

BLACKSTEEL ENERGY INC.
GIROUXVILLE

Effective April 30, 2019

Prepared by
Sarah C. Taylor, P. Geol.
Nina Lee, P. Eng.

The analysis of this property as reported herein was conducted within the context of an evaluation of a distinct group of properties in aggregate. Extraction and use of this analysis outside this context may not be appropriate without supplementary due diligence.

GIROUXVILLE

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Company:
Property:

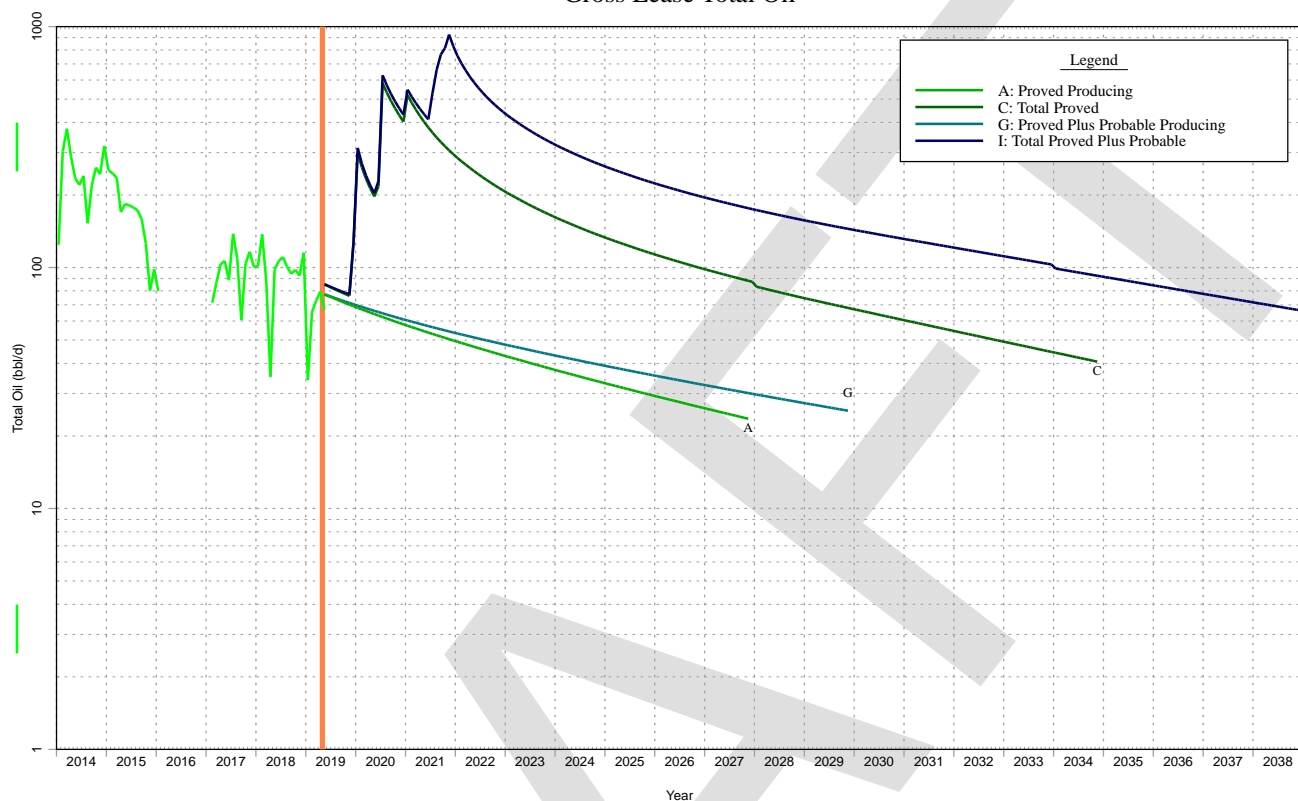
Blacksteel Energy Inc.
Girouxville

Historical and Forecast Production

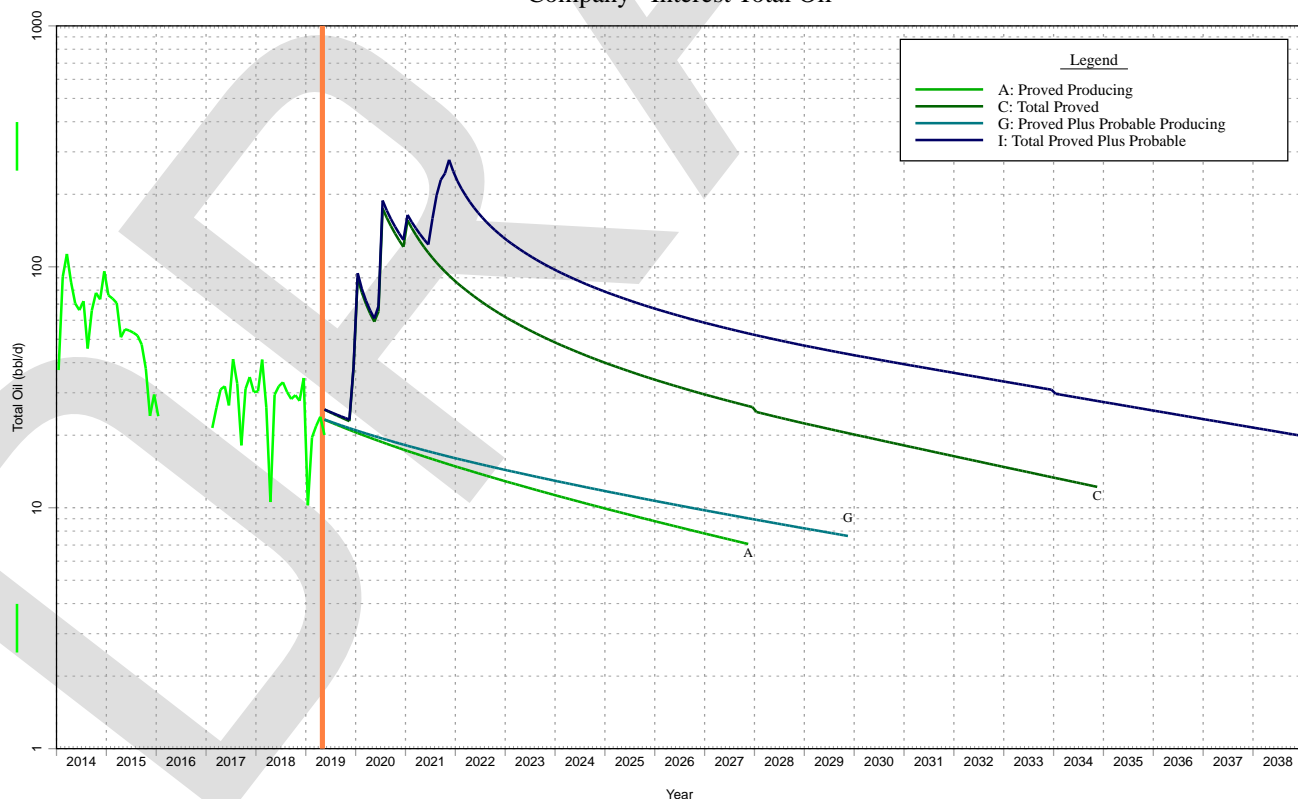
Pricing:
Effective Date:

GLJ (2019-04)
April 30, 2019

Gross Lease Total Oil



Company* Interest Total Oil



*Note: Historical company interest production is based on current interests in the evaluated reserves entities applied to reported actual gross lease production. Consequently, company actuals may differ from the history shown due to changes in ownership.

Company Interest Total Oil
1192144 / Jul 08, 2019

Company: **Blacksteel Energy Inc.**
Property: **Girouxville**

Reserve Class:
Development Class:
Pricing:
Effective Date:
Various Classifications
GLJ (2019-04)
April 30, 2019

Summary of Reserves and Values

	Proved Producing	Proved Developed Non- Producing	Proved Undeveloped	Total Proved	Proved Plus Probable Producing	Proved Plus Probable Developed Non- Producing	Proved Plus Probable Undeveloped	Total Proved Plus Probable
MARKETABLE RESERVES								
<u>Tight Oil (Mbbl)</u>								
Gross Lease	135	95	540	770	170	132	1,250	1,552
Total Company Interest	41	29	162	231	51	40	375	466
Net After Royalty	29	24	133	186	37	33	308	378
<u>Shale Gas (MMcf)</u>								
Gross Lease	0	633	1,358	1,991	0	871	3,208	4,080
Total Company Interest	0	190	407	597	0	261	962	1,224
Net After Royalty	0	166	356	522	0	228	842	1,070
<u>Natural Gas Liquids (Mbbl)</u>								
Gross Lease	6	4	20	29	7	5	46	59
Total Company Interest	2	1	6	9	2	2	14	18
Net After Royalty	1	1	5	7	1	1	11	14
<u>Oil Equivalent (Mboe)</u>								
Gross Lease	141	204	786	1,131	177	283	1,831	2,291
Total Company Interest	42	61	236	339	53	85	549	687
Net After Royalty	30	53	197	280	38	72	460	570
BEFORE TAX PRESENT VALUE (M\$)								
0%	167	613	4,333	5,113	370	1,024	10,595	11,989
5%	173	507	3,315	3,994	327	802	7,414	8,542
8%	172	451	2,850	3,473	303	695	6,085	7,082
10%	170	417	2,588	3,175	288	634	5,370	6,291
12%	167	387	2,358	2,912	274	579	4,763	5,616
15%	163	345	2,062	2,571	256	508	4,013	4,777
20%	155	287	1,674	2,117	229	414	3,079	3,722
FIRST 6 YEARS BEFORE TAX CASH FLOW (M\$)								
2019 (8 Months)	61	-72	0	-11	63	-72	0	-10
2020	67	26	-449	-356	74	42	-360	-244
2021	42	179	1,021	1,242	54	204	-623	-365
2022	24	133	841	999	39	160	2,576	2,775
2023	-41	108	592	659	-22	138	1,580	1,696
2024	40	89	463	593	65	120	1,180	1,365

BOE Factors: HVY OIL 1.0 RES GAS 6.0 PROPANE 1.0 ETHANE 1.0
COND 1.0 SLN GAS 6.0 BUTANE 1.0 SULPHUR 0.0

Run Date: July 08, 2019 11:19:48

1192144 Class (A,B1,B2,C,G,H1,H2,I), GLJ (2019-04), psum

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Company: **Blacksteel Energy Inc.**
Property: **Girouxville**

Reserve Class: **Various**
Development Class: **Classifications**
Pricing: **GLJ (2019-04)**
Effective Date: **April 30, 2019**

Daily Production, Reserves and Present Value Summary

Entity Description	Reserve Class	2019 Gross Lease Production				2019 Company Interest Production				Gross Lease Reserves					Company Interest Reserves					Before Tax 10% Dcf Present Value M\$	
		Gas Mcf/d	Oil bbl/d	NGL bbl/d	Oil Eq. boe/d	Gas Mcf/d	Oil bbl/d	NGL bbl/d	Oil Eq. boe/d	Gas MMcf	Oil Mbbl	NGL Mbbl	Sulphur Mlt	Oil Eq. Mboe	Gas MMcf	Oil Mbbl	NGL Mbbl	Sulphur Mlt	Oil Eq. Mboe		

BOE Factors: HVY OIL 1.0
COND 1.0

RES GAS 6.0
SLN GAS 6.0

PROPANE 1.0
BUTANE 1.0

ETHANE 1.0
SULPHUR 0.0

Company: **Blacksteel Energy Inc.**
Property: **Girouxville**

Reserve Class:
Development Class:
Pricing:
Effective Date:
**Proved Plus Probable
Total
GLJ (2019-04)
April 30, 2019**

Summary of Well Interests and Burdens

Entity Description	Working Interest			Type	Royalty Interest			Lessor Royalty	Other Royalty Burdens			
	BPO %	APO %	Rem PO (000's)		BPO %	APO %	Rem PO (000's)		Type	BPO %	APO %	Rem PO (000's)
Girouxville												
00/09-26-075-21W5/2	30.000	-	-		-	-	-	AB CR AARF/MRF MED AB CR AARF/MRF GAS NWR 49.15 Mboe/10 mnths	GOR(m)	8.250	-	-
X2/08-02-076-21W5/MNTY	30.000	-	-		-	-	-	AB CR MRF MED AB CR MRF GAS (C* : 4479.4 M\$)	GOR	8.000	-	-
00/09-02-076-21W5/0	30.000	-	-		-	-	-	AB CR AARF/MRF MED AB CR AARF/MRF GAS	GOR(m)	8.000	-	-
00/16-02-076-21W5/2	30.000	-	-		-	-	-	AB CR AARF/MRF MED AB CR AARF/MRF GAS	GOR(m)	8.000	-	-
00/08-09-076-21W5/2	30.000	-	-		-	-	-	AB CR AARF/MRF MED AB CR AARF/MRF GAS NWR 57.86 Mboe/16 mnths	GOR(m)	5.000	-	-
X0/X1-02-076-21W5/MTNY	30.000	-	-		-	-	-	AB CR MRF MED AB CR MRF GAS (C* : 4479.4 M\$)	GOR	8.000	-	-
X0/X1-03-076-21W5/MTNY	30.000	-	-		-	-	-	AB CR MRF MED AB CR MRF GAS (C* : 2024.9 M\$)	GOR	8.000	-	-
X0/X1-10-076-21W5/MTNY	30.000	-	-		-	-	-	AB CR MRF MED AB CR MRF GAS (C* : 4569 M\$)	GOR	5.000	-	-
X0/X1-35-075-21W5/MTNY	30.000	-	-		-	-	-	AB CR MRF MED AB CR MRF GAS (C* : 4479.4 M\$)	GOR(m)	8.500	-	-
X0/X2-10-076-21W5/MTNY	30.000	-	-		-	-	-	AB CR MRF MED AB CR MRF GAS (C* : 4569 M\$)	GOR	5.000	-	-
X0/X2-35-075-21W5/MTNY	30.000	-	-		-	-	-	AB CR MRF MED AB CR MRF GAS (C* : 4569 M\$)	GOR(m)	8.500	-	-
X0/X3-10-076-21W5/MNTY	30.000	-	-		-	-	-	AB CR MRF MED AB CR MRF GAS (C* : 4569 M\$)	GOR	5.000	-	-
X0/X3-35-075-21W5/MTNY	30.000	-	-		-	-	-	AB CR MRF MED AB CR MRF GAS (C* : 4569 M\$)	GOR(m)	8.500	-	-

Glossary

(m): Royalty applies to minor products only
AARF/MRF: Adjusted Alberta Royalty Framework extends till January 2027, then transitioning to the Modernized Royalty Framework
AB: Alberta
APO=BPO interests unless otherwise specified
C*: Modernized Royalty Framework C* remaining balance
CR: Crown Royalty
GOR: Gross Overriding Royalty
MED: Medium
MRF: Modernized Royalty Framework

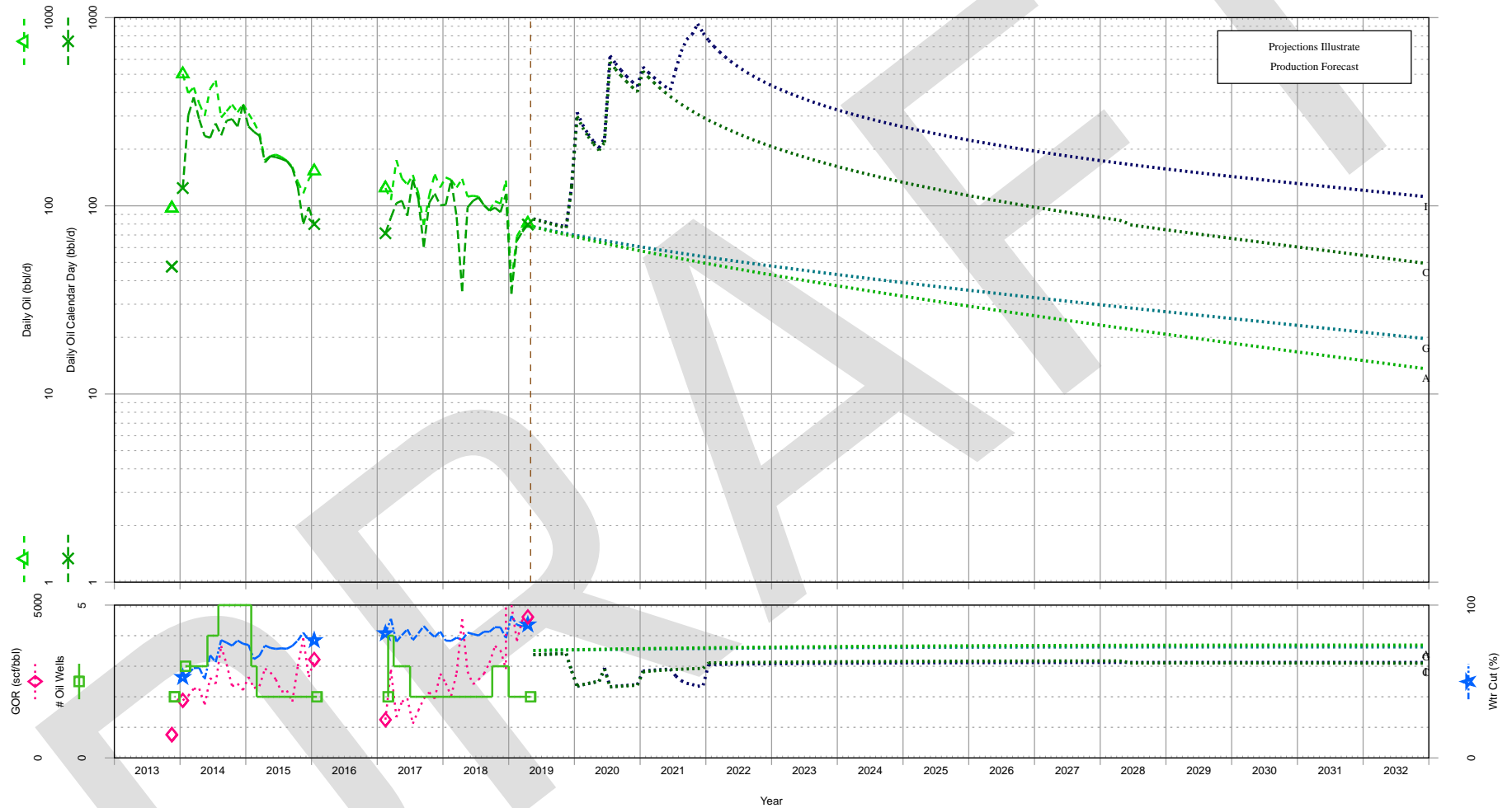
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July 08, 2019 11:23:52

DRAFT

Historical and Forecast Production Girouxville - Total Property

Property : Girouxville



Total Reserves Summary At 2019/05/01

Reserves Classification	Reserves (Mbbl)		
	Ultimate	Cum Production	Remaining
Pv Prd A(R)	437	243	194
Total Pv C(R)	1083	243	840
P + P Prd G(R)	497	243	254
Total P + P I(R)	1891	243	1649

Average Production Rates (Last 12 months ending 2019/04/30)

Gas	335.5 Mcf/d	308.8 Mcf/cd	WGR	1536.1 bbl/MMcf
Oil	95.3 bbl/d	89.1 bbl/cd	GOR	3466.3 scf/stb
Avg Wells	2.1		WC	84.2 %

Cumulative Production

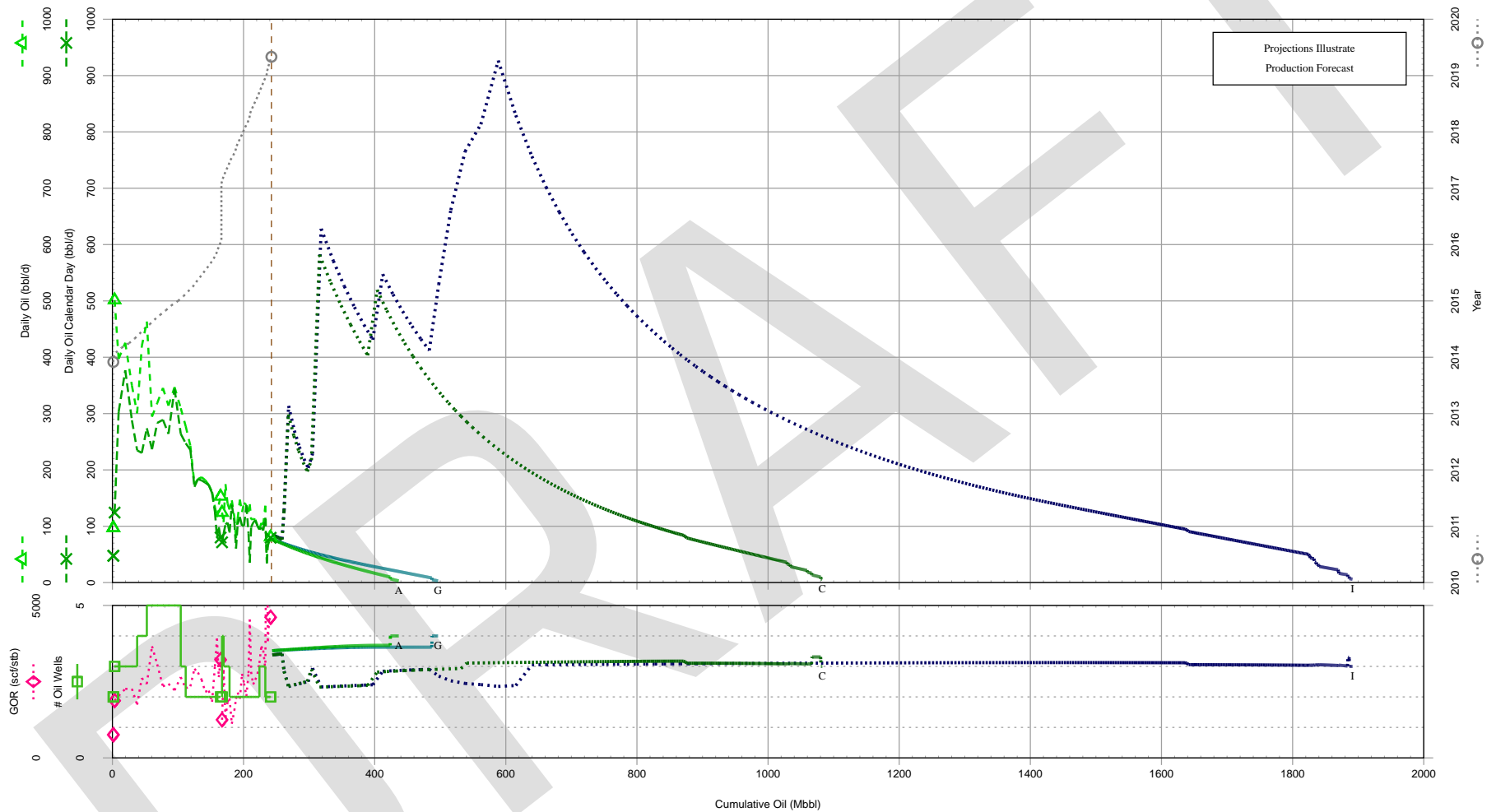
Oil	242.5 Mbbl	Gas	610.8 MMcf	Water	756.0 Mbbl
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Plot 1

Girouxville - Total Property
1192144 / Jun 28, 2019

Historical and Forecast Production Girouxville - Total Property

Property : Girouxville



Total Reserves Summary At 2019/05/01

Reserves Classification	Reserves (Mbbbl)		
	Ultimate	Cum Production	Remaining
Pv Prd A(R)	437	243	194
Total Pv C(R)	1083	243	840
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Average Production Rates (Last 12 months ending 2019/04/30)

Gas	335.5 Mcf/d	308.8 Mcf/cd	WGR	1536.1 bbl/MMcf
Oil	95.3 bbl/d	89.1 bbl/cd	GOR	3466.3 scf/stb
Avg Wells	2.1		WC	84.2 %

Cumulative Production

Oil	242.5 Mbbbl	Gas	610.8 MMcf	Water	756.0 Mbbbl
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Plot 2

Property: Girouxville

Table 1

Page 1
Currency Date: 2019-04

Well List and Production Summary

#	Well Location	Regulatory Field Pool	Current Status	RigRel yr-mm	Production Dates			Last Quarter Production Statistics							Cumulative Production		
					First yr-mm	Last yr-mm	Inj yr-mm	Prod Days	Oil bbl/d	Gas Mcf/d	Water bbl/d	GOR scf/stb	WGR bbl/MMcf	WC %	Oil Mbbbl	Gas MMcf	Water Mbbbl
1	00/09-26-075-21W5/2	GIROUXVILLE EAST MONTNEY X	SUSPENDED OIL	2013-12	2014-01	2017-03		0	0	0	0	0	0	0	7	43	69
2	00/09-02-076-21W5/0	GIROUXVILLE EAST MONTNEY S	PUMPING OIL	2013-09	2013-11	2019-04		84	39	209	252	5,378	1,205	87	93	286	304
3	00/16-02-076-21W5/2	GIROUXVILLE EAST MONTNEY S	PUMPING OIL	2013-09	2013-11	2019-04		87	34	108	211	3,186	1,962	86	133	227	304
4	00/08-09-076-21W5/2	GIROUXVILLE EAST MONTNEY ...	PUMPING OIL	2014-11	2017-03	2019-04		10	0	0	16	0	0	100	2	5	19
Total								87	73	317	480	4,359	1,514	87	234	561	695

Company: **Blacksteel Energy Inc.**
Property: **Girouxville**

Table 2

Reserve Class:
Development Class:
Pricing:
Effective Date:
**Various Classifications
GLJ (2019-04)
April 30, 2019**

Gross Lease Reserves Summary

Entity Description	Reserve Class	Methodology	Oil (Mbbbl)			Non-Associated Gas (MMcf)				Other Gross Lease Reserves			
			Initial Recoverable	Cumulative Production	Reserves	Initial Recoverable	Cumulative Production	Raw Gas	Reserves	Sol'n Gas MMcf	Cond Mbbbl	LPG Mbbbl	Sulphur Mlt
Proved Producing													
00/09-02-076-21W5/0	A	Dec, Vol	220	93	82 *	0	0	0	0	0	1	2	0
00/16-02-076-21W5/2	A	Dec, Vol	200	133	53 *	0	0	0	0	0	1	1	0
Total: Proved Producing			420	226	135 *	0	0	0	0	0	2	3	0
Total Proved													
00/09-26-075-21W5/2	C	Dec, Vol	30	7	23 *	0	0	0	0	103	1	1	0
X2/08-02-076-21W5/MNTY	B2	Dec, Vol	180	0	161 *	0	0	0	0	410	2	4	0
00/09-02-076-21W5/0	C	Dec, Vol	220	93	111 *	0	0	0	0	365	2	3	0
00/16-02-076-21W5/2	C	Dec, Vol	200	133	66 *	0	0	0	0	155	1	1	0
00/08-09-076-21W5/2	C	Dec, Vol	74	2	66 *	0	0	0	0	112	1	1	0
X0/X1-02-076-21W5/MTNY	B2	Dec, Vol	180	0	161 *	0	0	0	0	410	2	4	0
X0/X1-10-076-21W5/MTNY	B2	Dec	100	0	94 *	0	0	0	0	226	1	2	0
X0/X1-35-075-21W5/MTNY	B2	Dec, Vol	90	0	88 *	0	0	0	0	208	1	2	0
Total: Total Proved			1,074	234	770 *	0	0	0	0	1,991	11	18	0
Proved Plus Probable Producing													
00/09-02-076-21W5/0	G	Dec, Vol	250	93	100 *	0	0	0	0	0	2	3	0
00/16-02-076-21W5/2	G	Dec, Vol	230	133	70 *	0	0	0	0	0	1	1	0
Total: Proved Plus Probable Producing			480	226	170 *	0	0	0	0	0	3	4	0
Total Proved Plus Probable													
00/09-26-075-21W5/2	I	Dec, Vol	50	7	42 *	0	0	0	0	190	1	2	0
X2/08-02-076-21W5/MNTY	H2	Dec, Vol	230	0	210 *	0	0	0	0	541	3	5	0
00/09-02-076-21W5/0	I	Dec, Vol	250	93	142 *	0	0	0	0	478	3	4	0
00/16-02-076-21W5/2	I	Dec, Vol	230	133	94 *	0	0	0	0	231	1	2	0
00/08-09-076-21W5/2	I	Dec, Vol	93	2	81 *	0	0	0	0	140	1	1	0
X0/X1-02-076-21W5/MTNY	H2	Dec, Vol	230	0	210 *	0	0	0	0	541	3	5	0
X0/X1-03-076-21W5/MTNY	E2	Dec	140	0	132 *	0	0	0	0	346	2	3	0
X0/X1-10-076-21W5/MTNY	H2	Dec	140	0	132 *	0	0	0	0	327	2	3	0
X0/X1-35-075-21W5/MTNY	H2	Dec, Vol	120	0	118 *	0	0	0	0	286	2	3	0
X0/X2-10-076-21W5/MTNY	E2	Dec	100	0	97 *	0	0	0	0	253	1	2	0
X0/X2-35-075-21W5/MTNY	E2	Dec, Vol	100	0	98 *	0	0	0	0	249	1	2	0
X0/X3-10-076-21W5/MNTY	E2	Dec	100	0	98 *	0	0	0	0	248	1	2	0
X0/X3-35-075-21W5/MTNY	E2	Dec, Vol	100	0	98 *	0	0	0	0	251	1	2	0
Total: Total Proved Plus Probable			1,883	234	1,552 *	0	0	0	0	4,080	23	36	0

Notes

1. [*] Remaining reserves are less than the estimate due to economic limit.

Company: **Blacksteel Energy Inc.**
Property: **Girouxville**

Table 2.1

Effective Date: **April 30, 2019**

Oil Reservoir Parameters

Resource Entity	Zone	Method	Reserve Class	Area acre	Net Pay ft	Porosity %	Water Sat'n %	Original Pressure psi	Reservoir Temp. R	Oil Gravity oAPI	Oil Solution GOR	Formation Volume Factor	Original Oil In Place Mbbl	Recovery Factor %	Recoverable Reserves Mbbl	Cum Production 2019-05-01 Mbbl	Remaining 2019-04-30 Reserves	Notes
Proved Producing																		
Girouxville																		
b) sec 02-076-21W5	Montney	Dec, Vol*	A	160	96.8	13.5	48.0	-	-	32	-	1.150	7,334.7	3.0	220.0	93.2	126.8	
00/09-02-076-21W5/0	Montney	Dec, Vol*	A	160	96.8	13.5	48.0	-	-	32	-	1.150	7,334.7	2.7	200.0	132.7	67.3	
00/16-02-076-21W5/2	Montney	Dec, Vol*	A	160	96.8	13.5	48.0	-	-	32	-	1.150	7,334.7	2.7	200.0	132.7	67.3	
Total: Proved Producing															420.0	225.9	194.1	
Total Proved																		
Girouxville																		
a) sec 26-075-21W5																		
00/09-26-075-21W5/2	Montney	Dec, Vol	B1	165	36.0	13.5	48.0	-	-	32	-	1.150	2,817.9	1.1	30.0	6.6	23.4	[1]
a) sec 35-075-21W5																		
X0/X1-35-075-21W5/MTNY	Montney	Dec, Vol	B2	160	70.0	13.5	48.0	-	-	32	-	1.150	5,304.0	1.7	90.0	-	90.0	
b) sec 02-076-21W5																		
00/08-02-076-21W5/0	Montney	Vol*	B1	-	-	-	-	-	-	-	-	-	1,388.5	0.4	5.6	5.6	-	[2]
X2/08-02-076-21W5/MNTY	Montney	Dec, Vol*	B2	130	96.8	13.5	48.0	-	-	32	-	1.150	5,959.5	3.0	180.0	-	180.0	[3]
00/09-02-076-21W5/0	Montney	Dec, Vol*	A	160	96.8	13.5	48.0	-	-	32	-	1.150	7,334.7	3.0	220.0	93.2	126.8	
00/16-02-076-21W5/2	Montney	Dec, Vol*	A	160	96.8	13.5	48.0	-	-	32	-	1.150	7,334.7	2.7	200.0	132.7	67.3	
X0/X1-02-076-21W5/MTNY	Montney	Dec, Vol	B2	160	96.8	13.5	48.0	-	-	32	-	1.150	7,334.7	2.5	180.0	-	180.0	
b) sec 09-076-21W5																		
00/08-09-076-21W5/2	MONTNEY S	Dec, Vol*	C1	160	98.0	13.5	48.0	-	-	32	-	1.150	7,425.7	1.0	74.3	1.6	72.6	[4]
b) sec 10-076-21W5																		
X0/X1-10-076-21W5/MTNY	Montney	Decline	B2	-	-	-	-	-	-	-	-	-	-	-	100.0	-	100.0	
Total: Total Proved															1,079.8	239.6	840.2	
Proved Plus Probable Producing																		
Girouxville																		
b) sec 02-076-21W5																		
00/09-02-076-21W5/0	Montney	Dec, Vol*	G	160	96.8	13.5	48.0	-	-	32	-	1.150	7,334.7	3.4	250.0	93.2	156.8	
00/16-02-076-21W5/2	Montney	Dec, Vol*	G	160	96.8	13.5	48.0	-	-	32	-	1.150	7,334.7	3.1	230.0	132.7	97.3	
Total: Proved Plus Probable Producing															480.0	225.9	254.1	
Total Proved Plus Probable																		
Girouxville																		
a) sec 26-075-21W5																		
00/09-26-075-21W5/2	Montney	Dec, Vol	H1	160	36.0	13.5	48.0	-	-	32	-	1.150	2,727.8	1.8	50.0	6.6	43.4	[1]
a) sec 35-075-21W5																		
X0/X1-35-075-21W5/MTNY	Montney	Dec, Vol	H2	160	70.0	13.5	48.0	-	-	32	-	1.150	5,304.0	2.3	120.0	-	120.0	
X0/X2-35-075-21W5/MTNY	Montney	Dec, Vol	E2	160	70.0	13.5	48.0	-	-	32	-	1.150	5,304.0	1.9	100.0	-	100.0	
X0/X3-35-075-21W5/MTNY	Montney	Dec, Vol	E2	160	70.0	13.5	48.0	-	-	32	-	1.150	5,304.0	1.9	100.0	-	100.0	
b) sec 02-076-21W5																		
00/08-02-076-21W5/0	Montney	Vol*	H1	-	-	-	-	-	-	-	-	-	1,388.5	0.4	5.6	5.6	-	[2]
X2/08-02-076-21W5/MNTY	Montney	Dec, Vol*	H2	130	96.8	13.5	48.0	-	-	32	-	1.150	5,959.5	3.9	230.0	-	230.0	[3]
00/09-02-076-21W5/0	Montney	Dec, Vol*	G	160	96.8	13.5	48.0	-	-	32	-	1.150	7,334.7	3.4	250.0	93.2	156.8	
00/16-02-076-21W5/2	Montney	Dec, Vol*	G	160	96.8	13.5	48.0	-	-	32	-	1.150	7,334.7	3.1	230.0	132.7	97.3	
X0/X1-02-076-21W5/MTNY	Montney	Dec, Vol	H2	160	96.8	13.5	48.0	-	-	32	-	1.150	7,334.7	3.1	230.0	-	230.0	
b) sec 03-076-21W5																		
X0/X1-03-076-21W5/MTNY		Decline*	E2	-	-	-	-	-	-	-	-	-	-	-	140.0	-	140.0	

Oil Reservoir Parameters

Resource Entity	Zone	Method	Reserve Class	Area acre	Net Pay ft	Porosity %	Water Sat'n %	Original Pressure psi	Reservoir Temp. R	Oil Gravity oAPI	Oil Solution GOR	Formation Volume Factor	Original Oil In Place Mbbl	Recovery Factor %	Recoverable Reserves Mbbl	Cum Production 2019-05-01 Mbbl	Remaining 2019-04-30 Reserves	Notes
Total Proved Plus Probable (Cont.)																		
Girouxville (Cont.)																		
b) sec 09-076-21W5																		
00/08-09-076-21W5/2	MONTNEY S	Dec, Vol*	I1	160	98.0	13.5	48.0	-	-	32	-	1.150	7,425.7	1.2	92.8	1.6	91.2	[4]
b) sec 10-076-21W5																		
X0/X1-10-076-21W5/MTNY	Montney	Decline	H2	-	-	-	-	-	-	-	-	-	-	-	140.0	-	140.0	
X0/X2-10-076-21W5/MTNY	Montney	Decline	E2	-	-	-	-	-	-	-	-	-	-	-	100.0	-	100.0	
X0/X3-10-076-21W5/MNTY	Montney	Decline	E2	-	-	-	-	-	-	-	-	-	-	-	100.0	-	100.0	
Total: Total Proved Plus Probable															1,888.4	239.6	1,648.8	

The reserves calculated above may not match the economic forecasts due to economic limit considerations.

Glossary

*: Methodology By Analogy

A: Proved Producing

B1: Proved Developed Non-Producing

B2: Proved Undeveloped

C1: Total Proved Developed

E2: Probable Undeveloped

G: Proved Plus Probable Producing

H1: Proved Plus Probable Developed Non-Producing

H2: Proved Plus Probable Undeveloped

I1: Total Proved Plus Probable Developed

Notes

1. 2015-Mar-27 Rates restricted by flaring permit. Well shut-in due to high op costs. Reactivate when oil price recovers.
2. 2017-Aug-14 Well converted to disposal well. NRA.
3. 2015-Apr-06 Redrill 08-02 location
4. 2019-Jun-07 Currently uneconomic in the producing cases. Well damaged from initial completion. Recompletion scheduled for late 2019.

Company: Blacksteel Energy Inc.
Property: Girouxville

Table 2.2

Effective Date: April 30, 2019

Oil Decline Parameters

Resource Entity	Zone	Method	Res. Class	Decline Type	Analysis Data						Reserve Life yrs	Original Recoverable Reserve Mbbl	Cum Production @ Analysis Mbbl	Cum Production 2019-05-01 Mbbl	Remaining Reserves 2019-04-30 Mbbl	Notes
					Analysis Date	Initial Effective Decline	Terminal Decline	Initial Rate bbl/d	Final Rate bbl/d	Decline Exponent						
Proved Producing																
Girouxville																
b) sec 02-076-21W5	Montney	Dec,Vol*	A	OR	2019-05-01	10.75	10.000	40.0	3.0	0.50	24.5	220.0	93.2	93.2	126.8	
00/09-02-076-21W5/0																
00/16-02-076-21W5/2	Montney	Dec,Vol*	A	OR	2019-05-01	23.90	10.000	38.0	3.0	0.50	16.8	200.0	132.7	132.7	67.3	
Total: Proved Producing								78.0				420.0	225.9	225.9	194.1	
Total Proved																
Girouxville																
a) sec 26-075-21W5	Montney	Dec,Vol	B1	OR	2019-05-01	57.09	10.000	34.8	3.0	1.00	8.0	30.0	6.6	6.6	23.4	[1]
00/09-26-075-21W5/2																
a) sec 35-075-21W5	Montney	Dec,Vol	B2	OR	2019-05-01	76.26	10.000	200.0	3.0	1.00	16.6	90.0	-	-	90.0	
X0/X1-35-075-21W5/MTNY																
b) sec 02-076-21W5	Montney	Vol*	B1		2019-05-01	-	-	-	-	-	-	5.6	5.6	5.6	-	[2]
00/08-02-076-21W5/0																
X2/08-02-076-21W5/MTNY	Montney	Dec,Vol*	B2	OR	2019-05-01	57.73	10.000	200.0	3.0	1.00	24.3	180.0	-	-	180.0	[3]
00/09-02-076-21W5/0																
00/16-02-076-21W5/2	Montney	Dec,Vol*	A	OR	2019-05-01	10.75	10.000	40.0	3.0	0.50	24.5	220.0	93.2	93.2	126.8	
X0/X1-02-076-21W5/MTNY	Montney	Dec,Vol*	A	OR	2019-05-01	23.90	10.000	38.0	3.0	0.50	16.8	200.0	132.7	132.7	67.3	
b) sec 09-076-21W5	MONTNEY S	Dec,Vol*	C1	OR	2019-05-01	44.37	10.000	60.0	3.0	1.00	17.4	74.3	1.6	1.6	72.6	[4,5]
00/08-09-076-21W5/2																
b) sec 10-076-21W5	Montney	Decline	B2	OR	2019-05-01	66.00	10.000	150.0	3.0	1.00	18.4	100.0	-	-	100.0	
X0/X1-10-076-21W5/MTNY																
Total: Total Proved								922.8				1,079.8	239.6	239.6	840.2	
Proved Plus Probable Producing																
Girouxville																
b) sec 02-076-21W5	Montney	Dec,Vol*	G	OR	2019-05-01	9.65	8.000	40.0	3.0	0.80	30.7	250.0	93.2	93.2	156.8	
00/09-02-076-21W5/0																
00/16-02-076-21W5/2	Montney	Dec,Vol*	G	OR	2019-05-01	19.96	8.000	38.0	3.0	0.80	24.2	230.0	132.7	132.7	97.3	
Total: Proved Plus Probable Producing								78.0				480.0	225.9	225.9	254.1	
Total Proved Plus Probable																
Girouxville																
a) sec 26-075-21W5	Montney	Dec,Vol	H1	OR	2019-05-01	49.94	8.000	39.9	3.0	1.20	14.6	50.0	6.6	6.6	43.4	[1]
00/09-26-075-21W5/2																
a) sec 35-075-21W5	Montney	Dec,Vol	H2	OR	2019-05-01	76.21	8.000	220.0	3.0	1.20	23.0	120.0	-	-	120.0	
X0/X1-35-075-21W5/MTNY																
X0/X2-35-075-21W5/MTNY	Montney	Dec,Vol	E2	OR	2019-05-01	77.73	8.000	200.0	3.0	1.20	20.9	100.0	-	-	100.0	
X0/X3-35-075-21W5/MTNY	Montney	Dec,Vol	E2	OR	2019-05-01	77.73	8.000	200.0	3.0	1.20	20.9	100.0	-	-	100.0	
b) sec 02-076-21W5	Montney	Vol*	H1		2019-05-01	-	-	-	-	-	-	5.6	5.6	5.6	-	[2]
00/08-02-076-21W5/0																
X2/08-02-076-21W5/MTNY	Montney	Dec,Vol*	H2	OR	2019-05-01	58.87	8.000	220.0	3.0	1.20	31.5	230.0	-	-	230.0	[3]
00/09-02-076-21W5/0																
00/16-02-076-21W5/2	Montney	Dec,Vol*	G	OR	2019-05-01	9.65	8.000	40.0	3.0	0.80	30.7	250.0	93.2	93.2	156.8	
	Montney	Dec,Vol*	G	OR	2019-05-01	19.96	8.000	38.0	3.0	0.80	24.2	230.0	132.7	132.7	97.3	

Oil Decline Parameters

					Analysis Data						Reserve Life yrs	Original Recoverable Reserve Mbbl	Cum Production @ Analysis Mbbl	Cum Production 2019-05-01 Mbbl	Remaining Reserves 2019-04-30 Mbbl	Notes
Resource Entity	Zone	Method	Res. Class	Decline Type	Analysis Date	Initial Effective Decline	Terminal Decline	Initial Rate bbl/d	Final Rate bbl/d	Decline Exponent						
Total Proved Plus Probable (Cont.)																
Girouxville (Cont.)																
b) sec 02-076-21W5 (Cont.)																
X0/X1-02-076-21W5/MTNY	Montney	Dec, Vol	H2	OR	2019-05-01	58.87	8.000	220.0	3.0	1.20	31.5	230.0	-	-	230.0	
b) sec 03-076-21W5																
X0/X1-03-076-21W5/MTNY		Decline*	E2	OR	2019-05-01	72.78	8.000	220.0	3.0	1.20	25.0	140.0	-	-	140.0	
b) sec 09-076-21W5																
00/08-09-076-21W5/2	MONTNEY S	Dec, Vol*	I1	OR	2019-05-01	42.27	8.000	60.0	3.0	1.20	22.5	92.8	1.6	1.6	91.2	[4,5]
b) sec 10-076-21W5																
X0/X1-10-076-21W5/MTNY	Montney	Decline	H2	OR	2019-05-01	61.52	8.000	150.0	3.0	1.20	25.8	140.0	-	-	140.0	
X0/X2-10-076-21W5/MTNY	Montney	Decline	E2	OR	2019-05-01	70.64	8.000	150.0	3.0	1.20	21.5	100.0	-	-	100.0	
X0/X3-10-076-21W5/MNTY	Montney	Decline	E2	OR	2019-05-01	70.64	8.000	150.0	3.0	1.20	21.5	100.0	-	-	100.0	
Total: Total Proved Plus Probable								1,907.9				1,888.4	239.6	239.6	1,648.8	

The reserves calculated above may not match the economic forecasts due to economic limit considerations.

Glossary

*: Methodology By Analogy

A: Proved Producing

B1: Proved Developed Non-Producing

B2: Proved Undeveloped

C1: Total Proved Developed

E2: Probable Undeveloped

G: Proved Plus Probable Producing

H1: Proved Plus Probable Developed Non-Producing

H2: Proved Plus Probable Undeveloped

I1: Total Proved Plus Probable Developed

Notes

1. 2015-Mar-27 Rates restricted by flaring permit. Well shut-in due to high op costs. Reactivate when oil price recovers.
2. 2017-Aug-14 Well converted to disposal well. NRA.
3. 2015-Apr-06 Redrill 08-02 location
4. Scheduled Trend differs from this trend - Refer to the Oil Scheduling Parameters report
5. 2019-Jun-07 Currently uneconomic in the producing cases. Well damaged from initial completion. Recompletion scheduled for late 2019.

Company: **Blacksteel Energy Inc.**
Property: **Girouxville**

Table 3

Reserve Class:
Development Class:
Pricing:
Effective Date:
**Various Classifications
GLJ (2019-04)
April 30, 2019**

Daily Production

Entity Description	Reserve Class	Year												Totals		
		2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Subtotal	Remainder	Total
Gross Lease Daily Oil Production (bbl/d)																
Proved Producing	A	74	63	53	46	40	35	31	28	25	0	0	0	135	0	135
Total Proved	C	87	361	385	243	182	147	123	106	92	79	71	64	697	72	770
Proved Plus Probable Producing	G	74	65	57	51	45	41	37	34	31	29	26	0	170	0	170
Total Proved Plus Probable	I	88	383	614	565	373	292	242	209	184	166	150	137	1,231	321	1,552
Company Daily Oil Production (bbl/d)																
Proved Producing	A	22	19	16	14	12	11	9	8	7	0	0	0	41	0	41
Total Proved	C	26	108	115	73	55	44	37	32	28	24	21	19	209	22	231
Proved Plus Probable Producing	G	22	20	17	15	14	12	11	10	9	9	8	0	51	0	51
Total Proved Plus Probable	I	26	115	184	170	112	87	73	63	55	50	45	41	369	96	466

Company: **Blacksteel Energy Inc.**
 Property: **Girouxville**

Table 4

Effective Date: **April 30, 2019**

Economic Parameters

A) Price Forecasts and By-Product Data (2019 Dollars)

Scenario	GLJ (2019-04)
Gas Heat Content	1,000 Btu/scf
Price Adjustment	
Oil	-15.00 \$/bbl
Propane	-5.00 \$/bbl
Butane	-5.00 \$/bbl
Condensate	-5.00 \$/bbl
Yields (raw)	
Propane	[1]
Butane	[2]
Condensate	[2]

Notes

1. 0.0 (2019) 3.0 (2020->Onwards) bbl/MMcf
2. 0.0 (2019) 5.0 (2020->Onwards) bbl/MMcf

Zone	RC	Oil Reference	Gas/Oil Ratio scf/bbl	Gas Reference	Surface Loss %
Girouxville					
00/09-26-075-21W5/2	Montney	EDM_L	5,000	ADS	[1]
X2/08-02-076-21W5/MNTY		EDM_L	[2]	ADS	[1]
00/09-02-076-21W5/0	Montney	A,G	EDM_L	4,000	ADS 100.0
00/09-02-076-21W5/0	Montney	C1,C,11,I	EDM_L	4,000	ADS [1]
00/16-02-076-21W5/2	Montney	A,G	EDM_L	3,000	ADS 100.0
00/16-02-076-21W5/2	Montney	C1,C,11,I	EDM_L	3,000	ADS [1]
00/08-09-076-21W5/2	MONTNEY S		EDM_L	2,000	ADS [1]
X0/X1-02-076-21W5/MTNY	Montney		EDM_L	[2]	ADS [1]
X0/X1-03-076-21W5/MTNY		EDM_L	[3]	ADS [1]	
X0/X1-10-076-21W5/MTNY	Montney	EDM_L	[3]	ADS [1]	
X0/X1-35-075-21W5/MTNY	Montney	EDM_L	[2]	ADS [1]	
X0/X2-10-076-21W5/MTNY	Montney	EDM_L	[3]	ADS [1]	
X0/X2-35-075-21W5/MTNY	Montney	EDM_L	[3]	ADS [1]	
X0/X3-10-076-21W5/MNTY	Montney	EDM_L	[3]	ADS [1]	
X0/X3-35-075-21W5/MTNY		EDM_L	[3]	ADS [1]	

Glossary

ADS: Alberta Direct Spot Plant-gate Price

EDM_L: Light Crude to Edmonton, Ref. Quality 40 degree API, Sul. 0.3%

PROD: Alberta C2, C3, C4 and Sulphur Product Pricing

Notes

1. 100.0 (2019) 10.0 (2020->Onwards)
2. 0 (2019) 2,000 (2020) 3,000 (2021->Onwards)
3. 0 (2019-2020) 2,000 (2021) 3,000 (2022->Onwards)

B) Operating Costs (2019 Dollars)

Oil Stream Costs	
Variable	4.50 \$/bbl
Major Stream Costs	
Fixed	[1]
Fixed	6,000 \$/well/month
Gathering Costs	
Variable	1.00 \$/Mcf

Notes

1. 450 (2019-2022) 300 (2023->Onwards) M\$/yr
2. All variable costs are \$/product (sales).

C) Gas Cost Allowance (2019 Dollars)

Operating Costs included in GCA Allowance	
Variable Gathering	1.00 \$/Mcf

Table 4
Economic Parameters

D) Abandonment Costs (2019 Dollars)

Abandonment Well Costs	45.0 M\$/well
Reclamation Well Costs	35.0 M\$/well

E) Capital Costs (2019 Dollars)**Capital Summary (2019 Dollars)**

Year	On Stream	Well/Area	RC	Development Description	Gross Lease Capital Expenditures (M\$)			Total	Company Capital Expenditures Total M\$	Capital Interest %
					Development	Tangible	Plant & Gath.			
2023		Proved Producing Girouxville	A	Facility Consolidation	300	0	0	300	90	30.00
		Total: Proved Producing			300	0	0	300	90	30.00
		Total Proved								
2019		00/08-09-076-21W5/2	C1	Recomplete Well	350	0	0	350	105	30.00
2020		Girouxville	C	Tie in Gas	500	0	0	500	150	30.00
	Jan	X0/X1-35-075-21W5/MTNY	B2	Drill, Complete and Equip	1,575	250	0	1,825	548	30.00
	Jun	00/09-26-075-21W5/2	B1	Reactivate	320	0	0	320	96	30.00
	Jul	X2/08-02-076-21W5/MNTY	B2	Drill, Complete and Equip	1,575	250	0	1,825	548	30.00
	Jul	X0/X1-02-076-21W5/MTNY	B2	Drill, Complete and Equip	1,575	250	0	1,825	548	30.00
2021	Jan	X0/X1-10-076-21W5/MTNY	B2	Drill, Complete and Equip	1,575	250	0	1,825	548	30.00
2023		Girouxville	C	Facility Consolidation	300	0	0	300	90	30.00
		Total: Total Proved			7,770	1,000	0	8,770	2,631	30.00
		Proved Plus Probable Producing								
2023		Girouxville	G	Facility Consolidation	300	0	0	300	90	30.00
		Total: Proved Plus Probable Producing			300	0	0	300	90	30.00
		Total Proved Plus Probable								
2019		00/08-09-076-21W5/2	I1	Recomplete Well	350	0	0	350	105	30.00
2020		Girouxville	I	Tie in Gas	500	0	0	500	150	30.00
	Jan	X0/X1-35-075-21W5/MTNY	H2	Drill, Complete and Equip	1,575	250	0	1,825	548	30.00
	Jun	00/09-26-075-21W5/2	H1	Reactivate	320	0	0	320	96	30.00
	Jul	X2/08-02-076-21W5/MNTY	H2	Drill, Complete and Equip	1,575	250	0	1,825	548	30.00
	Jul	X0/X1-02-076-21W5/MTNY	H2	Drill, Complete and Equip	1,575	250	0	1,825	548	30.00
2021	Jan	X0/X1-10-076-21W5/MTNY	H2	Drill, Complete and Equip	1,575	250	0	1,825	548	30.00
	Jul	X0/X3-10-076-21W5/MNTY	E2	Drill, Complete and Equip	1,575	250	0	1,825	548	30.00
	Aug	X0/X2-35-075-21W5/MTNY	E2	Drill, Complete and Equip	1,575	250	0	1,825	548	30.00
	Sep	X0/X3-35-075-21W5/MTNY	E2	Drill, Complete and Equip	1,575	250	0	1,825	548	30.00
	Oct	X0/X2-10-076-21W5/MTNY	E2	Drill, Complete and Equip	1,575	250	0	1,825	548	30.00
	Nov	X0/X1-03-076-21W5/MTNY	E2	Drill, Complete and Equip	1,575	250	0	1,825	548	30.00
2023		Girouxville	I	Facility Consolidation	300	0	0	300	90	30.00
		Total: Total Proved Plus Probable			15,645	2,250	0	17,895	5,369	30.00

Company: **Blacksteel Energy Inc.**
Property: **Girouxville**

Reserve Class:
Development Class:
Pricing:
Effective Date:

**Proved
Producing
GLJ (2019-04)
April 30, 2019**

Economic Forecast

PRODUCTION FORECAST

Year	Tight Oil Production						Condensate Production					Butane Production				
	Gross Oil Wells	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl
2019	2	74	22	5	4	57.00	0	0	0	0	0.00	0	0	0	0	0.00
2020	2	63	19	7	5	57.43	1	0	0	0	72.82	1	0	0	0	27.63
2021	2	53	16	6	4	60.34	1	0	0	0	77.08	1	0	0	0	36.57
2022	2	46	14	5	4	63.46	1	0	0	0	80.01	1	0	0	0	46.29
2023	2	40	12	4	3	66.89	1	0	0	0	83.96	1	0	0	0	48.62
2024	2	35	11	4	3	70.31	1	0	0	0	87.60	1	0	0	0	50.95
2025	2	31	9	3	3	72.48	1	0	0	0	89.99	1	0	0	0	52.46
2026	2	28	8	3	2	74.64	1	0	0	0	92.38	1	0	0	0	53.98
2027	2	25	7	3	2	76.60	0	0	0	0	94.57	0	0	0	0	55.36
2028	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2029	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2030	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2031	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2032	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
Tot.				41	29	64.62			1	0	82.67			1	0	43.88

Year	Propane Production					Natural Gas Liquids Production					Oil + Liquids Production				
	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl
2019	0	0	0	0	0.00	0	0	0	0	0.00	74	22	5	4	57.00
2020	1	0	0	0	23.26	3	1	0	0	44.00	66	20	7	5	56.83
2021	1	0	0	0	27.46	2	1	0	0	50.05	56	17	6	4	59.88
2022	0	0	0	0	32.79	2	1	0	0	56.14	48	14	5	4	63.13
2023	0	0	0	0	34.49	2	1	0	0	58.95	42	13	5	3	66.53
2024	0	0	0	0	36.18	2	1	0	0	61.64	37	11	4	3	69.92
2025	0	0	0	0	37.27	1	0	0	0	63.39	33	10	4	3	72.07
2026	0	0	0	0	38.36	1	0	0	0	65.14	29	9	3	2	74.21
2027	0	0	0	0	39.35	1	0	0	0	66.74	26	8	3	2	76.15
2028	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2029	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2030	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2031	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2032	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
Tot.			0	0	32.10			2	1	56.08			42	30	64.29

Year	Oil Equivalent Production				
	Gross Daily boe/d	Company Daily boe/d	Company Yearly Mboe	Net Yearly Mboe	Price \$/boe
2019	74	22	5	4	57.00
2020	66	20	7	5	56.83
2021	56	17	6	4	59.88
2022	48	14	5	4	63.13
2023	42	13	5	3	66.53
2024	37	11	4	3	69.92
2025	33	10	4	3	72.07
2026	29	9	3	2	74.21
2027	26	8	3	2	76.15
2028	0	0	0	0	0.00
2029	0	0	0	0	0.00
2030	0	0	0	0	0.00
2031	0	0	0	0	0.00
2032	0	0	0	0	0.00
Tot.			42	30	64.29

REVENUE AND EXPENSE FORECAST

Year	Revenue Before Burdens						Royalty Burdens Pre-Processing		Gas Processing Allowance		Total Royalty After Process. M\$	Net Revenue After Royalty M\$	Operating Expenses		
	Working Interest				Royalty Interest	Company Interest									
	Oil M\$	Gas M\$	NGL+Sul M\$	Total M\$	Total M\$	Total M\$	Crown M\$	Other M\$	Crown M\$	Other M\$			Fixed M\$	Variable M\$	Total M\$
2019	306	0	0	306	0	306	77	24	0	0	102	204	119	24	143
2020	396	0	14	410	0	410	97	33	0	0	130	280	182	32	213
2021	353	0	14	367	0	367	82	29	0	0	112	255	185	27	213
2022	320	0	13	334	0	334	69	27	0	0	96	238	189	24	213
2023	294	0	12	307	0	307	60	25	0	0	85	222	144	21	166
2024	272	0	11	284	0	284	54	23	0	0	77	207	147	19	166
2025	247	0	10	258	0	258	46	21	0	0	66	191	150	17	167
2026	226	0	9	235	0	235	38	19	0	0	57	178	153	16	169
2027	206	0	9	215	0	215	25	17	0	0	43	173	156	14	170
2028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2029	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tot.	2,622	0	93	2,715	0	2,715	551	217	0	0	768	1,947	1,425	195	1,621
Disc	1,886	0	63	1,949	0	1,949	410	156	0	0	566	1,382	987	142	1,130

Year	Mineral Tax M\$	Capital Tax M\$	NPI Burden M\$	Net Prod'n Revenue M\$	Other Income M\$	Aband. & Recl. Costs M\$	Oper. Income M\$	Net Capital Investment				Before Tax Cash Flow		
								Dev. M\$	Plant M\$	Tang. M\$	Total M\$	Annual M\$	Cum. M\$	10.0% Dcf M\$
2019	0	0	0	61	0	0	61	0	0	0	0	61	61	60
2020	0	0	0	67	0	0	67	0	0	0	0	67	128	119
2021	0	0	0	42	0	0	42	0	0	0	0	42	170	154
2022	0	0	0	24	0	0	24	0	0	0	0	24	195	172
2023	0	0	0	56	0	0	56	97	0	0	97	-41	153	144
2024	0	0	0	40	0	0	40	0	0	0	0	40	194	168
2025	0	0	0	24	0	0	24	0	0	0	0	24	218	182
2026	0	0	0	9	0	0	9	0	0	0	0	9	227	186
2027	0	0	0	2	0	0	2	0	0	0	0	2	229	187
2028	0	0	0	0	0	0	0	0	0	0	0	0	229	187
2029	0	0	0	0	0	0	0	0	0	0	0	0	229	187
2030	0	0	0	0	0	0	0	0	0	0	0	0	229	187
2031	0	0	0	0	0	0	0	0	0	0	0	0	229	187
2032	0	0	0	0	0	62	-62	0	0	0	0	-62	167	170
Tot.	0	0	0	327	0	62	265	97	0	0	97	167	167	170
Disc	0	0	0	253	0	18	235	65	0	0	65	170	170	170

SUMMARY OF RESERVES

Product	Units	Remaining Reserves at May 01, 2019					Oil Equivalents			Reserve Life Indic. (yr)		
		Gross	Working Interest	Roy/NPI Interest	Total Company	Net	Oil Eq. Factor	Company Mboe	% of Total	Reserve Life	Life Index	Half Life
Tight Oil	Mbbl	135	41	0	41	29	1.000	41	96	8.7	5.0	3.4
Condensate	Mbbl	2	1	0	1	0	1.000	1	2	8.7	5.2	4.0
Butane	Mbbl	2	1	0	1	0	1.000	1	2	8.7	5.2	4.0
Propane	Mbbl	1	0	0	0	0	1.000	0	1	8.7	5.2	4.0
Total: NGL	Mbbl	6	2	0	2	1	1.000	2	4	8.7	5.2	4.0
Total: Oil+NGL	Mbbl	141	42	0	42	30	1.000	42	100	8.7	5.2	3.5
Total: Oil Eq.	Mboe	141	42	0	42	30	1.000	42	100	8.7	5.2	3.5

PRODUCT REVENUE AND EXPENSES

		Average First Year Unit Values					Net Revenue After Royalties			
Product	Units	Wellhead Price	Net Burdens	Operating Expenses	Other Expenses	Prod'n Revenue	Undisc M\$	% of Total	10% Disc M\$	% of Total
Tight Oil	\$/bbl	57.00	18.95	26.61	0.00	11.43	1,893	97	1,346	97
Condensate	\$/bbl	0.00	0.00	0.00	0.00	0.00	29	1	19	1
Butane	\$/bbl	0.00	0.00	0.00	0.00	0.00	18	1	12	1
Propane	\$/bbl	0.00	0.00	0.00	0.00	0.00	8	0	5	0
Total: NGL	\$/bbl	0.00	0.00	0.00	0.00	0.00	54	3	36	3
Total: Oil+NGL	\$/bbl	57.00	18.95	26.61	0.00	11.43	1,947	100	1,382	100
Total: Oil Eq.	\$/boe	57.00	18.95	26.61	0.00	11.43	1,947	100	1,382	100

INTEREST AND NET PRESENT VALUE SUMMARY

Revenue Interests and Burdens (%)			Net Present Value Before Income Tax						
			Disc. Rate	Prod'n Revenue	Operating Income	Capital Invest.	Cash Flow		
							%	M\$	M\$
Initial	Average								
Working Interest	30.0000	30.0000	0	327	265	97	167	3.96	
Capital Interest	0.0000	30.0000	5	285	253	79	173	4.10	
Royalty Interest	0.0000	0.0000	8	265	242	71	172	4.07	
Crown Royalty	25.2472	20.2792	10	253	235	65	170	4.02	
Non-crown Royalty	8.0000	8.0000	12	242	228	61	167	3.96	
Mineral Tax	0.0000	0.0000	15	227	217	54	163	3.86	
			20	207	201	46	155	3.68	

Evaluator: Lee, Nina
Run Date: July 08, 2019 11:19:36

Company: **Blacksteel Energy Inc.**
Property: **Girouxville**

Reserve Class:
Development Class:
Pricing:
Effective Date:

Proved
Total
GLJ (2019-04)
April 30, 2019

Economic Forecast

PRODUCTION FORECAST

Year	Tight Oil Production						Shale Gas Production					Condensate Production				
	Gross Oil Wells	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl	Gross Daily Mcf/d	Company Daily Mcf/d	Company Yearly MMcf	Net Yearly MMcf	Price \$/Mcf	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl
2019	3	87	26	6	4	57.00	0	0	0	0	0.00	0	0	0	0	0.00
2020	7	361	108	40	33	57.43	780	234	85	74	1.96	4	1	0	0	72.82
2021	8	385	115	42	36	60.34	997	299	109	96	2.29	6	2	1	0	77.08
2022	8	243	73	27	21	63.46	682	205	75	65	2.54	4	1	0	0	80.01
2023	8	182	55	20	15	66.89	515	154	56	49	2.79	3	1	0	0	83.96
2024	8	147	44	16	12	70.31	417	125	46	40	2.92	2	1	0	0	87.60
2025	8	123	37	13	10	72.48	349	105	38	33	3.05	2	1	0	0	89.99
2026	8	106	32	12	9	74.64	301	90	33	29	3.12	2	1	0	0	92.38
2027	8	92	28	10	8	76.60	264	79	29	25	3.18	1	0	0	0	94.57
2028	7	79	24	9	7	78.27	221	66	24	21	3.25	1	0	0	0	96.47
2029	7	71	21	8	6	79.84	198	59	22	19	3.31	1	0	0	0	98.40
2030	7	64	19	7	6	81.44	178	53	19	17	3.38	1	0	0	0	100.37
2031	7	57	17	6	5	83.06	160	48	18	15	3.45	1	0	0	0	102.38
2032	7	52	16	6	5	84.73	145	43	16	14	3.51	1	0	0	0	104.43
2033	7	47	14	5	4	86.42	130	39	14	12	3.58	1	0	0	0	106.52
2034	7	42	13	5	4	88.15	118	35	13	11	3.66	1	0	0	0	108.65
2035	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2036	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2037	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2038	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2039	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
Tot.				231	186	67.82			597	522	2.74			3	2	85.98

Year	Butane Production					Propane Production					Natural Gas Liquids Production				
	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl
2019	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2020	4	1	0	0	27.63	3	1	0	0	23.26	11	3	1	1	44.00
2021	6	2	1	0	36.57	3	1	0	0	27.46	14	4	2	1	50.05
2022	4	1	0	0	46.29	2	1	0	0	32.79	10	3	1	1	56.14
2023	3	1	0	0	48.62	2	1	0	0	34.49	7	2	1	1	58.95
2024	2	1	0	0	50.95	1	0	0	0	36.18	6	2	1	0	61.64
2025	2	1	0	0	52.46	1	0	0	0	37.27	5	2	1	0	63.39
2026	2	1	0	0	53.98	1	0	0	0	38.36	4	1	0	0	65.14
2027	1	0	0	0	55.36	1	0	0	0	39.35	4	1	0	0	66.74
2028	1	0	0	0	56.55	1	0	0	0	40.20	3	1	0	0	68.13
2029	1	0	0	0	57.69	1	0	0	0	41.00	3	1	0	0	69.50
2030	1	0	0	0	58.84	1	0	0	0	41.82	3	1	0	0	70.89
2031	1	0	0	0	60.02	1	0	0	0	42.66	2	1	0	0	72.30
2032	1	0	0	0	61.22	0	0	0	0	43.51	2	1	0	0	73.75
2033	1	0	0	0	62.44	0	0	0	0	44.38	2	1	0	0	75.23
2034	1	0	0	0	63.69	0	0	0	0	45.27	2	1	0	0	76.73
2035	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2036	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2037	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2038	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2039	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
Tot.			3	3	46.48			2	1	33.80			9	7	58.75

Year	Oil + Liquids Production					Oil Equivalent Production				
	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl	Gross Daily boe/d	Company Daily boe/d	Company Yearly Mboe	Net Yearly Mboe	Price \$/boe
2019	87	26	6	4	57.00	87	26	6	4	57.00
2020	373	112	41	34	57.02	503	151	55	46	45.32
2021	399	120	44	37	59.97	565	170	62	53	46.38
2022	253	76	28	21	63.17	367	110	40	32	48.29
2023	190	57	21	16	66.58	275	83	30	24	51.05
2024	153	46	17	13	69.97	222	67	24	19	53.58
2025	128	38	14	11	72.12	186	56	20	16	55.28
2026	110	33	12	9	74.27	160	48	18	14	56.86
2027	96	29	11	9	76.21	140	42	15	13	58.30
2028	82	25	9	7	77.88	119	36	13	11	59.82
2029	74	22	8	7	79.44	107	32	12	10	61.02
2030	66	20	7	6	81.03	96	29	11	9	62.24
2031	60	18	7	5	82.65	86	26	9	8	63.50
2032	54	16	6	5	84.30	78	23	9	7	64.78
2033	49	15	5	4	85.99	70	21	8	7	66.09
2034	44	13	5	4	87.71	64	19	7	6	67.43
2035	0	0	0	0	0.00	0	0	0	0	0.00
2036	0	0	0	0	0.00	0	0	0	0	0.00
2037	0	0	0	0	0.00	0	0	0	0	0.00
2038	0	0	0	0	0.00	0	0	0	0	0.00
2039	0	0	0	0	0.00	0	0	0	0	0.00
Tot.			240	193	67.50			339	280	52.52

REVENUE AND EXPENSE FORECAST

Year	Revenue Before Burdens						Royalty Burdens		Gas Processing Allowance		Total Royalty After Process. M\$	Net Revenue After Royalty M\$	Operating Expenses		
	Working Interest				Royalty Interest Total M\$	Company Interest Total M\$	Pre-Processing		Allowance				Fixed M\$	Variable M\$	Total M\$
	Oil M\$	Gas M\$	NGL+Sul M\$	Total M\$			Crown M\$	Other M\$	Crown M\$	Other M\$					
2019	362	0	0	362	0	362	79	27	0	0	106	256	133	29	162
2020	2,273	168	54	2,495	0	2,495	215	195	7	7	395	2,100	261	269	530
2021	2,543	250	79	2,872	0	2,872	238	208	9	9	428	2,443	320	311	631
2022	1,689	189	61	1,939	0	1,939	278	143	8	6	407	1,532	327	206	533
2023	1,334	157	48	1,539	0	1,539	237	114	7	5	340	1,199	284	158	443
2024	1,132	133	41	1,305	0	1,305	205	97	6	4	292	1,013	290	130	421
2025	974	117	35	1,126	0	1,126	164	84	5	3	240	886	296	111	407
2026	863	103	31	996	0	996	129	74	4	3	196	800	302	98	399
2027	775	92	28	895	0	895	97	67	3	3	159	736	308	87	395
2028	679	79	24	781	0	781	80	58	2	2	134	647	288	76	364
2029	619	72	22	712	0	712	68	53	2	2	117	595	294	69	363
2030	568	66	20	654	0	654	59	49	2	2	104	550	300	63	363
2031	522	60	18	601	0	601	52	45	2	2	93	508	306	58	364
2032	482	56	17	555	0	555	46	41	1	2	84	471	312	54	366
2033	443	51	16	509	0	509	41	38	1	1	76	434	318	49	368
2034	408	47	14	469	0	469	37	35	1	1	69	400	325	45	370
2035	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2036	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2037	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2038	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2039	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tot.	15,666	1,639	507	17,811	0	17,811	2,025	1,327	60	51	3,241	14,570	4,664	1,813	6,478
Disc	9,850	981	306	11,136	0	11,136	1,282	831	37	32	2,044	9,092	2,371	1,147	3,518

Year	Mineral Tax M\$	Capital Tax M\$	NPI Burden M\$	Net Prod'n Revenue M\$	Other Income M\$	Aband. & Recl. Costs M\$	Oper. Income M\$	Net Capital Investment				Before Tax Cash Flow		
								Dev. M\$	Plant M\$	Tang. M\$	Total M\$	Annual M\$	Cum. M\$	10.0% Dcf M\$
2019	0	0	0	94	0	0	94	105	0	0	105	-11	-11	-10
2020	0	0	0	1,570	0	0	1,570	1,697	0	230	1,926	-356	-367	-329
2021	0	0	0	1,812	0	0	1,812	492	0	78	570	1,242	875	681
2022	0	0	0	999	0	0	999	0	0	0	0	999	1,874	1,420
2023	0	0	0	757	0	0	757	97	0	0	97	659	2,533	1,863
2024	0	0	0	593	0	0	593	0	0	0	0	593	3,126	2,225
2025	0	0	0	479	0	0	479	0	0	0	0	479	3,605	2,491
2026	0	0	0	401	0	0	401	0	0	0	0	401	4,006	2,694
2027	0	0	0	341	0	0	341	0	0	0	0	341	4,347	2,850
2028	0	0	0	284	0	0	284	0	0	0	0	284	4,630	2,969
2029	0	0	0	232	0	0	232	0	0	0	0	232	4,862	3,057
2030	0	0	0	187	0	0	187	0	0	0	0	187	5,049	3,121
2031	0	0	0	144	0	0	144	0	0	0	0	144	5,193	3,166
2032	0	0	0	105	0	31	74	0	0	0	0	74	5,267	3,187
2033	0	0	0	66	0	0	66	0	0	0	0	66	5,333	3,204
2034	0	0	0	30	0	0	30	0	0	0	0	30	5,363	3,212
2035	0	0	0	0	0	0	0	0	0	0	0	0	5,363	3,212
2036	0	0	0	0	0	0	0	0	0	0	0	0	5,363	3,212
2037	0	0	0	0	0	0	0	0	0	0	0	0	5,363	3,212
2038	0	0	0	0	0	0	0	0	0	0	0	0	5,363	3,212
2039	0	0	0	0	0	250	-250	0	0	0	0	-250	5,113	3,175
Tot.	0	0	0	8,092	0	281	7,812	2,391	0	308	2,698	5,113	5,113	3,175
Disc	0	0	0	5,574	0	45	5,529	2,085	0	269	2,354	3,175	3,175	3,175

SUMMARY OF RESERVES

Remaining Reserves at May 01, 2019							Oil Equivalents			Reserve Life Indic. (yr)		
Product	Units	Gross	Working Interest	Roy/NPI Interest	Total Company	Net	Oil Eq. Factor	Company Mboe	% of Total	Reserve Life	Life Index	Half Life
Tight Oil	Mbbl	770	231	0	231	186	1.000	231	68	15.7	24.2	4.0
Shale Gas	MMcf	1,991	597	0	597	522	6.000	100	29	15.7	7.0	4.5
Gas Heat Content	BBtu	1,991	597	0	597	522	0.000	0	0	15.7	7.0	4.5
Condensate	Mbbl	11	3	0	3	2	1.000	3	1	15.7	7.0	4.5
Butane	Mbbl	11	3	0	3	3	1.000	3	1	15.7	7.0	4.5
Propane	Mbbl	7	2	0	2	1	1.000	2	1	15.7	7.0	4.5
Total: NGL	Mbbl	29	9	0	9	7	1.000	9	3	15.7	7.0	4.5
Total: Oil+NGL	Mbbl	799	240	0	240	193	1.000	240	71	15.7	25.1	4.1
Total: Oil Eq.	Mboe	1,131	339	0	339	280	1.000	339	100	15.7	35.6	4.2

PRODUCT REVENUE AND EXPENSES

		Average First Year Unit Values					Net Revenue After Royalties			
Product	Units	Wellhead Price	Net Burdens	Operating Expenses	Other Expenses	Prod'n Revenue	Undisc M\$	% of Total	10% Disc M\$	% of Total
Tight Oil	\$/bbl	57.00	16.71	25.47	0.00	14.82	12,647	87	7,938	87
Shale Gas	\$/Mcf	0.00	0.00	0.00	0.00	0.00	1,519	10	911	10
Condensate	\$/bbl	0.00	0.00	0.00	0.00	0.00	223	2	136	1
Butane	\$/bbl	0.00	0.00	0.00	0.00	0.00	126	1	74	1
Propane	\$/bbl	0.00	0.00	0.00	0.00	0.00	54	0	32	0
Total: NGL	\$/bbl	0.00	0.00	0.00	0.00	0.00	404	3	242	3
Total: Oil+NGL	\$/bbl	57.00	16.71	25.47	0.00	14.82	13,051	90	8,181	90
Total: Oil Eq.	\$/boe	57.00	16.71	25.47	0.00	14.82	14,570	100	9,092	100

INTEREST AND NET PRESENT VALUE SUMMARY

Net Present Value Before Income Tax								
Revenue Interests and Burdens (%)			Disc. Rate %	Prod'n Revenue M\$	Operating Income M\$	Capital Invest. M\$	Cash Flow	
Initial	Average						M\$	\$/boe
Working Interest	30.0000	30.0000	0	8,092	7,812	2,698	5,113	15.08
Capital Interest	30.0000	30.0000	5	6,619	6,509	2,515	3,994	11.78
Royalty Interest	0.0000	0.0000	8	5,953	5,889	2,416	3,473	10.24
Crown Royalty	21.7774	11.3714	10	5,574	5,529	2,354	3,175	9.36
Non-crown Royalty	7.5370	7.4505	12	5,239	5,207	2,295	2,912	8.58
Mineral Tax	0.0000	0.0000	15	4,802	4,783	2,212	2,571	7.58
			20	4,211	4,202	2,085	2,117	6.24

Evaluator: Lee, Nina
Run Date: July 08, 2019 11:19:45

Company: **Blacksteel Energy Inc.**
Property: **Girouxville**

Reserve Class:
Development Class:
Pricing:
Effective Date:

Proved Plus Probable
Producing
GLJ (2019-04)
April 30, 2019

Economic Forecast

PRODUCTION FORECAST

Year	Tight Oil Production						Condensate Production					Butane Production				
	Gross Oil Wells	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl
2019	2	74	22	5	4	57.00	0	0	0	0	0.00	0	0	0	0	0.00
2020	2	65	20	7	5	57.43	1	0	0	0	72.82	1	0	0	0	27.63
2021	2	57	17	6	4	60.34	1	0	0	0	77.08	1	0	0	0	36.57
2022	2	51	15	6	4	63.46	1	0	0	0	80.01	1	0	0	0	46.29
2023	2	45	14	5	4	66.89	1	0	0	0	83.96	1	0	0	0	48.62
2024	2	41	12	5	3	70.31	1	0	0	0	87.60	1	0	0	0	50.95
2025	2	37	11	4	3	72.48	1	0	0	0	89.99	1	0	0	0	52.46
2026	2	34	10	4	3	74.64	1	0	0	0	92.38	1	0	0	0	53.98
2027	2	31	9	3	3	76.60	1	0	0	0	94.57	1	0	0	0	55.36
2028	2	29	9	3	2	78.27	1	0	0	0	96.47	1	0	0	0	56.55
2029	2	26	8	3	2	79.84	0	0	0	0	98.40	0	0	0	0	57.69
2030	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2031	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2032	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2033	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2034	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
Tot.				51	37	66.74			1	0	85.02			1	1	46.12

Year	Propane Production					Natural Gas Liquids Production					Oil + Liquids Production				
	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl
2019	0	0	0	0	0.00	0	0	0	0	0.00	74	22	5	4	57.00
2020	1	0	0	0	23.26	3	1	0	0	44.00	68	20	7	5	56.84
2021	1	0	0	0	27.46	3	1	0	0	50.05	60	18	7	4	59.89
2022	1	0	0	0	32.79	2	1	0	0	56.14	53	16	6	4	63.13
2023	0	0	0	0	34.49	2	1	0	0	58.95	48	14	5	4	66.53
2024	0	0	0	0	36.18	2	1	0	0	61.64	43	13	5	3	69.92
2025	0	0	0	0	37.27	2	1	0	0	63.39	39	12	4	3	72.07
2026	0	0	0	0	38.36	2	0	0	0	65.14	36	11	4	3	74.22
2027	0	0	0	0	39.35	1	0	0	0	66.74	33	10	4	3	76.16
2028	0	0	0	0	40.20	1	0	0	0	68.13	30	9	3	3	77.82
2029	0	0	0	0	41.00	1	0	0	0	69.50	28	8	3	2	79.37
2030	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2031	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2032	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2033	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2034	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
Tot.			0	0	33.51			2	1	58.17			53	38	66.39

Oil Equivalent Production

Year	Gross Daily boe/d	Company Daily boe/d	Company Yearly Mboe	Net Yearly Mboe	Price \$/boe
2019	74	22	5	4	57.00
2020	68	20	7	5	56.84
2021	60	18	7	4	59.89
2022	53	16	6	4	63.13
2023	48	14	5	4	66.53
2024	43	13	5	3	69.92
2025	39	12	4	3	72.07
2026	36	11	4	3	74.22
2027	33	10	4	3	76.16
2028	30	9	3	3	77.82
2029	28	8	3	2	79.37
2030	0	0	0	0	0.00
2031	0	0	0	0	0.00
2032	0	0	0	0	0.00
2033	0	0	0	0	0.00
2034	0	0	0	0	0.00
Tot.			53	38	66.39

REVENUE AND EXPENSE FORECAST

Year	Revenue Before Burdens						Royalty Burdens Pre-Processing	Gas Processing Allowance	Total Royalty After Process. M\$	Net Revenue After Royalty M\$	Operating Expenses				
	Working Interest				Royalty Interest Total M\$	Company Interest Total M\$					Fixed M\$	Variable M\$	Total M\$		
	Oil M\$	Gas M\$	NGL+Sul M\$	Total M\$											
2019	309	0	0	309	0	309	79	25	0	0	103	206	119	24	143
2020	410	0	14	425	0	425	103	34	0	0	136	288	182	33	215
2021	376	0	14	390	0	390	91	31	0	0	122	268	185	29	215
2022	351	0	15	366	0	366	82	29	0	0	111	255	189	26	216
2023	333	0	14	346	0	346	75	28	0	0	102	244	144	24	168
2024	317	0	13	330	0	330	69	26	0	0	96	234	147	22	169
2025	296	0	12	308	0	308	63	25	0	0	87	221	150	21	171
2026	278	0	11	290	0	290	56	23	0	0	79	210	153	19	172
2027	261	0	11	272	0	272	38	22	0	0	60	212	156	18	174
2028	245	0	10	256	0	256	34	20	0	0	55	201	159	17	176
2029	230	0	9	239	0	239	30	19	0	0	49	190	162	16	178
2030	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2032	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2033	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2034	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tot.	3,407	0	124	3,531	0	3,531	720	282	0	0	1,002	2,529	1,747	250	1,997
Disc	2,264	0	78	2,342	0	2,342	501	187	0	0	689	1,653	1,116	169	1,284

Year	Mineral Tax M\$	Capital Tax M\$	NPI Burden M\$	Net Prod'n Revenue M\$	Other Income M\$	Aband. & Recl. Costs M\$	Oper. Income M\$	Net Capital Investment				Before Tax Cash Flow			
								Dev. M\$	Plant M\$	Tang. M\$	Total M\$	Annual M\$	Cum. M\$	10.0% Def M\$	
2019	0	0	0	63	0	0	63	0	0	0	0	63	63	61	
2020	0	0	0	74	0	0	74	0	0	0	0	74	136	127	
2021	0	0	0	54	0	0	54	0	0	0	0	54	190	170	
2022	0	0	0	39	0	0	39	0	0	0	0	39	229	199	
2023	0	0	0	76	0	0	76	97	0	0	97	-22	207	184	
2024	0	0	0	65	0	0	65	0	0	0	0	65	272	224	
2025	0	0	0	50	0	0	50	0	0	0	0	50	323	252	
2026	0	0	0	38	0	0	38	0	0	0	0	38	360	271	
2027	0	0	0	38	0	0	38	0	0	0	0	38	398	289	
2028	0	0	0	25	0	0	25	0	0	0	0	25	423	299	
2029	0	0	0	11	0	0	11	0	0	0	0	11	434	303	
2030	0	0	0	0	0	0	0	0	0	0	0	0	434	303	
2031	0	0	0	0	0	0	0	0	0	0	0	0	434	303	
2032	0	0	0	0	0	0	0	0	0	0	0	0	434	303	
2033	0	0	0	0	0	0	0	0	0	0	0	0	434	303	
2034	0	0	0	0	0	65	-65	0	0	0	0	-65	370	288	
Tot.	0	0	0	532	0	65	467	97	0	0	97	370	370	288	
Disc	0	0	0	369	0	15	354	65	0	0	65	288	288	288	

SUMMARY OF RESERVES

Product	Units	Remaining Reserves at May 01, 2019						Oil Equivalents			Reserve Life Indic. (yr)		
		Gross	Working Interest	Roy/NPI Interest	Total Company	Net	Oil Eq. Factor	Company Mboe	% of Total	Reserve Life	Life Index	Half Life	
Tight Oil	Mbbl	170	51	0	51	37	1.000	51	96	10.7	6.3	4.2	
Condensate	Mbbl	3	1	0	1	0	1.000	1	2	10.7	6.5	4.8	
Butane	Mbbl	3	1	0	1	1	1.000	1	2	10.7	6.5	4.8	
Propane	Mbbl	2	0	0	0	0	1.000	0	1	10.7	6.5	4.8	
Total: NGL	Mbbl	7	2	0	2	1	1.000	2	4	10.7	6.5	4.8	
Total: Oil+NGL	Mbbl	177	53	0	53	38	1.000	53	100	10.7	6.5	4.3	
Total: Oil Eq.	Mboe	177	53	0	53	38	1.000	53	100	10.7	6.5	4.3	

PRODUCT REVENUE AND EXPENSES

Product	Units	Average First Year Unit Values					Net Revenue After Royalties				
		Wellhead Price	Net Burdens	Operating Expenses	Other Expenses	Prod'n Revenue	Undisc M\$	% of Total	10% Disc M\$	% of Total	
Tight Oil	\$/bbl	57.00	19.04	26.40	0.00	11.56	2,453	97	1,606	97	
Condensate	\$/bbl	0.00	0.00	0.00	0.00	0.00	40	2	25	1	
Butane	\$/bbl	0.00	0.00	0.00	0.00	0.00	25	1	15	1	
Propane	\$/bbl	0.00	0.00	0.00	0.00	0.00	11	0	7	0	
Total: NGL	\$/bbl	0.00	0.00	0.00	0.00	0.00	76	3	47	3	
Total: Oil+NGL	\$/bbl	57.00	19.04	26.40	0.00	11.56	2,529	100	1,653	100	
Total: Oil Eq.	\$/boe	57.00	19.04	26.40	0.00	11.56	2,529	100	1,653	100	

INTEREST AND NET PRESENT VALUE SUMMARY

Revenue Interests and Burdens (%)			Net Present Value Before Income Tax					
			Disc. Rate %	Prod'n Revenue M\$	Operating Income M\$	Capital Invest. M\$	Cash Flow	
Initial	Average						M\$	\$/boe
Working Interest	30.0000	30.0000	0	532	467	97	370	6.95
Capital Interest	0.0000	30.0000	5	437	406	79	327	6.15
Royalty Interest	0.0000	0.0000	8	394	374	71	303	5.70
Crown Royalty	25.4029	20.3801	10	369	354	65	288	5.42
Non-crown Royalty	8.0000	8.0000	12	347	335	61	274	5.16
Mineral Tax	0.0000	0.0000	15	318	310	54	256	4.81
			20	279	275	46	229	4.31

Evaluator: Lee, Nina
Run Date: July 08, 2019 11:19:39

Company: **Blacksteel Energy Inc.**
Property: **Girouxville**

Reserve Class:
Development Class:
Pricing:
Effective Date:

Proved Plus Probable
Total
GLJ (2019-04)
April 30, 2019

Economic Forecast

PRODUCTION FORECAST

Year	Tight Oil Production						Shale Gas Production					Condensate Production				
	Gross Oil Wells	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl	Gross Daily Mcf/d	Company Daily Mcf/d	Company Yearly MMcf	Net Yearly MMcf	Price \$/Mcf	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl
2019	3	88	26	6	5	57.00	0	0	0	0	0.00	0	0	0	0	0.00
2020	7	383	115	42	35	57.43	830	249	91	79	1.96	5	1	1	0	72.82
2021	13	614	184	67	57	60.34	1,442	433	158	138	2.29	8	2	1	1	77.08
2022	13	565	170	62	50	63.46	1,560	468	171	150	2.54	9	3	1	1	80.01
2023	13	373	112	41	32	66.89	1,036	311	113	99	2.79	6	2	1	0	83.96
2024	13	292	87	32	25	70.31	814	244	89	78	2.92	5	1	0	0	87.60
2025	13	242	73	26	21	72.48	678	203	74	65	3.05	4	1	0	0	89.99
2026	13	209	63	23	18	74.64	586	176	64	56	3.12	3	1	0	0	92.38
2027	13	184	55	20	16	76.60	517	155	57	50	3.18	3	1	0	0	94.57
2028	13	166	50	18	15	78.27	466	140	51	45	3.25	3	1	0	0	96.47
2029	13	150	45	16	13	79.84	422	126	46	40	3.31	2	1	0	0	98.40
2030	13	137	41	15	12	81.44	386	116	42	37	3.38	2	1	0	0	100.37
2031	13	126	38	14	11	83.06	355	106	39	34	3.45	2	1	0	0	102.38
2032	13	116	35	13	11	84.73	327	98	36	31	3.51	2	1	0	0	104.43
2033	13	107	32	12	10	86.42	301	90	33	29	3.58	2	1	0	0	106.52
2034	12	95	29	10	9	88.15	263	79	29	25	3.66	1	0	0	0	108.65
2035	12	88	26	10	8	89.91	242	73	26	23	3.73	1	0	0	0	110.82
2036	12	81	24	9	7	91.71	223	67	24	21	3.80	1	0	0	0	113.04
2037	12	75	22	8	7	93.54	205	62	22	20	3.88	1	0	0	0	115.30
2038	12	69	21	8	6	95.42	189	57	21	18	3.96	1	0	0	0	117.60
2039	12	64	19	7	6	97.32	174	52	19	17	4.04	1	0	0	0	119.95
2040	12	59	18	6	5	99.27	161	48	18	15	4.12	1	0	0	0	122.35
2041	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2042	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2043	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2044	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2045	0	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
Tot.				466	378	71.94			1,224	1,070	2.95			7	5	90.68

Year	Butane Production					Propane Production					Natural Gas Liquids Production				
	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl
2019	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2020	5	1	1	0	27.63	3	1	0	0	23.26	12	4	1	1	44.00
2021	8	2	1	1	36.57	5	1	1	0	27.46	21	6	2	2	50.05
2022	9	3	1	1	46.29	5	2	1	0	32.79	23	7	2	2	56.14
2023	6	2	1	0	48.62	3	1	0	0	34.49	15	4	2	1	58.95
2024	5	1	0	0	50.95	3	1	0	0	36.18	12	4	1	1	61.64
2025	4	1	0	0	52.46	2	1	0	0	37.27	10	3	1	1	63.39
2026	3	1	0	0	53.98	2	1	0	0	38.36	8	3	1	1	65.14
2027	3	1	0	0	55.36	2	1	0	0	39.35	7	2	1	1	66.74
2028	3	1	0	0	56.55	2	0	0	0	40.20	7	2	1	1	68.13
2029	2	1	0	0	57.69	1	0	0	0	41.00	6	2	1	1	69.50
2030	2	1	0	0	58.84	1	0	0	0	41.82	6	2	1	0	70.89
2031	2	1	0	0	60.02	1	0	0	0	42.66	5	2	1	0	72.30
2032	2	1	0	0	61.22	1	0	0	0	43.51	5	1	1	0	73.75
2033	2	1	0	0	62.44	1	0	0	0	44.38	4	1	0	0	75.23
2034	1	0	0	0	63.69	1	0	0	0	45.27	4	1	0	0	76.73
2035	1	0	0	0	64.96	1	0	0	0	46.18	3	1	0	0	78.26
2036	1	0	0	0	66.26	1	0	0	0	47.10	3	1	0	0	79.83
2037	1	0	0	0	67.59	1	0	0	0	48.04	3	1	0	0	81.43
2038	1	0	0	0	68.94	1	0	0	0	49.00	3	1	0	0	83.06
2039	1	0	0	0	70.32	1	0	0	0	49.98	3	1	0	0	84.72
2040	1	0	0	0	71.72	1	0	0	0	50.98	2	1	0	0	86.41
2041	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2042	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2043	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2044	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
2045	0	0	0	0	0.00	0	0	0	0	0.00	0	0	0	0	0.00
Tot.			7	5	50.73			4	3	36.49			18	14	62.81

Year	Oil + Liquids Production					Oil Equivalent Production				
	Gross Daily bbl/d	Company Daily bbl/d	Company Yearly Mbbl	Net Yearly Mbbl	Price \$/bbl	Gross Daily boe/d	Company Daily boe/d	Company Yearly Mboe	Net Yearly Mboe	Price \$/boe
2019	88	26	6	5	57.00	88	26	6	5	57.00
2020	395	119	43	36	57.02	534	160	58	49	45.29
2021	635	191	70	59	60.01	876	263	96	82	47.30
2022	588	176	64	52	63.18	848	254	93	77	48.46
2023	388	116	42	33	66.58	560	168	61	50	51.21
2024	303	91	33	26	69.98	439	132	48	38	53.76
2025	252	76	28	21	72.13	365	109	40	32	55.46
2026	217	65	24	18	74.27	315	94	34	28	57.05
2027	192	57	21	17	76.22	278	83	30	25	58.49
2028	172	52	19	15	77.88	250	75	27	23	59.74
2029	156	47	17	14	79.44	226	68	25	21	60.93
2030	143	43	16	13	81.02	207	62	23	19	62.15
2031	131	39	14	12	82.64	190	57	21	17	63.40
2032	121	36	13	11	84.30	176	53	19	16	64.67
2033	111	33	12	10	85.98	161	48	18	15	65.97
2034	99	30	11	9	87.71	143	43	16	13	67.57
2035	91	27	10	8	89.47	132	40	14	12	68.93
2036	84	25	9	8	91.26	122	37	13	11	70.32
2037	78	23	9	7	93.08	112	34	12	10	71.74
2038	72	21	8	7	94.94	103	31	11	10	73.18
2039	66	20	7	6	96.84	95	29	10	9	74.66
2040	61	18	7	6	98.78	88	26	10	8	76.17
2041	0	0	0	0	0.00	0	0	0	0	0.00
2042	0	0	0	0	0.00	0	0	0	0	0.00
2043	0	0	0	0	0.00	0	0	0	0	0.00
2044	0	0	0	0	0.00	0	0	0	0	0.00
2045	0	0	0	0	0.00	0	0	0	0	0.00
Tot.			483	392	71.61			687	570	55.61

REVENUE AND EXPENSE FORECAST

Year	Revenue Before Burdens						Royalty Burdens		Gas Processing Allowance		Total Royalty After Process.	Net Revenue After Royalty	Operating Expenses		
	Working Interest				Royalty Interest	Company Interest	Pre-Processing				M\$	M\$	Fixed M\$	Variable M\$	Total M\$
	Oil M\$	Gas M\$	NGL+Sul M\$	Total M\$	Total M\$	Total M\$	Crown M\$	Other M\$	Crown M\$	Other M\$					
2019	365	0	0	365	0	365	80	28	0	0	108	257	133	29	162
2020	2,411	178	58	2,648	0	2,648	227	207	7	7	419	2,229	261	285	546
2021	4,059	361	114	4,535	0	4,535	343	327	12	12	645	3,890	358	479	837
2022	3,927	433	139	4,499	0	4,499	508	326	15	14	805	3,693	441	477	918
2023	2,729	316	97	3,142	0	3,142	418	228	12	9	626	2,516	401	322	723
2024	2,245	260	79	2,584	0	2,584	382	188	10	7	553	2,031	409	257	666
2025	1,920	226	68	2,214	0	2,214	315	162	9	6	462	1,753	418	218	635
2026	1,706	200	60	1,966	0	1,966	278	144	8	6	409	1,557	426	192	618
2027	1,545	180	55	1,780	0	1,780	218	130	5	5	338	1,442	434	173	607
2028	1,419	166	50	1,635	0	1,635	187	120	5	5	297	1,338	443	158	602
2029	1,310	153	46	1,509	0	1,509	162	111	4	4	264	1,245	452	146	598
2030	1,223	143	43	1,409	0	1,409	145	103	4	4	240	1,169	461	137	598
2031	1,147	134	41	1,321	0	1,321	131	97	4	4	220	1,101	470	128	598
2032	1,080	126	38	1,244	0	1,244	120	91	3	4	204	1,040	480	121	600
2033	1,012	118	36	1,166	0	1,166	109	85	3	3	188	978	489	113	602
2034	921	105	32	1,058	0	1,058	99	77	3	3	170	888	470	102	572
2035	865	99	30	994	0	994	92	72	3	3	159	836	479	96	575
2036	816	93	28	937	0	937	86	68	3	3	149	788	489	90	579
2037	765	87	26	879	0	879	80	64	2	2	139	740	499	85	583
2038	720	82	25	826	0	826	75	60	2	2	131	695	509	80	588
2039	677	77	23	778	0	778	71	56	2	2	124	654	519	75	594
2040	639	73	22	734	0	734	68	53	2	2	117	616	529	71	600
2041	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2042	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2043	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2044	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2045	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tot.	33,502	3,610	1,110	38,222	0	38,222	4,194	2,799	119	107	6,766	31,455	9,571	3,832	13,403
Disc	17,999	1,853	575	20,427	0	20,427	2,264	1,499	64	57	3,642	16,785	3,698	2,079	5,777

Year	Mineral Tax M\$	Capital Tax M\$	NPI Burden M\$	Net Prod'n Revenue M\$	Other Income M\$	Aband. & Recl. Costs M\$	Oper. Income M\$	Net Capital Investment				Before Tax Cash Flow		
								Dev. M\$	Plant M\$	Tang. M\$	Total M\$	Annual M\$	Cum. M\$	10.0% Dcf M\$
2019	0	0	0	95	0	0	95	105	0	0	105	-10	-10	-9
2020	0	0	0	1,682	0	0	1,682	1,697	0	230	1,926	-244	-254	-228
2021	0	0	0	3,052	0	0	3,052	2,950	0	468	3,418	-365	-619	-525
2022	0	0	0	2,775	0	0	2,775	0	0	0	0	2,775	2,156	1,527
2023	0	0	0	1,793	0	0	1,793	97	0	0	97	1,696	3,852	2,667
2024	0	0	0	1,365	0	0	1,365	0	0	0	0	1,365	5,217	3,501
2025	0	0	0	1,117	0	0	1,117	0	0	0	0	1,117	6,334	4,122
2026	0	0	0	940	0	0	940	0	0	0	0	940	7,273	4,597
2027	0	0	0	835	0	0	835	0	0	0	0	835	8,108	4,980
2028	0	0	0	736	0	0	736	0	0	0	0	736	8,845	5,287
2029	0	0	0	647	0	0	647	0	0	0	0	647	9,491	5,533
2030	0	0	0	571	0	0	571	0	0	0	0	571	10,063	5,730
2031	0	0	0	503	0	0	503	0	0	0	0	503	10,566	5,887
2032	0	0	0	440	0	0	440	0	0	0	0	440	11,006	6,013
2033	0	0	0	375	0	0	375	0	0	0	0	375	11,381	6,110
2034	0	0	0	316	0	0	316	0	0	0	0	316	11,697	6,185
2035	0	0	0	260	0	0	260	0	0	0	0	260	11,957	6,240
2036	0	0	0	209	0	0	209	0	0	0	0	209	12,166	6,281
2037	0	0	0	156	0	0	156	0	0	0	0	156	12,322	6,309
2038	0	0	0	107	0	35	72	0	0	0	0	72	12,394	6,320
2039	0	0	0	60	0	0	60	0	0	0	0	60	12,454	6,329
2040	0	0	0	16	0	0	16	0	0	0	0	16	12,471	6,331
2041	0	0	0	0	0	0	0	0	0	0	0	0	12,471	6,331
2042	0	0	0	0	0	0	0	0	0	0	0	0	12,471	6,331
2043	0	0	0	0	0	0	0	0	0	0	0	0	12,471	6,331
2044	0	0	0	0	0	0	0	0	0	0	0	0	12,471	6,331
2045	0	0	0	0	0	482	-482	0	0	0	0	-482	11,989	6,291
Tot.	0	0	0	18,052	0	517	17,535	4,849	0	698	5,546	11,989	11,989	6,291
Disc	0	0	0	11,008	0	45	10,962	4,085	0	586	4,671	6,291	6,291	6,291

SUMMARY OF RESERVES

Remaining Reserves at May 01, 2019						Oil Equivalents			Reserve Life Indic. (yr)			
Product	Units	Gross	Working Interest	Roy/NPI Interest	Total Company	Net	Oil Eq. Factor	Company Mboe	% of Total	Reserve Life	Life Index	Half Life
Tight Oil	Mbbl	1,552	466	0	466	378	1.000	466	68	21.7	48.5	5.5
Shale Gas	MMcf	4,080	1,224	0	1,224	1,070	6.000	204	30	21.7	13.5	5.9
Gas Heat Content	BBtu	4,080	1,224	0	1,224	1,070	0.000	0	0	21.7	13.5	5.9
Condensate	Mbbl	23	7	0	7	5	1.000	7	1	21.7	13.5	5.9
Butane	Mbbl	23	7	0	7	5	1.000	7	1	21.7	13.5	5.9
Propane	Mbbl	14	4	0	4	3	1.000	4	1	21.7	13.5	5.9
Total: NGL	Mbbl	59	18	0	18	14	1.000	18	3	21.7	13.5	5.9
Total: Oil+NGL	Mbbl	1,611	483	0	483	392	1.000	483	70	21.7	50.3	5.5
Total: Oil Eq.	Mboe	2,291	687	0	687	570	1.000	687	100	21.7	71.6	5.6

PRODUCT REVENUE AND EXPENSES

Average First Year Unit Values							Net Revenue After Royalties			
Product	Units	Wellhead Price	Net Burdens	Operating Expenses	Other Expenses	Prod'n Revenue	Undisc M\$	% of Total	10% Disc M\$	% of Total
Tight Oil	\$/bbl	57.00	16.81	25.30	0.00	14.89	27,209	87	14,600	87
Shale Gas	\$/Mcf	0.00	0.00	0.00	0.00	0.00	3,336	11	1,716	10
Condensate	\$/bbl	0.00	0.00	0.00	0.00	0.00	498	2	260	2
Butane	\$/bbl	0.00	0.00	0.00	0.00	0.00	290	1	146	1
Propane	\$/bbl	0.00	0.00	0.00	0.00	0.00	122	0	63	0
Total: NGL	\$/bbl	0.00	0.00	0.00	0.00	0.00	910	3	469	3
Total: Oil+NGL	\$/bbl	57.00	16.81	25.30	0.00	14.89	28,119	89	15,069	90
Total: Oil Eq.	\$/boe	57.00	16.81	25.30	0.00	14.89	31,455	100	16,785	100

INTEREST AND NET PRESENT VALUE SUMMARY

Revenue Interests and Burdens (%)			Net Present Value Before Income Tax					
			Disc. Rate %	Prod'n Revenue M\$	Operating Income M\$	Capital Invest. M\$	Cash Flow	
Initial	Average						M\$	\$/boe
Working Interest	30.0000	30.0000	0	18,052	17,535	5,546	11,989	17.44
Capital Interest	30.0000	30.0000	5	13,768	13,620	5,077	8,542	12.43
Royalty Interest	0.0000	0.0000	8	11,981	11,909	4,827	7,082	10.30
Crown Royalty	21.9440	10.9737	10	11,008	10,962	4,671	6,291	9.15
Non-crown Royalty	7.5416	7.3219	12	10,168	10,139	4,523	5,616	8.17
Mineral Tax	0.0000	0.0000	15	9,108	9,093	4,316	4,777	6.95
			20	7,731	7,726	4,004	3,722	5.42

Evaluator: Lee, Nina
Run Date: July 08, 2019 11:19:48

APPENDIX

RESERVES ESTIMATION - SUPPORTING INFORMATION

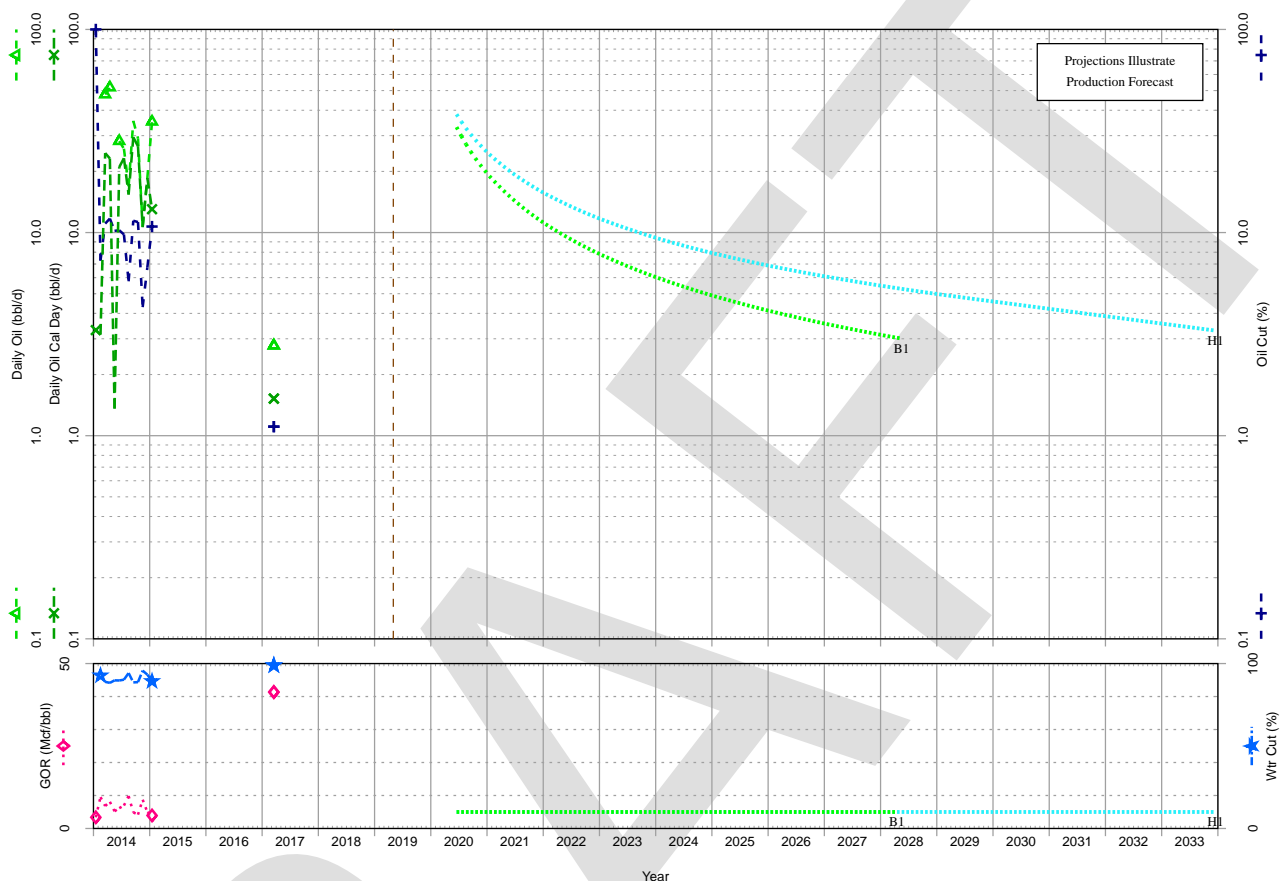
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Historical and Forecast Production

00/09-26-075-21W5/2

Property : Girouxville
Well Name : HIGH NORTH HZ GVILLEE 9-26-75-21

Regulatory Field : Girouxville East
Regulatory Pool : Montney X
Operator : Drakkar Energy Ltd.



Decline Analysis Summary At 2019/05/01

Reserves Classification	Reserves (Mbbl)			Rates (bbl/d)		Decline			
	Ultimate	Cum Prd	Remain	Initial	Final	Initial	Exponent	Term	
Pv Dev NPrd B1	30	7	23	35	3	57.1	1.00	10.0	
P + P Dev NPrd H1	50	7	43	40	3	49.9	1.20	8.0	

Average Production Rates (Last 12 months ending 2017/03/31)

Gas	114.8 Mcf/d	5.3 Mcf/cd	WGR	2158.2 bbl/MMcf
Oil	2.8 bbl/d	0.1 bbl/cd	GOR	41362.3 scf/stb
On Prod	17.0 days		WC	98.9 %
Cumulative Production				
Oil	6.6 Mbbl	Gas	42.8 MMcf	Water 68.8 Mbbl

Entity: 00/09-26-075-21W5/2
Zone: Montney

Effective date: April 30, 2019

Oil Volumetric Reservoir Parameters

		B1		H1
		Proved	Developed	Proved Plus Probable
		Non-Producing	Non-Producing	Developed
Area	acre	165		160
Net Pay	ft	36.0		36.0
Porosity	%	13.5		13.5
Water Saturation	%	48.0		48.0
Formation Volume Factor		1.15		1.15
Oil Gravity	oAPI	32		32
Original Oil In-Place	Mbbl	2818		2728
Recovery Factor	%	1.1		1.8
Original Oil Reserves	Mbbl	30.0		50.0
Cumulative Oil Production	Mbbl	6.6		6.6
Remaining Oil Reserves	Mbbl	23.4		43.4

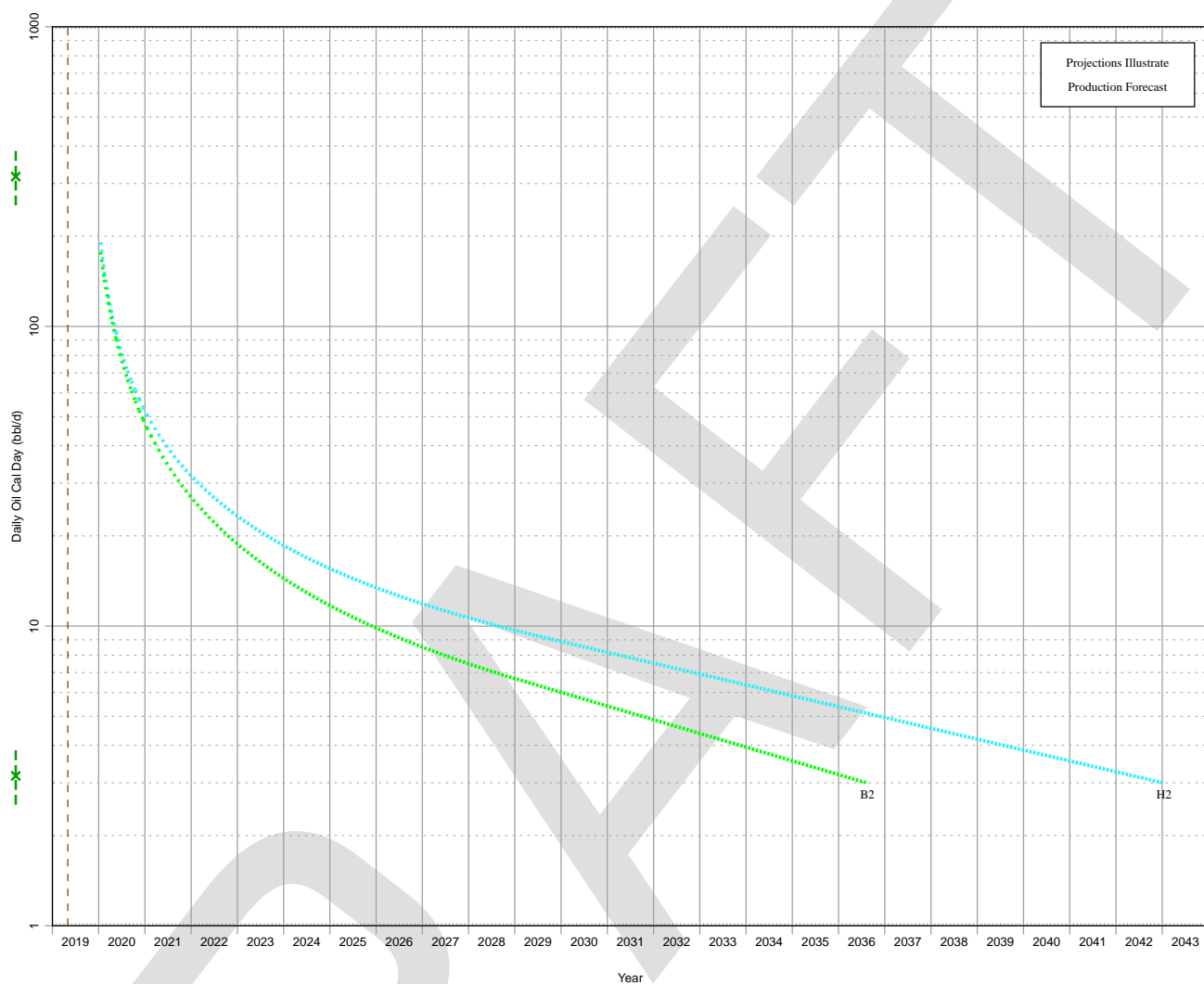
Notes

- 2015-Mar-27 Rates restricted by flaring permit. Well shut-in due to high op costs. Reactivate when oil price recovers.

00/09-26-075-21W5/2
1192144 / Jul 08, 2019

Historical and Forecast Production X0/X1-35-075-21W5/MTNY

Property : Girouxville



Decline Analysis Summary At 2019/05/01

Reserves Classification	Reserves (Mbbl)			Rates (bbl/d)		Decline			
	Ultimate	Cum Prd	Remain	Initial	Final	Initial	Exprot	Term	
Pv UDev - B2	90	0	90	200	3	76.3	1.00	10.0	
P + P UDev - H2	120	0	120	220	3	76.2	1.20	8.0	

Average Production Rates (Last 12 months ending 2019/05/01)

Gas	0.0 Mcf/d	0.0 Mcf/cd	WGR	0.0 bbl/MMcf
Oil	0.0 bbl/d	0.0 bbl/cd	GOR	0.0 scf/stb
On Prod	0.0 days		WC	0.0 %

Cumulative Production

Oil	0.0 Mbbl	Gas	0.0 MMcf	Water	0.0 Mbbl
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Entity: X0/X1-35-075-21W5/MTNY
Zone: Montney

Effective date: April 30, 2019

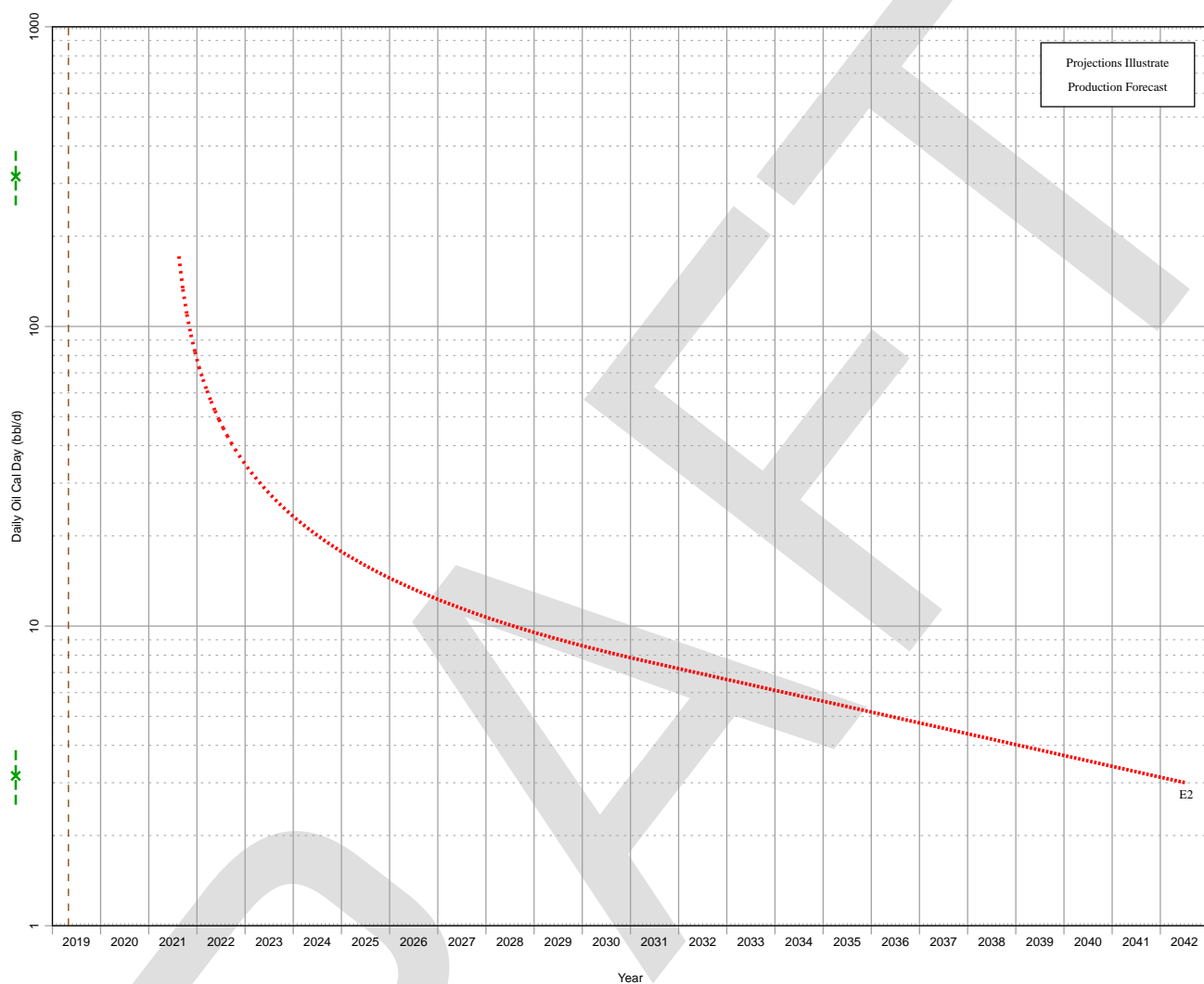
Oil Volumetric Reservoir Parameters

		B2	H2
		Proved Undeveloped	Proved Plus Probable Undeveloped
Area	acre	160	160
Net Pay	ft	70.0	70.0
Porosity	%	13.5	13.5
Water Saturation	%	48.0	48.0
Formation Volume Factor		1.15	1.15
Oil Gravity	oAPI	32	32
Original Oil In-Place	Mbbl	5304	5304
Recovery Factor	%	1.7	2.3
Original Oil Reserves	Mbbl	90.0	120.0
Remaining Oil Reserves	Mbbl	90.0	120.0

X0/X1-35-075-21W5/MTNY
1192144 / Jul 08, 2019

Historical and Forecast Production X0/X2-35-075-21W5/MTNY

Property : Girouxville



Decline Analysis Summary At 2019/05/01

Reserves Classification	Reserves (Mbbl)			Rates (bbl/d)		Decline		
	Ultimate	Cum Prd	Remain	Initial	Final	Initial	Expon	Term
Pb UDev - E2	100	0	100	200	3	77.7	1.20	8.0

Average Production Rates (Last 12 months ending 2019/05/01)

Gas	0.0 Mcf/d	0.0 Mcf/cd	WGR	0.0 bbl/MMcf
Oil	0.0 bbl/d	0.0 bbl/cd	GOR	0.0 scf/stb
On Prod	0.0 days		WC	0.0 %

Cumulative Production

Oil	0.0 Mbbl	Gas	0.0 MMcf	Water	0.0 Mbbl
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Entity: X0/X2-35-075-21W5/MTNY
Zone: Montney

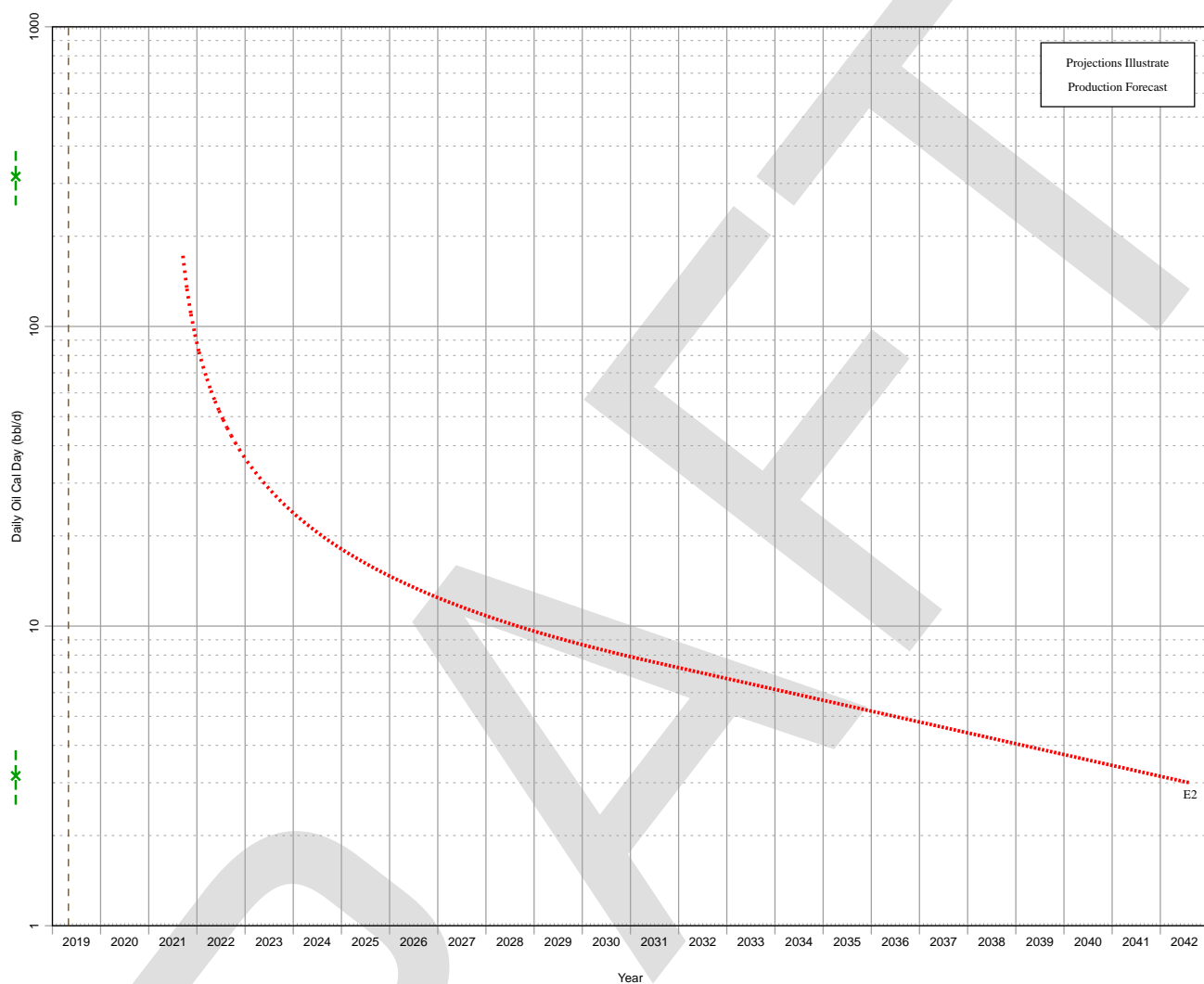
Effective date: April 30, 2019

Oil Volumetric Reservoir Parameters

		E2 Probable Undeveloped
Area	acre	160
Net Pay	ft	70.0
Porosity	%	13.5
Water Saturation	%	48.0
Formation Volume Factor		1.15
Oil Gravity	oAPI	32
Original Oil In-Place	Mbbl	5304
Recovery Factor	%	1.9
Original Oil Reserves	Mbbl	100.0
Remaining Oil Reserves	Mbbl	100.0

Historical and Forecast Production X0/X3-35-075-21W5/MTNY

Property : Girouxville



Decline Analysis Summary At 2019/05/01

Reserves Classification	Reserves (Mbbl)			Rates (bbl/d)		Decline		
	Ultimate	Cum Prd	Remain	Initial	Final	Initial	Expon	Term
Pb UDev - E2	100	0	100	200	3	77.7	1.20	8.0

Average Production Rates (Last 12 months ending 2019/05/01)

Gas	0.0 Mcf/d	0.0 Mcf/cd	WGR	0.0 bbl/MMcf
Oil	0.0 bbl/d	0.0 bbl/cd	GOR	0.0 scf/stb
On Prod	0.0 days		WC	0.0 %

Cumulative Production

Oil	0.0 Mbbl	Gas	0.0 MMcf	Water	0.0 Mbbl
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Entity: X0/X3-35-075-21W5/MTNY

Zone:

Effective date: April 30, 2019

Oil Volumetric Reservoir Parameters

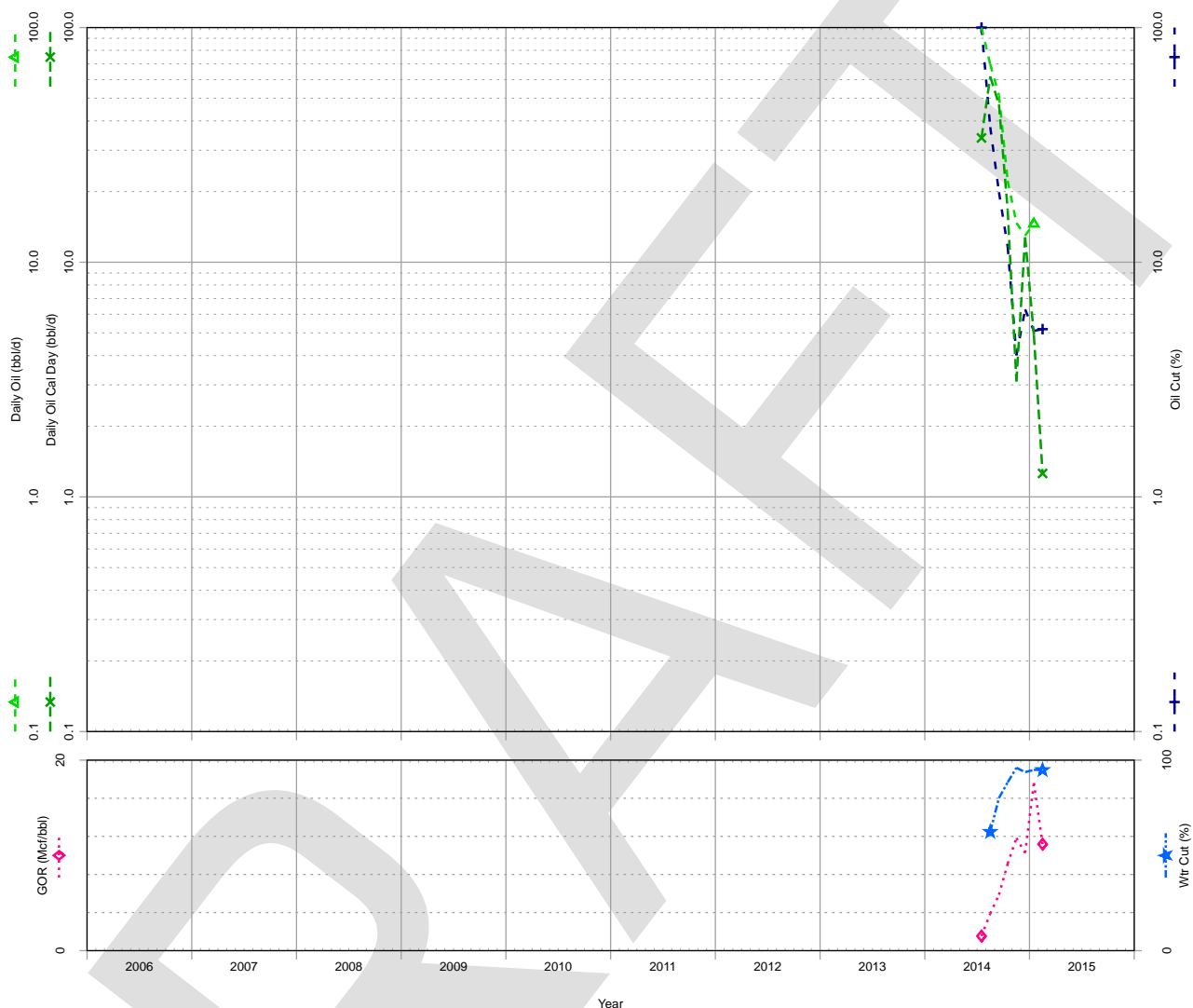
		E2 Probable Undeveloped
Area	acre	160
Net Pay	ft	70.0
Porosity	%	13.5
Water Saturation	%	48.0
Formation Volume Factor		1.15
Oil Gravity	oAPI	32
Original Oil In-Place	Mbbl	5304
Recovery Factor	%	1.9
Original Oil Reserves	Mbbl	100.0
Remaining Oil Reserves	Mbbl	100.0

Historical Production

00/08-02-076-21W5/0

Property : Girouxville
Well Name : HIGH NORTH HZ GVILLEE 8-2-76-21

Regulatory Field : Girouxville East
Regulatory Pool : Montney S
Operator : Drakkar Energy Ltd.



Status Summary		Cumulative Production		Average Production Rates (Last 12 months ending 2015/02/28)				
On Production date :	14/07/01	Gas :	30.3 MMcf	Gas	237.3 Mcf/d	124.7 Mcf/cd	WGR	805.0 bbl/MMcf
On Injection date :		Oil :	5.6 Mbbl	Oil	56.5 bbl/d	22.9 bbl/cd	GOR	5438.3 scf/stb
Status date :	16/03/29	Water :	24.4 Mbbl	On Prod	133.0 days		WC	81.4 %
Status : SUSPENDED OIL								

Entity: 00/08-02-076-21W5/0
Zone: Montney

Effective date: April 30, 2019

Oil Volumetric Reservoir Parameters

		B1		H1	
		Proved	Developed	Proved Plus Probable	Developed
		Non-Producing	Non-Producing	Non-Producing	Non-Producing
Recovery Factor	%	0.4	0.4		
Original Oil Reserves	Mbbl	5.6	5.6		
Cumulative Oil Production	Mbbl	5.6	5.6		
Remaining Oil Reserves	Mbbl	0.0	0.0		

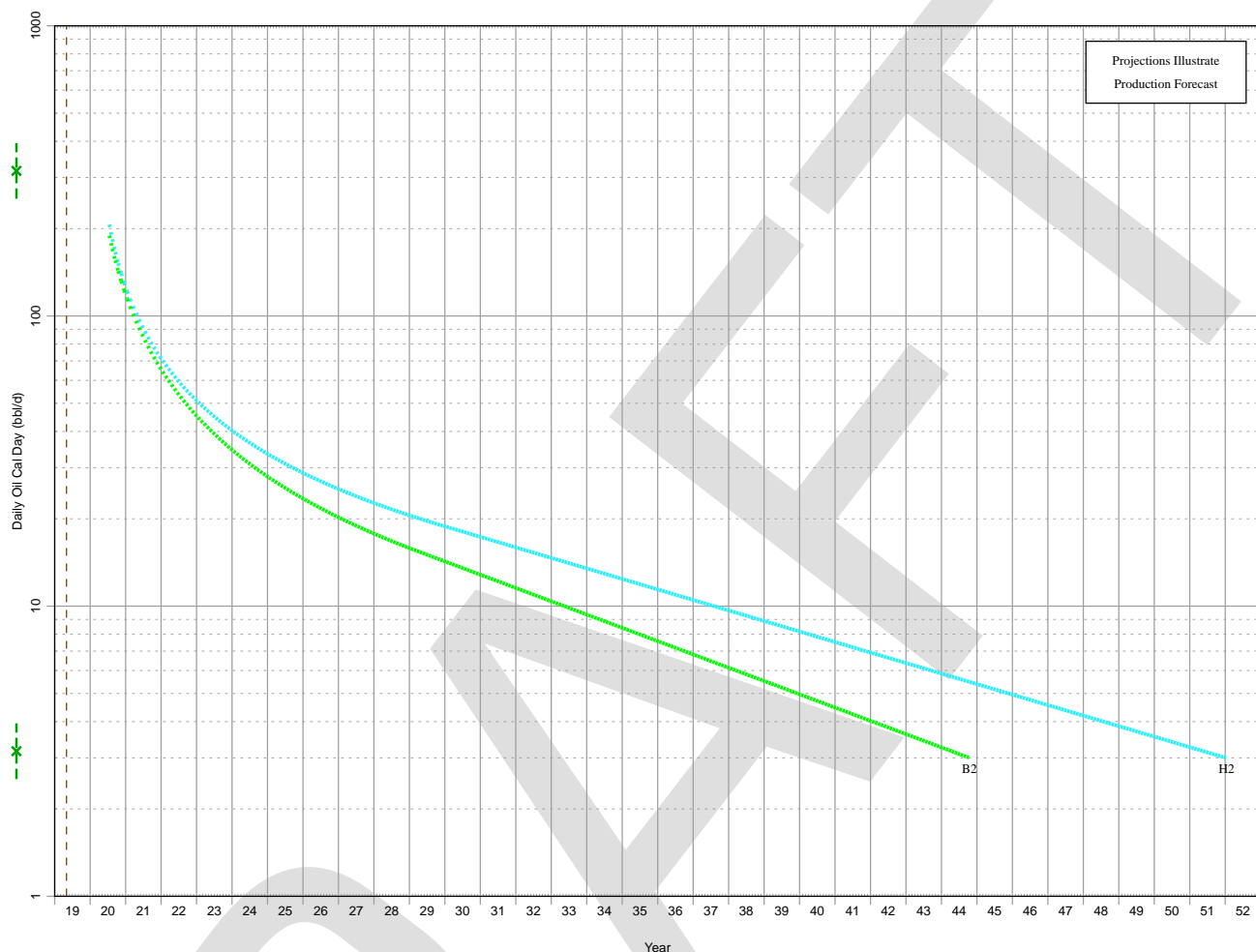
Notes

- 2017-Aug-14 Well converted to disposal well. NRA.

00/08-02-076-21W5/0
1192144 / Jun 28, 2019

Historical and Forecast Production X2/08-02-076-21W5/MNTY

Property : Girouxville



Decline Analysis Summary At 2019/05/01

Reserves Classification	Reserves (Mbbl)			Rates (bbl/d)		Decline			
	Ultimate	Cum Prd	Remain	Initial	Final	Initial	Expon	Term	
Pv UDev B2	180	0	180	200	3	57.7	1.00	10.0	
P + P UDev H2	230	0	230	220	3	58.9	1.20	8.0	

Average Production Rates (Last 12 months ending 2019/05/01)

Gas	0.0 Mcf/d	0.0 Mcf/cd	WGR	0.0 bbl/MMcf
Oil	0.0 bbl/d	0.0 bbl/cd	GOR	0.0 scf/stb
On Prod	0.0 days		WC	0.0 %

Cumulative Production

Oil	0.0 Mbbl	Gas	0.0 MMcf	Water	0.0 Mbbl
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Entity: X2/08-02-076-21W5/MNTY

Effective date: April 30, 2019

Zone:

Oil Volumetric Reservoir Parameters

		B2		H2	
		Proved	Undeveloped	Proved Plus Probable	Undeveloped
Area	acre	130		130	
Net Pay	ft	96.8		96.8	
Porosity	%	13.5		13.5	
Water Saturation	%	48.0		48.0	
Formation Volume Factor		1.15		1.15	
Oil Gravity	oAPI	32		32	
Original Oil In-Place	Mbbl	5959		5959	
Recovery Factor	%	3.0		3.9	
Original Oil Reserves	Mbbl	180.0		230.0	
Remaining Oil Reserves	Mbbl	180.0		230.0	

Notes

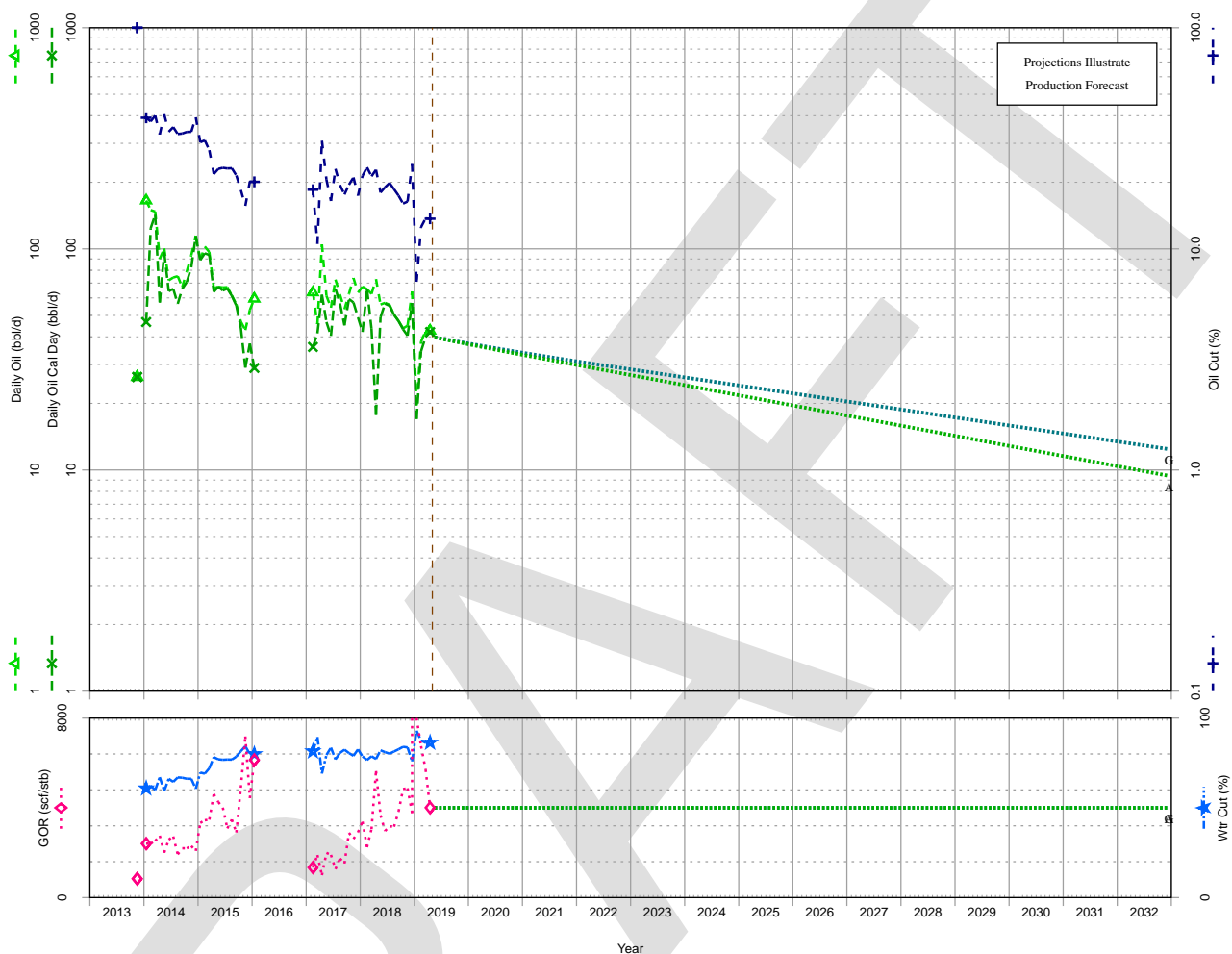
- 2015-Apr-06 Redrill 08-02 location
X2/08-02-076-21W5/MNTY
1192144 / Jul 08, 2019

Historical and Forecast Production

00/09-02-076-21W5/0

Property : Girouxville
Well Name : HIGH NORTH HZ GVILLEE 9-2-76-21

Regulatory Field : Girouxville East
Regulatory Pool : Montney S
Operator : Drakkar Energy Ltd.



Decline Analysis Summary At 2019/05/01

Reserves Classification	Reserves (Mbbl)			Rates (bbl/d)		Decline		
	Ultimate	Cum Prd	Remain	Initial	Final	Initial	Exponent	Term
Pv Prd — A	220	93	127	40	3	10.8	0.50	10.0
P + P Prd — G	250	93	157	40	3	9.7	0.80	8.0

Average Production Rates (Last 12 months ending 2019/04/30)

Gas	211.3 Mcf/d	197.8 Mcf/cd	WGR	1146.8 bbl/MMcf
Oil	46.8 bbl/d	44.4 bbl/cd	GOR	4451.0 scf/stb
On Prod	344.7 days		WC	83.6%

Cumulative Production

Oil	93.2 Mbbl	Gas	286.5 MMcf	Water	303.6 Mbbl
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Entity: 00/09-02-076-21W5/0
Zone: Montney

Effective date: April 30, 2019

Oil Volumetric Reservoir Parameters

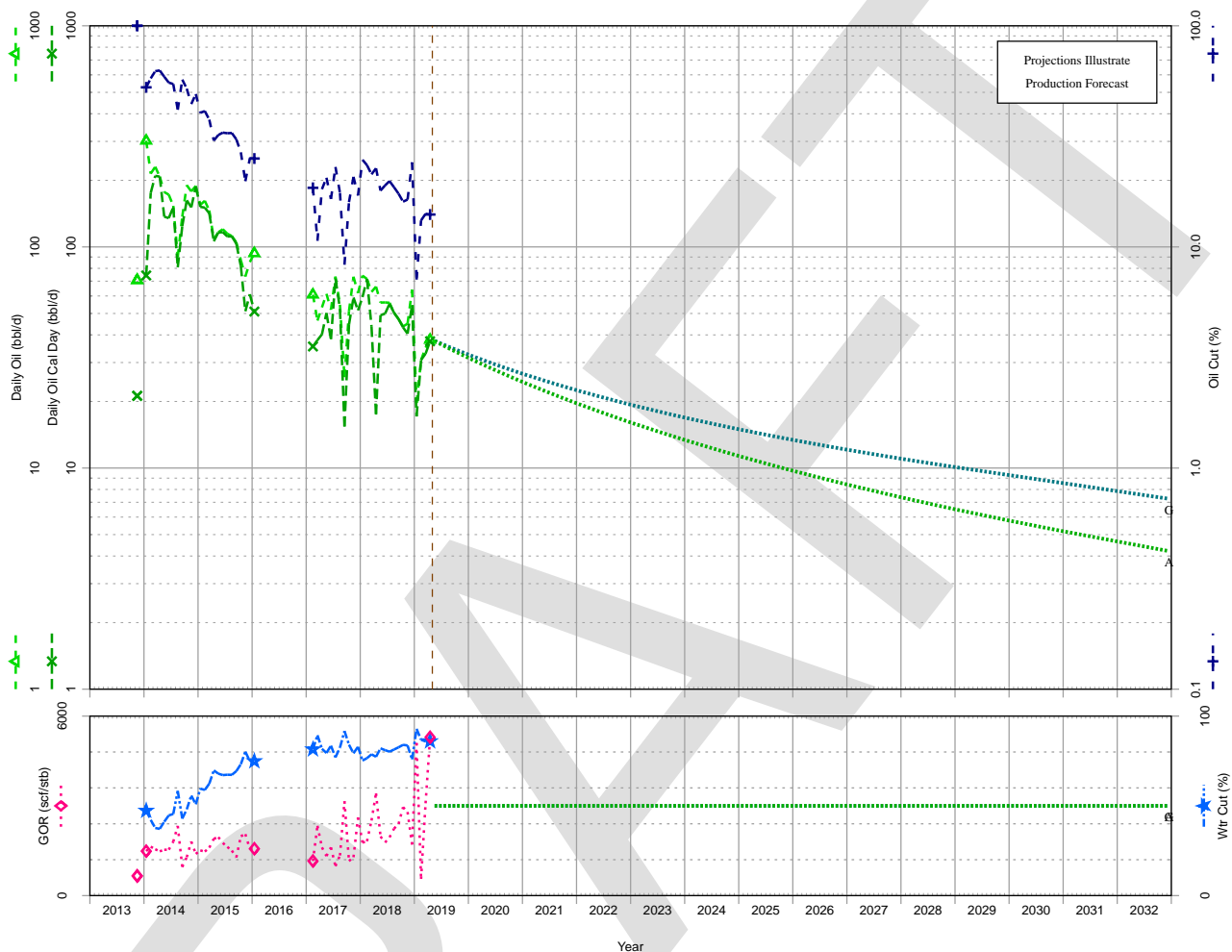
		A Proved Producing	G Proved Plus Probable Producing
Area	acre	160	160
Net Pay	ft	96.8	96.8
Porosity	%	13.5	13.5
Water Saturation	%	48.0	48.0
Formation Volume Factor		1.15	1.15
Oil Gravity	oAPI	32	32
Original Oil In-Place	Mbbl	7335	7335
Recovery Factor	%	3.0	3.4
Original Oil Reserves	Mbbl	220.0	250.0
Cumulative Oil Production	Mbbl	93.2	93.2
Remaining Oil Reserves	Mbbl	126.8	156.8

Historical and Forecast Production

00/16-02-076-21W5/2

Property : Girouxville
Well Name : HIGH NORTH HZ GVILLEE 16-2-76-21

Regulatory Field : Girouxville East
Regulatory Pool : Montney S
Operator : Drakkar Energy Ltd.



Decline Analysis Summary At 2019/05/01

Reserves Classification	Reserves (Mbbl)			Rates (bbl/d)		Decline		
	Ultimate	Cum Prd	Remain	Initial	Final	Initial	Exponent	Term
Pv Prd A	200	133	67	38	3	23.9	0.50	10.0
P + P Prd G	230	133	97	38	3	20.0	0.80	8.0

Average Production Rates (Last 12 months ending 2019/04/30)

Gas	111.3 Mcf/d	105.2 Mcf/cd	WGR	2032.6 bbl/MMcf
Oil	45.1 bbl/d	42.4 bbl/cd	GOR	2479.5 scf/stb
On Prod	343.2 days		WC	83.4 %

Cumulative Production

Oil	132.7 Mbbl	Gas	226.6 MMcf	Water	303.7 Mbbl
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Entity: 00/16-02-076-21W5/2
Zone: Montney

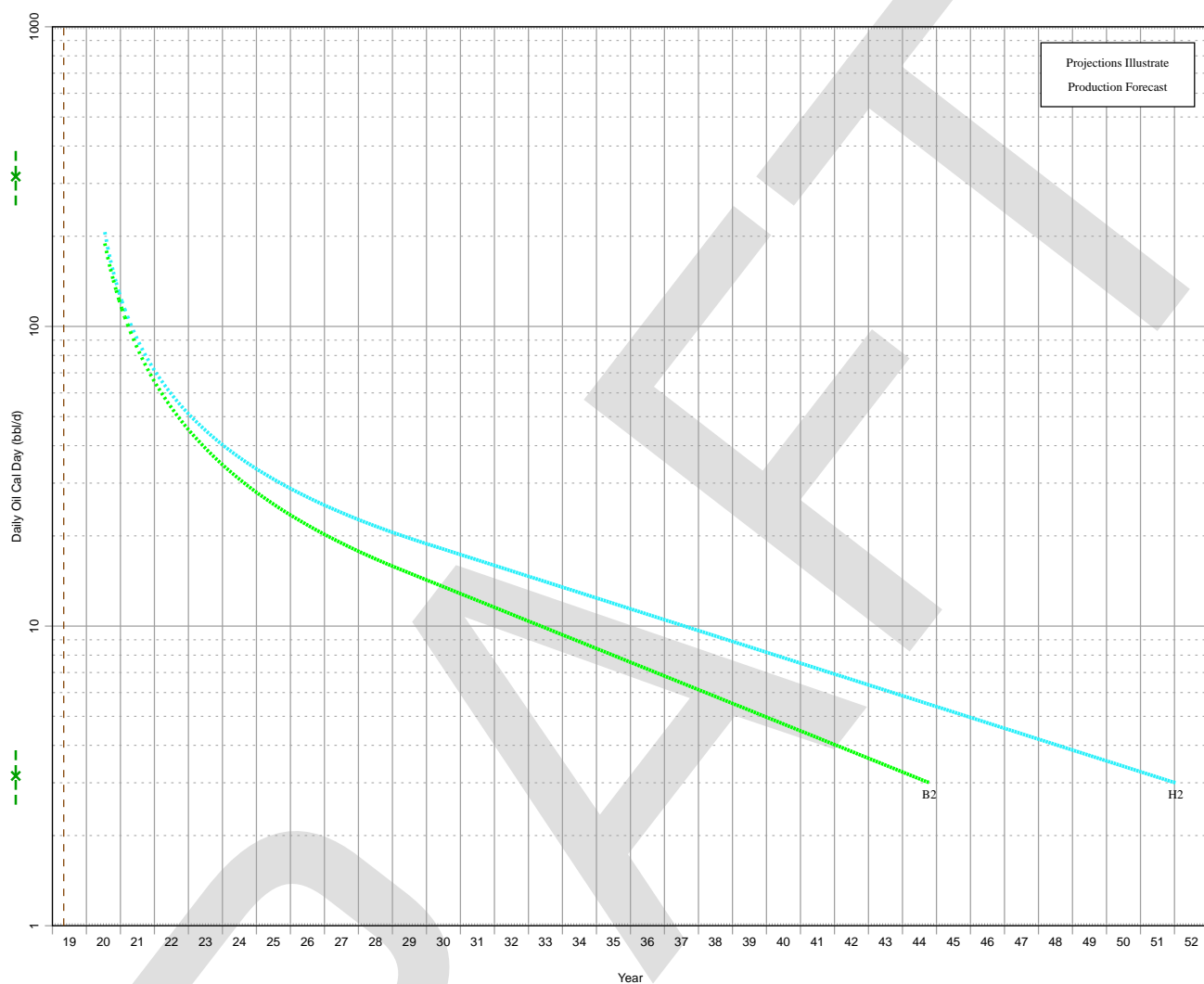
Effective date: April 30, 2019

Oil Volumetric Reservoir Parameters

		A Proved Producing	G Proved Plus Probable Producing
Area	acre	160	160
Net Pay	ft	96.8	96.8
Porosity	%	13.5	13.5
Water Saturation	%	48.0	48.0
Formation Volume Factor		1.15	1.15
Oil Gravity	oAPI	32	32
Original Oil In-Place	Mbbl	7335	7335
Recovery Factor	%	2.7	3.1
Original Oil Reserves	Mbbl	200.0	230.0
Cumulative Oil Production	Mbbl	132.7	132.7
Remaining Oil Reserves	Mbbl	67.3	97.3

Historical and Forecast Production X0/X1-02-076-21W5/MTNY

Property : Girouxville



Decline Analysis Summary At 2019/05/01

Reserves Classification	Reserves (Mbbl)			Rates (bbl/d)		Decline		
	Ultimate	Cum Prd	Remain	Initial	Final	Initial	Expont	Term
Pv UDev - B2	180	0	180	200	3	57.7	1.00	10.0
P + P UDev - H2	230	0	230	220	3	58.9	1.20	8.0

Average Production Rates (Last 12 months ending 2019/05/01)

Gas	0.0 Mcf/d	0.0 Mcf/cd	WGR	0.0 bbl/MMcf
Oil	0.0 bbl/d	0.0 bbl/cd	GOR	0.0 scf/stb
On Prod	0.0 days		WC	0.0 %

Cumulative Production

Oil	0.0 Mbbl	Gas	0.0 MMcf	Water	0.0 Mbbl
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Entity: X0/X1-02-076-21W5/MTNY
Zone: Montney

Effective date: April 30, 2019

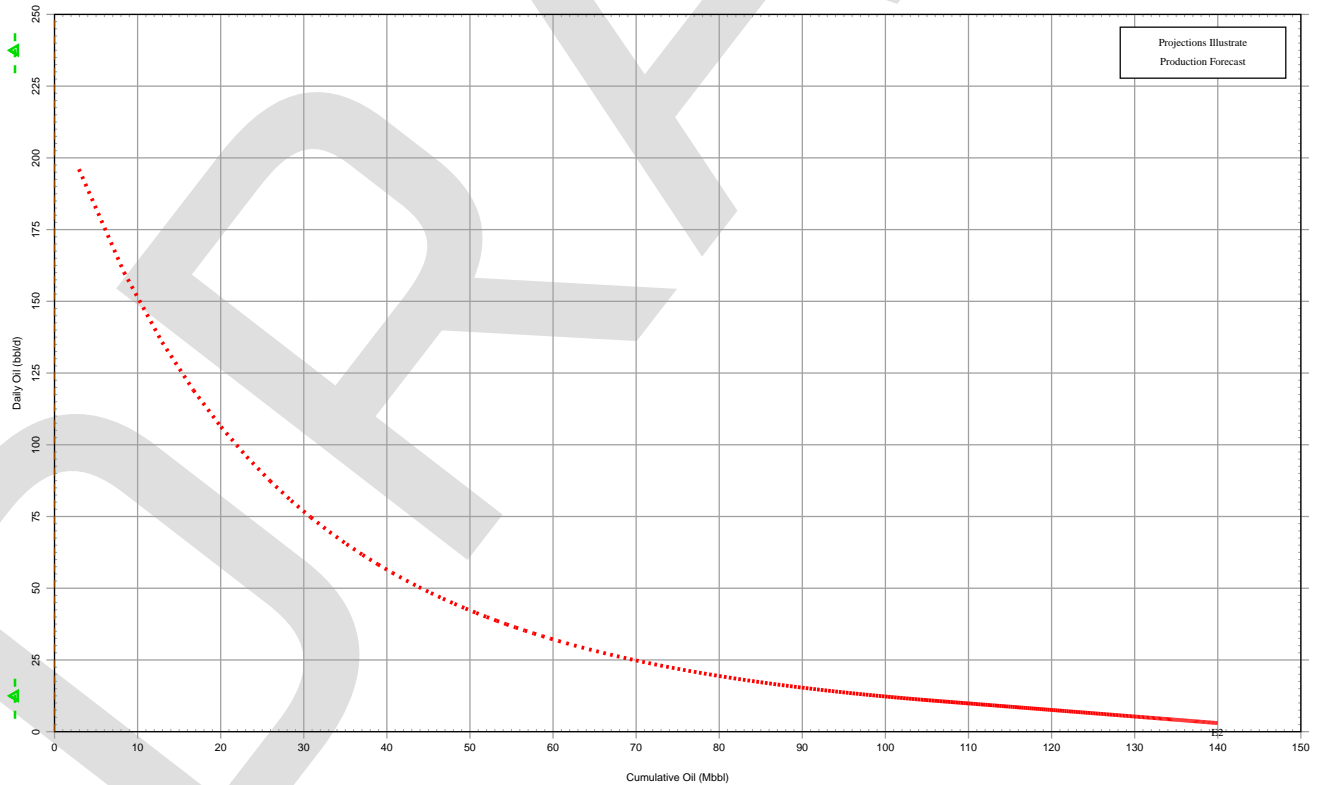
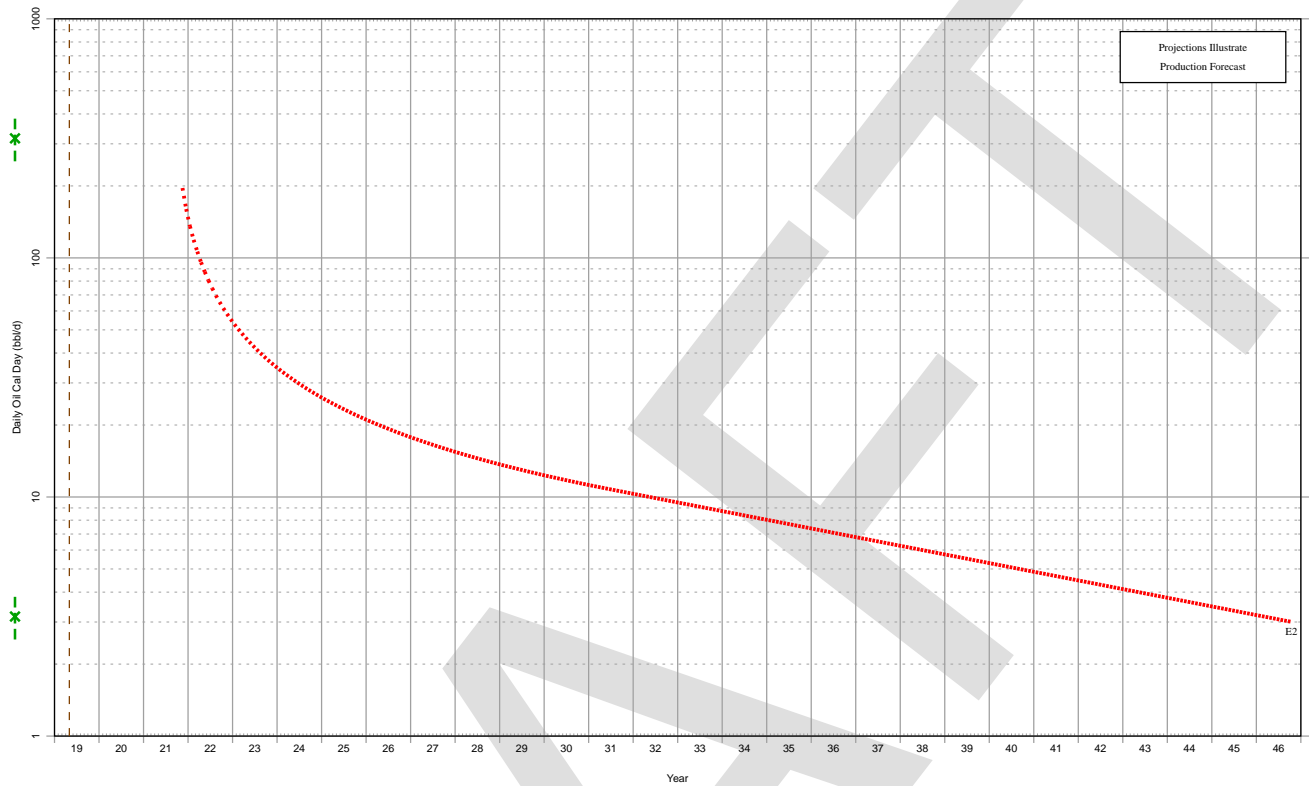
Oil Volumetric Reservoir Parameters

		B2	H2
		Proved Undeveloped	Proved Plus Probable Undeveloped
Area	acre	160	160
Net Pay	ft	96.8	96.8
Porosity	%	13.5	13.5
Water Saturation	%	48.0	48.0
Formation Volume Factor		1.15	1.15
Oil Gravity	oAPI	32	32
Original Oil In-Place	Mbbl	7335	7335
Recovery Factor	%	2.5	3.1
Original Oil Reserves	Mbbl	180.0	230.0
Remaining Oil Reserves	Mbbl	180.0	230.0

X0/X1-02-076-21W5/MTNY
1192144 / Jul 08, 2019

Historical and Forecast Production X0/X1-03-076-21W5/MTNY

Property : Girouxville



Decline Analysis Summary At 2019/05/01

Reserves Classification	Reserves (Mbb)			Rates (bbl/d)		Decline		
	Ultimate	Cum Prd	Remain	Initial	Final	Initial	Expont	Term
Pb UDev - E2	140	0	140	220	3	72.8	1.20	8.0

Average Production Rates (Last 12 months ending 2019/05/01)

Gas	0.0 Mcf/d	0.0 Mcf/cd	WGR	0.0 bbl/MMcf
Oil	0.0 bbl/d	0.0 bbl/cd	GOR	0.0 scf/stb
On Prod	0.0 days		WC	0.0 %

Cumulative Production

Oil	0.0 Mbb	Gas	0.0 MMcf	Water	0.0 Mbb
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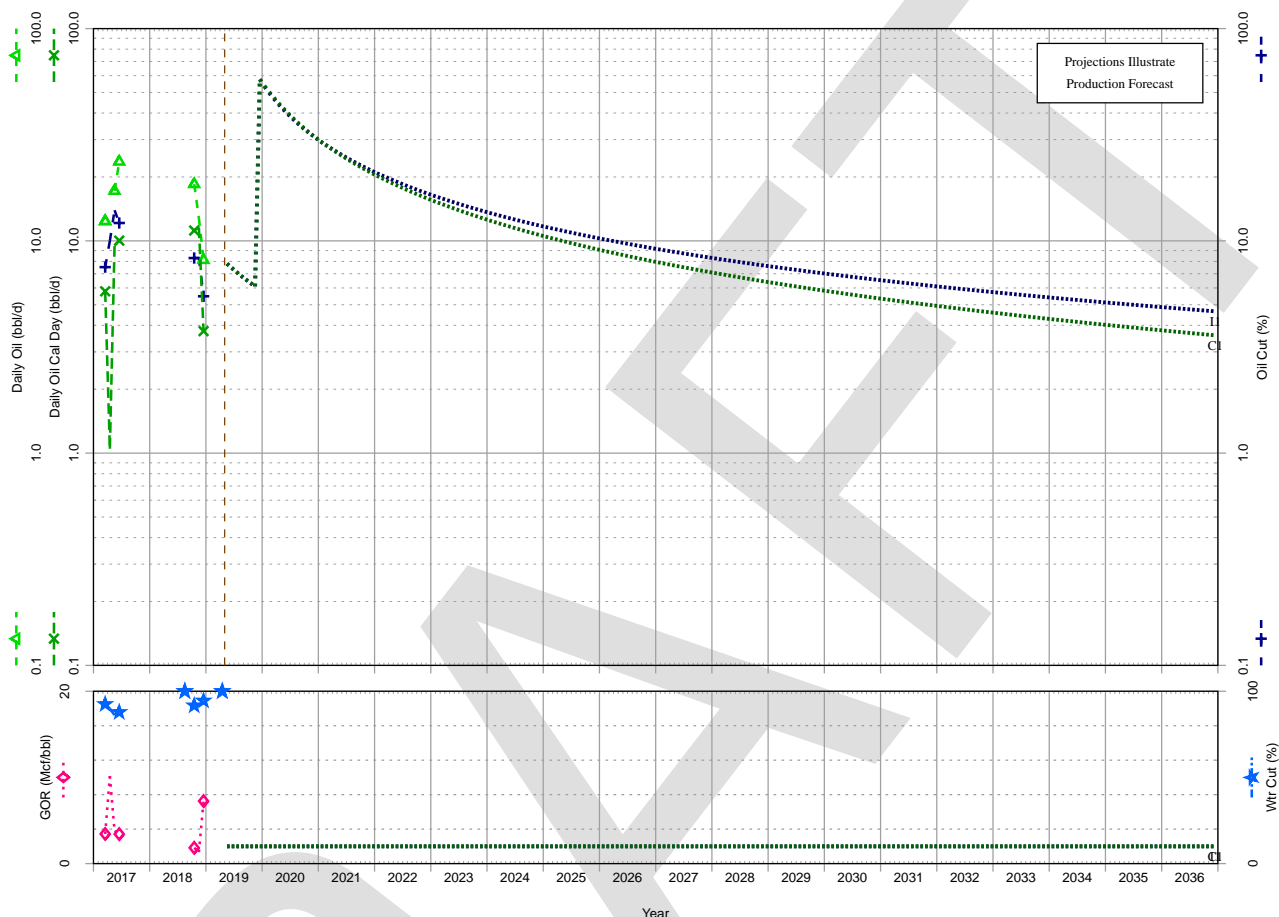
X0/X1-03-076-21W5/MTNY
1192144 / Jul 08, 2019

Historical and Forecast Production

00/08-09-076-21W5/2

Property : Girouxville
Well Name : HIGH NORTH HZ GVILLEE 8-9-76-21

Regulatory Field : Girouxville East
Regulatory Pool : Montney Undefined
Operator : Drakkar Energy Ltd.



Reserves Summary At 2019/05/01

Reserves Classification	Reserves (Mbbl)			Reserves Method(s)
	Ultimate	Cum Prd	Remain	
Total Pv Dev C1	74	2	73	Decline, Volumetrics*
Total P + P Dev I1	93	2	91	Decline, Volumetrics*

Average Production Rates (Last 12 months ending 2019/04/30)

Gas	38.6 Mcf/d	5.8 Mcf/cd	WGR	5792.0 bbl/MMcf
Oil	13.1 bbl/d	2.2 bbl/cd	GOR	2620.7 scf/stb
On Prod	74.0 days		WC	93.8 %

Cumulative Production

Oil	1.6 Mbbl	Gas	5.2 MMcf	Water	18.8 Mbbl
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Entity: 00/08-09-076-21W5/2
Zone: MONTNEY S

Effective date: April 30, 2019

Oil Volumetric Reservoir Parameters

		C1 Total Proved Developed	I1 Total Proved Plus Probable Developed
Area	acre	160	160
Net Pay	ft	98.0	98.0
Porosity	%	13.5	13.5
Water Saturation	%	48.0	48.0
Formation Volume Factor		1.15	1.15
Oil Gravity	oAPI	32	32
Original Oil In-Place	Mbbl	7426	7426
Recovery Factor	%	1.0	1.2
Original Oil Reserves	Mbbl	74.3	92.8
Cumulative Oil Production	Mbbl	1.6	1.6
Remaining Oil Reserves	Mbbl	72.6	91.2

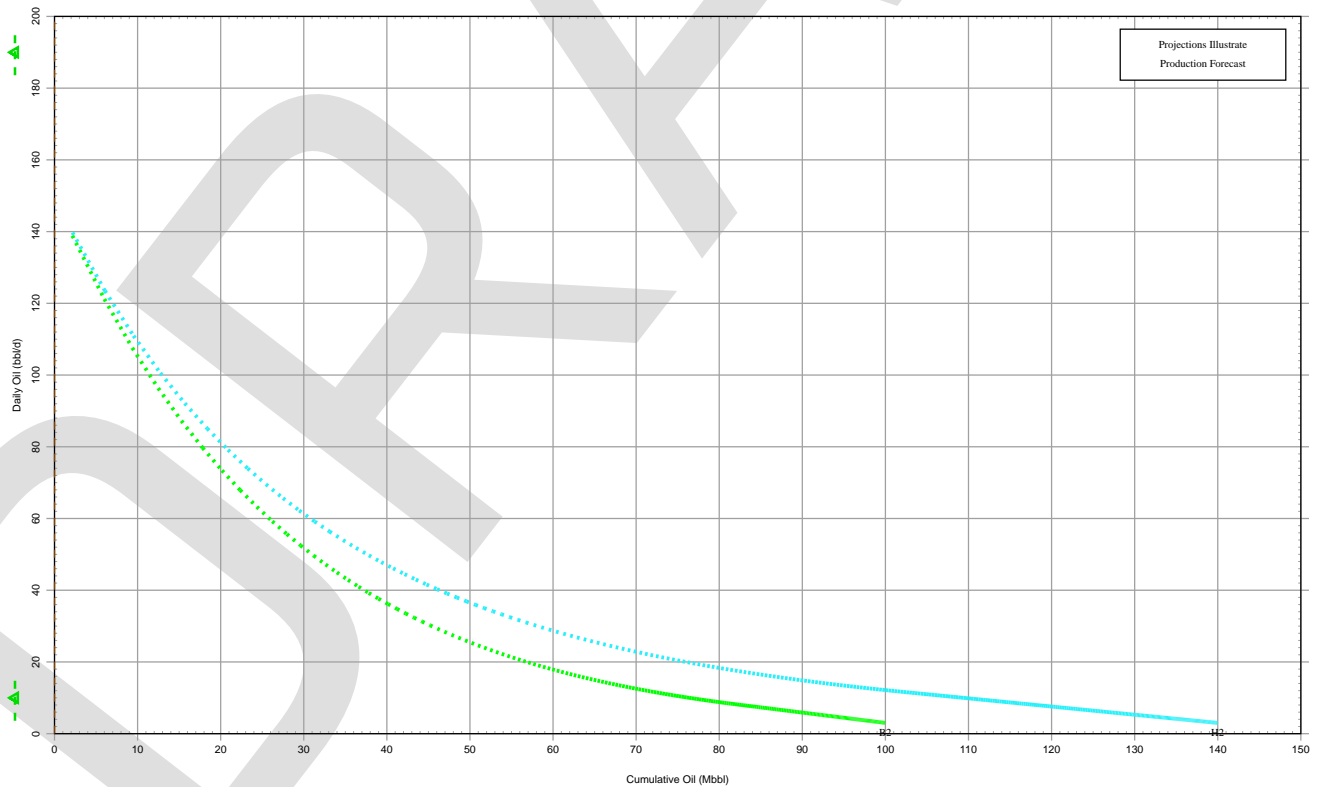
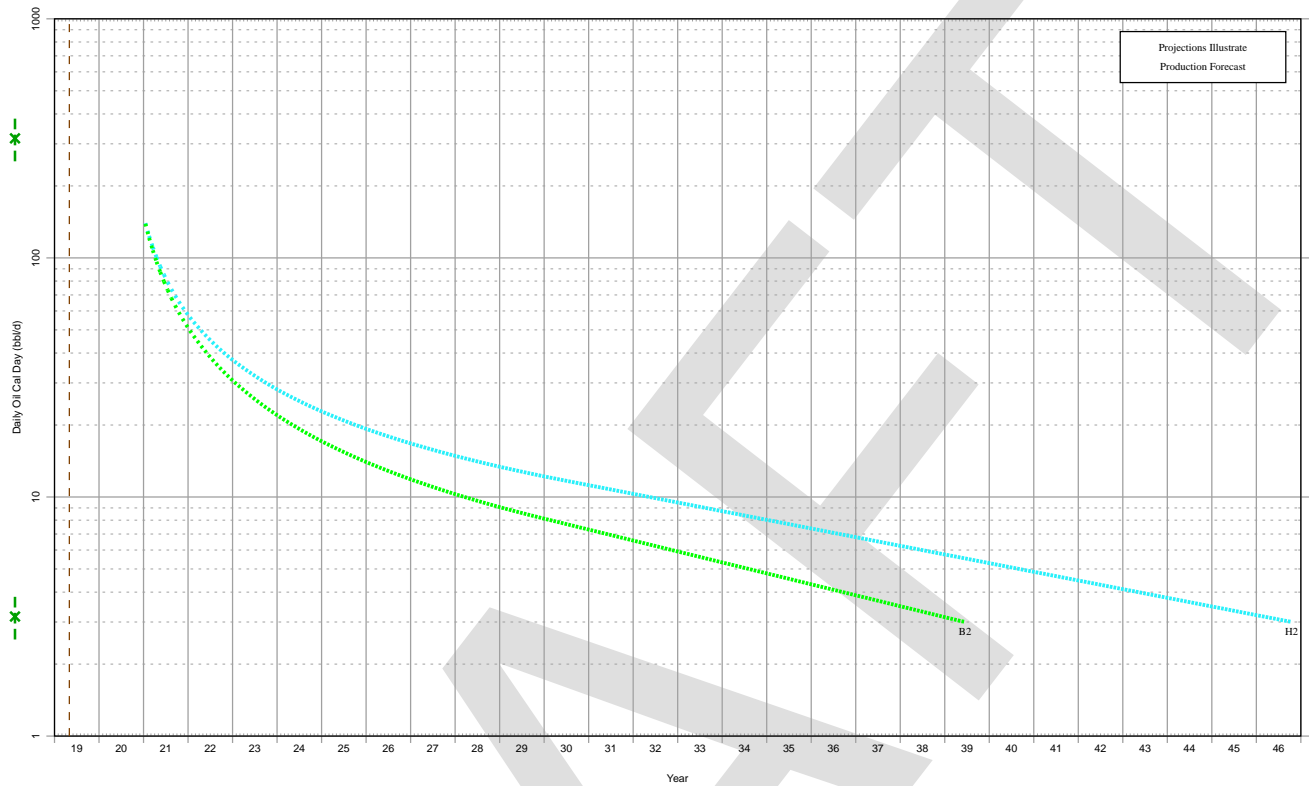
Notes

1. 2019-Jun-07 Currently uneconomic in the producing cases. Well damaged from initial completion. Recompletion scheduled for late 2019.

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Historical and Forecast Production X0/X1-10-076-21W5/MTNY

Property : Girouxville



Decline Analysis Summary At 2019/05/01

Reserves Classification	Reserves (Mbbl)			Rates (bbl/d)		Decline		
	Ultimate	Cum Prd	Remain	Initial	Final	Initial	Expt	Term
Pv UDev — B2	100	0	100	150	3	66.0	1.00	10.0
P + P UDev — H2	140	0	140	150	3	61.5	1.20	8.0

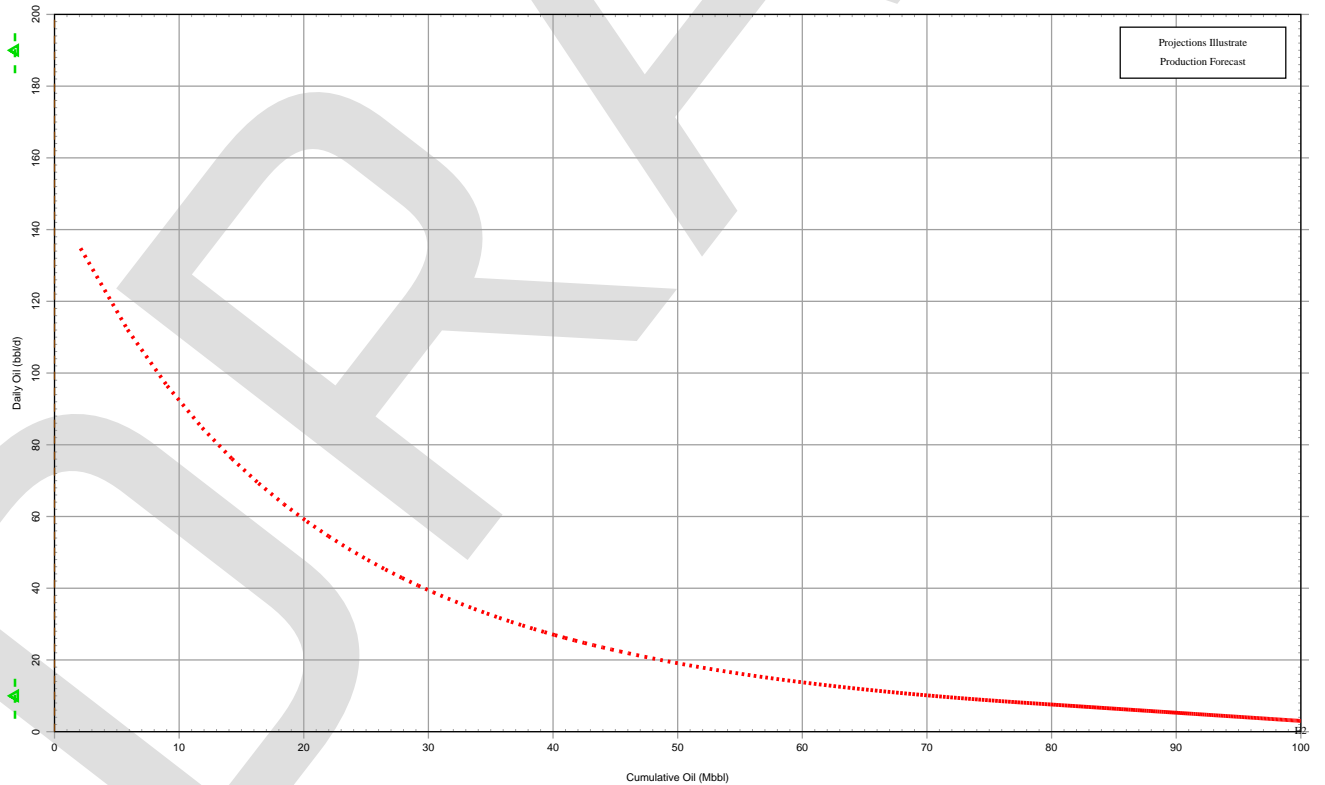
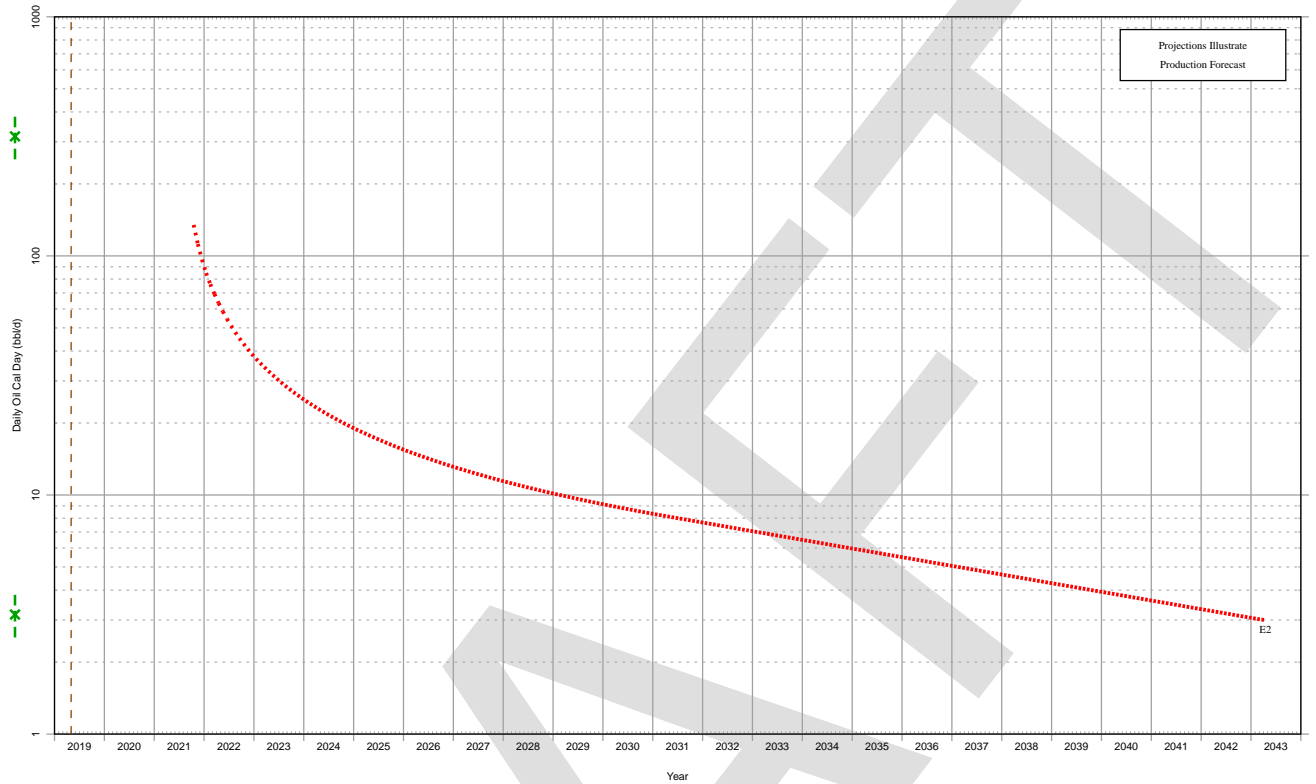
X0/X1-10-076-21W5/MTNY
1192144 / Jul 08, 2019

Average Production Rates (Last 12 months ending 2019/05/01)

Gas	0.0Mcf/d	0.0Mcf/cd	WGR	0.0bbl/MMcf	
Oil	0.0bbl/d	0.0bbl/cd	GOR	0.0scf/stb	
On Prod	0.0days		WC	0.0%	
Cumulative Production					
Oil	0.0Mbbl	Gas	0.0MMcf	Water	0.0Mbbl

Historical and Forecast Production X0/X2-10-076-21W5/MTNY

Property : Girouxville



Decline Analysis Summary At 2019/05/01

Reserves Classification	Reserves (Mbbbl)			Rates (bbl/d)		Decline		
	Ultimate	Cum Prd	Remain	Initial	Final	Initial	Exponent	Term
Pb UDev - E2	100	0	100	150	3	70.6	1.20	8.0

Average Production Rates (Last 12 months ending 2019/05/01)

Gas	0.0 Mcf/d	0.0 Mcf/cd	WGR	0.0 bbl/MMcf
Oil	0.0 bbl/d	0.0 bbl/cd	GOR	0.0 scf/stb
On Prod	0.0 days		WC	0.0 %

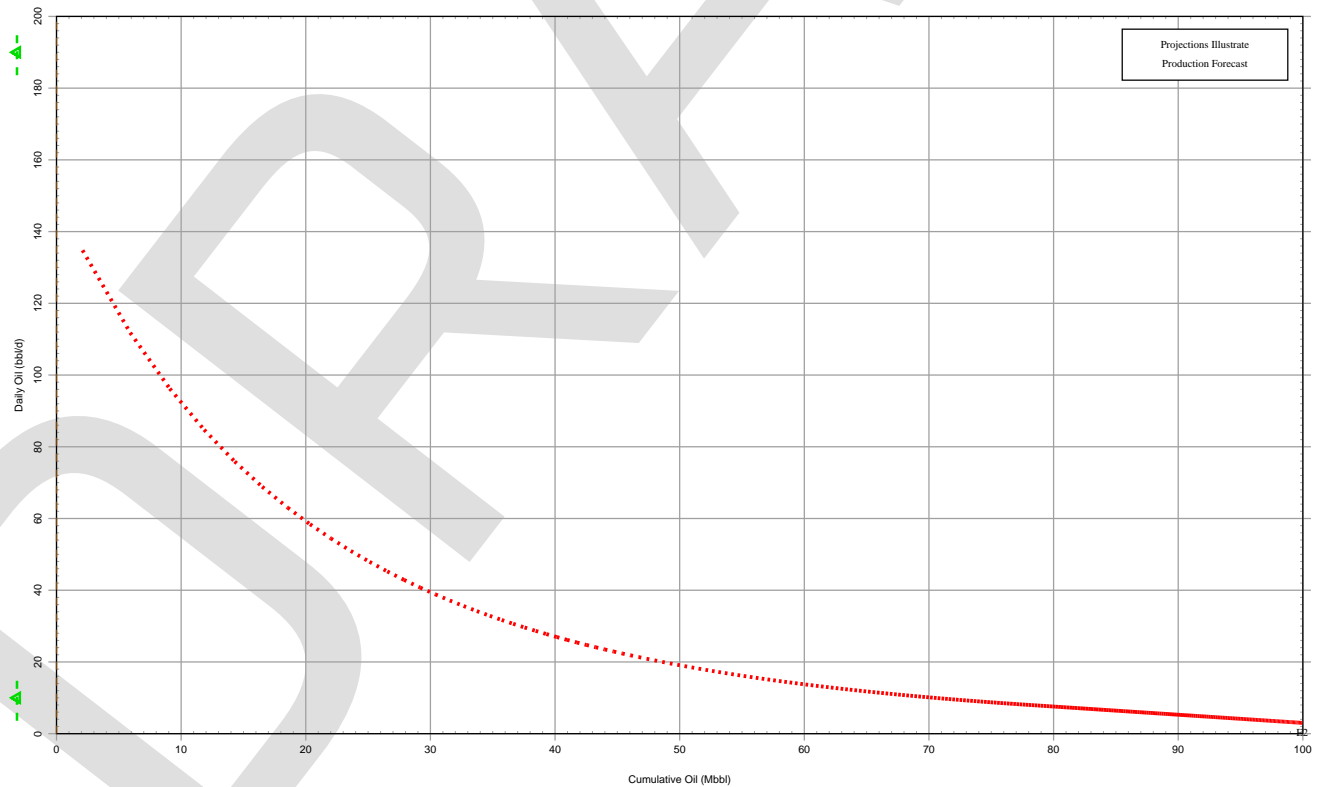
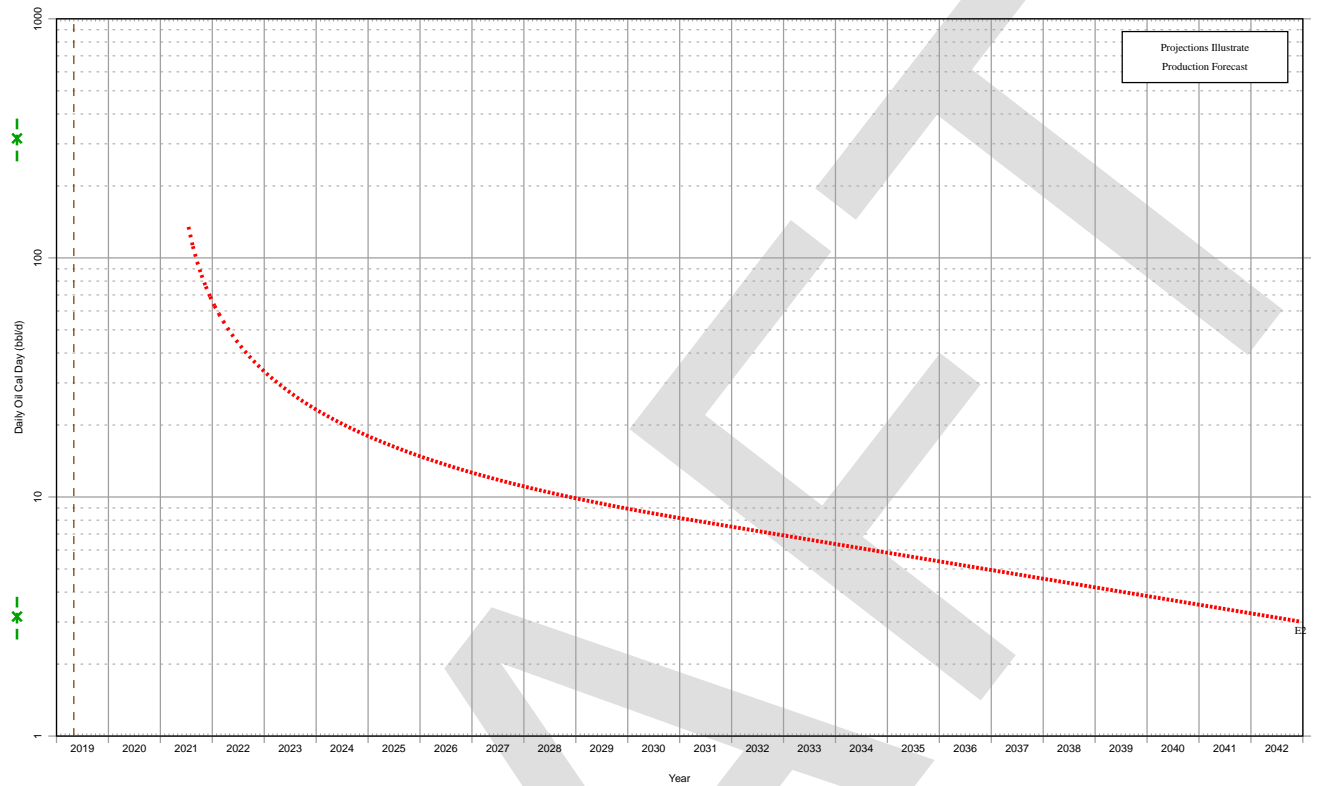
Cumulative Production

Oil	0.0 Mbbbl	Gas	0.0 MMcf	Water	0.0 Mbbbl
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X0/X2-10-076-21W5/MTNY
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Historical and Forecast Production X0/X3-10-076-21W5/MNTY

Property : Girouxville



Decline Analysis Summary At 2019/05/01

Reserves Classification	Reserves (Mbbbl)			Rates (bbl/d)		Decline		
	Ultimate	Cum Prd	Remain	Initial	Final	Initial	Exponent	Term
Pb UDev - E2	100	0	100	150	3	70.6	1.20	8.0

Average Production Rates (Last 12 months ending 2019/05/01)

Gas	0.0 Mcf/d	0.0 Mcf/cd	WGR	0.0 bbl/MMcf
Oil	0.0 bbl/d	0.0 bbl/cd	GOR	0.0 scf/stb
On Prod	0.0 days		WC	0.0 %

Cumulative Production

Oil	0.0 Mbbbl	Gas	0.0 MMcf	Water	0.0 Mbbbl
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X0/X3-10-076-21W5/MNTY
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