



Corporate Presentation

August 2024

“Repositioned For Growth”



GEAR ENERGY



New Strategic Direction for Gear Energy

Repositioned for growth

“Ultimately, we aim to position Gear as a high torque, organic growth company with a material inventory of low risk, top quartile oil and condensate development locations.”

New Leadership & Strategic Focus

- New President/CEO & VP Exploration
 - ✓ Emphasis on value creation through organic growth
- Updated 2024 guidance (\$40 MM CAPEX / 5,400-5,600 Boe/d)¹
 - ✓ 120% increase to land/seismic budget to bolster existing inventory
 - ✓ >1,200 boe/d adds from H1/2024 heavy oil drilling program⁴

Core Areas & Balance Sheet To Fuel Future Growth

- Oil weighted, multi-zone, conventional reservoirs
 - ✓ Annualized H1/24 FFO of \$70.7 MM³
 - ✓ Forecasted 2024 Free Cashflow of \$14 MM^{2,3}
- Financial capacity and discipline to fund only our top-tier ideas
 - ✓ Net Debt 0.1x annualized H1/24 FFO³

1. See page 8 for additional details of the 2024 capital program

2. Based on US\$75/bbl WTI, differentials WCS US\$15/bbl MSW US\$4/bbl LSB US\$5/bbl, AECO C\$1.40/GJ, FX 0.735 USD/CAD from Aug-Dec/24

3. Net debt, funds from operations ("FFO") and free cashflow are non-GAAP financial measures or capital management measure that do not have standardized meanings under Canadian generally accepted accounting principles. See "Non-GAAP and other Measures" in the Advisories for more information.

4. Based on field production estimates as of August 23, 2024





Strategic Priorities Driving Gear

Deliver lasting, outsized returns to shareholders

“Our primary focus is developing and funding high-quality, internally generated organic growth opportunities.”

1. Focus on building high quality, inventory rich, asset bases

- ✓ Establish long-term competitive advantages in core areas

2. Disciplined capital allocation & execution

- ✓ Think and act like owners at every step¹

3. Maintain a strong balance sheet

- ✓ Resilient throughout commodity price cycles

4. Deliver a reliable and sustainable monthly dividend²

- ✓ Reward long-term shareholders with an interim yield

1. 8% insider ownership (11% diluted)

2. 9% yield close of market August 23, 2024, \$0.005/share monthly dividend





Corporate Profile

Significant free cashflow, low leverage and a sizeable yield

FY 2024E
\$14 MM
Free CF^{1,2}

Net Debt 0.1x
Annualized
H1/24 FFO²

Annual 9.0%
Dividend Yield³

Market Snapshot³

Basic Shares O/S

Share Price

Monthly dividend

Dividend Yield

Annualized H1/24 FFO²

Net Debt²

Net Debt/Ann. H1/24 FFO²

GXE.to

263.3 MM

\$0.67/share

\$0.005/share

9.0%

\$70.7 MM

\$9.1 MM

0.1x

2024 Guidance¹

Production

FFO^{1,2}

Capex + ARO

Dividends

Free Cashflow²

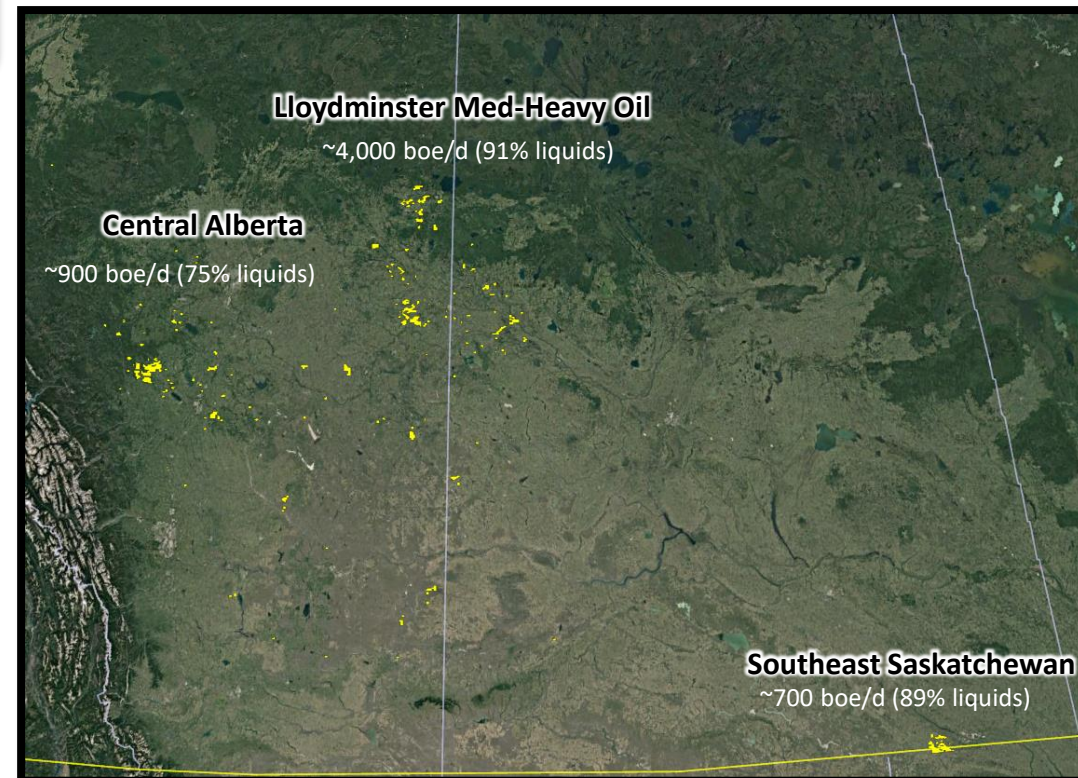
5,400-5,600 boe/d

\$70 MM

\$40 MM

\$16 MM

\$14 MM



1. Based on USD \$75/bbl WTI, differentials WCS USD \$15/bbl MSW USD \$4/bbl LSB USD \$5/bbl, AECO CAD \$1.40/GJ, FX 0.735 USD/CAD from Aug 2024 to Dec 2024
 2. Net debt, funds from operations ("FFO") and free cashflow are non-GAAP financial measures or capital management measure that do not have standardized meanings under Canadian generally accepted accounting principles. See "Non-GAAP and other Measures" in the Advisories for more information.
 3. Close of market on August 23, 2024



Leadership Team

Balanced & Experienced

“Gear’s vision is to be a leading junior oil company that is renowned for differentiated profitability, operational excellence and meaningful value creation for shareholders.”

Leadership Team

- * **Kevin Johnson – President/CEO – 19 Yrs.**
 - Former VP Engineering Artis Exploration
 - Vermilion Energy, Kereco Energy, Ketch Resources

- David Hwang – CFO/VP Finance – 27 Yrs.**
 - Former controller of ARC Resources
 - Encana, Deloitte & Touche

- Bryan Dozzi – VP Engineering – 30+ Yrs.**
 - Former VP Business Development Rock Energy
 - Norcen, Anadarko, Encana, Enerplus,

- Jason Kaluski – VP Operations – 27 Yrs.**
 - Former Manager Operations - Questerre Energy
 - Richmount, ARC Resources, Beau Canada

- * **Steve Power – VP Exploration – 24 Yrs.**
 - Vermilion Energy, Profound, Highpine, Kick Energy

Independent Directors

- Scott Robinson – Chairman, Reserves Chair**

- Kathy Turgeon – Audit Chair**

- Grey Bay – GC&S Chair**

- Don Gray - Director**

- Bindu Wyma - Director**

- Wilson Wang- Director**



* H1/2024 Leadership Team Additions



New President/CEO & VP Exploration

H1/2024 Leadership Additions

Kevin Johnson – President/CEO

- Experienced with junior to intermediate oil and gas E&P
 - ✓ Successful track record advancing strategic projects from exploration to full field development
- Vermilion Energy
 - ✓ West Pembina – Condensate Rich Ellerslie – resource play exploitation (peak > 15,000 boe/d)
 - ✓ Ferrier – Liquids Rich Spirit River – established material new core area (peak > 10,000 boe/d)
 - ✓ West Basin – Condensate Rich Duvernay – capture and exploration
- Artis Exploration
 - ✓ East Basin Duvernay – Material Light Oil Resource – delineation to development > 10,000 boe/d (>80% light oil)

Steve Power – VP Exploration

- Experienced with junior to intermediate oil and gas E&P
 - ✓ Conventional & unconventional field development, regional exploration & strategic acquisitions
- Vermilion Energy
 - ✓ West Pembina – Condensate Rich Ellerslie – resource play discovery (peak > 15,000 boe/d)
 - ✓ Ferrier – Liquids Rich Spirit River – established material new core area (peak > 10,000 boe/d)
 - ✓ Mica – Condensate Rich Montney – Leucrota Acquisition (\$473 MM) – 3 Benches, 275+ Locations



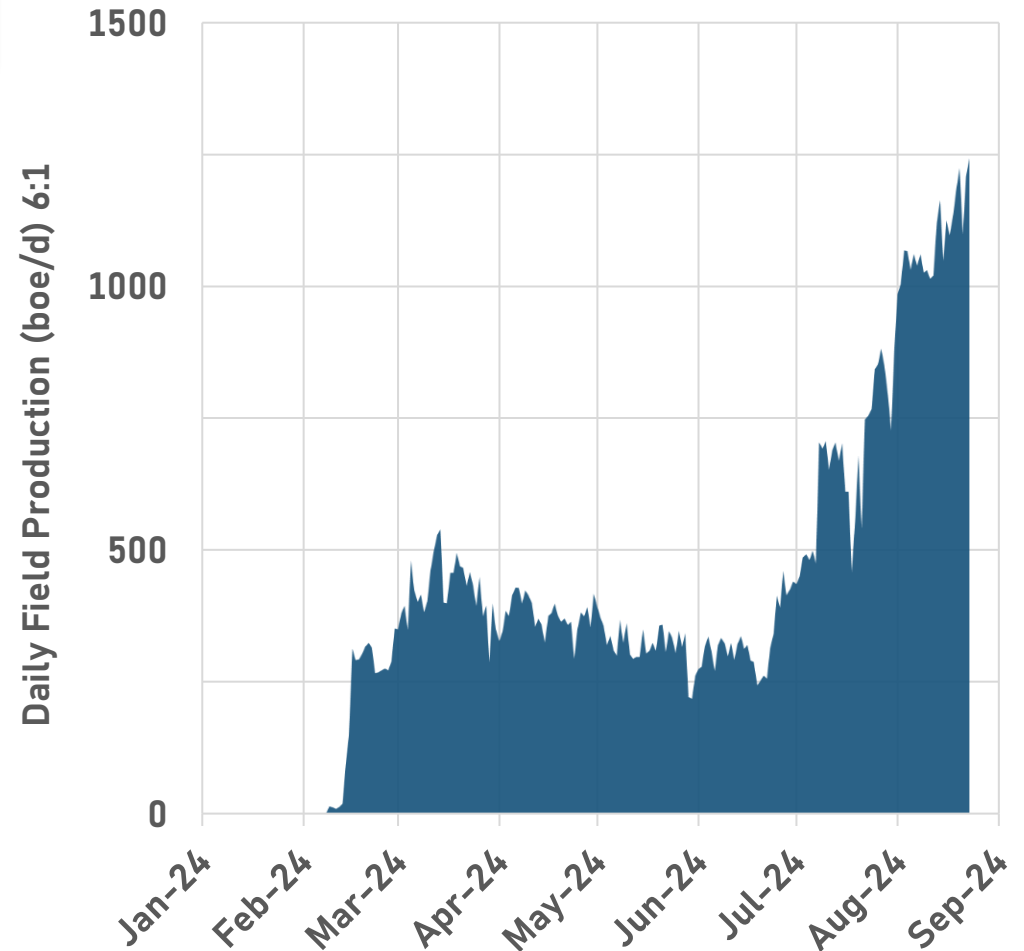
Successful 2024 Heavy Oil Drilling Program

Production adds from 13 Wells > 1200 boe/d and climbing

“Gear will maximize full cycle profits and deliver superior total shareholder returns by establishing operational focus and technical expertise in core operating areas.”

- **Drilled 13 Medium/Heavy Mannville oil wells**
 - 7 single-lined – Heavy Oil
 - 4 multi-laterals – Heavy Oil
 - 2 multi-stage frac’d wells – Medium Oil
- **Current capital adds > 1200 boe/d**
 - Avg. IP30 > 90 boe/d per well (93% oil)
 - 8 wells brought on in last 60 days continue to ramp-up
- **Drilling capital invested \$22.6MM**
 - Avg. \$1.7 MM DCET per well

2024 Capital Adds



- IP30 represents the first 30 calendar days of production or less if wells have not produced the full 30 days*
- Production is based on field estimates as of August 23, 2024



Revised 2024 Guidance

Redistributing 2H/2024 Capital Towards End of 2024 and Into 2025

“Gear plans on reducing the 2024 capital from \$57 MM (22 net wells) to \$40 MM (13 net wells), while increasing the land/seismic budget by \$4 MM. The decision is designed to allow the new team time to prioritize future capital allocation.”

	2024 Revised Guidance	2024 Previous Guidance	H1/2024 Actuals
Annual production (boe/d)	5,400 – 5,600	6,000	5,668
Heavy oil weighting (%)	49	51	47
Light oil, medium oil and NGLs weighting (%)	39	37	40
Royalty rate (%)	13	12	13
Operating and transportation costs (\$/boe)	24.50	24.70	23.85
General and administrative expense (\$/boe)	4.25	3.20	5.01
Interest and other (\$/boe)	1.00	0.50	1.18
Capital and abandonment expenditures (\$ millions)	40	57	23

(\$ millions)	2024 Revised Guidance	2024 Previous Guidance
Drilling	22.6	40.0
Waterflood	-	5.3
Abandonment	7.1	6.3
Land and seismic	7.0	3.2
Field capital projects and other	3.3	2.2
Total	40.0	57.0

- The revised production guidance is a result of a reduced capital program and a voluntary shut-in of certain low netback gas wells due to the current low gas price environment
- Gear will constantly evaluate opportunities to invest shareholder capital, targeting superior long-term returns. As such, Gear may accordingly expand drilling later in 2024



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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.sedarplus.ca 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: the intention to emphasize on value creation through organic growth; the intent to increase the land/seismic budget by 120% to bolster existing inventory; forecasted 2024 free cash flow; Gear's strategic priorities including focusing on building high quality, inventory rich, asset bases, establishing long-term competitive advantages in core areas, disciplined capital allocation and execution, maintaining a strong balance sheet, being resilient throughout commodity price cycles, delivering a reliable and sustainable monthly dividend and rewarding long-term shareholders with an interim yield; forecast 2024 net debt to funds flow from operations; 2024 guidance including production (including commodity weightings), funds from operations, dividends, free cash flow, royalty rate, general and administrative expense, interest and other expenses, and capital expenditures; details of Gear's 2024 capital expenditure program; the intent of Gear to be a leading junior oil company that is renowned for differentiated profitability, operational excellence and meaningful value creation for shareholders; Gear's intent to maximize full cycle profits and deliver superior total shareholder returns by establishing operational focus and technical expertise in core operating areas; Gear's intent to constantly evaluate opportunities to invest shareholder capital, targeting superior long-term returns; and the possibility of Gear expanding drilling later in 2024.

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 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 July 31, 2024, 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, 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.sedarplus.ca) or at Gear's website www.gearenergy.com, including under the heading "Risk Factors" in Gear's annual information form for the year ended December 31, 2023. 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 free cash flow 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. Free cash flow represents funds from operations less capital and abandonment and reclamation expenditures and dividends and is presented to demonstrate Gear's available cash for other purposes such as debt repayment, acquisitions or additional capital expenditures. 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.sedarplus.ca. A reconciliation of free cash flow to cash flow from operating activities is presented below:

(\$ thousands)	Year Ended Dec 31, 2023
Cash flows from operating activities	63,589
Decommissioning liabilities settled ⁽¹⁾	6,115
Change in non-cash operating working capital	(1,889)
Funds from operations	67,815
Capital Expenditures	(48,121)
Dividends declared and paid	(24,852)
Free cash flow	(5,158)

Reserves Information: Reserves volumes and the associated values have been derived from the Gear's year-end 2023 reserves evaluated by independent reserves evaluator Sproule Associates Ltd. ("Sproule") in accordance with the definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). The reserves evaluation was based on an average of price forecasts prepared by Sproule, GLJ Petroleum Consultants Ltd. and McDaniel & Associates Consulting Ltd. effective at January 1, 2024.

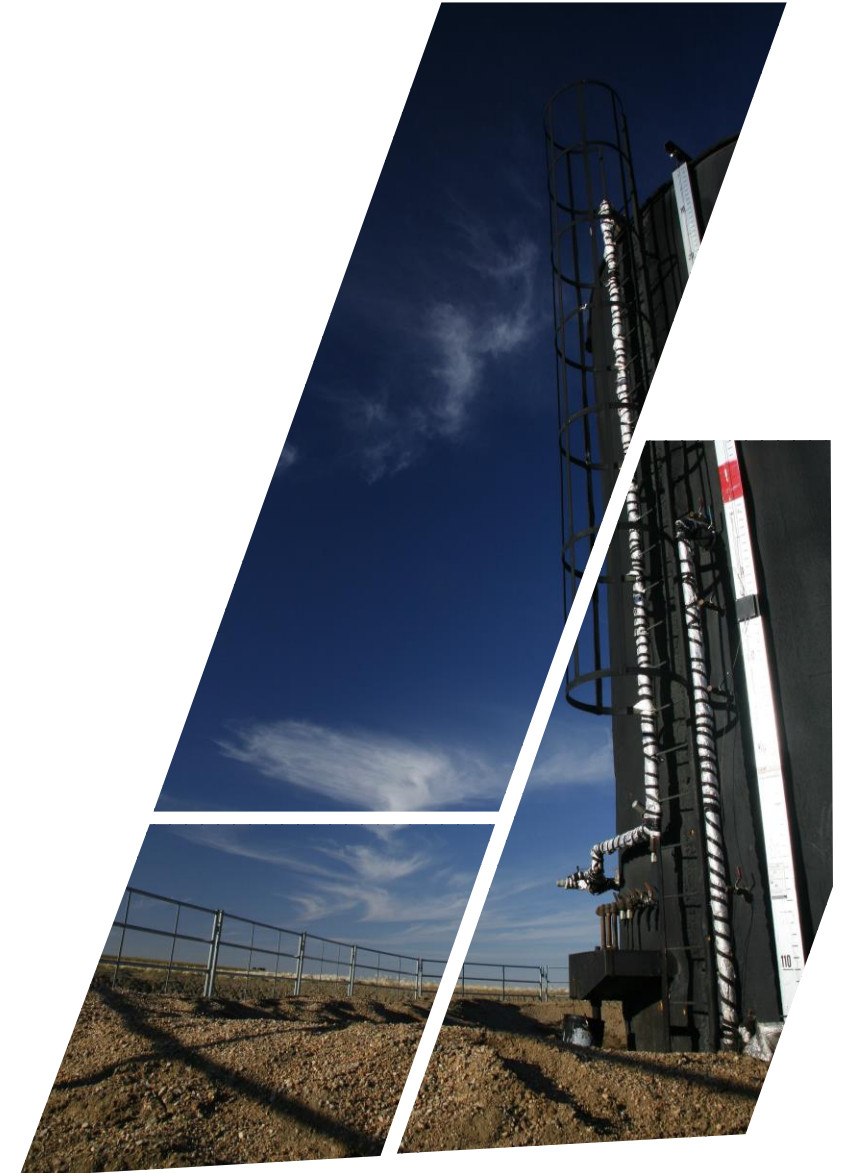
Certain natural gas volumes have been converted to barrels of oil equivalent ("boe") based on a conversion ratio of one bbl to six mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not necessarily represent value equivalency at the well head. Given 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.

Initial Production Rates: References in this presentation to initial production rates, other short-term production rates or initial performance measures relating to new wells are useful in confirming the presence of hydrocarbons; however, such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long-term performance or of ultimate recovery. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for Gear. Accordingly, Gear cautions that the initial production results should be considered to be preliminary.

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



APPENDIX





FFO Sensitivity

Revised 2024 Guidance 5,400-5,600 boe/d

WTI US\$/bbl	\$60	\$70	\$80	\$90
2024 FFO Estimate (MM)	\$58	\$65	\$74	\$80
Net (Debt) / Surplus	(\$11)	(\$4)	\$4	\$11
Net (Debt) / Surplus to FFO Ratio	(0.2)	(0.1)	0.1	0.1

- Forecast includes:
 - ✓ \$40 MM capital budget including ARO
 - ✓ \$16 MM estimated total dividends for 2024
- Other Assumptions:
 - ✓ WCS diff US\$15/bbl, MSW diff US\$4.00/bbl, LSB diff \$5.00/bbl
 - ✓ FX 0.735, AECO CAD\$1.40/GJ
 - ✓ WTI sensitivity applied to Aug 2024 to Dec 2024



Hedging Summary

Risk Management

Product	Term (inclusive)	Contract	Volume	Cur.	Sold Call	Bought Put	Sold Put
WTI	Jul 24 – Dec 24	3 – Way Collar	1,000 bbl/d	CAD	\$110.00	\$95.00	\$85.00

- Gear has protected 19% of the remainder of 2024 budgeted volumes net of royalties



Corporate Tax Pools

As of June 30, 2024

Tax Pool Summary	(\$ MM)
Canadian Oil and Gas Property Expense	\$113.2
Canadian Development Expense	\$145.5
Canadian Exploration Expense	\$28.5
Undepreciated Capital Cost	\$47.4
Non-Capital Losses	\$277.0
Estimated Realizable Tax Pools, Federal and Provincial	\$611.6