

## FROM THE DESK OF INGRAM GILLMORE, PRESIDENT & CEO

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

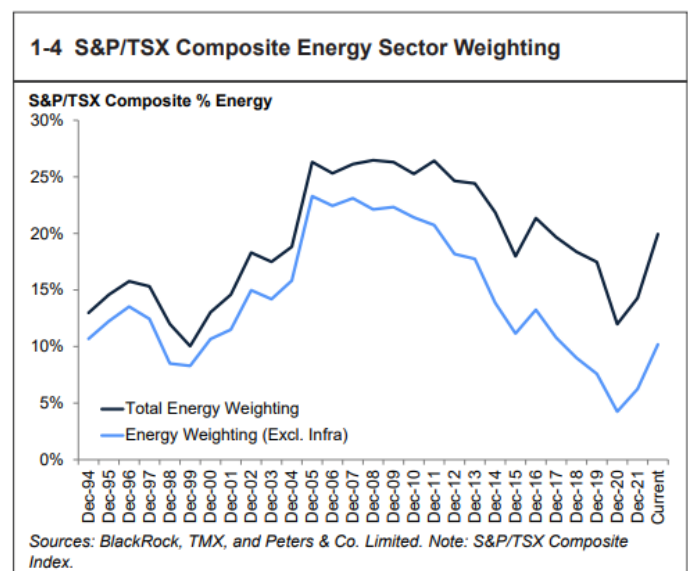
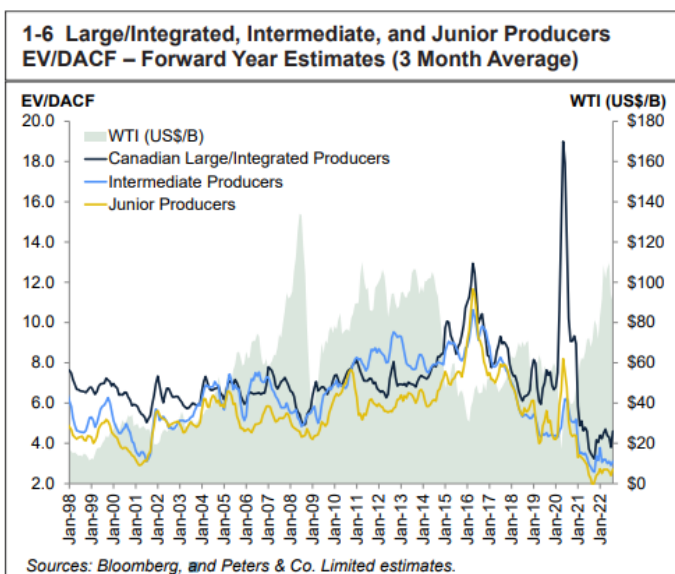
	Q3 21	Q4 21	2021	Q1 22	Jun-22	Q2 22	Jul-22	Aug-22	Q3 22	2022 TD
WTI Benchmark Price (\$US/bbl)	70.56	77.19	67.57	94.29	114.34	108.41	99.38	91.48	95.43	99.87
WCS Heavy Oil Differential (\$US/bbl)	(13.58)	(14.63)	(12.45)	(14.53)	(13.16)	(12.80)	(18.94)	(21.03)	(19.99)	(15.25)
MSW Light Oil Differential (US\$/bbl)	(4.08)	(3.10)	(3.88)	(2.96)	(1.22)	(0.50)	(2.03)	(2.54)	(2.29)	(1.87)
Funds from Operations (\$MM)	16.0	17.9	54.4	18.8	11.6	33.8	8.5	7.2	15.8	68.3
Capital and Abandonment Expenditures (\$MM)	10.3	5.9	30.5	9.6	6.0	9.2	6.4	6.1	12.5	31.3
Net Surplus (Debt) (\$MM)	(27.9)	(15.8)	(15.8)	(6.7)	9.8	9.8	11.9	7.9	7.9	7.9
Production (boe/d)	5,859	6,059	5,676	5,701	5,889	5,777	5,691	5,802	5,747	5,741

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

Last week, Gear was pleased to attend and present at the Peters and Co. 2022 Fall Energy Conference in Toronto. Overall, the conference appeared to be a great success. From my perspective, attendance by energy companies and investors seemed very high, possibly higher than what I recall when we attended back in 2019. It was great to be there, and to be surrounded by so many people who were enthusiastic about Canadian energy again.

It was hard not to join in on the enthusiasm. After attending as many presentations as I had time for, I kept hearing very similar stories. Multiple producers are at or close to their target debt levels and many of them are providing growth coupled with material returns to their shareholders. The news was almost all positive. The only negativity that I heard was with regards to energy trading multiples still being persistently low. This chart from Peters really shows how the current trading multiples in aggregate are bouncing around 20 year lows.

While at the conference I had the opportunity to chat with portfolio managers and with peer energy CEO's and the consistent theme was that, although things were going very well, those multiples are unlikely to improve without a material return of "generalist investors" to the energy investment world. Another good chart from Peters shows how energy weightings as a percentage of the composite benchmarks are less than half of what they were over a decade ago. The generalist investors are continuing to invest more heavily in almost anything but energy it seems. Although, the very recent upward trend is perhaps encouraging.





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](http://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](http://www.gearenergy.com) and at [www.sedar.com](http://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.**