GEAR ENERGY

Corporate Presentation
August 2022

Highlights

Strong Financials

Record high $68.65/boe Operating Netback Q2 2022

Q1 2022 Operating Netback was top three in the peer group

Exceptional Balance Sheet

$9.8 million net surplus Q2 2022

Q1 2022 net debt to FFO ratio was top three in the peer group

Returns to Shareholders

$0.01 per month dividend utilizing approximately 75% of free FFO (May – Dec 2022)

Remainder of free FFO targeting incremental capital, cash funded acquisitions, share buybacks and potential special dividends

Deep Inventory of Drilling Locations and Waterfloods

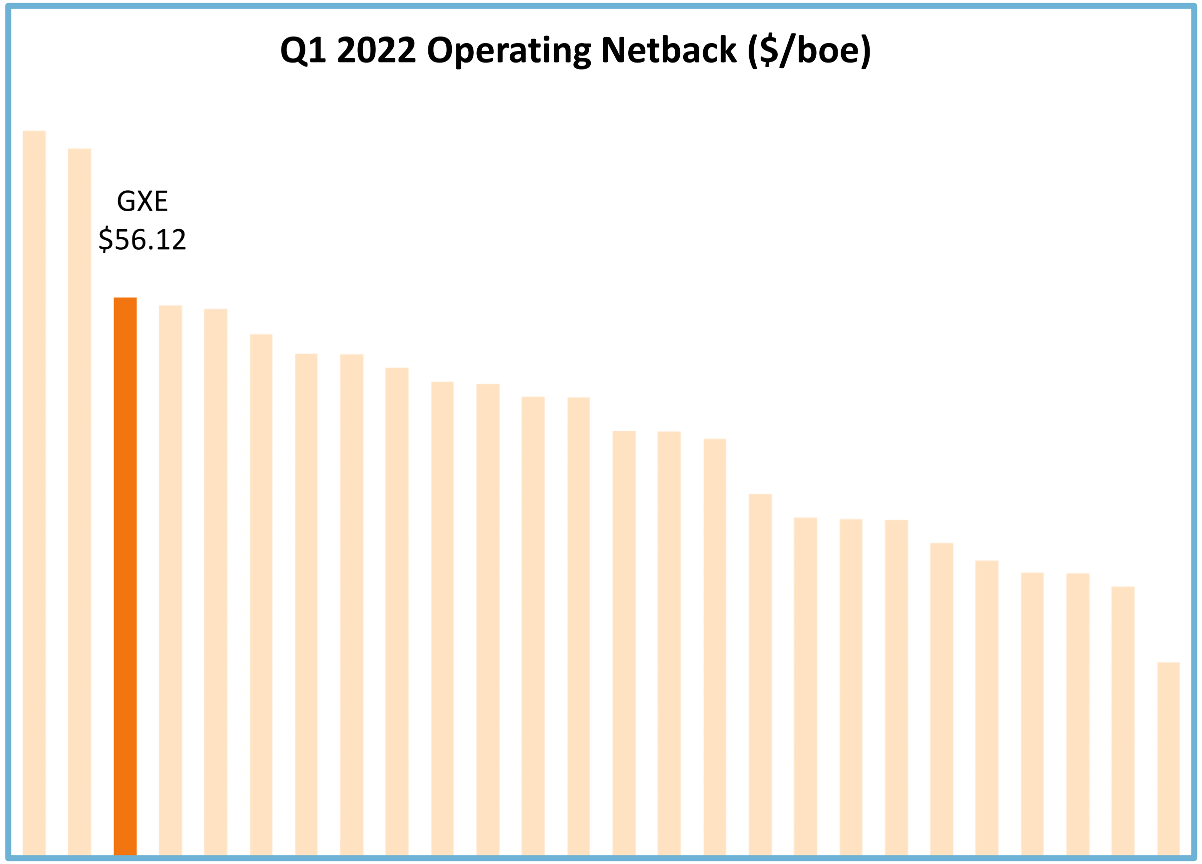
440 management estimated drilling locations (Dec 31, 2021)

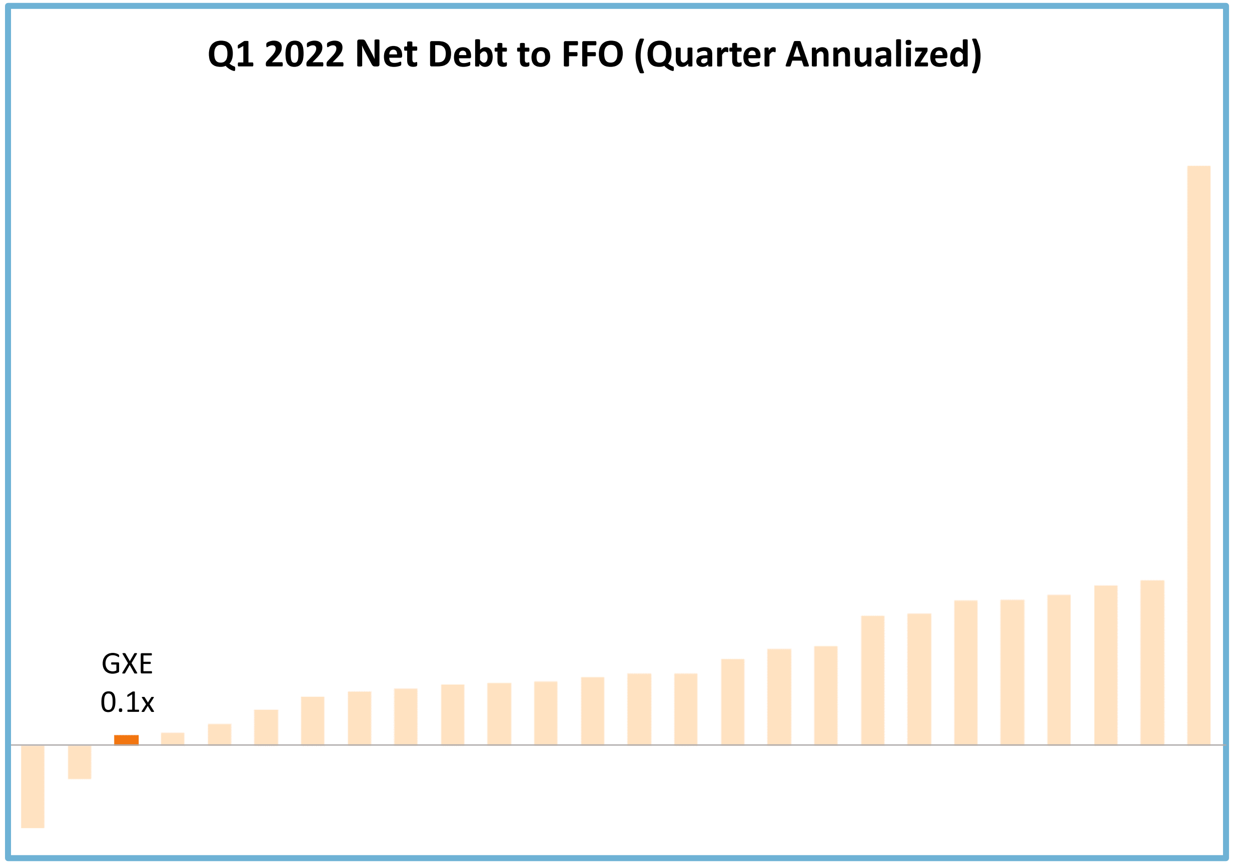
97/160 booked as TP/P+P(2), multiple core-area waterfloods underway

Low Costs

Estimated 2022 cash costs as a percentage of revenue ~40% lower than 2015

Top Tier Benchmarking





(1) *All peer data calculated internally from published financial reports. Peer group includes 25 TSX listed Canadian energy companies; AAV, ATH, BIR, BNE, BTE, CJ, CR, HWX, IPO, JOY, KEC, KEL, NVA, OBE, PEY, PIPE, PMT, PNE, PPR, PRQ, RBY, SDE, SGY, TVE, YGR*

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

Corporate Information

Public Trading
TSX, OTCQX

Symbols
GXE, GENGF

Market Capitalization
$335 MM (July 28, 2022)

52 Week Share Price Range
$0.53 - $1.94 (TSX, July 28, 2022)

Outstanding Shares
258.2 MM

Average Daily Volumes
4.8 MM (YTD 2022 GXE:CC)

Net Surplus
$9.8 MM

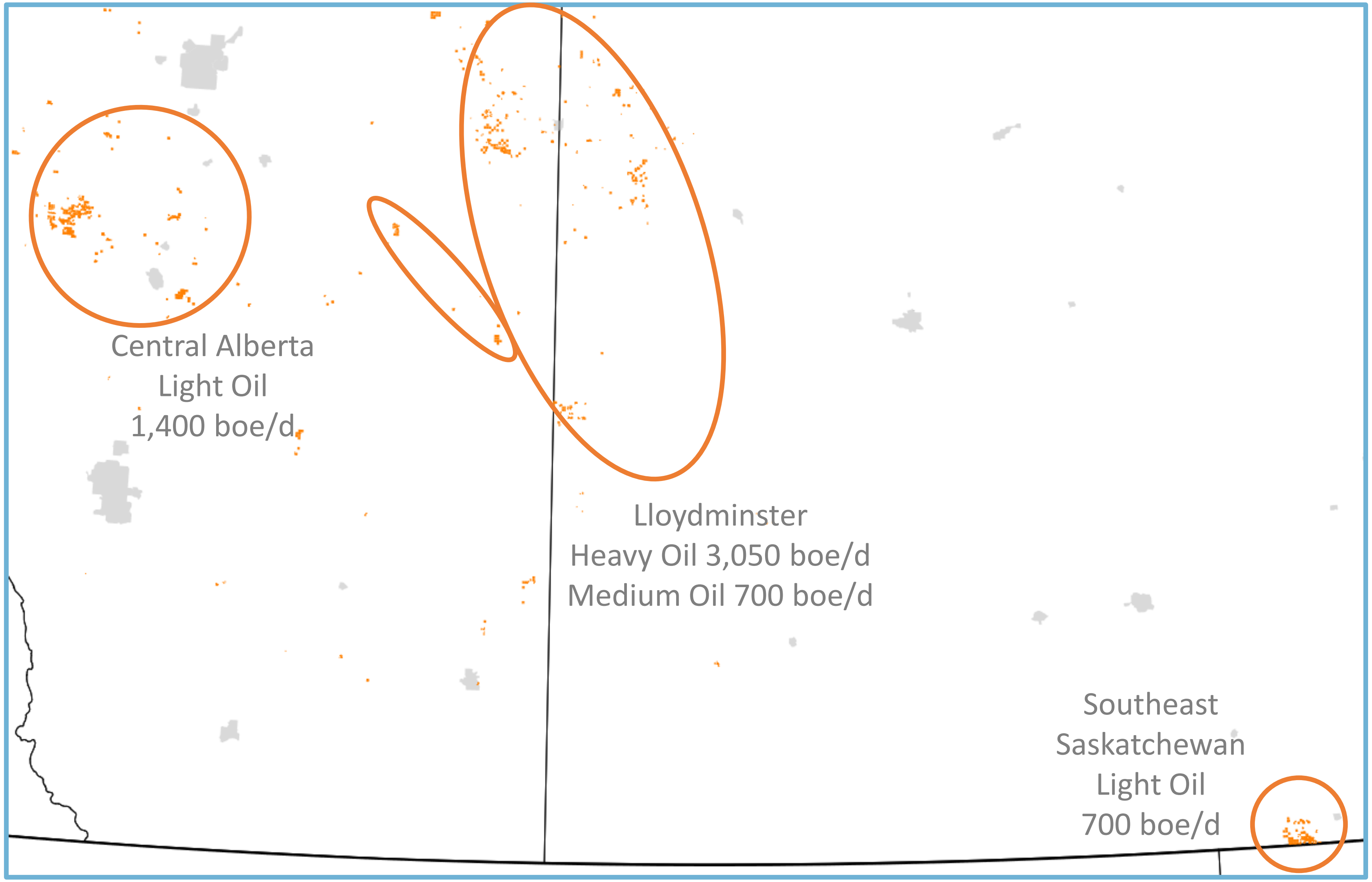
Outstanding Options
17.1 MM (6.6% of current shares)

Average Option Strike Price
$0.76

Insider Ownership
8% (11% diluted)

(1) Data as at end of Q2 2022 unless otherwise noted
(2) See "Non-GAAP Measures" in Advisories

Core Areas



Lloydminster

52% Heavy oil from multiple Mannville formations

12% Medium oil from Provost and Killam

Central Alberta

24% Light oil in the Belly River and Cardium formations

SE Saskatchewan

12% Light oil in the Torquay

2022 Budget forecast production

2022 Plan

$64 MM Capital budget targets investments balanced between production growth, enhanced oil recovery, inventory expansion and liability reduction

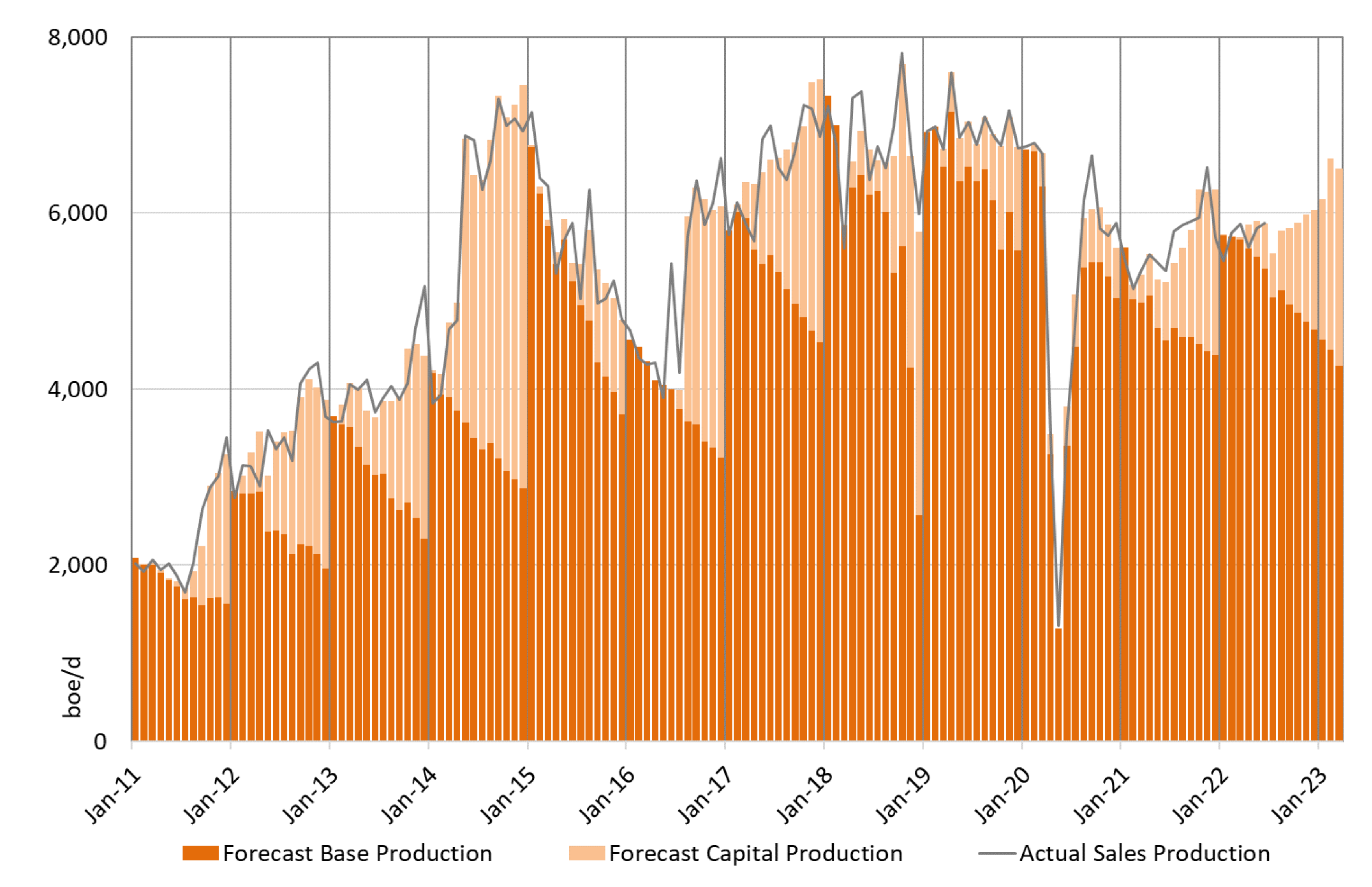
Recent budget expansion from $55 MM to $64 MM includes two additional light oil wells to be drilled in Tableland, Sk in the fourth quarter with production expected in the first quarter of 2023

Capital	
20	Drill 12 Lloyd heavy oil wells (average 6 laterals per well)
15	Drill 10 Provost/Killam medium oil wells
12	Drill 3 Tableland light oil wells
6	Waterfloods in Provost, Killam, Wilson Creek and Tableland
6	Field capital, recompletions, land and corporate costs
5	Abandonment and reclamation activities *
$64 MM	

	Guidance
Average Production	**5,700 – 5,900 boe/d**
Heavy Oil %	**50**
Light/Medium/NGL %	**36**
Royalties %	**13**
Operating & Transportation	**$23.50/boe**
G&A	**$3.15/boe**
Cash Interest	**$0.40/boe**

***Approximately $2.3 MM of government sponsored ARO funding commitments also expected**

Production Summary



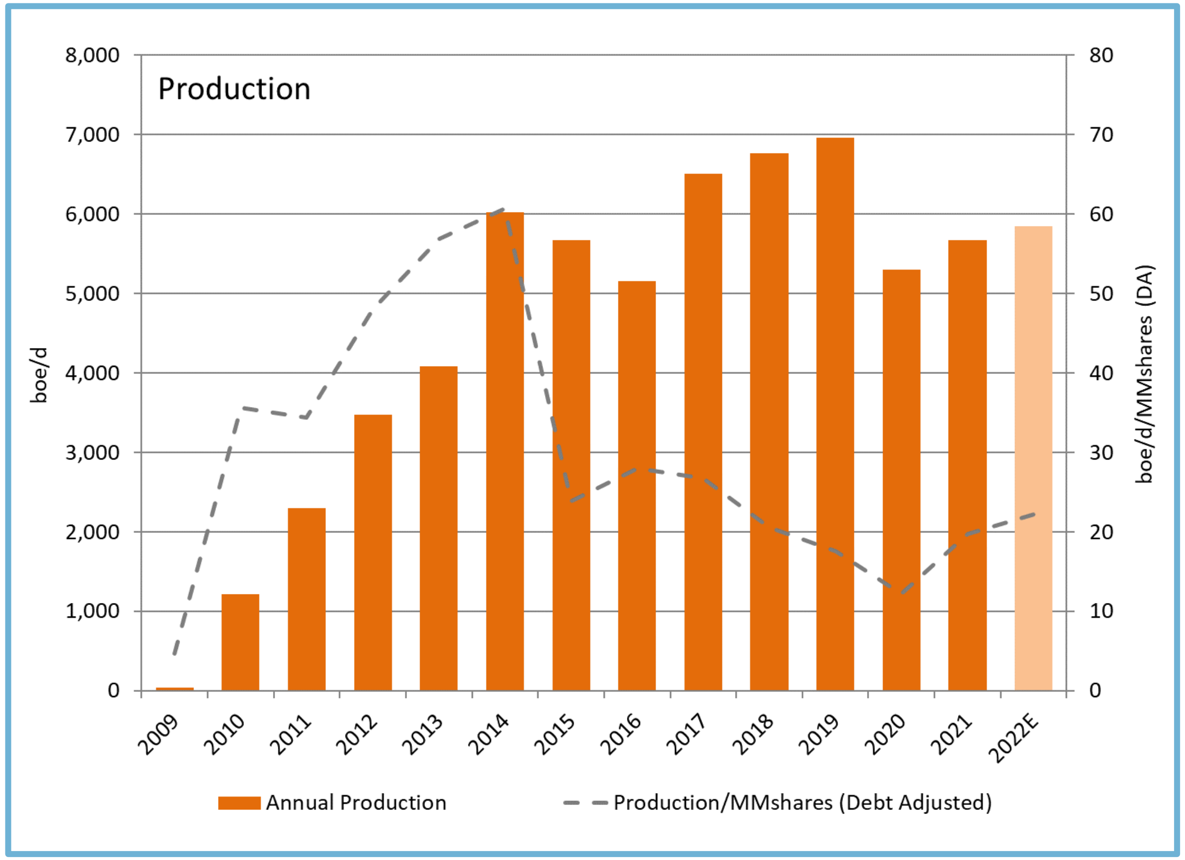
2022 forecast approximately 3% annual production growth and approximately 12% Q1 over Q1 production growth into 2023

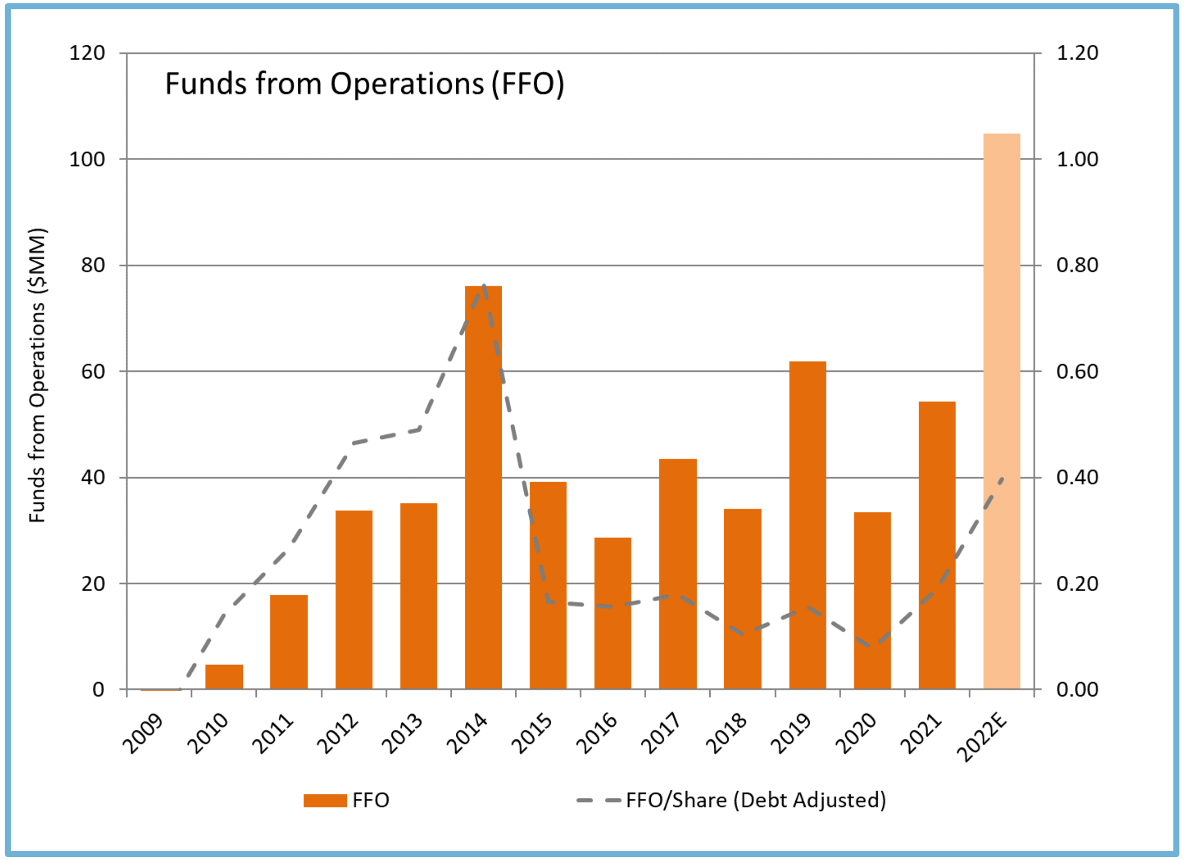
December 2021 and first quarter 2022 production temporarily impacted by extreme cold weather issues and COVID related staffing shortages

Additionally, first quarter production impacted by wells shut in for drilling in Provost

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

Value Growth



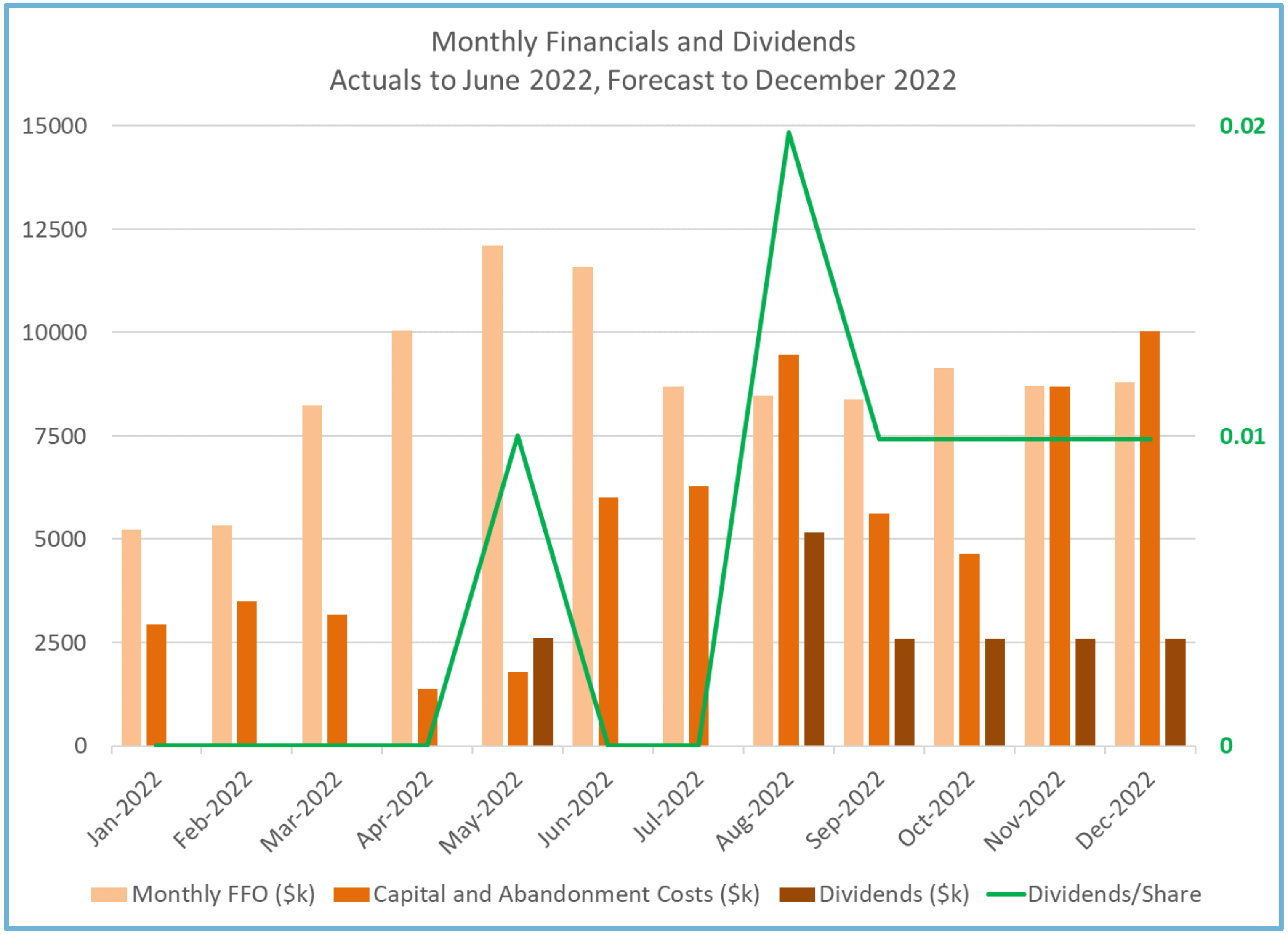


Gear has all the ingredients for continued value growth for shareholders:
Exceptional balance sheet, a strong dividend, deep inventory of opportunities, low costs and a proven history of execution

Charts compiled using forward strip pricing as at July 26, 2022 and current guidance
2022 Debt adjusted shares calculated using a share price estimate of 3.5x FFO per share

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

Monthly Dividends



Initial variable dividend program announced May 4, 2022 targeting distributions equal to approximately 30% of the previous quarterly free FFO

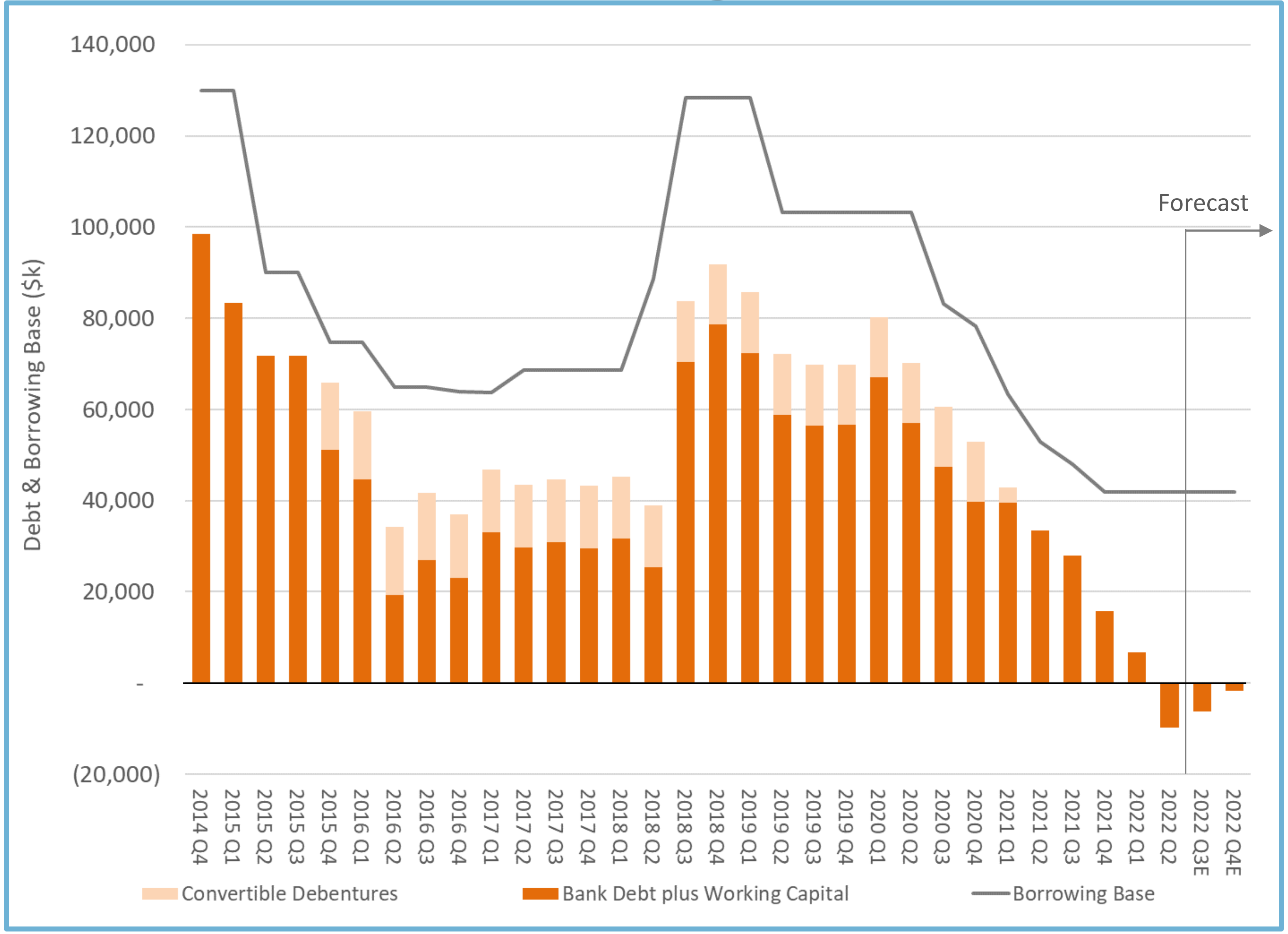
New monthly dividend program announced July 27, 2022 of $0.01 per share per month with initial distribution of $0.02 per share paid on August 31, 2022 for shareholders of record on August 15, 2022

Dividends forecast to equal approximately 75% of free FFO (25% of FFO) from May to Dec 2022

Remaining free FFO dedicated to incremental capital, cash funded acquisitions, buybacks or dividend increases

(1) See "Non-GAAP Measures" in Advisories
(2) Forecast using strip pricing from July 26, 2022

Financial Strength



Zero net debt achieved in April of 2022

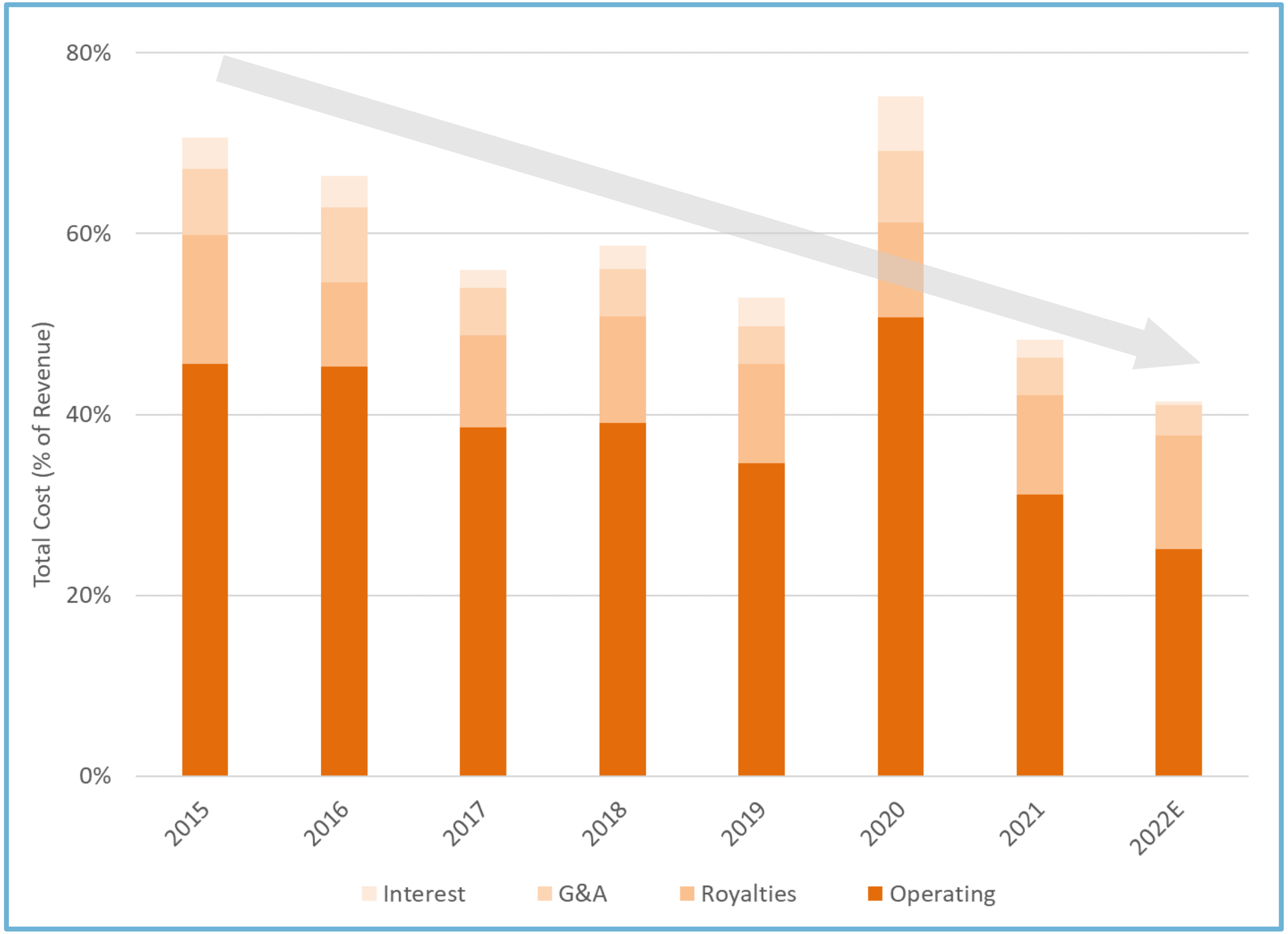
Q2 2022 net surplus of $9.8MM

Go forward net surpluses are forecast after payment of estimated $18MM of dividends through 2022

Forecast using strip prices from July 26, 2022

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

Low Costs



Delivered consistent progress in lowering costs as a percentage of revenue since 2015 (ignoring 2020)

Forecasting over 40% reduction in estimated 2022 total costs as a percentage of revenue (Compared to 2015)

Accomplished by reducing debt balances, and focusing production operations on low cost, high productivity horizontal wells (primarily on Crown lands)

Drilling Inventory

Future growth potential across the three core areas

Core Areas	Lloydminster MLU Multi-lateral unlined	Lloydminster SLL Single leg lined	SE Saskatchewan	Central Alberta
Properties	Wildmere, Provost, Lindbergh, Swimming	Paradise, Frenchman's Butte, Killam	Tableland	Wilson Creek, Ferrier
Formations	Cummings, GP, Sparky	McLaren, Lloydminster	Torquay	Belly River, Cardium
WTI$85US IRR% - Payout	220% - 0.8yrs	310% - 0.7yrs	150% - 0.9yrs	190% - 0.6yrs
Other Area Opportunities	Maidstone, Soda Lake	Morgan, Celtic, Swimming	Bakken, Ratcliffe	Drayton Valley, Brazeau
Estimated Inventory	106	125	67	28
Booked Locations	19 TP / 41 P+P	37 TP/ 55 P+P	21 TP / 29 P+P	16 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 114 Estimated Inventory locations including Hoosier Success multi-stage fractured locations and other various vertical heavy oil wells.*
3) *Table excludes 4 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 as of Dec 31, 2021*

Waterflood Inventory

Gear continues to invest in multiple diverse waterflood opportunities within the core areas. Plans for 2022 include expanding floods in Wilson Creek and Killam as well as initiating new floods in Provost, Wilson Creek and Tableland.

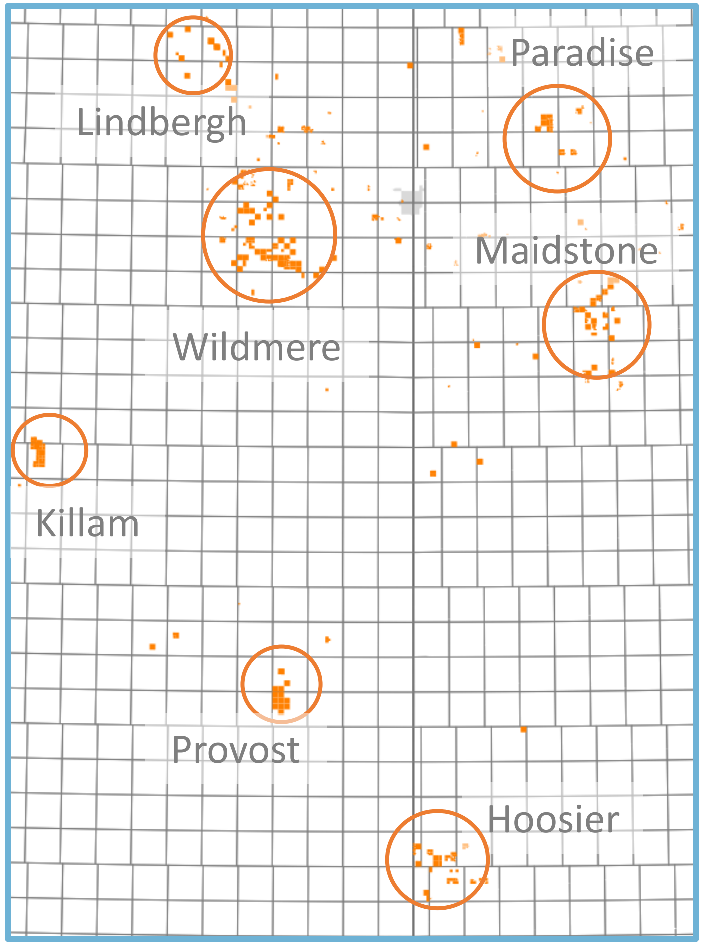
Over $8MM has been invested to date at estimated F&D costs of sub $2/bbl (upon full recognition of waterflood reserves by independent reserves evaluators). Approximately 18% of PDP reserves currently under waterflood

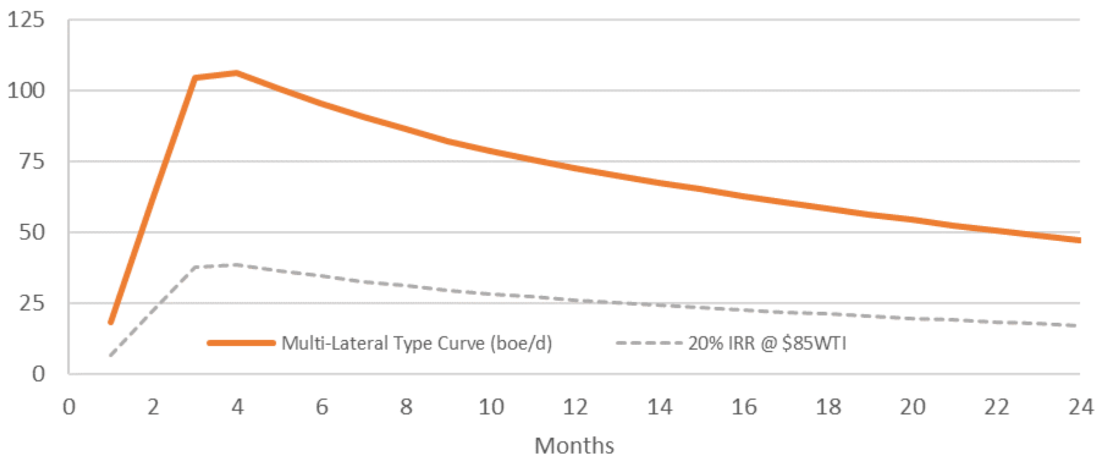
Core Areas Currently Under Waterflood	**Currently Under Waterflood** OOIP (mbbl)	**Primary Recovery Factor** (%)	**Currently Booked Recovery Factor** (PDP)	**Potential Recovery Factors** (Primary + Waterflood)
Chigwell (Light Oil)	3,500	14%	31%	35%
Killam (Medium Oil)	4,000	10%	13%	20%
Wilson Creek (Light Oil)	19,600	12%	14%	24%
Heavy Oil	14,900	9%	11%	18%
TOTALS	42,000	11%	14%	22%

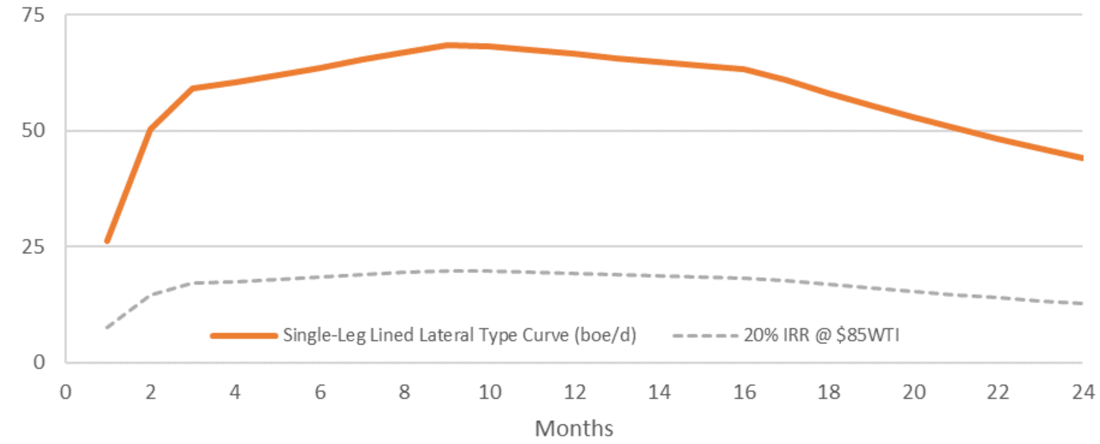
Future opportunity on Gear land to expand waterfloods to cover an additional 85 – 100 MMbbl of OOIP

1) *See advisories*

Lloydminster



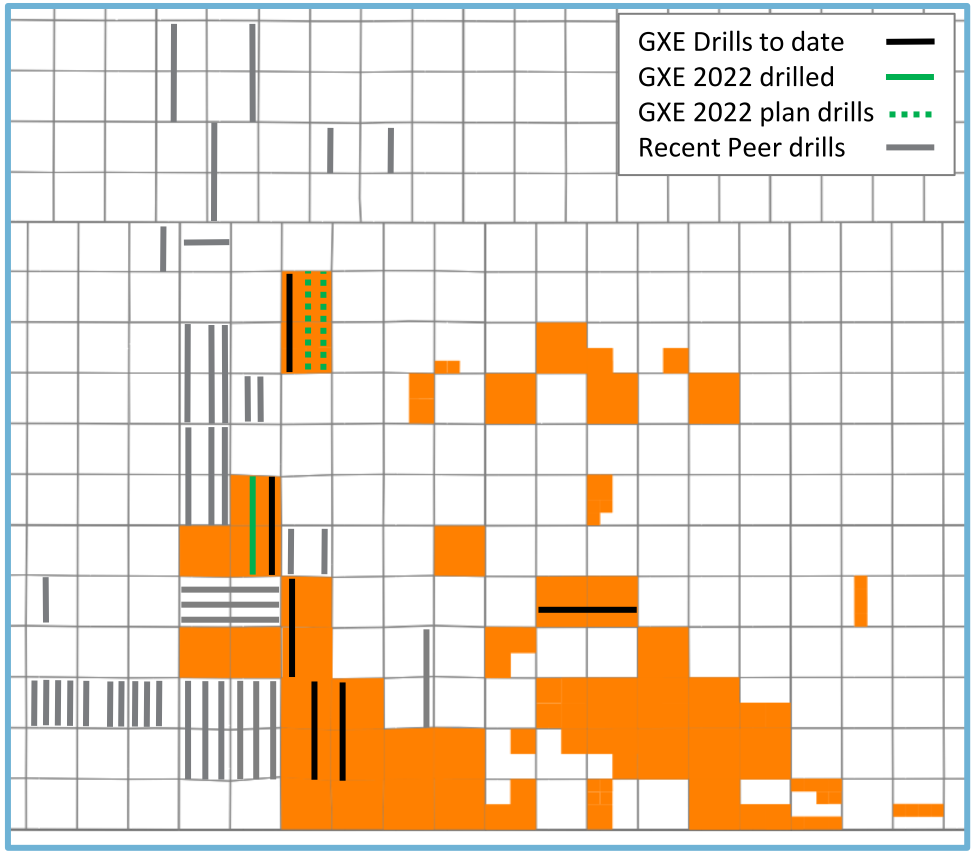


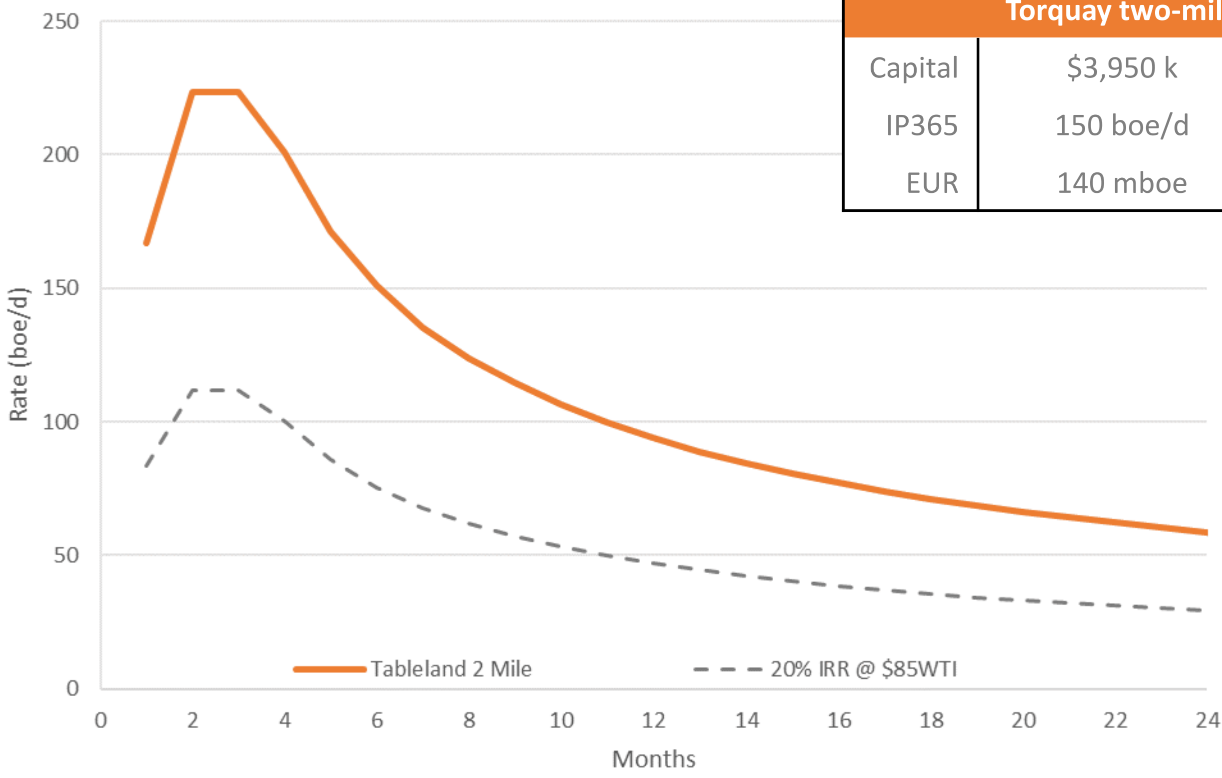


	MLU Hz
Capital	$1,390 k
IP365	80 boe/d
EUR	95 mboe
	SLL Hz
Capital	$950 k
IP365	60 boe/d
EUR	65 mboe

Future inventory of 231 heavy and medium oil multi-lateral unlined horizontal wells and single-leg lined horizontal wells. Through 2021, 13 heavy oil and 4 medium oil wells were successfully drilled. 2022 plans include 10 medium oil drills in Provost and Killam and 12 heavy oil drills in the Lloydminster area

SE Saskatchewan

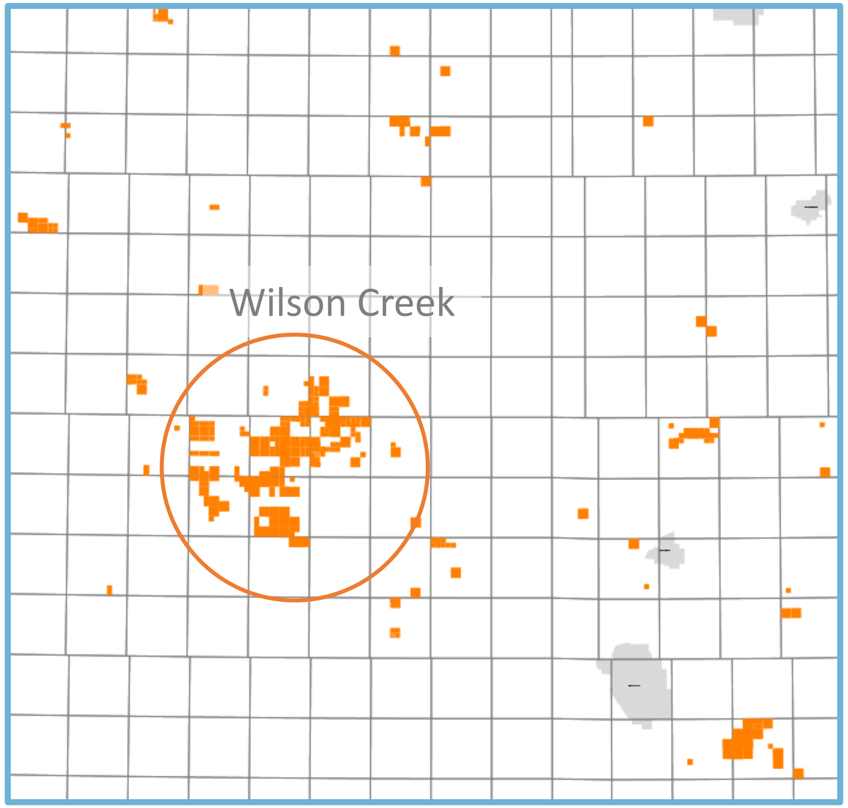


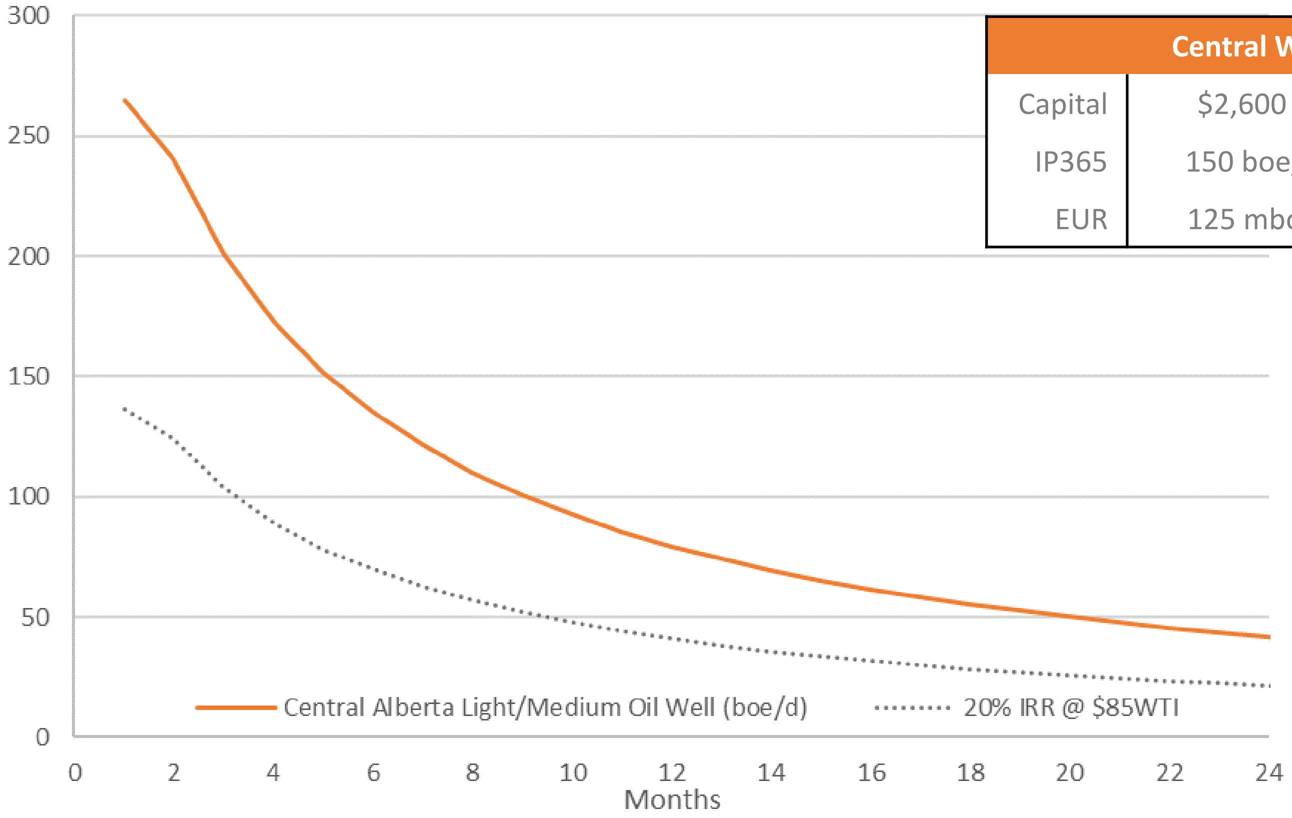


	Torquay two-mile
Capital	$3,950 k
IP365	150 boe/d
EUR	140 mboe

Future inventory of 67 horizontal light oil locations in the Torquay
1 two-mile well drilled and brought on production in August of 2021, successfully paid out in 7 months
2022 Plans include drilling 3 two-mile well (one drilled so far) and implementing a waterflood pilot in the Torquay/Bakken

Central Alberta

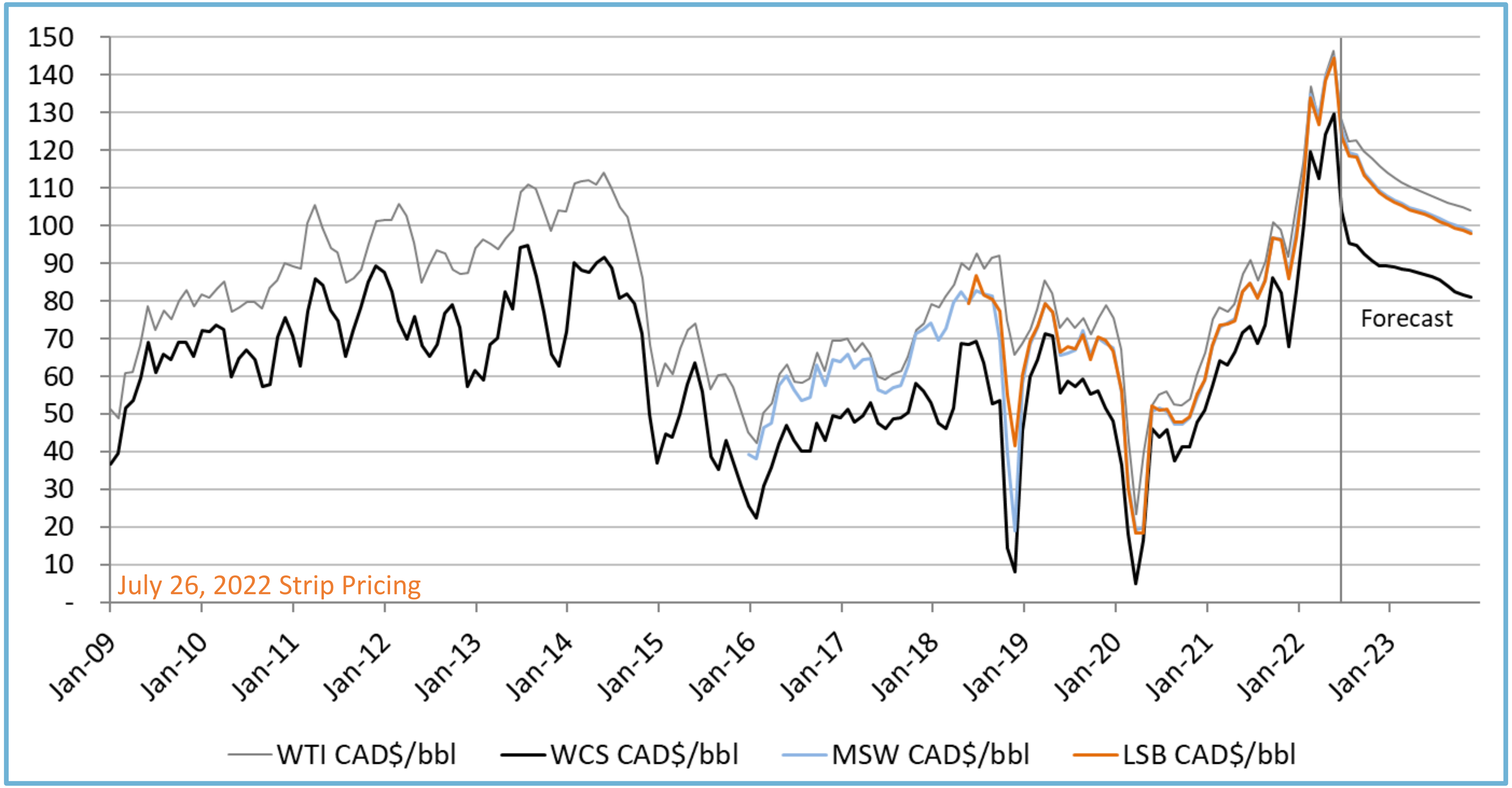




	Central Well
Capital	$2,600 k
IP365	150 boe/d
EUR	125 mboe

Future inventory of 28 horizontal light oil wells in Wilson Creek Belly River and Ferrier Cardium
Two (0.7 net) Basal Belly River wells successfully drilled in Wilson Creek in 2021
Waterfloods will continue to be expanded and optimized throughout Central Alberta in 2022

Oil Marketing



Q2 2022 pricing yielded quarterly revenue of $109.63 per boe, the highest ever realized

Despite recent macro economic volatility, forward curve prices for the remainder of 2022 are still tracking very high relative to historical records

Lloydminster heavy oil prices = CAD WCS – $5.00/bbl
Central Alberta light oil prices = CAD MSW * 97%
SE Saskatchewan light oil prices = CAD LSB

Hedging

Currently for 2022, approximately 40% of forecasted production has been protected, net of royalties
Gear has attempted to maintain significant exposure to upside oil price potential through the use of put spreads and wide 3-way collars. (post Q1, 2022)

With the current strength of the balance sheet, Gear has strategically reduced its risk management coverage from 50% to 25% net of royalties in Q4 of 2022. there are no hedges in place yet for 2023

Product	Term (inclusive)	Contract	Volume bbl/d	Currency	Sold Call $/bbl	Bought Put $/bbl	Sold Put $/bbl
WTI	Jan 22 – Mar 22	3-way collar	2,400	CAD	86.00	62.50	50.00
WTI	Apr 22 – Jun 22	Put spread*	2,400	CAD	-	62.50	50.00
WTI	Jul 22 – Sep 22	3-way collar	2,400	CAD	116.50	62.50	50.00
WTI	Oct 22 – Dec 22	3-way collar	1,200	CAD	120.00	65.00	50.00

** The put spread has a deferred premium of CAD $2.32 per barrel*

Corporate Tax Pools

Gear had the following estimated tax pools on June 30, 2022

Tax Pool Summary	December 31, 2021 ($ MM)
Canadian Oil and Gas Property Expense	123
Canadian Development Expense	168
Canadian Exploration Expense	28
Undepreciated Capital Cost	56
Non-Capital Losses	249
Estimated Realizable Tax Pools, Federal and Provincial	624

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 & Sustainability Chair	Founding Partner, Managing Partner – Cypress Capital Management
Harry English	Audit Chair	Prior Senior Partner – Deloitte LLP
Scott Robinson		VP Business Development, 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 2022 (including expected commodity weightings), including in certain cases with respect to specific core areas; expected continued debt reduction into 2022 and that Gear will be in a positive working capital position by Q2 2022; 2022 capital budget and details of such budget; forecast abandonment and reclamation investments, including the amount of abandonment and reclamation costs to be funded by government programs; forecast 2022 royalties, operating and transportation costs per boe, general and administrative costs per boe, interest costs per boe; expectation that 2022 will provide 3 to 4% annual production growth while delivering material free funds from operations; expected 2022 sensitivities in funds from operations and free funds from operations to changes in commodity prices; forecasting reduction in 2022 total costs as a percentage of revenue; Gear's plans with respect to waterfloods in core areas; forecast production and production per debt adjusted share in 2022; forecast funds from operations and funds from operations per debt adjusted share in 2022; expected economics associated with certain drilling programs; expectations of how Gear will transport and market its production; and expectations of the hedging program and amount of production expected to be hedged. .*

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 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 February 16, 2022, 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, 2021, 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.*

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", Finding and Development or F&D costs, 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. F&D costs are estimated by dividing the capital costs to develop reserves by the estimated reserves additions resulting from such capital projects, 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

Advisories

Waterflood Inventory and Original Oil n Place ("OOIP"): *Gear has included certain information in this presentation relating to its core areas currently under waterflood to provide information about the assumptions and expectations management uses when planning to place certain assets under waterflood. The information included in respect of such waterflood plans includes the OOIP (or Original Oil in Place) associated with such assets, the recovery factors based on primary recovery and the expected recovery factors based on both primary and secondary (or waterflood) recovery. OOIP is equivalent to Total Petroleum Initially In Place ("**TPIIP**"). TPIIP, as defined in the Canadian Oil and Gas Evaluation Handbook (the "**COGE Handbook**"), is that quantity of petroleum that is estimated to exist in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered. A portion of the TPIIP is considered undiscovered and there is no certainty that any portion of such undiscovered resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of such undiscovered resources. With respect to the portion of the TPIIP that is considered discovered resources, there is no certainty that it will be commercially viable to produce any portion of such discovered resources. A significant portion of the estimated volumes of TPIIP will never be recovered. Except with respect to the portion of the TPIIP expected to be recovered based on the primary recovery factor, which have been booked as proved plus probable reserves in the Sproule Report, Gear has not conducted an analysis in order to classify the remaining TPIIP into more specific categories of resources as set out in the COGE Handbook. Although Gear has suggested the recovery factors based on primary and secondary recovery, this is intended to show management's assumptions in making capital allocation decisions rather than showing an estimate of the resources that will ultimately be recoverable.*

APPENDIX: Economic Assumptions

Economics using flat WTI oil prices at US$85, fx of 0.79, WCS differential of $13/bbl, MSW/LSB differentials of $3/bbl, AECO gas $3.70/mmbtu. Price discounts to benchmarks as per oil marketing slide. Productivity estimates are un-risked

Core Areas	Lloydminster MLU Multi-lateral unlined	Lloydminster SLL Single leg lined	SE Saskatchewan 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