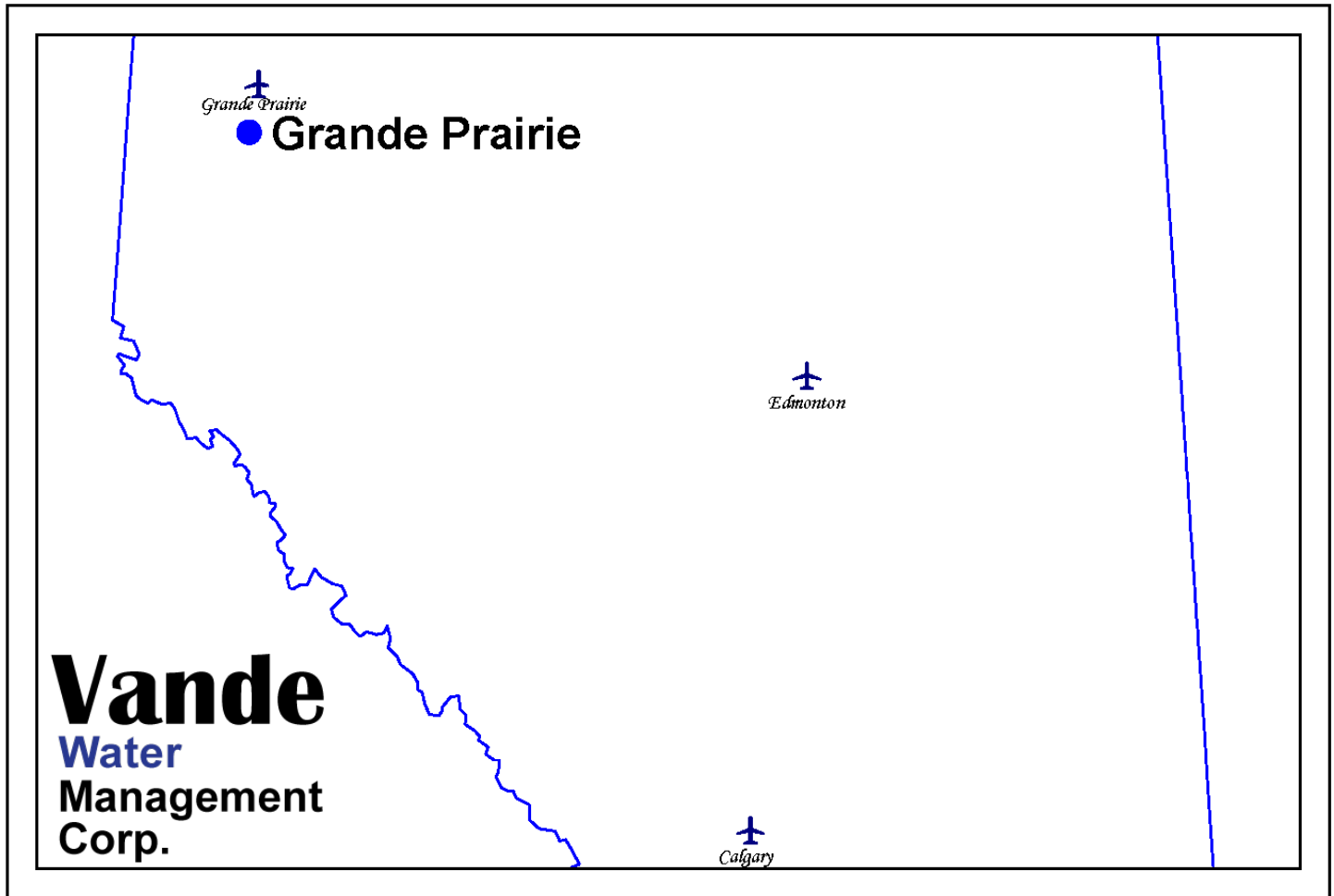




Overview

Vande Water Management Corp. (“Vande” or the “Company”) has engaged **Sayer Energy Advisors** to assist the Company with the sale of its water injection project in the *Grande Prairie* area of Alberta (the “Project”).

Overview Map Showing Location of Project





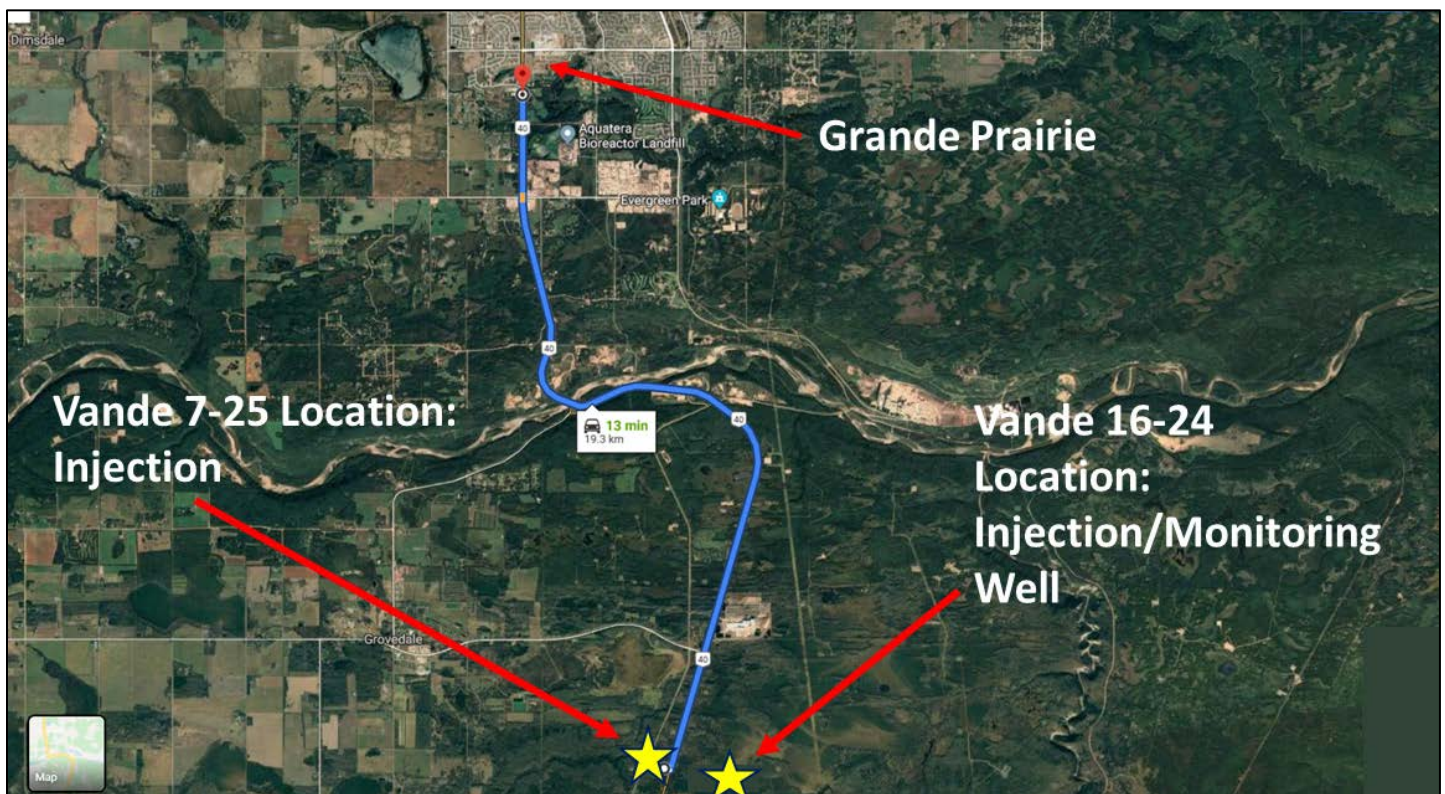
Grande Prairie Project

Township 69, Range 6 W6

Vande holds a 100% working interest in a water disposal project strategically located in a highly developed area approximately 19 kilometres south of *Grande Prairie*. The Project has all season access from major roads and is ready for completion and construction of an injection facility.

The Project consists of an existing vertical disposal well located at 100/07-25-069-06W6/0 and a monitoring/injection well at 100/16-24-069-06W6/0. The disposal well is designed for water injection into the Cardium Formation. Vande owns the mineral rights in the Cardium Formation in Section 25-069-06W6.

The 07-25 injection well is licensed and able to accept Class II and Class Ib waste fluids. The well was previously approved for a total inlet rate of a maximum of 864 m³/d of water.



The 07-25 well was originally drilled in December 2006 and completed in the Dunvegan Formation. The 16-24 Cardium monitoring well is 0.78 kilometres away from the 07-25 well and was also completed in the Dunvegan Formation. The monitoring well is also a good candidate for 500 m³/d injection which can be implemented when the injection facility can warrant additional capacity.

The drilling and completions activity in this area has created a high demand for water disposal. The Project would prevent operators from hauling fluid long distances for disposal.

The Project is centered in an area with an extremely high demand for disposal. Fluid production in the area is primarily from the Montney Formation. This suggests a large amount of potential for third party water disposal.





The viability of the Cardium Formation for water disposal is supported by favourable reservoir characteristics, parameters, reservoir confinement, absence of hydrocarbons from nearby production and the aerial extent of the Cardium aquifer.

The Company has identified the Cardium Formation at *Grande Prairie* as having 18% average porosity over 12 metres of thickness at a depth of 793.8 to 810.0 metres in the 07-25 well. The Cardium sandstone is a coarsening upward sand sequence dominated by quartz, with lower and upper shoreface deposition.

The Cardium Formation is water saturated and there are no offsetting producing Cardium wells within the predicted zone. The nearest Cardium oil production is 35 miles to the south west at Wapiti.

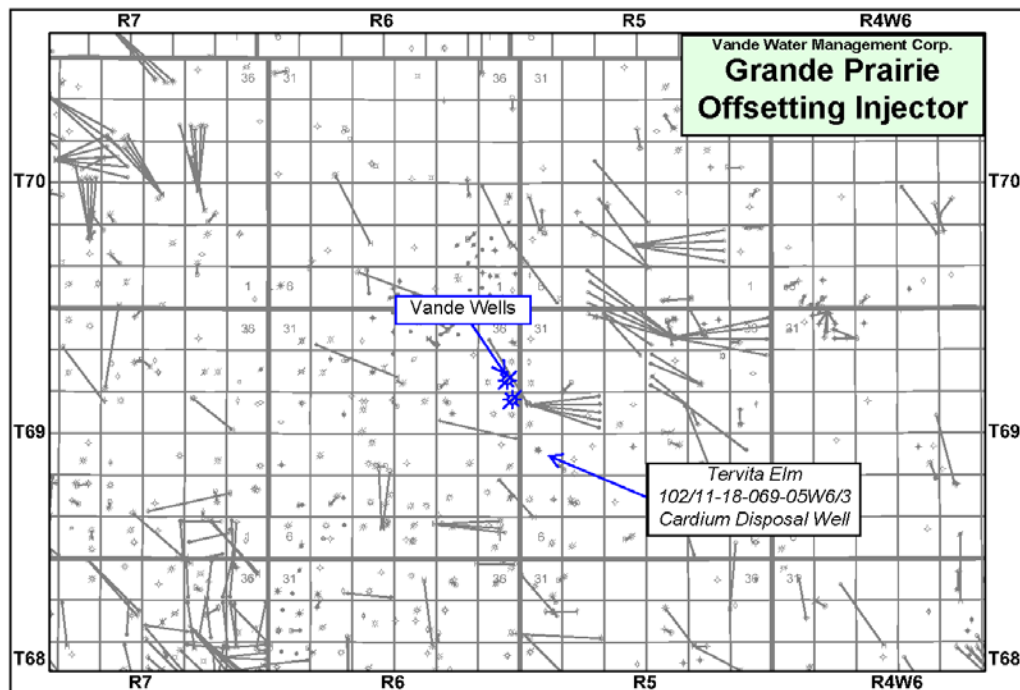
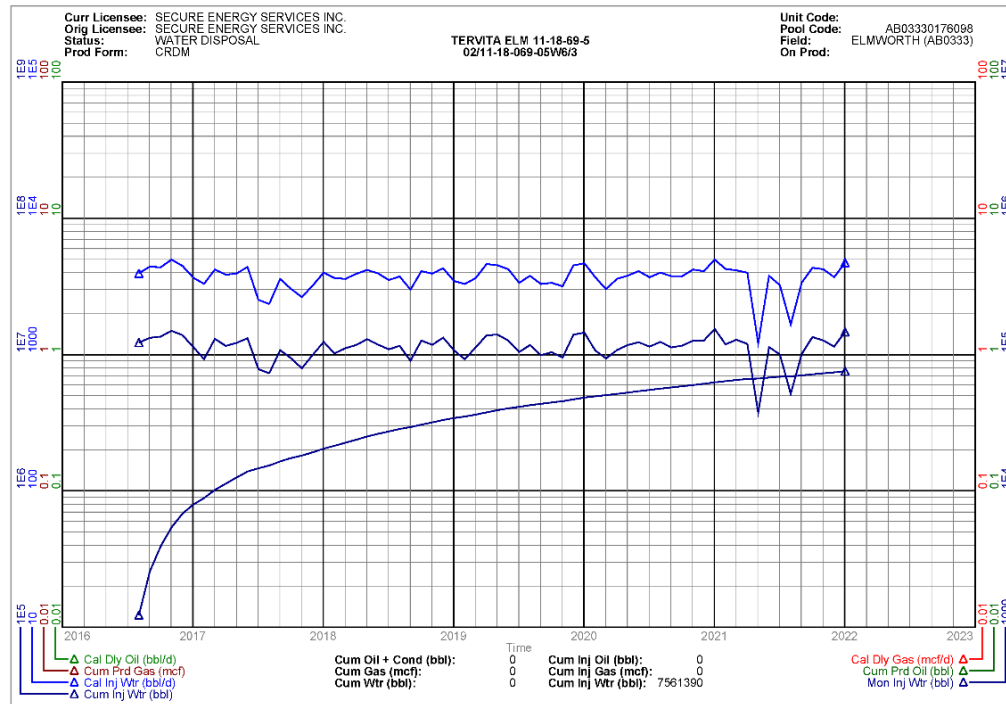
The Cardium zone is confined by an impermeable cap and base rock. Vertical confinement is assured by the underlain shales of the Kaskapau and the tight sands and interbedded shales of the Cardium zone along with the overlain shales of the Muskiki formations. The general structure dips in a south direction at 17 metres per mile.

Based on a projected injection rate of 21 m³/hr over a 20-year period, Vande calculated the area of influence for the 07-25 well to be 0.736 kilometres for Class 1b disposal.

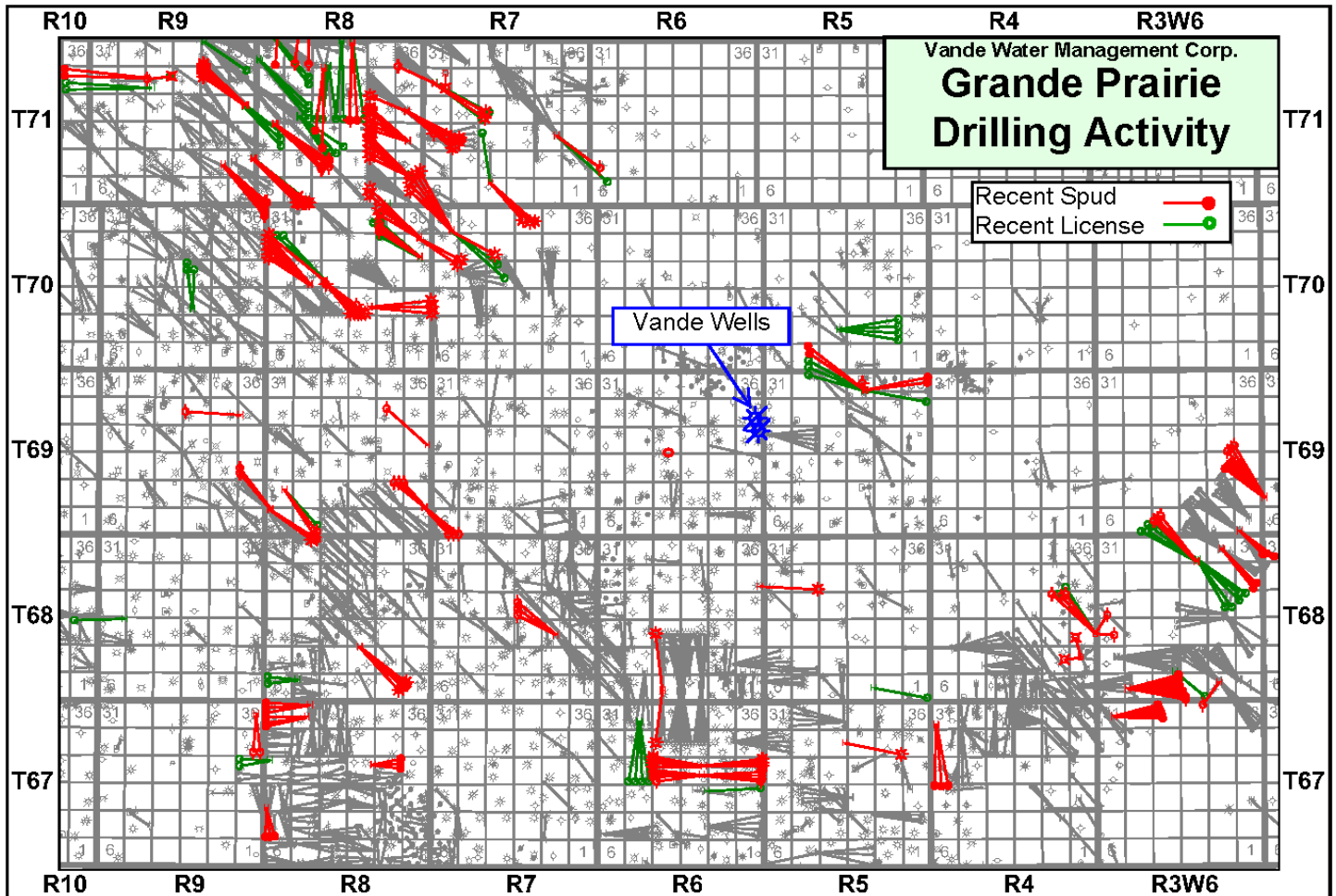


There are several offsetting Cardium injection wells which indicate the disposal capability including the well *Tervita Elm 102/11-18-069-05W6/3*, as shown below.

The 02/11-18 well injected approximately 146,840 bbl (23,334 m³) of water into the Cardium Formation in January 2022. The 02/11-18 well has cumulative injection of 7.6 million barrels (1.2 million m³) of water to date.



The following map shows wells licensed in the last two years in green and wells drilled in the last two years in red. Active producers in the area include **Hammerhead Resources Inc.**, **NuVista Energy Ltd.**, **Ovintiv Canada ULC**, **Paramount Resources Ltd.**, **Pipestone Energy Corp.**, **Prairie Thunder Resources Ltd.**, **Ridgeback Resources Inc.**, **Spartan Delta Corp.**, **Tourmaline Oil Corp.**, and **Whitecap Resources Inc.**





Project Development

Vande anticipates that the Project could be up and running within three months. The necessary steps to get the Project operational would be to first perform a re-completion on the 07-25 disposal well and carry out injection test requirements for D51 submission.

Following this, mechanical and electrical drawing packages construction and installation of equipment will be completed as listed on the Plot Plan/Process Flow Diagram which is available in the confidential virtual data room for review by parties that execute a confidentiality agreement.

Total costs associated with the startup of the disposal facility are estimated to be approximately \$3.5 million with \$3.25 million in remaining required capital. Vande is forecasting operating cash flow of approximately \$2.6 million per year based on projected third-party daily disposal volumes of 600 m³/d and a disposal fee of \$14.70/m³.

Grande Prairie Well List

See well list in Excel.

