



**ALDON OILS LTD.
PROPERTY DIVESTITURE**



OVERVIEW INFORMATION

Bid Deadline: 12:00 pm June 2, 2022

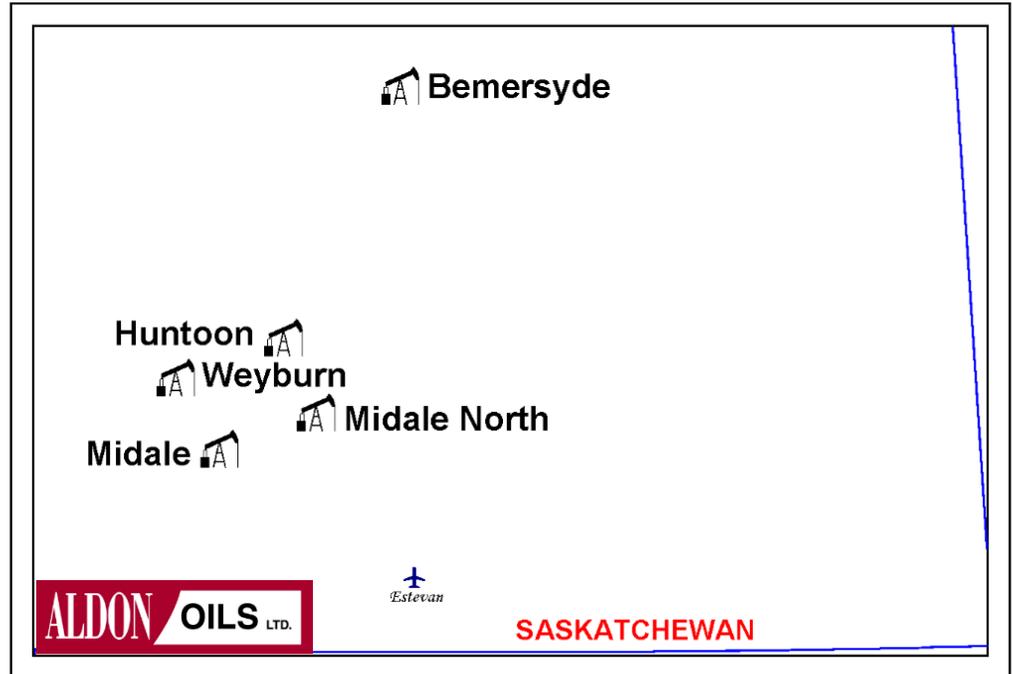
**Property Divestiture:
Southeastern Saskatchewan
189 bbl/d of Oil**



Aldon Oils Ltd. (“Aldon” or the “Company”) has engaged Sayer Energy Advisors to assist it with the sale of certain non-core oil and associated natural gas interests located in the Bemersyde, Huntoon, Midale, Midale North and Weyburn areas of southeastern Saskatchewan (the “Properties”).

The Properties consist of primarily low-decline, light oil production.

Average daily production net to Aldon from the Properties for the month of January 2022 was approximately 189 bbl/d of oil.



Operating income net to Aldon from the Properties in January 2022 was approximately \$212,000, or \$2.5 million on an annualized basis.

PROCESS & TIMELINE

Sayer Energy Advisors is accepting cash offers to acquire the Properties until **12:00 pm on Thursday, June 2, 2022.**

Timeline		
Week of May 2, 2022		Preliminary Information Distributed
Week of May 2, 2022		Data Room Opens
June 2, 2022	12:00 noon	Bid Deadline
June 1, 2022		Effective Date
June/July 2022		Closing Date

Sayer Energy Advisors does not conduct a “second-round” bidding process; the intention is to attempt to conclude a transaction(s) with the party(ies) submitting the most acceptable proposal(s) at the conclusion of the process.

Sayer Energy Advisors is accepting cash offers from interested parties until noon on Thursday, June 2, 2022.

Production Overview

Average daily production net to Aldon from the Properties for the month of January 2022 was approximately 189 bbl/d of oil as outlined below.

Operating income net to Aldon from the Properties in January 2022 was approximately \$212,000, or \$2.5 million on an annualized basis.

PROPERTY	JANUARY 2022 NET PRODUCTION (Average Daily)				NOI
	Oil bbl/d	Ngl bbl/d	Nat. Gas Mcf/d	Total boe/d	JAN 2022 Monthly
Huntoon	97	-	-	97	\$86,000
Midale	45	-	-	45	\$75,000
Midale North	23	-	-	23	\$34,000
Weyburn	17	-	-	17	\$13,000
Bemersyde	6	-	-	6	\$4,000
TOTAL	189	-	-	189	\$212,000

LMR Summary

As of April 28, 2022, Aldon's net deemed asset value for the Properties was (\$287,279) (deemed assets of \$4.1 million and deemed liabilities of \$4.4 million), with an LMR ratio of 0.93.

The LMR for each of the Properties as of April 28, 2022 is summarized below.

Summary of LMR by Property

PROPERTY	Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
Huntoon	\$2,157,155	\$2,436,985	(\$279,829)	0.89
Midale	\$834,515	\$735,110	\$99,405	1.14
Midale North	\$496,620	\$214,000	\$282,620	2.32
Weyburn	\$486,988	\$510,145	(\$23,157)	0.95
Bemersyde	\$93,960	\$460,278	(\$366,318)	0.20
TOTAL OFFERING	\$4,069,239	\$4,356,518	(\$287,279)	0.93

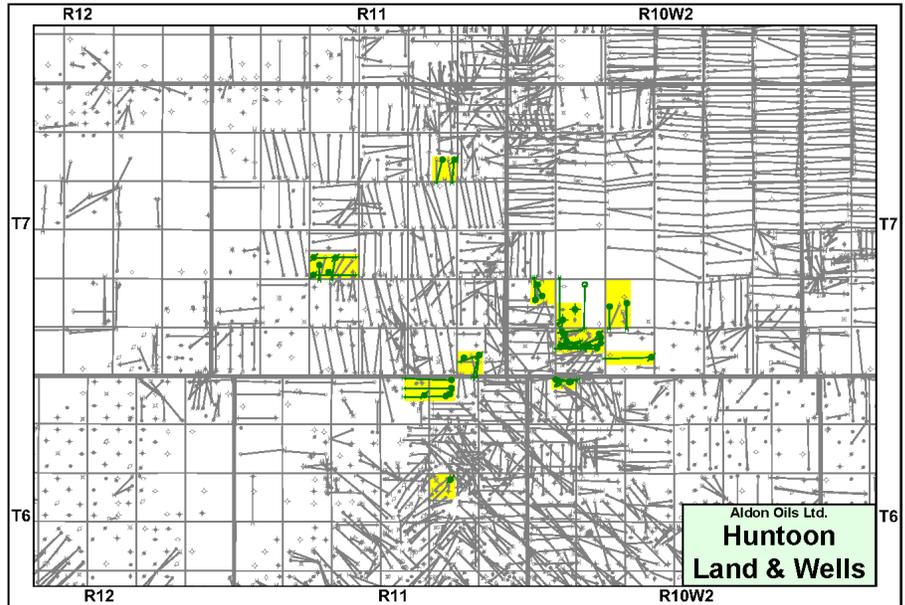


Huntoon Property

Township 6-7, Range 10-11 W2

At *Huntoon*, Aldon holds mainly a 100% working interest in a total of approximately three sections of land. The *Huntoon* property is located just north of the Midale oil pool and includes 26 active wells producing oil at a low decline rate from the Midale, Frobisher and Bakken formations. Aldon has one Frobisher disposal well at 191/12-05-007-10W2/0.

The *Huntoon* property has stacked upside in several formations, with up to twenty additional Midale locations, five Frobisher locations and seven Bakken locations. Nearby wells have also produced from the Birdbear, Duperow and Red River formations.



Average daily production net to Aldon from *Huntoon* for the month of January 2022 was approximately 97 barrels of oil per day.

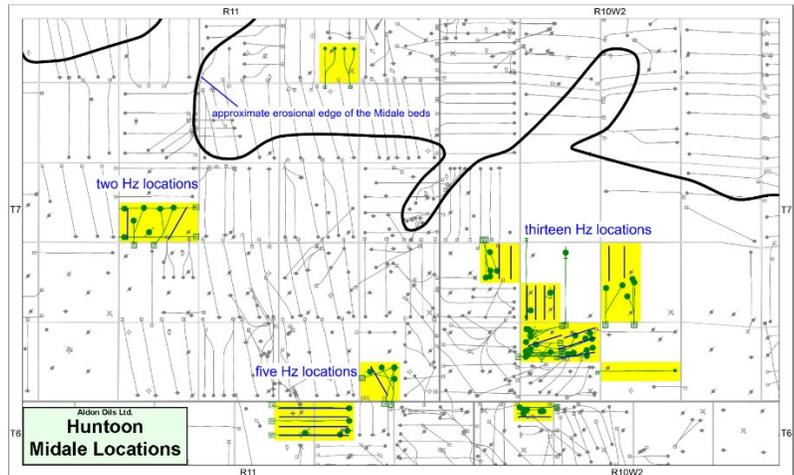
Operating income net to Aldon from *Huntoon* in January 2022 was approximately \$86,000, or \$1.0 million on an annualized basis.

Huntoon Geology

Midale Formation

The *Huntoon* area lies immediately updip from the Midale oil pool and subjacent to the Midale subcrop. Midale wells on the *Huntoon* property are characterized by low-inflow, low-water cut, long-term production. It is believed that up to 20 development drilling locations exist at *Huntoon* as shown in blue on the adjacent map.

The low permeability of the rock means that primary production alone has been unable to efficiently drain the reservoir, and therefore other methods are necessary to access the reserves.



Implementing a waterflood may be the most cost-efficient means of increasing production, and if successful the results may warrant the drilling of additional horizontal wells where pioneer vertical wells were uneconomic.

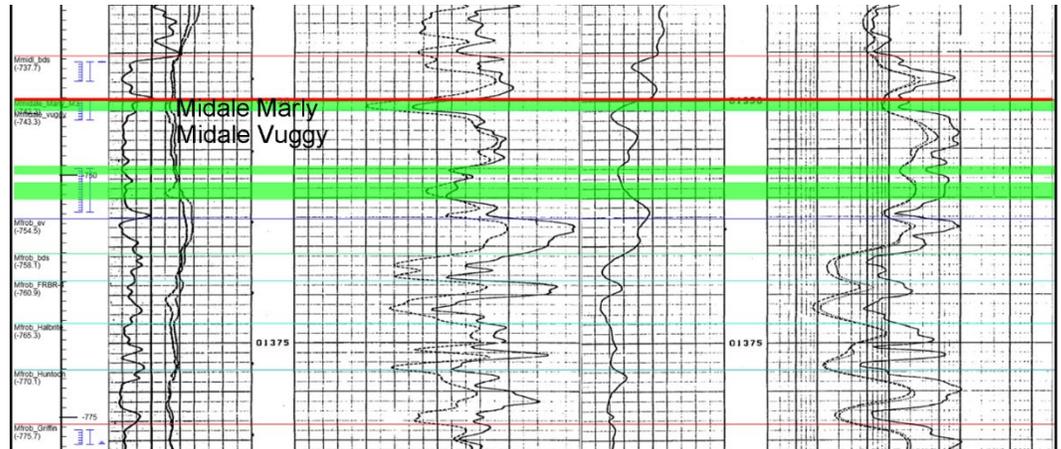
Alternatively, various companies have been stimulating the Midale with fracture treatments in areas of southeast Saskatchewan where those beds are characterized by good reserves but low permeability. The Pinto, Alameda and Steelman areas in southeastern Saskatchewan are examples where a similar reservoir to *Huntoon* exists, and fracture treatments there have successfully unlocked additional value over primary production.





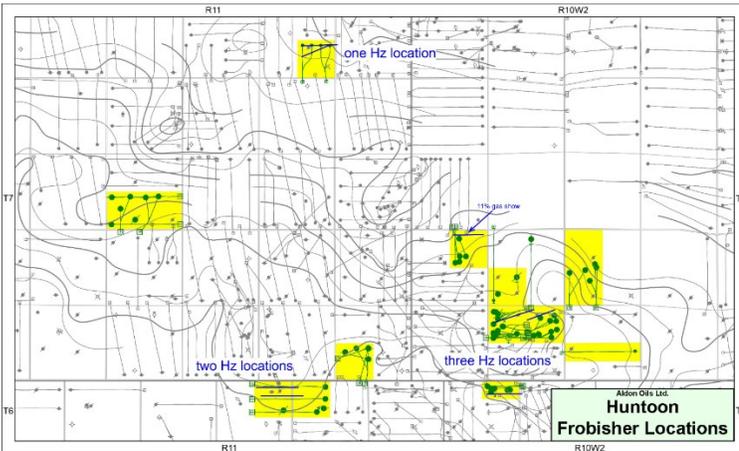
Aldon Midale 111/10-05-007-10W2/03 – Midale Type Log

The offsetting well log shows the Midale Marly and Midale Vuggy reservoir at *Huntoon*.



Additional Upside

The Company has identified additional development locations in the Frobisher and Bakken formations where previous drilling has not fully delineated the boundaries of those plays. Two development locations exist in the Frobisher on the north half of Section 05-007-10W2, one development location exists on LSDs 15 and 16 of Section 31-006-10W2 and two locations exist on the northeast quarter of Section 34-006-11W2 and the northwest quarter of Section 35-006-11W2.



Crescent Point Energy Corp. penetrated the Frobisher on the northeast quarter of Section 07-007-10W2 with the 102/15-18-007-10W2 wellbore which resulted in a gas spike of 11% from the Stoughton beds and may indicate an additional location there as shown on the adjacent map.

The adjacent map shows the existing Frobisher-target wells in green, with structure contours of the top of the Frobisher Evaporite indicated in light grey with 5 metre contour intervals. The five prospective Frobisher locations are shown in blue.

Hydrocarbon shows and production from older vertical wellbores and a structural nose that trends from the northeast to southwest have generated further interest in the Frobisher to the west in the south half of Section 16-007-11W2.

The abundant, concentrated nature of the hydrocarbon shows in the State 'A', Halbrite and Huntoon beds, combined with favourable structure, suggests the possibility of an extension of the pool. Developing this area with horizontal wells could be key in order to maximize oil production.

As one of southeast Saskatchewan's primary plays, there are very good producers from the Bakken Formation offsetting the Company's lands at *Huntoon*. Many of the offsetting wells are existing Bakken producing wells.

Aldon has identified up to seven Bakken development locations on the property.

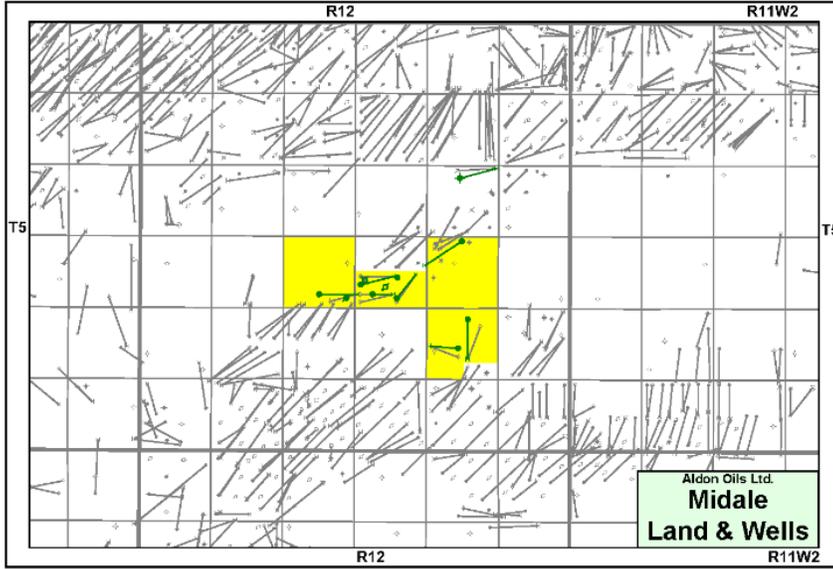
The Company has identified three locations for re-entry potential of existing wellbores. The wells were initially drilled with an open hole completion and can be further developed using multi-stage fracture stimulation.





Midale Property

Township 5, Range 12 W2



At *Midale*, Aldon holds operated, largely a 100% working interest in over three sections of land on which there are several wells with low-decline, light oil production primarily from the stacked Midale Marly, Midale Vuggy and Frobisher beds. Productivity from the zones is dependent on structure and stratigraphy. The Company also has one Mannville and one Midale disposal well at *Midale*.

Average daily production net to Aldon from *Midale* for the month of January 2022 was approximately 45 barrels of oil per day.

Operating income net to Aldon from *Midale* in January 2022 was approximately \$75,000, or \$900,000 on an annualized basis.

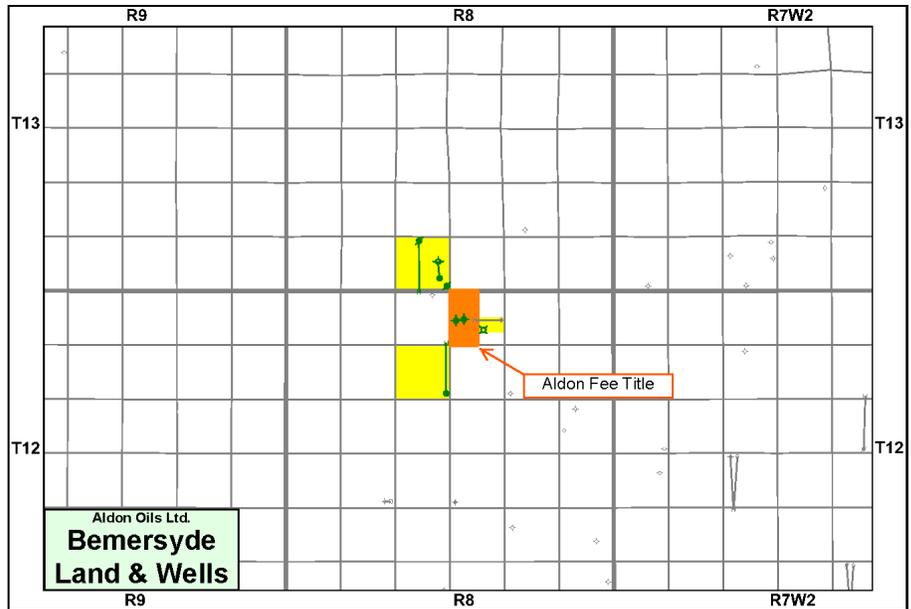
Bemersyde Property

Township 12-13, Range 8 W2

At *Bemersyde*, Aldon holds primarily a 50% working interest in certain lands as well as a 50% interest in the Fee Title in the west half of Section 34-012-08W2, on which Aldon will grant a PNG lease. Oil production is from the Bakken, and Yeoman formations. The Company also has a Mannville disposal well at *Bemersyde*.

Average daily production net to Aldon from *Bemersyde* for the month of January 2022 was approximately six barrels of oil per day.

Operating income net to Aldon from *Bemersyde* in January 2022 was approximately \$4,000, or \$48,000 on an annualized basis.





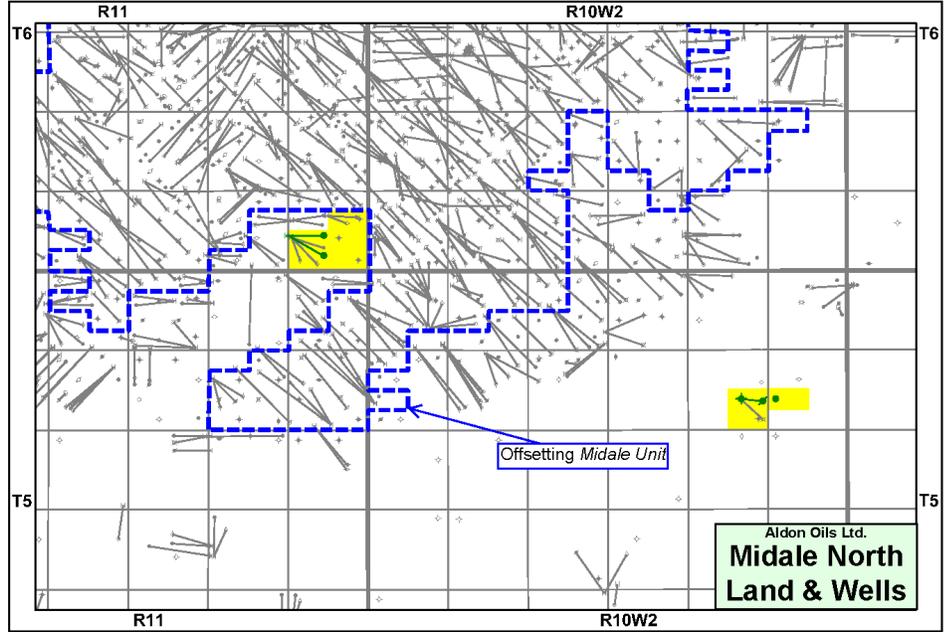
Midale North Property

Township 5-6, Range 10-11 W2

At *Midale North*, Aldon holds a 100% working interest in a total of one section of land. The *Midale North* property is located just outside of the *Midale Unit* which is operated by **Cardinal Energy Ltd.**

The primary reservoir is the Midale Marly beds, with good porosity and lower permeability. Reservoir pressure is maintained by Cardinal's CO₂ flood within the Unit, resulting in low declines for the local area.

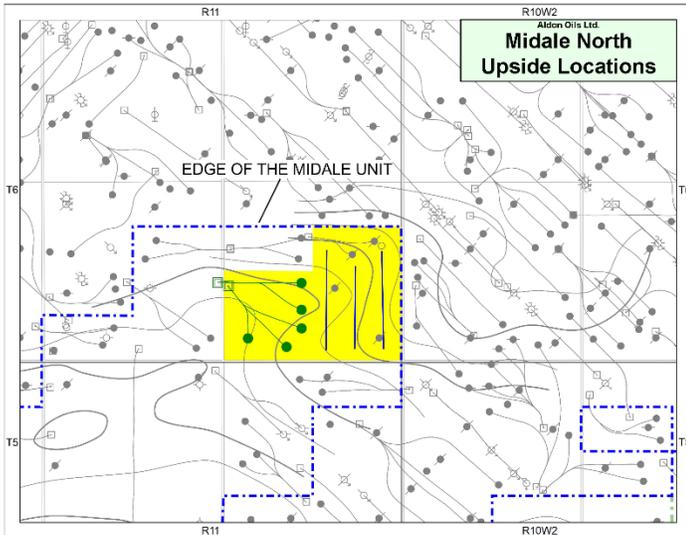
Average daily production net to Aldon from *Midale North* for the month of January 2022 was approximately 23 barrels of oil per day.



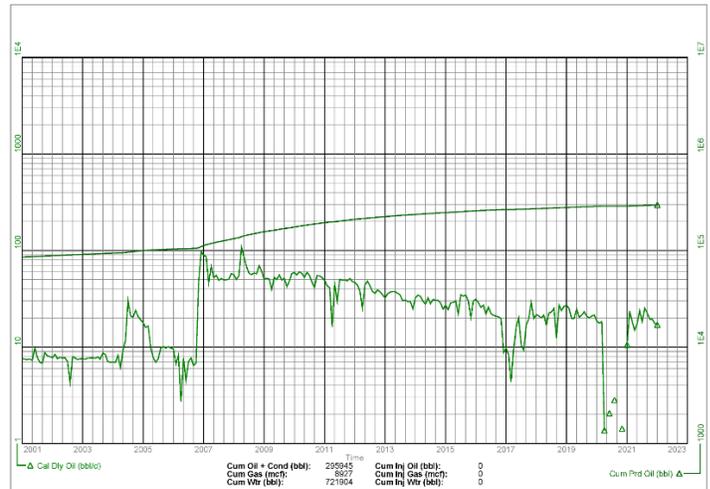
Operating income net to Aldon from *Midale North* in January 2022 was approximately \$34,000, or \$408,000 on an annualized basis.

Midale North Geology

The following map shows the structure contours on the top of the Midale beds at 5 metre contour intervals with Aldon's upside locations at *Midale North* shown in blue.



Midale North, Saskatchewan – Gross Production Group Plot of Aldon's Oil Wells





Weyburn Property

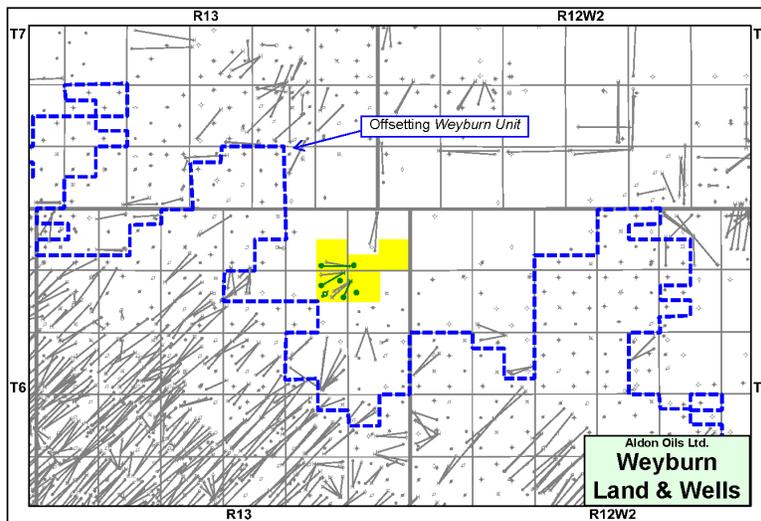
Township 6, Range 13 W2

At *Weyburn*, Aldon holds mainly a 100% working interest in over one section of land located immediately adjacent to the northeastern edge of the *Weyburn Unit* which is currently under CO₂ flood. Oil production is from the Midale Marly and Vuggy beds. Productivity is dependent on reservoir development and structure. The Company also has a Midale disposal well at 102/10-26-006-13W2/0.

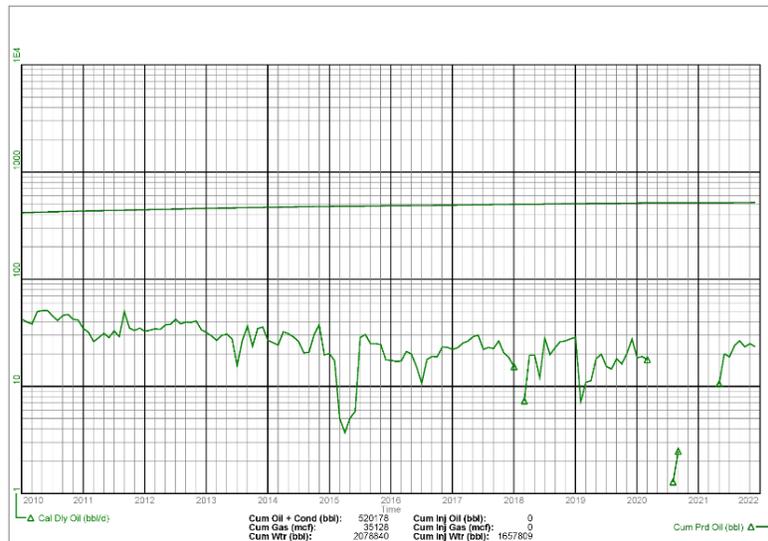
Average daily production net to Aldon from *Weyburn* for the month of January 2022 was approximately 17 barrels of oil per day.

Operating income net to Aldon from *Weyburn* in January 2022 was approximately \$13,000, or \$156,000 on an annualized basis.

Further drilling opportunities exist at *Weyburn* where horizontal wells can be placed to maximize exposure to both reservoirs, particularly with multiple legs. The Company has identified a strong, northeast to southwest-trending structural nose on the lands.

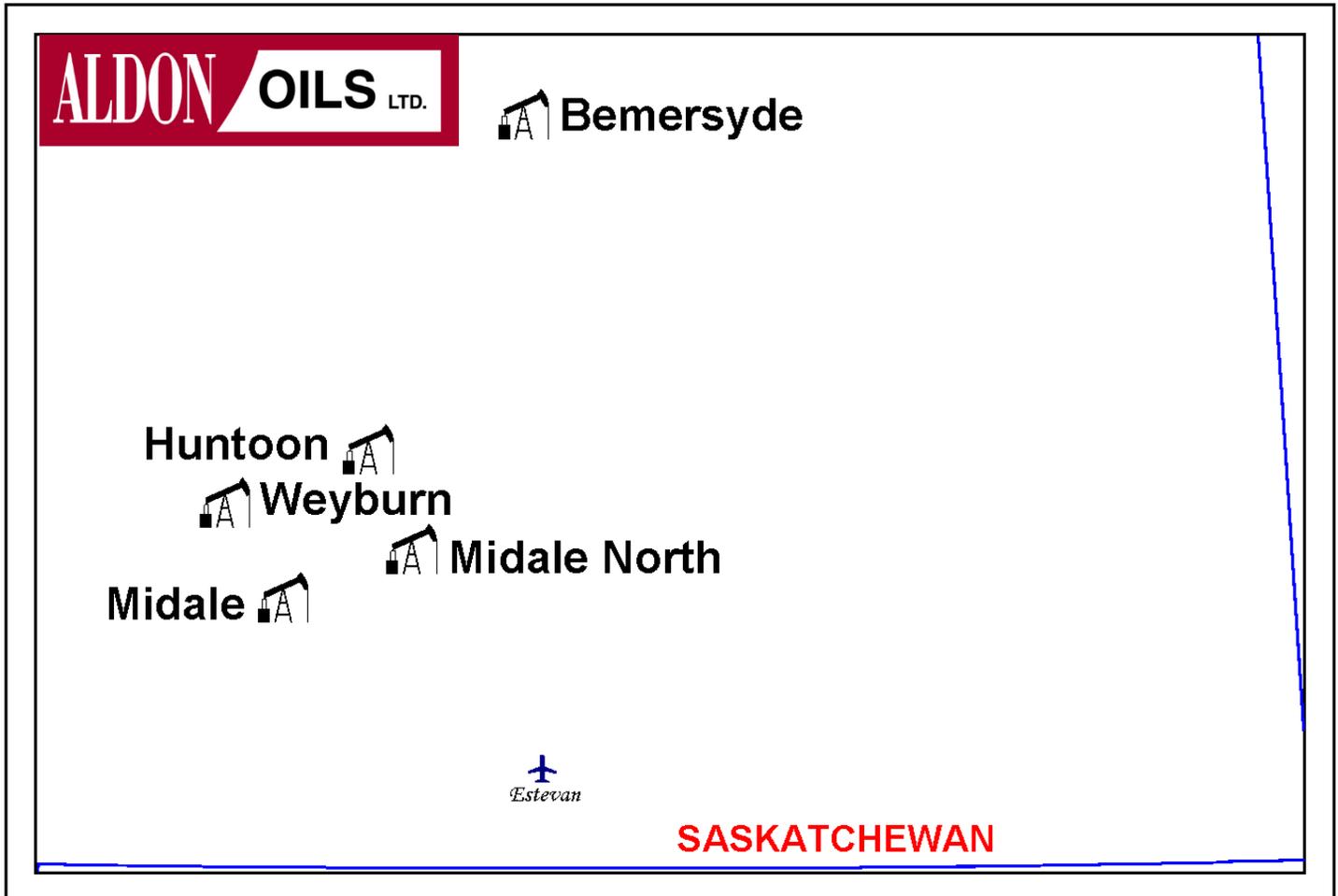


Weyburn, Saskatchewan – Gross Production Group Plot of Aldon’s Oil Wells





Aldon Oils Ltd. Property Divestiture Spring 2022



CONTACT

Parties wishing to receive access to the Confidential Information with detailed technical information relating to this opportunity should execute the Confidentiality Agreement which is available on Sayer Energy Advisors' website (www.sayeradvisors.com) and return one copy to Sayer Energy Advisors by courier, email (tpavic@sayeradvisors.com) or fax (403.266.4467).

Included in the Confidential Information is the following: summary land information, LMR information, most recent net operations summary, and other relevant technical information.

To receive further information on the Properties please contact Tom Pavic, Ben Rye or Grazina Palmer at 403.266.6133.





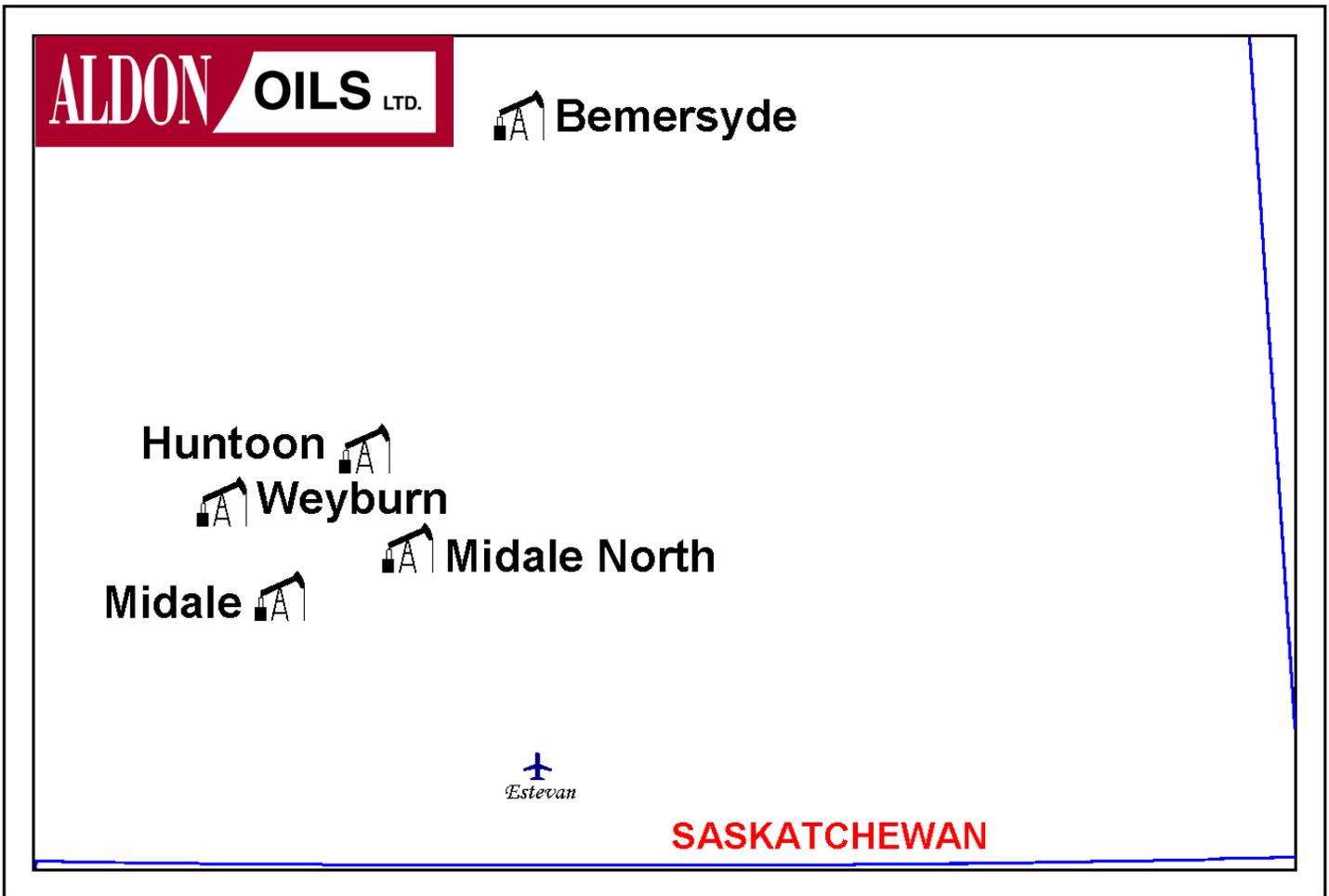
Overview

Aldon Oils Ltd. (“Aldon” or the “Company”) has engaged **Sayer Energy Advisors** to assist it with the sale of certain non-core oil and associated natural gas interests located in the *Bemersyde, Huntoon, Midale, Midale North and Weyburn* areas of southeastern Saskatchewan (the “Properties”). The Properties consist of primarily low-decline, light oil production.

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Overview Map Showing the Location of the Divestiture Properties





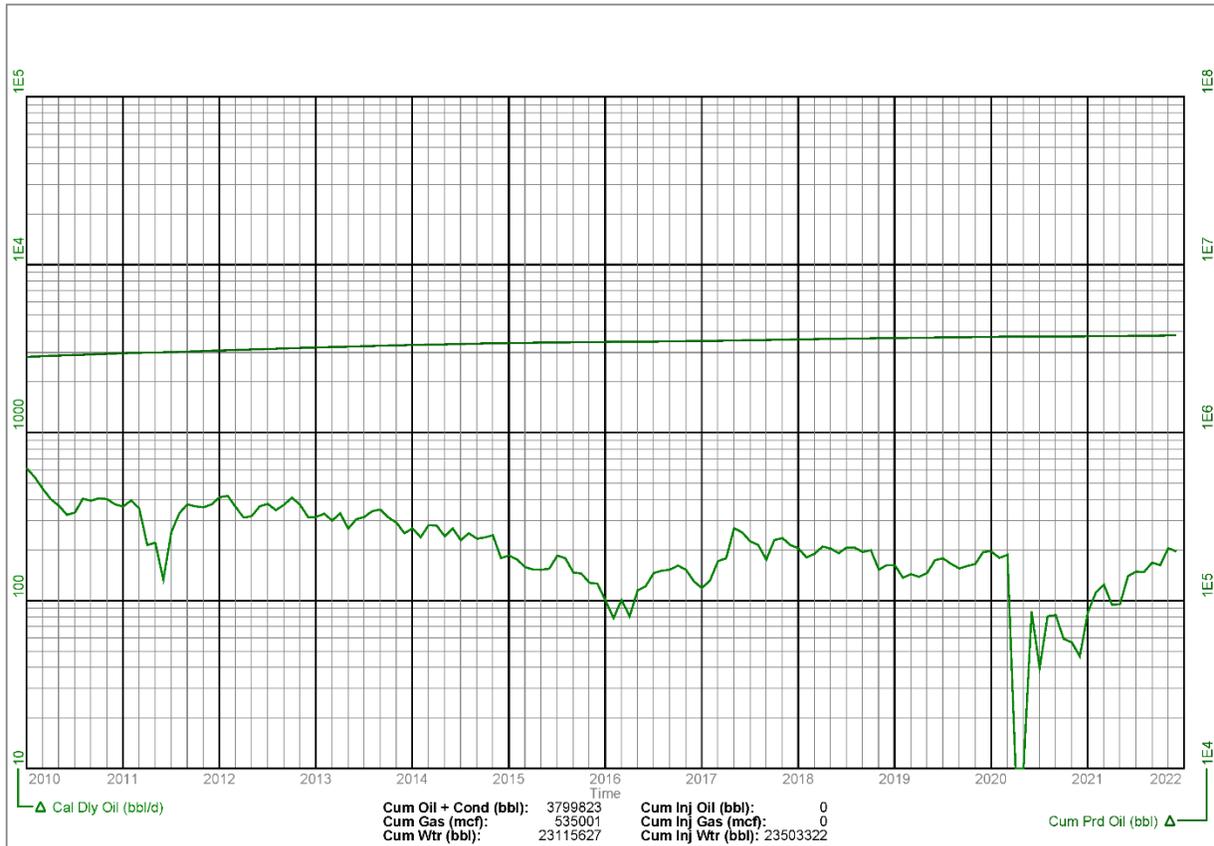
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Gross Production Group Plot of Aldon's Oil Wells



LMR Summary

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Bemersyde	\$93,960	\$460,278	(\$366,318)	0.20
TOTAL OFFERING	\$4,069,239	\$4,356,518	(\$287,279)	0.93

Marketing Overview

Oil is sold on a 30-day evergreen contract to either **Tidal Energy Marketing Inc.** or **Kingston Midstream.**

Reserves Overview

The Company does not have a third-party reserves evaluation of the Properties.



Huntoon Property

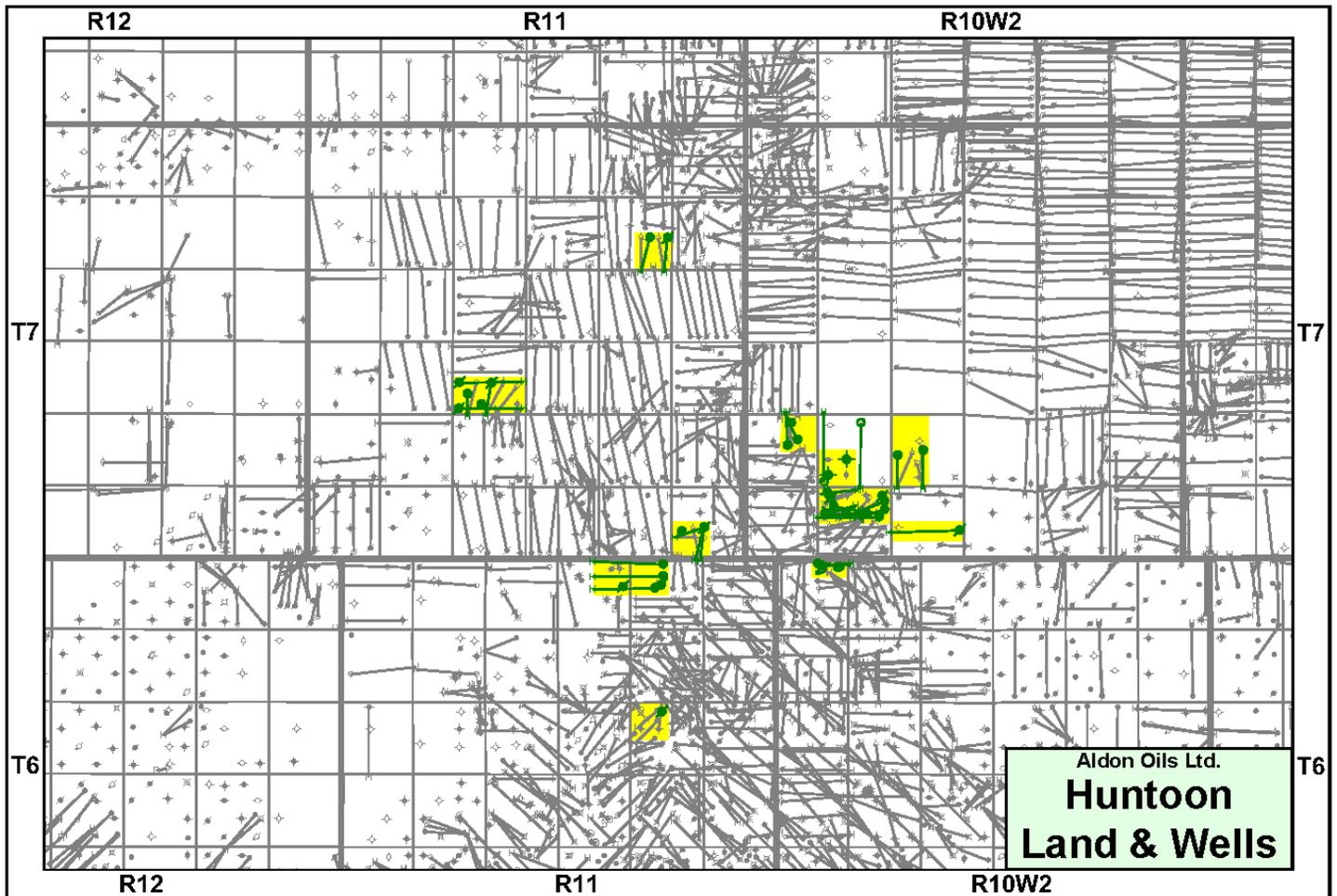
Township 6-7, Range 10-11 W2

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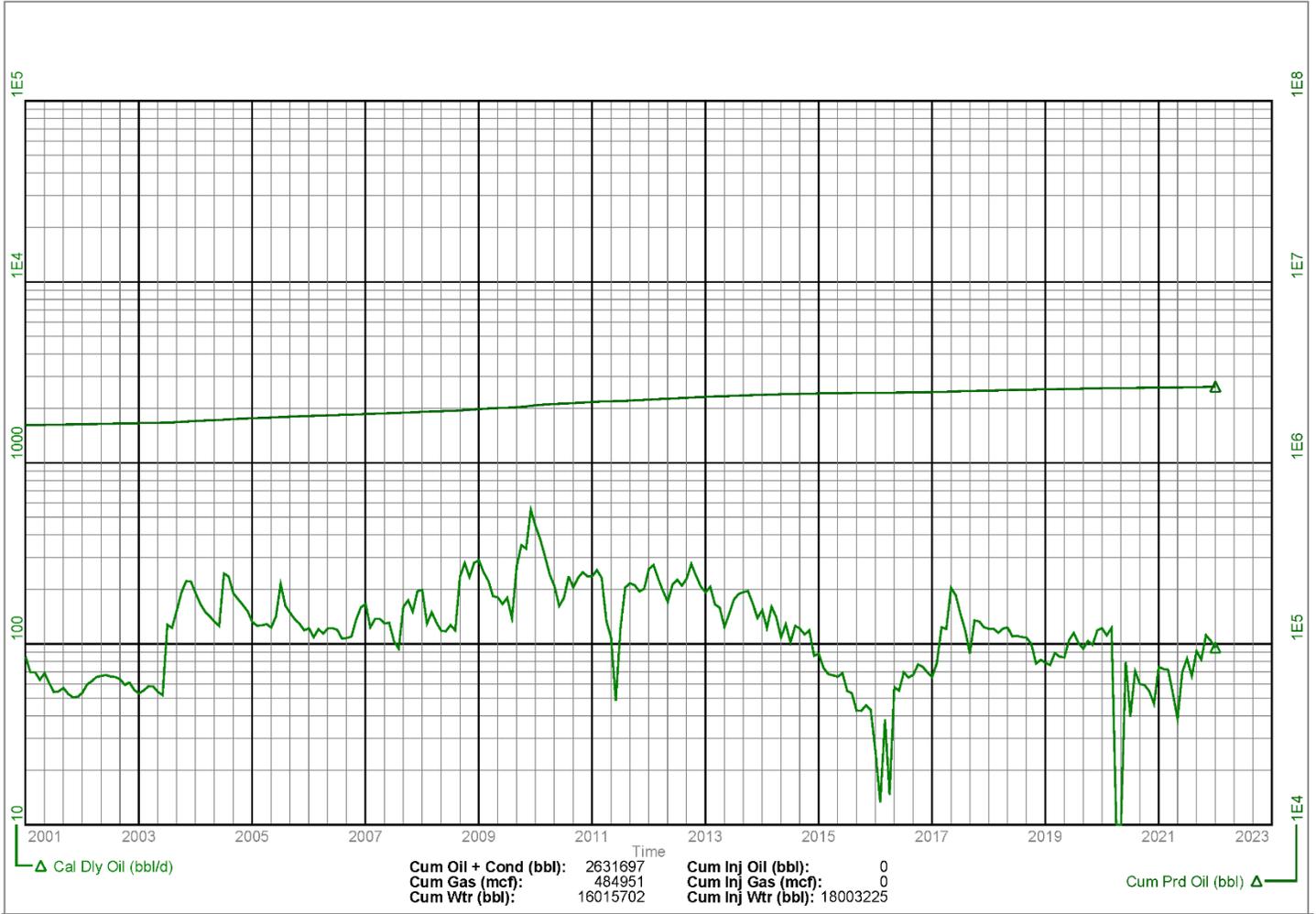
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Huntoon, Saskatchewan – Gross Production Group Plot of Aldon’s Oil Wells

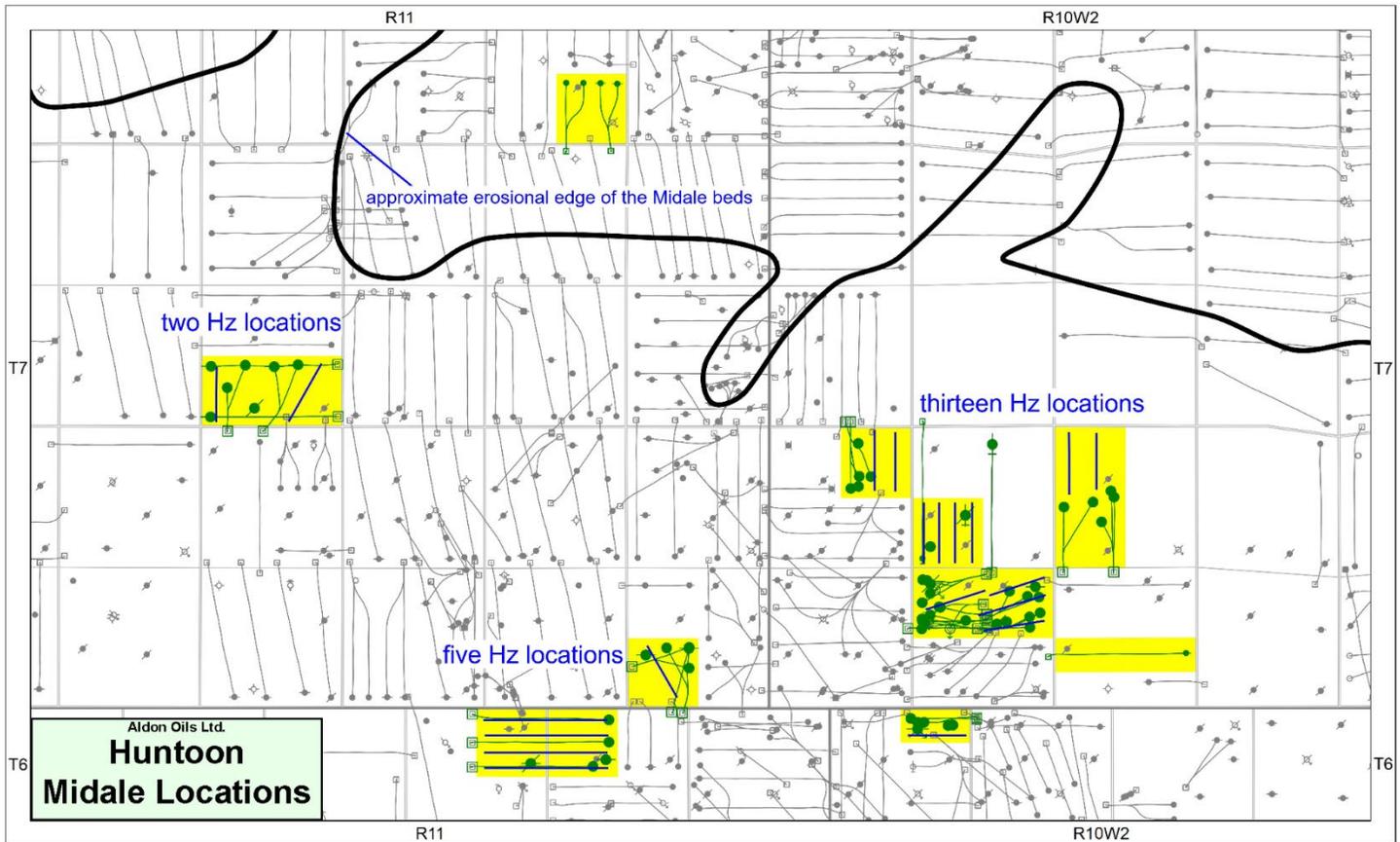




Huntoon Geology

Midale Formation

The *Huntoon* area lies immediately updip from the Midale oil pool and subjacent to the Midale subcrop. Midale wells on the *Huntoon* property are characterized by low-inflow, low-water cut, long-term production. It is believed that up to 20 development drilling locations exist at *Huntoon* as shown in blue on the following map.



The low permeability of the rock means that primary production alone has been unable to efficiently drain the reservoir, and therefore other methods are necessary to access the reserves. Implementing a waterflood may be the most cost-efficient means of increasing production, and if successful the results may warrant the drilling of additional horizontal wells where pioneer vertical wells were uneconomic.

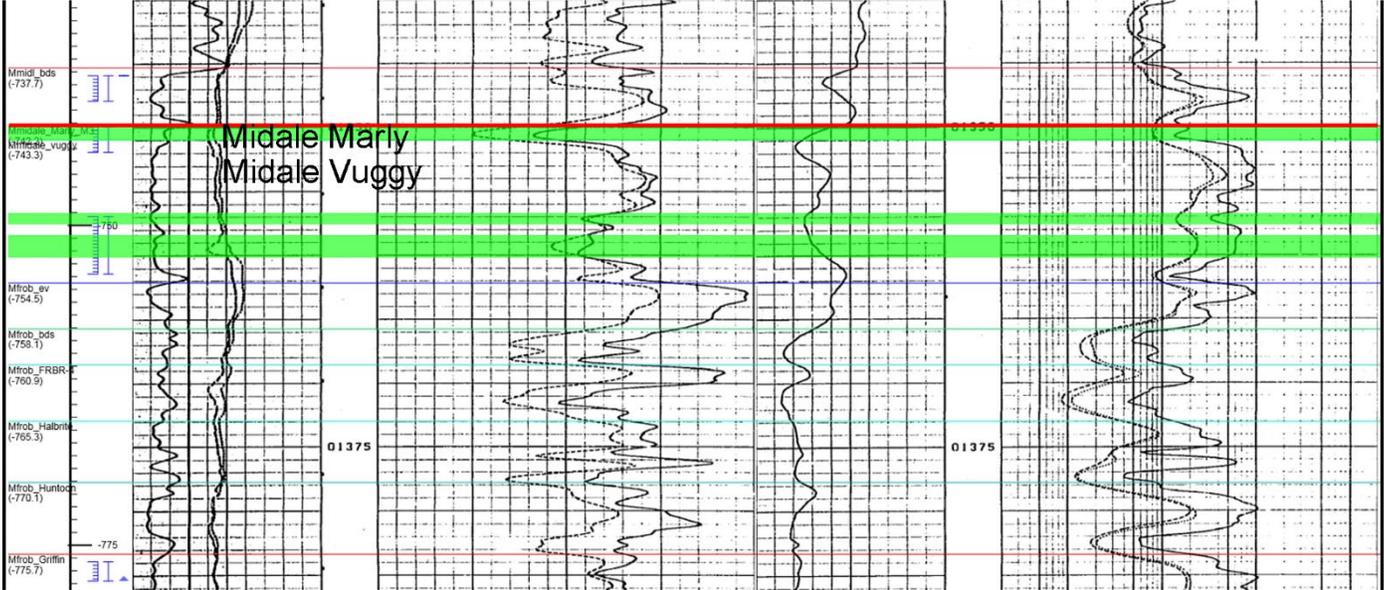
Alternatively, various companies have been stimulating the Midale with fracture treatments in areas of southeast Saskatchewan where those beds are characterized by good reserves but low permeability. The Pinto, Alameda and Steelman areas in southeastern Saskatchewan are examples where a similar reservoir to *Huntoon* exists, and fracture treatments there have successfully unlocked additional value over primary production.





The following well log shows the Midale Marly and Midale Vuggy reservoir at *Huntoon*.

Aldon Midale 111/10-05-007-10W2/03 – Midale Type Log



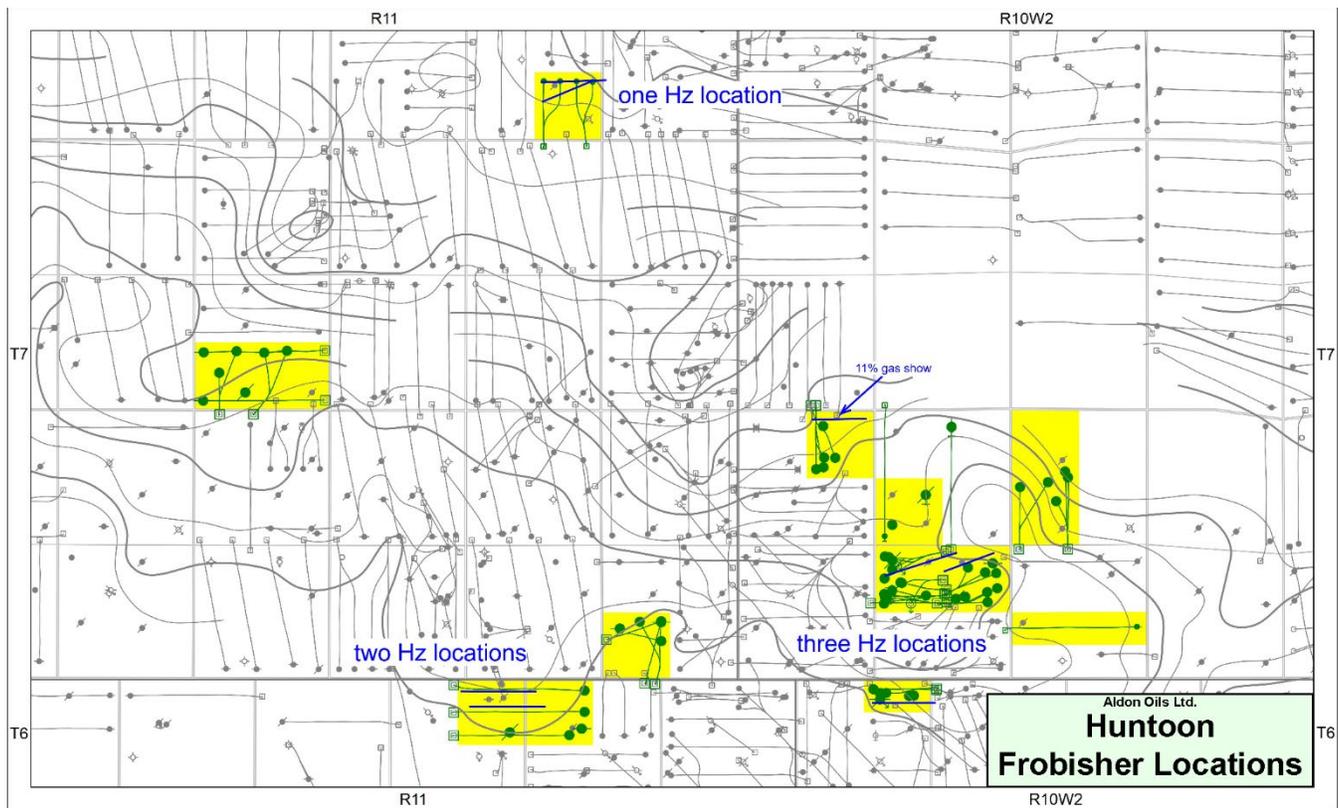


Additional Upside

The Company has identified additional development locations in the Frobisher and Bakken formations where previous drilling has not fully delineated the boundaries of those plays. Two development locations exist in the Frobisher on the north half of Section 05-007-10W2, one development location exists on LSDs 15 and 16 of Section 31-006-10W2 and two locations exist on the northeast quarter of Section 34-006-11W2 and the northwest quarter of Section 35-006-11W2.

Crescent Point Energy Corp. penetrated the Frobisher on the northeast quarter of Section 07-007-10W2 with the 102/15-18-007-10W2 wellbore which resulted in a gas spike of 11% from the Stoughton beds and may indicate an additional location there as shown on the following map.

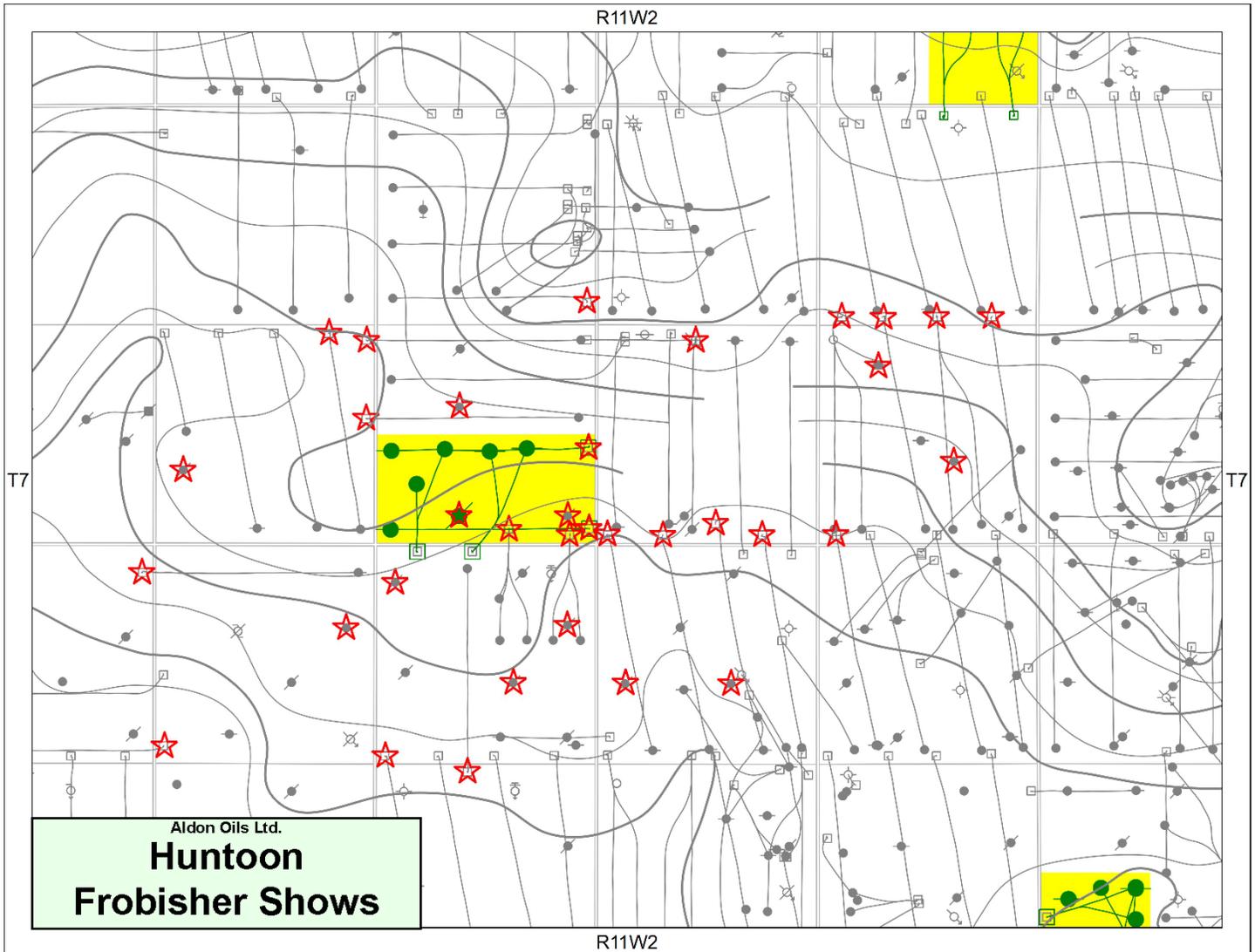
The map below shows the existing Frobisher-target wells in green, with structure contours of the top of the Frobisher Evaporite indicated in light grey with 5 metre contour intervals. The five prospective Frobisher locations are shown in blue.





Hydrocarbon shows and production from older vertical wellbores and a structural nose that trends from the northeast to southwest have generated further interest in the Frobisher to the west in the south half of Section 16-007-11W2.

The abundant, concentrated nature of the hydrocarbon shows in the State 'A', Halbrite and Huntoon beds, combined with favourable structure, suggests the possibility of an extension of the pool. Developing this area with horizontal wells could be key in order to maximize oil production.



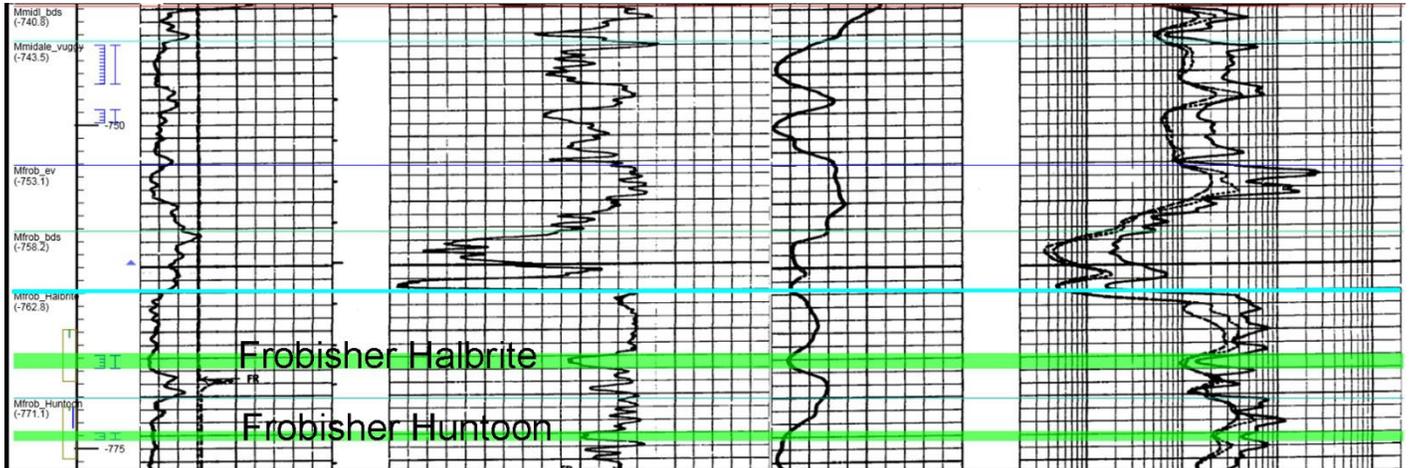
The preceding map shows the distribution of production around Section 16-007-11W2. Frobisher hydrocarbon shows are highlighted with red stars. The structure contours of the top of the Frobisher Evaporite are indicated in grey with contour intervals at 5 metres.





The following well log shows the DST over the Halbrite target recovered 181 metres of gassy oil and 38 metres of mud-cut, gassy oil. Significant hydrocarbon shows occur in the Halbrite, Huntoon and State 'A' beds in the wells surrounding the *Huntoon* property.

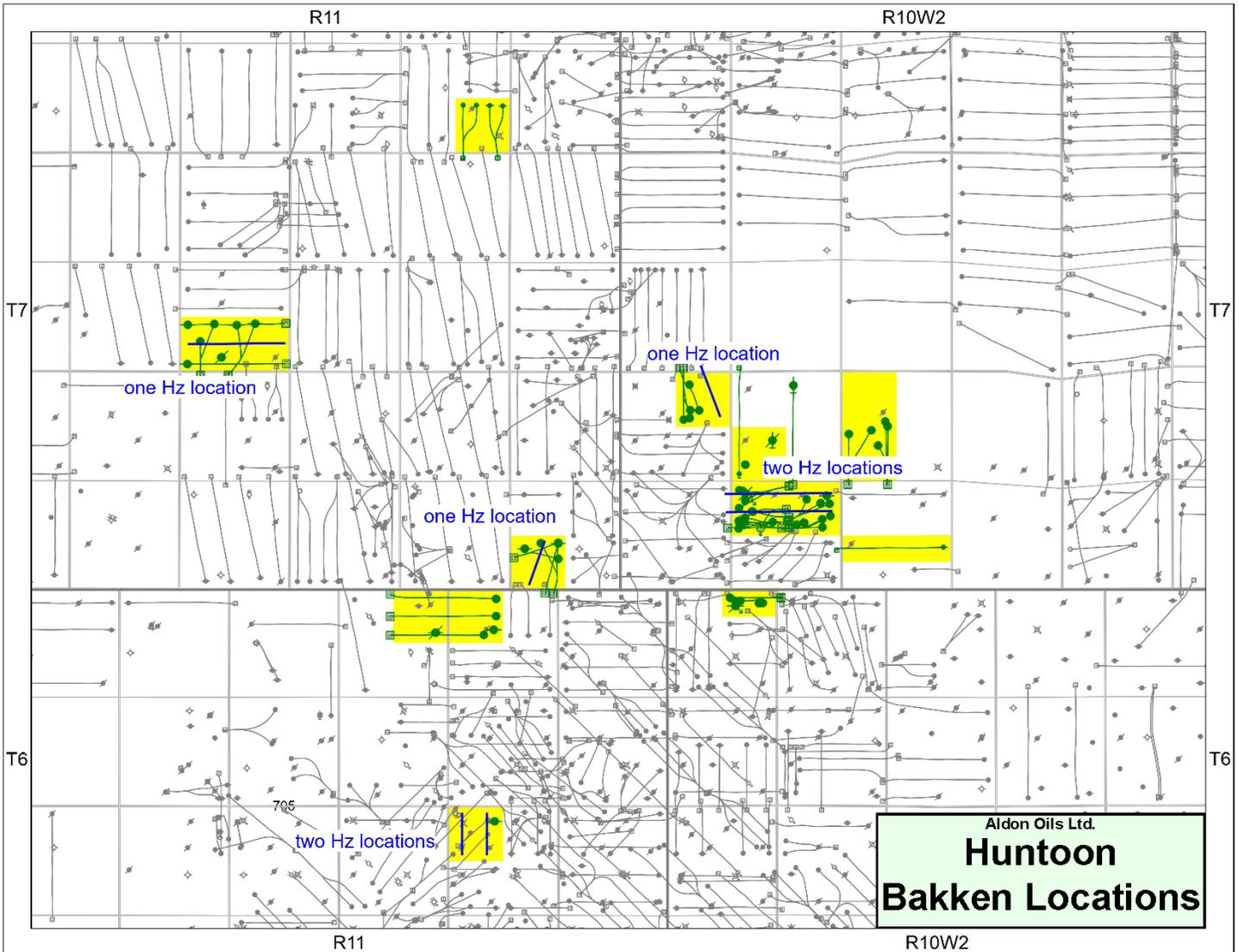
Aldon Midale 101/03-16-007-11W2/00 – Frobisher Type Log





As one of southeast Saskatchewan's primary plays, there are very good producers from the Bakken Formation offsetting the Company's lands at *Huntoon*. Many of the offsetting wells are existing Bakken producing wells.

Aldon has identified up to seven Bakken development locations on the property. The following map shows the Company's seven prospective Bakken locations in blue.

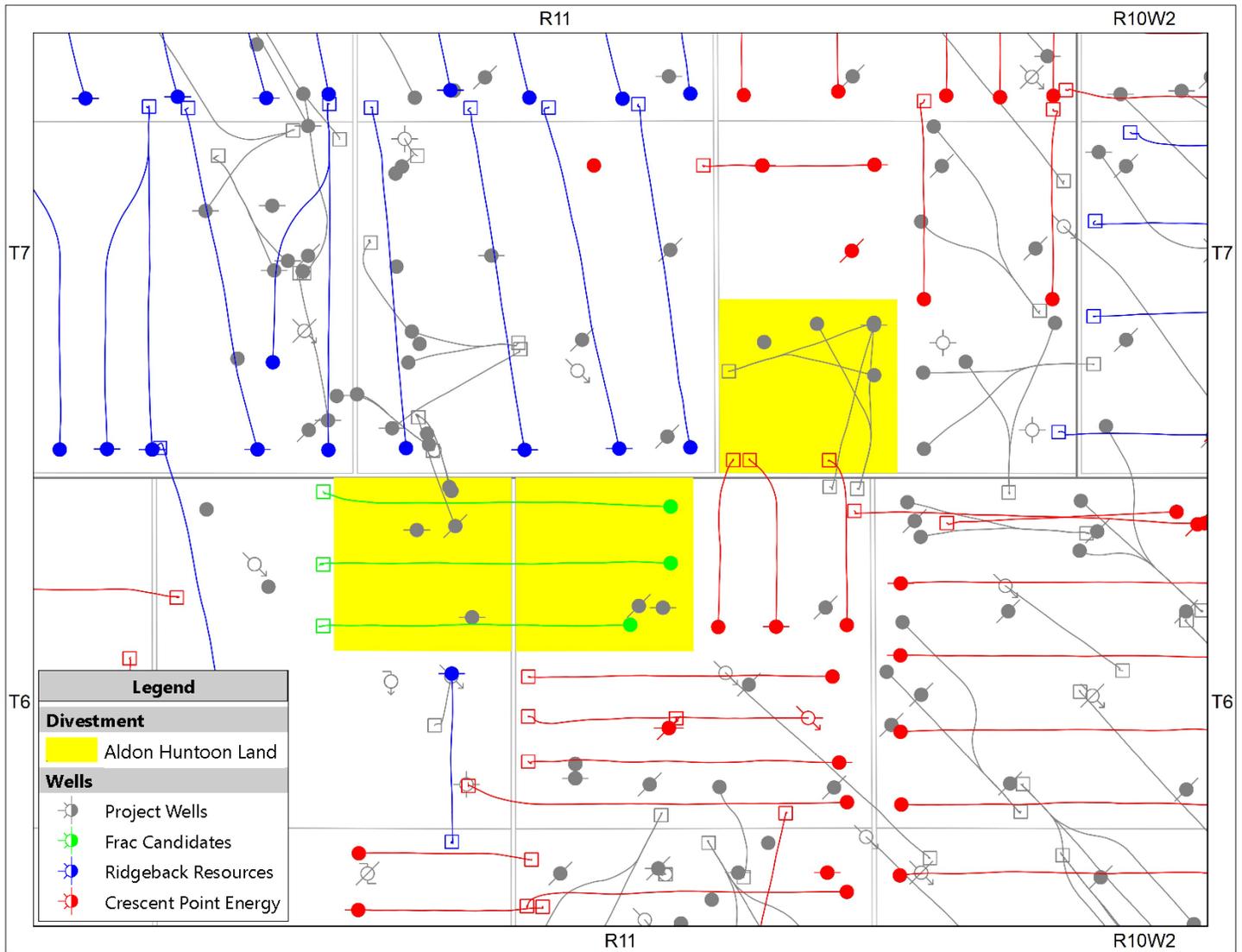




The Company has identified three locations for re-entry potential of existing wellbores. The wells were initially drilled with an open hole completion and can be further developed using multi-stage fracture stimulation.

The upside locations are surrounded by successfully fracture stimulated Bakken wells by **Crescent Point Energy Corp.** and **Ridgeback Resources Inc.** Similar post fracture results could be expected.

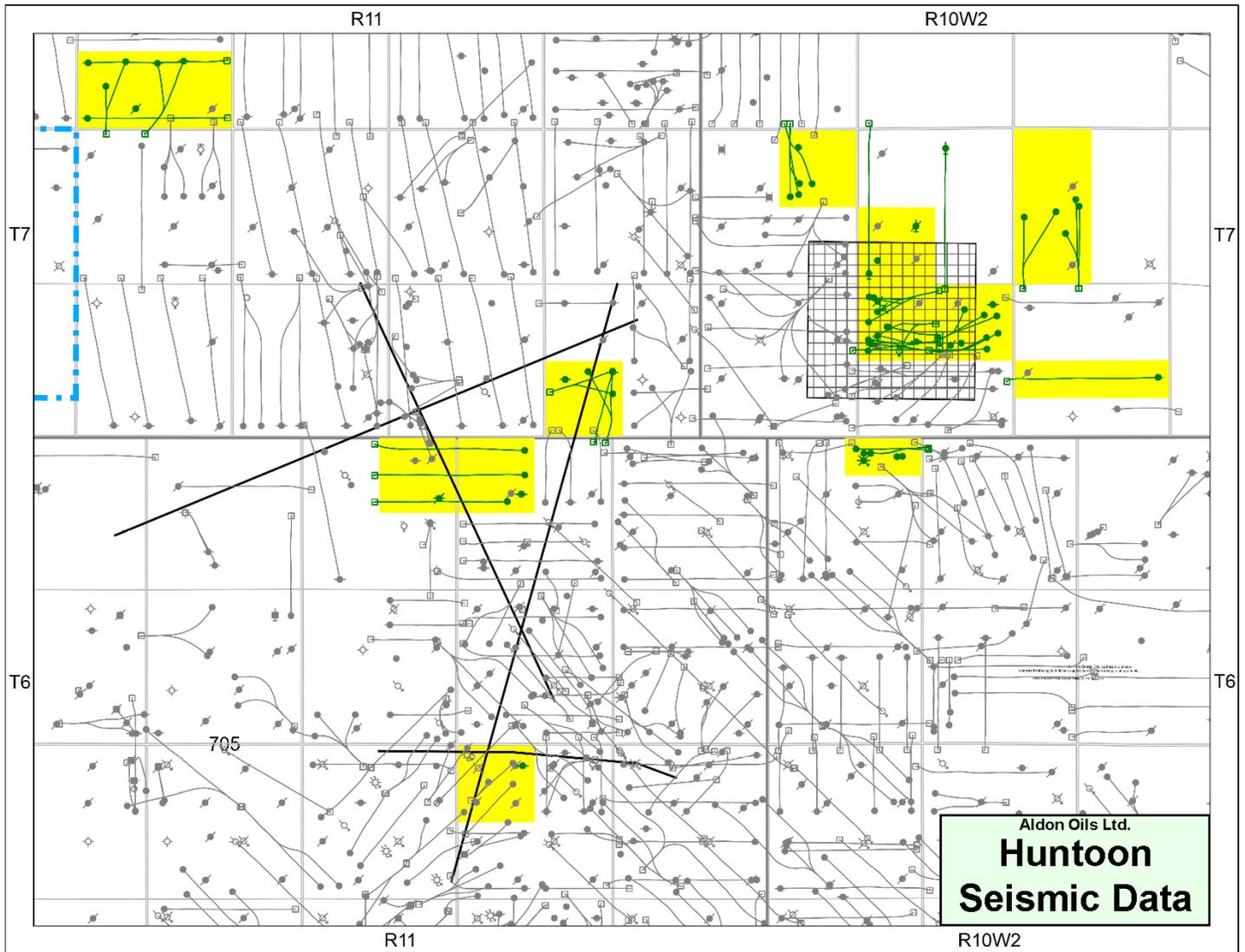
The following map shows the Aldon Bakken frac candidates in green, Crescent Point wells in red and Ridgeback wells in blue.





Huntoon Seismic

The Company has trade 2D and 3D seismic over a portion of its lands at *Huntoon*, as illustrated on the following plat. The Company's interpretations of the seismic are available in hard copy for viewing in the Data Room, located in Sayer's office, by parties which have executed a confidentiality agreement.



As a member of *The Association of Professional Engineers and Geoscientists of Alberta* ("APEGA"), Sayer Energy Advisors adheres to the "Guidelines for Ethical Use of Geophysical Data" which APEGA first published in May 2010. The complete document summarizing the APEGA guidelines can be downloaded from APEGA's website, where it can be found at <https://www.apega.ca/assets/PDFs/geophysical-data.pdf>. In order to ensure that the rights of all data owners are recognized and respected, the copying of data and the opportunity to view uninterpreted licensed data are activities that are not permitted in a Sayer Data Room.





Huntoon Facilities

Details of the facilities and equipment at *Huntoon* are as follows:

Location	Facility Code	Facility Type	Status	WI
10-05-007-10W2	SKBTB4M0511	Multi-Well Oil Battery	Active	100%
10-05-007-10W2	SKIFM400250	Water Injection / Disposal	Active	100%
14-34-006-11W2	B4L3954	Multi-Well Oil Battery	Active	100%

Huntoon Reserves

The Company does not have a third-party reserves evaluation of the Properties.

Huntoon LMR

As of April 28, 2022, Aldon's net deemed asset value for *Huntoon* was (\$279,829) (deemed assets of \$2.2 million and deemed liabilities of \$2.4 million), with an LMR ratio of 0.89.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$2,157,155	\$2,436,985	(\$279,829)	0.89

Huntoon Well List

See well list in Excel.





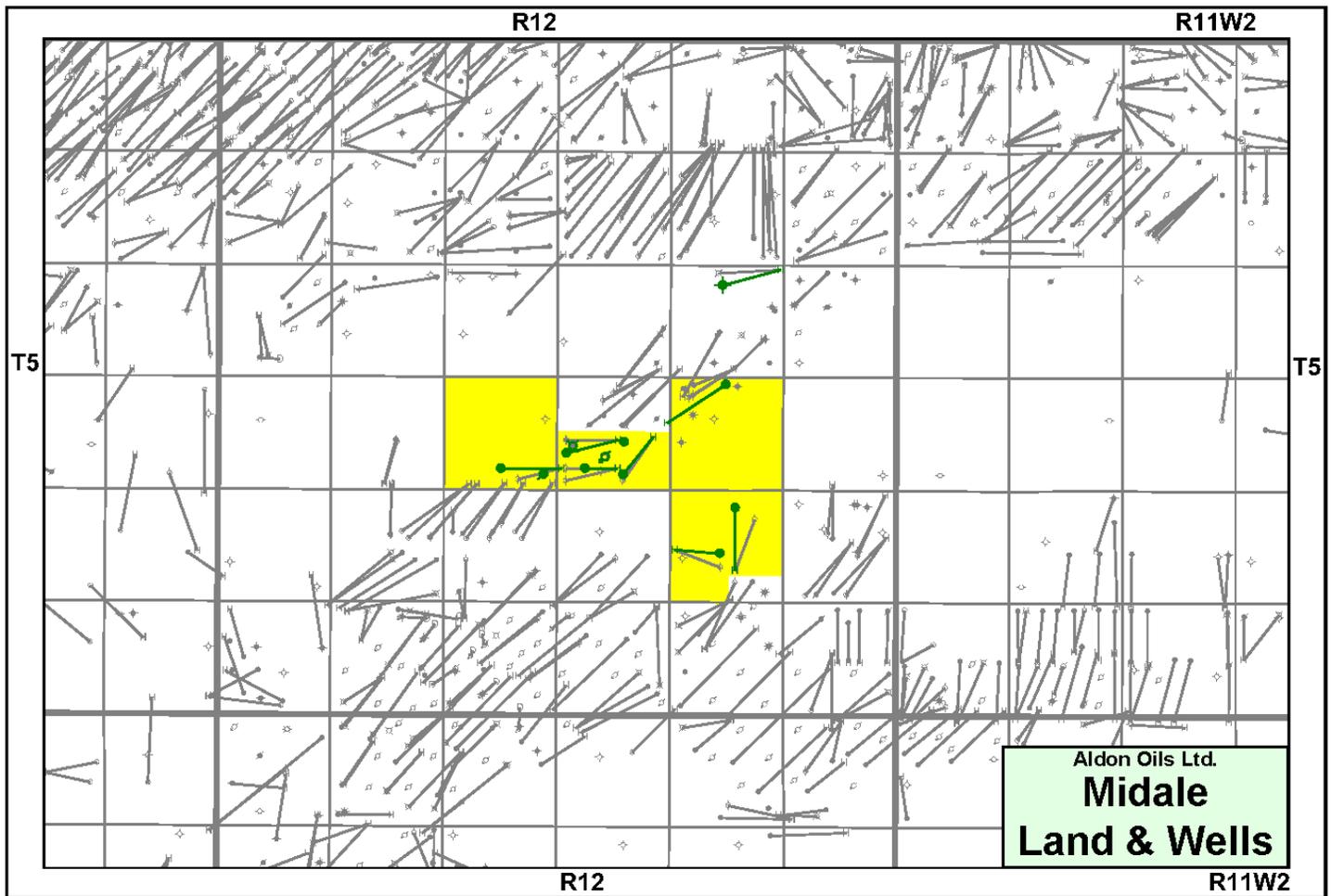
Midale Property

Township 5, Range 12 W2

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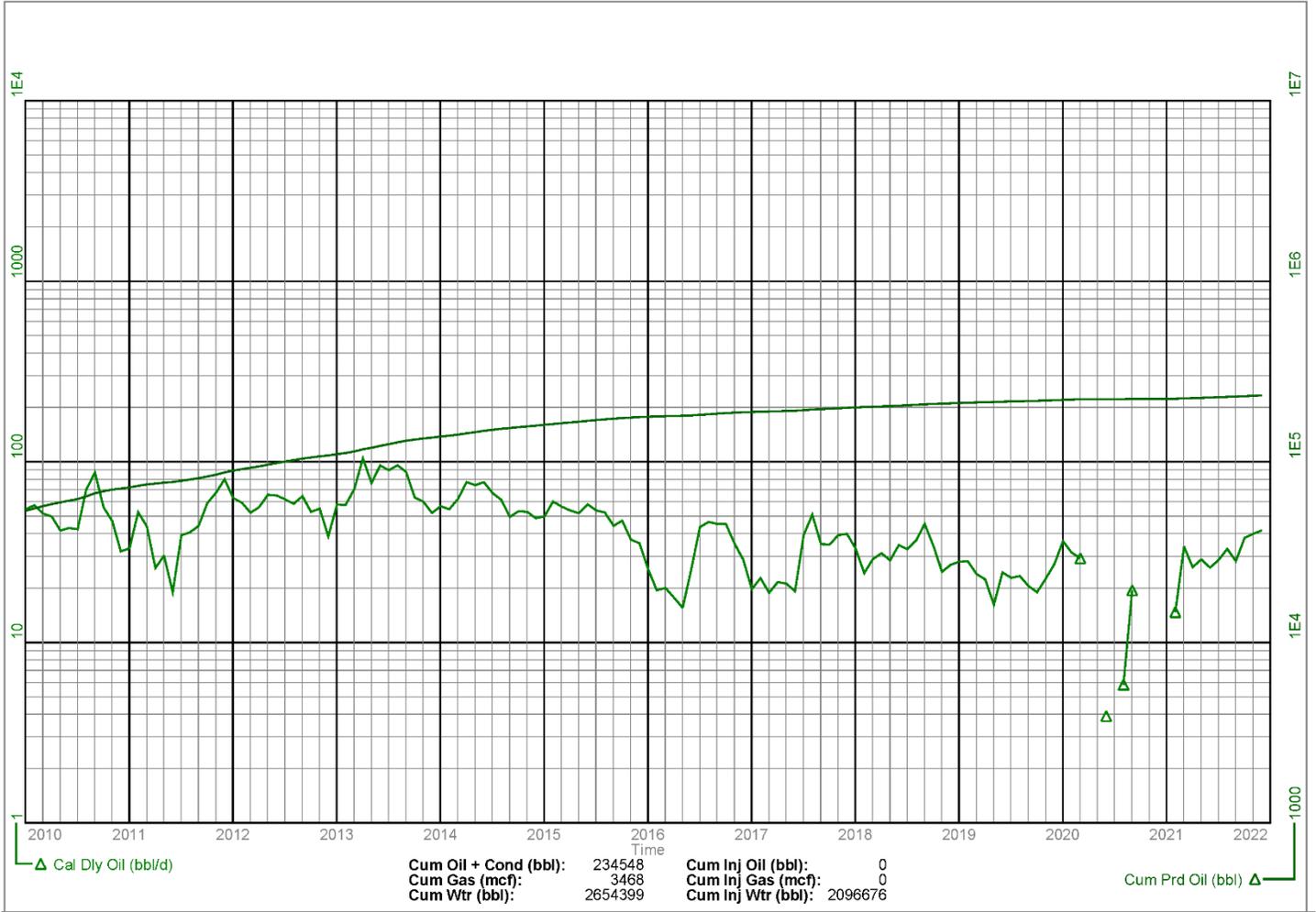
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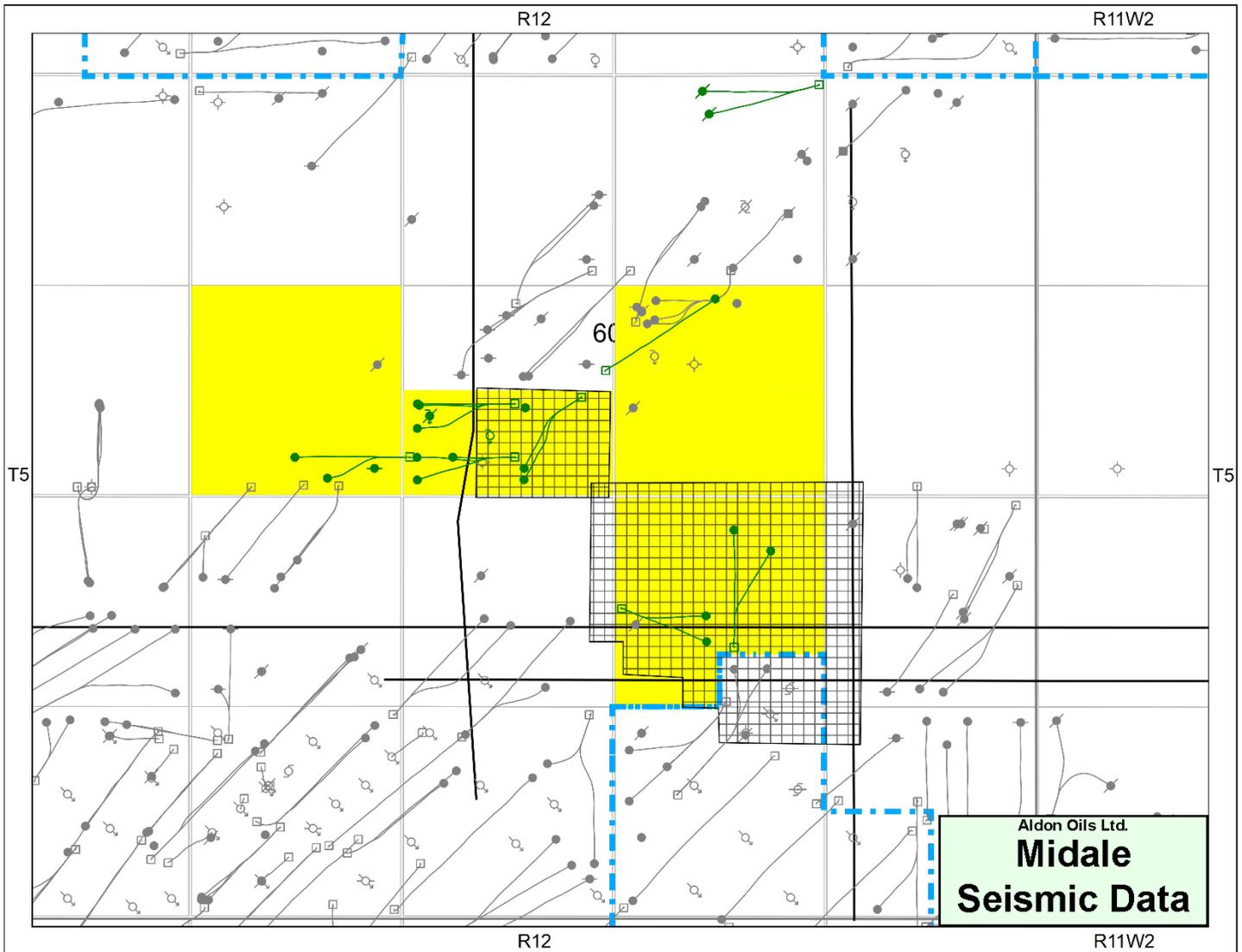
Midale, Saskatchewan – Gross Production Group Plot of Aldon’s Oil Wells





Midale Seismic

The Company has trade 2D and 3D seismic over a portion of its lands at *Midale*, as illustrated on the following plat. The Company's interpretations of the seismic are available in hard copy for viewing in the Data Room located in Sayer's office, by parties which have executed a confidentiality agreement.



As a member of *The Association of Professional Engineers and Geoscientists of Alberta* ("APEGA"), Sayer Energy Advisors adheres to the "Guidelines for Ethical Use of Geophysical Data" which APEGA first published in May 2010. The complete document summarizing the APEGA guidelines can be downloaded from APEGA's website, where it can be found at <https://www.apega.ca/assets/PDFs/geophysical-data.pdf>. In order to ensure that the rights of all data owners are recognized and respected, the copying of data and the opportunity to view uninterpreted licensed data are activities that are not permitted in a Sayer Data Room.





Midale Facilities

Details of the facilities and equipment at *Midale* are as follows:

Location	Facility Code	Facility Type	Status	WI
05-15-005-12W2	B4L3976	Multi-Well Oil Battery	Active	100%
05-15-005-12W2	12012	Water Injection / Disposal	Active	100%

Midale Reserves

The Company does not have a third-party reserves evaluation of the Properties.

Midale LMR

As of April 28, 2022, Aldon's net deemed asset value for *Midale* was \$99,405 (deemed assets of \$834,515 and deemed liabilities of \$735,110), with an LMR ratio of 1.14.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$834,515	\$735,110	\$99,405	1.14

Midale Well List

See well list in Excel.





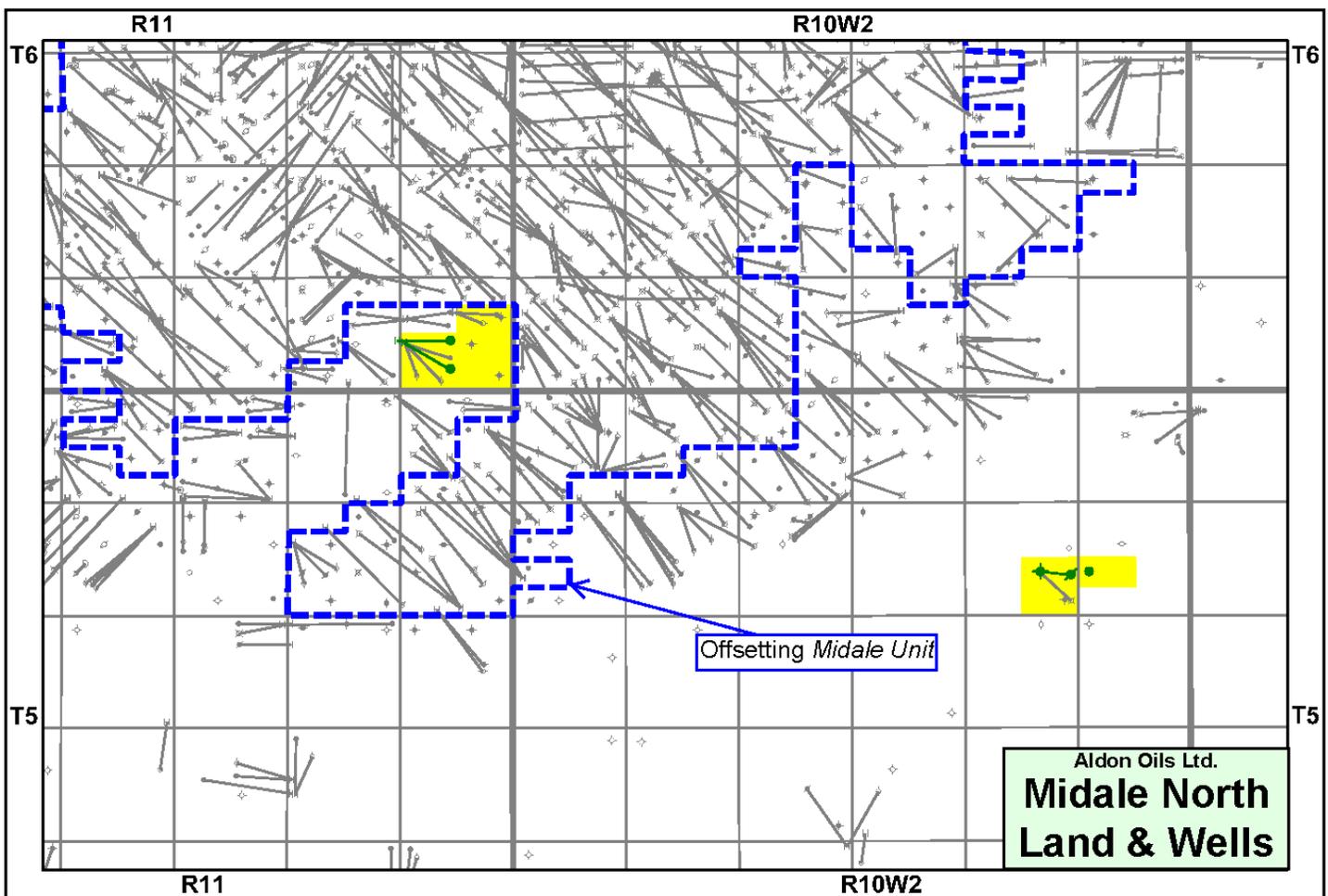
Midale North Property

Township 5-6, Range 10-11 W2

At *Midale North*, Aldon holds a 100% working interest in a total of one section of land. The *Midale North* property is located just outside of the *Midale Unit* which is operated by **Cardinal Energy Ltd.** The primary reservoir is the Midale Marly beds, with good porosity and lower permeability. Reservoir pressure is maintained by Cardinal's CO₂ flood within the Unit, resulting in low declines for the local area.

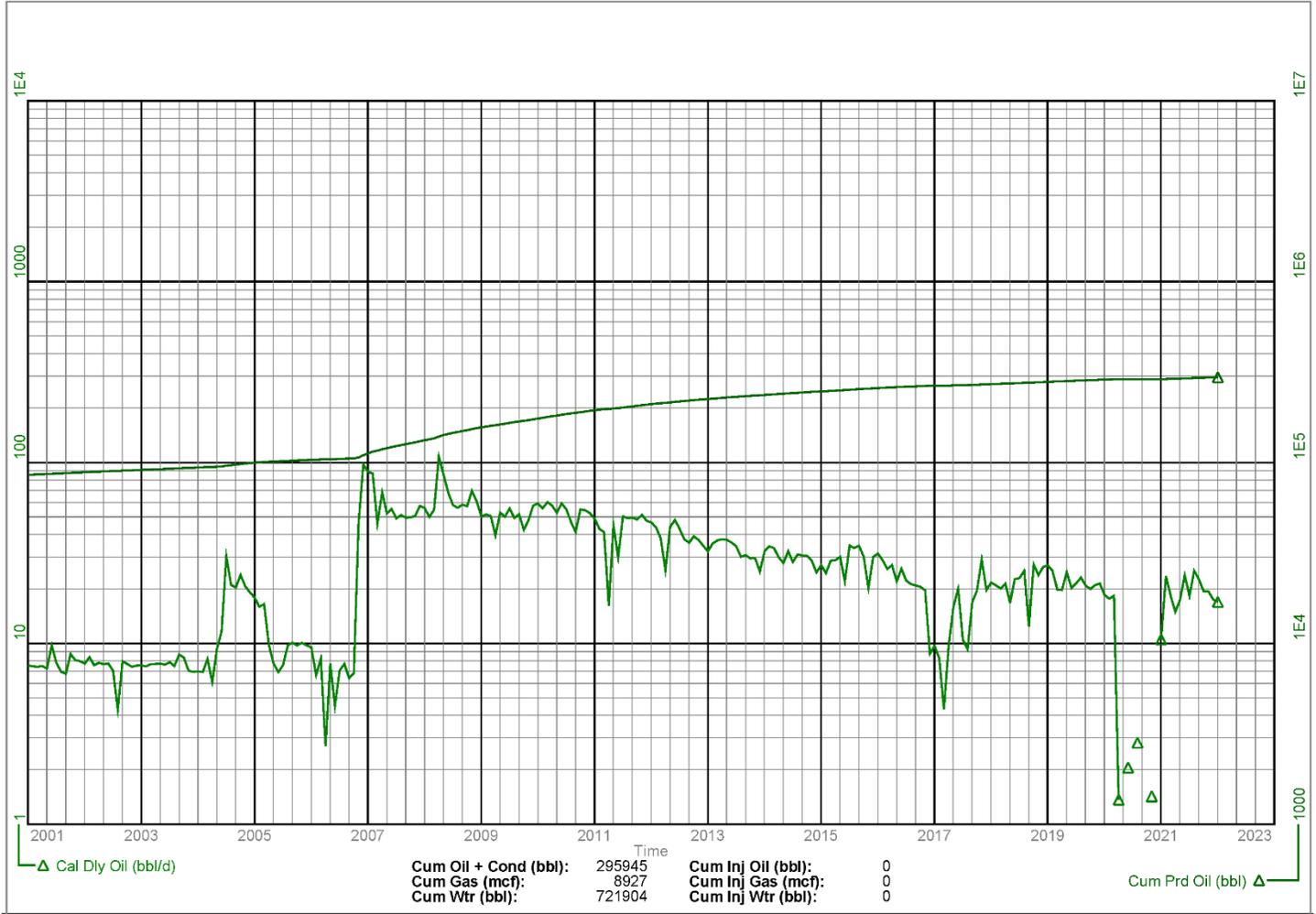
Average daily production net to Aldon from *Midale North* for the month of January 2022 was approximately 23 barrels of oil per day.

Operating income net to Aldon from *Midale North* in January 2022 was approximately \$34,000, or \$408,000 on an annualized basis.





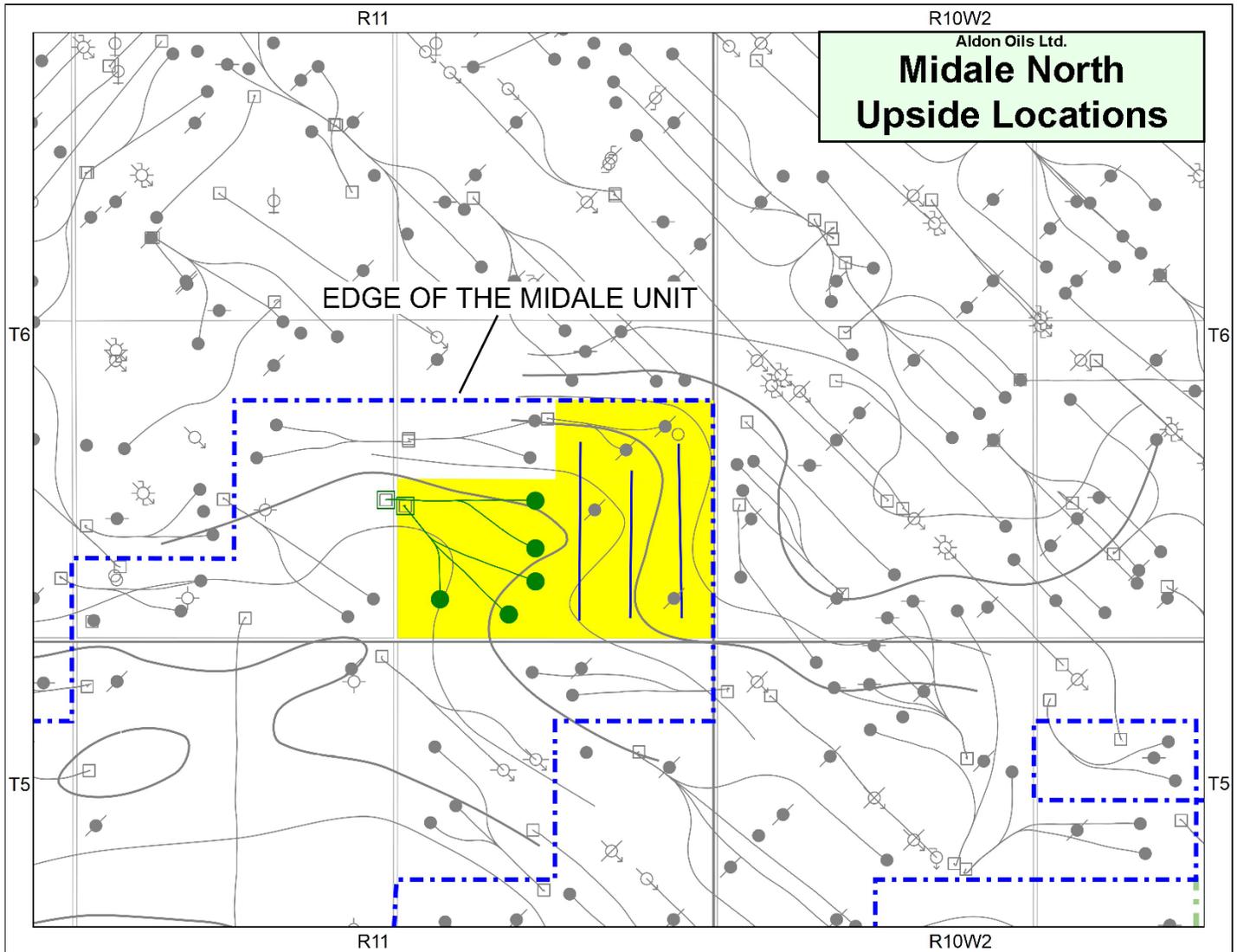
Midale North, Saskatchewan – Gross Production Group Plot of Aldon's Oil Wells





Midale North Geology

The following map shows the structure contours on the top of the Midale beds at 5 metre contour intervals with Aldon's upside locations at *Midale North* shown in blue.





Midale North Seismic

The Company does not have ownership in any seismic data over its lands at *Midale North*.

Midale North Facilities

The Company does not have an interest in any facilities at *Midale North*.

Midale North Reserves

The Company does not have a third-party reserves evaluation of the Properties.

Midale North LMR

As of April 28, 2022, Aldon's net deemed asset value for *Midale North* was \$282,620 (deemed assets of \$496,620 and deemed liabilities of \$214,000), with an LMR ratio of 2.32.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$496,620	\$214,000	\$282,620	2.32

Midale North Well List

See well list in Excel.





Weyburn Property

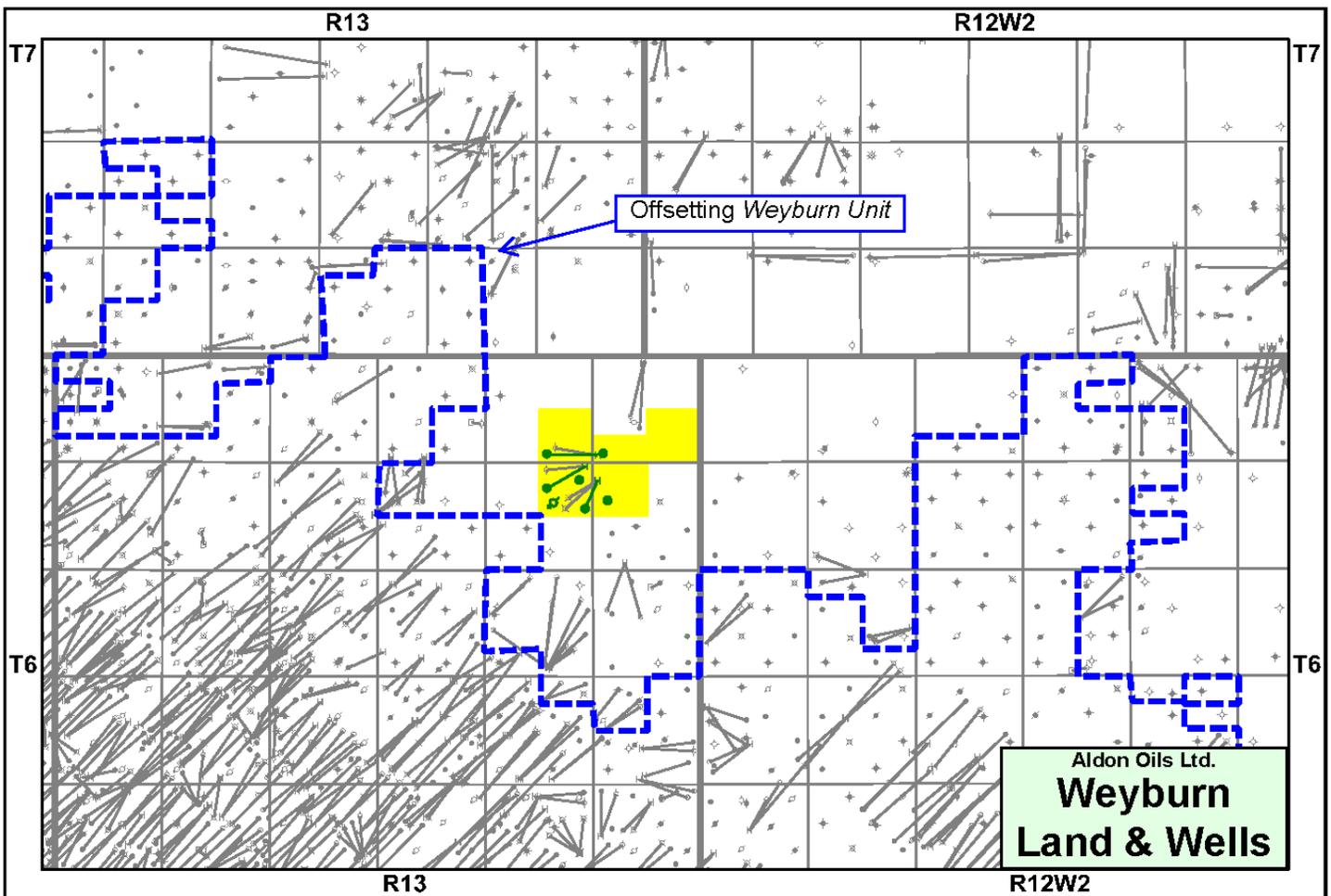
Township 6, Range 13 W2

At *Weyburn*, Aldon holds mainly a 100% working interest in over one section of land located immediately adjacent to the northeastern edge of the *Weyburn Unit* which is currently under CO₂ flood. Oil production is from the Midale Marly and Vuggy beds. Productivity is dependent on reservoir development and structure. The Company also has a Midale disposal well at 102/10-26-006-13W2/0.

Average daily production net to Aldon from *Weyburn* for the month of January 2022 was approximately 17 barrels of oil per day.

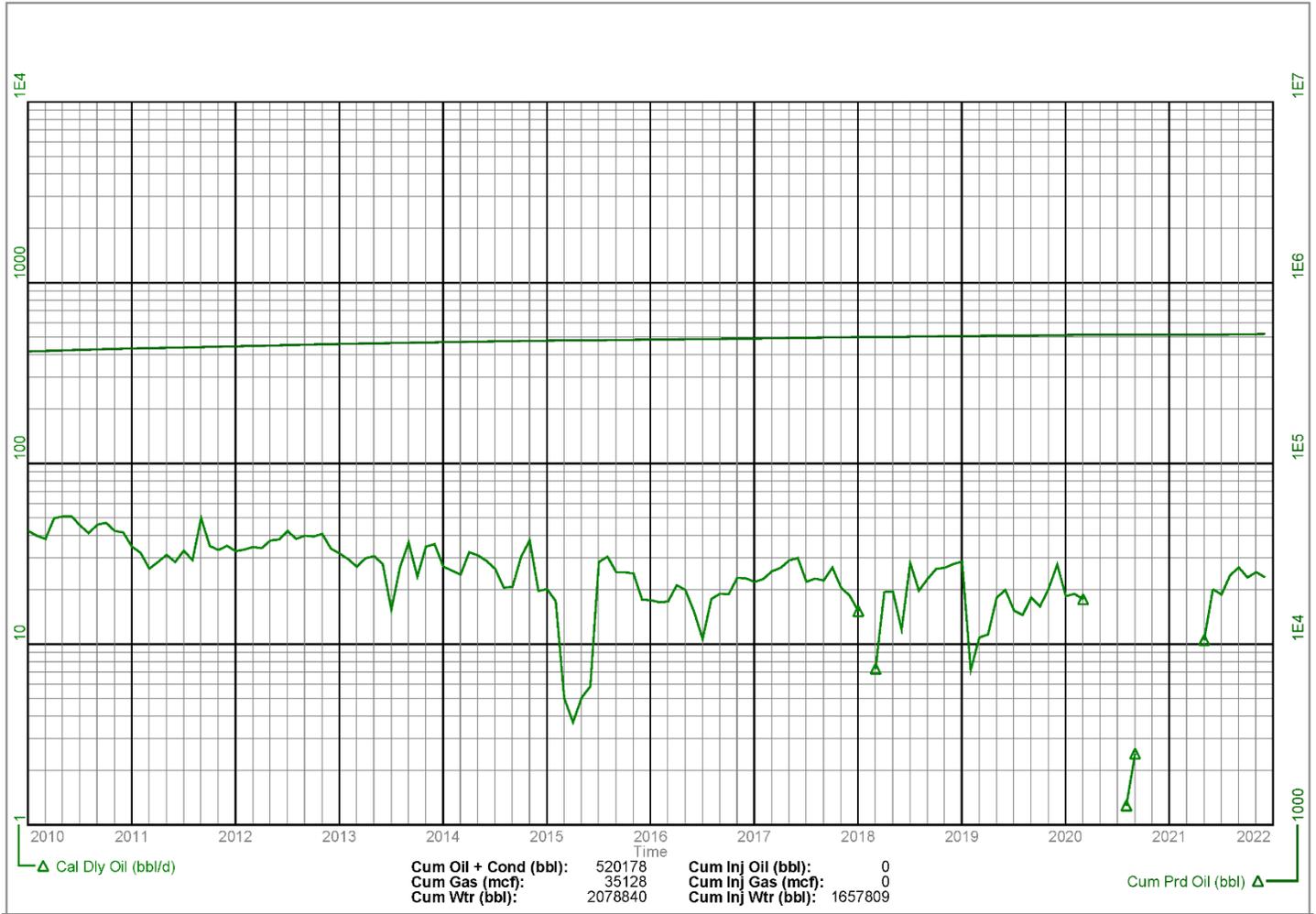
Operating income net to Aldon from *Weyburn* in January 2022 was approximately \$13,000, or \$156,000 on an annualized basis.

Further drilling opportunities exist at *Weyburn* where horizontal wells can be placed to maximize exposure to both reservoirs, particularly with multiple legs. The Company has identified a strong, northeast to southwest-trending structural nose on the lands.





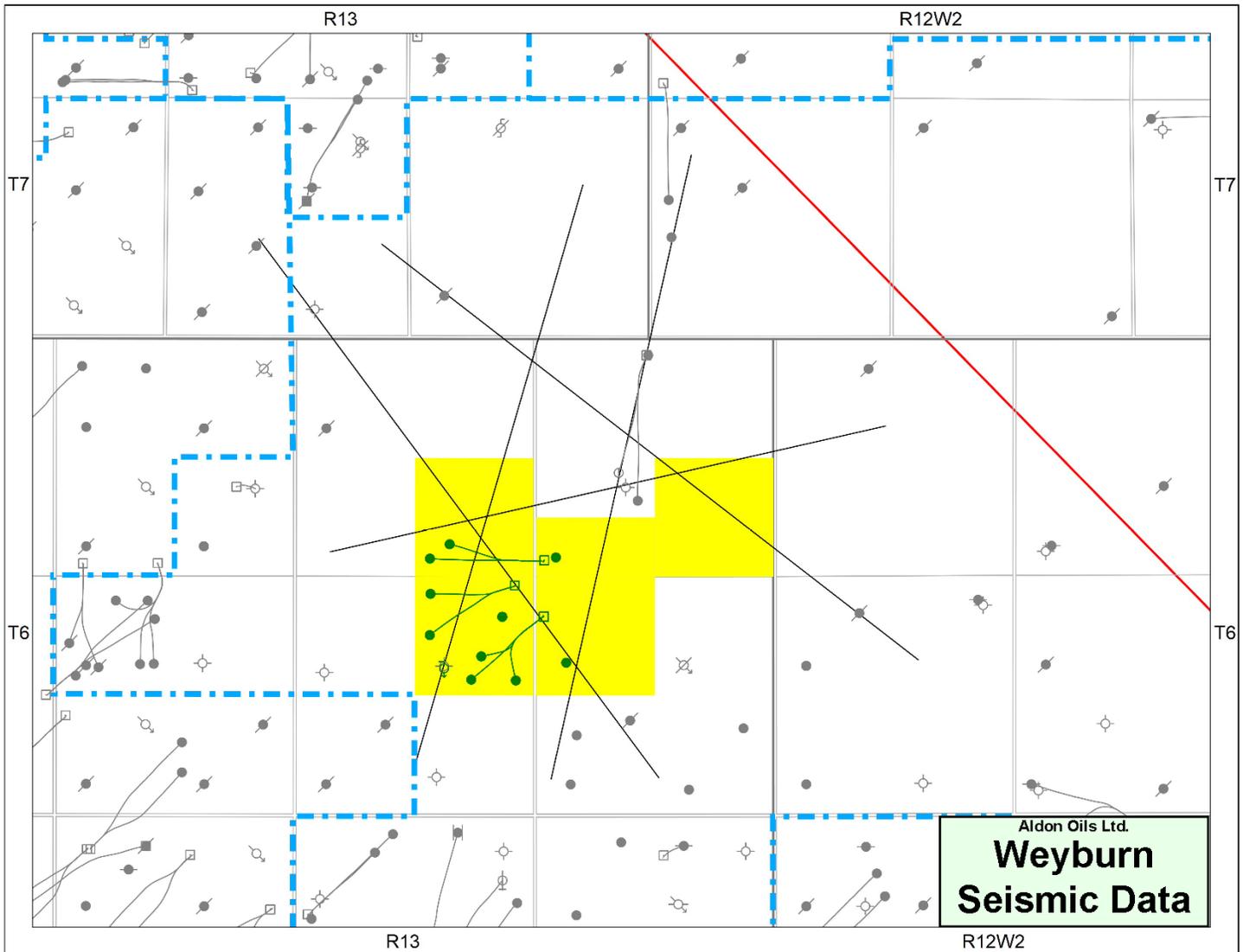
Weyburn, Saskatchewan – Gross Production Group Plot of Aldon's Oil Wells





Weyburn Seismic

The Company has trade 2D seismic over a portion of its lands at *Weyburn*, as illustrated on the following plat. The Company's interpretations of the seismic are available in hard copy for viewing in the Data Room located in Sayer's office, by parties which have executed a confidentiality agreement.



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Weyburn Facilities

Details of the facilities and equipment at *Weyburn* are as follows:

Location	Facility Code	Facility Type	Status	WI
04-36-006-13W2	B4L3911	Multi-Well Oil Battery	Active	100%
04-36-006-13W2	0027571	Water Injection / Disposal	Active	100%

Weyburn Reserves

The Company does not have a third-party reserves evaluation of the Properties.

Weyburn LMR

As of April 28, 2022, Aldon's net deemed asset value for *Weyburn* was (\$23,157) (deemed assets of \$486,988 and deemed liabilities of \$510,145), with an LMR ratio of 0.95.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$486,988	\$510,145	(\$23,157)	0.95

Weyburn Well List

See well list in Excel.





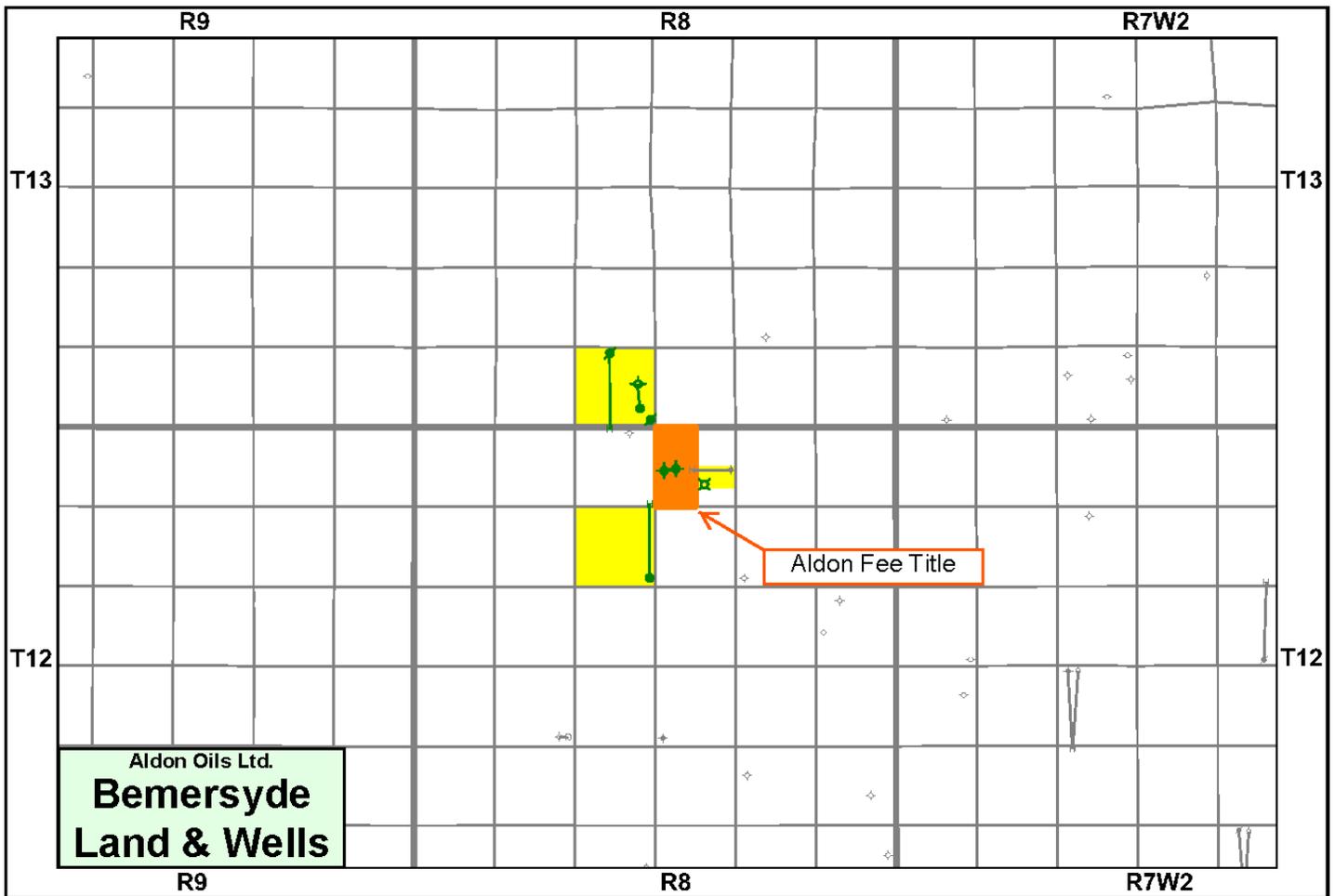
Bemersyde Property

Township 12-13, Range 8 W2

At *Bemersyde*, Aldon holds primarily a 50% working interest in certain lands as well as a 50% interest in the Fee Title in the west half of Section 34-012-08W2, on which Aldon will grant a PNG lease. Oil production is from the Bakken, and Yeoman formations. The Company also has a Mannville disposal well at *Bemersyde*.

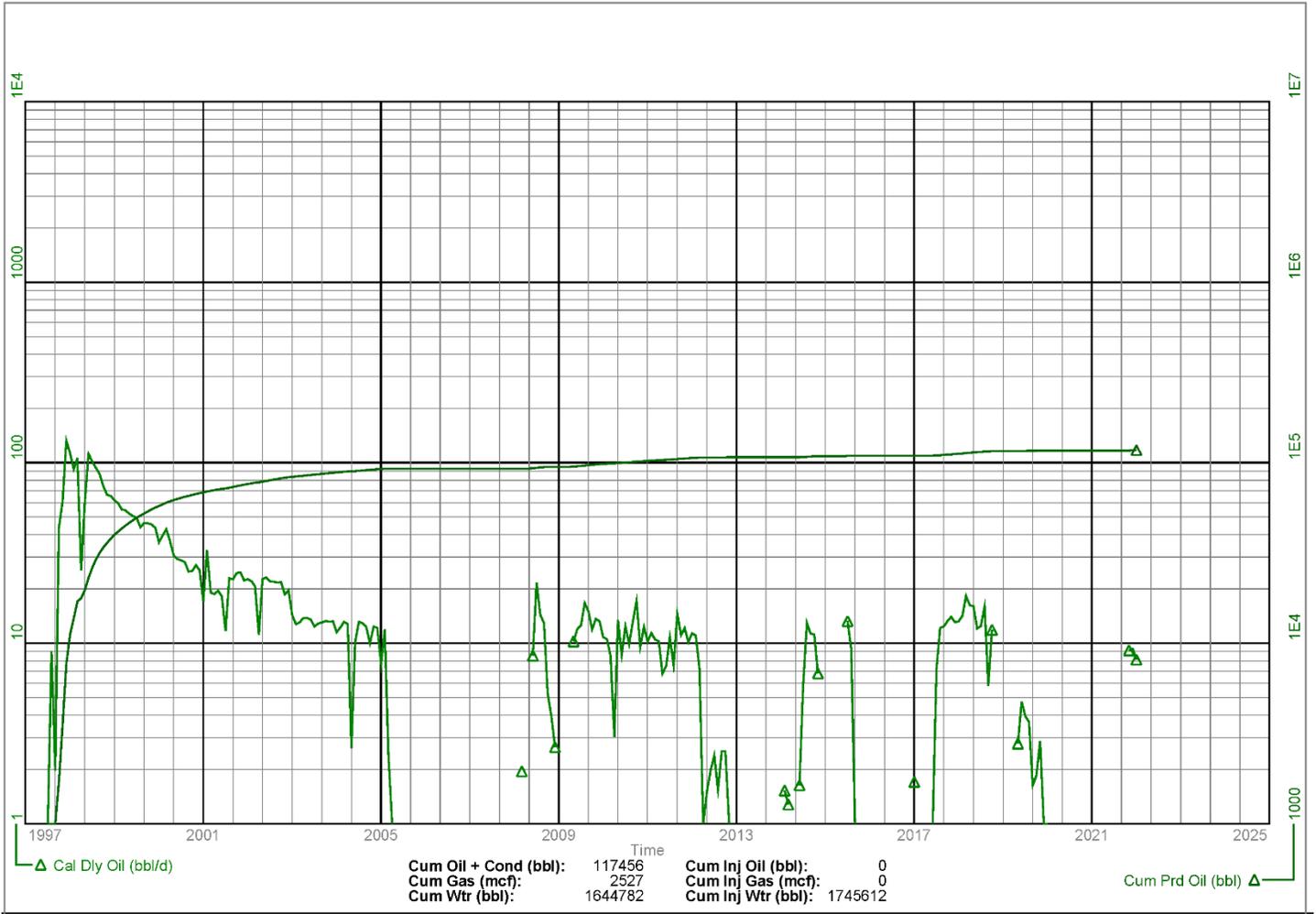
Average daily production net to Aldon from *Bemersyde* for the month of January 2022 was approximately six barrels of oil per day.

Operating income net to Aldon from *Bemersyde* in January 2022 was approximately \$4,000, or \$48,000 on an annualized basis.





Bemersyde, Saskatchewan – Gross Production Group Plot of Aldon's Oil Wells





Bemersyde Seismic

The Company does not have ownership in any seismic data over its lands at *Bemersyde*.

Bemersyde Facilities

Details of the facilities and equipment at *Bemersyde* are as follows:

Location	Facility Code	Facility Type	Status	WI
05-34-012-08W2	B4L3760	Multi-Well Oil Battery	Active	50%
05-34-012-08W2	D403720	Water Injection / Disposal	Active	50%

Bemersyde Reserves

The Company does not have a third-party reserves evaluation of the Properties.

Bemersyde LMR

As of April 28, 2022, Aldon's net deemed asset value for *Bemersyde* was (\$366,318) (deemed assets of \$93,960 and deemed liabilities of \$460,278), with an LMR ratio of 0.20.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$93,960	\$460,278	(\$366,318)	0.20

Bemersyde Well List

See well list in Excel.



RECIPIENT COMPANY LETTERHEAD

_____, 20____

Aldon Oils Ltd.
c/o Sayer Energy Advisors
1620, 540 - 5th Avenue SW
Calgary, Alberta T2P 0M2

Attention: Tom Pavic

Re: **Confidentiality Agreement**
Non-Core Property Divestiture

_____ (“Recipient”) has expressed an interest in the purchase of certain oil and natural gas properties owned by Aldon Oils Ltd. (“Aldon”) in the areas as indicated on Schedule “A” (the “Properties”). Aldon is prepared to provide the Recipient access to certain information relating to the Properties, including but not limited to land schedules, financial results, marketing materials, geological and geophysical information and other documentation (“Confidential Information”). In consideration of Aldon providing the Confidential Information, Recipient agrees as follows:

1. Recipient acknowledges that all Confidential Information provided to Recipient is proprietary to Aldon and its joint venture partners except for Confidential Information which is set out and described in Clause 6.
2. The Confidential Information shall be kept in the strictest of confidence and shall not be used for any purpose whatsoever other than evaluating a possible transaction between Recipient and Aldon. The Confidential Information shall not be disclosed to any person other than Recipient and to such of its directors, employees, agents, consultants, representatives and advisors (the “Representatives”) who have a need to know such information for the purpose of appraising the Properties. Recipient shall take all steps that are necessary to ensure that its Representatives are aware of the terms and conditions of this Agreement and that such terms and conditions are binding upon any and all of its Representatives. Upon request, Recipient shall provide Aldon with a list of the Representatives who have received the Confidential Information.
3. Recipient agrees that it and its Representatives shall not disclose to any person or publish or disperse in any form, any terms, conditions or other facts with respect to any possible transaction relating to the Properties for which the Confidential Information was disclosed.
4. If the Recipient makes a request to view seismic data as part of its review of a possible transaction involving the Properties, as the case may be, and Aldon provides such access, the Recipient warrants that under no circumstances will it allow its Representatives to copy, remove, take away or otherwise reproduce any of the seismic data or derivatives thereof that such Representatives have been given access to hereunder. This would include, but not be limited to, an absolute restriction against the use of electronic equipment to produce photographs or other digital copy or reproductions of any of the affected seismic data and or photocopies, sketches or tracings of such affected seismic data. No electronic devices, cameras, USB devices, laptops or cellphones with photographic capability may be brought into the dataroom or an area where data is disclosed.

5. Notwithstanding the foregoing terms, Recipient shall be permitted to disclose such Confidential Information that is required to be disclosed pursuant to any law, rule or regulation. In the event that Recipient receives a request or legal directive to disclose Confidential Information, Recipient shall promptly provide written and verbal notification to Aldon of such a request. Recipient shall consult with Aldon on the advisability of taking steps to resist or narrow such request or directive. If disclosure is deemed advisable, Recipient shall cooperate with Aldon in any attempt that Aldon may make to obtain an order or other reliable assurance that confidential treatment will be accorded by the requesting or directing party to the information required to be disclosed.
6. The restrictions set forth in Clauses 2 and 3 above shall not apply to any part of the Confidential Information which is:
 - (a) now in the public domain or becomes part of the public domain other than through an act of the Recipient or its Representatives; or
 - (b) in the lawful possession of the Recipient prior to its disclosure by Aldon; or
 - (c) subject to disclosure required by law, rule or regulation provided that Aldon is given notice pursuant to Clause 5 prior to such disclosure; or
 - (d) made available to the Recipient or its Representatives from a source who may reasonably be believed to legally hold such information and who is not bound to Aldon under a confidentiality agreement.
7. Recipient acknowledges the competitive value of the Confidential Information. Accordingly, without limitation and in addition to any rights of Aldon and its joint venture partners against the Recipient arising by any breach hereof, the Recipient shall:
 - (a) be liable to Aldon for all losses, costs, damages and expenses whatsoever which they may suffer, sustain, pay or incur; and in addition,
 - (b) indemnify Aldon against any and all actions, proceedings, claims, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by Aldon or which Aldon may suffer, sustain, pay or incur;resulting from disclosure by the Recipient, or its Representatives, of all or any part or parts of the Confidential Information.
8. At any time, at the request of Aldon, Recipient shall immediately return or cause to be returned to Aldon all of the Confidential Information which may have been released to the Recipient. Recipient shall not retain any copies or other reproductions or extracts of the Confidential Information. Furthermore, Recipient shall, if so requested by Aldon, provide certification from an officer of the Recipient to Aldon that the terms and conditions of this Clause have been complied with. The Recipient will return all requested Confidential Information except to the extent that computer systems are back-up or archived. The Recipient will be able to retain a copy of any analysis of Confidential Information in respect to a possible transaction with Aldon for any internal management and/or board of directors recommendations or approvals.
9. Recipient understands and agrees that no contract or agreement providing for the sale of the Properties shall be deemed to exist between the Recipient and Aldon unless and until a definitive offer to purchase has been accepted in writing by Aldon. For greater clarity the Recipient acknowledges that this Agreement does not constitute a definitive offer to purchase. Recipient hereby waives, in advance, any claims (including, without limitation, breach of contract) in

connection with the sale of the Properties unless and until a definitive offer to purchase from Recipient has been accepted in writing by Aldon.

10. This Confidentiality Agreement shall remain in force for a period of one year from the date hereof, or until such time as all of the Confidential Information becomes part of the public domain through conventional processes and through no violation of this Agreement, whichever comes first.
11. Recipient understands that in providing access to the Confidential Information, Aldon makes no representation or warranty as to the accuracy or completeness of the Confidential Information. Recipient agrees that neither Aldon nor anyone representing Aldon shall have any liability to the Recipient or any of its Representatives as a result of the use of the information by it or its Representatives.
12. This Agreement shall be construed and determined according to the laws of the Province of Saskatchewan.
13. Recipient acknowledges and agrees that Aldon may be irreparably injured by a breach of this Confidentiality Agreement that could not be adequately compensated for by damages. Aldon and its joint venture partners shall be entitled to equitable relief, including injunctive relief and specific performance, in the event of a breach of any of the provisions of this Confidentiality Agreement. Such remedies shall be in addition to all other remedies available at law or in equity.
14. Recipient understands and agrees that:
 - (a) Aldon shall be free to conduct the process for the sale of the Properties in its sole discretion and shall determine, without limitation, the course and nature of negotiations with any prospective buyer and the acceptance of a definitive offer to purchase without prior notice to the Recipient, its Representatives or any other person or corporate entity; and
 - (b) Recipient shall not have any claims whatsoever against Aldon or any of its directors, officers, stockholders, owners, affiliates, representatives, advisors or agents arising out of or relating to the sale of the Properties other than as a party to a definitive offer to purchase accepted in writing by Aldon and then only against Aldon and in accordance with the terms of said offer to purchase.
15. Recipient hereby acknowledges that it is aware and that it will advise its Representatives privy to the Confidential Information that applicable security laws prohibit any person who has received from an issuer material, non-public information concerning the matters which are the subject of this Agreement from purchasing or selling securities of such issuer or from communicating such information to any other person, under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.
16. Recipient shall not initiate or arrange, directly or indirectly, or maintain contact regarding Aldon's business operations, prospects or finances (except as contemplated herein and for those contacts made in the ordinary course of business unrelated to the possible transaction) with any officer, director, employee, consultant or other representative of Aldon, or with any customer, supplier, sales representative, or competitor of Aldon except with the express written permission of Aldon. Any such permission granted by Aldon may be revoked at any time.

17. If any provision of this agreement is wholly or partially unenforceable for any reason, such unenforceability shall not affect the enforceability of the balance of this Confidentiality Agreement.
18. This Confidentiality Agreement shall be binding upon, and enure to the benefit of, the parties hereto, and their respective successors and permitted assigns.

The Recipient accepts the Confidential Information to be provided relating to the Properties subject to the terms and conditions set forth in this Confidentiality Agreement.

Yours truly,

COMPANY NAME

OFFICER'S SIGNATURE

OFFICER'S PRINTED NAME & TITLE

I certify that no changes have been made to this Confidentiality Agreement that have not been clearly marked and initialed.

CONFIDENTIAL INFORMATION DELIVERY OPTIONS: *(please check one)*

_____ **Electronic** or _____ **Hard copy (binder)**

NAME OF CONTACT PERSON TO FORWARD INFORMATION

CONTACT ADDRESS

TELEPHONE NUMBER

EMAIL ADDRESS

Option to Attach Business Card Here:

Accepted by Aldon Oils Ltd. this ___ day of _____, 20__

Kara Somerville
Vice President

SCHEDULE "A"

Recipient wishes to obtain additional information relating to the following Properties:

___ **BEMERSYDE**

___ **HUNTOON**

___ **MIDALE**

___ **NORTH MIDALE**

___ **WEYBURN**