

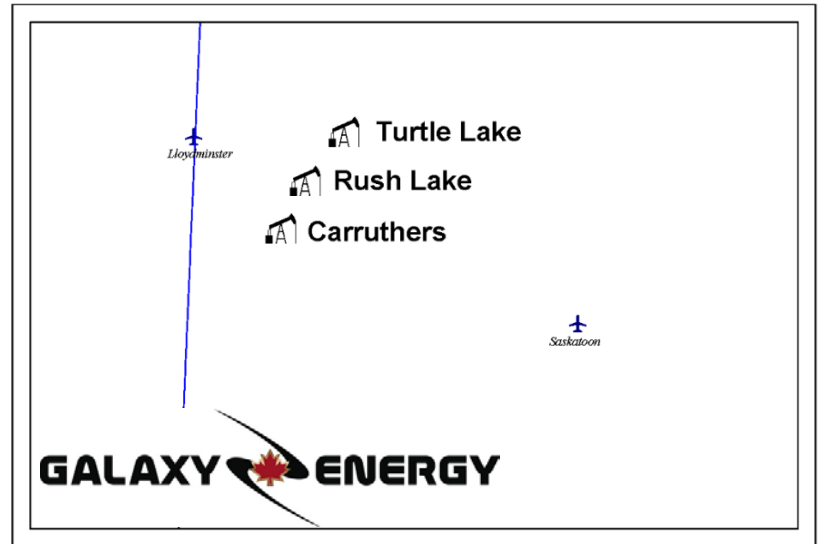


OVERVIEW INFORMATION

**Property Divestiture:
Greater Lloydminster Area, Saskatchewan
Capability: 50 boe/d (50 bbl/d of Heavy Oil)**



Galaxy Energy Ltd. (“Galaxy” or the “Company”) has engaged Sayer Energy Advisors to assist the Company with the sale or farmout of its oil and natural gas interests located in the Carruthers, Rush Lake and Turtle Lake areas of southwest Saskatchewan (the “Properties”).



The Properties consist of 1,320 acres of Crown mineral rights of land near Lloydminster, Saskatchewan, which Galaxy farmed-in on. The Properties are prospective for heavy oil production. Galaxy has drilled, cased, completed and equipped three vertical heavy oil wells for multi-zone oil production on the Properties.

Combined production capability from the existing vertical wells on the Properties is approximately 50 bbl/d of oil. Galaxy has shut-in production from the Properties due to mechanical or operational reasons. The Company was not positioned for additional related capital expenditures.

The Company has discovered two new significant heavy oil pools in the Colony and Cummings formations at Carruthers where it believes there are potentially millions of barrels of oil recoverable through the use of multi-leg horizontal drilling. At Rush Lake, Galaxy has identified heavy oil potential in the McLaren and Regional Colony Sands formations. At Turtle Lake, there is a single LSD which Galaxy believes may be capable of over a million barrels of recoverable oil.

PROCESS & TIMELINE

Sayer Energy Advisors is accepting proposals relating to this process until **12:00 pm on Thursday, October 24, 2024.**

Timeline	
Week of September 16, 2024	Preliminary Information Distributed
Week of September 16, 2024	Data Room Opens
October 24, 2024	12:00 noon
October 1, 2024	Bid Deadline
November/December 2024	Effective Date
	Closing Date

Sayer Energy Advisors does not conduct a “second-round” bidding process; the intention is to attempt to conclude 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, October 24, 2024.

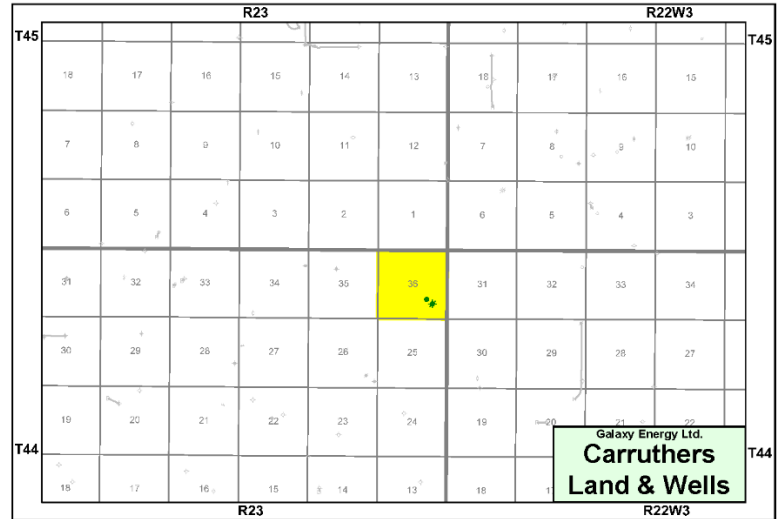




Carruthers Property

Township 44, Range 23 W3

At Carruthers, Galaxy holds a 100% working interest in P&NG rights from surface to the base of the Mannville Group in one section of land. Galaxy farmed-in to earn the mineral rights and drilled, cased, completed and equipped one well at *Galaxy Carruthers 11/07-36-044-23W3/0* in July 2014 and accepted operatorship of the well *Galaxy Carruthers 31/01-36-044-23W3/0* which was drilled in July 2011. The 07-36 well is currently shut-in awaiting a workover and the 01-36 well is currently suspended.



The two wells have been drilled on one of two seismic lines, on a Colony sand channel anomaly at 01-36 and 07-36. The geophysical logs from both wells show the potential discovery of two new heavy oil pools in the Colony and Cummings formations.

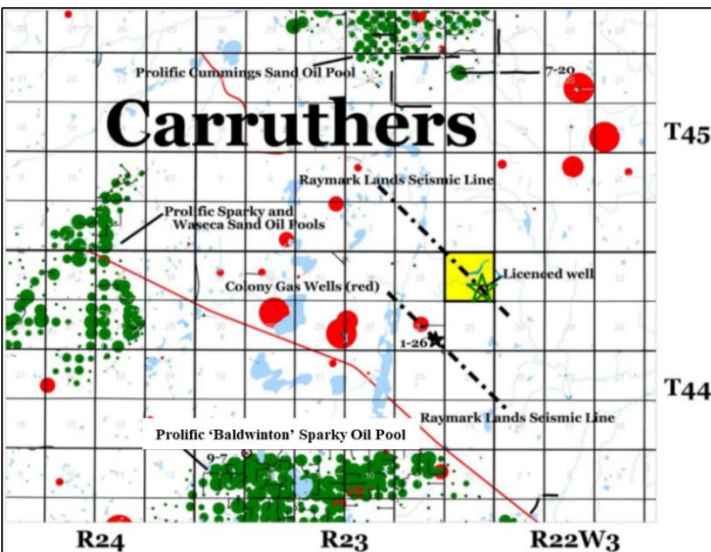
After observing oil production at both vertical wells, Galaxy considers that both of these new oil pools are best suited for multi-leg horizontal wells, which is beyond the capability and scope of Galaxy to drill and operate.

Galaxy owns a 1,000 barrel single-well battery and associated downhole equipment at Carruthers with an original cost of \$390,000. A complete list of the equipment will be made available in the virtual data room for parties that execute a confidentiality agreement.

Carruthers LMR as of August 8, 2024

As of August 8, 2024, the Carruthers property had a deemed net asset value of (\$82,200) (deemed assets of \$0 and deemed liabilities of \$82,200), with an LMR ratio of 0.00.

Carruthers Upside



The Carruthers property is prospective for the production of oil from the Colony and Cummings formations. Utilizing seismic data, wellbore geophysical logs from two wells drilled on this section of land, coupled with the regional geology at Carruthers, Galaxy has identified two potentially significant oil pools. The first pool is within the prolific Colony channel sands and the second pool is within the Cummings marine sands which are believed to encompass the entire section.

Galaxy has identified another vertical well location at 11-36-044-23W3 using 2D seismic, targeting a second Colony sand channel with potentially a new Colony oil pool, as well as extending the boundary of the Cummings oil pool to the northwest.

The preceding map shows major discoveries offsetting the Company's land at Carruthers which have utilized both vertical and horizontal wells for their development.



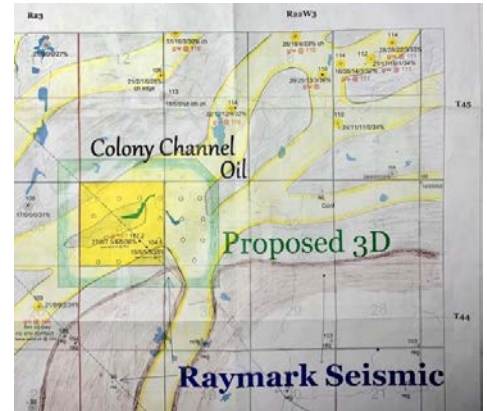
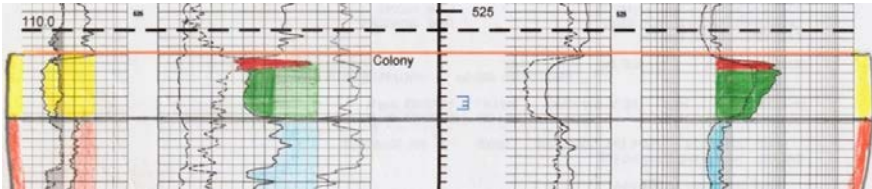


Galaxy Carruthers 11/07-36-044-23W3/0 Well

Galaxy drilled the 07-36 well in July of 2014 and confirmed the existence of two potential heavy oil pool discoveries in the Colony and Cummings formations. The adjacent map shows a Colony channel.

As shown on the 07-36 well log below, the well encountered seven metres of clean channel sand in the Colony Formation with porosity of 36%, six metres of oil pay and one metre of natural gas, with no water contact.

Galaxy Carruthers 11/07-36-044-23W3/0 – Colony Channel Type Log

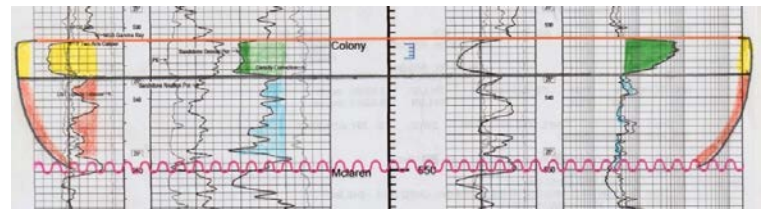


Galaxy Carruthers 31/01-36-044-23W3/0 Well

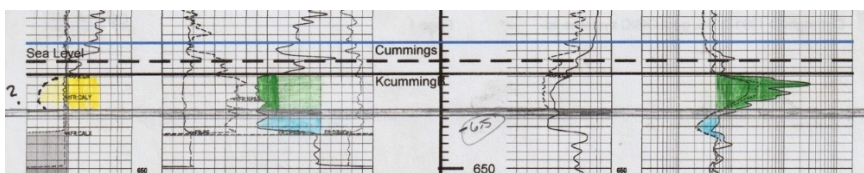
Galaxy was a non-operating partner in the 01-36 well which was drilled in 2011. This well discovered the potential for two new heavy oil pools in the Colony and Cummings formations.

As shown on the adjacent well logs for the 01-36 well, the Colony Formation encountered five metres of clean channel sand with porosity of 30%, with five metres of oil pay and no natural gas or water contact.

Galaxy Carruthers 31/01-36-044-23W3/0 – Colony Channel Type Log



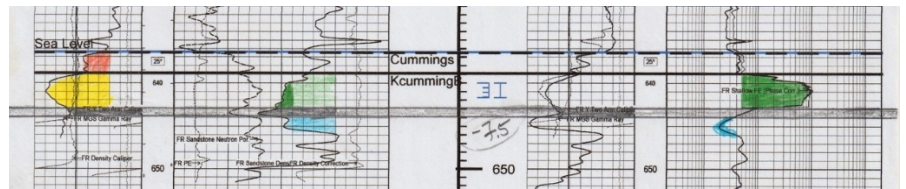
Galaxy Carruthers 11/07-36-044-23W3/0 – Cummings Marine Sand Type Log



As shown in the adjacent well logs, the Cummings Formation at 07-36 had four metres of oil pay, with 33% porosity and no water contact. Galaxy has calculated that there is 130,000 barrels of potentially recoverable oil in the Cummings from this vertical well. A comparable vertical well at 01-32-45-23W3 has produced 155,000 barrels of oil.

The adjacent well log at 01-36 shows the Cummings formation at Carruthers. The 01-36 well had four metres of oil pay in the Cummings with no water contact and a maximum porosity of 31%, which also compares favourably with many of the prolific oil producing vertical wells in the Carruthers Cummings pool to the north.

Galaxy Carruthers 31/01-36-044-23W3/0 – Cummings Marine Sand Type Log



The Company estimates that there is 130,000 barrels of recoverable oil in the Cummings Formation from the vertical well at 01-36. Galaxy believes this new oil pool discovery in the Cummings marine sands, believed to encompass the entire section, has the potential to produce millions of barrels of oil.



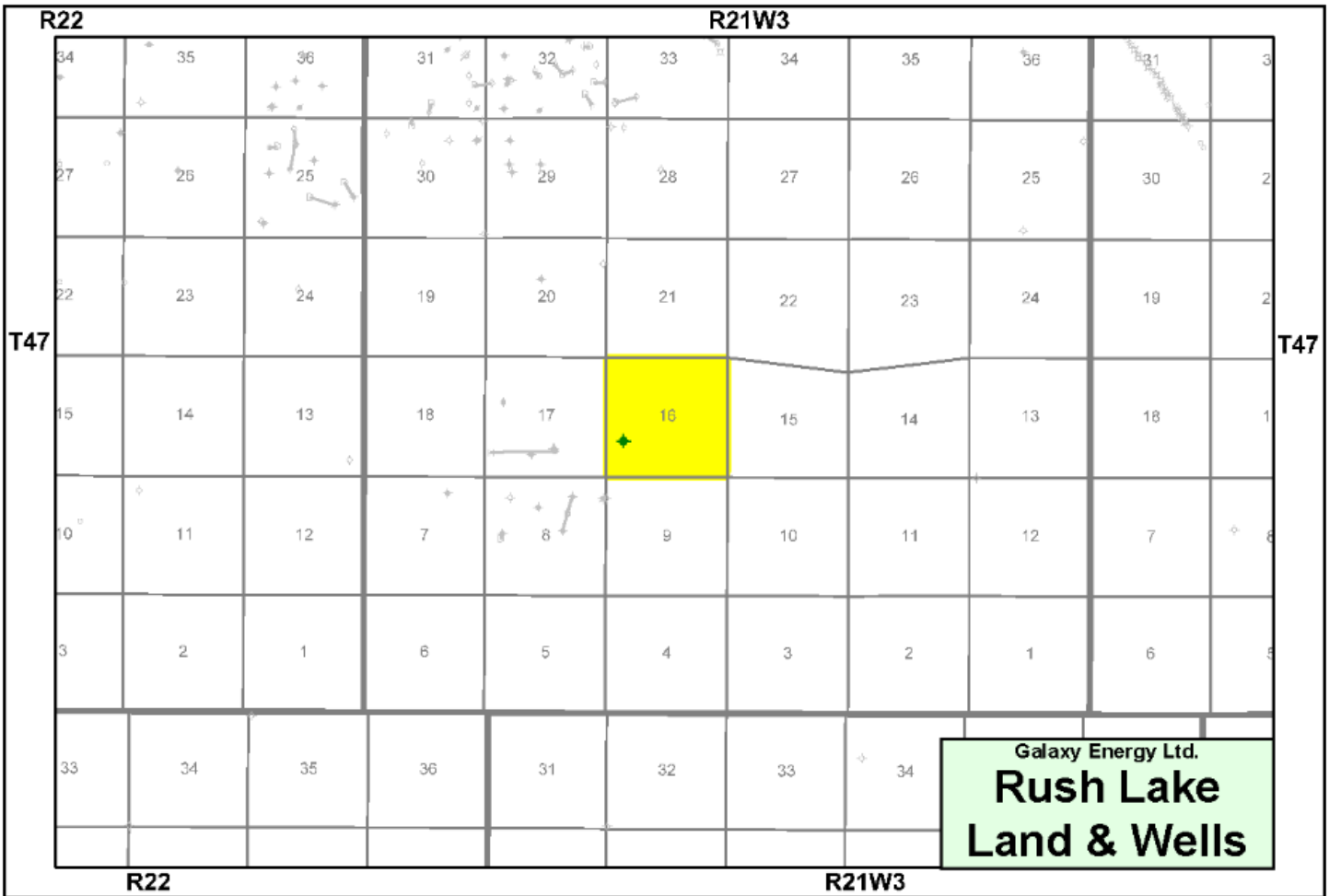


Rush Lake Property

Township 47, Range 21 W3

At *Rush Lake*, Galaxy holds a 100% working interest in P&NG rights from surface to basement in one section of land. Galaxy farmed-in to earn the mineral rights and drilled, cased, completed and equipped one well at *Galaxy Rush Lake 11/05-16-047-21/2* in July 2014.

In 2023, the well was brought back on production and produced at a rate of approximately 10 barrels of oil per day until it was shut-in in December 2023.



Galaxy owns a single-well battery with two 1,000-barrel tanks (production and sales) and associated downhole equipment at *Rush Lake* with an original cost of \$525,000. A complete list of the equipment and facilities will be made available in the virtual data room for parties that execute a confidentiality agreement.

Rush Lake LMR as of August 8, 2024

As of August 8, 2024, the *Rush Lake* property had a deemed net asset value of \$16,804 (deemed assets of \$57,904 and deemed liabilities of \$41,100), with an LMR ratio of 1.41.

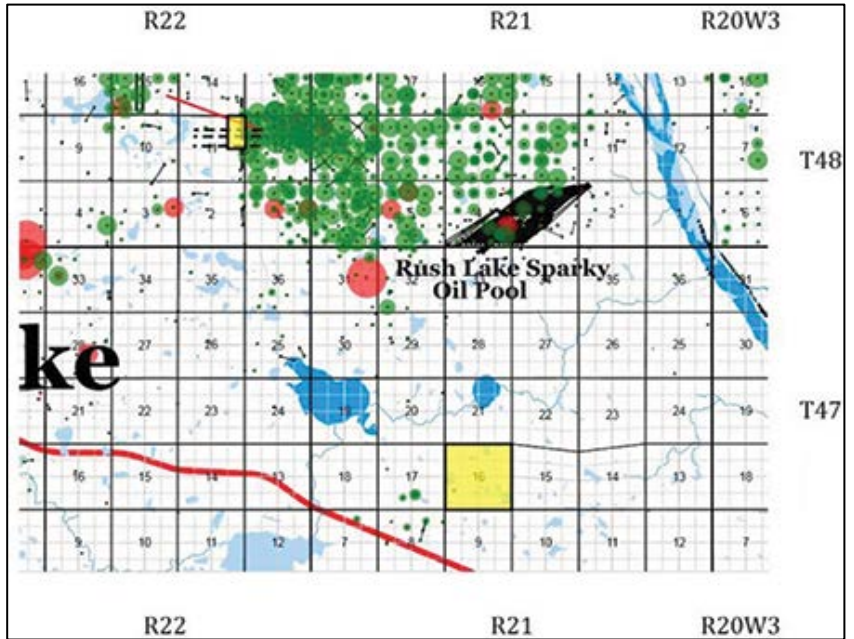




Rush Lake Upside

The *Galaxy Rush Lake 11/05-16-047-21/2* well was drilled in July of 2014 targeting the Sparky formation, penetrating the well-developed sweet spot of the Sparky sand, however it was low and wet.

As shown on the offsetting map, the McLaren and regional Colony sands, appeared to have some potential and Galaxy attempted to get all potential oil zones on production.

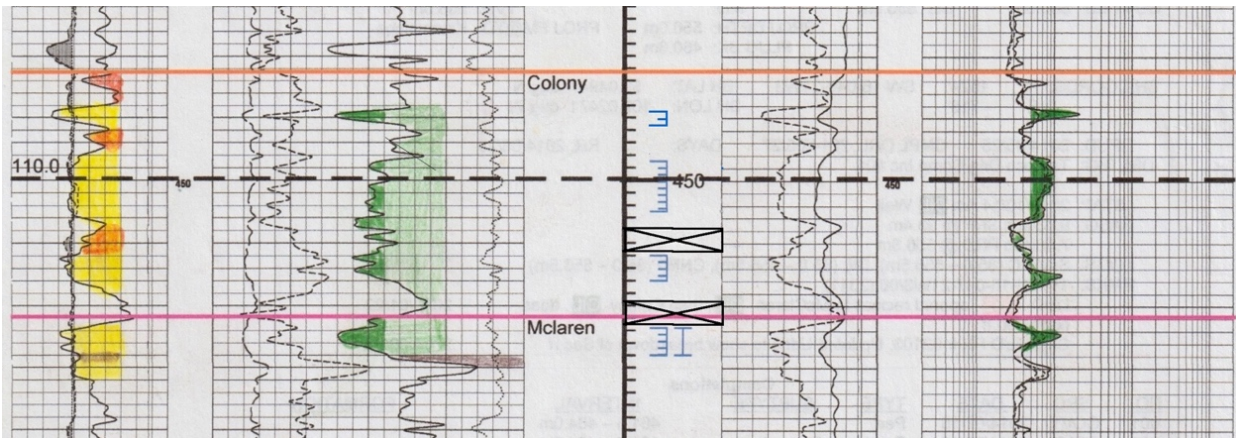


Galaxy Rush Lake 11/05-16-047-21/2 Well

The well *Galaxy Rush Lake 11/05-16-047-21/2* was drilled in July 2014 to evaluate the Mannville Group for heavy oil production.

The following well log at 05-16 shows the McLaren and Regional Colony Sands formations at *Rush Lake*.

Galaxy Rush Lake 11/05-16-047-21/2 – McLaren & Regional Colony Sands Type Log



In 2014 Galaxy completed the McLaren Formation which resulted in production of less than five barrels of oil per day. A bridge plug was set to isolate the McLaren zone. The Lower Colony from 2014 to 2018 produced 2,300 barrels of cumulative oil. A swab test showed a very high-rate oil production potential in the Upper Colony. The Lower Colony zone, which the swab test showed to be wet, was then abandoned with a bridge plug and the Upper Colony was completed in 2023. Cumulative production from the Upper Colony was approximately 1,560 barrels of oil.



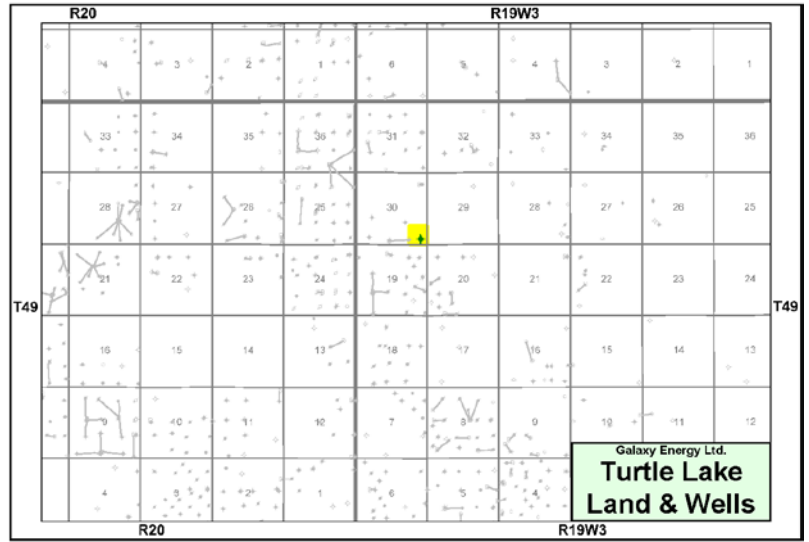


Turtle Lake Property

Township 49, Range 19 W3

At *Turtle Lake*, Galaxy holds a 100% working interest in P&NG rights from surface to basement in one LSD of land. Galaxy farmed-in to earn the mineral rights and drilled, cased, completed and equipped one well at *Galaxy Turtle Lake* 11/01-30-049-19W3/2 in February 2016. Due to mechanical reasons, the well is currently shut-in. In the months prior to being shut-in, the Waseca zone appeared to be developing and production from this well was approximately 25 bbl/d of oil between mechanical shut-downs.

Galaxy owns a 1,000-barrel single-well battery and associated downhole equipment at *Turtle Lake* with an original cost of \$425,000. A complete list of the equipment and facilities will be made available in the virtual data room for parties that execute a confidentiality agreement.

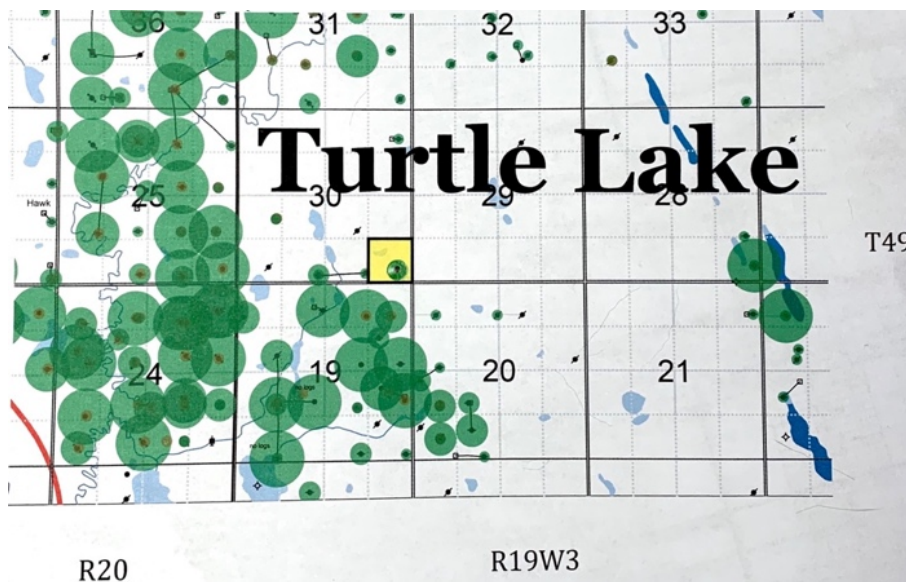


Turtle Lake LMR as of August 8, 2024

As of August 8, 2024, the *Turtle Lake* property had a deemed net asset value of (\$41,100) (deemed assets of \$0 and deemed liabilities of \$41,100), with an LMR ratio of 0.00.

Turtle Lake Upside

The *Turtle Lake* property is prospective for oil from the Colony and Waseca formations. The following map shows the prolific offsetting Colony and Waseca oil production. Some of these wells have produced in excess of 500,000 barrels of oil from the Waseca Formation and more than 200,000 barrels from the Colony Formation. Galaxy believes that with further development, this single LSD at 01-30 could produce more than one million barrels of oil.

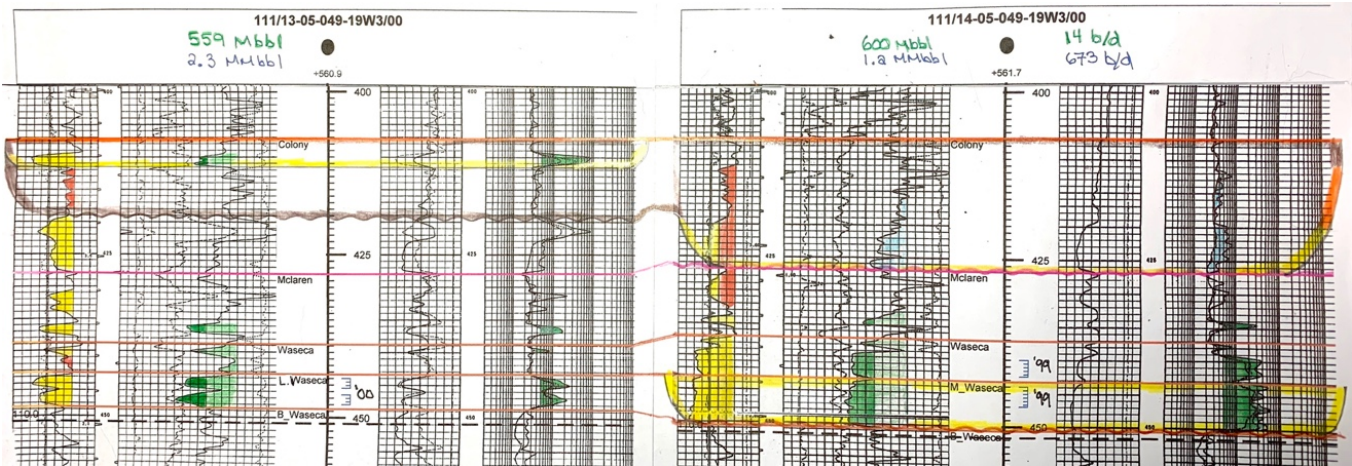




This area is rich in prolific high-energy Colony channel sand oil pools. There are rare geological scenarios in which the regional Waseca sands are directly adjacent and in contact with thicker Waseca sand channels. This is observed in the geophysical logs shown below at 13-05-049-19W3 and 14-05-049-19W3.

This is a substantially thicker and more prolific oil pool, which produces at rates in excess of 300 bbl/d of oil and accumulates more than 600,000 barrels of oil. Adjacent regional Waseca wells produce at uncharacteristic rates in excess of 200 bbl/d of oil and have accumulated total oil production greater than 500,000 barrels.

Prolific Waseca Oil Producers to the Southeast

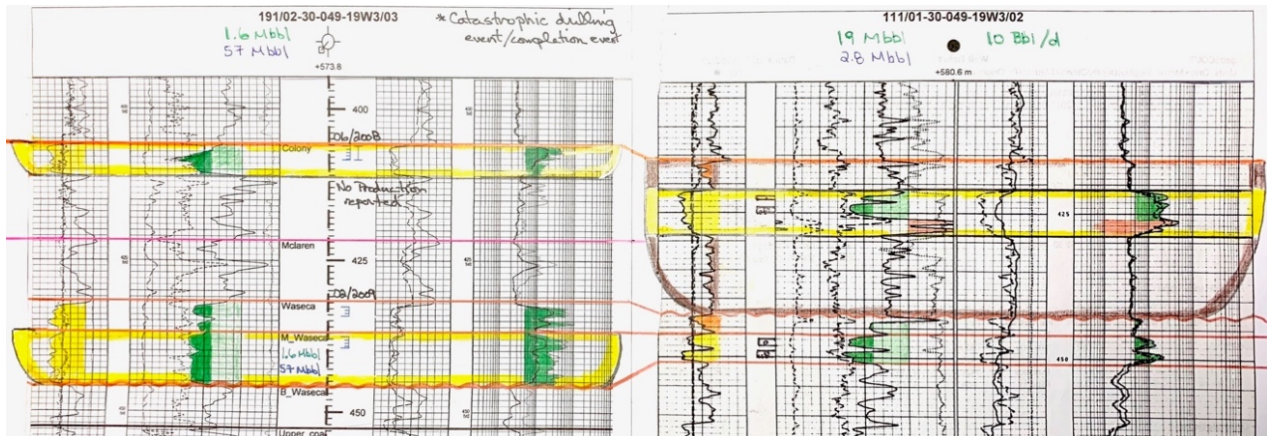


Galaxy TurtleLake 11/01-30-049-19W3/2 Well

The well *Galaxy TurtleLake 11/01-30-049-19W3/2* was drilled in February 2016 to evaluate the Waseca and Colony Formations for heavy oil production.

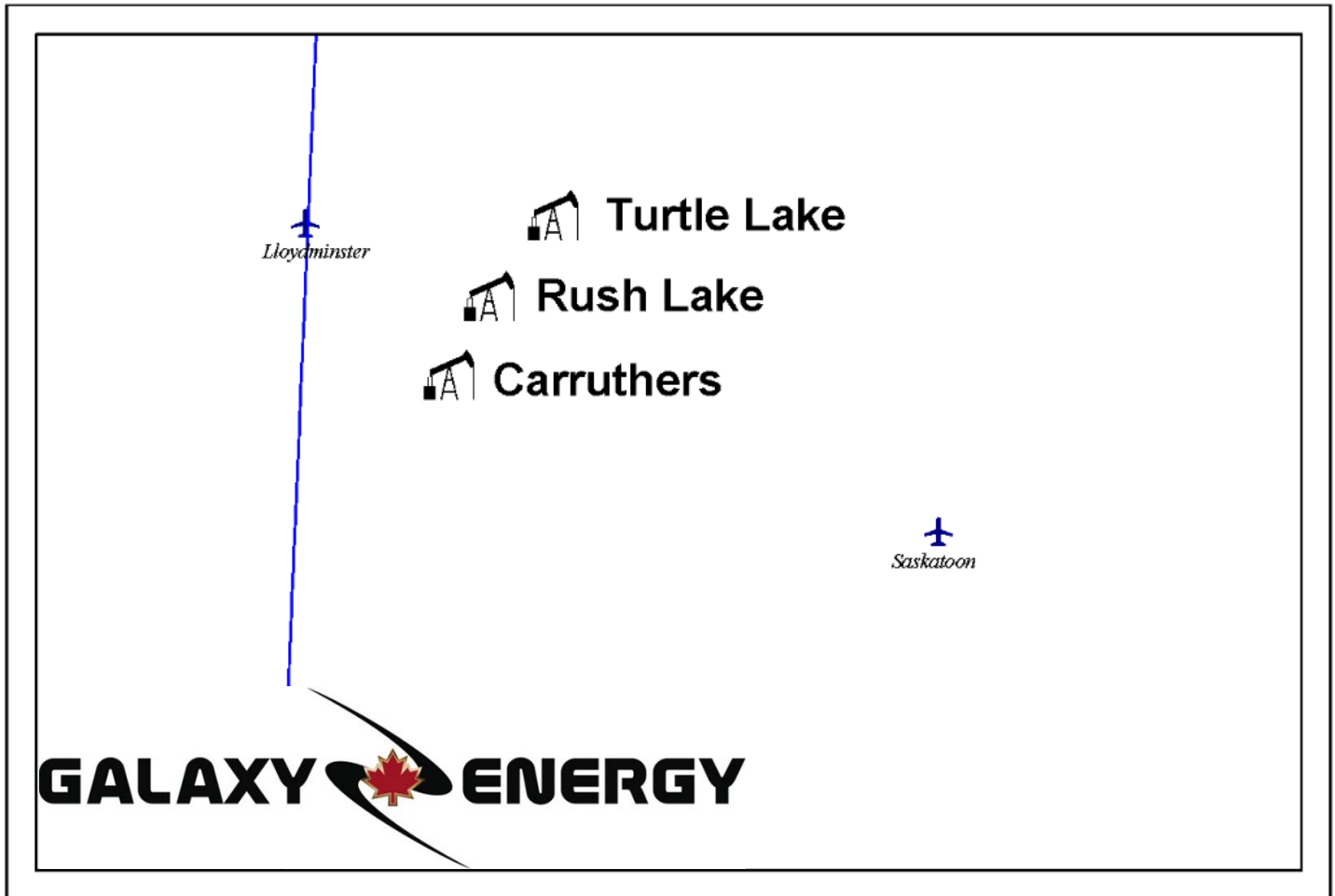
The geological logs from the 11/01-30 well below show that the Waseca encountered four metres of clean regional sand with a maximum porosity of 38%, four metres of oil pay and no natural gas or water contact. The Colony formation had four metres of clean, porous channel sand with a maximum porosity of 35%, four metres of oil pay and no natural gas or water contact.

Galaxy 1-30 (right) Lower Waseca and Colony Sands





Galaxy Energy Ltd. Property Divestiture Fall 2024



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 (brye@sayeradvisors.com) or fax (403.266.4467).

Included in the confidential information is the following: mineral property reports, historical lease operating statements, geological presentations and other relevant technical information.

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



Overview

Galaxy Energy Ltd. (“Galaxy” or the “Company”) has engaged **Sayer Energy Advisors** to assist the Company with the sale or farmout of its oil and natural gas interests located in the *Carruthers*, *Rush Lake* and *Turtle Lake* areas of southwest Saskatchewan (the “Properties”).

The Properties consist of 1,320 acres of Crown mineral rights of land near Lloydminster, Saskatchewan, which Galaxy farmed-in on. The Properties are prospective for heavy oil production. Galaxy has drilled, cased, completed and equipped three vertical heavy oil wells for multi-zone oil production on the Properties.

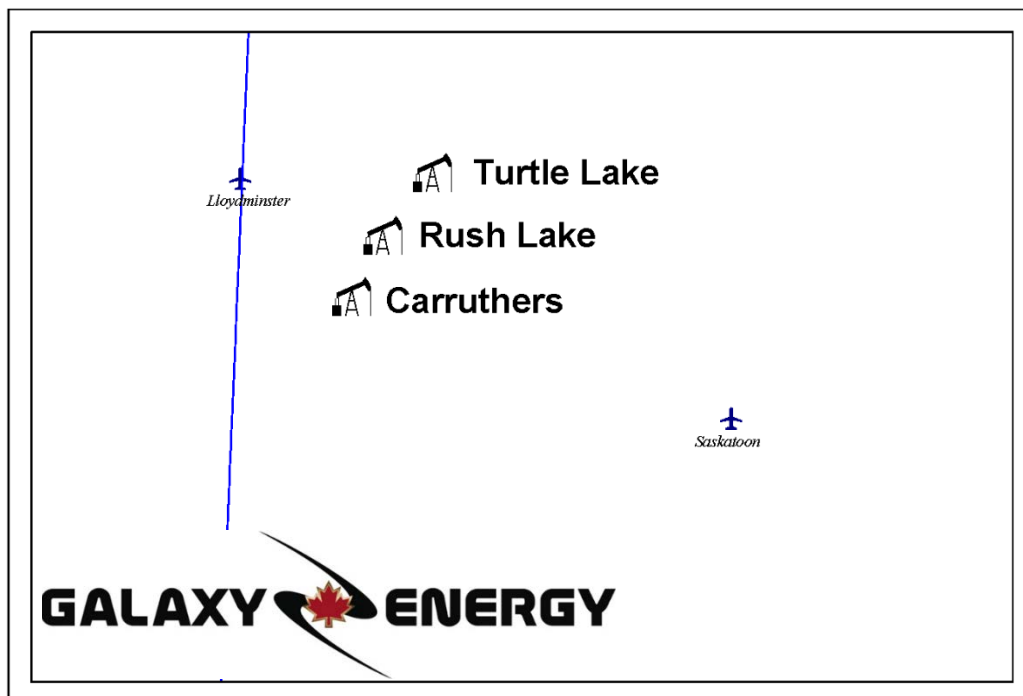
Combined production capability from the existing vertical wells on the Properties is approximately 50 bbl/d of oil. Galaxy has shut-in production from the Properties due to mechanical or operational reasons. The Company was not positioned for additional related capital expenditures.

The Company has discovered two new significant heavy oil pools in the Colony and Cummings formations at *Carruthers* where it believes there are potentially millions of barrels of oil recoverable through the use of multi-leg horizontal drilling. At *Rush Lake*, Galaxy has identified heavy oil potential in the McLaren and Regional Colony Sands formations. At *Turtle Lake*, there is a single LSD which Galaxy believes may be capable of over a million barrels of recoverable oil.

As of August 8, 2024, the Properties had a deemed net asset value of (\$106,496) (deemed assets of \$57,904 and deemed liabilities of \$164,400), with an LMR ratio of 0.35.

Detailed information relating to the Properties will be available in the virtual data room to parties that execute a confidentiality agreement.

Overview Map Showing the Location of the Divestiture Properties





Facilities Overview

Galaxy owns three single well batteries and associated downhole equipment associated with the Properties with an original cost of \$1,340,000.

A complete list of the equipment and facilities will be made available in the virtual data room for parties that execute a confidentiality agreement.

LMR Summary

The LMR for each of the Properties as of August 8, 2024 is summarized below.

Summary of LMR by Property

PROPERTY	Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
Carruthers	\$0	\$82,200	(\$82,200)	0.00
Rush Lake	\$57,904	\$41,100	\$16,804	1.41
Turtle Lake	\$0	\$41,100	(\$41,100)	0.00
TOTAL OFFERING	\$57,904	\$164,400	(\$106,496)	0.35

As of August 8, 2024, the Properties had a deemed net asset value of (\$106,496) (deemed assets of \$57,904 and deemed liabilities of \$164,400), with an LMR ratio of 0.35.

Reserves Overview

Galaxy does not have a third-party reserve evaluation.

Seismic Overview

Galaxy has 2-D seismic data over its land at Carruthers.





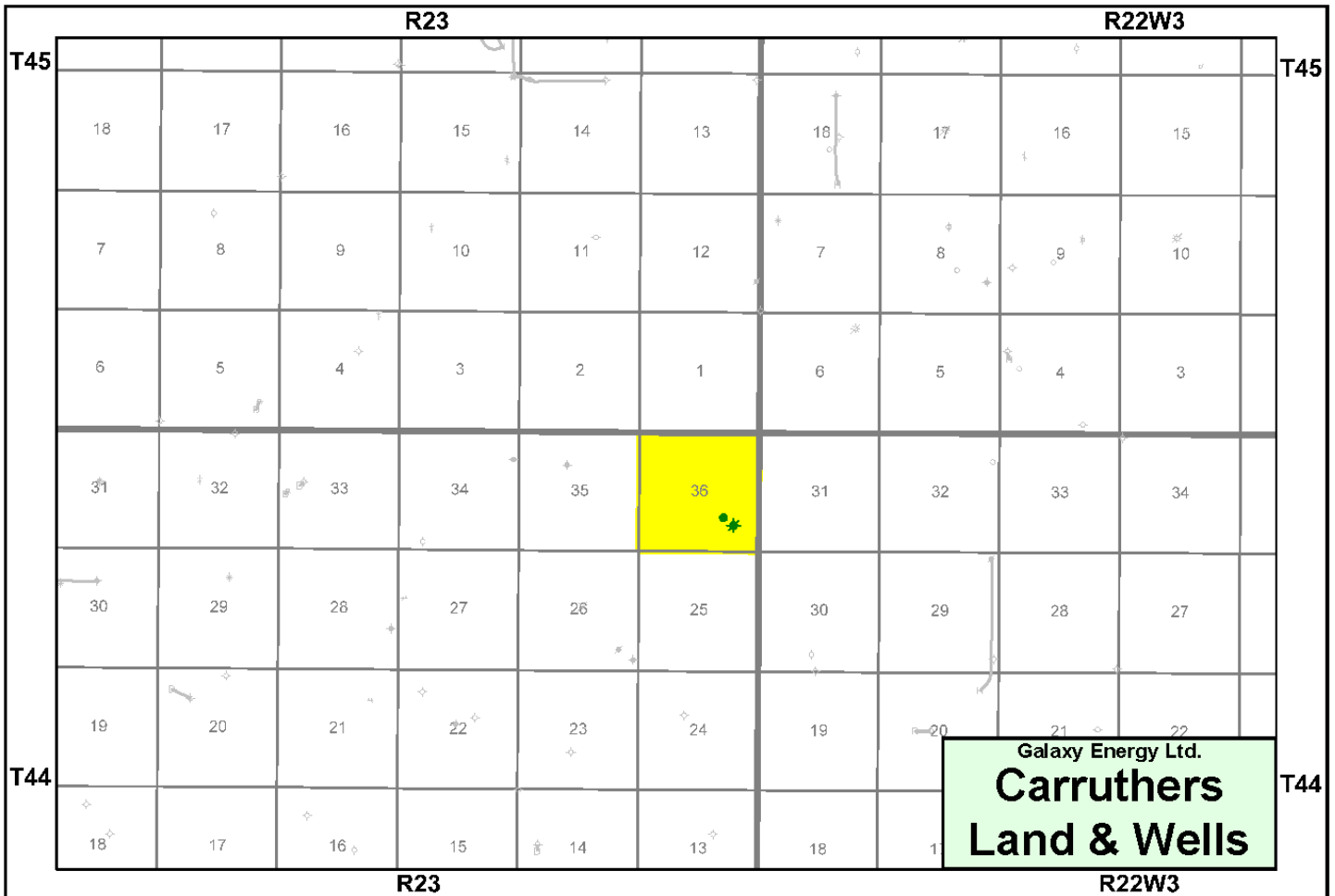
Carruthers Property

Township 44, Range 23 W3

At Carruthers, Galaxy holds a 100% working interest in P&NG rights from surface to the base of the Mannville Group in one section of land. Galaxy farmed-in to earn the mineral rights and drilled, cased, completed and equipped one well at *Galaxy Carruthers 11/07-36-044-23W3/0* in July 2014 and accepted operatorship of the well *Galaxy Carruthers 31/01-36-044-23W3/0* which was drilled in July 2011. The 07-36 well is currently shut-in awaiting a workover and the 01-36 well is currently suspended.

The two wells have been drilled on one of two seismic lines, on a Colony sand channel anomaly at 01-36 and 07-36. The geophysical logs from both wells show the potential discovery of two new heavy oil pools in the Colony and Cummings formations.

After observing oil production at both vertical wells, Galaxy considers that both of these new oil pools are best suited for multi-leg horizontal wells, which is beyond the capability and scope of Galaxy to drill and operate.

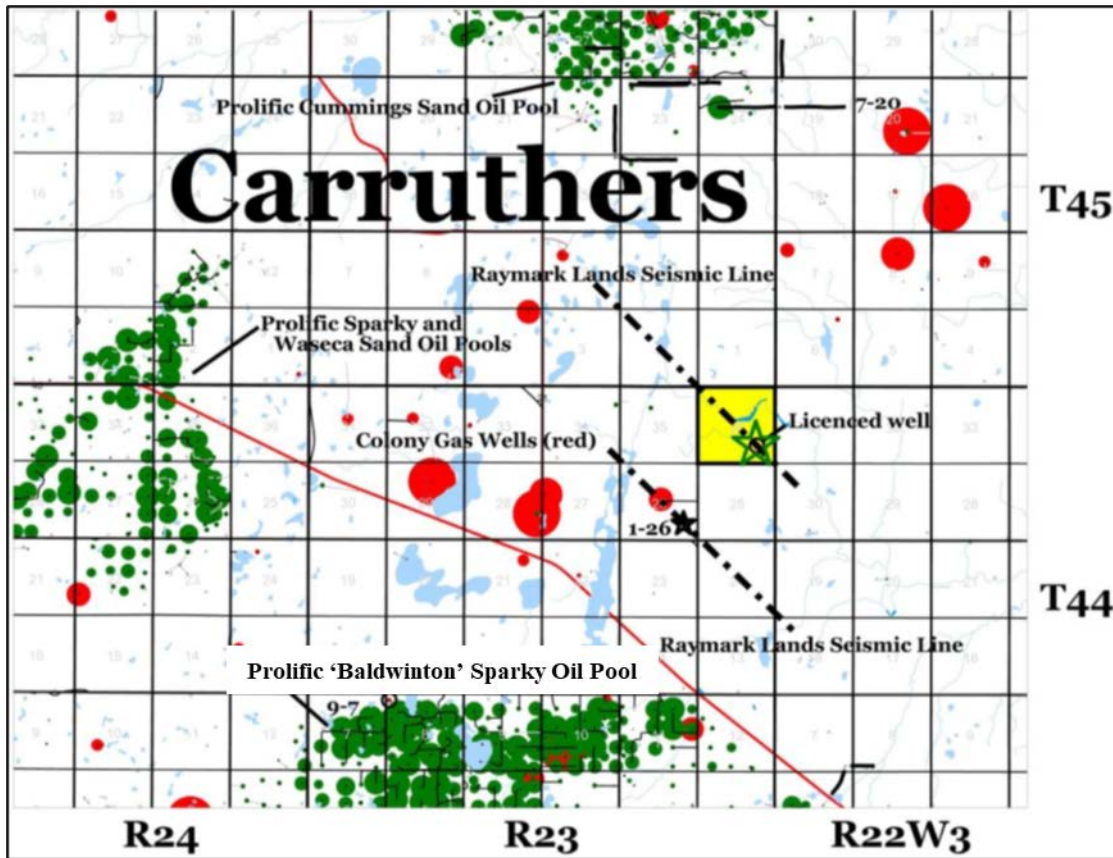


Carruthers Upside

The Carruthers property is prospective for the production of oil from the Colony and Cummings formations. Utilizing seismic data, wellbore geophysical logs from two wells drilled on this section of land, coupled with the regional geology at Carruthers, Galaxy has identified two potentially significant oil pools. The first pool is within the prolific Colony channel sands and the second pool is within the Cummings marine sands which are believed to encompass the entire section.

Galaxy has identified another vertical well location at 11-36-044-23W3 using 2D seismic, targeting a second Colony sand channel with potentially a new Colony oil pool, as well as extending the boundary of the Cummings oil pool to the northwest.

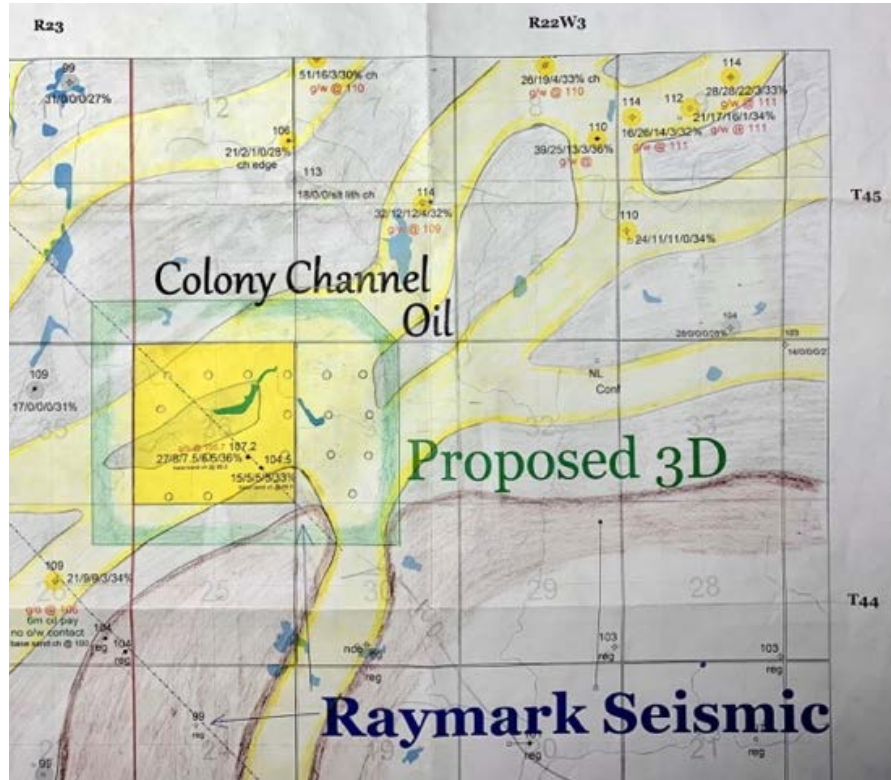
The following map shows major discoveries offsetting the Company's land at Carruthers which have utilized both vertical and horizontal wells for their development.





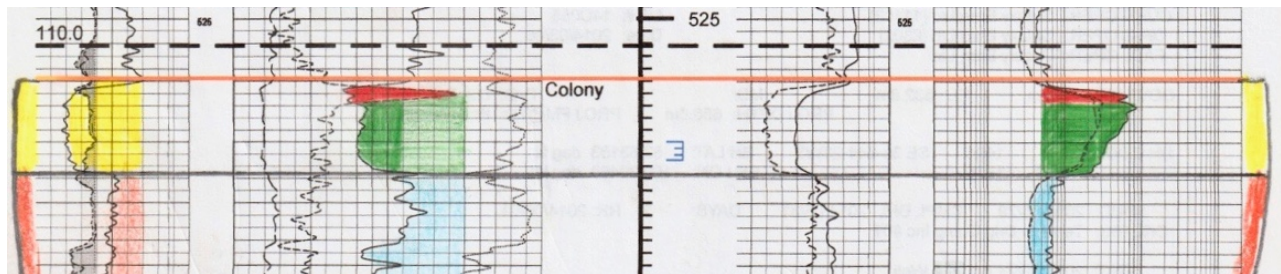
Galaxy Carruthers 11/07-36-044-23W3/0 Well

Galaxy drilled the 07-36 well in July of 2014 and confirmed the existence of two potential heavy oil pool discoveries in the Colony and Cummings formations. A Colony channel map is shown below.



As shown on the 07-36 well log below, the well encountered seven metres of clean channel sand in the Colony Formation with porosity of 36%, six metres of oil pay and one metre of natural gas, with no water contact.

Galaxy Carruthers 11/07-36-044-23W3/0 - Colony Channel Type Log



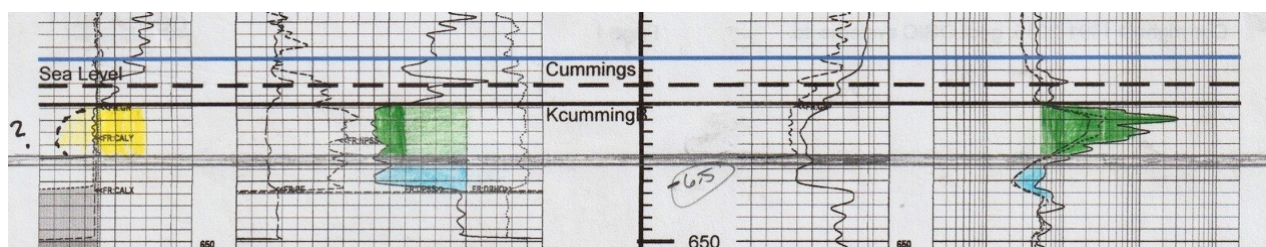
The well produced approximately 5,200 barrels of oil at a relatively stable rate of 30 bbl/d of oil per day over the first 3 months, while maintaining 12 joints (120 metres) of fluid in the hole. This indicates that the Colony reservoir is capable of producing at much higher rates. There was 17 joints of fluid in the hole when the well was shut-in.

After this initial production period, the well started to produce small bursts of gas along with sand, which was enough to 'gas lock' the PC pump. The well was shut-in to investigate alternative production techniques. A number of conventional pumping methods were identified; however, it was deemed that a horizontal well program in this Colony channel oil pool would hasten and maximize oil production.

The Company believes that there is potential for this Colony vertical well to produce at a rate of over 100 bbl/d of oil, with a cumulative potential of 175,000 barrels of oil.

As shown in the well logs below, the Cummings Formation at 07-36 had four metres of oil pay, with 33% porosity and no water contact. Galaxy has calculated that there is 130,000 barrels of potentially recoverable oil in the Cummings from this vertical well. A comparable vertical well at 01-32-045-23W3 has produced 155,000 barrels of oil.

Galaxy Carruthers 11/07-36-044-23W3/0 – Cummings Marine Type Log





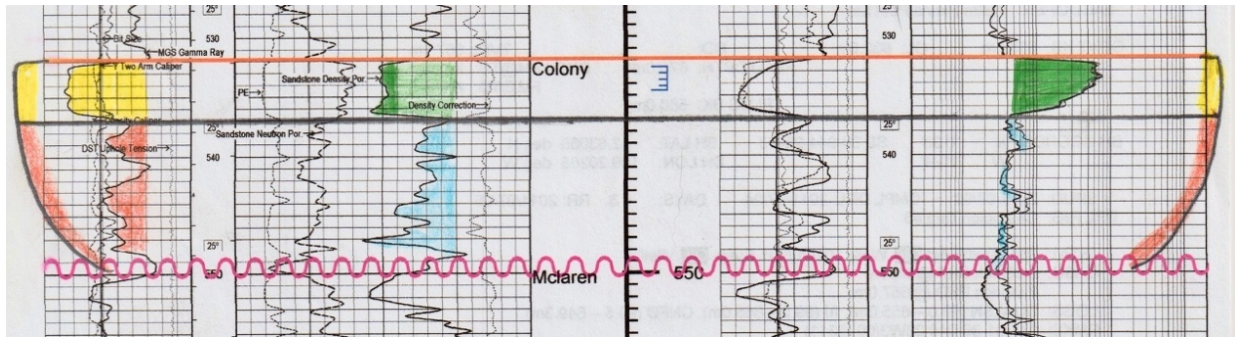
Galaxy Carruthers 31/01-36-044-23W3/0 Well

Galaxy was a non-operating partner in the 01-36 well which was drilled in 2011. This well discovered the potential for two new heavy oil pools in the Colony and Cummings formations.

As shown on the well logs below for the 01-36 well, the Colony Formation encountered five metres of clean channel sand with porosity of 30%, with five metres of oil pay and no natural gas or water contact.

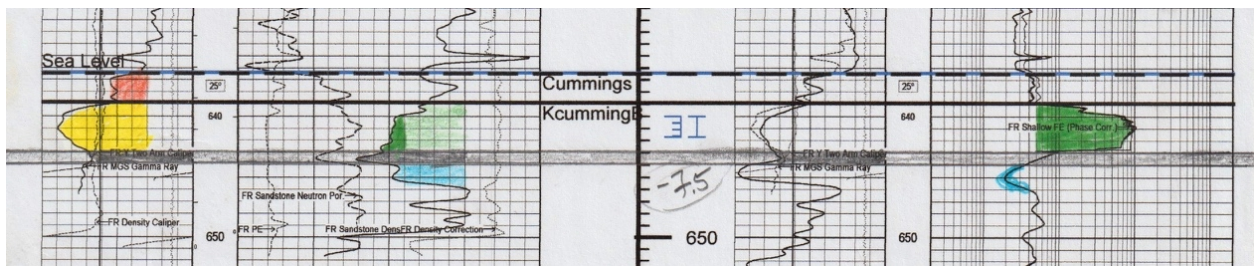
Over only a few months, the well produced approximately 2,400 barrels of oil. Due to a very aggressive series of unsuccessful production operations by the operator, the operator shut-in the well, removed the facility and transferred the wellbore to Galaxy. After a review of the drilling, completions and production operation practices of the previous operator, Galaxy decided to drill the a well at 07-36-044-23W3, targeting the potential new heavy oil pool discoveries in the Colony and Cummings Formations.

Galaxy Carruthers 31/01-36-044-23W3/0 - Colony Channel Type Log



The following well log at 01-36 shows the Cummings formation at Carruthers. The 01-36 well had four metres of oil pay in the Cummings with no water contact and a maximum porosity of 31%, which also compares favourably with many of the prolific oil producing vertical wells in the Carruthers Cummings pool to the north.

Galaxy Carruthers 31/01-36-044-23W3/0 - Cummings Marine Sand Type Log



Galaxy estimates that there is 150,000 barrels of potential recoverable oil in the Colony Formation and 130,000 barrels of potential recoverable oil in the Cummings Formation from the vertical well at 01-36.





Carruthers Facilities

Galaxy owns a 1,000 barrel single-well battery and associated downhole equipment at *Carruthers* with an original cost of \$390,000. A complete list of the equipment will be made available in the virtual data room for parties that execute a confidentiality agreement.

Carruthers Reserves

Galaxy does not have a third-party reserve evaluation.

Carruthers LMR as of August 8, 2024

As of August 8, 2024, the *Carruthers* property had a deemed net asset value of (\$82,200) (deemed assets of \$0 and deemed liabilities of \$82,200), with an LMR ratio of 0.00.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$0	\$82,200	(\$82,200)	0.00

Carruthers Well List

See well list in Excel.

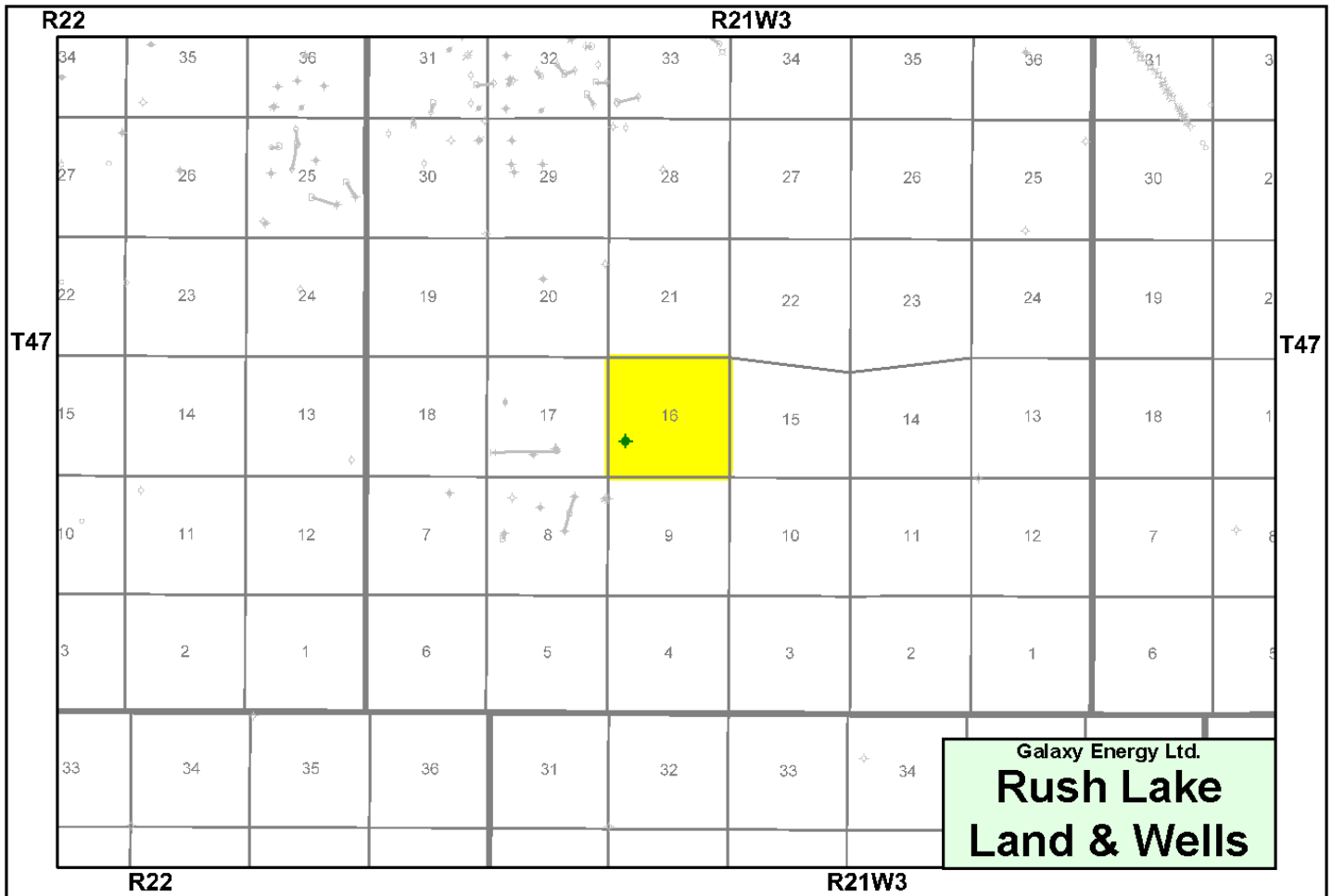




Rush Lake Property

Township 47, Range 21 W3

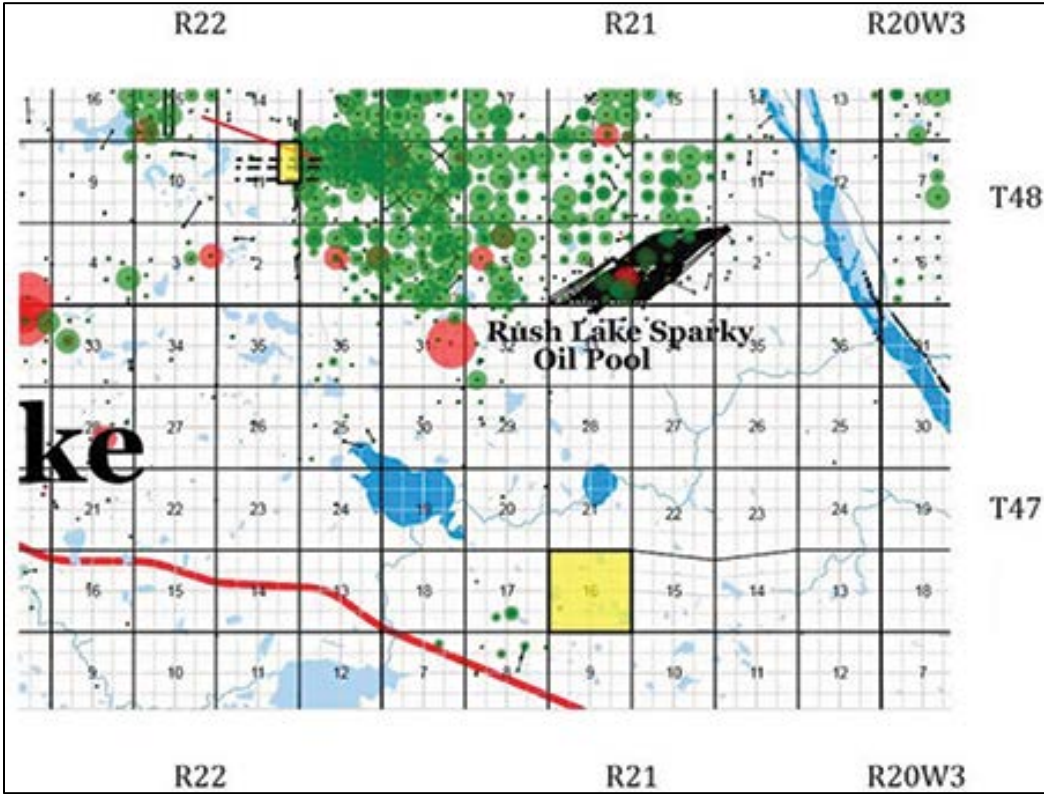
At *Rush Lake*, Galaxy holds a 100% working interest in P&NG rights from surface to basement in one section of land. Galaxy farmed-in to earn the mineral rights and drilled, cased, completed and equipped one well *Galaxy Rush Lake 11/05-16-047-21/2* in July 2014. In 2023, the well was brought back on production and produced at a rate of approximately 10 barrels of oil per day until it was shut-in in December 2023.





Rush Lake Upside

The following map shows the location of the Rush Lake 01-30 well with nearby producing Sparky oil pools.



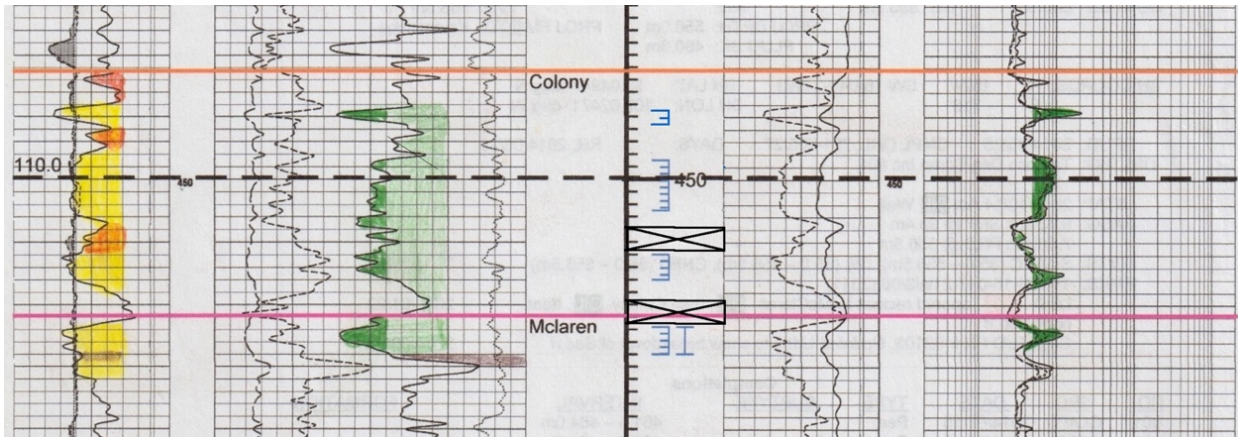


Galaxy Rush Lake 11/05-16-047-21/2 Well

The well *Galaxy Rush Lake 11/05-16-047-21/2* was drilled in July 2014 to evaluate the Mannville Group for heavy oil production.

The following well log at 05-16 shows the McLaren and Regional Colony Sands formations at *Rush Lake*.

Galaxy Rush Lake 11/05-16-047-21/2 – McLaren & Regional Colony Sands Type Log



In 2014 Galaxy completed the McLaren Formation which resulted in production of less than five barrels of oil per day. A bridge plug was set to isolate the McLaren zone. The Lower Colony from 2014 to 2018 produced 2,300 barrels of cumulative oil. A swab test showed a very high-rate oil production potential in the Upper Colony. The Lower Colony zone, which the swab test showed to be wet, was then abandoned with a bridge plug and the Upper Colony was completed in 2023. Cumulative production from the Upper Colony was approximately 1,560 barrels of oil.





Rush Lake Facilities

Galaxy owns a single-well battery with two 1,000-barrel tanks (production and sales) and associated downhole equipment at *Rush Lake* with an original cost of \$525,000. A complete list of the equipment and facilities will be made available in the virtual data room for parties that execute a confidentiality agreement.

Rush Lake Reserves

Galaxy does not have a third-party reserve evaluation.

Rush Lake LMR as of August 8, 2024

As of August 8, 2024, the *Rush Lake* property had a deemed net asset value of \$16,804 (deemed assets of \$57,904 and deemed liabilities of \$41,100), with an LMR ratio of 1.41.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$57,904	\$41,100	\$16,804	1.41

Rush Lake Well List

See well list in Excel.

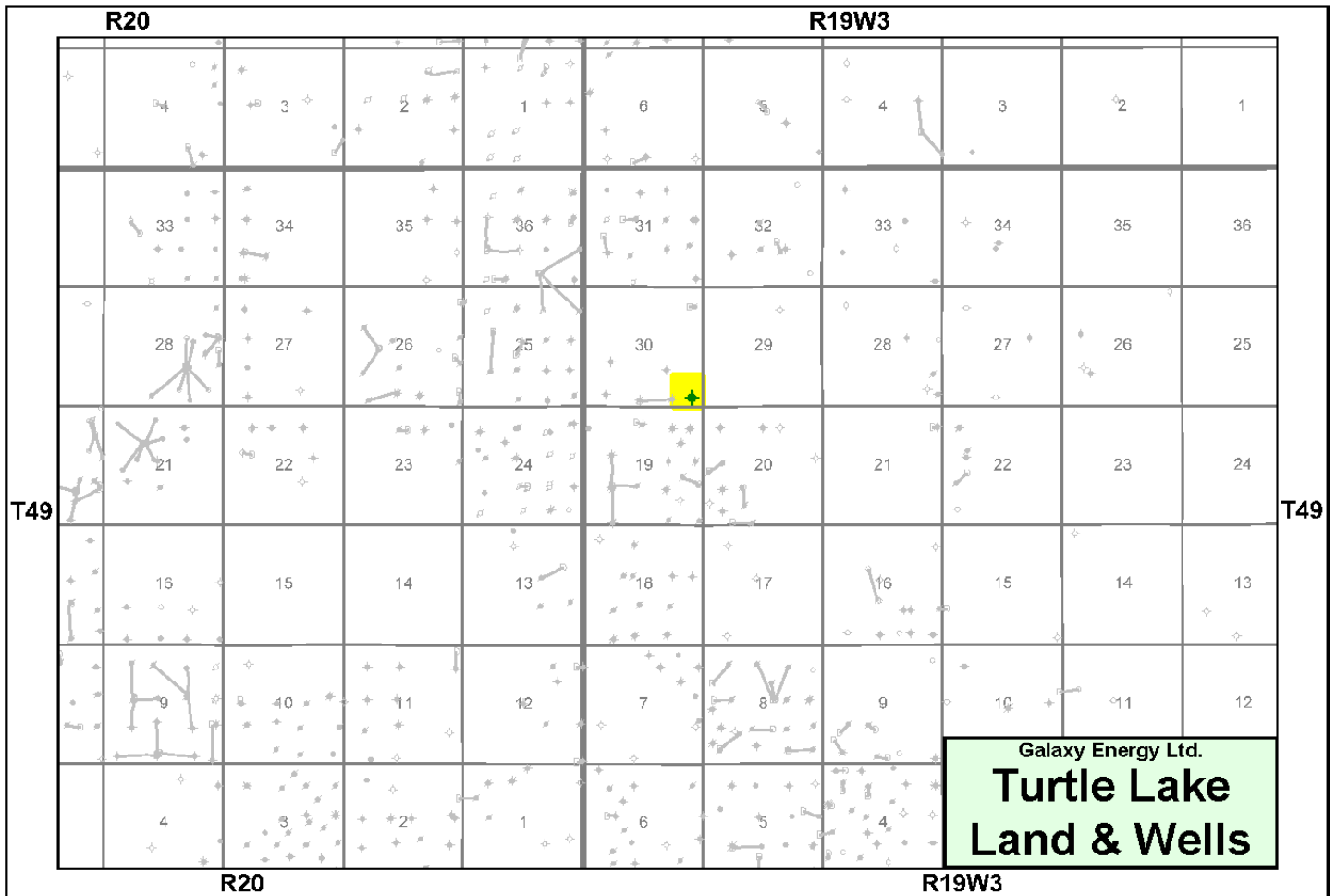




Turtle Lake Property

Township 49, Range 19 W3

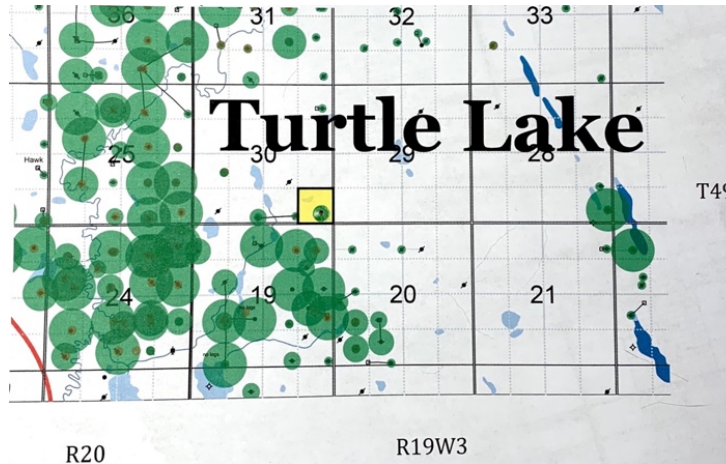
At *Turtle Lake*, Galaxy holds a 100% working interest in P&NG rights from surface to basement in one LSD of land. Galaxy farmed-in to earn the mineral rights and drilled, cased, completed and equipped one well at *Galaxy Turtle Lake 11/01-30-049-19W3/2* in February 2016. Due to mechanical reasons, the well is currently shut-in. In the months prior to being shut-in, the Waseca zone appeared to be developing and production from this well was approximately 25 bbl/d of oil between mechanical shut-downs.





Turtle Lake Upside

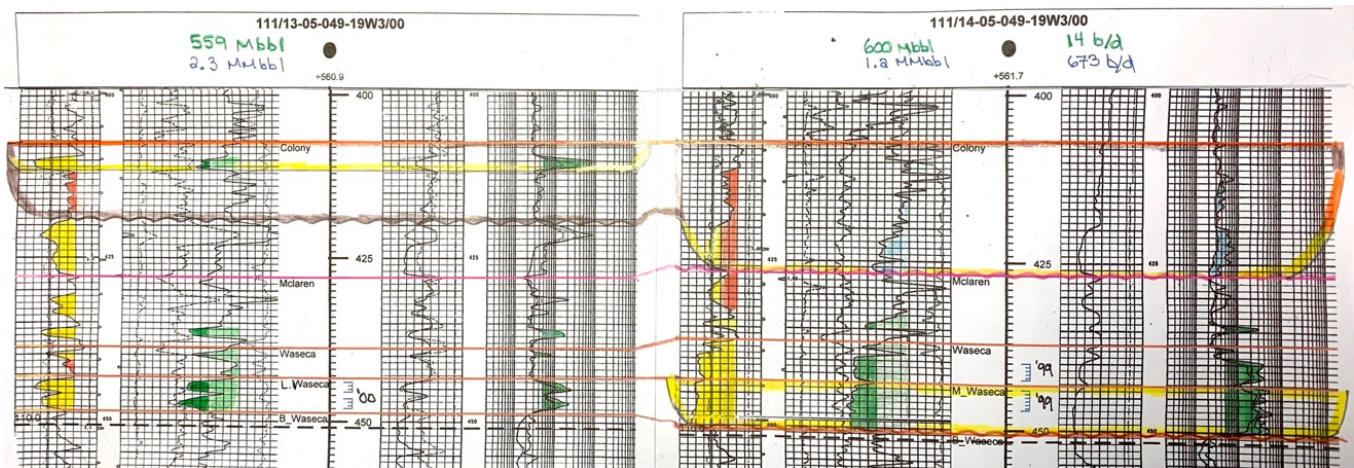
The *Turtle Lake* property is prospective for oil from the Colony and Waseca formations. The following map shows the prolific offsetting Colony and Waseca oil production. Some of these wells have produced in excess of 500,000 barrels of oil from the Waseca Formation and more than 200,000 barrels from the Colony Formation. Galaxy believes that with further development, this single LSD at 01-30 could produce more than one million barrels of oil.



This area is rich in prolific high-energy Colony channel sand oil pools. There are rare geological scenarios in which the regional Waseca sands are directly adjacent and in contact with thicker Waseca sand channels. This is observed in the geophysical logs shown below at 13-05-049-19W3 and 14-05-049-19W3.

This is a substantially thicker and more prolific oil pool, which produces at rates in excess of 300 bbl/d of oil and accumulates more than 600,000 barrels of oil. Adjacent regional Waseca wells produce at uncharacteristic rates in excess of 200 bbl/d of oil and have accumulated total oil production greater than 500,000 barrels.

Prolific Waseca Oil Producers to the Southeast



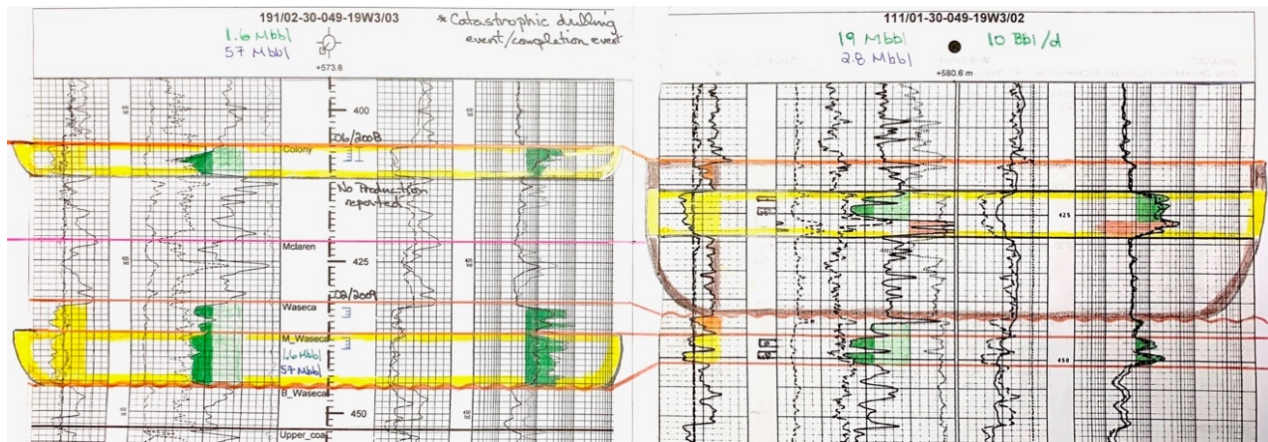


Galaxy TurtleLake 11/01-30-049-19W3/2 Well

The well *Galaxy TurtleLake 11/01-30-049-19W3/2* was drilled in February 2016 to evaluate the Waseca and Colony formations for heavy oil production.

The geological logs from the 11/01-30 well below show that the Waseca encountered four metres of clean regional sand with a maximum porosity of 38%, four metres of oil pay and no natural gas or water contact. The Colony formation had four metres of clean porous channel sand with a maximum porosity of 35%, four metres of oil pay and no natural gas or water contact.

Galaxy 1-30 (right) Lower Waseca and Colony Sands



The 11/01-30 well was completed in April 2017 and was put on production for 45 days. During that time, the zone produced 675 barrels of oil or 15 barrels per day. Although the well showed signs that it was capable of expected production rates of over 100 bbl/d of oil, due to the Company’s financial position a bridge plug was set, and the Waseca was deferred. The Colony was completed and produced from 2017 to 2020, and was producing at a rate of 10 bbl/d of oil when it was shut-in.

In June of 2022, the Colony and Waseca were commingled and put on production for five months and produced 1,800 barrels of oil. The Waseca was showing signs that it was capable of producing at the expected rate. The operation suffered several costly mechanical workovers dealing with downhole equipment. The company decided to dedicate its resources to *Rush Lake*. The comingled well was producing over 25 bbl/d of oil and due to operational issues was only shipping an average 10 bbl/d of oil until the well was shut-in.

Galaxy believes that the Waseca zone in 01-30 was not given a chance to develop and is capable of production of 100 barrels of oil per day. The Company also believes greater than half a million barrels of oil may be realized from the existing heavy oil well. Galaxy believes that with the drilling of a down-spaced well in 1C-30, more than one million barrels of oil could be recoverable from this single LSD.





Turtle Lake Facilities

Galaxy owns a 1,000-barrel single-well battery and associated downhole equipment at *Turtle Lake* with an original cost of \$425,000. A complete list of the equipment and facilities will be made available in the virtual data room for parties that execute a confidentiality agreement.

Turtle Lake Reserves

Galaxy does not have a third-party reserve evaluation.

Turtle Lake LMR as of August 8, 2024

As of August 8, 2024, the *Turtle Lake* property had a deemed net asset value of (\$41,100) (deemed assets of \$0 and deemed liabilities of \$41,100), with an LMR ratio of 0.00.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$0	\$41,100	(\$41,100)	0.00

Turtle Lake Well List

See well list in Excel.



RECIPIENT COMPANY LETTERHEAD

_____, 20____

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

Attention: Ben Rye

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

_____ (“Recipient”) has expressed an interest in the purchase of certain oil and natural gas properties owned by Galaxy Energy Ltd. (“Galaxy”) in the areas as indicated on Schedule “A” (the “Properties”). Galaxy 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 Galaxy providing the Confidential Information, Recipient agrees as follows:

1. Recipient acknowledges that all Confidential Information provided to Recipient is proprietary to Galaxy 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 Galaxy. 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 Galaxy 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 Galaxy 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 Galaxy of such a request. Recipient shall consult with Galaxy on the advisability of taking steps to resist or narrow such request or directive. If disclosure is deemed advisable, Recipient shall cooperate with Galaxy in any attempt that Galaxy 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 Galaxy; or
 - (c) subject to disclosure required by law, rule or regulation provided that Galaxy 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 Galaxy under a confidentiality agreement.
7. Recipient acknowledges the competitive value of the Confidential Information. Accordingly, without limitation and in addition to any rights of Galaxy and its joint venture partners against the Recipient arising by any breach hereof, the Recipient shall:
 - (a) be liable to Galaxy for all losses, costs, damages and expenses whatsoever which they may suffer, sustain, pay or incur; and in addition,
 - (b) indemnify Galaxy against any and all actions, proceedings, claims, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by Galaxy or which Galaxy 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 Galaxy, Recipient shall immediately return or cause to be returned to Galaxy 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 Galaxy, provide certification from an officer of the Recipient to Galaxy 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 Galaxy 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 Galaxy unless and until a definitive offer to purchase has been accepted in writing by Galaxy. 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 Galaxy.

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, Galaxy makes no representation or warranty as to the accuracy or completeness of the Confidential Information. Recipient agrees that neither Galaxy nor anyone representing Galaxy 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 Alberta.
13. Recipient acknowledges and agrees that Galaxy may be irreparably injured by a breach of this Confidentiality Agreement that could not be adequately compensated for by damages. Galaxy 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) Galaxy 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 Galaxy 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 Galaxy and then only against Galaxy 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 Galaxy'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 Galaxy, or with any customer, supplier, sales representative, or competitor of Galaxy except with the express written permission of Galaxy. Any such permission granted by Galaxy 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 Galaxy Energy Ltd. this ___ **day of** _____, **20** ___

Raymond J. Smith
President & CEO

SCHEDULE "A"

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

___ **CARRUTHERS, SASKATCHEWAN**

___ **RUSH LAKE, SASKATCHEWAN**

___ **TURTLE LAKE, SASKATCHEWAN**