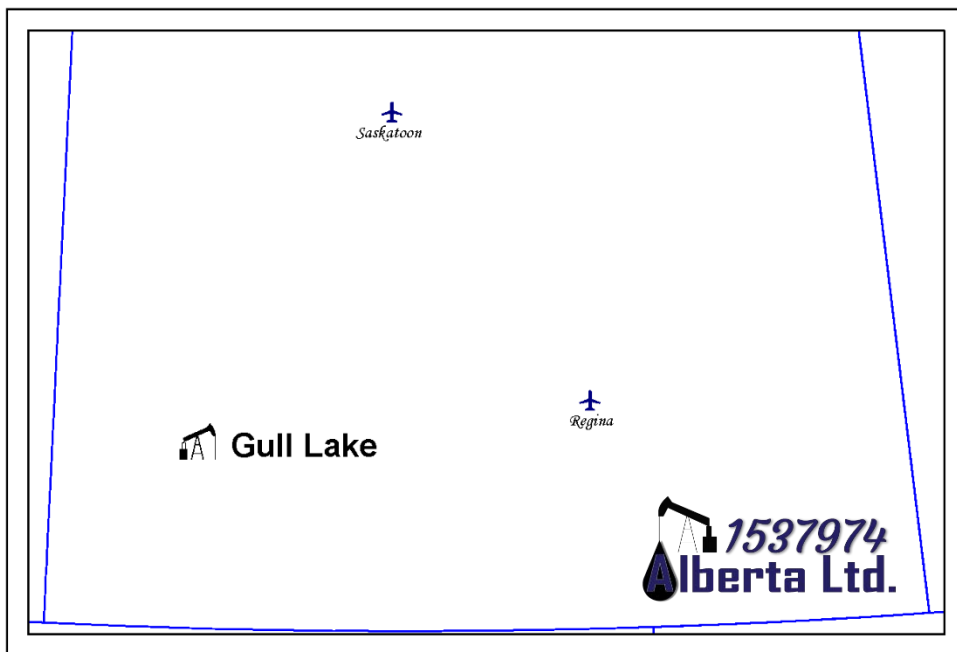


# Royalty Divestiture: Gull Lake Area, Southwestern Saskatchewan \$84,000/Year of Royalty Income



1537974 Alberta Ltd. ("153" or the "Company") has engaged **Sayer Energy Advisors** to assist the Company with the sale of its oil and natural gas royalty interests located in the *Gull Lake* area of Saskatchewan (the "Property").

At *Gull Lake*, 153 holds royalty interests generally between 6.5%-15.0% in certain lands and wells based on 25.72% of production. The Property is operated by **Whitecap Resources Inc.**



Average daily royalty production net to the Company from the Property for the six months ended June 30, 2021 was approximately four barrels of oil per day and three Mcf/d of natural gas (four boe/d).

The Company's average monthly royalty income from the Property for the six months ended June 30, 2021 was approximately \$7,000/month, or \$84,000 on an annualized basis.

## PROCESS & TIMELINE

Sayer Energy Advisors is accepting cash offers to acquire the Property until **12:00 pm on Thursday, October 14, 2021.**

Timeline		
Week of September 13, 2021		Preliminary Information Distributed
Week of September 13, 2021		Data Room Opens
<b>October 14, 2021</b>	<b>12:00 noon</b>	<b>Bid Deadline</b>
November 1, 2021		Effective Date
November 2021		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 14, 2021.**

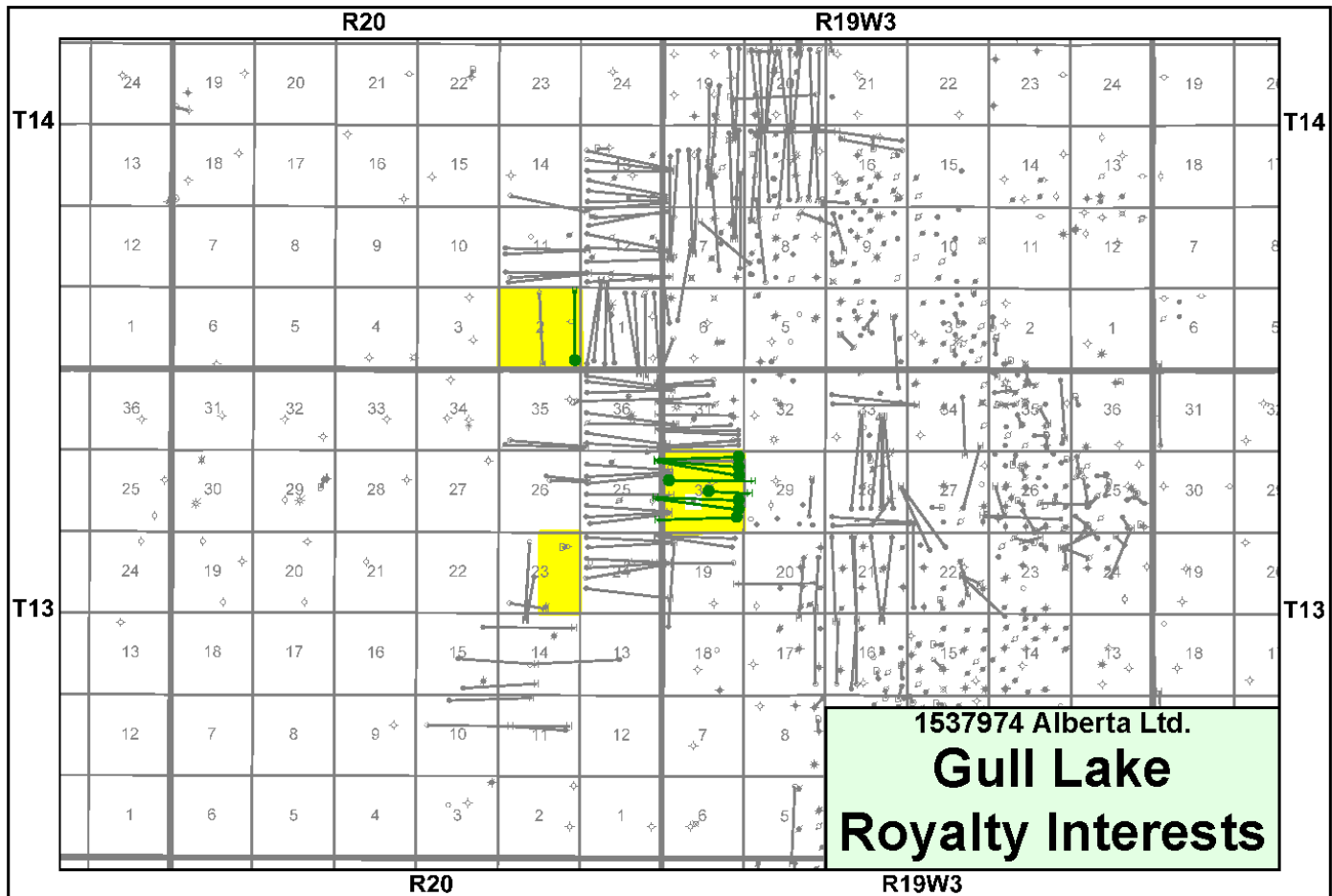


## Gull Lake Property

## Township 13-14, Range 19-20 W3

At *Gull Lake*, 153 holds royalty interests generally between 6.5%-15.0% in certain lands and wells based on 25.72% of production. The Property is operated by **Whitecap Resources Inc.**

The Property consists of nine wells producing from the Cantuar Formation.



Average daily royalty production net to the Company from *Gull Lake* for the six months ended June 30, 2021 was approximately four barrels of oil per day and three Mcf/d of natural gas (four boe/d).

The Company's average monthly royalty income from the Property for the six months ended June 30, 2021 was approximately \$7,000/month, or \$84,000 on an annualized basis.

In 2019, Whitecap drilled the following three wells on the Property: 101/09-30-013-19W3/0, 101/16-30-013-19W3/0 and 102/16-30-013-19W3/0. The following two wells; 101/08-30-013-19W3/0 and 102/08-30-013-19W3/0 were drilled by Whitecap on the Property in February and March of 2021.

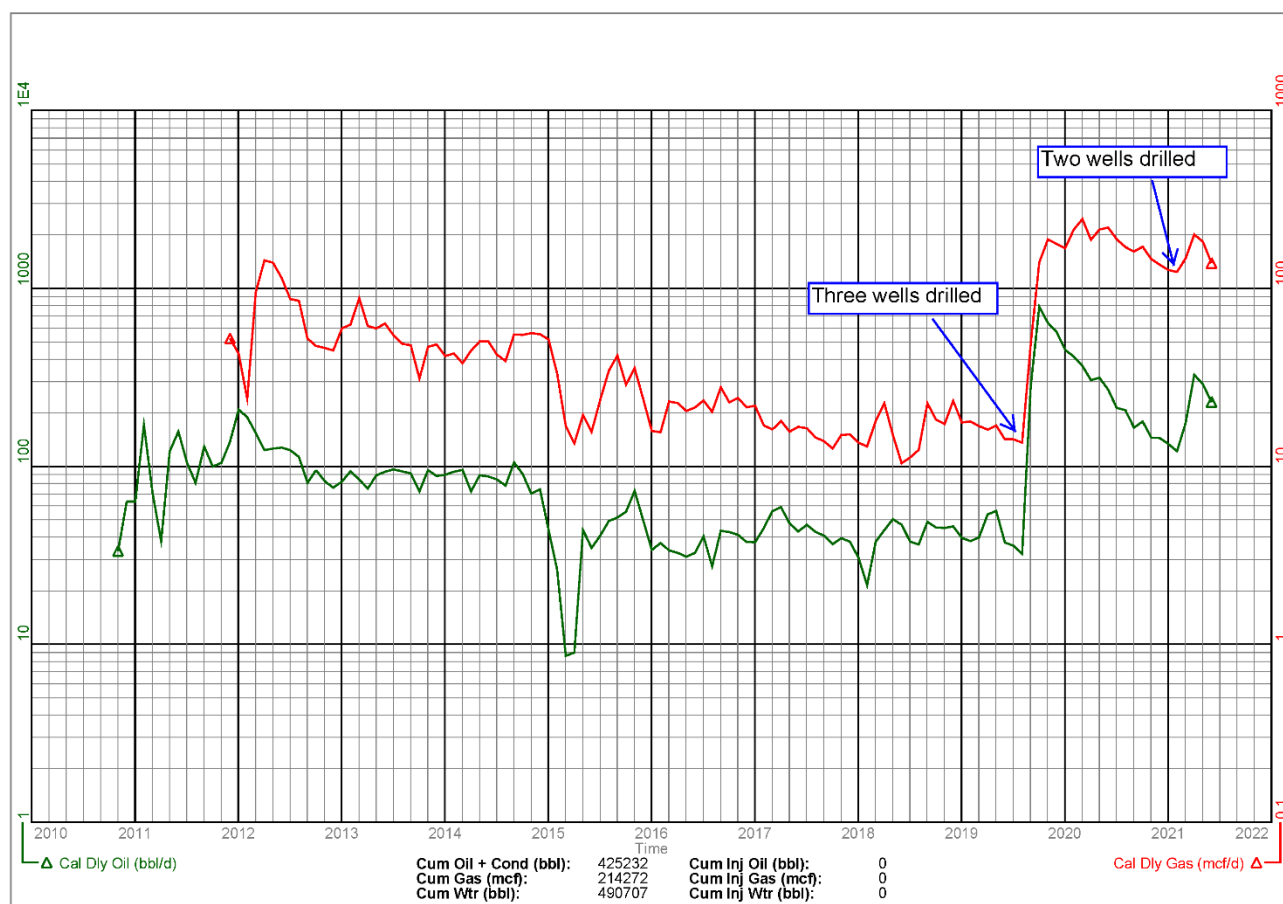
One section north of the Company's lands, at Section 31-013-19W3, Whitecap has drilled two horizontal wells per LSD in the Cantuar Formation. The offsetting Whitecap production suggests further drilling on 153's royalty lands could double the number of wells on the Property.

The Company also believes water injection could increase the production rate from its royalty wells. To the northwest of the Company's lands in Section 36-13-20W6 and Section 01-014-20W3, Whitecap owns water injection wells at 191/09-35-013-20W3/0 and 192/16-01-014-20W3/0.





**Gull Lake, Saskatchewan – Gross Production Group Plot of 153's Oil and Natural Gas Wells**



## Gull Lake Reserves

*Sproule Associates Limited* ("Sproule") prepared an independent reserves evaluation of the Property (the "Sproule Report"). The Sproule Report is effective May 31, 2021 using Sproule's May 31, 2021 forecast pricing.

Sproule estimated that, as of May 31, 2021, the *Gull Lake* property contained remaining proved plus probable royalty interest reserves of 12,000 barrels of oil and 5 MMcf of natural gas (13,000 boe), with an estimated net present value of \$454,000 using forecast pricing at a 10% discount.

Sproule Associates Limited as at May 31, 2021							
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	5%	10% (000s)	15%
<b>Proved Developed Producing</b>	<b>6</b>	<b>3</b>	<b>0</b>	<b>6</b>	<b>\$282</b>	<b>\$229</b>	<b>\$194</b>
Proved Non-Producing/Undeveloped	3	1	0	3	\$127	\$100	\$83
<b>Total Proved</b>	<b>9</b>	<b>4</b>	<b>0</b>	<b>9</b>	<b>\$409</b>	<b>\$329</b>	<b>\$277</b>
Probable	4	1	0	4	\$169	\$125	\$100
<b>Total Proved Plus Probable</b>	<b>12</b>	<b>5</b>	<b>0</b>	<b>13</b>	<b>\$578</b>	<b>\$454</b>	<b>\$377</b>

The reserve estimates and forecasts of production and revenues for the Company's properties were prepared within the context of the Company's evaluation, which was an evaluation of all of the Company's properties in aggregate. Extraction and use of any individual property evaluation outside of this context may not be appropriate without supplementary due diligence. Values in the "Total" row may not correspond to the total of the values presented due to rounding.

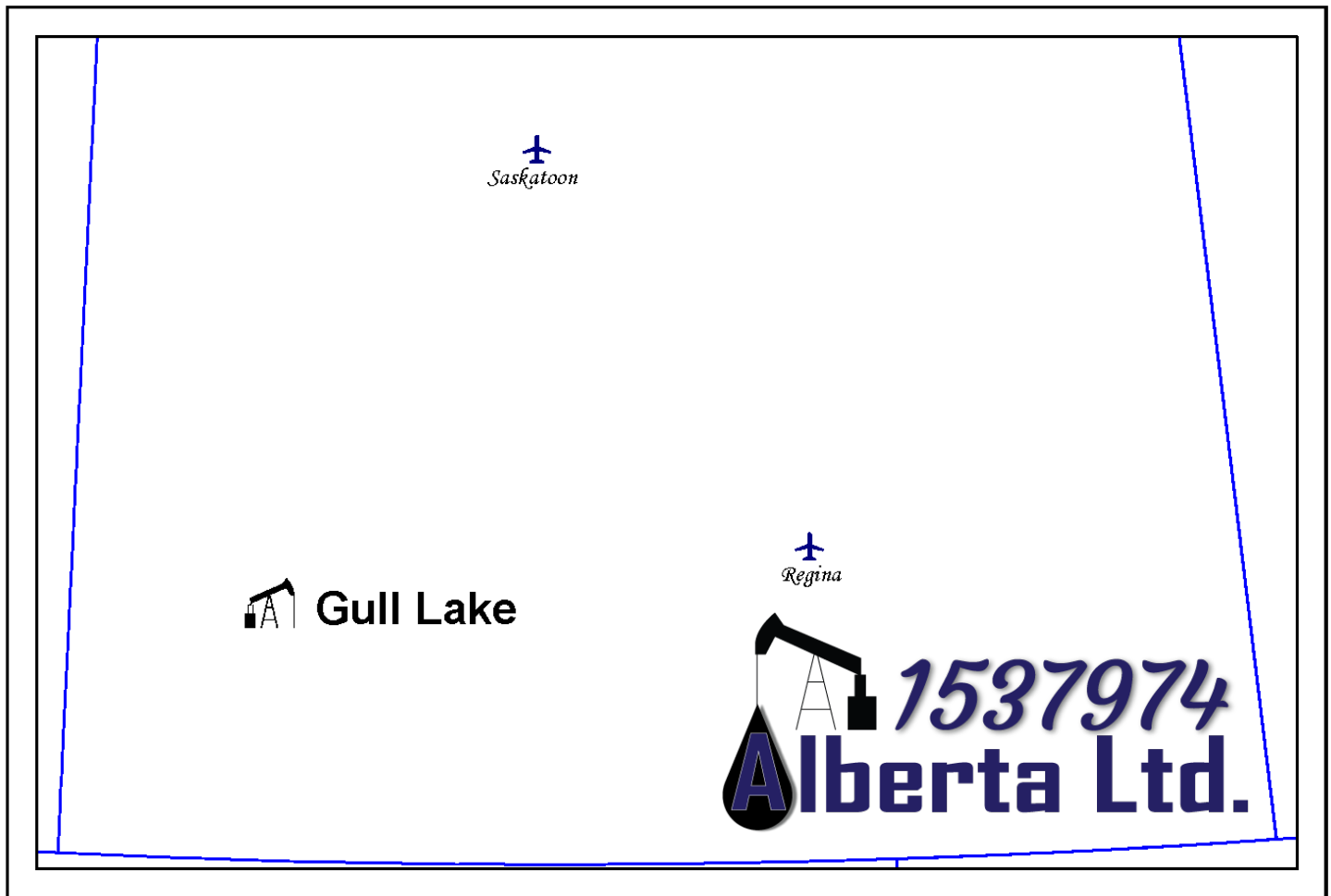




**BID DEADLINE: 12:00 pm October 14, 2021**

**Royalty Divestiture**

# **1537974 Alberta Ltd. Royalty Divestiture Fall 2021**



## **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](http://www.sayeradvisors.com)) and return one copy to Sayer Energy Advisors by courier, email ([tpavic@sayeradvisors.com](mailto:tpavic@sayeradvisors.com)) or fax (403.266.4467).

Included in the confidential information is the following: the Sproule Report, most recent net royalty income statements, royalty agreement and other relevant technical information.

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



1620, 540 – 5<sup>th</sup> Avenue SW, Calgary, Alberta Canada T2P 0M2  
Tel: 403.266.6133 Fax: 403.266.4467 [www.sayeradvisors.com](http://www.sayeradvisors.com)