Monthly Update

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FROM THE DESK OF INGRAM GILLMORE, PRESIDENT & CEO

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

	Q2 21	Q3 21	Q4 21	2021	Mar-22	Q1 22	Apr-22	May-22	Q2 22 TD	2022 TD
WTI Benchmark Price ($US/bbl)	66.07	70.56	77.19	67.57	108.26	94.29	101.64	109.26	105.45	98.75
WCS Heavy Oil Differential ($US/bbl)	(11.49)	(13.58)	(14.63)	(12.45)	(13.69)	(14.53)	(12.58)	(12.66)	(12.62)	(13.77)
MSW Light Oil Differential (US$/bbl)	(3.11)	(4.08)	(3.10)	(3.88)	(1.70)	(2.96)	0.61	(0.89)	(0.14)	(1.83)
Funds from Operations ($MM)	12.2	16.0	17.9	54.4	8.2	18.8	10.1	12.1	22.2	41.0
Capital and Abandonment Expenditures ($MM)	6.0	10.3	5.9	30.5	3.2	9.6	1.4	1.8	3.2	12.8
Net Surplus (Debt) ($MM)	(33.4)	(27.9)	(15.8)	(15.8)	(6.7)	(6.7)	1.9	7.3	7.3	7.3
Production (boe/d)	5,440	5,859	6,059	5,676	5,882	5,701	5,613	5,827	5,721	5,709
Note: All items are based on estimates; actuals will vary from estimates due to accruals and adjustments. Such variances may be material.										

The recent volatility in the equity markets and general economic weakness might distract people from the fact that energy fundamentals remain exceptionally strong. With record high pricing, favourable exchange rates and growing production, Gear just delivered its highest monthly funds from operations ever, for a second time in a row. The balance sheet is exceptional, production is growing, dividends and share buybacks are progressing as planned and operations in the field are going well.

Speaking of the field, operations this year have indeed gone quite well. The Provost drilling program from the first quarter has boosted that field's production to comfortably over 750 boe/d. With a Provost field netback in May estimated at almost $100 per boe, the funds flow generation from this new Gear asset is phenomenal.

Looking more recently, Gear has been very active since spring breakup ended. We kicked off the second quarter drilling program in May with two rigs and so far, everything is moving along nicely.

In May, the heavy oil rig successfully drilled a new water source well in Killam to support our plans to drill new oil wells and expand the medium oil waterflood there later this year.

Then the rig moved to Wildmere where we are currently drilling the sixth leg of a nine leg horizontal Sparky heavy oil well. Upon completion, we expect this new well to access more than 10km of reservoir. This well is following up on a nearby Sparky well drilled in 2021 that came on production last September, is going to be paid out in a couple of weeks, and still produces about 65 boe per day.

Meanwhile, Gear's second rig moved into Tableland in Southeast Saskatchewan, a little later than expected due to multiple extreme weather events ranging from monsoon rainstorms and blizzards, to over 100 km/h windstorms. It has been a very eventful spring to say the least. However, the good news is that since drilling started, operations have gone smooth. The new Torquay two-mile light oil well has been successfully drilled, and lined and is now ready to be frac'd later this summer. Again, this well is a follow up to a nearby well that was drilled in 2021. The 2021 well came on production late last summer and paid out in seven short months, with current production still in the 150 boe per day range.

Once the Wildmere Sparky well is complete, Gear will have successfully drilled nine wells so far this year. With a 25 well program currently planned, operations are moving along as expected. If oil prices continue to remain as strong as they are currently, I would not be surprised to see Gear break some new records in the future.

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.