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	Q1 22	May-22	Jun-22	Q2 22	Jul-22	2022 TD
WTI Benchmark Price ($US/bbl)	66.07	70.56	77.19	67.57	94.29	109.26	114.34	108.41	99.38	101.07
WCS Heavy Oil Differential ($US/bbl)	(11.49)	(13.58)	(14.63)	(12.45)	(14.53)	(12.66)	(13.16)	(12.80)	(18.94)	(14.42)
MSW Light Oil Differential (US$/bbl)	(3.11)	(4.08)	(3.10)	(3.88)	(2.96)	(0.89)	(1.22)	(0.50)	(2.03)	(1.77)
Funds from Operations ($MM)	12.2	16.0	17.9	54.4	18.8	12.1	11.6	33.8	8.5	61.1
Capital and Abandonment Expenditures ($MM)	6.0	10.3	5.9	30.5	9.6	1.8	6.0	9.2	6.4	25.2
Net Surplus (Debt) ($MM)	(33.4)	(27.9)	(15.8)	(15.8)	(6.7)	7.3	9.8	9.8	11.9	11.9
Production (boe/d)	5,440	5,859	6,059	5,676	5,701	5,827	5,889	5,777	5,691	5,732

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

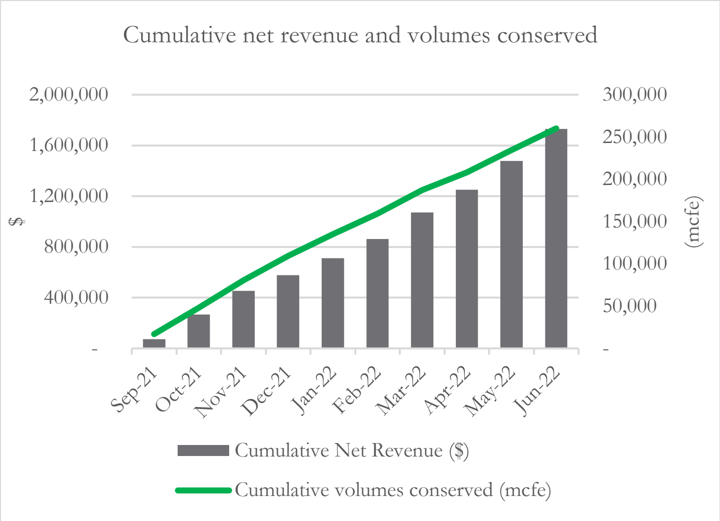
Environmental standards for the Canadian oil and gas industry are some of the most stringent in the world with the primary focus continuing to be on reducing emissions. At Gear we have always made the environment a priority and have tried to be as pro-active as possible to meet or exceed regulatory requirements. And as often as is practical, the Gear team will look to focus investments that not only reduce emissions but also add incremental economic value.

A recent opportunity to accomplish both these goals has been in Southeast Saskatchewan where gas infrastructure historically has been very limited. Proximal to Gear's Tableland assets, many producers in this area have not been able to conserve gas due to the scattered nature of the development in the area. Instead, they have had to flare the gas associated with the oil production. Flaring is a practice that exists in much of the world where natural gas is treated as a by-product of oil wells and instead of collected and sold, or used as fuel, it is burned at the wellsite into the atmosphere.

In late 2018, Gear entered into Southeast Saskatchewan with its acquisition of Steppe Resources Inc. After taking over, Gear looked at various alternatives to conserve gas from its oil wells and ultimately entered into an agreement with a third party to install a gas pipeline and compression system to gather the majority of the flared gas. All revenue from the gas conservation will initially be used to reimburse the third party for the infrastructure installation cost of $4.1 million. In September 2021, this system and pipeline became fully operational.

From September 2021 to June 2022, Gear has conserved 260,172 mcfe of natural gas and natural gas liquids, contributing approximately $2.4 million of gross revenue and $1.7 million of revenue, net of processing fees.

In order to be clear on the fact that a third party is being reimbursed for its pipeline investment, all revenue is reflected in Gear's financial results with a corresponding transportation charge recorded to offset the full amount of the revenue. Once the $4.1 million reimbursement is complete, Gear will reduce the transportation charge to a normal gas pipeline transportation charge and will be left with most of the revenue to reinvest in other parts of the business.



With continued strong production performance and recent gas price strength, the pipeline infrastructure is now expected to pay out some time in the latter part of 2023. More importantly, going forward, new wells drilled in Tableland now have the ability to have their gas conserved and sold, adding to the profitability of this area. The arrangement has been a win-win-win for Gear, the third party, and the environment, and is one of many areas in which Gear is looking to reduce emissions while adding value.

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.