3	0.8	0.5	13.4	3.5	3.0	1.8	8.3	0.5	8.8
Net Debt ($MM)	80.3	70.2	60.5	52.9	52.9	53.1	54.0	42.9	42.9	36.5	36.5
Production (boe/d)	6,744	2,749	5,867	5,821	5,298	5,487	5,140	5,357	5,335	5,534	5,384
Note: All items are based on estimates; actuals will vary from estimates due to accruals and adjustments. Such variances may be material.											

As can be seen in the included financial information, estimated Gear net debt at the end of April 2021 was $36.5 million. This most recent monthly reduction has Gear well on its way towards the delivery of net debt of approximately $32 million at the end of the second quarter of 2021. (As per the first quarter press release dated May 5, 2021*).

The interesting thing about the amount of net debt forecasted for the end of this quarter is that it will be the lowest net debt Gear has seen since the first quarter of 2014, seven long and interesting years ago…



Most long-term shareholders will likely recall the chain of events that occurred back when Gear had equivalently low debt levels.

- Q4 2013: Gear becomes a publicly listed company with a no-raise IPO.
- Q1 2014: Gear announces a $50 million "bought-deal" financing and then upsizes it to $63.5 million.
- Q2 2014: Gear announces the acquisition of 2,000 boe per day of core heavy oil assets for $85 million and an upsized $85 million development budget for the year. (coincidentally, WTI oil prices averaged over US$100 per barrel during that quarter).
- Q4 2014: WTI oil prices begin their precipitous slide downwards and a period of almost unprecedented volatility begins

Now we find ourselves in 2021, and potentially on the cusp of a sustainable price recovery. There continues to be conflicting opinions on that subject, but the good news is that since the beginning of the year, WTI oil has broken above US$50 per barrel and has maintained or improved upon that level for almost five months in a row.

The improved prices have supported actual and forecasted debt reductions that will come about as a result of a combination of funds from operations greatly exceeding capital expenditures through the year as well as the equity retirement of the convertible debentures that were put in place at the end of 2015.

The last seven years have been described as a "roller coaster" by many folks invested in the energy business, and when looking at the profile of Gear's net debt chart it does resemble a rather adventurous ride, to say the least. Fortunately, on this ride the "Gear-car" has stayed on the tracks and perhaps if this current momentum can be carried into 2022, the ride for shareholders will be well rewarded.

*(Q2 to Q4 2021 estimated net debt amounts press released on May, 5, 2021 included forward pricing as of May 4, 2021 (full year 2021 WTI of US$63 per barrel, WCS diff of US$12.50 per barrel, MSW and LSB diff of US$4.50 per barrel, FX of 0.81 and AECO of $2.80 per GJ) and inclusive of existing 2021 hedges.)

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.