



SCCC PETROLEUM CORPORATION  
CORPORATE DIVESTITURE



SCCC Petroleum

# OVERVIEW INFORMATION

Bid Deadline: 12:00 pm May 23, 2024

**Corporate Divestiture:  
Red Earth, Alberta  
Oil Sands Interests**

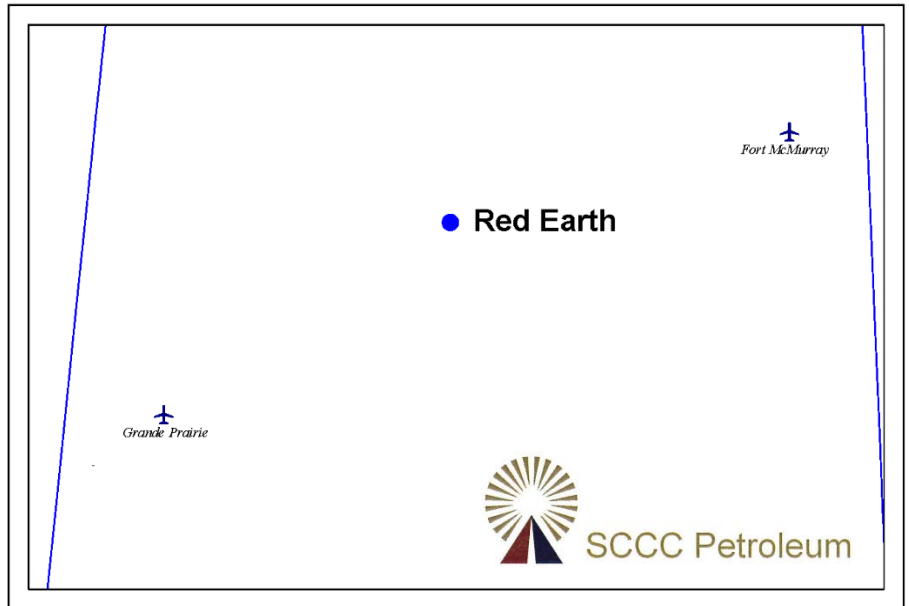


SCCC Petroleum Corporation ("SCCC" or the "Company") has engaged Sayer Energy Advisors to assist it with a corporate sale process.

SCCC is a tightly-held private junior oil and natural gas company with oil sands interests located in the Red Earth area of Alberta (the "Property"). There is currently no production from the Property.

The Company has no bank debt or severance obligations.

As at December 31, 2023, SCCC had total unused Canadian income tax pools of approximately \$41.3 million including \$29.0 million in non-capital losses.



As of March 2, 2024, SCCC had a deemed net asset value of (\$1.2 million) (deemed assets of \$0 and deemed liabilities of \$1.2 million), with an LMR ratio of 0.00. These numbers do not include SCCC's current security deposit with the Alberta Energy Regulator ("AER") of approximately \$1.5 million.

Additional corporate and technical information relating to SCCC will be provided to parties upon execution of a confidentiality agreement.

**PROCESS & TIMELINE**

Sayer Energy Advisors is accepting offers relating to this process until **12:00 pm on Thursday May 23, 2024**.

Timeline		
Week of April 15, 2024		Preliminary Information Distributed
Week of April 15, 2024		Data Room Opens
<b>May 23, 2024</b>	<b>12:00 noon</b>	<b>Bid Deadline</b>
June 2024		Closing Date

*Sayer Energy Advisors does not conduct a "second-round" bidding process; the intention is to attempt to conclude a transaction with the party submitting the most acceptable proposal at the conclusion of the process.*

**Sayer Energy Advisors is accepting offers from interested parties until noon on Thursday May 23, 2024.**



## Corporate Overview

SCCC is a tightly-held private junior oil and natural gas company with no bank debt or severance obligations.

As at December 31, 2023, SCCC had total unused Canadian income tax pools of approximately \$41.3 million as outlined below.

<b>Capital Structure</b>	Common Shares	100
	Bank Debt	Nil

<b>Tax Pools</b>		<b>As at December 31, 2023</b>
	Non-Capital Losses	\$29,000,000
	Cumulative Canadian Oil and Gas Property Expenses	\$10,500,000
	Undepreciated Capital Cost Allowance	\$1,800,000
	<b>Total</b>	<b>\$41,300,000</b>

<b>Office Lease</b>	Terminable on 30 days notice	\$1,000/month
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<b>Severance</b>	None
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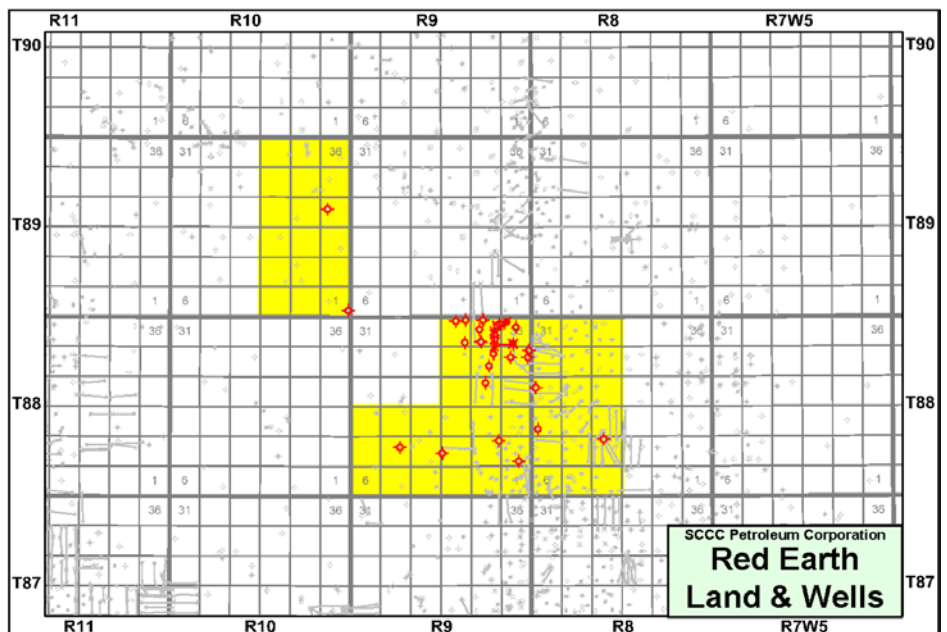
## Red Earth Property

## Township 88-89, Range 8-10 W5

At *Red Earth*, SCCC holds a 100% working interest in several oil sands leases from the top of the Peace River to base of the Pekisko Formation. The oil sands leases comprise 63 sections of land with indefinite lease expiry.

The Property is currently shut-in. The *Red Earth* property was designed as a cyclic steam pilot project targeting the Lower Cretaceous Bluesky Formation. The Company acquired the Property to pursue this enhanced recovery.

In 2015, the Company received approval for the commercial scheme which was amended in 2017 to simplify the steam injection process.



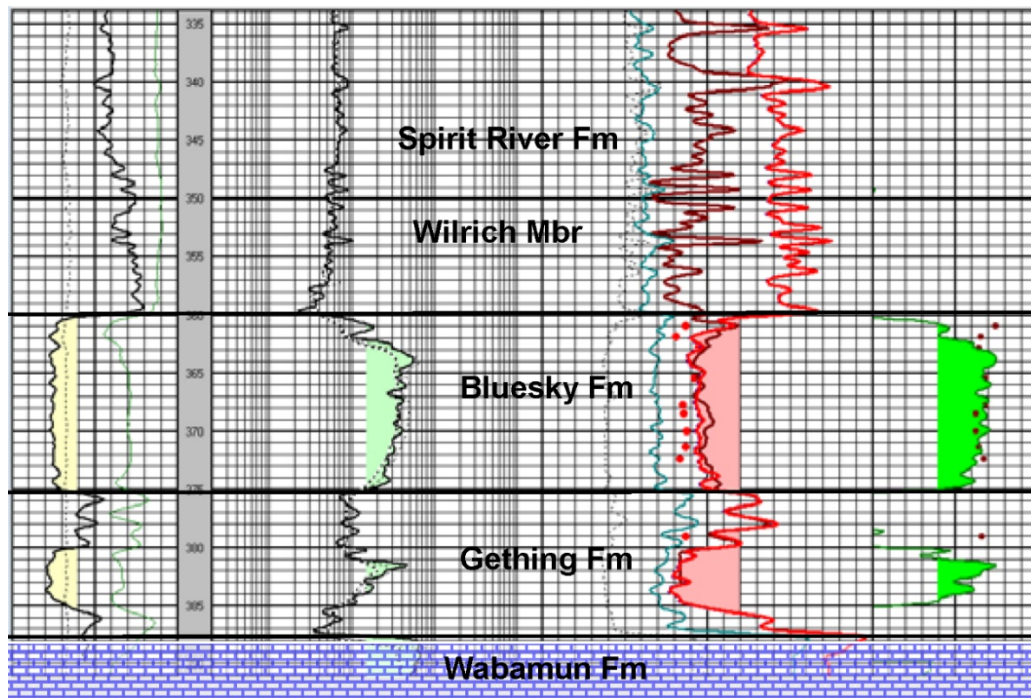


## Bluesky Formation

The Lower Cretaceous Bluesky Formation regionally is a broad, predictable sand deposited in a near-shore environment with minimal base structure variations. The Bluesky is found at a depth of approximately 400 metres and overlain by capstone shales of the Wilrich and Spirit River formations. The target reservoir is shown in the following well logs.

The Bluesky target reservoir contains substantial oil in place. Initial production from the Property from a prior operator showed heavy oil (10°API) with approximately 90,000-200,000 cps at 16°C. The reservoir is 10-16 metres thick with 31% porosity and 1,000-3,000 mD of permeability.

### SCCC Petroleum RedEarth 100/01-35-088-09W5/0 – Bluesky Formation Type Log



Further details on the geology and development history of the Property are available in the virtual data room for parties that execute a confidentiality agreement.

The Company has Class II disposal approval at *Red Earth* in the Wabamun Formation for the well 00/13-36-088-09W5/2. SCCC also had a license to divert water for up to 164,250 m<sup>3</sup>/year from the water supply well at 07-26-088-09W5 for in situ recovery, which has been suspended due to non-operation.

## Red Earth Reserves

The Company does not have a current third-party reserve report.

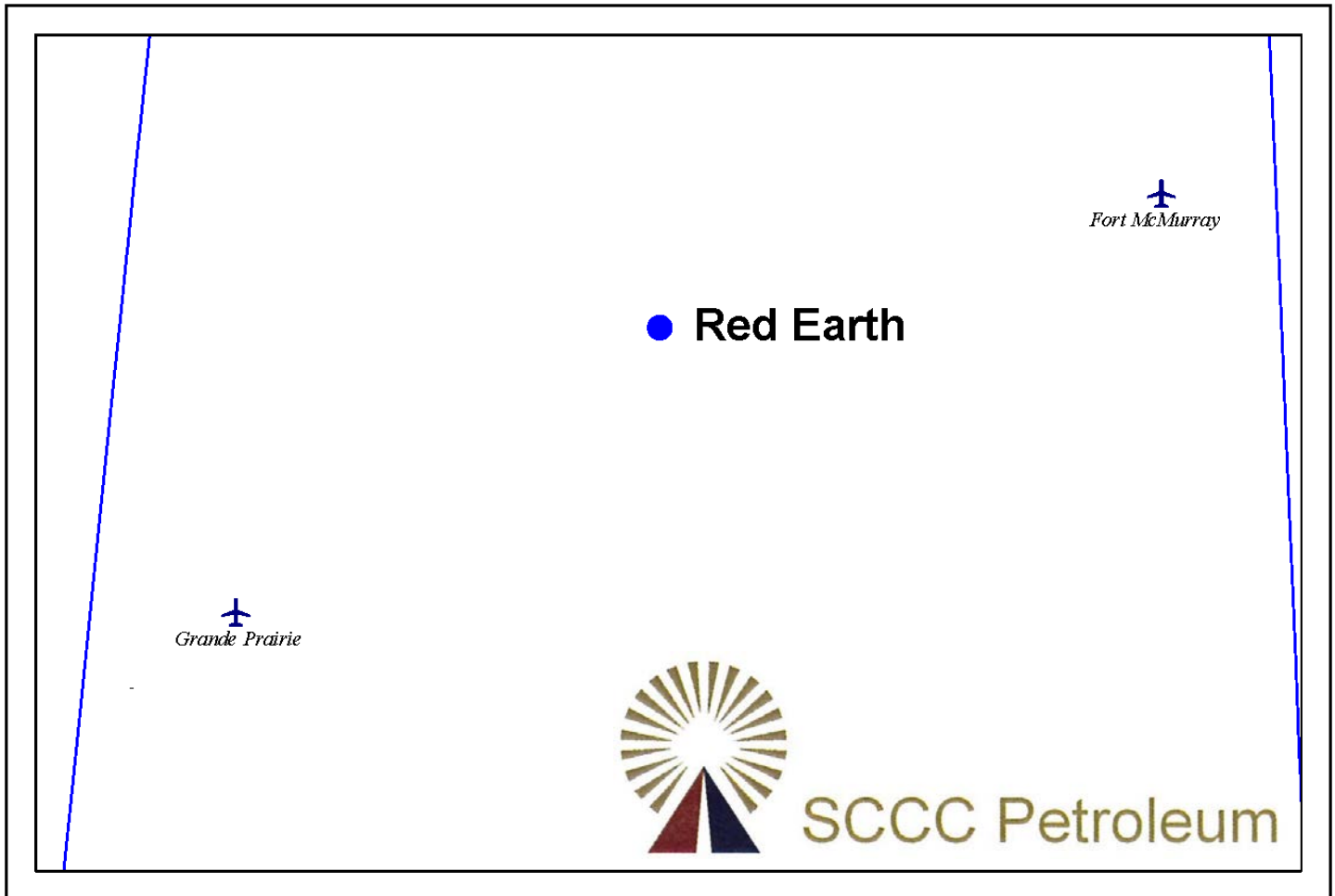
## Red Earth LMR as of March 2, 2024

As of March 2, 2024, SCCC had a deemed net asset value of (\$1.2 million) (deemed assets of \$0 and deemed liabilities of \$1.2 million), with an LMR ratio of 0.00. These numbers do not include SCCC's current security deposit with the AER of approximately \$1.5 million.





# **SCCC Petroleum Corporation Corporate Divestiture Spring 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](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: most recent financial information, summary land information, LMR information and other relevant corporate and technical information.

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





## Overview

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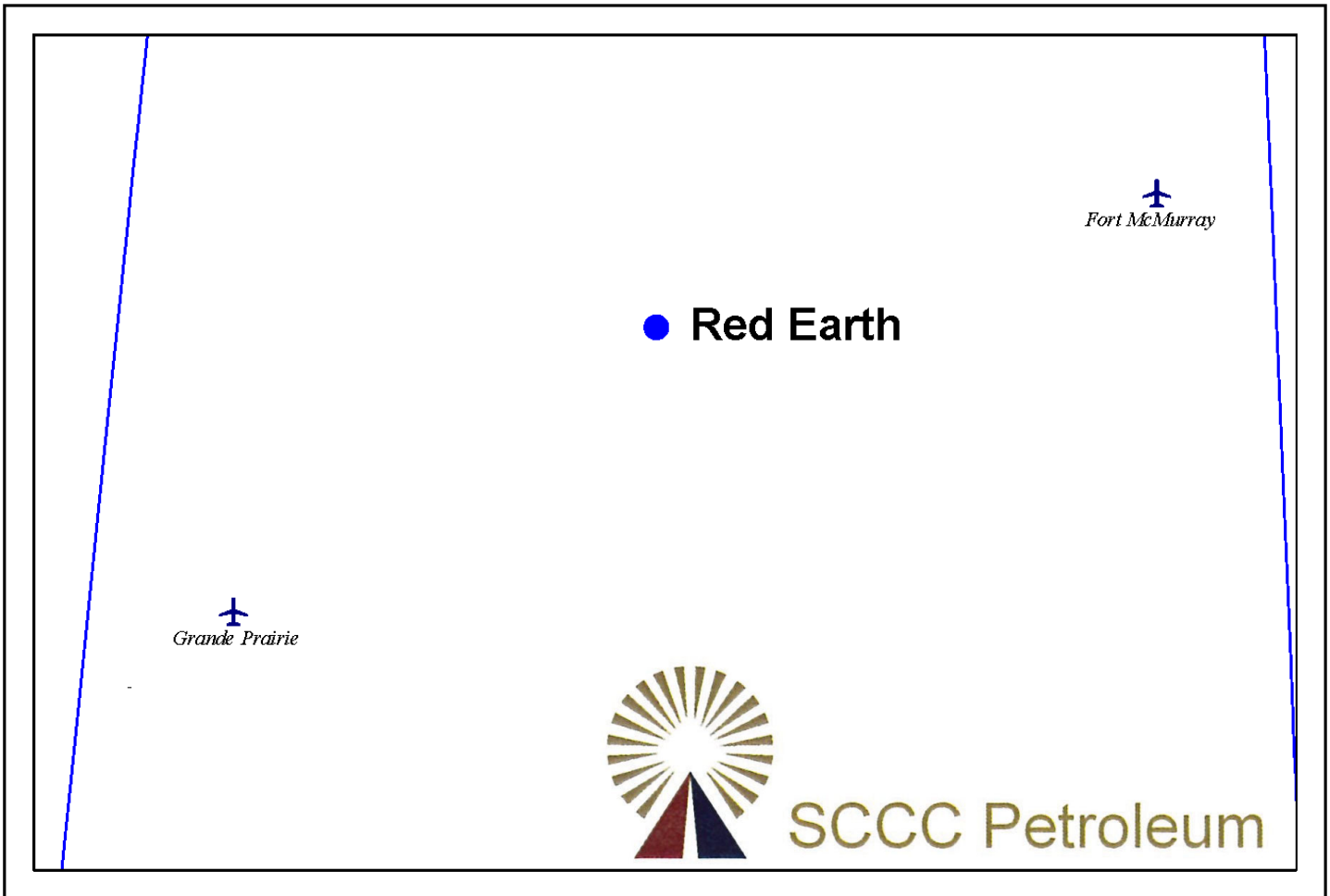
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Additional corporate and technical information relating to SCCC will be provided to parties upon execution of a confidentiality agreement.





Overview Map Showing the Location of SCCC's Property







### Corporate Overview

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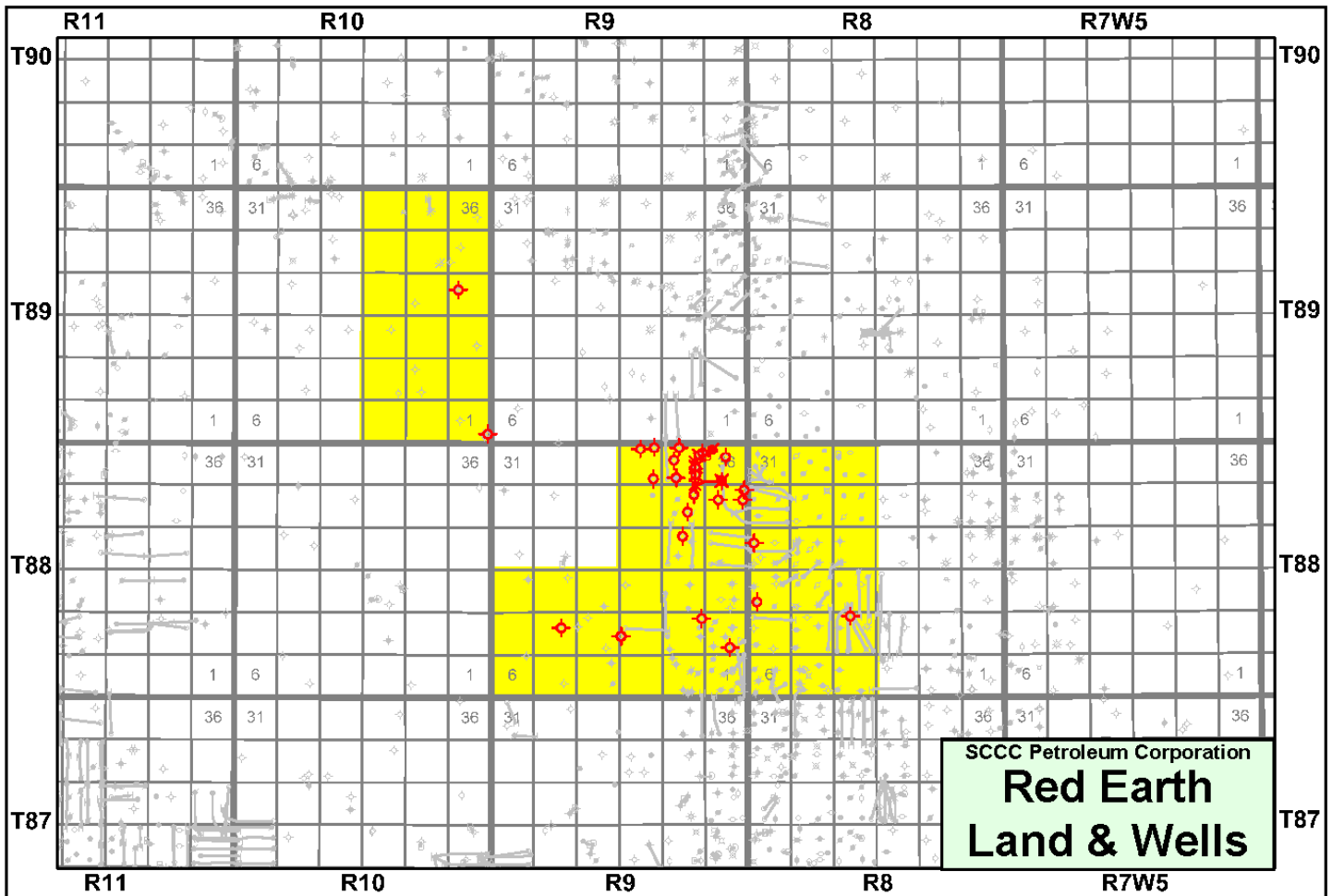


### Red Earth Property

### Township 88-89, Range 8-10 W5

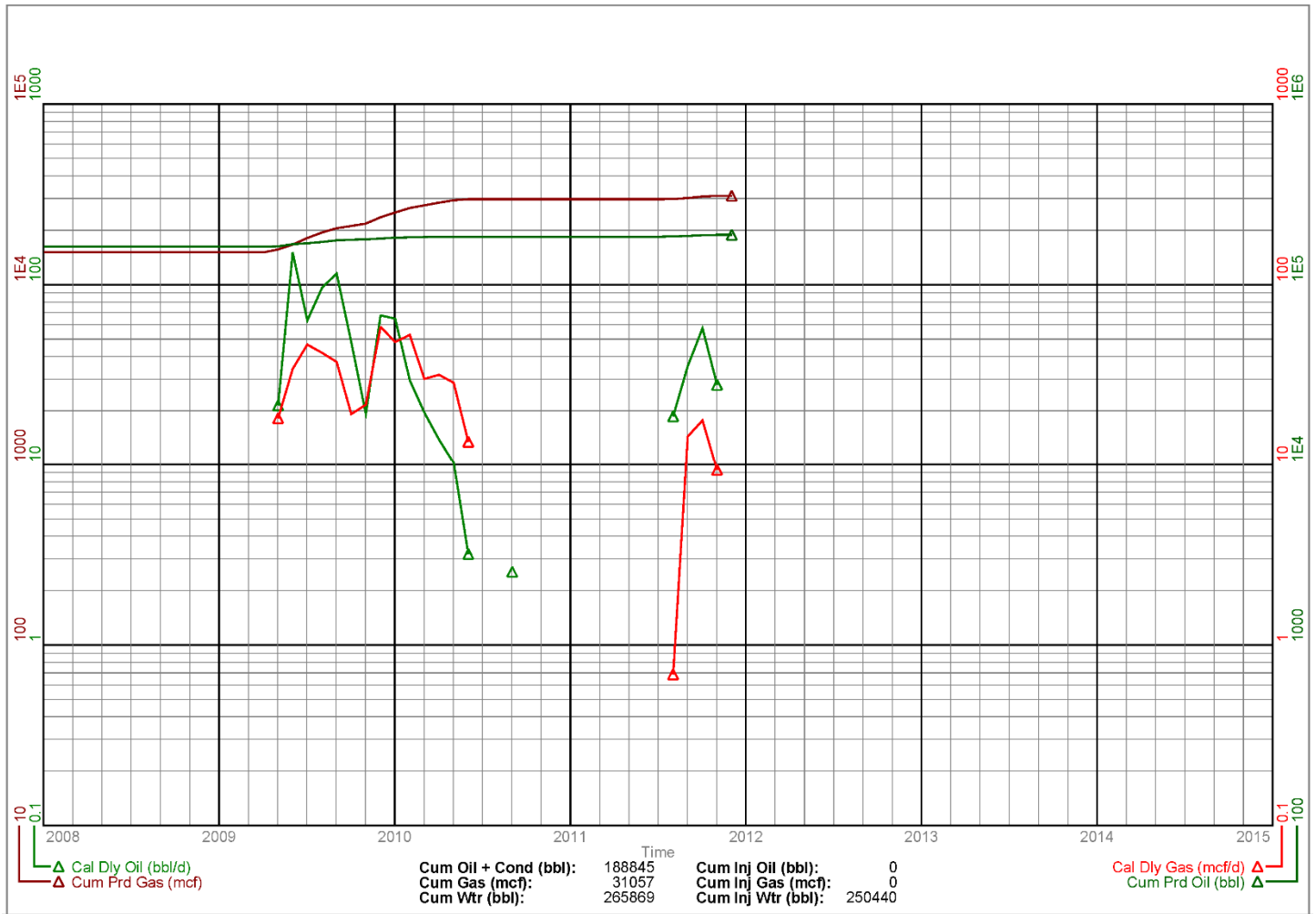
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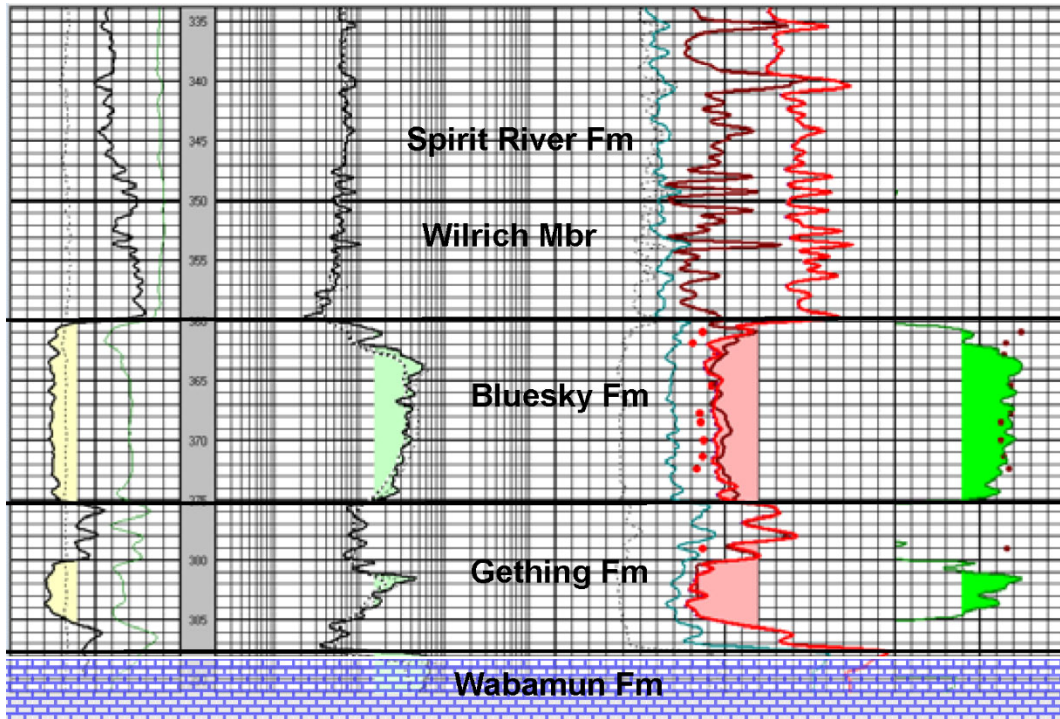
### Red Earth, Alberta – Gross Production Group Plot of SCCC’s Oil & Natural Gas Wells





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### Red Earth Facilities

At *Red Earth*, SCCC has a working interest in the following facility.

Licence	Facility Type	Surface Location	W.I.%
F39920	Battery	15-26-088-09W5	100.00

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### Red Earth LMR as of March 2, 2024

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Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$0	\$1,195,359	(\$1,195,359)	0.00

### Red Earth Well List

See well list in Excel.



## CONFIDENTIALITY AGREEMENT

### ***PRIVATE AND CONFIDENTIAL***

\_\_\_\_\_, 20\_\_\_\_

Company Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, Province: \_\_\_\_\_

Postal Code: \_\_\_\_\_

**Attention:** \_\_\_\_\_

**Re:               SCCC Petroleum Corporation  
                    Corporate Divestiture**

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In connection with your possible interest in the acquisition of, or completion of a business combination with, SCCC Petroleum Corporation (the "Corporation") or the acquisition of the Corporation's assets and/or operations upon some mutually agreeable basis, you acknowledge that we are providing you with certain information about the Corporation which is non-public, strictly confidential and proprietary in nature. All information furnished to you and your directors, officers, employees, agents or representatives, including without limitation, affiliates, attorneys, accountants, consultants and financial advisors (collectively herein referred to as "Representatives") together with any and all analyses, compilations, studies or other documents prepared by your Representatives (whether in paper form, electronic form or any other means of creating or storing information) containing or based upon, in whole or in part, any such furnished information or reflecting your view of or interest in the Corporation is hereafter referred to as the "Information". As a condition precedent to making available to you the Information, we hereby mutually agree as follows:

1. The Information shall be kept strictly confidential and will not be:
  - (a) used in any way materially detrimental to the Corporation;
  - (b) disclosed, divulged, published, transcribed or transferred, by you or by any of your Representatives, in whole or in part, without the prior written consent of the Corporation, which consent may be arbitrarily withheld or delayed; or
  - (c) used by you or your Representatives other than in connection with the transactions described above.

Moreover, you agree to provide the Information only to those Representatives who need to know the Information for the purposes of evaluating the transactions referred above, are informed by you of the confidential nature of the Information and who agree to be bound by the terms of this Agreement. You agree to keep a list of all Representatives to whom any Information has been delivered and to provide that list on request. You agree to be responsible and jointly and severally liable for any breach of this Agreement by you or your Representatives.

You will make all reasonable, necessary and appropriate efforts to safeguard the Information from disclosure to anyone other than as permitted hereby. The obligation to keep the information confidential shall be limited to a period of one (1) year after the date of this Agreement or upon the consummation of a transaction contemplated above, whichever is the first to occur.

2. Until our joint announcement of a proposed transaction as described above, you will direct your Representatives not to disclose to any other person that the Information has been made available, or that discussions and negotiations are taking place concerning a possible transaction, including the status thereof or the terms of this Agreement. The other "person" as used in this letter shall be broadly interpreted to include, without limitation, any individual, corporation, company, group, partnership or other entity. The restrictions contained in this Agreement shall not apply to approaches made by either of us or our Representatives, to government officials in Canada or the United States in connection with our preparation of a proposal for any transaction as described above or disclosure required by law, provided that we mutually agree to limit such disclosure to the minimum Information required and will, where possible, make such disclosure subject to an obligation of confidentiality. Nothing in this Agreement will restrict either of us from making a press release with respect to a transaction if, in its reasonable opinion, a material change in our affairs has occurred and such disclosure is required by law. In such event, the party intending to make a press release will to the extent reasonably possible consult with the other party as to the intended contents of such press release, prior to issuing such press release.
3. You agree to keep a record of each location of the Information. If either party hereto determines that it does not wish to enter into a transaction contemplated above, it will promptly advise the other of that fact. In such case, or in the event that we do not effect a transaction as contemplated above or if a party hereto requests for any reason whatsoever, you will promptly, upon receiving written request, deliver to the Corporation, all Information furnished to you or your Representatives constituting the Information, without retaining copies thereof. In such event, all other documents constituting the Information (whether in paper form, electronic form or any other means of creating or storing information) will be destroyed.
4. The term "Information" does not include information which:
  - (a) is or becomes generally available to the public other than as a result of the disclosure by you or any one to whom you or any of your Representatives transmit any Information; or
  - (b) is or becomes available to you or your Representatives on a non-confidential basis and not in contravention of applicable law from a source which is represented to you or your Representatives that it is entitled to disclose it to you or your Representatives on such basis; or
  - (c) is already in your possession, or in the possession of any of your Representatives, provided that such Information is not subject to another confidentiality or non disclosure agreement with, or other obligation of secrecy to, a third party; or
  - (d) becomes available to you or your Representatives under any joint operating or other agreement which you have with us.
5. During the period commencing on the date of this Agreement and terminating upon the date of one (1) year after the date of this Agreement or consummation of a transaction contemplated above, whichever is the first to occur, you will not, nor shall any of your affiliates (which shall mean any person or entity, directly or indirectly, through one or more intermediaries, controlling

or controlled by or under, control with you), unless in any such case specifically invited to do so by the board of directors or management of the Corporation as provided below:

- (a) acquire or agree to acquire, or make any proposal to acquire, in any manner, any securities or property of the Corporation;
- (b) commence or tender an offer to acquire any securities of the Corporation;
- (c) solicit proxies from the Corporation's shareholders or form, join or in any way participate in a group that is a "control person" as such term is interpreted in the Securities Act (Alberta);
- (d) engage in any discussions or negotiations, or enter into any agreement, or otherwise act in concert with any third party in order to propose or effect any acquisition or business combination transaction with respect to the Corporation except nothing herein shall prohibit you from engaging in any discussions or negotiations with a third party concerning:
  - (i) financing with respect to the transactions as contemplated herein; or
  - (ii) a joint proposal by us and such third party of any transaction involving the other which would be permitted to propose a loan in accordance with the terms of this Agreement;
- (e) solicit, employ or engage, directly or indirectly, any person currently employed or engaged as a consultant by the Corporation provided, however, that nothing contained herein shall prohibit either of us from making the proposal to the board of directors or management of the Corporation so long as such proposal is made pursuant to procedures established by the board of directors or management prior to such proposal;

and further provided that the restrictions contained in this paragraph shall terminate in any event one (1) year after the date of this Agreement.

6. You acknowledge that the Corporation does not, and the Corporation's representatives do not, make any representation or warranty as to the accuracy or completeness of the Information, whether express or implied, arising at law, by statute or in equity, with respect to the Information including but without limitation any warranty or representation of accuracy, completeness, merchantability, condition or fitness of the Information, or with respect to the assets or undertakings of the Corporation to which the Information makes reference.
7. In the event that either you or anyone to whom you transmit the Information pursuant to this Agreement is required by law to disclose any of the Information, you will provide the Corporation with prompt written notice so that we may seek a protection order or other appropriate remedy. In any event, you or your Representatives will furnish only that portion of the Information which is legally required and we will mutually use our best efforts to obtain reliable assurances that the Information will be kept confidential.
8. You acknowledge and agree that the Corporation will not have any adequate remedy at law and would be respectively irreparably harmed in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, you agree that the Corporation shall be entitled to injunctive relief to prevent a breach of this Agreement and to specifically enforce the terms and provisions hereof in addition to any other remedy to which the Corporation may be entitled at law or in equity.



9. It is further understood and agreed that no failure or delay by either of us in exercising any rights, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise of any right, power or privilege hereunder.
10. This Agreement shall be governed and construed in accordance with the laws of the Province of Alberta specifically to agreements made and to be performed within such Province and the parties hereto irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Alberta in respect of any matter relating in any way to this Agreement.

Yours very truly,

**SCCC PETROLEUM CORPORATION**

\_\_\_\_\_  
Jiajun Hu  
Director

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

\_\_\_\_\_  
RECIPIENT COMPANY NAME

\_\_\_\_\_  
OFFICER'S SIGNATURE

\_\_\_\_\_  
OFFICER'S PRINTED NAME & TITLE

**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: