



CLEO ENERGY CORP.

INSOLVENCY SALE



OVERVIEW INFORMATION

Bid Deadline: 12:00 pm February 27, 2025

SALE AND SOLICITATION PROCESS

Introduction

1. On December 8, 2024, CLEO Energy Corp. (the “**Company**”) filed a notice of intention to make a proposal (a “**NOI**”) under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”) with the Office of the Superintendent of Bankruptcy (the “**OSB**”). Alvarez & Marsal Canada Inc. was appointed as proposal trustee of the Company (in such capacity, the “**Proposal Trustee**”).
2. The Company and the Proposal Trustee intend to commence this sale and solicitation process (the “**SSP**”) in order to solicit interest in the purchase of or investment in all or part of the business or operations of the Company or its undertaking, property and assets (the “**Property**”), and within a reasonable period following the launch of the SSP seek an Order of the Court of King’s Bench of Alberta (the “**Court**”) approving and ratifying the SSP. The Company has engaged Sayer Energy Advisors (“**Sayer**”) to act as the sale advisor to the Company and Proposal Trustee in the SSP.
3. The SSP as described herein shall, together with any order issued by the Court pertaining to the SSP, exclusively govern the process for soliciting and selecting bids in connection with the SSP.
4. Mr. Chris Lewis, the president and sole director of the Company, has informed the Proposal Trustee that he does not currently intend to directly or indirectly participate in any purchase from or investment in the Company pursuant to the SSP, and has undertaken to notify the Proposal Trustee if that should change at any time during the proceedings under the BIA. In such an event, the Proposal Trustee will conduct the SSP, with the advice of Sayer, but without consulting the Company and the Proposal Trustee will establish the appropriate ethical walls with Mr. Lewis and the Company to protect confidential information with respect to any offers received in the SSP.
5. The offer submission and evaluation stage of the SSP will, as more fully described herein, be comprised of a two-phase process:
 - (a) Phase 1 – the submission and evaluation of non-binding letters of intent (a “**Non-Binding LOI**”) from Qualified Bidders; and
 - (b) Phase 2 – the submission and evaluation of binding offers from bidders that have submitted a Non-Binding LOI and that have been invited to submit a Bid.
6. All dollar amounts expressed herein, unless otherwise noted, are in Canadian currency.
7. Unless otherwise indicated herein, any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.

Defined Terms

8. All capitalized terms used herein and not otherwise defined shall have the meaning given to them in **Schedule “A”** hereto.

Sale and Solicitation Process

9. The SSP describes, among other things:
- (a) the manner in which prospective bidders may gain access to due diligence materials concerning the business, operations, or Property of the Company;
 - (b) the guidelines for the ultimate selection of the Successful Bid and Back-Up Bid, as applicable; and,
 - (c) the process for obtaining such approvals (including the approval of the Court) as may be necessary or appropriate in respect of the Successful Bid and the Back-up Bid, as applicable.

Conduct of SSP

10. The Company shall conduct the SSP in consultation with and with the assistance of the Proposal Trustee and Sayer. In the event there is a disagreement regarding or clarification required as to the interpretation or application of the SSP or the responsibilities of any Person hereunder, upon application of the Company, the Proposal Trustee or any other interested Person, the Court will have jurisdiction to hear such matters and provide advice and directions.
11. Notwithstanding that the SSP contemplates that a transaction will be concluded by way of an asset purchase, participants may propose alternative transaction or investment structures in connection with the SSP, including but not limited to transactions to refinance, reorganize, or recapitalize the Company or a reverse vesting order transaction.
12. Participants in the SSP shall be responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any Bid, including in respect of all due diligence activities or other actions undertaken by such participant, whether or not they lead to the consummation of a transaction.
13. The SSP does not and will not be interpreted to create any contractual or other legal relationship between the Company, the Proposal Trustee or any Potential Bidder, Bidder, Qualified Bidder, Successful Bidder, Back-up Bidder or any other Person, other than as specifically set forth in a definitive agreement that may be entered into with the Company.

“As Is, Where Is”

14. Any transaction involving the Company and the Property will be on an “as is, where is” basis without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Company, the Proposal Trustee, Sayer or any of their respective agents, estates, advisors, professionals or otherwise, other than as specifically set forth in a definitive agreement that may be entered into with the Company.

Free of Any and All Claims and Interests

15. All of the right, title and interest of the Company in and to any Property sold or transferred in connection with the SSP will, at the time of such sale or transfer, be sold or transferred free and clear of all pledges, liens, security interests, encumbrances, claims, charges,

options and interests pursuant to an approval and vesting order made by the Court under Section 65.13(7) of the BIA.

Timeline

16. The following table sets out key milestones and anticipated deadlines for the SSP:

MILESTONE	DATE
Commencement Date	Estimated to be no later than January 22, 2025
SSP Approval Application	As soon as reasonably possible
Non-Binding LOI Submission Date	February 27, 2025, or such later date as determined by the Proposal Trustee in consultation with the Company and Sayer
Binding Bid Submission Date	March 13, 2025, or such later date as determined by the Proposal Trustee in consultation with the Company and Sayer
Bid Approval Application	Week of March 24, 2025, or as soon thereafter as Court time can be confirmed, or such later date as determined by the Proposal Trustee in consultation with the Company and Sayer
Target Closing Date	March 31, 2025, or 3 days after Court approval is obtained
Outside Date	April 25, 2025

Solicitation of Interest

17. The SSP will be commenced by the Company and Sayer, in consultation with the Proposal Trustee, compiling a list of potential bidders (the “**Known Potential Bidders**”). Such list can include both strategic and financial parties who, in the reasonable business judgment of the Company, Sayer and the Proposal Trustee, may be interested in and have the financial capacity to make a Qualified Bid.
18. For the purposes of the SSP, the following Persons shall be considered potential bidders (each, a “**Potential Bidder**”): (i) the Known Potential Bidders, and (ii) any other Person that executes and delivers the documents listed in paragraph 23 and is permitted by the Company or the Proposal Trustee, in consultation with Sayer, to participate in the SSP.
19. The Company, with the assistance of Sayer and the Proposal Trustee, shall:
- (a) prepare a teaser letter describing the SSP and inviting interested participants to express their interest in the SSP (the “**Teaser**”);
 - (b) prepare a non-disclosure agreement (“**NDA**”), a template Non-Binding LOI and a Template APA; and
 - (c) gather all required due diligence materials, including information relating to the business, operations, or Property of the Company, and establish a virtual data room (the “**VDR**”) containing same.

Further, (i) Sayer and the Company shall contact Known Potential Bidders to determine their interest in the SSP by forwarding them a Teaser and, if interested, providing such party with a copy of the SSP and the NDA; and (ii) Sayer shall publish a notice regarding

the SSP in the *Daily Oil Bulletin*, *Insolvency Insider* and any other publications or newswires as determined by the Proposal Trustee.

20. The Company, Sayer and the Proposal Trustee will grant access to the VDR to any Potential Bidder that executes and delivers the NDA to the Company and Sayer. Access to the VDR will be granted as soon as reasonably practicable following the delivery of the NDA.
21. Neither the Company, the Proposal Trustee, Sayer, nor any of their respective advisors make any representation or warranty as to the information contained in the VDR, or other information to be provided through the due diligence process or otherwise, except to the extent contemplated under any definitive document negotiated with a Successful Bidder or Back-Up Bidder which is executed and delivered by the Company and approved by the Court.

Phase 1

22. A Potential Bidder who wishes to participate in this SSP must deliver a Non-Binding LOI to the Proposal Trustee, with a copy to the Company and Sayer, at the e-mail addresses specified in **Schedule "B"** hereto, by the Non-Binding LOI Submission Date.
23. A Non-Binding LOI will be considered a qualified LOI (a "**Qualified LOI**") only if the Non-Binding LOI:
 - (a) is submitted to the Proposal Trustee on or before the Non-Binding LOI Submission Date;
 - (b) specifies:
 - (i) the total proposed consideration payable in the transaction;
 - (ii) the identity, the type, and the jurisdiction of organization of the Potential Bidder;
 - (iii) the contact information for such Potential Bidder;
 - (iv) full disclosure of the direct and indirect owners and principals of the Potential Bidder;
 - (v) confirmation that the Potential Bidder has a subsisting business associate code issued through Petrinex and has general eligibility to acquire and hold licenses or approvals for wells, facilities and pipelines through the Alberta Energy Regulator; and
 - (vi) such financial disclosure and credit quality support or enhancement that allows the Proposal Trustee to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a transaction; and
 - (c) includes an executed letter acknowledging receipt of the SSP and agreeing to accept and be bound by the provisions contained therein.

24. The Proposal Trustee, in consultation with the Company and Sayer, will assess all Non-Binding LOI's submitted on or before the Non-Binding LOI Submission Date. If it is determined by the Proposal Trustee that:
- (a) a Potential Bidder: (i) has complied with each of the requirements described in paragraph 23, (ii) has a *bona fide* interest in concluding a transaction, and (iii) has the financial wherewithal to conclude a transaction, then such Potential Bidder may be deemed a "**Qualified Bidder**" and advanced to Phase 2; or
 - (b) no Qualified LOI's have been submitted or, alternatively, that no Qualified LOI is likely to result in a Successful Bid (as defined below), the Proposal Trustee, in consultation with the Company and Sayer, may immediately terminate the SSP.
25. The Proposal Trustee shall notify all Potential Bidders that deliver a Non-Binding LOI to the Proposal Trustee whether or not they have been designated as a Qualified Bidder.

Phase 2

26. Qualified Bidders shall be entitled to conduct further due diligence prior to submitting a binding bid (a "**Bid**"). Such further due diligence shall, at the discretion of the Proposal Trustee, include on-site inspections or meetings with the senior management of the Company.
27. A Qualified Bidder that wishes to make a Bid must deliver their Bid to the Proposal Trustee, with a copy to Sayer and the Company (provided that the Company or Mr. Lewis is not considered a Qualified Bidder), at the e-mail addresses specified in **Schedule "B"** hereto, by no later than the Binding Bid Submission Date.
28. Bids submitted to the Proposal Trustee for consideration must comply with all of the following requirements, and any such complying Bid shall be a "**Qualified Bid**":
- (a) Template: Each Bid must be submitted in the form of a template agreement of purchase and sale (the "**Template APA**"), a copy of which shall be provided in the VDR;
 - (b) Purchase Price: Each Bid must clearly set forth the purchase price in Canadian dollars, stated on a total enterprise value basis (including the cash and non-cash components thereof);
 - (c) Binding Bid Submission Date: Each Bid must be received on or before 12:00 pm (Calgary time) on the Binding Bid Submission Date;
 - (d) Irrevocable Offer: Each Bid must include a letter stating that the Bid is irrevocable until approval of the Successful Bid or Back-up Bid by the Court, as applicable, provided that if such Bidder is selected as the Successful Bidder or Back-up Bidder, the Bid shall remain irrevocable until the closing of a transaction;
 - (e) Executed Documents: Each Bid must be accompanied by a duly authorized and executed form of transaction document, an electronic Word copy of such agreement, a marked-up version showing all edits to the transaction document as compared to the Template APA, as well as duly authorized and executed

documents necessary to effectuate the transactions contemplated thereby, which specifies, at a minimum:

- (i) Identity: Each Bid must fully disclose the identity of each entity that will be sponsoring or participating in the Bid and the complete terms of such participation;
- (ii) Contact Information: Each Bid must contain contact information for any business, financial or legal advisors retained or to be retained in connection with the proposed transaction;
- (iii) Deposit: Each Bid must be accompanied by a deposit (the “**Deposit**”) in the form of a wire transfer to a non-interest bearing account specified by the Proposal Trustee, payable to the order of the Proposal Trustee, on behalf of the Company, in trust, in an amount equal to fifteen (15%) percent of the cash consideration contemplated by the Bid or as otherwise contemplated in any fully executed transaction document, to be held and dealt with in accordance with the terms of the SSP;
- (iv) Financial Wherewithal: Each Bid must include:
 - A. written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow the Proposal Trustee to make a reasonable determination as to the Qualified Bidder’s financial and other capabilities to consummate the transaction, fund the business, and implement post-Closing measures and transactions; and
 - B. the identification of any Person or entity who may provide debt or equity financing for the Bid and any material conditions to be satisfied in connection with such financing;
- (v) Authorization: Each Bid must include evidence, in form and substance reasonably satisfactory to the Proposal Trustee, of authorization and approval from the Qualified Bidder’s board of directors (or comparable governing body) with respect to the submission, execution, delivery and Closing of the transaction contemplated by the Bid;
- (vi) No Other Authorization, Diligence, Financing Conditions: A Bid may not be conditional upon the following:
 - A. any internal approval(s);
 - B. the outcome of unperformed due diligence by the Qualified Bidder; or
 - C. obtaining financing;
- (vii) Regulatory Approvals: Each Bid must be in compliance with Alberta Energy Regulator requirements and outline any anticipated regulatory

and other approvals required to close the transaction, and the anticipated time frame and any anticipated impediments for obtaining such approvals and confirms that the Qualified Bidder will make and submit all necessary and applicable regulatory filings and pay all fees associated therewith;

- (viii) Disclaimer of Fees: Each Bid must disclaim any right to receive a fee analogous to a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation;
- (ix) Timeline: Each Bid must provide a timeline to Closing with critical milestones and shall confirm that the Qualified Bidder will use commercially reasonable efforts to Close by the Target Closing Date;
- (x) Confirmation of no collusion: Each Bid should include confirmation by the Qualified Bidder that it has not engaged in any discussions or any other collusive behaviour with any other Qualified Bidder regarding the SSP or any Bids submitted or contemplated to be submitted in the SSP; and
- (xi) Other Information: Each Bid must contain such other information as may be reasonably required to evaluate the Bid or as may be requested by the Proposal Trustee from time to time.

29. Notwithstanding anything herein to the contrary, the Proposal Trustee, the Company and Sayer will review each Bid to assess whether they are Qualified Bids, with the final decision resting with the Proposal Trustee, following consultation with the Company and Sayer. In performing such review and assessment, the Bids will be evaluated based on the following non-exhaustive list of considerations:

- (a) the purchase price and net value (including assumed liabilities and other obligations to be assumed or otherwise performed by the Qualified Bidder);
- (b) the firm, irrevocable commitment for financing of the transaction;
- (c) the claims likely to be created by such Bid in relation to other Bids;
- (d) the counterparties to the transaction;
- (e) the terms of transaction documents;
- (f) the Closing conditions and other factors affecting the speed, certainty and value of the transaction (including any regulatory approvals required to close the transaction);
- (g) planned treatment of stakeholders;
- (h) the assets or liabilities included or excluded from the Bid, including whether the Property subject to such Bid is on a "white map" basis and includes all Property within one or more bid areas delineated by Sayer;
- (i) compliance with Alberta Energy Regulator requirements;

- (j) any restructuring costs that would arise from the Bid;
 - (k) the likelihood and timing of consummating the transaction,
 - (l) the financing or cash *pro forma* available post-Closing to fund the Company's business; and
 - (m) the capital sufficient to implement post-Closing measures and transactions.
30. The Proposal Trustee, in consultation with the Company and Sayer, may reject any Bid that is (a) inadequate or insufficient; (b) not in conformity with the requirements pursuant to the SSP; (c) contrary to the best interest of the Company; or (d) not a Qualified Bid; provided that the Proposal Trustee may waive strict compliance with any one or more of the requirements specified in the SSP and deem a non-compliant Bid to be a Qualified Bid.

Selection of Successful Bid

31. The Proposal Trustee, in consultation with the Company and Sayer, may clarify or negotiate amended terms with respect to any Qualified Bid, and such Qualified Bid may be amended, modified, or varied as a result of such clarification or negotiation. For greater certainty, the Proposal Trustee, in consultation with the Company and Sayer, shall be entitled to request that any Qualified Bidder submit a revised bid.
32. In the event that no Qualified Bid is: (a) acceptable to the Proposal Trustee, acting reasonably, or (b) likely to result in a Successful Bid (as defined below), the Proposal Trustee, in consultation with the Company and Sayer, may immediately terminate the SSP.
33. The Proposal Trustee, in consultation with the Company and Sayer, may, but is not obligated to, select the highest or best Qualified Bid received during the SSP (the "**Successful Bid**" and the party submitting such Successful Bid, the "**Successful Bidder**") and has the discretion to identify and record the next highest or best Qualified Bid (the "**Back-Up Bid**" and the party submitting such Back-Up Bid, the "**Back-Up Bidder**"). For greater certainty, the Proposal Trustee shall have no obligation to select a Successful Bid or Back-Up Bid and expressly reserves the right to reject any or all Qualified Bids.
34. If a Successful Bid, and Back-Up Bid, as applicable, is selected, the Proposal Trustee shall advise: (a) the Successful Bidder and the Back-Up Bidder of such determination, and (b) all other Qualified Bidders that they are not a Successful Bidder or Back-Up Bidder.

Bid Approval Application

35. The Company shall take all necessary steps to implement the transaction contemplated by the Successful Bid and either the Company or the Proposal Trustee shall apply to the Court (the "**Bid Approval Application**") for an Order approving the Successful Bid and authorizing the Company to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other actions as may be necessary or appropriate to implement and give effect to the Successful Bid.

36. The hearing of the Bid Approval Application will be held as soon as practical after the selection of the Successful Bid. The Bid Approval Application may be adjourned or rescheduled by the Company or the Proposal Trustee, as applicable.
37. All Qualified Bids (other than the Successful Bid and the Back-Up Bid) will be deemed rejected on the date the Successful Bid is approved by the Court.

Closing the Successful Bid

38. The Company and the Successful Bidder shall take all reasonable steps to complete the transaction contemplated by the Successful Bid by the Target Closing Date, and in any event no later than the Outside Date, unless otherwise agreed by the parties.
39. If the transaction contemplated by the Successful Bid does not close for any reason, the Proposal Trustee, in consultation with the Company and Sayer, may elect to seek to complete the transaction contemplated by the Back-Up Bid and will promptly seek to Close the transaction contemplated by the Back-Up Bid. The Back-Up Bid will be deemed to be the Successful Bid and the Company will be deemed to have accepted the Back-Up Bid only when the Proposal Trustee has made such election and provided written notice of such determination to the Successful Bidder and the Back-Up Bidder.

Deposits

40. All Deposits shall be retained by the Proposal Trustee in a trust account with a chartered bank in Canada. The Deposit (without interest thereon) paid by the Successful Bidder and Back-Up Bidder, as applicable, whose Qualified Bid(s) is/are approved at the Bid Approval Application will be applied to the purchase price to be paid by the Successful Bidder and/or Back-Up Bidder, as applicable, upon Closing of the approved transaction, and will be non-refundable other than as set out in the Successful Bid or the Back-Up Bid, as applicable.
41. The Deposits of Qualified Bidders not selected as the Successful Bidder or Back-Up Bidder will be returned to such Qualified Bidders within five (5) Business Days of the date the Successful Bid or the Back-Up Bid is approved by the Court. The Deposit of the Back-Up Bidder, if any, shall be returned to such Back-Up Bidder no later than five (5) Business Days after Closing of a transaction with the Successful Bidder.
42. If the Successful Bidder or Back-up Bidder, as applicable, breaches its obligations under the terms of the SSP, its Deposit shall be considered non-refundable and forfeited as liquidated damages and not as a penalty.
43. If the Company is unable to complete the Successful Bid as a result of its own actions and not as a result of steps or conditions contained in the Successful Bid (or the actions of the Successful Bidder), then the Deposit shall be returned to the Successful Bidder.

Notice

44. The addresses used for delivering documents as prescribed by the terms and conditions of the SSP are set out in **Schedule "B"** hereto. All documents required to be delivered to the Company and Sayer or the Proposal Trustee pursuant to the SSP shall be delivered to the Company and Sayer and the Proposal Trustee by e-mail, personal delivery, or by

courier. Persons requesting information about the SSP should contact the Proposal Trustee at the contact information contained in **Schedule "B"**.

Amendment

45. The Proposal Trustee, in consultation with the Company and Sayer, shall have the right to modify the SSP, including any deadlines set out herein, if, in its reasonable business judgment such modification will enhance the process or better achieve the objectives of the SSP.

Credit Bid

46. Any secured creditor of the Company, including an interim financing lender, shall be entitled to participate in this SSP as a credit bidder (the "**Credit Bidder**"). Any credit bid submitted by a Credit Bidder shall be based on the form of the Template APA, with such changes as are appropriate for credit bids (the "**Credit Bid**").
47. For the purposes of any Credit Bid submitted by a Credit Bidder, such Credit Bidder shall be entitled to credit all or any portion of its secured indebtedness but must either:
- (a) irrevocably pay, in cash and in full, all of the obligations in priority (the "**Priority Obligations**") to the Credit Bidder's secured indebtedness, including for reference any amounts that are priority charges (the "**Priority Charges**") created in the Proposal Proceedings (namely, the Administration Charge, the D&O Charge or any DIP Charge (as defined in the Court's January 6, 2025 Order or any subsequent Order)); or
 - (b) assume or otherwise satisfy any of the Priority Obligations on terms and conditions acceptable to the beneficiary of the security for such Priority Obligations (except for the Administration Charge, the D&O Charge or the DIP Charge (if applicable), which must be paid in cash and in full if there are amounts owing on them at the conclusion of the Proposal Proceedings).
48. Any Credit Bid shall be accompanied by a Deposit sent by wire transfer to the Proposal Trustee. Any such Deposit is to be held by the Proposal Trustee and dealt with in accordance with the SSP.

Further Orders

49. The Proposal Trustee may at any time apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder, including to terminate the SSP if deemed to be necessary by the Proposal Trustee, acting reasonably.

Schedule "A"

Defined Terms

"**Back-Up Bid**" has the meaning given to it in paragraph 33.

"**Back-Up Bidder**" has the meaning given to it in paragraph 33.

"**BIA**" has the meaning given to it in paragraph 1.

"**Bid**" has the meaning given to it in paragraph 26.

"**Bid Approval Application**" has the meaning given to it in paragraph 35.

"**Binding Bid Submission Date**" has the meaning given to it in paragraph 16.

"**Business Day**" means a day (other than Saturday or Sunday) on which banks are generally open for business in Calgary, Alberta.

"**Closing**" means the completion of the transaction contemplated by the Successful Bid.

"**Company**" has the meaning given to it in paragraph 1.

"**Court**" has the meaning given to it in paragraph 2.

"**Credit Bid**" has the meaning given to it in paragraph 46.

"**Credit Bidder**" has the meaning given to it in paragraph 46.

"**Deposit**" has the meaning given to it in paragraph 28(e)(iii).

"**Known Potential Bidders**" has the meaning given to it in paragraph 17.

"**NDA**" has the meaning given to it in paragraph 19(b).

"**NOI**" has the meaning given to it in paragraph 1.

"**Non-Binding LOI**" has the meaning given to it in paragraph 5(a).

"**Non-Binding LOI Submission Date**" has the meaning given to it in paragraph 16.

"**OSB**" has the meaning given to it in paragraph 1.

"**Outside Date**" has the meaning given to it in paragraph 16.

"**Person**" will be broadly interpreted and includes, without limitation: (i) a natural person, whether acting in his or her own capacity, or in his or her capacity as executor, administrator, estate trustee, trustee or personal or legal representative, and the heirs, executors, administrators, estate trustees, trustees or other personal or legal representatives of a natural person; (ii) a corporation or a Company of any kind, a partnership of any kind, a sole proprietorship, a trust, a joint venture, an association, an unincorporated association, an unincorporated syndicate, an

unincorporated organization or any other association, organization or entity of any kind; and (iii) a governmental authority.

“Potential Bidder” has the meaning given to it in paragraph 18.

“Priority Charges” has the meaning given to it in paragraph 47(a).

“Priority Obligations” has the meaning given to it in paragraph 47(a).

“Property” means all of the Company’s current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof.

“Proposal Proceedings” means collectively the proceedings commenced by the Company upon the filing of a notice of intention to make a proposal on December 8, 2024, as applicable, in Court and Estate No.: B301-163430.

“Proposal Trustee” has the meaning given to it in paragraph 1.

“Qualified Bid” has the meaning given to it in paragraph 28.

“Qualified Bidder” has the meaning given to it in paragraph 24(a).

“Qualified LOI” has the meaning given to it in paragraph 23.

“Sayer” has the meaning given to it in paragraph 2.

“SSP” has the meaning given to it in paragraph 2.

“Successful Bid” has the meaning given to it in paragraph 33.

“Successful Bidder” has the meaning given to it in paragraph 33.

“Target Closing Date” has the meaning given to it in paragraph 16.

“Teaser” has the meaning given to it in paragraph 19(a).

“Template APA” has the meaning given to it in paragraph 28(a).

“VDR” has the meaning given to it in paragraph 19(c).

Schedule "B"

Notice

(a) If to the Company:

CLEO Energy Corp.
117 8 Ave SW #200
Calgary, AB T2P 1B4
Attention: Chris Lewis
E-mail: clewis@cleoenergy.com

with a copy to:

Gowling WLG
Suite 1600, 421 7 Ave SW
Calgary, AB T2P 4K9
Attention: Sam Gabor / Tom Cumming
E-mail: sam.gabor@gowlingwlq.com / tom.cumming@gowlingwlq.com

(b) If to the Proposal Trustee

Alvarez & Marsal Canada Inc.
Bow Valley Square IV
Suite 1110, 250 – 6th Avenue SW
Calgary, AB T2P EH7
Attention: Orest Konowalchuk / David Williams
E-mail: okonowalchuk@alvarezandmarsal.com /
david.williams@alvarezandmarsal.com

with a copy to:

Miller Thomson LLP
525-8th Avenue SW, 43RD Floor
Eighth Avenue Place East
Calgary, AB T2P 1G1
Attention: James Reid
Email: jwreid@millerthomson.com

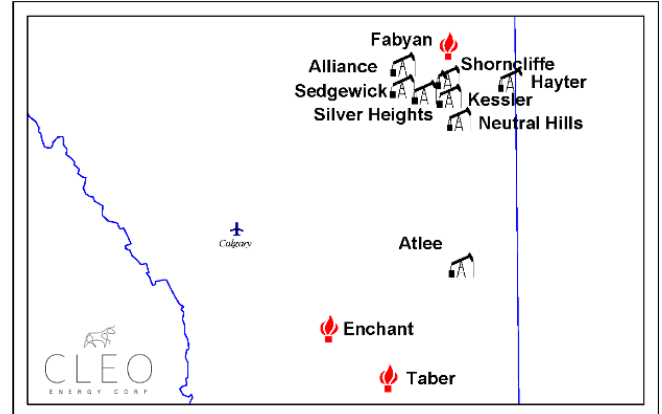
(c) If to Sayer

Sayer Energy Advisors
1620, 540 5th Avenue SW
Calgary, AB T2P 0M2
Attention: Tom Pavic, CFA, President
Email: TPavic@sayeradvisors.com

**Sale and Solicitation Process:
Various Areas, Central Alberta
395 bbl/d, 390 Mcf/d (460 boe/d)**



CLEO Energy Corp. (“CLEO” or the “Company”) has filed a Notice of Intention to Make a Proposal (the “NOI”) pursuant to section 50.4 (1) of the *Bankruptcy and Insolvency Act* (the “BIA”) and **Alvarez & Marsal Canada Inc.** (“A&M”) is acting as Proposal Trustee of CLEO for the NOI process. A sale and solicitation process (the “SSP”) is to be undertaken by the Company in its NOI proceedings. CLEO has engaged **Sayer Energy Advisors** to assist the Company with the SSP in order to solicit interest in the purchase of or investment in all or part of the business or operations of the Company or its undertaking, property and assets. Potential outcomes include but are not limited to a sale of the shares of the Company, the sale, in whole or in part, of all of the oil and natural gas assets held by CLEO, or a joint venture.



A copy of the SSP is found on Sayer’s website at www.sayeradvisors.com.

CLEO’s oil and natural gas interests are located in the *Alliance, Atlee, Enchant/Taber, Fabyan, Hayter, Kessler, Neutral Hills, Sedgewick, Shorncliffe* and *Silver Heights* areas of Alberta (the “Properties”).

Average daily sales production net to CLEO from the Properties for the first half of 2024 was approximately 990 boe/d, consisting of approximately 527 bbl/d of oil and natural gas liquids and approximately 2.8 MMcf/d of natural gas. Current production from the Properties is approximately 460 boe/d, consisting of 395 bbl/d of oil and natural gas liquids and 390 Mcf/d of natural gas. The Company is currently reactivating several wells which it believes will add approximately 330 bbl/d of oil.

PROCESS & TIMELINE

Sayer Energy Advisors is accepting offers, as outlined in the SSP, relating to the process until **12:00 pm on Thursday, February 27, 2025**.

Timeline		
Week of January 20, 2025		Preliminary Information Distributed
Week of January 27, 2025		Data Room Opens
February 27, 2025	12:00 noon	Non-Binding LOI Deadline
March 13, 2025	12:00 noon	Binding Bid Deadline
March 1, 2025		Effective Date
March 2025		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, as outlined in the SSP, from interested parties until noon on Thursday, February 27, 2025.



Corporate Overview

CLEO is a private junior oil and gas company with operated and non-operated working interests located in the *Alliance, Atlee, Enchant/Taber, Fabyan, Hayter, Kessler, Neutral Hills, Sedgewick, Shorncliffe* and *Silver Heights* areas of Alberta.

As at December 14, 2024, CLEO has total secured debt of approximately \$6.7 million. The Company has a creditor obligation of approximately \$24.1 million. As of January 5, 2025, CLEO has an interim debtor-in-possession financing of \$750,000 available. As at December 31, 2022, CLEO had total unused Canadian income tax pools of approximately \$8.1 million, including \$6.6 million of non-capital losses.

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

Officers & Directors	President & Director	Chris Lewis
Capital Structure	Common Shares	200,000,000
Tax Pools	As at December 31, 2022	
	Non-Capital Losses	\$6,750,182
	Cumulative Canadian Oil and Gas Property Expenses	\$39,874
	Cumulative Canadian Exploration Expenses	\$15,457
	Cumulative Canadian Development Expenses	\$3,877
	Capital Cost Allowance	\$1,331,763
	Total	\$8,141,153
Bankers	Royal Bank of Canada	
Solicitors	Gowling WLG (Canada) LLP	
Street Address	Suite 200 - 117 8th Avenue SW Calgary, Alberta T2P 1B4	

Marketing Overview

The Company has a crude oil marketing agreement with **Trafigura Canada Limited** and a CO₂ contract with **TC Energy Corporation**.

CLEO has a sales contract in place with **BP Canada Energy Group ULC** for natural gas sales. Natural gas is sold into the **Nova Gas Transmission Ltd.** pipeline.

LMR Summary

As of November 2, 2024, the Properties had a deemed net asset value of (\$14.1 million) (deemed assets of \$36.1 million and deemed liabilities of \$50.2 million), with an LMR ratio of 0.72. These numbers do not include CLEO's current security deposit with the Alberta Energy Regulator ("AER") of approximately \$720,000.

Note that the *Fabyan, Taber*, and part of the *Silver Heights* properties are currently shut-in. Reactivating these properties would drastically increase the deemed asset amount and restore lost production.





Production Overview

Average daily sales production net to CLEO from the Properties for the first half of 2024 was approximately 990 boe/d, consisting of approximately 527 bbl/d of oil and natural gas liquids and approximately 2.8 MMcf/d of natural gas.

Current production from the Properties is approximately 460 boe/d, consisting of 395 bbl/d of oil and natural gas liquids and 390 Mcf/d of natural gas. The Company is currently reactivating several wells which it believes will add approximately 330 bbl/d of oil. Details of the reactivations will be made available in the virtual data room to parties that execute a confidentiality agreement.

CLEO believes that with limited capital the current reactivation production capability is approximately 750 bbl/d of oil.

PROPERTY	Q1-Q2 2024 NET PRODUCTION (Average Daily)			
	Oil bbl/d	Ngl bbl/d	Nat. Gas Mcf/d	Total boe/d
Fabyan	10	5	1,978	345
Silver Heights	223	-	149	248
Shorncliffe	135	-	-	135
Sedgewick	53	-	48	61
Taber	0	-	335	56
Neutral Hills	51	-	16	54
Atlee**	29	-	124	50
Enchant	-	-	121	20
Alliance	15	-	-	15
Hayter	5	-	3	6
Kessler**	1	-	4	2
TOTAL	522	5	2,778	990

*CLEO's current production is approximately 460 boe/d, consisting of 395 bbl/d of oil and 390 Mcf/d of natural gas awaiting several ongoing re-activations. The Company is currently reactivating several wells which it believes will add approximately 220 bbl/d of oil.

**The *Atlee* and *Kessler* properties are currently in the process of being reclaimed.

Shorncliffe had a large amount of reactivations in March/April 2024 and now has a net operating income of approximately \$115,000/month.

Neutral Hills had a pipeline reactivation in August 2024 which resulted in a post-repair net operating income of approximately \$40,000/month with the potential for multiple additional reactivations.

Seismic Overview

The Company has a license agreement on certain trade and proprietary 2D and 3D seismic data relating to the Properties. Information relating to the seismic will be made available in the data room to parties that execute a confidentiality agreement.





Reserves Overview

Deloitte LLP (“Deloitte”) prepared an independent reserves evaluation of CLEO’s Properties (the “Deloitte Report”) as part of the Company’s year-end reporting. The Deloitte Report is effective December 31, 2022 using Deloitte’s January 1, 2023 forecast pricing. The Company does not have a current third-party reserve report reflecting the disposition of certain of its interests at *Fabyan* in late 2023. This disposition only affected the total proved and total proved plus probable reserve values. The Deloitte Report also includes reserves values and volumes for the *Atlee* and *Kessler* properties, which are being reclaimed.

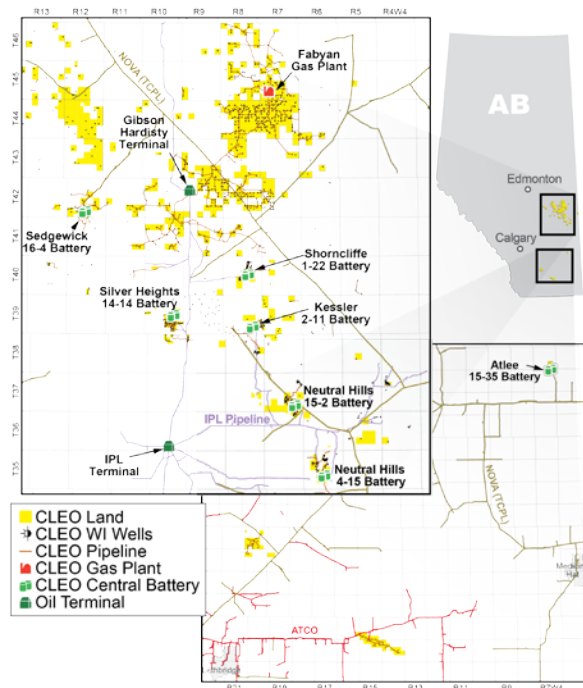
Deloitte estimated that, as at December 31, 2022 the Properties excluding CLEO’s interests at *Fabyan* contained remaining proved plus probable reserves of 4.5 million barrels of oil and natural gas liquids and 3.5 Bcf of natural gas (5.1 million boe), with an estimated net present value of \$46.9 million using forecast pricing at a 10% discount.

Deloitte LLP as at December 31, 2022							
COMPANY GROSS RESERVES				PV BEFORE TAX			
	Oil	Natural Gas	Ngl	Total	0%	5%	10%
	Mbbl	MMcf	Mbbl	MBOE	(000s)		
Proved Developed Producing	2,269	2,087	7	2,624	\$44,316	\$33,900	\$27,379
Proved Non-Producing/Undeveloped	714	392	0	779	\$16,296	\$10,927	\$7,603
Total Proved	2,983	2,479	7	3,403	\$60,612	\$44,828	\$34,983
Probable	1,488	996	2	1,656	\$40,263	\$20,441	\$11,959
Total Proved Plus Probable	4,471	3,475	9	5,059	\$100,875	\$65,269	\$46,941

The reserve estimates and forecasts of production and revenues for the Company’s Properties were prepared within the context of a group of 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.

Infrastructure Overview

CLEO controls most of the pipeline infrastructure in the area necessary for both oil development and associated natural gas egress. The Properties have significant offsetting potential including the Viking and Upper Mannville Sparky oil reservoirs, which would require use of the Company’s pipeline infrastructure.



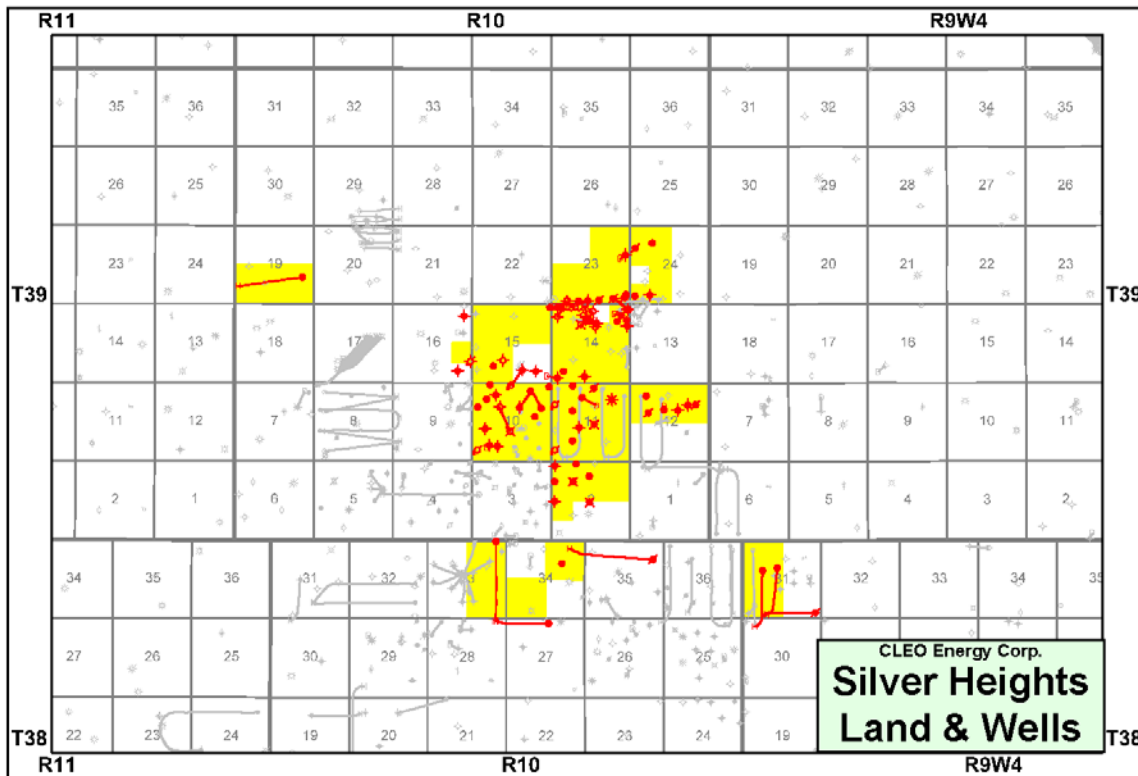


Silver Heights Property

Township 38-39, Range 9-10 W4

At *Silver Heights*, CLEO holds largely a 98% working interest in approximately eight sections of land. Production at *Silver Heights* is primarily oil from the Ellerslie and Glauconitic Sandstone formations.

Average daily production net to CLEO from *Silver Heights* for the first half of 2024 was approximately 248 boe/d, consisting of 223 bbl/d oil and 149 Mcf/d of natural gas. Current production net to CLEO from *Silver Heights* is approximately 125 bbl/d of oil.



Peak production from *Silver Heights* was 345 boe/d in January 2023. Due to limited sustaining capital, production has declined. Basic workovers are required to increase production.

Operating income net to CLEO from *Silver Heights* for the first half of 2024 was approximately \$197,600 per month.

Production at *Silver Heights*, has been greatly impacted. In the fourth quarter of 2024, 75 bbl/d of oil production was curtailed due to a natural gas conservation requirement. The property was fully shut-in from December 8, 2024 to January 14, 2025 due to an electrical cable theft. The process of restoring the production has begun and the field is currently producing approximately 118 bbl/d of oil. It is expected that the production will be restored back to its original rate prior to the end of the first quarter of 2025.

The Company has a vertical Ellerslie proved undeveloped drilling location booked in the Deloitte Report at 12-039-10W4 and an additional five internally identified unbooked vertical locations. These locations are low cost, (estimated at \$600,000 per well). Offsetting analogs have been assigned total proved plus probable reserves of 50,000 barrels of oil per well.

Glauconitic recompletion candidates provide additional upside at *Silver Heights*. The Company has identified a large number of reactivation opportunities including the opportunity to reconfigure pressure support for the reservoir and increase production through expanded water handling.



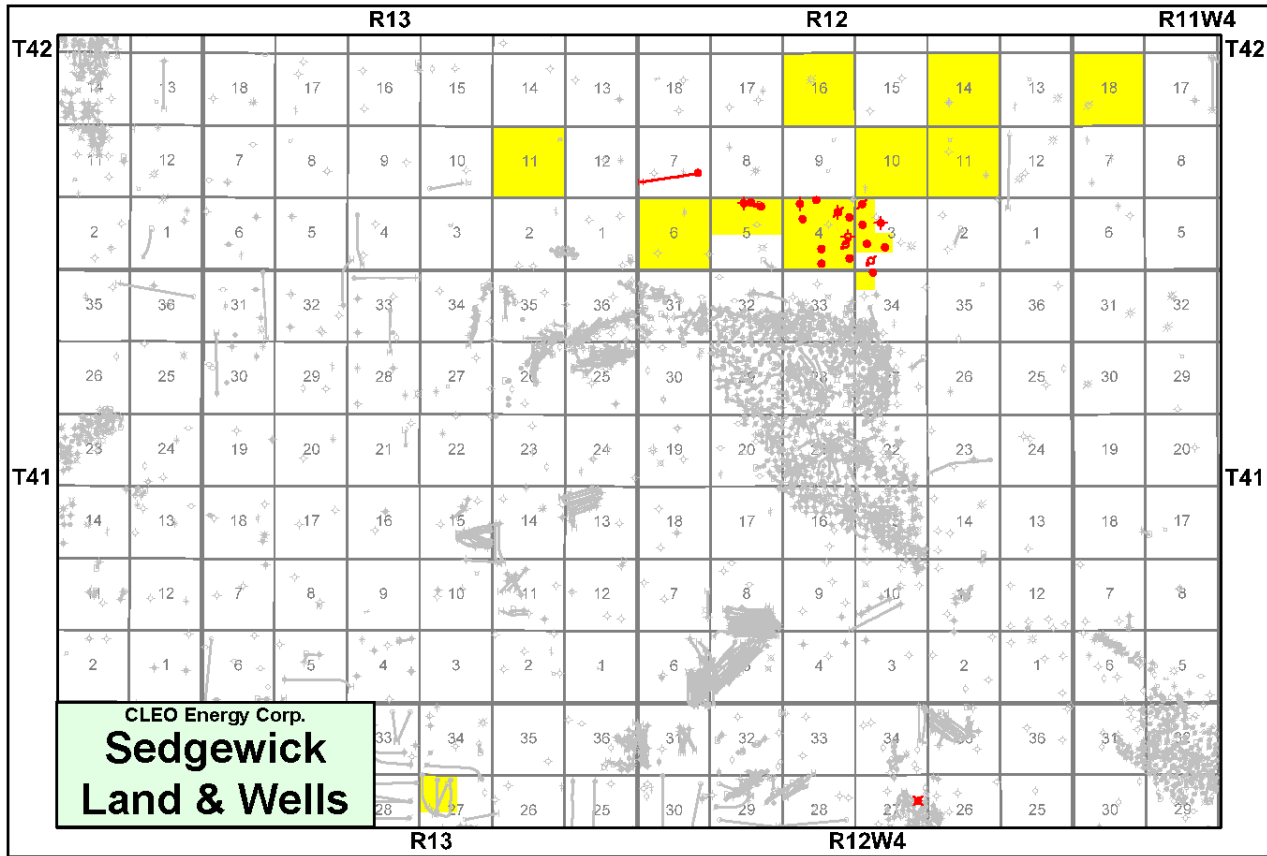


Sedgewick Property

Township 40-42, Range 11-13 W4

At *Sedgewick*, CLEO holds a 100% working interest in approximately nine sections of land. Production at *Sedgewick* is primarily 28° API oil from the Ellerslie Formation.

Average daily production net to CLEO from *Sedgewick* for the first half of 2024 was approximately 61 boe/d, consisting of 53 bbl/d oil and natural gas liquids and 48 Mcf/d of natural gas. Current production net to CLEO from *Sedgewick* is approximately 35 boe/d, consisting of 25 bbl/d of oil and 61 Mcf/d of natural gas.



The Company believes the 15-05-042-12W4 pad has significant value and significant production potential, but will require a capital investment for a pipeline tie-in.

Operating income net to CLEO from *Sedgewick* for the first half of 2024 was approximately \$54,300 per month.

The Company has identified 14 locations, including eight in the Upper Ellerslie and six Lower Ellerslie. Three of the six Lower Ellerslie horizontal locations are booked in the Deloitte Report.

The Company recently recompleted the two wells in the Glauconitic Sandstone Formation with positive results.

CLEO has existing infrastructure with clean oil currently trucked to the 16-04-042-12W4 battery.

Upside potential exists to recomplate and commingle Glauconitic sand with existing Mannville oil producers. The Upper Ellerslie has porosity of 18% to 30% and water saturation of 17% to 50%. The Lower Ellerslie has porosity of 23% to 28%.





Alliance Property

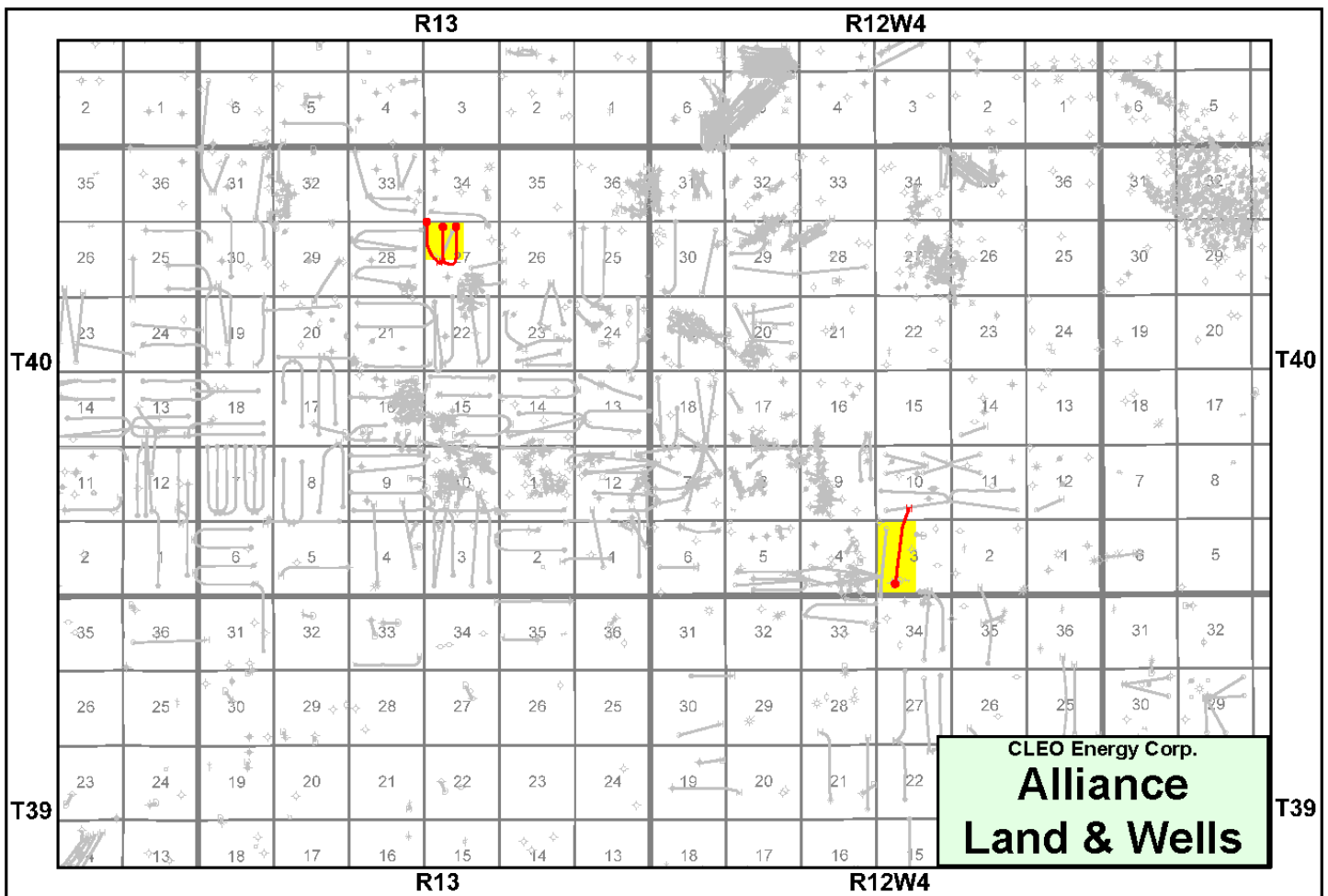
Township 40, Range 12-13 W4

At *Alliance*, CLEO holds a 100% working interest in three quarter sections of land. The Company has stable, low-decline oil production from the Viking Formation. CLEO also has one horizontal drilling location booked in the Deloitte Report on Section 04-03-040-12W4 targeting the same Viking pool.

Average daily production net to CLEO from the *Alliance* property for the first half of 2024 was approximately 15 barrels of oil per day.

Operating income net to CLEO from *Alliance* for the first half of 2024 was approximately \$24,900 per month.

At *Alliance*, the Viking reservoir is comprised of sandstone within coarsening-upwards cycles from shale to sandstone. The sediments were deposited in the Late Cretaceous period in a shoreface environment.





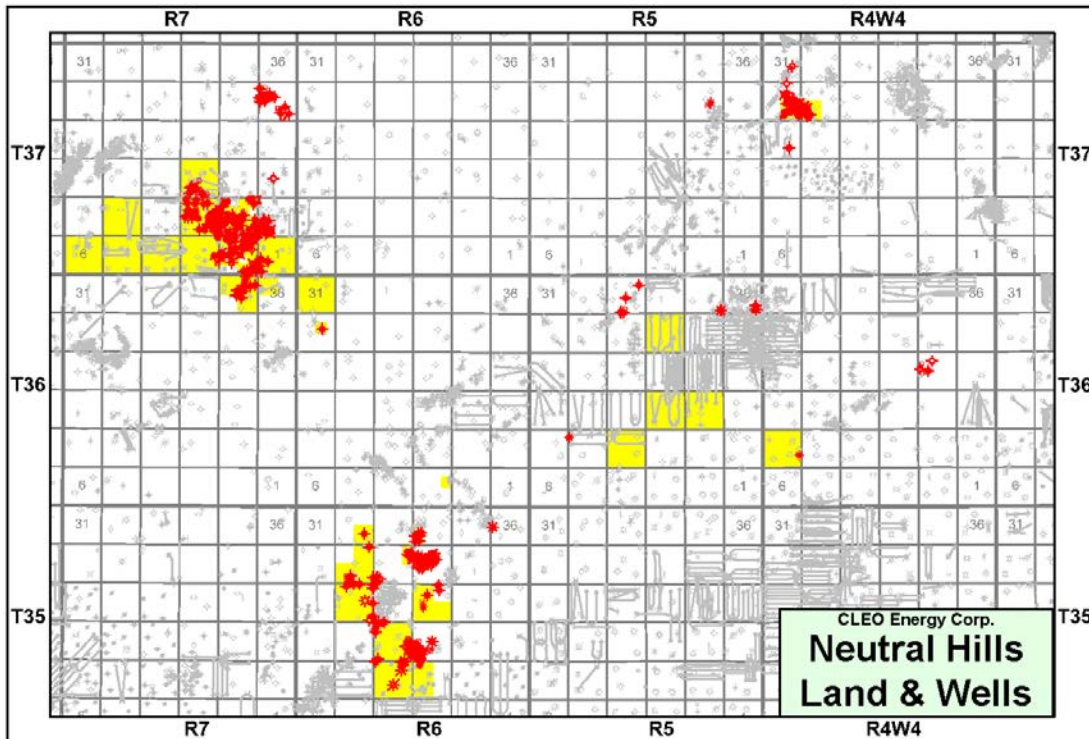
Neutral Hills Property

Township 35-37, Range 4-7 W4

At *Neutral Hills*, CLEO holds primarily a 100% working interest in certain lands and wells located in the north block.

CLEO also holds a 50% working interest operated by **Prairie Provident Resources Inc.** in the south block, and other minor non-operated working interests. *Neutral Hills South* has been shut-in since December 2023.

Production at *Neutral Hills* is primarily oil from the Dina Formation.



Average daily production net to CLEO from *Neutral Hills* for the first half of 2024 was approximately 54 boe/d, consisting of 51 bbl/d oil and natural gas liquids and 16 Mcf/d of natural gas. The Company has identified 25 bbl/d of oil to be brought back on production as soon as possible and an additional 50 bbl/d to be brought back on with an estimated cost of approximately \$300,000.

Current production net to CLEO from *Neutral Hills* is approximately 90 boe/d. In 2024, CLEO spent upwards of \$500,000 on pipeline repairs and recompletions to restore approximately 85 bbl/d of oil production that was down due to a pipeline break. With the pipeline repairs, the field has long lasting pipeline integrity. CLEO has identified drilling upside in the Rex, Dina and Cummings formations, with five locations booked in the Deloitte Report. CLEO has also identified three unbooked Rex multi-laterals and two Dina horizontal wells and an additional 23 internally identified unbooked Dina locations. CLEO's booked inventory at *Neutral Hills* is the only property where it has booked multilateral wells.

Operating income net to CLEO from *Neutral Hills* for the first half of 2024 was approximately (\$80,100) per month. *Neutral Hills* had a major pipeline upgrade and reactivation in August 2024 which resulted in a post-repair net operating income of approximately \$40,000/month. Minor workovers will immediately bring on an additional 50 bbl/d of oil.

The Company has also identified numerous Cummings recompletion opportunities at *Neutral Hills*, as well as a potential opportunity for reduction in operating expenses through power generation.





Shorncliffe Property

Township 40, Range 7-8 W4

At *Shorncliffe*, CLEO holds largely a 100% working interest in 4.75 sections of land, as well as a 25% non-operated working interest.

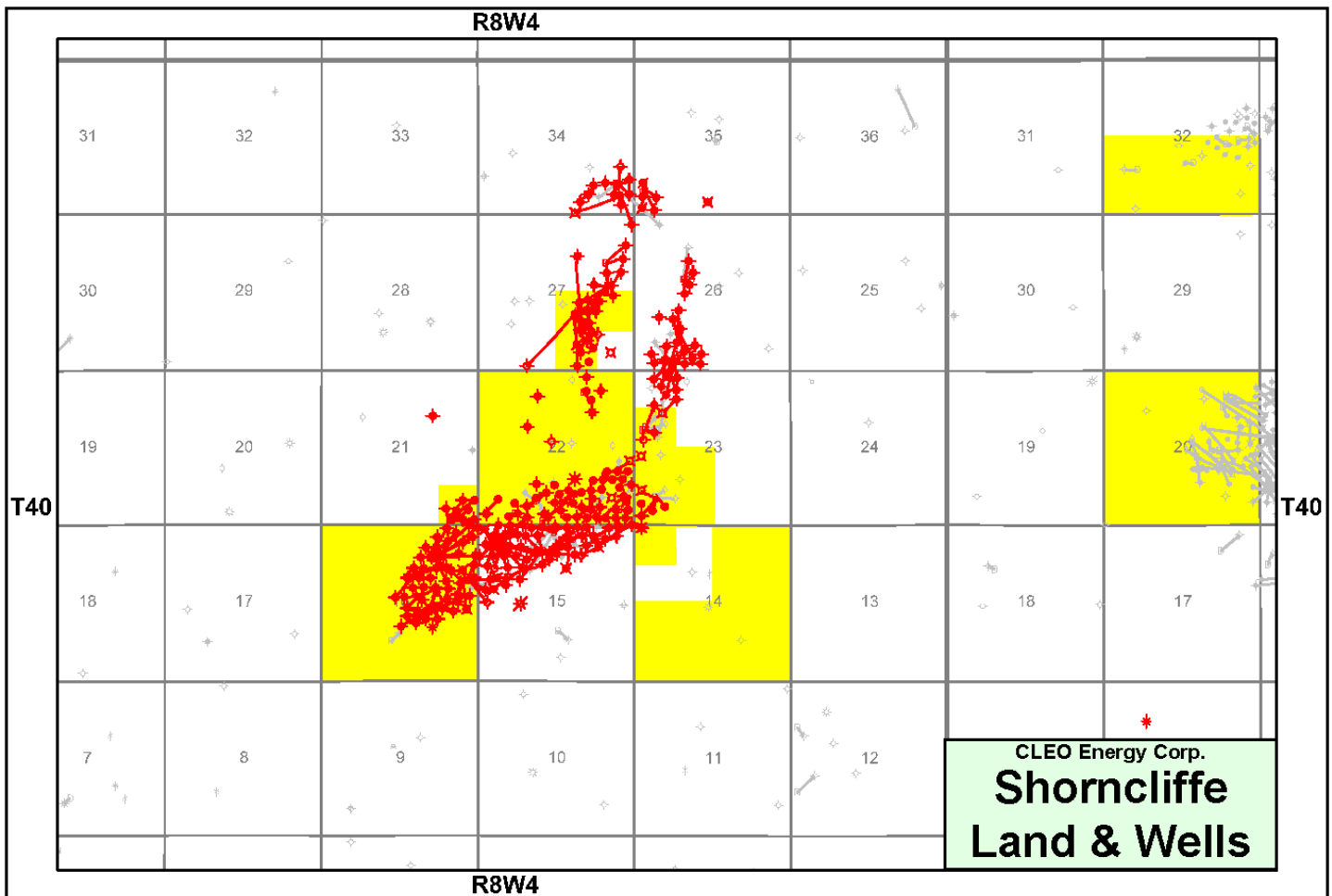
The Company also has an interest in certain non-operated wells which are operated by **Harvest Operations Corp.** Production at *Shorncliffe* is primarily 20° API oil from the Ellerslie, Glauconitic Sandstone and Basal Quartz formations.

Average daily production net to CLEO from *Shorncliffe* for the first half of 2024 was approximately 135 bbl/d oil. Current production net to CLEO from *Shorncliffe* is approximately 95 bbl/d of oil.

Operating income net to CLEO from *Shorncliffe* for the first half of 2024 was approximately \$18,100 per month. *Shorncliffe* had a large amount of reactivations in March/April 2024 and now has a net operating income of approximately \$115,000/month.

The *Shorncliffe* property is the location of the Company's main field office. The property has two producing fields which are connected to a central battery which is pipeline connected to **Inter Pipeline Ltd.**

CLEO believes that additional water handling and conversion to a new water injection well could support an increase in overall production levels.





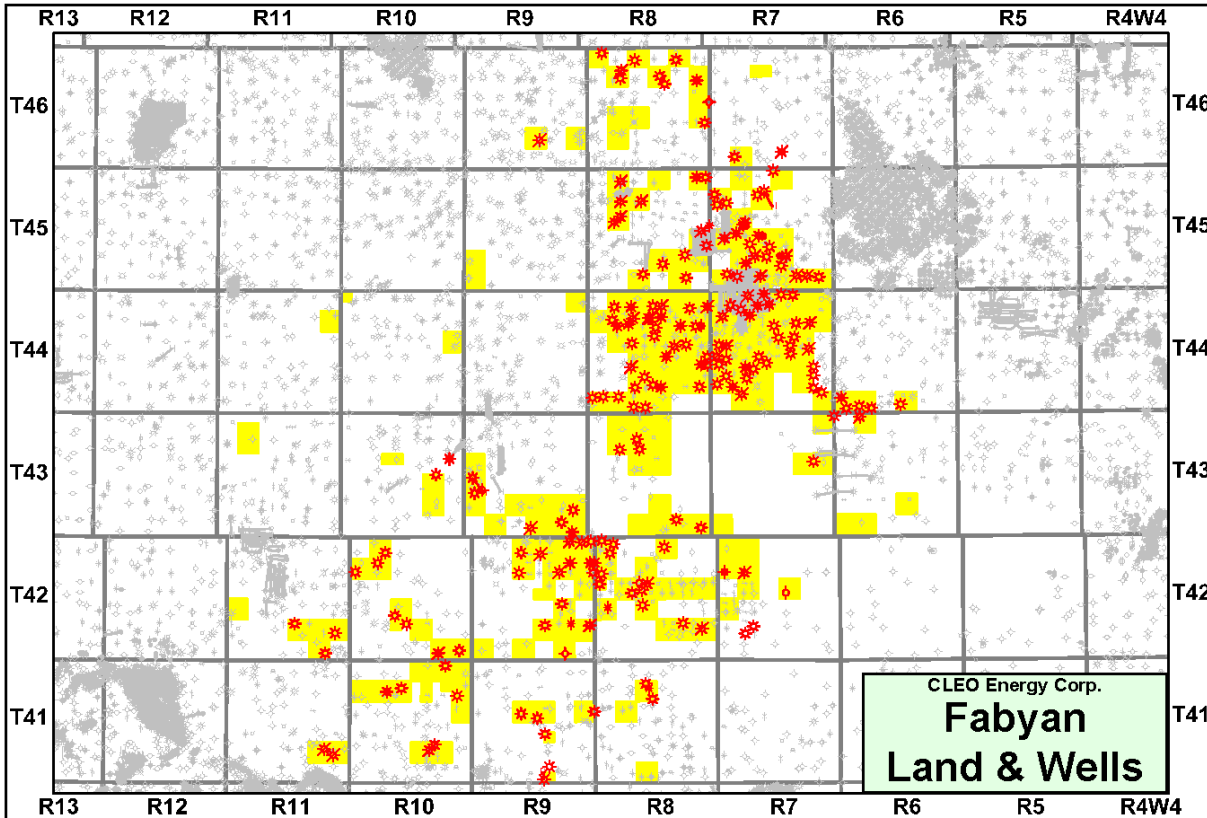
Fabyan Property

Township 41-46, Range 6-11 W4

At *Fabyan*, CLEO holds largely a 100% working interest in approximately 120 sections of land. Production at *Fabyan* is primarily shallow natural gas from the Viking Formation.

Current production from *Fabyan* is shut-in.

The Company believes the 100/11-10-045-07W4/3 Sparky and Colony well at *Fabyan* is generating approximately \$250,000 per year in net operating income. There is also potential for low-risk for multilateral development.



Average daily production net to CLEO from *Fabyan* for the first half of 2024 was approximately 345 boe/d, consisting of 1,978 Mcf/d of natural gas and 15 bbl/d oil and natural gas liquids.

Operating income net to CLEO from *Fabyan* for the first half of 2024 was approximately (\$184,600) per month.

CLEO believes there is potential for future power generation or Bitcoin mining at *Fabyan*.

CLEO controls all of the pipeline infrastructure in the area necessary for both oil development and associated natural gas egress. The area has significant offsetting potential including the Viking and Upper Mannville Sparky oil reservoirs, which would require use of the Company's pipeline infrastructure.

Further details relating to CLEO's pipeline infrastructure will be available in the virtual data room for parties that execute a confidentiality agreement.

The Company recognizes there are a significant number of abandoned wells, however; a large amount of the liabilities at *Fabyan* are associated to reclamation only.





Enchant/Taber Property

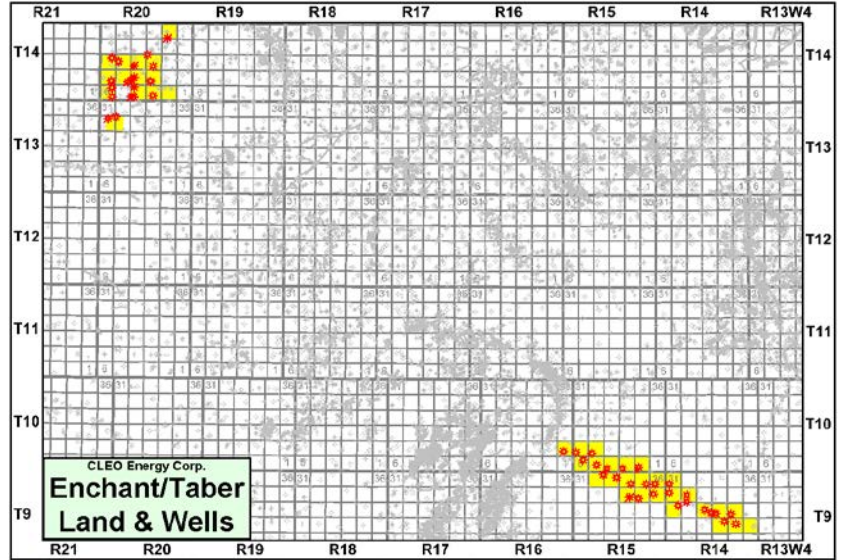
Township 9-14, Range 14-20 W4

At *Enchant/Taber*, CLEO holds largely a 99.7% working interest in approximately 36 sections of land. Production at *Enchant* consists of stable, low-decline natural gas.

CLEO currently has a Bitcoin mining operation at *Enchant*.

Average daily production net to CLEO from *Enchant* for the first half of 2024 was approximately 20 boe/d, consisting of 121 Mcf/d of natural gas.

The *Taber* property is currently shut-in.



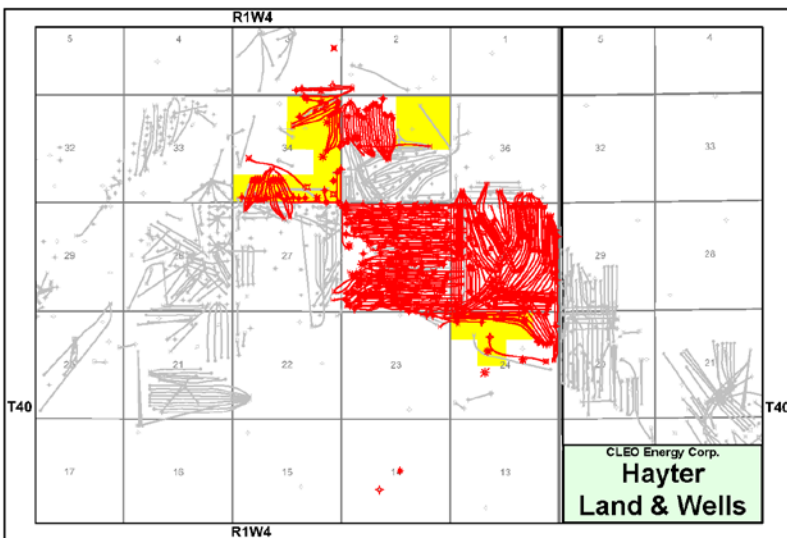
Average daily production net to CLEO from *Taber* for the first half of 2024 was approximately 56 boe/d, consisting of 335 Mcf/d of natural gas.

Operating income net to CLEO from *Enchant* for the first half of 2024 was approximately (\$6,200) per month.

Operating income net to CLEO from *Taber* for the first half of 2024 was approximately (\$15,000) per month.

Hayter Property

Township 40-41, Range 1 W4



At *Hayter*, CLEO holds primarily minor non-operated working interests in approximately one section of land. Production at *Hayter* is operated by **Harvest Operations Corp.** and **Rife Resources Ltd.**

Average daily production net to CLEO from *Hayter* for the first half of 2024 was approximately 6 boe/d, consisting of 5 bbl/d oil and 3 Mcf/d of natural gas. There is currently no production net to CLEO from *Hayter*.

Operating income net to CLEO from *Hayter* for the first half of 2024 was approximately (\$28,300) per month.

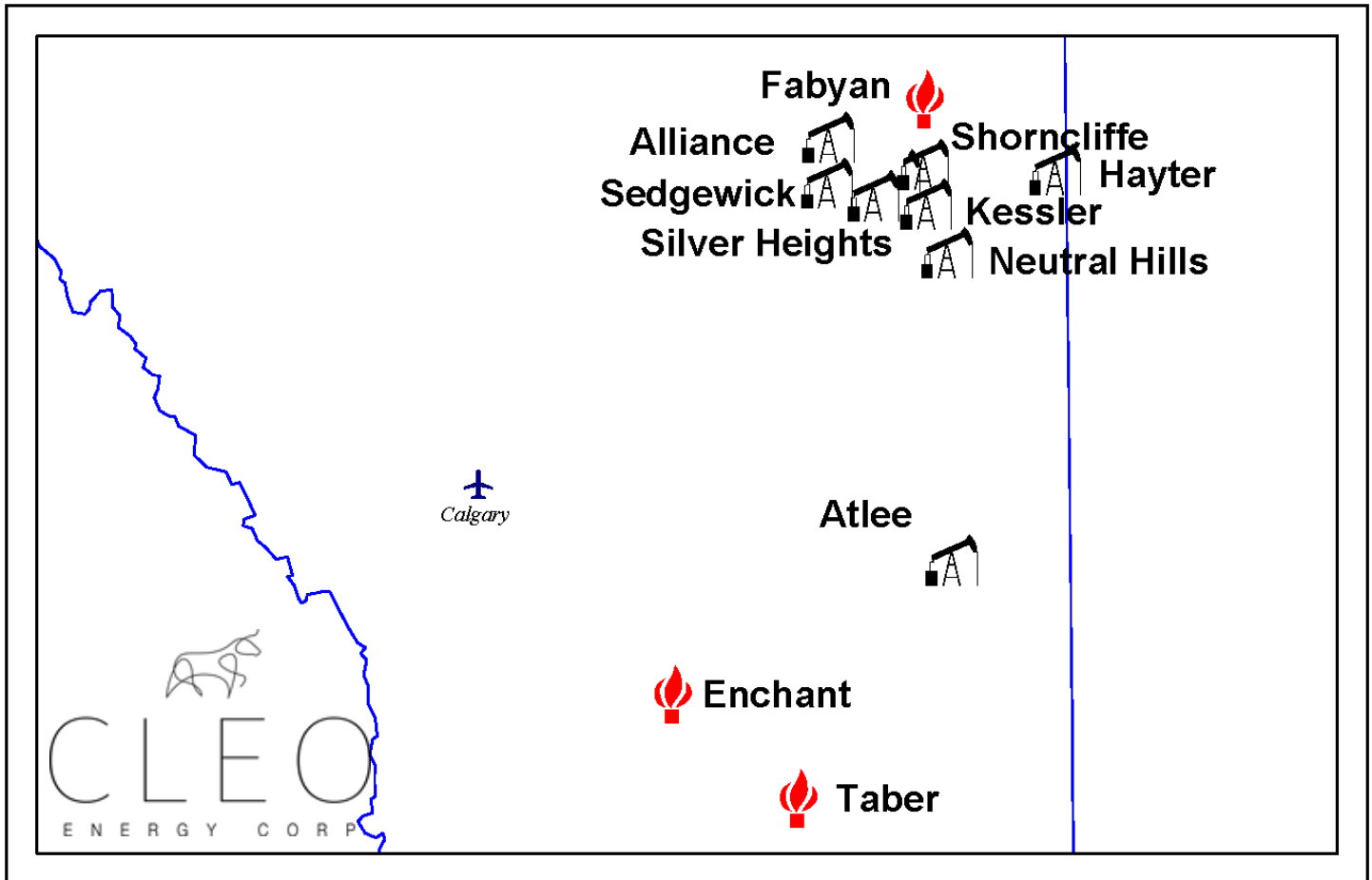
Atlee and Kessler Properties

The Company also has interests in the *Atlee* and *Kessler* areas of Alberta, which are currently in the process of being reclaimed.





CLEO Energy Corp. Insolvency Sale Winter 2025



CONTACT

Parties wishing to receive access to the confidential information with detailed information relating to this opportunity should execute the Confidentiality Agreement which is available on Sayer Energy Advisors' website (www.sayeradvisors.com) and return one copy to Sayer Energy Advisors by courier, email (tpavic@sayeradvisors.com) or fax (403.266.4467).

Included in the confidential information is the following: summary land information, the Deloitte Report, LMR information, most recent net operations summary, detailed facilities information and other relevant corporate, financial and technical information.

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



Overview

CLEO Energy Corp. (“CLEO” or the “Company”) has filed a Notice of Intention to Make a Proposal (the “NOI”) pursuant to section 50.4 (1) of the *Bankruptcy and Insolvency Act* (the “BIA”) and **Alvarez & Marsal Canada Inc.** (“A&M”) is acting as Proposal Trustee of CLEO for the NOI process. A sale and solicitation process (the “SSP”) is to be undertaken by the Company in its NOI proceedings. CLEO has engaged **Sayer Energy Advisors** to assist the Company with the SSP in order to solicit interest in the purchase of or investment in all or part of the business or operations of the Company or its undertaking, property and assets. Potential outcomes include, but are not limited to, a sale of the shares of the Company, the sale, in whole or in part, of all of the oil and natural gas assets held by CLEO, or a joint venture. A copy of the SSP is found on Sayer’s website at www.sayeradvisors.com.

CLEO’s oil and natural gas interests are located in the *Alliance, Atlee, Enchant/Taber, Fabyan, Hayter, Kessler, Neutral Hills, Sedgewick, Shorncliffe* and *Silver Heights* areas of Alberta (the “Properties”).

Average daily sales production net to CLEO from the Properties for the first half of 2024 was approximately 990 boe/d, consisting of approximately 527 bbl/d of oil and natural gas liquids and approximately 2.8 MMcf/d of natural gas.

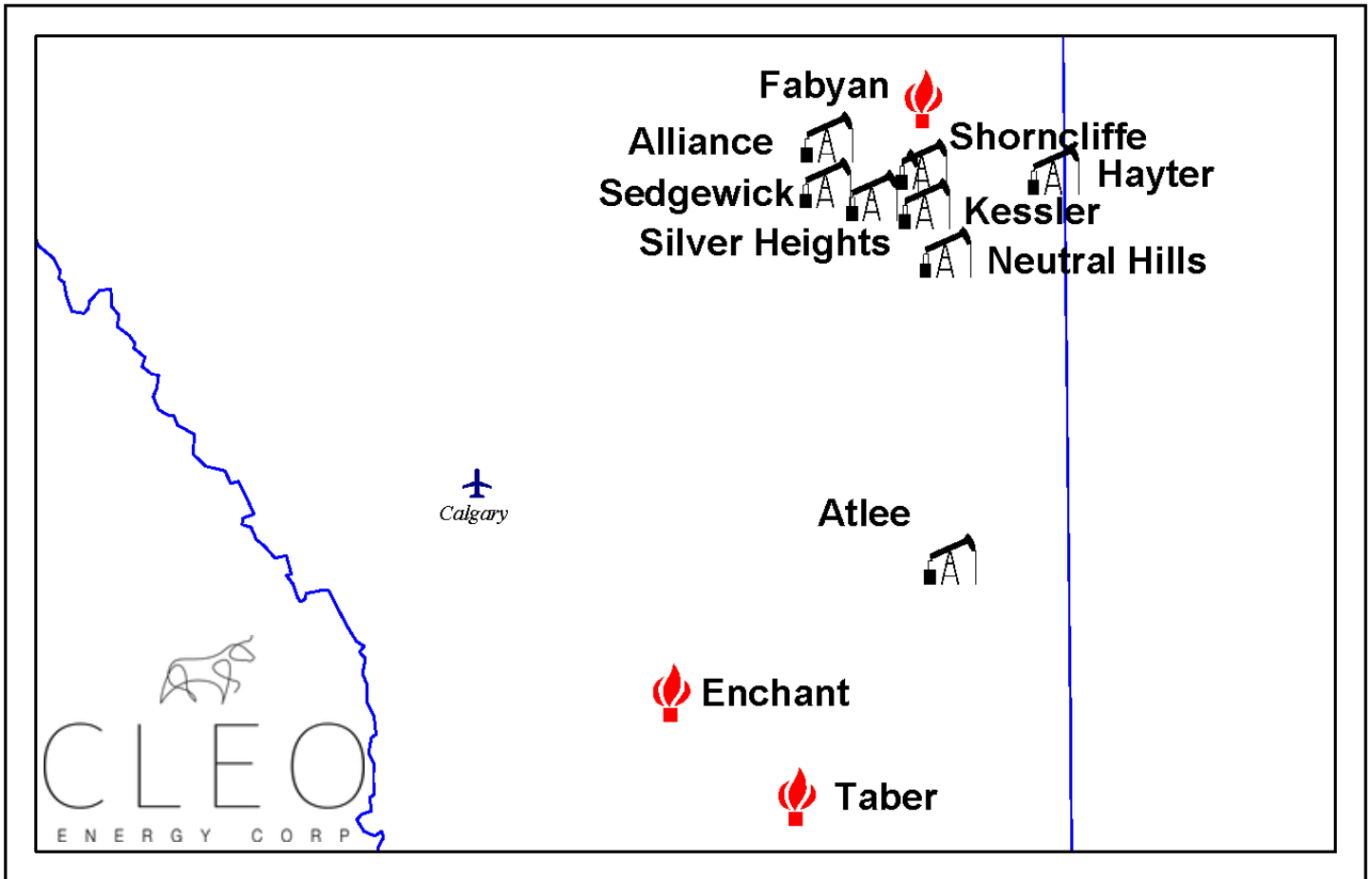
Current production from the Properties is approximately 460 boe/d, consisting of 395 bbl/d of oil and natural gas liquids and 390 Mcf/d of natural gas. The Company is currently reactivating several wells which it believes will add approximately 330 bbl/d of oil. Details of the reactivations will be made available in the virtual data room to parties that execute a confidentiality agreement.

CLEO’s main natural gas property at *Fabyan* was shut-in in October 2024 due to low natural gas prices. This field can be brought back on production, restoring approximately 2.0 Mcf/d.

CLEO controls the pipeline infrastructure in the area necessary for both oil development and associated natural gas egress, which is of great benefit for the future development of the Upper Mannville. The Properties have significant offsetting potential including the Viking and Upper Mannville Sparky oil reservoirs, which would require use of the Company’s pipeline infrastructure.

As of November 2, 2024, the Properties had a deemed net asset value of (\$14.1 million) (deemed assets of \$36.1 million and deemed liabilities of \$50.2 million), with an LMR ratio of 0.72. These numbers do not include CLEO’s current security deposit with the Alberta Energy Regulator (“AER”) of approximately \$720,000.

Overview Map Showing the Location of the Divestiture Properties



Corporate Overview

CLEO is a private junior oil and gas company with operated and non-operated working interests located in the *Alliance, Atlee, Enchant/Taber, Fabyan, Hayter, Kessler, Neutral Hills, Sedgewick, Shorncliffe* and *Silver Heights* areas of Alberta.

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Capital Structure	Common Shares	200,000,000

Tax Pools

As at December 31, 2022

Non-Capital Losses	\$6,750,182
Cumulative Canadian Oil and Gas Property Expenses	\$39,874
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Solicitors	Gowling WLG (Canada) LLP
Street Address	Suite 200 - 117 8th Avenue SW Calgary, Alberta T2P 1B4

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CLEO believes that with limited capital the current reactivation production capability is approximately 750 bbl/d of oil.

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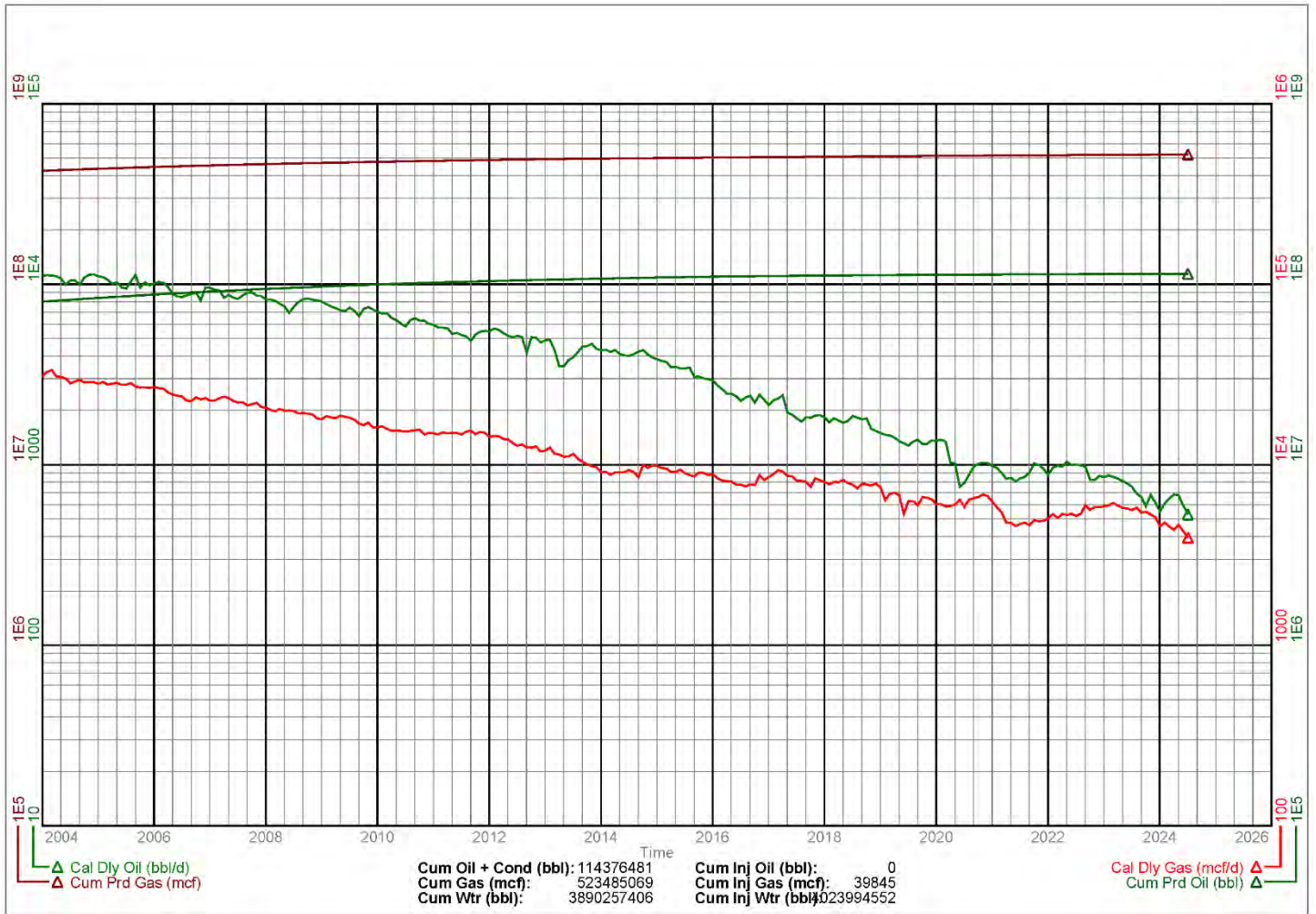
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**The *Atlee* and *Kessler* properties are currently in the process of being reclaimed.

Shorncliffe had a large amount of reactivations in March/April 2024 and now has a net operating income of approximately \$115,000/month.

Neutral Hills had a pipeline reactivation in August 2024 which resulted in a post-repair net operating income of approximately \$40,000/month with the potential for multiple additional reactivations.

Gross Production Group Plot of CLEO's Oil & Natural Gas Wells



LMR Summary

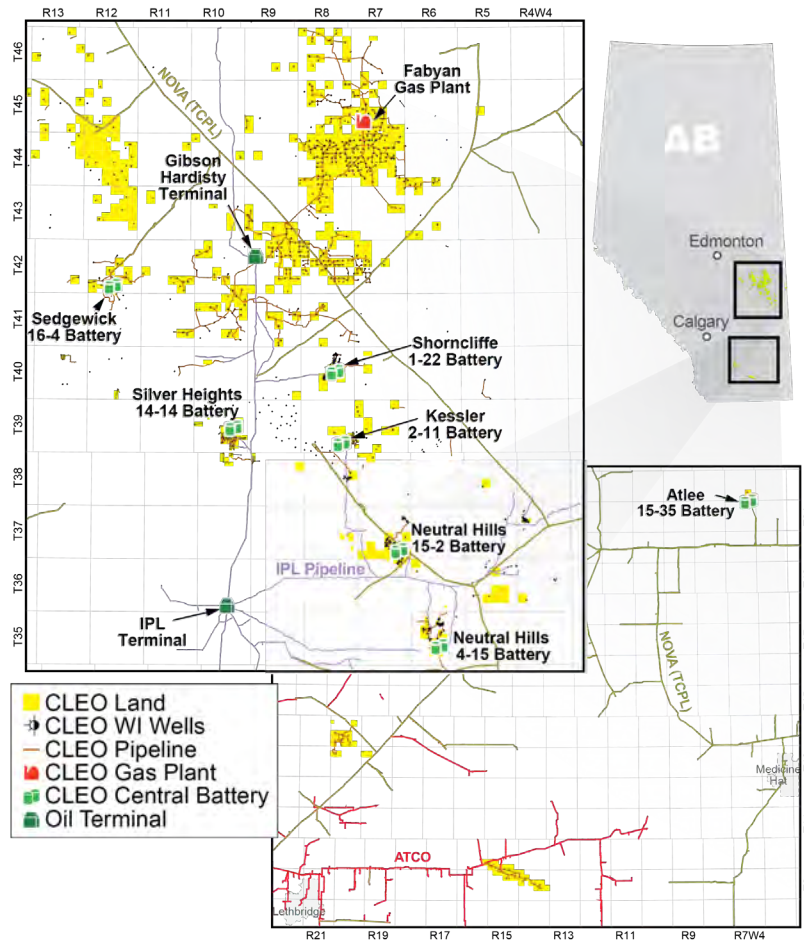
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Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$36,123,506	\$50,201,206	(\$14,077,700)	0.72

Note that the *Fabyan*, *Taber*, and part of the *Silver Heights* properties are currently shut-in. Reactivating these properties would drastically increase the deemed asset amount and restore lost production.

Infrastructure Overview

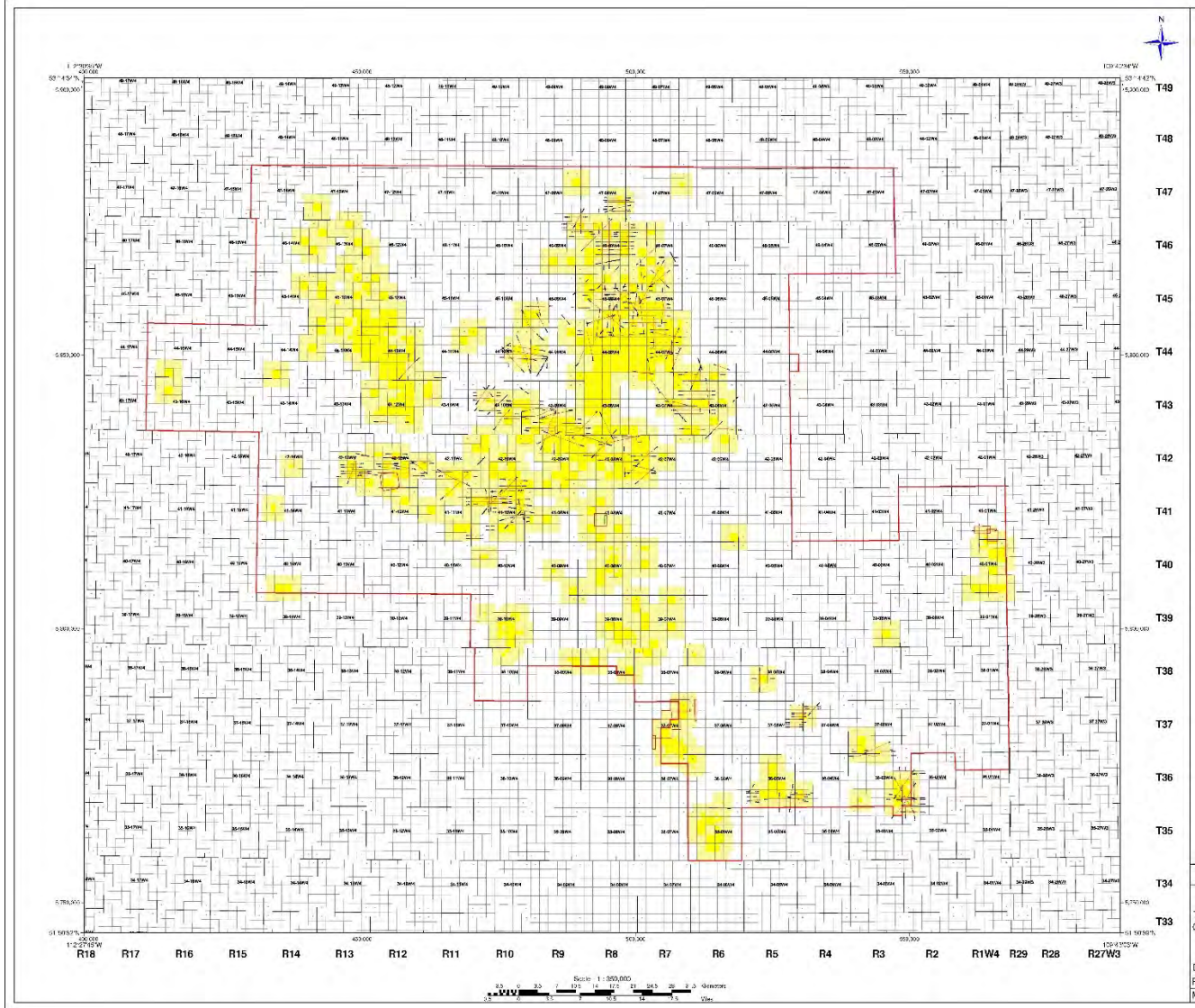
CLEO controls most of the pipeline infrastructure in the area necessary for both oil development and associated natural gas egress. The Properties have significant offsetting potential including the Viking and Upper Mannville Sparky oil reservoirs, which would require use of the Company’s pipeline infrastructure.



Notable Operated Facilities	Capacity	Ownership	Egress
Sedgewick (Oil)	250 bbl/d	100%	Clean oil trucked out
Shorncliffe (Oil)	630 bbl/d	100%	Pipeline connected to IPL BRN
Silver Heights (Oil)	1,260 bbl/d	97.8%	Clean oil trucked out
Neutral Hills North (Oil)	1250 bbl/d	100%	Pipeline connected to IPL CAL
Taber (Gas)	1.0 MMcf/d	100%	Gas egress through ATCO sales line connect to TC Energy

Seismic Overview

The Company has a license agreement on certain trade and proprietary 2D and 3D seismic data relating to the Properties, as shown on the following plat. Information relating to the seismic will be made available in the data room to parties that execute a confidentiality agreement.



Reserves Overview

Deloitte LLP (“Deloitte”) prepared an independent reserves evaluation of CLEO’s Properties (the “Deloitte Report”) as part of the Company’s year-end reporting. The Deloitte Report is effective December 31, 2022 using Deloitte’s January 1, 2023 forecast pricing. The Company does not have a current third-party reserve report reflecting the disposition of certain of its interests at *Fabyan* in late 2023. This disposition only affected the total proved and total proved plus probable reserve values. The Deloitte Report also includes reserves values and volumes for the *Kessler* and *Atlee* properties, which are being reclaimed.

Deloitte estimated that, as at December 31, 2022 the Properties excluding CLEO’s interests at *Fabyan* contained remaining proved plus probable reserves of 4.5 million barrels of oil and natural gas liquids and 3.5 Bcf of natural gas (5.1 million boe), with an estimated net present value of \$46.9 million using forecast pricing at a 10% discount.

	Deloitte LLP as at December 31, 2022						
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil	Natural Gas	Ngl	Total	0%	5%	10%
	Mbbl	MMcf	Mbbl	MBOE	(000s)		
Proved Developed Producing	2,269	2,087	7	2,624	\$44,316	\$33,900	\$27,379
Proved Non-Producing/Undeveloped	714	392	0	779	\$16,296	\$10,927	\$7,603
Total Proved	2,983	2,479	7	3,403	\$60,612	\$44,828	\$34,983
Probable	1,488	996	2	1,656	\$40,263	\$20,441	\$11,959
Total Proved Plus Probable	4,471	3,475	9	5,059	\$100,875	\$65,269	\$46,941

The reserve estimates and forecasts of production and revenues for the Company’s Properties were prepared within the context of a group of 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.

Marketing Overview

The Company has a crude oil marketing agreement with **Trafigura Canada Limited** and a CO₂ contract with **TC Energy Corporation**.

CLEO has a sales contract in place with **BP Canada Energy Group ULC** for natural gas sales. Natural gas is sold into the **Nova Gas Transmission Ltd.** pipeline.

Silver Heights Property

Township 38-39, Range 9-10 W4

At *Silver Heights*, CLEO holds largely a 98% working interest in approximately eight sections of land. Production at *Silver Heights* is primarily oil from the Ellerslie and Glauconitic Sandstone formations.

Average daily production net to CLEO from *Silver Heights* for the first half of 2024 was approximately 248 boe/d, consisting of 223 bbl/d oil and 149 Mcf/d of natural gas. Current production net to CLEO from *Silver Heights* is approximately 125 bbl/d of oil.

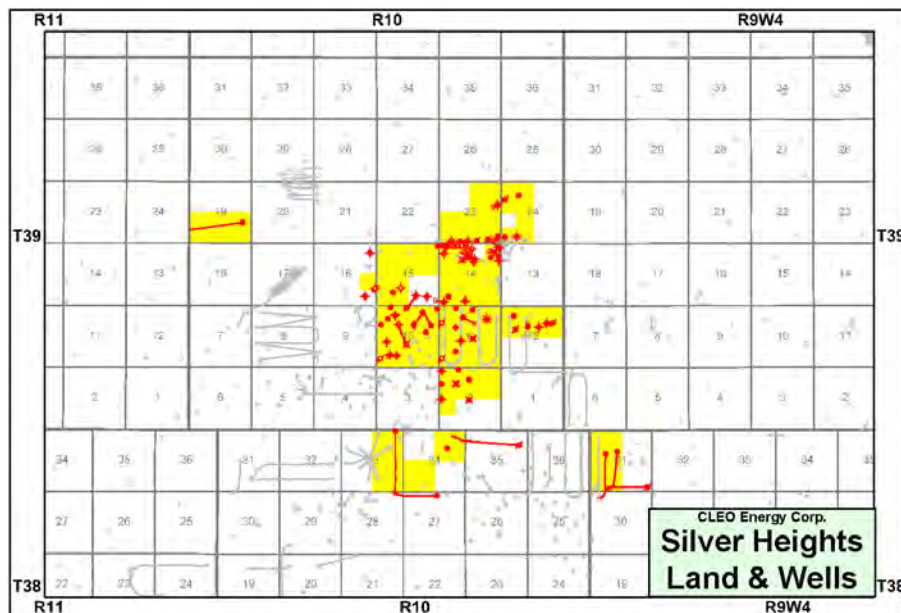
Peak production from *Silver Heights* was 345 boe/d in January 2023. Due to limited sustaining capital, production has declined. Basic workovers are required to increase production.

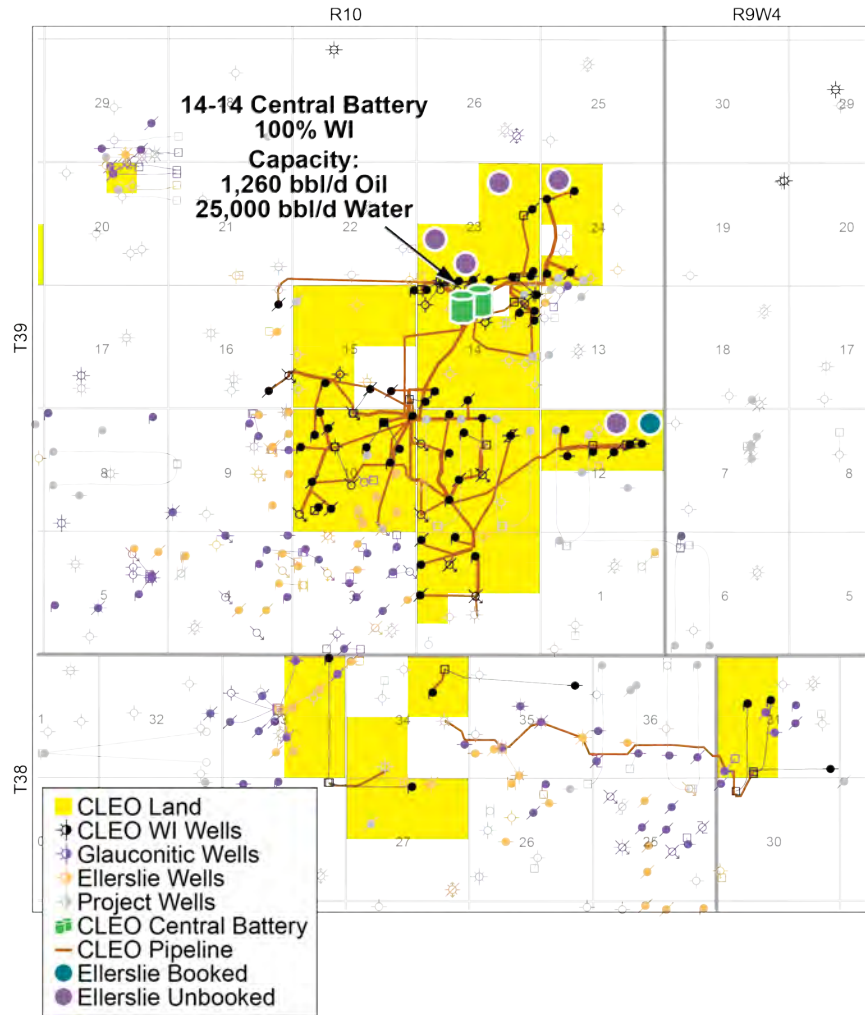
Operating income net to CLEO from *Silver Heights* for the first half of 2024 was approximately \$197,600 per month.

Production at *Silver Heights*, has been greatly impacted. In the fourth quarter of 2024, 75 bbl/d of oil production was curtailed due to a natural gas conservation requirement. The property was fully shut-in from December 8, 2024 to January 14, 2025 due to an electrical cable theft. The process of restoring the production has begun and the field is currently producing approximately 118 bbl/d of oil. It is expected that the production will be restored back to its original rate prior to the end of the first quarter of 2025.

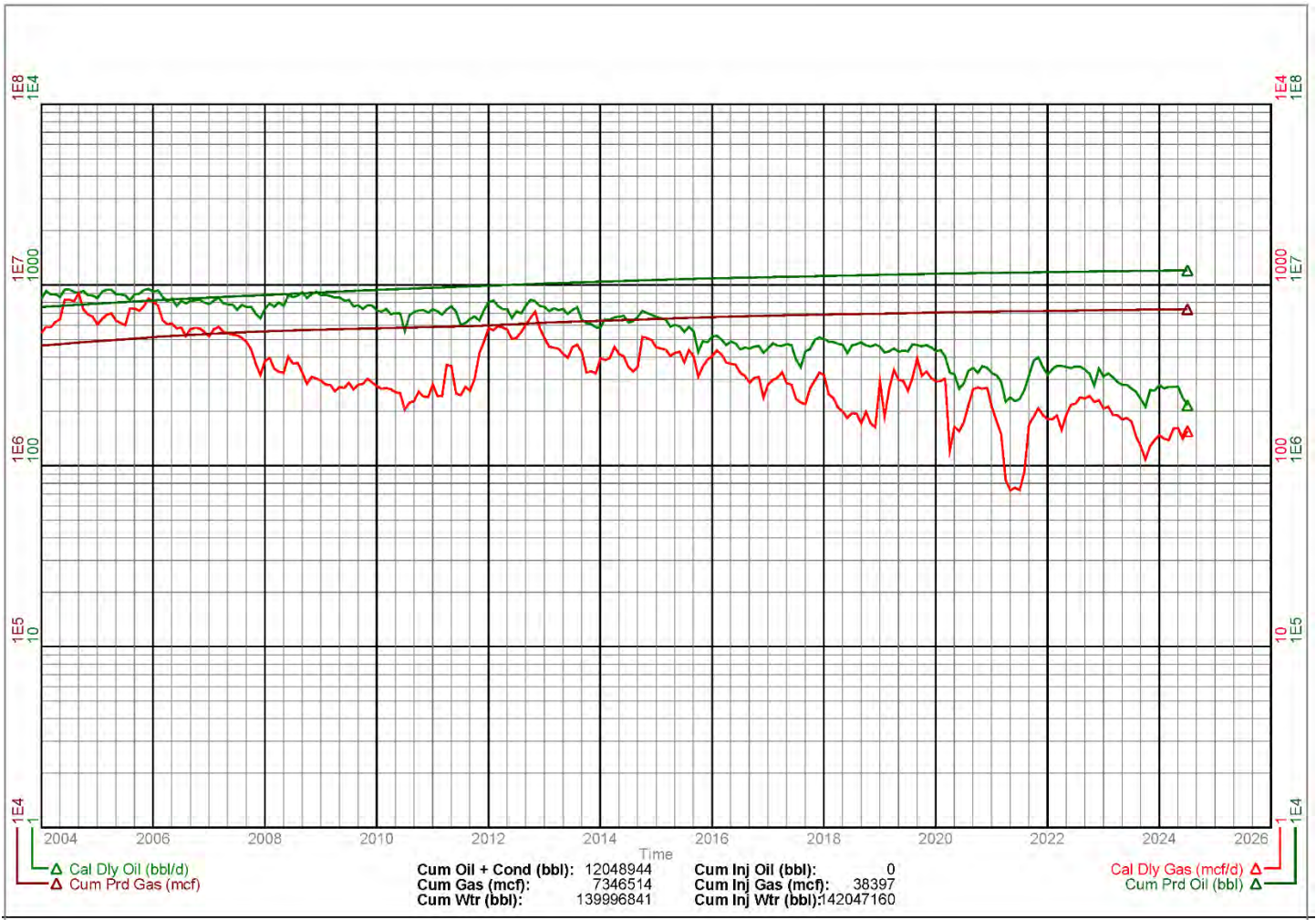
The Company has a vertical Ellerslie proved undeveloped drilling location booked in the Deloitte Report at 12-039-10W4 and an additional five internally identified unbooked vertical locations. These locations are low cost, (estimated at \$600,000 per well). Offsetting analogs have been assigned total proved plus probable reserves of 50,000 barrels of oil per well.

Glauconitic recompletion candidates provide additional upside at *Silver Heights*. The Company has identified a large number of reactivation opportunities including the opportunity to reconfigure pressure support for the reservoir and increase production through expanded water handling.





Silver Heights, Alberta - Gross Production Group Plot



Silver Heights Facilities

CLEO has ownership in a multi-well battery at 14-14-039-10W4 with capacity of 1,260 bbl/d.

Further details on the Company's facilities are available in the virtual data room for parties that sign a confidentiality agreement.

Silver Heights Reserves

Deloitte LLP ("Deloitte") prepared an independent reserves evaluation of the Properties (the "Deloitte Report") as part of the Company's year-end reporting. The Deloitte Report is effective December 31, 2022 using Deloitte's January 1, 2023 forecast pricing.

Deloitte estimated that, as at December 31, 2022, the *Silver Heights* property contained remaining proved plus probable reserves of 2.2 million barrels of oil (2.2 million boe), with an estimated net present value of \$27.8 million using forecast pricing at a 10% discount.

	Deloitte LLP as at December 31, 2022							
	COMPANY GROSS RESERVES				PV BEFORE TAX			
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	0%	5% (000s)	10%	
Proved Developed Producing	1,296	0	0	1,296	\$34,400	\$23,900	\$18,000	
Proved Non-Producing/Undeveloped	323	0	0	323	\$9,400	\$6,800	\$5,200	
Total Proved	1,619	0	0	1,619	\$43,800	\$30,700	\$23,200	
Probable	604	0	0	604	\$20,800	\$8,700	\$4,600	
Total Proved Plus Probable	2,223	0	0	2,223	\$64,600	\$39,400	\$27,800	

The reserve estimates and forecasts of production and revenues for the Company's Properties were prepared within the context of a group of 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.

Silver Heights LMR as of November 2, 2024

As of November 2, 2024, the *Silver Heights* property had a deemed net asset value of \$5.9 million (deemed assets of \$10.7 million and deemed liabilities of \$4.8 million), with an LMR ratio of 2.22.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$10,749,002	\$4,844,889	\$5,904,113	2.22

Silver Heights Well List

See well list in Excel.

Sedgewick Property

Township 40-42, Range 11-13 W4

At *Sedgewick*, CLEO holds a 100% working interest in approximately nine sections of land. Production at *Sedgewick* is primarily 28° API oil from the Ellerslie Formation.

Average daily production net to CLEO from *Sedgewick* for the first half of 2024 was approximately 61 boe/d, consisting of 53 bbl/d oil and natural gas liquids and 48 Mcf/d of natural gas. Current production net to CLEO from *Sedgewick* is approximately 35 boe/d, consisting of 25 bbl/d of oil and 61 Mcf/d of natural gas.

The Company believes the 15-05-042-12W4 pad has significant value and significant production potential, but will require a capital investment for a pipeline tie-in.

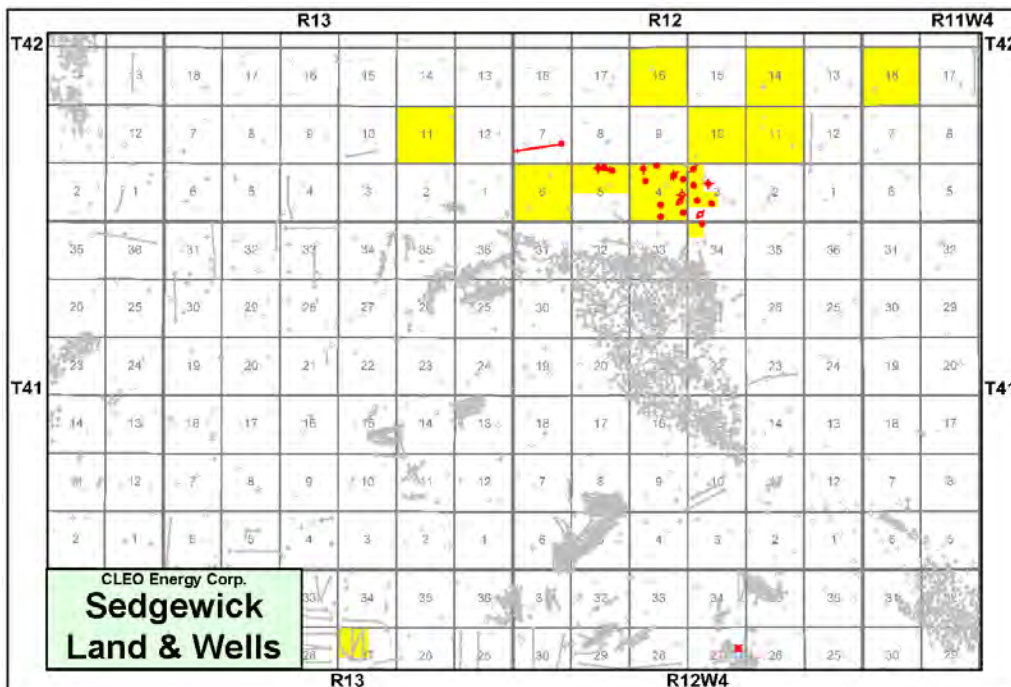
Operating income net to CLEO from *Sedgewick* for the first half of 2024 was approximately \$54,300 per month.

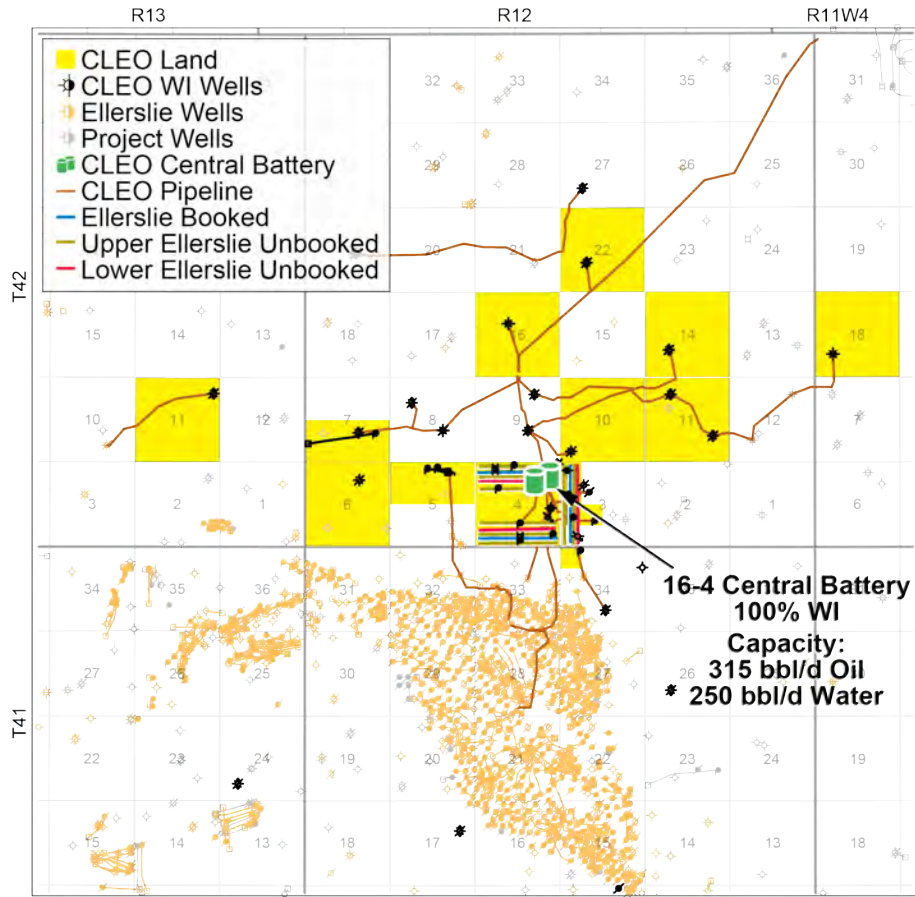
The Company has identified 14 locations, including eight in the Upper Ellerslie and six Lower Ellerslie. Three of the six Lower Ellerslie horizontal locations are booked in the Deloitte Report.

The Company recently recompleted the two wells in the Glauconitic Sandstone Formation with positive results.

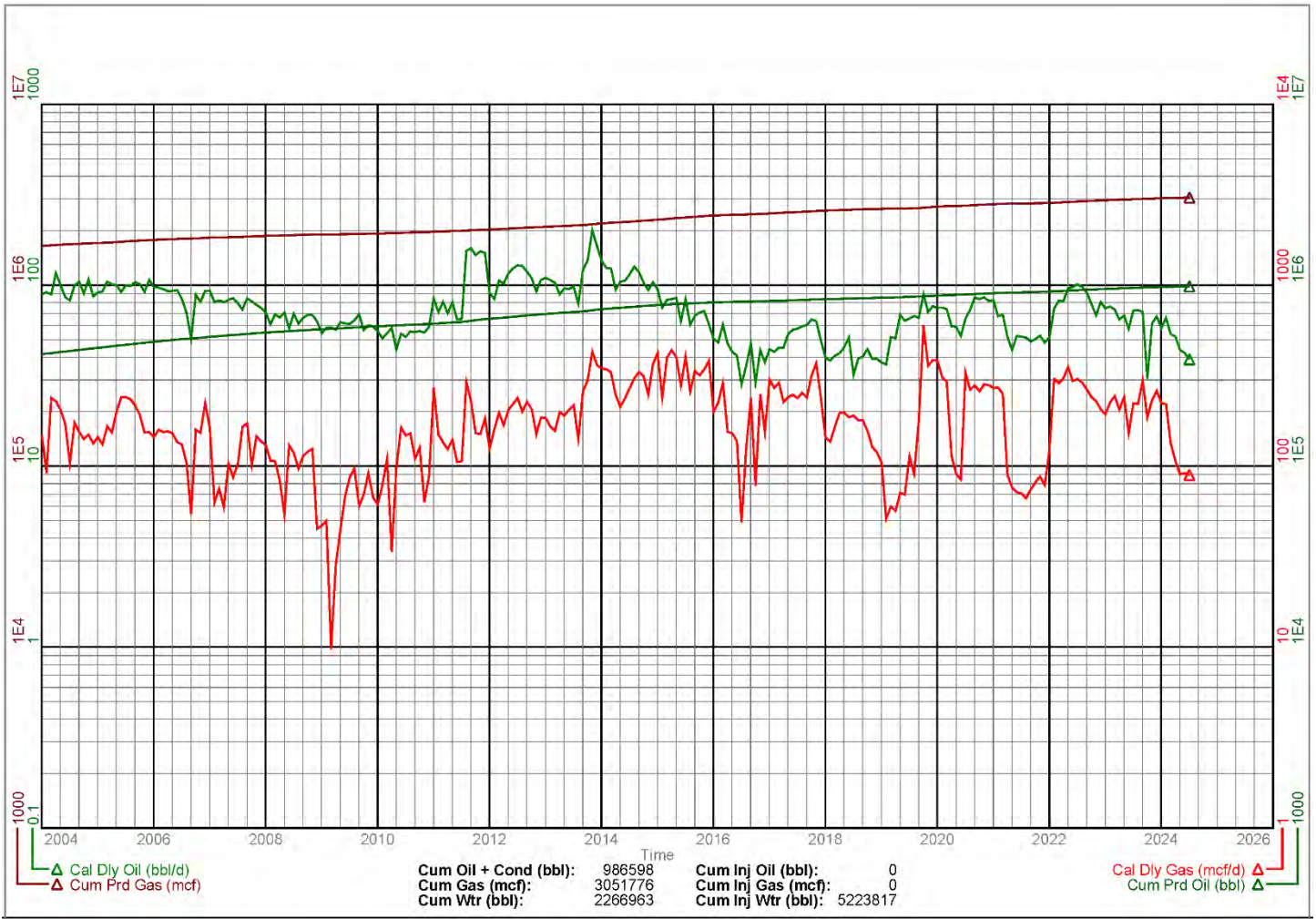
CLEO has existing infrastructure with clean oil currently trucked to the 16-04-042-12W4 battery.

Upside potential exists to recomplete and commingle Glauconitic sand with existing Mannville oil producers. The Upper Ellerslie has porosity of 18% to 30% and water saturation of 17% to 50%. The Lower Ellerslie has porosity of 23% to 28%.





Sedgewick, Alberta - Gross Production Group Plot



Sedgewick Facilities

CLEO has an interest in a multi-well oil battery at 16-04-042-12W4 with 250 bbl/d of capacity.

Clean oil is trucked to the 16-04-042-12W4 battery.

Further details on the Company's facilities are available in the virtual data room for parties that sign a confidentiality agreement.

Sedgewick Reserves

Deloitte LLP ("Deloitte") prepared an independent reserves evaluation of the Properties (the "Deloitte Report") as part of the Company's year-end reporting. The Deloitte Report is effective December 31, 2022 using Deloitte's January 1, 2023 forecast pricing.

Deloitte estimated that, as at December 31, 2022, the *Sedgewick* property contained remaining proved plus probable reserves of 514,000 barrels of oil and natural gas liquids and 336 MMcf of natural gas (570,000 boe), with an estimated net present value of \$7.2 million using forecast pricing at a 10% discount.

	Deloitte LLP as at December 31, 2022						
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	0%	5%	10%
Proved Developed Producing	221	278	4	271	\$8,542	\$6,777	\$5,581
Proved Non-Producing/Undeveloped	181	0	0	181	\$3,288	\$1,284	\$144
Total Proved	402	278	4	452	\$11,830	\$8,061	\$5,725
Probable	108	58	1	118	\$5,086	\$2,533	\$1,439
Total Proved Plus Probable	510	336	4	570	\$16,917	\$10,594	\$7,164

The reserve estimates and forecasts of production and revenues for the Company's Properties were prepared within the context of a group of 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.

Sedgewick LMR as of November 2, 2024

As of November 2, 2024, the *Sedgewick* property had a deemed net asset value of \$317,320 (deemed assets of \$2.5 million and deemed liabilities of \$2.1 million), with an LMR ratio of 1.15.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$2,496,494	\$2,179,174	\$317,320	1.15

Sedgewick Well List

See well list in Excel.

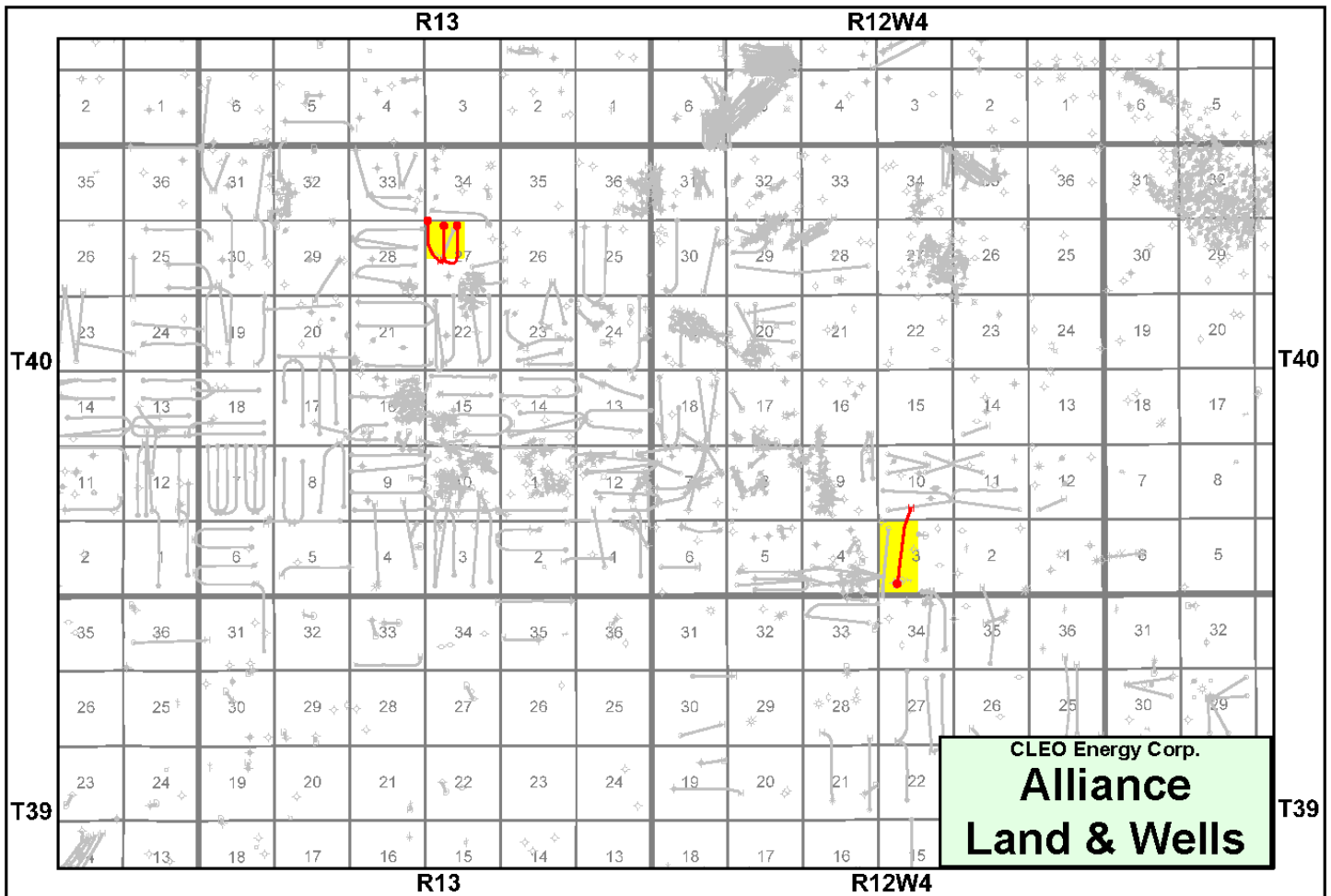
Alliance Property

Township 40, Range 12-13 W4

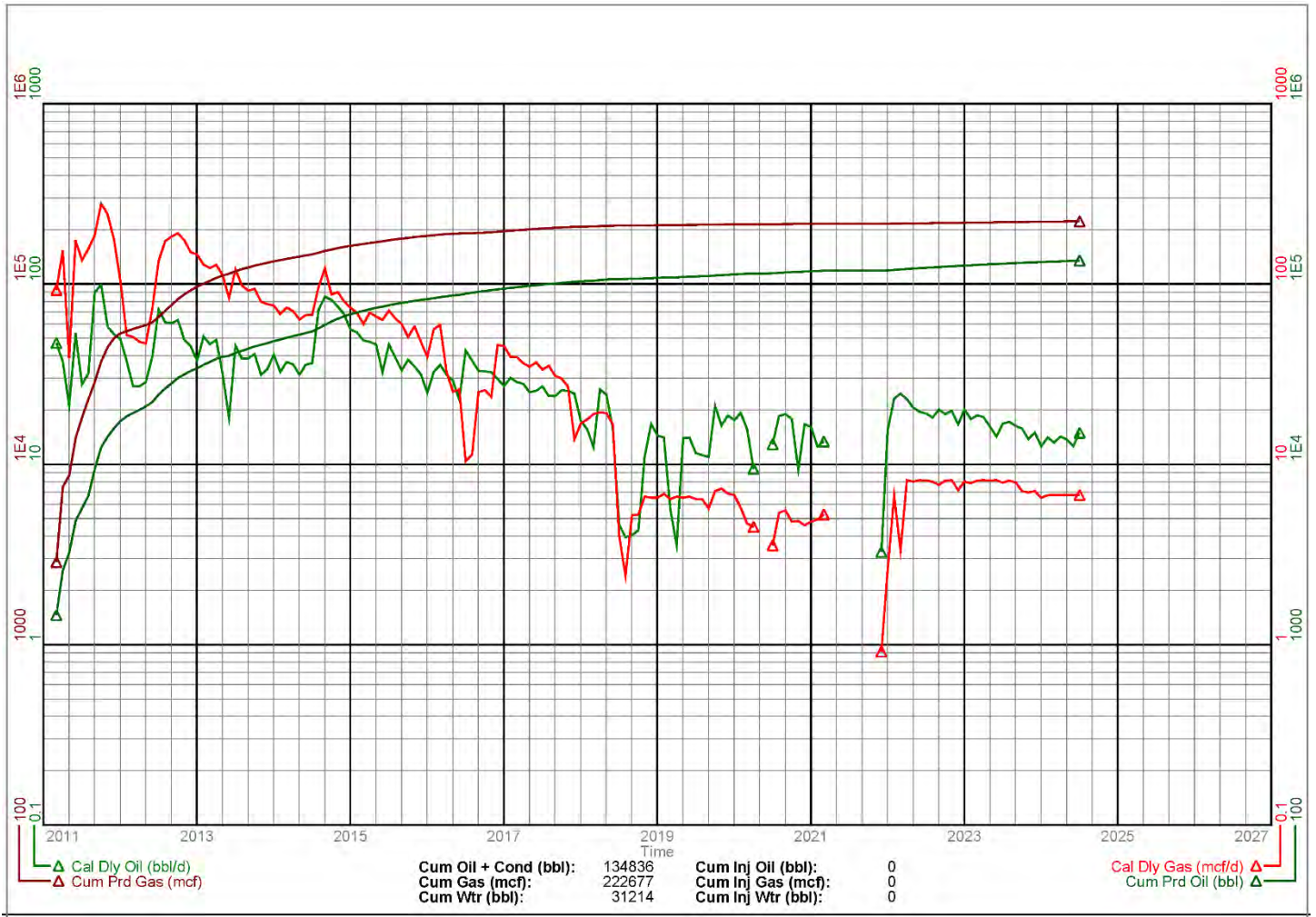
At *Alliance*, CLEO holds a 100% working interest in three quarter sections of land. The Company has stable, low-decline oil production from the Viking Formation. CLEO also has one horizontal drilling location booked in the Deloitte Report on Section 04-03-040-12W4 targeting the same Viking pool.

Average daily production net to CLEO from the *Alliance* property for the first half of 2024 was approximately 15 barrels of oil per day.

Operating income net to CLEO from *Alliance* for the first half of 2024 was approximately \$24,900 per month.



Alliance, Alberta - Gross Production Group Plot



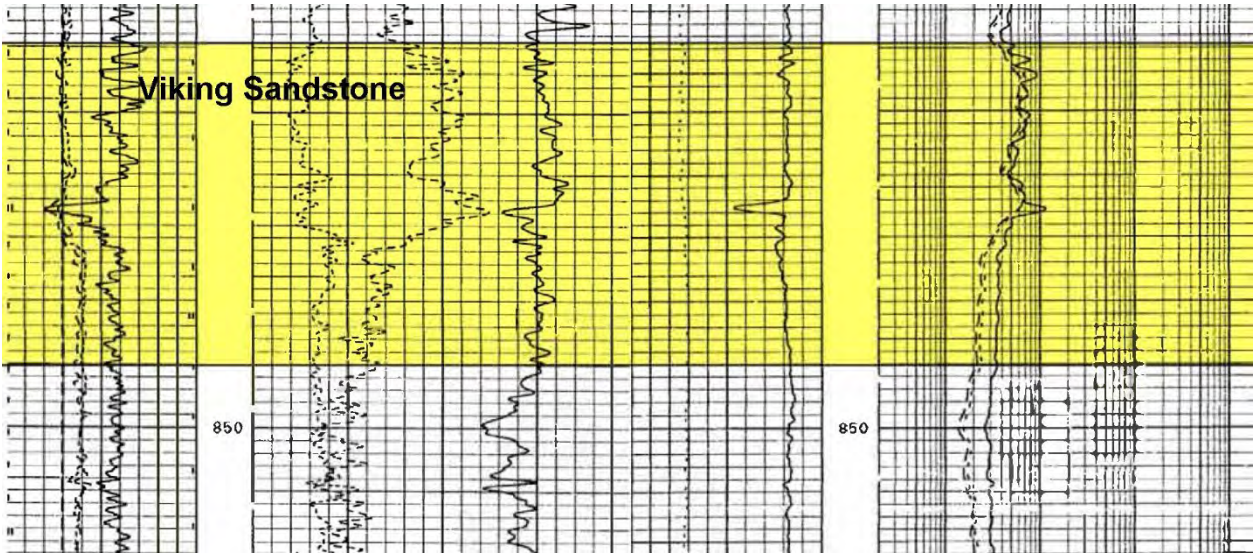


Viking Formation

At *Alliance*, the Viking reservoir is comprised of sandstone within coarsening-upwards cycles from shale to sandstone. The sediments were deposited in the Late Cretaceous period in a shoreface environment.

The following well logs show the Viking Formation at *Alliance*.

1994450AB Provost 102/03-03-040-12W4/0 – Viking Formation Type Log



Alliance Facilities

CLEO does not have ownership in any facilities at *Alliance*.

Alliance Marketing

Oil from *Alliance* is trucked to **Secure Energy Services Inc.**'s facility at 12-30-034-09W4 and sold to Secure.

Alliance Reserves

Deloitte LLP ("Deloitte") prepared an independent reserves evaluation of the Properties (the "Deloitte Report") as part of the Company's year-end reporting. The Deloitte Report is effective December 31, 2022 using Deloitte's January 1, 2023 forecast pricing.

Deloitte estimated that, as at December 31, 2022, the *Alliance* property contained remaining proved plus probable reserves of approximately 95,000 barrels of oil, with an estimated net present value of \$1.3 million using forecast pricing at a 10% discount.

	Deloitte LLP as at December 31, 2022						
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	0%	5% (000s)	10%
Proved Developed Producing	26	0	0	26	\$829	\$800	\$722
Proved Non-Producing/Undeveloped	0	0	0	0	\$0	\$0	\$0
Total Proved	26	0	0	26	\$829	\$800	\$722
Probable	69	0	0	69	\$1,516	\$939	\$574
Total Proved Plus Probable	95	0	0	95	\$2,345	\$1,739	\$1,296

The reserve estimates and forecasts of production and revenues for the Company's Properties were prepared within the context of a group of 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.

Alliance LMR as of November 2, 2024

As of November 2, 2024, the *Alliance* property had a deemed net asset value of \$342,434 (deemed assets of \$586,356 and deemed liabilities of \$243,922), with an LMR ratio of 2.40.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$586,356	\$243,922	\$342,434	2.40

Alliance Well List

See well list in Excel.

Neutral Hills Property

Township 35-37, Range 4-7 W4

At *Neutral Hills*, CLEO holds primarily a 100% working interest in certain lands and wells located in the north block.

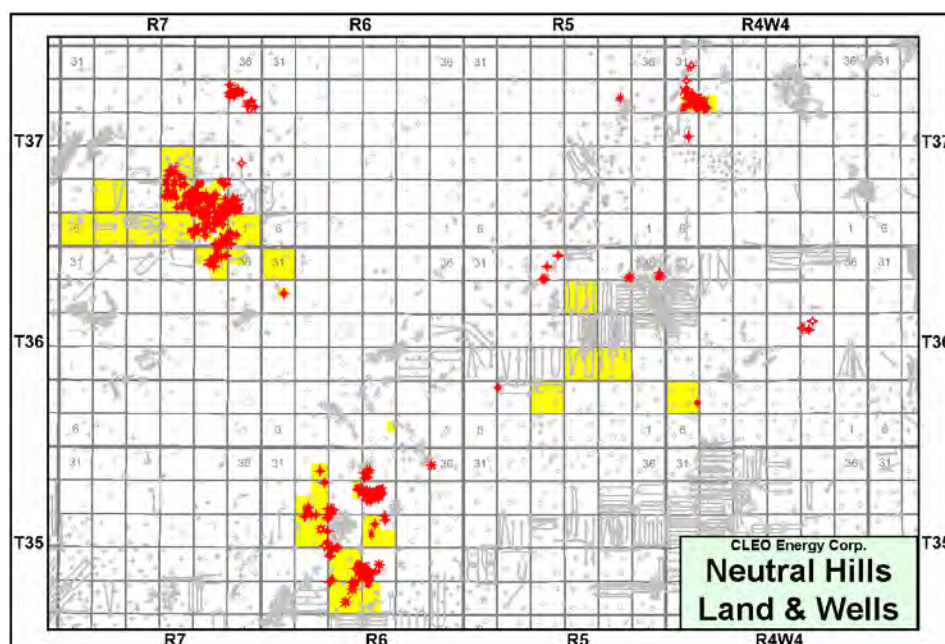
CLEO also holds a 50% working interest operated by **Prairie Provident Resources Inc.** in the south block, and other minor non-operated working interests. *Neutral Hills South* has been shut-in since December 2023. Production at *Neutral Hills* is primarily oil from the Dina Formation.

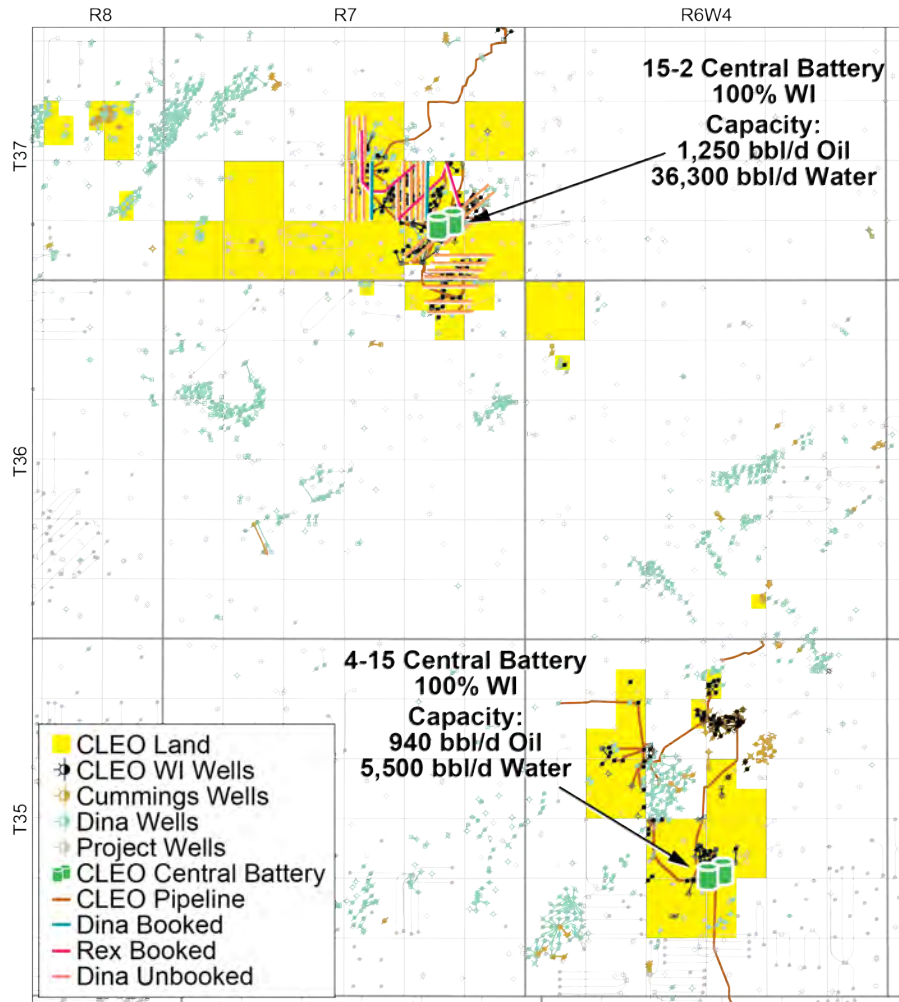
Average daily production net to CLEO from *Neutral Hills* for the first half of 2024 was approximately 54 boe/d, consisting of 51 bbl/d oil and natural gas liquids and 16 Mcf/d of natural gas. The Company has identified 25 bbl/d of oil to be brought back on production as soon as possible and an additional 50 bbl/d to be brought back on with an estimated cost of approximately \$300,000.

Current production net to CLEO from *Neutral Hills* is approximately 90 boe/d. In 2024, CLEO spent upwards of \$500,000 on pipeline repairs and recompletions to restore approximately 85 bbl/d of oil production that was down due to a pipeline break. With the pipeline repairs, the field has long lasting pipeline integrity. CLEO has identified drilling upside in the Rex, Dina and Cummings formations, with five locations booked in the Deloitte Report. CLEO has also identified three unbooked Rex multi-laterals and two Dina horizontal wells and an additional 23 internally identified unbooked Dina locations. CLEO's booked inventory at *Neutral Hills* is the only property where it has booked multilateral wells.

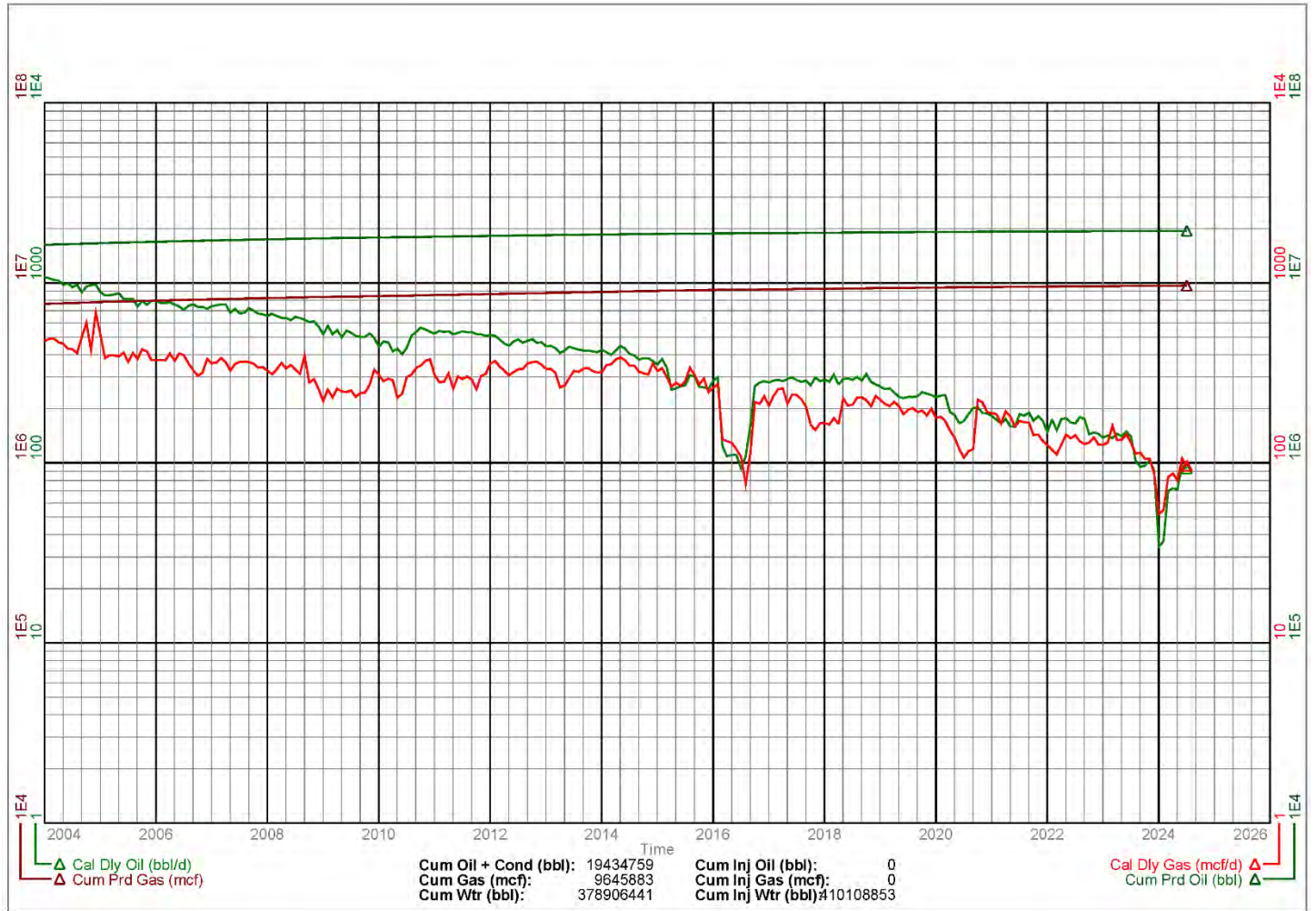
Operating income net to CLEO from *Neutral Hills* for the first half of 2024 was approximately (\$80,100) per month. *Neutral Hills* had a major pipeline upgrade and reactivation in August 2024 which resulted in a post-repair net operating income of approximately \$40,000/month. Minor workovers will immediately bring on an additional 50 bbl/d of oil.

The Company has also identified numerous Cummings recompletion opportunities at *Neutral Hills*, as well as a potential opportunity for reduction in operating expenses through power generation.





Neutral Hills, Alberta - Gross Production Group Plot



Neutral Hills Facilities

CLEO has ownership in two multi-well oil batteries at *Neutral Hills* at 15-02-037-07W4 battery and 04-15-035-06W4 with capacity of 1,250 bbl/d.

Production is pipeline connected to **Inter Pipeline Ltd.**

Further details on the Company's facilities are available in the virtual data room for parties that sign a confidentiality agreement.

Neutral Hills Reserves

Deloitte LLP ("Deloitte") prepared an independent reserves evaluation of the Properties (the "Deloitte Report") as part of the Company's year-end reporting. The Deloitte Report is effective December 31, 2022 using Deloitte's January 1, 2023 forecast pricing.

Deloitte estimated that, as at December 31, 2022, the *Neutral Hills* property contained remaining proved plus probable reserves of 845,000 barrels of oil and natural gas liquids and 151 MMcf of natural gas (870,000 boe), with an estimated net present value of \$4.2 million using forecast pricing at a 10% discount.

	Deloitte LLP as at December 31, 2022						
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	0%	5% (000s)	10%
Proved Developed Producing	310	100	3	329	\$1,185	\$1,224	\$1,148
Proved Non-Producing/Undeveloped	136	0	0	136	\$1,979	\$1,347	\$941
Total Proved	445	100	3	465	\$3,164	\$2,571	\$2,089
Probable	395	51	1	405	\$7,240	\$3,958	\$2,152
Total Proved Plus Probable	841	151	4	870	\$10,404	\$6,529	\$4,241

The reserve estimates and forecasts of production and revenues for the Company's Properties were prepared within the context of a group of 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.

Neutral Hills LMR as of November 2, 2024

As of November 2, 2024, the *Neutral Hills* property had a deemed net asset value of (\$3.4 million) (deemed assets of \$2.8 million and deemed liabilities of \$6.2 million), with an LMR ratio of 0.45.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$2,796,218	\$6,206,355	(\$3,410,136)	0.45

Neutral Hills Well List

See well list in Excel.

Shorncliffe Property

Township 40, Range 7-8 W4

At *Shorncliffe*, CLEO holds largely a 100% working interest in 4.75 sections of land, as well as a 25% non-operated working interest.

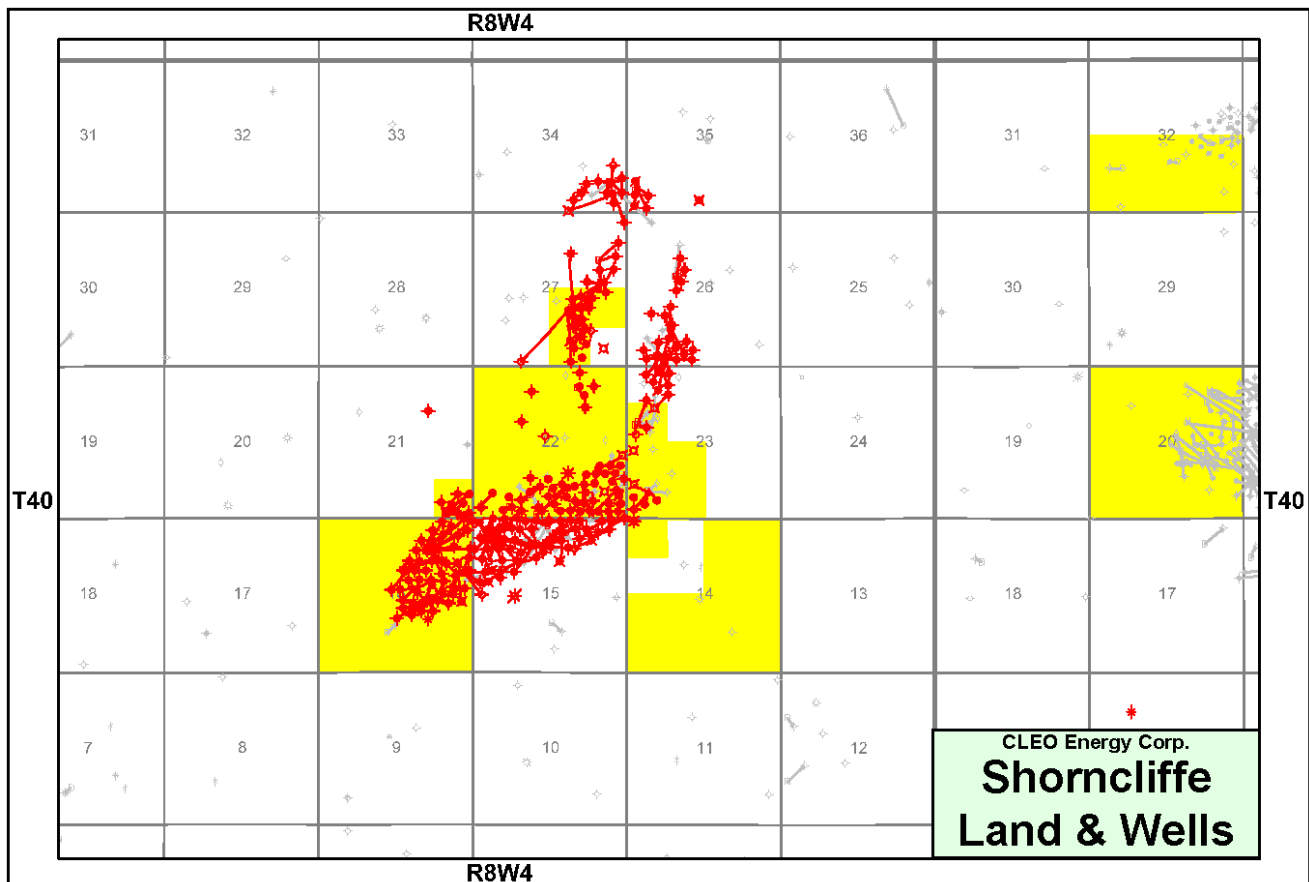
The Company also has an interest in certain non-operated wells which are operated by **Harvest Operations Corp.** Production at *Shorncliffe* is primarily 20° API oil from the Ellerslie, Glauconitic Sandstone and Basal Quartz formations.

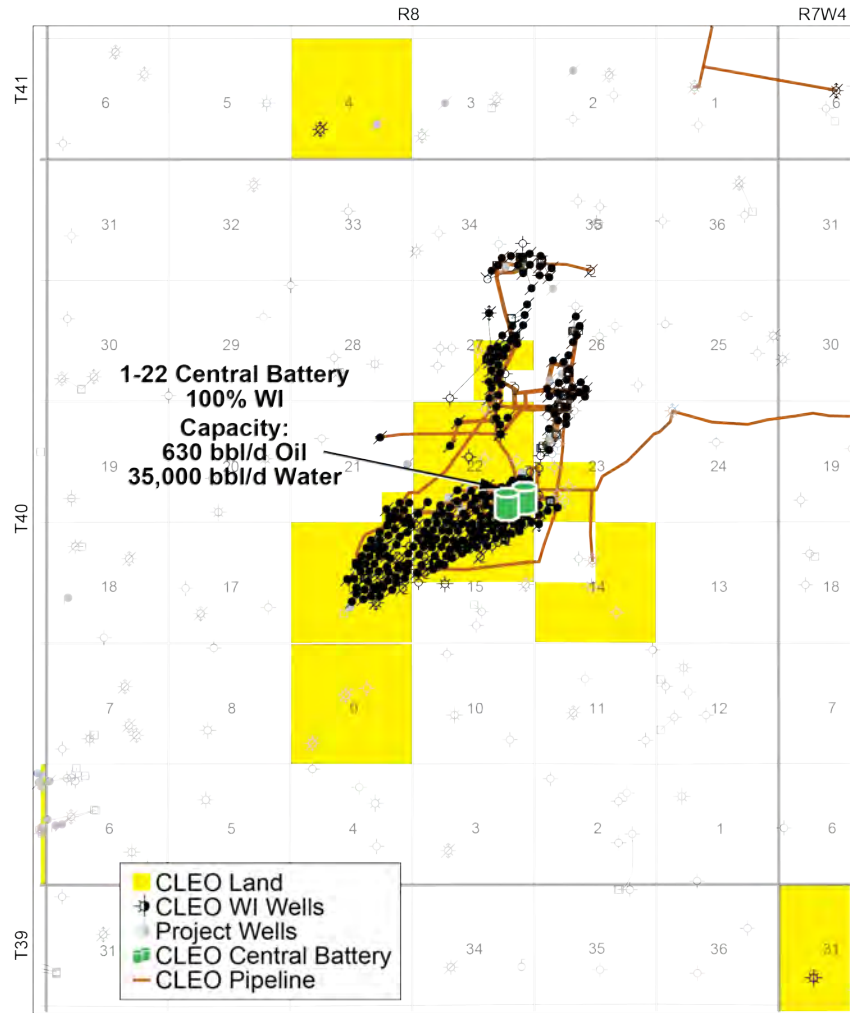
Average daily production net to CLEO from *Shorncliffe* for the first half of 2024 was approximately 135 bbl/d oil. Current production net to CLEO from *Shorncliffe* is approximately 95 bbl/d of oil.

Operating income net to CLEO from *Shorncliffe* for the first half of 2024 was approximately \$18,100 per month. *Shorncliffe* had a large amount of reactivations in March/April 2024 and now has a net operating income of approximately \$115,000/month.

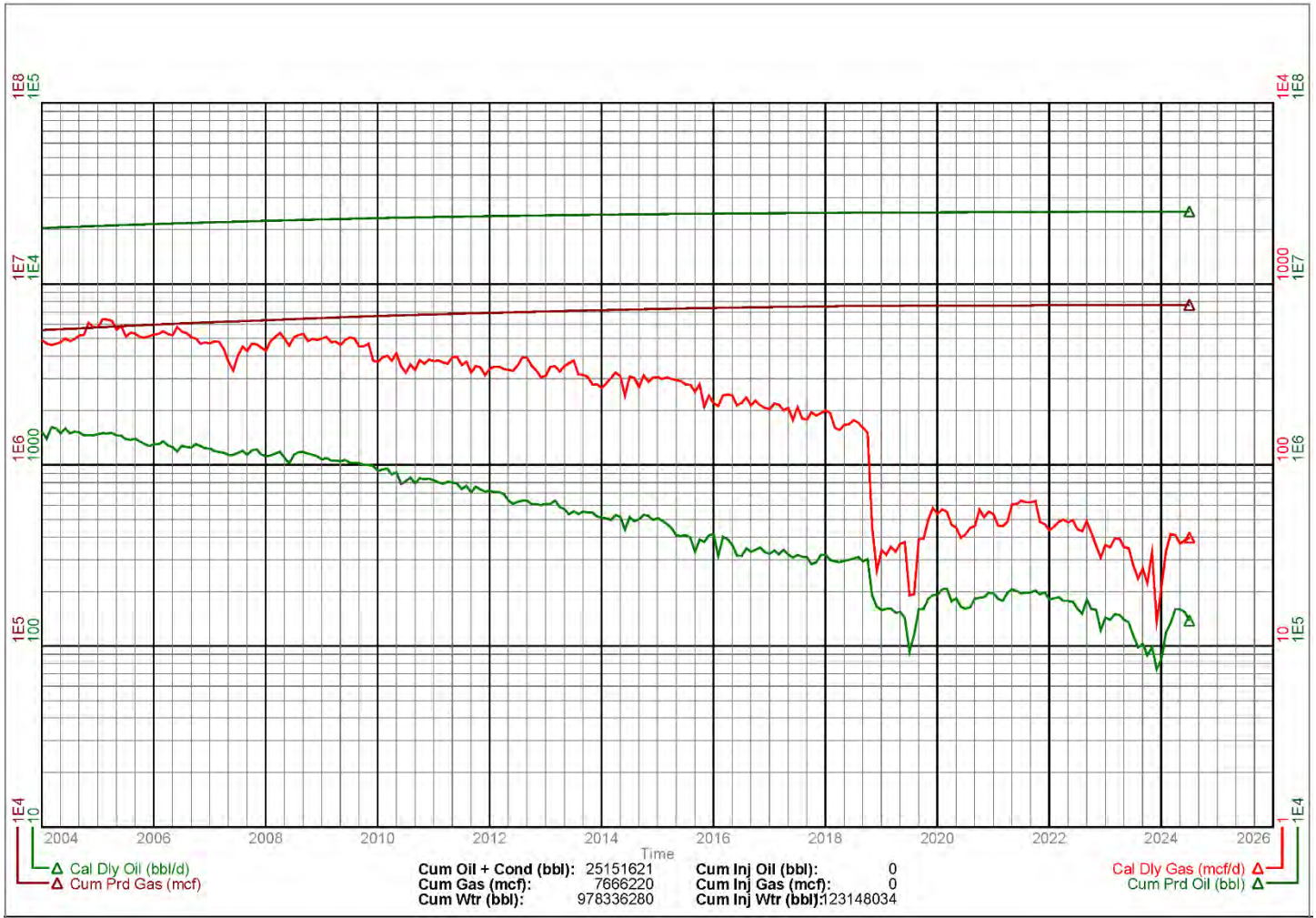
The *Shorncliffe* property is the location of the Company's main field office. The property has two producing fields which are connected to a central battery which is pipeline connected to **Inter Pipeline Ltd.**

CLEO believes that additional water handling and conversion to a new water injection well could support an increase in overall production levels.





Shorncliffe, Alberta - Gross Production Group Plot



Shorncliffe Facilities

CLEO has ownership in a central battery at 01-22-040-08 with capacity of 630 bbl/d.

Production is pipeline connected to **Inter Pipeline Ltd.**

Further details on the Company's facilities are available in the virtual data room for parties that sign a confidentiality agreement.

Shorncliffe Reserves

Deloitte LLP ("Deloitte") prepared an independent reserves evaluation of the Properties (the "Deloitte Report") as part of the Company's year-end reporting. The Deloitte Report is effective December 31, 2022 using Deloitte's January 1, 2023 forecast pricing.

Deloitte estimated that, as at December 31, 2022, the *Shorncliffe* property contained remaining proved plus probable reserves of 431,000 barrels of oil (431,000 boe), with an estimated net present value of \$2.1 million using forecast pricing at a 10% discount.

	Deloitte LLP as at December 31, 2022						
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	0%	5% (000s)	10%
Proved Developed Producing	275	0	0	275	\$448	\$867	\$1,021
Proved Non-Producing/Undeveloped	7	0	0	7	\$197	\$178	\$159
Total Proved	281	0	0	281	\$645	\$1,046	\$1,181
Probable	150	0	0	150	\$1,742	\$1,297	\$966
Total Proved Plus Probable	431	0	0	431	\$2,387	\$2,343	\$2,146

The reserve estimates and forecasts of production and revenues for the Company's Properties were prepared within the context of a group of 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.

Shorncliffe LMR as of November 2, 2024

As of November 2, 2024, the *Shorncliffe* property had a deemed net asset value of \$517,841 (deemed assets of \$5.3 million and deemed liabilities of \$4.8 million), with an LMR ratio of 1.11.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$5,286,408	\$4,768,567	\$517,841	1.11

Shorncliffe Well List

See well list in Excel.

Fabyan Property

Township 41-46, Range 6-11 W4

At *Fabyan*, CLEO holds largely a 100% working interest in approximately 120 sections of land. Production at *Fabyan* is primarily shallow natural gas from the Viking Formation.

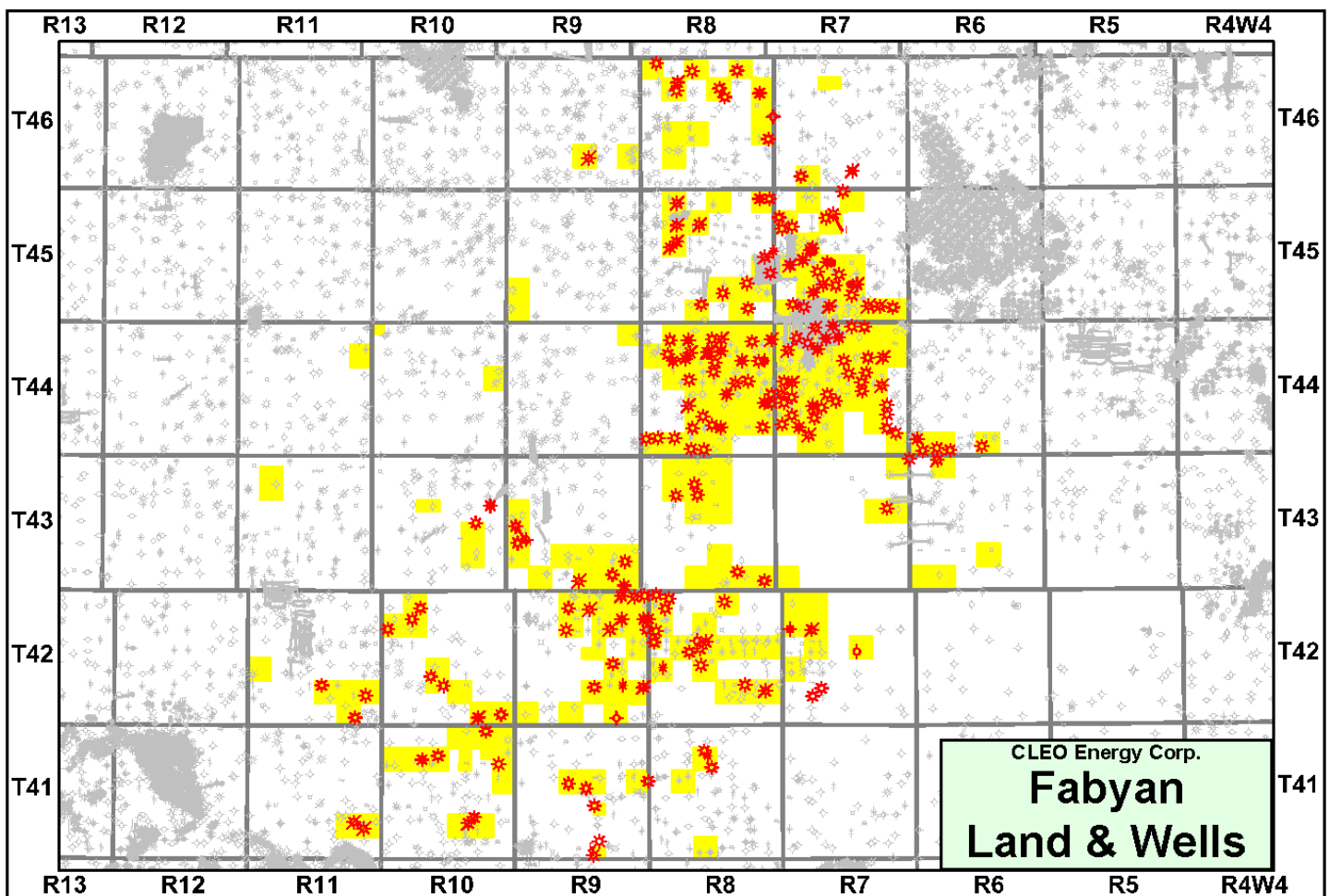
Current production from *Fabyan* is shut-in.

The Company believes the 100/11-10-045-07W4/3 Sparky and Colony well at *Fabyan* can generate approximately \$250,000 per year in net operating income. There is also potential for low-risk multilateral development.

Average daily production net to CLEO from *Fabyan* for the first half of 2024 was approximately 345 boe/d, consisting of 1,978 Mcf/d of natural gas and 15 bbl/d oil and natural gas liquids.

Operating income net to CLEO from *Fabyan* for the first half of 2024 was approximately (\$184,600) per month.

CLEO believes there is potential for future power generation or Bitcoin mining at *Fabyan*.



Infrastructure

CLEO controls all of the pipeline infrastructure in the area necessary for both oil development and associated natural gas egress. The area has significant offsetting potential including the Viking and Upper Mannville Sparky oil reservoirs, which would require use of the Company's pipeline infrastructure.

Further details relating to CLEO's pipeline infrastructure will be available in the virtual data room for parties that execute a confidentiality agreement.

Fabyan Facilities

CLEO does not have ownership in any facilities at *Fabyan*. The Company has a natural gas processing and handling agreement in place with **Durham Creek Energy Ltd.** under which CLEO's natural gas is processed at the *Fabyan* 06-08-045-07W4 natural gas plant for a handling charge of \$0.55/Mcf.

Fabyan Reserves

The Company does not have a current third-party reserve report reflecting the disposition of certain of its interests at *Fabyan* in late 2013.

Fabyan LMR as of November 2, 2024

As of November 2, 2024, the *Fabyan* property had a deemed net asset value of (\$13.3 million) (deemed assets of \$10.1 million and deemed liabilities of \$23.3 million), with an LMR ratio of 0.43.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$10,052,715	\$23,346,309	(\$13,293,594)	0.43

The Company recognizes there are a significant number of abandoned wells, however; a large amount of the liabilities at *Fabyan* are associated to reclamation only.

Fabyan Well List

See well list in Excel.

Enchant/Taber Property

Township 9-14, Range 14-20 W4

At *Enchant/Taber*, CLEO holds largely a 99.7% working interest in approximately 36 sections of land. Production at *Enchant* consists of stable, low-decline natural gas.

CLEO currently has a Bitcoin mining operation at *Enchant*.

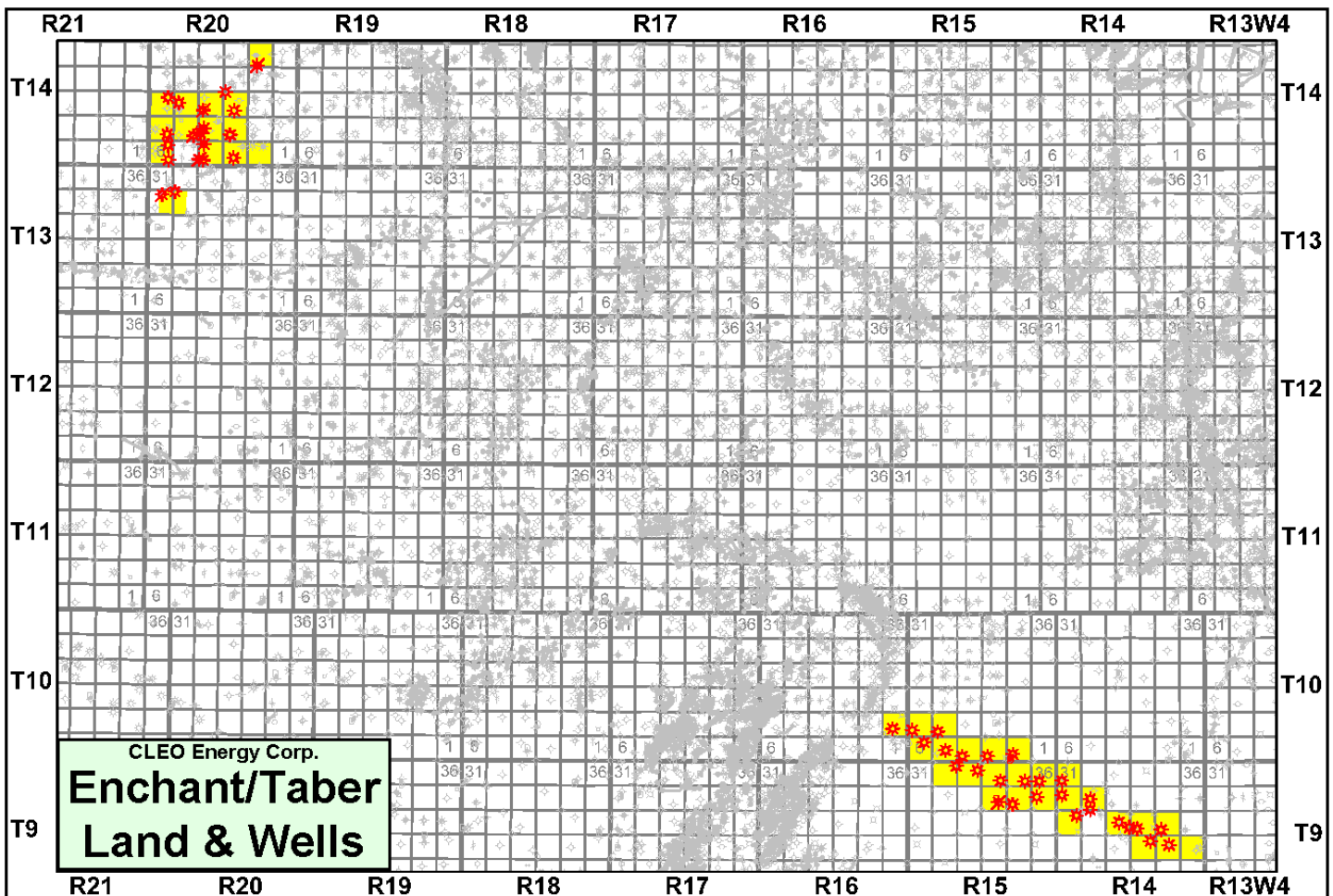
Average daily production net to CLEO from *Enchant* for the first half of 2024 was approximately 20 boe/d, consisting of 121 Mcf/d of natural gas.

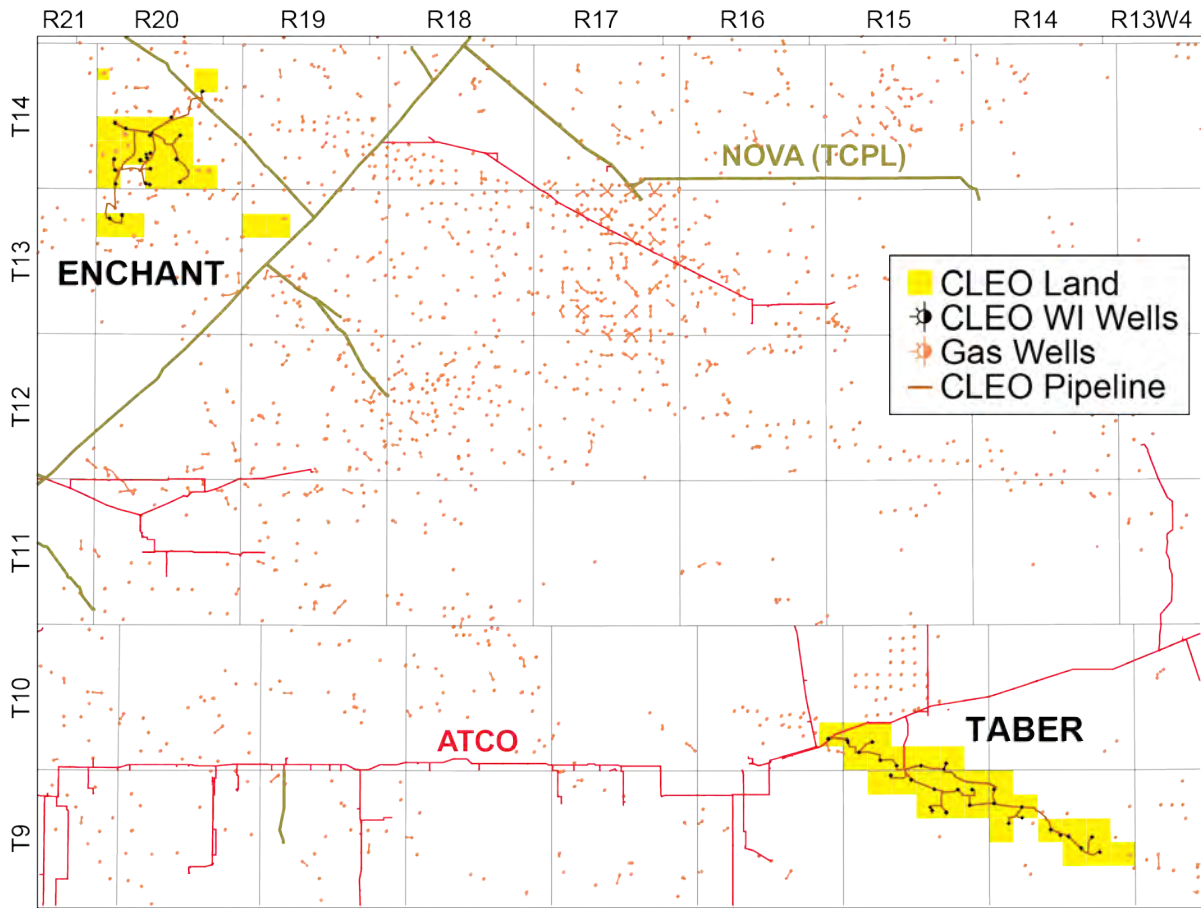
The *Taber* property is currently shut-in.

Average daily production net to CLEO from *Taber* for the first half of 2024 was approximately 56 boe/d, consisting of 335 Mcf/d of natural gas.

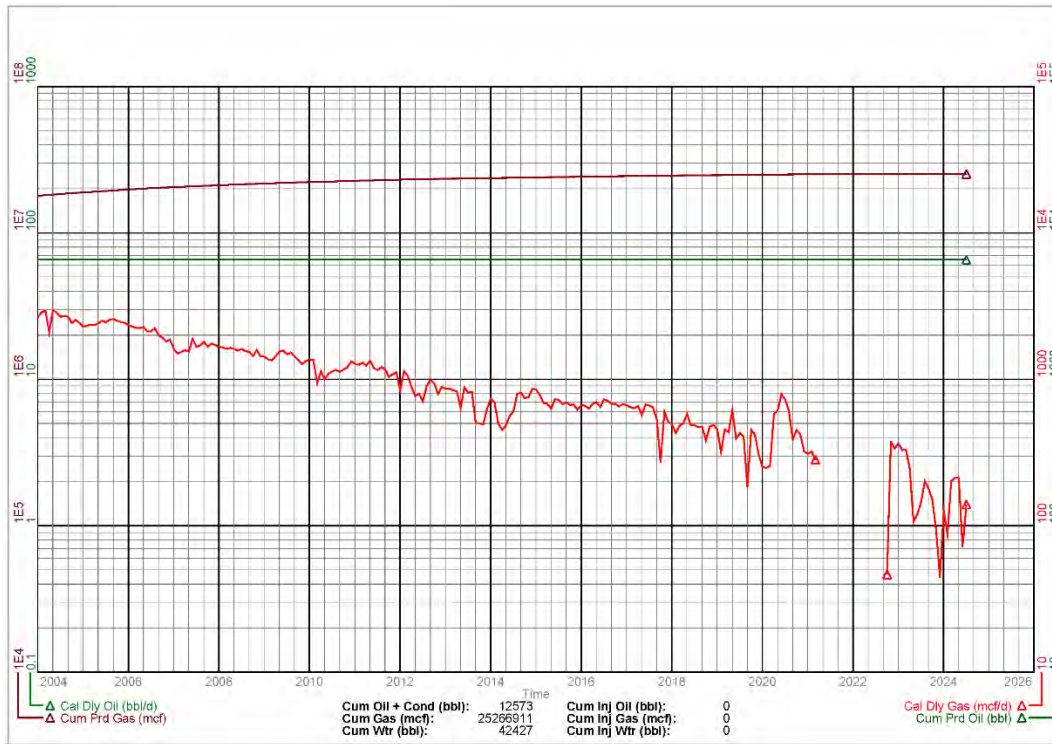
Operating income net to CLEO from *Enchant* for the first half of 2024 was approximately (\$6,200) per month.

Operating income net to CLEO from *Taber* for the first half of 2024 was approximately (\$15,000) per month.

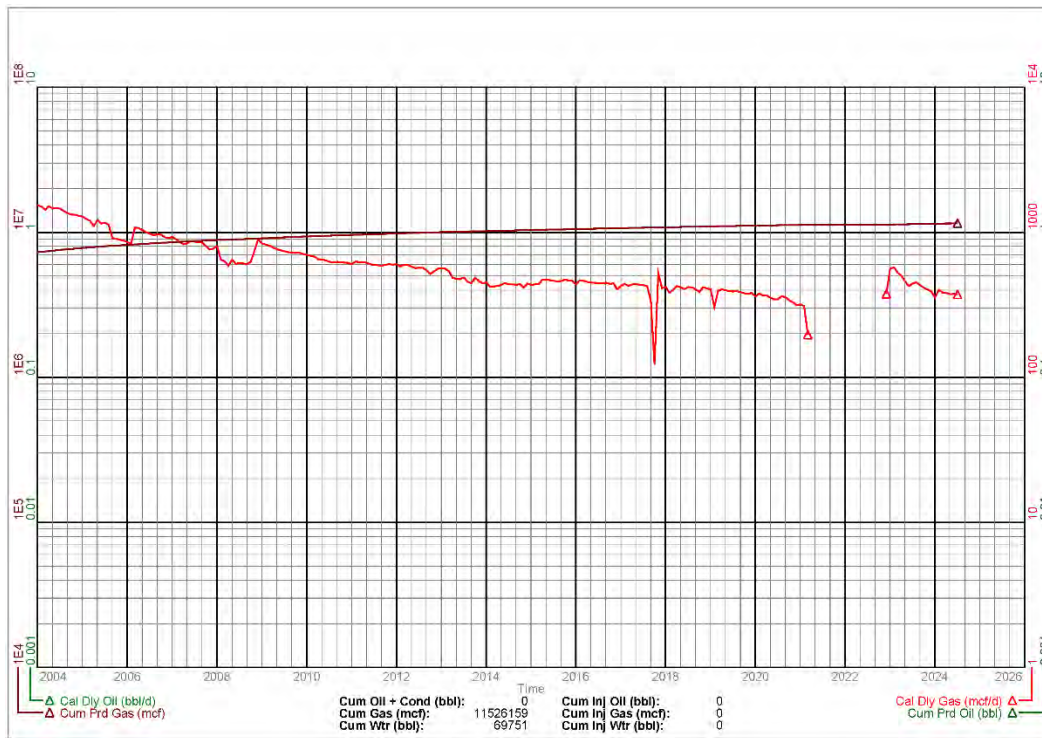




Enchant, Alberta - Gross Production Group Plot



Taber, Alberta - Gross Production Group Plot



Enchant/Taber Facilities

CLEO currently has a Bitcoin mining operation at *Enchant*.

Natural gas egress at *Taber* is through ATCO sales line connected to TC Energy through a CLEO owned facility.

Further details on the Company's facilities are available in the virtual data room for parties that sign a confidentiality agreement.

Enchant/Taber Reserves

Deloitte LLP (“Deloitte”) prepared an independent reserves evaluation of the Properties (the “Deloitte Report”) as part of the Company’s year-end reporting. The Deloitte Report is effective December 31, 2022 using Deloitte’s January 1, 2023 forecast pricing.

Deloitte estimated that, as at December 31, 2022, the *Enchant* property contained remaining proved plus probable reserves of 1.2 Bcf of natural gas (200,000 boe), with an estimated net present value of \$838,000 using forecast pricing at a 10% discount.

Deloitte LLP as at December 31, 2022							
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	0%	5% (000s)	10%
Proved Developed Producing	0	700	0	117	(\$70)	\$323	\$450
Proved Non-Producing/Undeveloped	0	145	0	24	\$105	\$160	\$162
Total Proved	0	845	0	141	\$35	\$482	\$612
Probable	0	357	0	60	\$460	\$405	\$227
Total Proved Plus Probable	0	1,202	0	200	\$496	\$888	\$838

The reserve estimates and forecasts of production and revenues for the Company’s Properties were prepared within the context of a group of 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.

Deloitte LLP (“Deloitte”) prepared an independent reserves evaluation of the Properties (the “Deloitte Report”) as part of the Company’s year-end reporting. The Deloitte Report is effective December 31, 2022 using Deloitte’s January 1, 2023 forecast pricing.

Deloitte estimated that, as at December 31, 2022, the *Taber* property contained remaining proved plus probable reserves of 946 MMcf of natural gas (158,000 boe), with an estimated net present value of \$847,000 using forecast pricing at a 10% discount.

Deloitte LLP as at December 31, 2022							
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	0%	5% (000s)	10%
Proved Developed Producing	0	651	0	108	(\$293)	\$291	\$516
Proved Non-Producing/Undeveloped	0	0	0	0	\$0	\$0	\$0
Total Proved	0	651	0	108	(\$293)	\$291	\$516
Probable	0	296	0	49	\$396	\$400	\$331
Total Proved Plus Probable	0	946	0	158	\$103	\$691	\$847

The reserve estimates and forecasts of production and revenues for the Company’s Properties were prepared within the context of a group of 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.

Enchant/Taber LMR as of November 2, 2024

As of November 2, 2024, the *Enchant* property had a deemed net asset value of (\$897,078) (deemed assets of \$547,146 and deemed liabilities of \$1.4 million), with an LMR ratio of 0.38.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$547,146	\$1,444,224	(\$897,078)	0.38

As of November 2, 2024, the *Taber* property had a deemed net asset value of (\$119,148) (deemed assets of \$1.5 million and deemed liabilities of \$1.5 million), with an LMR ratio 0.93.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$1,517,235	\$1,636,383	(\$119,148)	0.93

Enchant/Taber Well List

See well list in Excel.

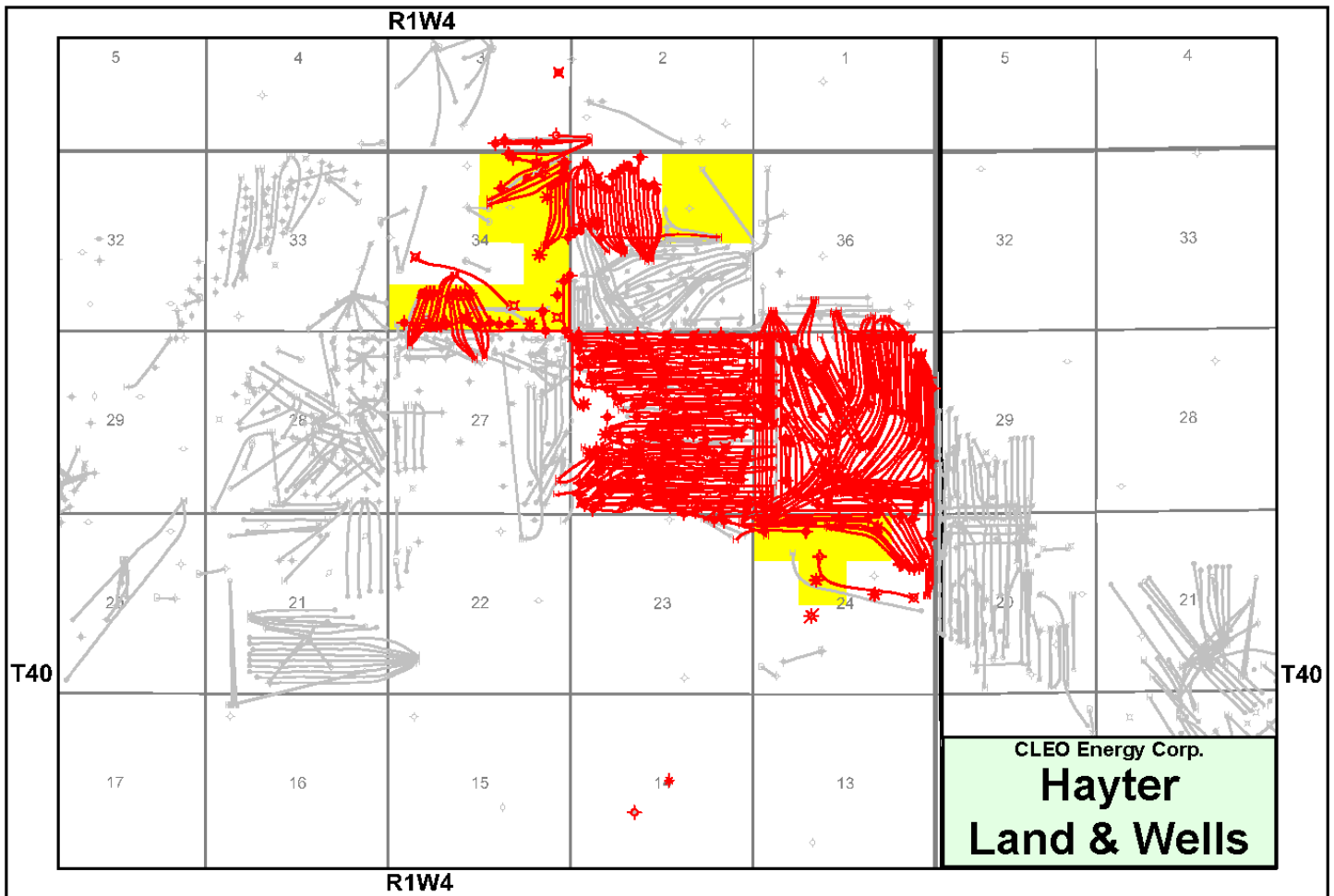
Hayter Property

Township 40-41, Range 1 W4

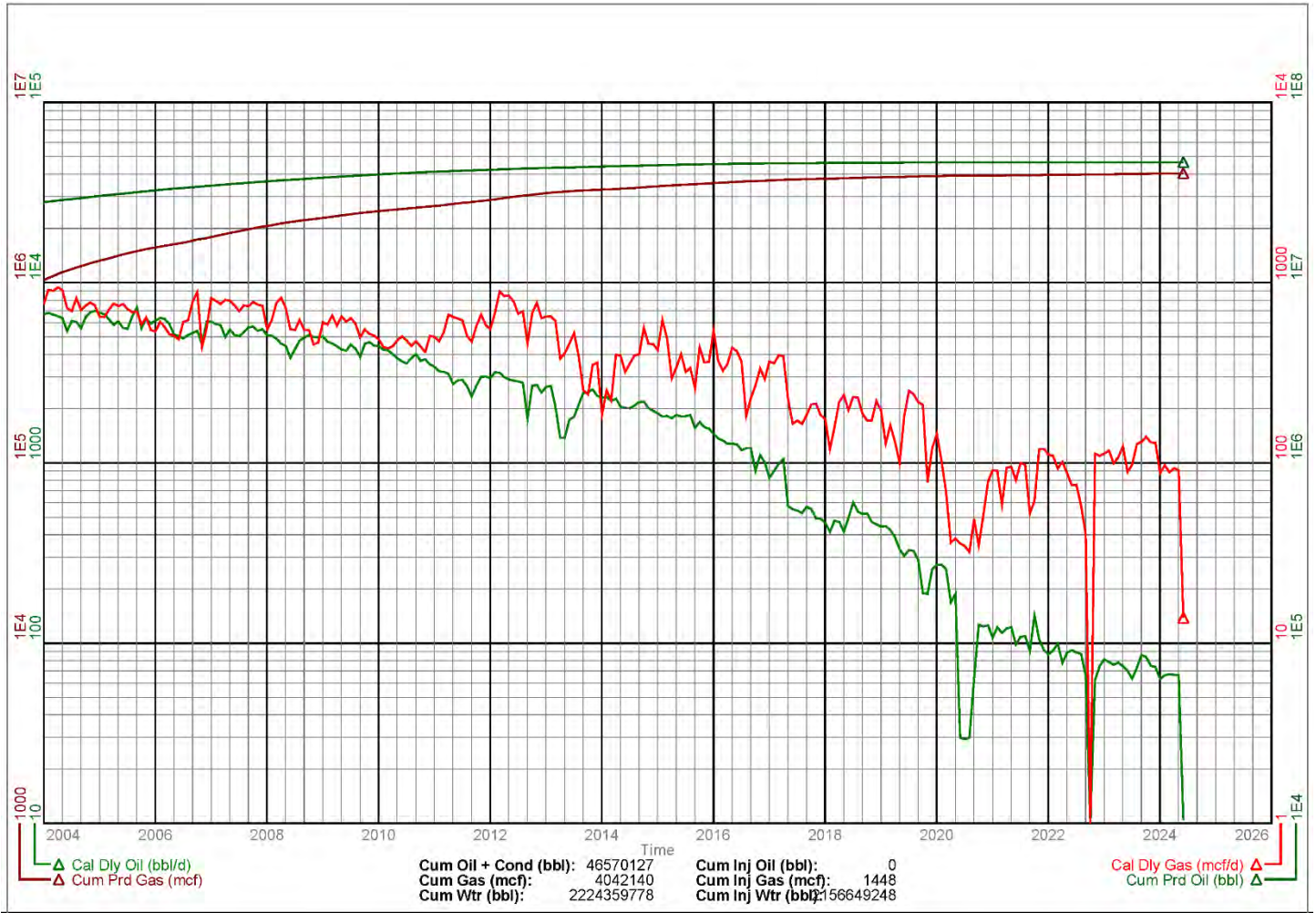
At *Hayter*, CLEO holds primarily minor non-operated working interest in approximately one section of land. Production at *Hayter* is operated by **Harvest Operations Corp.** and **Rife Resources Ltd.**

Average daily production net to CLEO from *Hayter* for the first half of 2024 was approximately 6 boe/d, consisting of 5 bbl/d oil and 3 Mcf/d of natural gas. There is no current production net to CLEO from *Hayter*.

Operating income net to CLEO from *Hayter* for the first half of 2024 was approximately (\$28,300) per month.



Hayter, Alberta - Gross Production Group Plot



Hayter Facilities

CLEO does not have ownership in any facilities at *Hayter*,

Hayter Reserves

Deloitte LLP (“Deloitte”) prepared an independent reserves evaluation of the Properties (the “Deloitte Report”) as part of the Company’s year-end reporting. The Deloitte Report is effective December 31, 2022 using Deloitte’s January 1, 2023 forecast pricing.

Deloitte estimated that, as at December 31, 2022, the *Hayter* property contained remaining proved plus probable reserves of 60,000 barrels of oil and natural gas liquids and 193 MMcf of natural gas (92,000 boe), with an estimated net present value of (\$413,000) using forecast pricing at a 10% discount.

	Deloitte LLP as at December 31, 2022							
	COMPANY GROSS RESERVES				PV BEFORE TAX			
	Oil	Natural Gas	Ngl	Total	0%	5%	10%	
	Mbbl	MMcf	Mbbl	MBOE		(000s)		
Proved Developed Producing	35	126	0	57	(\$1,068)	(\$850)	(\$704)	
Proved Non-Producing/Undeveloped	4	0	0	4	\$162	\$133	\$110	
Total Proved	39	126	0	61	(\$906)	(\$717)	(\$594)	
Probable	20	67	0	31	\$602	\$304	\$180	
Total Proved Plus Probable	59	193	1	92	(\$304)	(\$413)	(\$413)	

The reserve estimates and forecasts of production and revenues for the Company’s Properties were prepared within the context of a group of 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.

The *Hayter* reserves table includes reserves values and volumes for the non-operated portions of the *Silver Heights*, *Sedgewick*, *Kessler* and *Fabyan* properties.

Hayter LMR as of November 2, 2024

As of November 2, 2024, the *Hayter* property had a deemed net asset value of (\$540,786) (deemed assets of \$0 and deemed liabilities of \$540,786), with an LMR ratio of 0.00.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$0	\$540,786	(\$540,786)	0.00

Hayter Well List

See well list in Excel.

Atlee Property

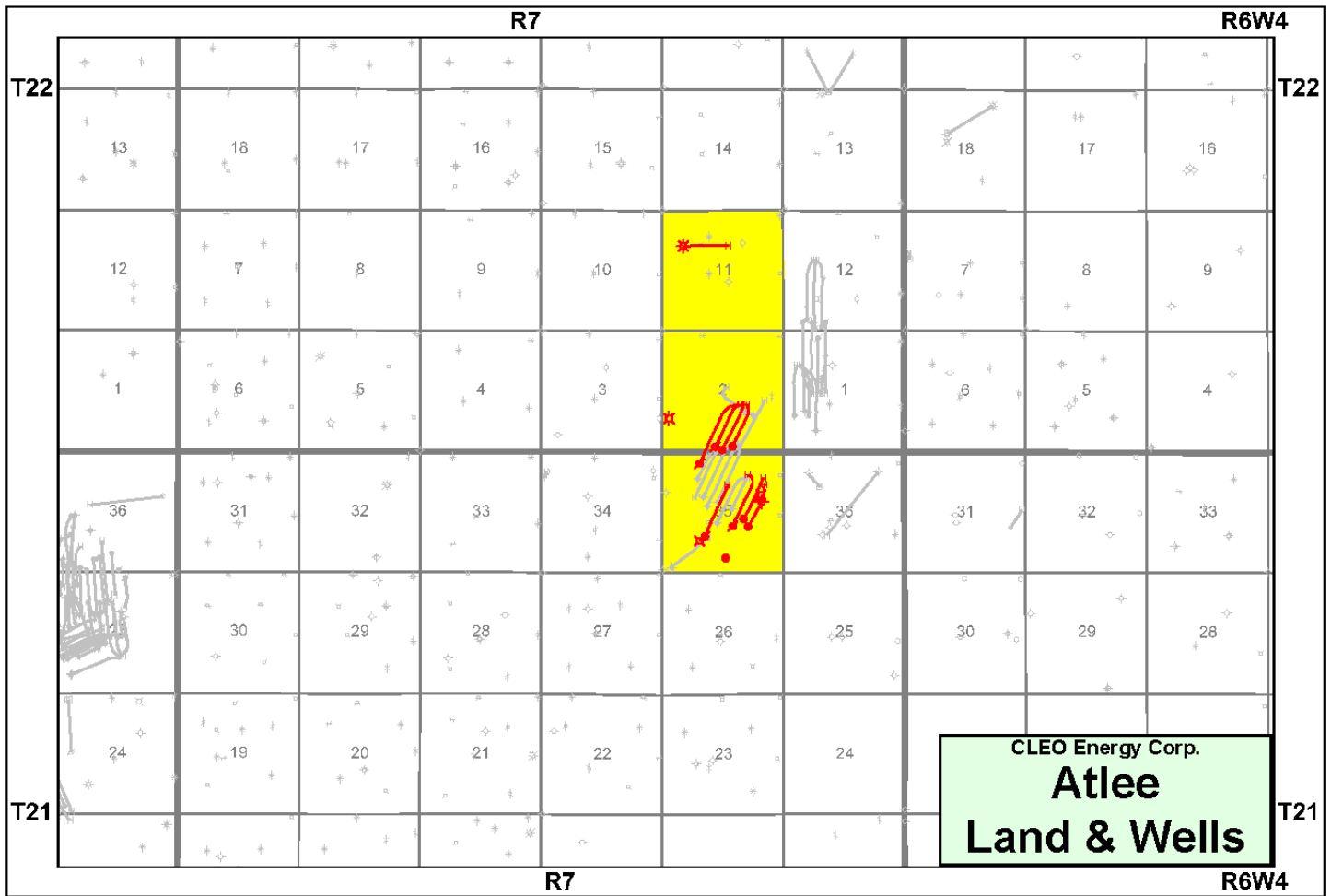
Township 21-22, Range 7 W4

At *Atlee*, CLEO holds largely a 100% working interest in three sections of land. Production at *Atlee* is 13° API oil from the Glauconitic Sandstone Formation.

The *Atlee* property is currently in the process of being reclaimed.

Average daily production net to CLEO from the *Atlee* property for the first half of 2024 was approximately 50 boe/d, consisting of 29 barrels of oil per day and 124 Mcf/d of natural gas.

Operating income net to CLEO from *Atlee* for the first half of 2024 was approximately (\$19,000).



Atlee Reserves

Deloitte LLP (“Deloitte”) prepared an independent reserves evaluation of the Properties (the “Deloitte Report”) as part of the Company’s year-end reporting. The Deloitte Report is effective December 31, 2022 using Deloitte’s January 1, 2023 forecast pricing.

Deloitte estimated that, as at December 31, 2022, the *Atlee* property contained remaining proved plus probable reserves of 646 MMcf of natural gas and 99,000 barrels of oil (207,000 boe), with an estimated net present value of \$1.4 million using forecast pricing at a 10% discount.

	Deloitte LLP as at December 31, 2022						
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	0%	5% (000s)	10%
Proved Developed Producing	43	231	0	81	\$495	\$542	\$547
Proved Non-Producing/Undeveloped	35	247	0	77	\$565	\$520	\$465
Total Proved	78	478	0	158	\$1,060	\$1,062	\$1,012
Probable	21	168	0	49	\$508	\$417	\$342
Total Proved Plus Probable	99	646	0	207	\$1,569	\$1,479	\$1,353

The reserve estimates and forecasts of production and revenues for the Company’s Properties were prepared within the context of a group of 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.

Atlee LMR as of November 2, 2024

As of November 2, 2024, the *Atlee* property had a deemed net asset value of \$182,453 (deemed assets of \$1.8 million and deemed liabilities of \$1.6 million), with an LMR ratio of 2.47.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$1,803,559	\$1,621,106	\$182,453	1.11

Atlee Well List

See well list in Excel.

The *Atlee* property is currently in the process of being reclaimed.

Kessler Property

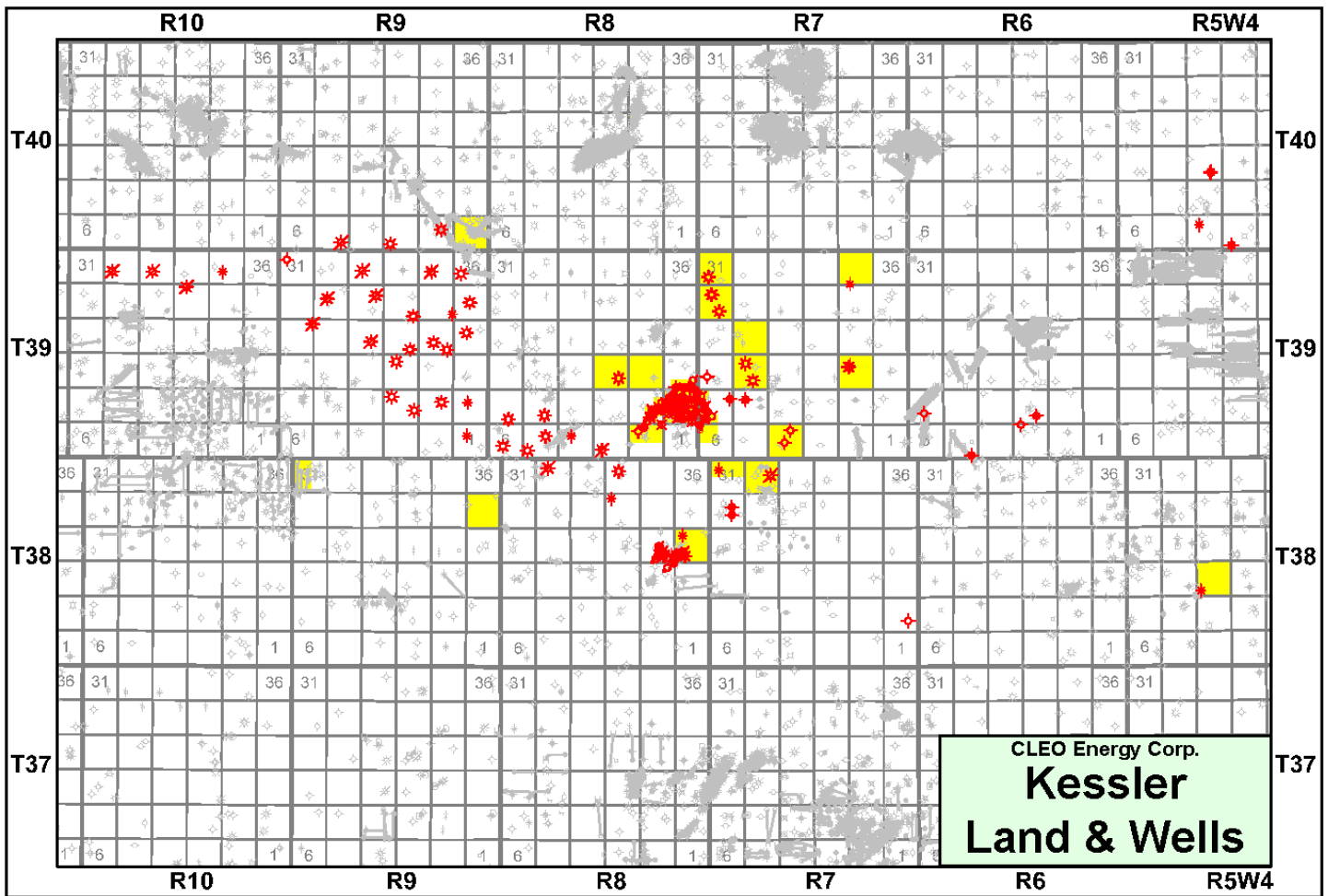
Township 38-40, Range 5-10 W4

At *Kessler*, CLEO holds various operated and non-operated working interests in approximately 16 sections of land with production from the Mannville Group.

The *Kessler* property is currently in the process of being reclaimed.

Average daily production net to CLEO from *Kessler* for the first half of 2024 was approximately 2 boe/d, consisting of 1 bbl/d oil and 4 Mcf/d of natural gas.

Operating income net to CLEO from *Kessler* for the first half of 2024 was approximately (\$62,000) per month.



Kessler Reserves

Deloitte LLP (“Deloitte”) prepared an independent reserves evaluation of the Properties (the “Deloitte Report”) as part of the Company’s year-end reporting. The Deloitte Report is effective December 31, 2022 using Deloitte’s January 1, 2023 forecast pricing.

Deloitte estimated that, as at December 31, 2022, the *Kessler* property contained remaining proved plus probable reserves of approximately 213,000 barrels of oil, with an estimated net present value of \$1.7 million using forecast pricing at a 10% discount.

	Deloitte LLP as at December 31, 2022						
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	0%	5% (000s)	10%
Proved Developed Producing	64	0	0	64	(\$151)	\$26	\$97
Proved Non-Producing/Undeveloped	28	0	0	28	\$599	\$506	\$422
Total Proved	92	0	0	92	\$448	\$532	\$520
Probable	121	0	0	121	\$1,913	\$1,487	\$1,149
Total Proved Plus Probable	213	0	0	213	\$2,360	\$2,019	\$1,668

The reserve estimates and forecasts of production and revenues for the Company’s Properties were prepared within the context of a group of 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.

Kessler LMR as of November 2, 2024

As of November 2, 2024, the *Kessler* property had a deemed net asset value of (\$3.1 million) (deemed assets of \$288,372 and deemed liabilities of \$3.4 million), with an LMR ratio of 0.09.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$288,372	\$3,369,491	(\$3,081,119)	0.09

Kessler Well List

See well list in Excel.

The *Kessler* property is currently in the process of being reclaimed.



CONFIDENTIALITY AGREEMENT

Please send executed Confidentiality Agreement to:

**CLEO Energy Corp.
c/o Sayer Energy Advisors
Suite 1620, 540 – 5th Avenue SW
Calgary, Alberta T2P 0M2
Attention: Mr. Tom Pavic
tpavic@sayeradvisors.com
Phone: 403.266.6133**

NON-DISCLOSURE AGREEMENT

THIS NON-DISCLOSURE AGREEMENT (the "**Agreement**") is entered into as of _____, 20__ (the "**Effective Date**") between CLEO Energy Corp. (the "**Company**"), and _____ ("**Recipient**") having its principal place of business at _____.

WHEREAS:

- i. the Company filed a Notice of Intention to Make a Proposal pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985 c B-6, as amended, and will be seeking approval from the Court of King's Bench of Alberta to run a sale and solicitation process ("**SSP**");
- ii. the Recipient is desirous of participating in the SSP in order to evaluate a possible transaction(s) with or involving all or part of the business, operations, or Property (as defined in the SSP) of the Company, or such other alternative transaction as may be proposed by the Recipient;
- iii. the Recipient has obtained and/or will from time to time hereafter obtain, certain information relating to the assets, undertakings, properties and business of the Company;
- iv. the Company is willing to disclose to the Recipient certain aspects of its Confidential Information (as defined below), subject to and in accordance with the terms and conditions of this Agreement; and
- v. the disclosure of the Confidential Information by the Company is required in order for the Recipient to assess a bid to participate in the SSP.

NOW, THEREFORE, in consideration of these premises, and other good and valuable consideration, the receipt and sufficiency of which consideration is hereby acknowledged, the Recipient covenants and agrees with the Company as follows:

1. Interpretation:

- (a) **Definitions:** In this Agreement:

"Affiliate" means, as to any Person, any other Person which, directly or indirectly, controls, or is controlled by, or is under common control with, such Person and, for this purpose, "control" (including "controlled by" and "under common control with"), shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a Person, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise.

“Applicable Law” means any domestic or foreign statute, law, ordinance, rule, regulation, treaty, regulatory policy or guideline, code, by-law or order that applies in whole or part to the applicable situation or event.

“Confidential Information” includes: (i) any and all proprietary or confidential data, trade secrets, business information, Personal Information, know-how, patent, copyright, process, technique, program, design, formula, ideas, concepts, research and development, current and planned manufacturing or distribution methods and processes, customer lists, current and anticipated customer requirements, business plans and other information of any kind whatsoever that the Company or its Affiliates discloses, in writing, orally, visually or in any other medium, to the Recipient or to which the Recipient obtains access, after the date of this Agreement, and that relates to the Company, its Affiliates, or any customer of the Company; and (ii) the terms and existence of this Agreement. Information does not need to be identified as being confidential by the Company in order to be Confidential Information for the purposes of this Agreement, but does not include information which is:

- (i) now or which becomes publicly known or available through no act or failure on the part of Recipient or the Recipient’s Representatives;
- (ii) actually known to Recipient or any of its Representatives prior to the time of receipt of such Confidential Information;
- (iii) generally available or becomes available to the public other than as a result of a breach of this Agreement by Recipient;
- (iv) furnished to Recipient or any of its Representatives by a third party who, to the best of Recipient’s knowledge after due inquiry, has rightfully obtained the Confidential Information without restriction on disclosure; or
- (v) developed independently by Recipient or any of its Representatives without use of or reference to the Confidential Information of the Company that does not otherwise contravene the terms and provisions of this Agreement,

provided, however, that the foregoing exclusions do not apply to Confidential Information that is Personal Information.

“Parties” means Company and Recipient and **“Party”** means either the Company or Recipient, as applicable.

“Person” is to be broadly interpreted and shall include an individual, body corporate, unlimited liability company, partnership, limited liability partnership, limited partnership, joint venture, trustee, trust, unincorporated association,

unincorporated syndicate, any governmental authority and any other legal or business entity.

“Personal Information” means any information concerning an identifiable individual that is subject to Applicable Law relating to data privacy or the protection of personal information.

“Representatives” means the directors, officers, employees, contractors, agents and advisors (including legal counsel) of the applicable Party and those of its Affiliates.

(b) **Additional Rules of Interpretation:**

- (i) In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (ii) The division of this Agreement into articles, sections and other subdivisions and the inclusion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The headings in the Agreement are not intended to be full or precise descriptions of the text to which they refer.
- (iii) The words “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular section or portion of it.
- (iv) The word “including” means “including, but not limited to”.
- (v) The Parties acknowledge and agree that they have both participated in the negotiation of this Agreement. Accordingly, the Parties further agree that no presumption or burden of proof shall be raised in any question of interpretation of this Agreement based upon any assertion that one Party or the other has drafted this Agreement or any provision hereof.

2. **Protection of Confidentiality:** Except as otherwise set forth herein, the Recipient hereby promises and agrees to hold Confidential Information in strict confidence and shall not use or allow the use of the Confidential Information for any purpose whatsoever other than to assess a bid in connection with the SSP (the **“Purpose”**). The Recipient further promises to protect and safeguard the Confidential Information against unauthorized use or disclosure using at least the same degree of care as the Recipient accords to its own confidential information, but in no case less than reasonable care. The Recipient shall be responsible for the compliance of its Representatives, if any, with the terms and conditions of this Agreement, and shall be liable for any acts or omissions of such persons. Without limiting the generality of the foregoing, Recipient further promises and agrees:

- (a) to maintain technological, physical and administrative safeguards relating to the transfer, storage and use of Confidential Information to protect the Confidential Information from reasonably foreseeable threats or hazards, including loss, theft, unauthorized access, disclosure, copying, use, modification, disposal and destruction;
- (b) not to, directly or indirectly, in any way, disclose, make accessible, reveal, report, publish, disseminate or transfer any Confidential Information to any person in any manner whatsoever (other than Recipient's Representatives, all of whom must have a bona fide need to know Confidential Information in connection with the Purpose (collectively, the "**Permitted Users**")) without first having received the written consent of the Company;
- (c) not make any copies or otherwise reproduce or store any Confidential Information except as necessary for the Purpose;
- (d) not disclose the fact that the Confidential Information has been made available or any of the matters discussed with respect thereto;
- (e) inform each Permitted User of the terms of this Agreement and the confidential nature of the Confidential Information, ensure compliance by each of its Permitted Users with the terms of this Agreement, and be liable for any breach of this Agreement by any of its Permitted Users;
- (f) to promptly notify the Company of any unauthorized use or disclosure of the Confidential Information;
- (g) to take remedial action necessary to prevent unauthorized use or disclosure or further unauthorized use or disclosure of the Confidential Information, including with respect to the unauthorized use or disclosure of the Confidential Information by the Recipient's Representatives;
- (h) to cooperate with and assist the Company in recovering possession of or enjoining the use of any Confidential Information;
- (i) any trade secrets of the Company will also be entitled to all protections and benefits under Applicable Laws, and if any information that the Company deems to be a trade secret is found by a court of competent jurisdiction not to be a trade secret for the purposes of this Agreement, then such information will be considered Confidential Information for the purposes of this Agreement; and
- (j) in the case of trade secrets, the Recipient hereby waives any requirement that the Company submit proof of the economic value of any trade secret or post a bond or other security.

3. **Disclosure Required by Law:** In the event the Recipient is required by any Applicable Law (including but not limited to a court or administrative deposition, interrogatory, request for documents, subpoena, civil investigative demand or other similar legal process or requirement of Applicable Law, or in defense of any claims or causes of action asserted against it) issued by a court of competent jurisdiction or by a governmental, official, supervisory or regulatory entity having proper jurisdiction, to disclose any of the Confidential Information and/or other information, the Recipient will promptly notify the Company, to the extent legally permissible, in writing of the existence, terms and circumstances surrounding such required disclosure so that the Company or its Affiliates may seek a protective order or other appropriate remedy from the proper authority at its expense. The Recipient agrees to cooperate with the Company in seeking such order or other remedy. The Recipient further agrees that if it is required to disclose Confidential Information and/or other Information, it will furnish only that portion of the Confidential Information that is legally required to be furnished and will exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded such Confidential Information and/or other information. The Recipient shall also, to the extent practicable, consult with the Company with respect to the form, content, and timing of such disclosure. Nothing herein shall require Recipient to fail to honor a subpoena, court or administrative order, or a similar requirement or request on a timely basis. The foregoing shall not apply to any disclosure of information by the Recipient or any of its Representatives to (i) its regulators (including the Office of the Superintendent of Financial Institutions of Canada) in the ordinary course of supervision of the Recipient's affairs and operations or (ii) its internal or external auditors, which disclosure shall be permitted at all times without notification to the Company.
4. **Ownership of Confidential Information:** All Confidential Information is and shall remain the exclusive property of the Company or its Affiliates. No express or implied right or license is granted to Recipient or its Representatives to use the Confidential Information except as provided herein.
5. **Return of Confidential Information:** At any time and for any reason, upon the request of the Company, the Recipient:
 - (a) shall promptly, in any event within one week of such request, return or destroy the Confidential Information and all records, notes and all other written, printed, electronically saved or tangible media of expression embodying such Confidential Information, including any materials generated by the Recipient or the Recipient's Representatives that include or refer to any part of the Confidential Information, without retaining a copy. The Recipient shall certify in writing to the Company that the requirements of this clause have been satisfied in full;
 - (b) may retain Confidential Information: (i) which it is obliged to maintain copies of pursuant to any Applicable Law, or (ii) which is maintained in the form of an archived copy on the Recipient's back-up files or computer systems.

Notwithstanding the foregoing, such copies of the Confidential Information retained by the Recipient shall remain subject to the confidentiality obligations provided for in this Agreement.

6. **Privilege:** Neither Party intends that disclosure of any Confidential Information shall be deemed to waive or in any manner diminish any solicitor-client privilege, litigation privilege or other privilege or protection applicable to any such Confidential Information. The Parties acknowledge that they: (i) have a shared and common interest in the Purpose; (ii) will use Confidential Information solely in order to achieve that shared and common interest; and (iii) intend that any Confidential Information provided or discussed by the Company with the Recipient will be subject to common-interest privilege and retain its privileged character. If any disclosure of Confidential Information is held to fall outside the common interest privilege referred to above and is held to thereby constitute a waiver of privilege, then the Parties hereby document their intention that any such waiver of privilege shall be limited to the entity which received the document; and limited to the purpose of implementing this Agreement and the Purpose. The Recipient agrees not to claim that Company has waived any solicitor-client privilege, litigation privilege or other privilege or protection by providing Confidential Information.
7. **No Warranty:** The Recipient acknowledges and agrees that: (i) Confidential Information is being provided for the Purpose only; (ii) the Confidential Information does not constitute legal, tax, investment or accounting advice by the Company or any of its Representatives; (iii) neither the Company nor its Representatives give, has given or has authority to give, any representations or warranties (express or implied) as to, or in relation to, the accuracy, currency, reliability or completeness of the Confidential Information; and (iv) except as may be required by Applicable Law, in furnishing Confidential Information, the Company does not undertake or agree to any obligation to provide the Recipient with access to any additional information or to update the Confidential Information or to correct any inaccuracies or omissions.
8. **Term:** This Agreement shall be effective on the Effective Date and shall continue in full force for one (1) year.
9. **Notice:** Except as expressly set forth herein to the contrary, any consents, requests, demands, communications and other notices permitted or required to be given hereunder must be in writing and be deemed validly given: (a) upon delivery, if personally delivered with services fees prepaid; (b) upon delivery, if delivered, with fees prepaid, by reputable overnight courier that provides proof of delivery; (c) upon delivery, if delivered via email; (d) five (5) business days following deposit in the mail, first class, postage prepaid, certified or registered, and return receipt requested; or (e) upon delivery, if electronically delivered via email, provided a delivery receipt is received with the time shown. The foregoing shall be the only permitted mechanism for delivery of such communications, and the addresses set forth on the first page of this Agreement marked to the Attention of the President, shall be the proper addresses for notices provided hereunder. Either Party may change its

address for purposes of receiving notices hereunder, by providing the other Party with written notice pursuant to this Section. English shall be the official language of this Agreement and all communications and notices must be in the English language.

10. **Injunctive Relief:** The Recipient stipulates and admits that a breach by Recipient of any of its covenants, obligations, or undertakings relating to the Confidential Information may cause the Company and/or its Affiliates irreparable damage that may not be adequately remedied in monetary damages in an action at law. The Recipient agrees that the Company may, upon demonstration of the likelihood of breach of this Agreement, be entitled to seek immediate injunctive relief to enjoin any breach or prospective breach of any such provision of this Agreement. The Recipient shall be liable for and shall indemnify and hold harmless the Company from all claims, liabilities, damages, costs, losses and expenses (including legal expenses on a solicitor and own client basis) whatsoever which the Company may suffer, sustain or incur in respect of any breach of this Agreement by the Recipient. The foregoing shall be in addition to such other remedies provided for in this Agreement or by Applicable Law, including the recovery of damages. Notwithstanding the foregoing, in no event shall either Party be liable to the other Party for any indirect or consequential damages, loss of profit, loss of use, economic loss or loss of opportunity.
11. **Assignment:** The rights and obligations of either Party under this Agreement cannot be transferred, assigned, or sublicensed to a third party by operation of law or otherwise, without the prior written consent of the other Party in its sole and absolute discretion; provided, however, that a Party may assign this Agreement without obtaining such consent in the case of an assignment: (a) to an entity that acquires all or substantially all of the assets of the assignor, (b) to a successor to the assignor by merger, consolidation or operation of law, or (c) to an entity that is an Affiliate of the assignor, provided that in all cases the assignor retains all of its obligations under this Agreement, and provided further that the assignee agrees with the other Party to be bound by the terms and conditions of this Agreement.
12. **No Waiver:** Any waiver of, or consent to depart from, the requirements of any provision of this Agreement shall be binding only if it is in writing and signed by the Party giving the waiver or consent, and only in the specific instance and for the specific purpose for which the waiver or consent has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.
13. **Defences:** The Recipient acknowledges and agrees that all restrictions in this Agreement are necessary and fundamental to the protection of the business or value of any property of the Company and are reasonable and valid. All defences to the strict enforcement of this Agreement against Recipient are hereby waived by the Recipient.

14. **Severability:** Any provision in this Agreement that is or that becomes prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.
15. **Governing Law and Jurisdiction:** This Agreement and the rights, obligations and remedies of the Parties hereunder are governed by, and construed in accordance with, the laws of the Province of Alberta, and the federal law of Canada applicable therein without regard to any conflict of laws rule or principle that might refer such construction to the laws of another jurisdiction.
16. **Entire Agreement:** This Agreement constitutes the entire agreement between the Parties regarding the subject matter hereof. All prior agreements, understandings and proposals, oral or written, between the Parties relating to this subject matter are superseded by this Agreement. This Agreement may be modified only by written agreement executed between the Parties.
17. **Counterparts:** This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement, and all of which, when taken together, shall be deemed to constitute one and the same agreement. Transmission by facsimile or other electronic means, including e-mail, of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties hereto as of the Effective Date.

CLEO ENERGY CORP.

By: _____

Name: _____

Title: _____

[I have the authority to bind CLEO Energy Corp.]

Recipient Company Name

By: _____

Name: _____

Title: _____

[I have the authority to bind the Recipient]

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

CONFIDENTIAL INFORMATION DELIVERY OPTIONS: (please check one)

_____ **Electronic** or _____ **Hard copy (binder)**

NAME AND TITLE OF CONTACT PERSON TO FORWARD INFORMATION

CONTACT ADDRESS

TELEPHONE NUMBER

EMAIL ADDRESS

Option to Attach Business Card Here: