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Monthly Update

FROM THE DESK OF DAVID HWANG, VICE PRESIDENT FINANCE & CFO

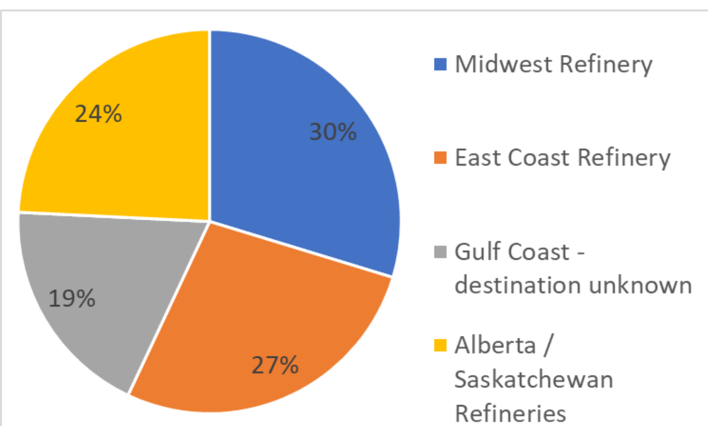
Gear is pleased to provide the following key operational and financial information for investors:

	Q2 22	Q3 22	Q4 22	2022 TD	Q1 23	Apr-23	May-23	Jun-23	Q2 23	2023 TD
WTI Benchmark Price ($US/bbl)	108.41	91.55	82.65	94.23	76.13	79.44	71.62	70.27	73.78	74.95
WCS Heavy Oil Differential ($US/bbl)	(12.80)	(19.89)	(25.42)	(18.16)	(24.76)	(15.96)	(15.38)	(13.85)	(15.06)	(19.91)
MSW Light Oil Differential (US$/bbl)	(0.50)	(2.05)	(1.61)	(1.78)	(2.86)	(1.29)	(4.30)	(3.28)	(2.96)	(2.91)
Funds from Operations ($MM)	33.8	22.5	18.7	93.8	13.0	6.9	5.1	5.0	17.1	30.1
Capital and Abandonment Expenditures ($MM)	9.2	17.7	20.3	56.8	18.4	1.4	2.9	4.0	8.3	26.7
Net Surplus (Debt) ($MM)	9.8	7.0	(2.2)	(2.2)	(15.3)	(12.4)	(12.8)	(14.3)	(14.3)	(14.3)
Production (boe/d)	5,777	5,727	5,755	5,739	5,952	6,011	5,790	5,423	5,742	5,847

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

At Gear it has always been a key goal to focus on maximizing every single component of our cash flow, and after production, the next key ingredient is revenue. The general understanding for oil companies is that they are price takers. In other words, the global oil market determines the price that their barrels fetch. In truth, the majority of the derivation of Gear's realized price is indeed determined by both the global oil market (WTI, for example) and the regionalized oil market (WCS, for example); however, there are still smaller components of the price determination that can be optimized by Gear.

Rather than just sell to a single oil purchaser, Gear targets a variety of buyers at various times throughout the year, depending on opportunities. Of course, this is proprietary information that Gear will not disclose. However, here is a high level chart for 2022 outlining where Gear's oil has been sold:



If and when possible, Gear attempts to sell directly to a refinery in order to reduce economic rent going to middle marketers. Admittedly, Gear's scale does not always allow us to do this, so Gear does sell a portion of its oil to middle marketers, but the majority of Gear's oil is sold directly to refineries.

Over Gear's history, we have tried various marketing activities including blending different qualities of oil, trucking oil long distances to circumvent bottlenecks in the pipeline system, and even transported heavy oil into bladders directly to Asia via rail and shipping vessel.

At times, Gear's marketing objectives will change depending on egress conditions, volatility, credit risk, and service availability. For instance, if Gear has an opportunity to sell to a buyer at a premium price but that buyer is inconsistent with its volume purchases (something we refer to as non-rateable), Gear may question if such an opportunity is worth the risk.

When we step back and analyze the results of all these efforts, we have consistently matched or beaten the pricing that our peers are receiving, peers with much bigger quantities to market, and much bigger marketing teams on the job. Our goal at Gear is to continue to be very competitive in this regard as we move forward.

And one final closing thought, we have had people ask us what happens to our oil after we sell it to these refineries? The most common answer, from the majority of our purchasers is that it ends up in most of the key ingredients in a thriving economy; transportation fuels like gasoline, diesel and jet fuel, heating fuels like propane and heating oil, and a surprising amount of Gear's production ends up in asphalt plants, helping build roads all across North America.

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.