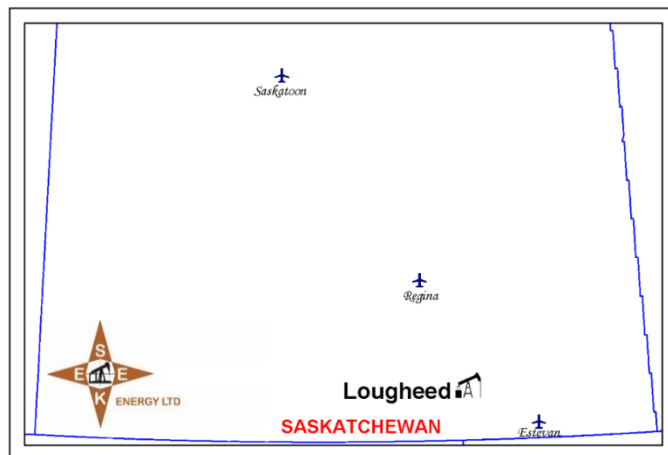


## Fee Title & Property Divestiture: Lougheed, SE Saskatchewan 10 bbl/d of Oil, \$88,000/Year in Processing Income



Seek Energy Ltd. ("Seek" or the "Company") has engaged Sayer Energy Advisors to assist the Company with the sale of its non-operated Fee Title and working interests located in the *Lougheed* area of southeastern Saskatchewan (the "Property").

In the *Lougheed* area of southeastern Saskatchewan, Seek holds a 1.37503% working interest as well as a 0.348975% royalty interest in the *Lougheed Midale Beds Voluntary Unit # 1* (the "Unit") operated by Vermilion Energy Inc. Seek also holds a non-operated 13.2% working interest and a 5.61% royalty interest in one non-unit well 191/03-23-006-15W2/00 (*Hummingbird Et Al Lougheed 2Hz 2A11-23-3A3-23-6-15*).



The royalty interest held by Seek is derived from its ownership of the Fee Title in a portion of Section 23-006-15W2.

Average daily royalty and working interest production net to Seek from *the Unit* in February 2021 was approximately nine barrels of oil per day. Average daily royalty and working interest production net to Seek from the non-unit 191/03-23 well in February 2021 was approximately one barrel of oil per day.

Net operating income from the Property for the first two months of 2021 on an annualized basis was approximately \$180,000, or \$15,000 per month. This includes approximately \$7,300 per month in emulsion processing and saltwater disposal income and approximately \$2,600 per month in royalty income.

### PROCESS & TIMELINE

Sayer Energy Advisors is accepting offers relating to this process until **12:00 pm on Thursday June 17, 2021**. Seek is accepting offers for either the entire Property or the working interests only.

Timeline		
Week of May 17, 2021		Preliminary Information Distributed
Week of May 17, 2021		Data Room Opens
<b>June 17, 2021</b>	<b>12:00 noon</b>	<b>Bid Deadline</b>
July 1, 2021		Effective Date
July 2021		Closing Date

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

**Sayer Energy Advisors is accepting offers from interested parties until  
noon on Thursday June 17, 2021.**

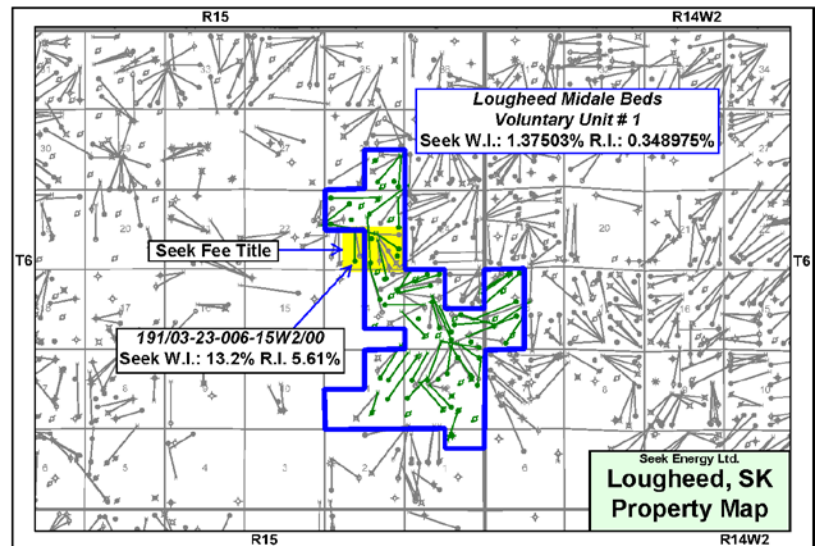


## Lougheed Property

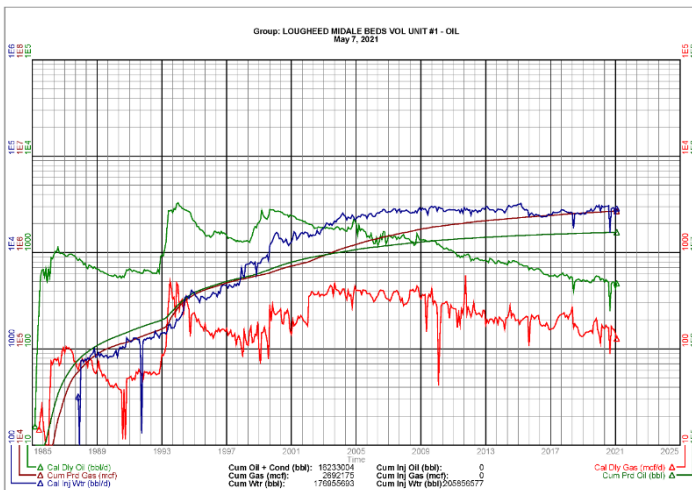
In the *Lougheed* area of southeastern Saskatchewan, Seek holds a 1.37503% working interest as well as a 0.348975% royalty interest in the *Lougheed Midale Beds Voluntary Unit # 1* operated by **Vermilion Energy Inc.** Seek also holds a non-operated 13.2% working interest and a 5.61% royalty interest in one non-unit well 191/03-23-006-15W2/00 (*Hummingbird Et Al Lougheed 2Hz 2A11-23-3A3-23-6-15*).

Average daily royalty and working interest production net to Seek from the *Unit* in February 2021 was approximately nine barrels of oil per day. Average daily production net to Seek from the non-unit 191/03-23 well in February 2021 was approximately one barrel of oil per day.

## Township 6, Range 14-15 W2



### Gross Production Group Plot – *Lougheed Midale Beds Voluntary Unit # 1*



Net operating income from the *Unit* for the first two months of 2021 on an annualized basis was approximately \$170,000, or \$14,000 per month. This includes approximately \$7,300 per month in emulsion processing and saltwater disposal income and approximately \$2,100 per month in royalty income.

Net operating income from the non-unit 191/03-23 well for the first two months of 2021 on an annualized basis was approximately \$11,000, or \$900 per month. This includes approximately \$470 per month in royalty income.

The *Unit* is offset by several operators targeting the Midale Beds at *Lougheed* including **Allied Energy Corp.**, **Aldon Oils Ltd.**, **Caprice Resources Ltd.**, **Hummingbird Energy Inc.**, **Valleyview Petroleum Ltd.**, **Vermilion**, and **Whitecap Resources Inc.**

Gross production from the *Unit* is approximately 480 barrels of oil per day and 26,100 barrels per day of water. Water injection is approximately 28,700 barrels per day.

The *Lougheed* area is recognized for enhanced oil recovery schemes and the *Unit* is offset by the *Tatagwa North Midale Voluntary Unit # 1*, *Weyburn Unit* and the *Weyburn Voluntary Unit # 10* which are also employing secondary recovery.

The *Lougheed Midale Beds Voluntary Unit # 1* was formed in 1993 and has produced a total of approximately 16.2 million barrels of oil to date and continues at a stable production rate from 43 producing oil wells. In addition, there are 18 water injection wells in the *Unit*.

Vermilion holds the remaining 98.62497% working interest in the *Unit* which it acquired from **Spartan Energy Corp.** in 2018. Vermilion drilled four horizontal wells in the *Unit* in 2019 (01/09-12-006-15W2, 01/01-13-006-15W2, 01/10-14-006-15W2 and 01/12-23-006-15W2).



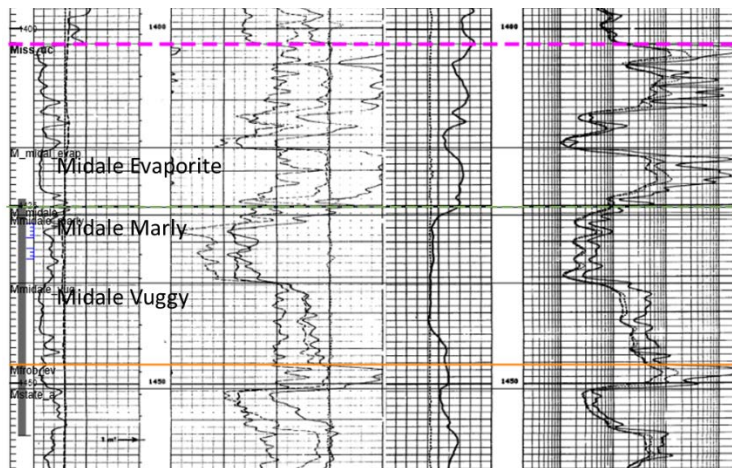


The non-unit well at 191/03-23-006-15W2/00 was drilled by Hummingbird in 1995 targeting oil in the Midale Beds and is currently producing at a gross rate of approximately seven barrels oil per day with a water cut of 91%.

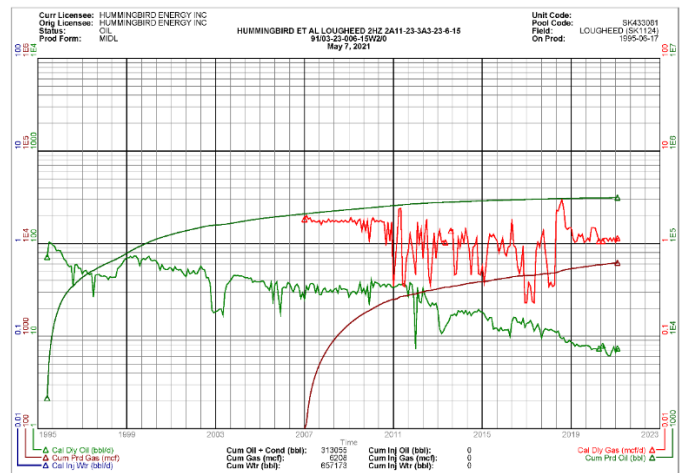
At *Lougheed*, the Midale Marly Member is the primary productive horizon of the Midale Beds. The Midale Marly overlies the Midale Vuggy member and is overlain by the Midale Evaporite Member as shown in the following well logs.

The Midale Marly Member is a dolomite reservoir with thickness generally between seven to ten metres and porosity between 25%-30%.

**Transwest Et Al Weyburn  
131/16-14-006-15W2/00 – Midale Formation Type Log**



**Gross Production Plot – Hummingbird Et Al  
Lougheed 2H 2A11-23-3A3-23-6-15**



**Lougheed Reserves**

*Acipenser Resources Ltd.* ("Acipenser") prepared an independent reserves evaluation of the Property (the "Acipenser Report"). The Acipenser Report is effective March 1, 2021 using average pricing from three independent consultant evaluators, including, GLJ Ltd., McDaniel & Associates Consultants Ltd. and Sproule Associates Limited ("3 Consultants' Average") January 1, 2021 forecast pricing.

Acipenser estimates that, as of March 1, 2021, the Property contained remaining proved plus probable reserves of 36,400 barrels of oil (28,700 barrels of working interest reserves and 7,700 barrels of royalty interest reserves), with an estimated net present value of \$1.0 million (\$738,000 working interest and \$266,000 royalty interest) using forecast pricing at a 10% discount.

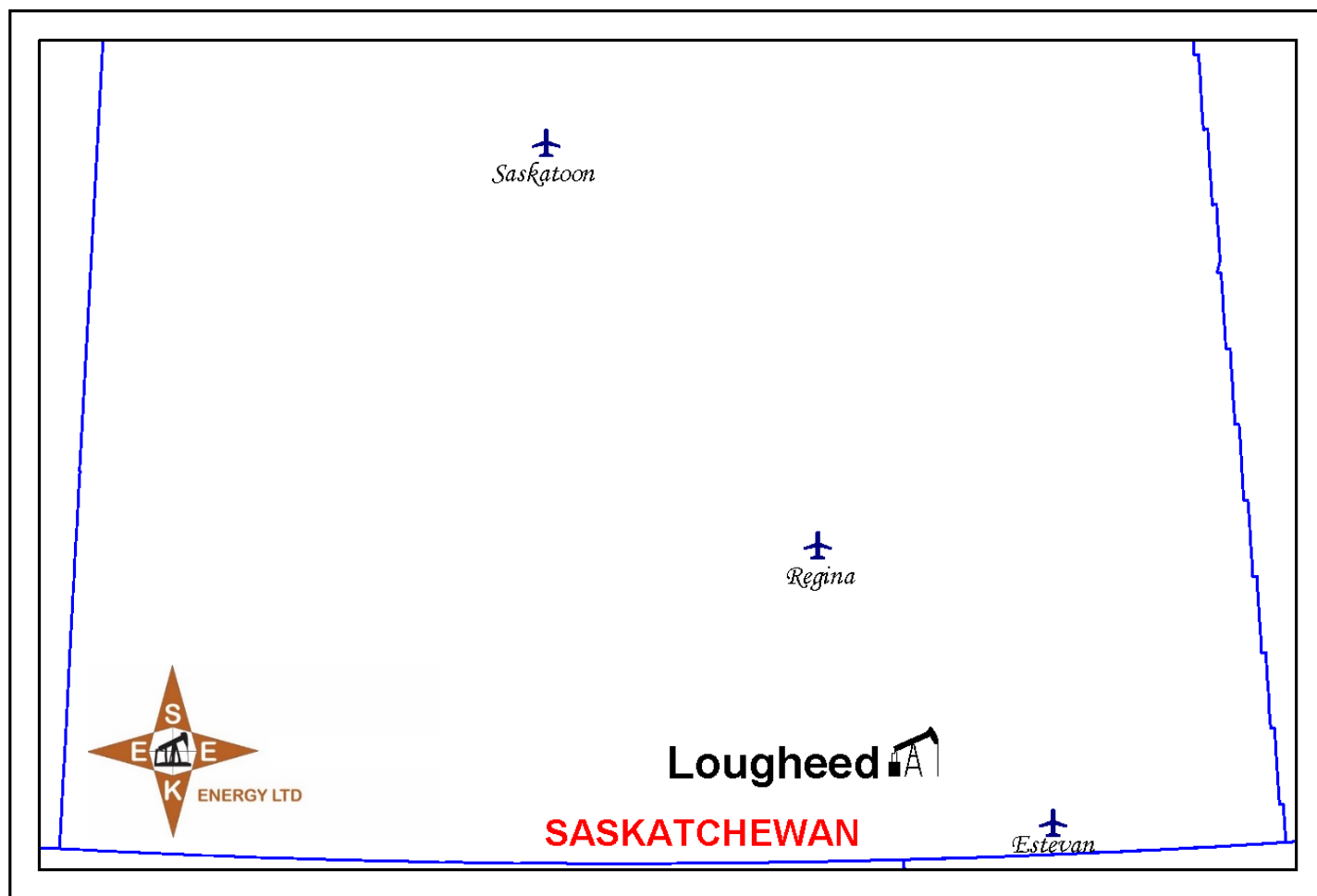
Acipenser Resources Ltd. as at March 1, 2021							
COMPANY GROSS RESERVES					PV BEFORE TAX		
	Oil	Natural Gas	Ngl	Total	0%	10%	15%
	Mbbl	MMcf	Mbbl	MBOE		(000s)	
<b>Proved Developed Producing</b>	<b>32</b>	<b>0</b>	<b>0</b>	<b>32</b>	<b>\$1,475</b>	<b>\$934</b>	<b>\$782</b>
Proved Undeveloped	0	0	0	0	\$0	\$0	\$0
<b>Total Proved</b>	<b>32</b>	<b>0</b>	<b>0</b>	<b>32</b>	<b>\$1,475</b>	<b>\$934</b>	<b>\$782</b>
Probable	4	0	0	4	\$185	\$70	\$47
<b>Total Proved Plus Probable</b>	<b>36</b>	<b>0</b>	<b>0</b>	<b>36</b>	<b>\$1,660</b>	<b>\$1,004</b>	<b>\$829</b>

The reserve estimates and forecasts of production and revenues for the Company's properties were prepared within the context of the Company's year-end 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.





# Seek Energy Ltd. Fee Title & Property Divestiture Spring 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: summary land information, the Acipenser Report, most recent net operations summary, 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.

