



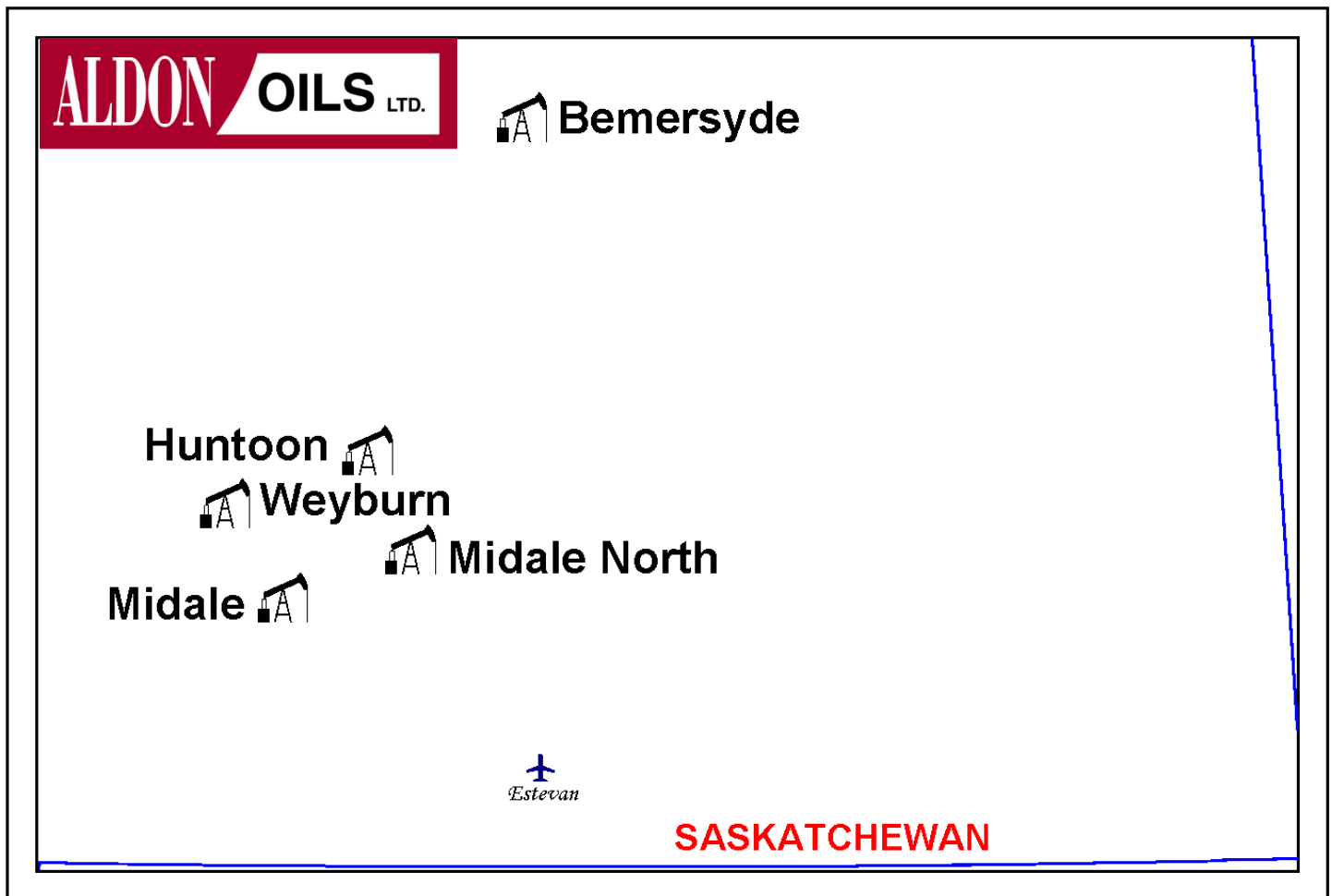
## Overview

**Aldon Oils Ltd.** (“Aldon” or the “Company”) has engaged **Sayer Energy Advisors** to assist it with the sale of certain non-core oil and associated natural gas interests located in the *Bemersyde, Huntoon, Midale, Midale North and Weyburn* areas of southeastern Saskatchewan (the “Properties”). The Properties consist of primarily low-decline, light oil production.

Average daily production net to Aldon from the Properties for the month of January 2022 was approximately 189 bbl/d of oil.

Operating income net to Aldon from the Properties in January 2022 was approximately \$212,000, or \$2.5 million on an annualized basis.

### Overview Map Showing the Location of the Divestiture Properties





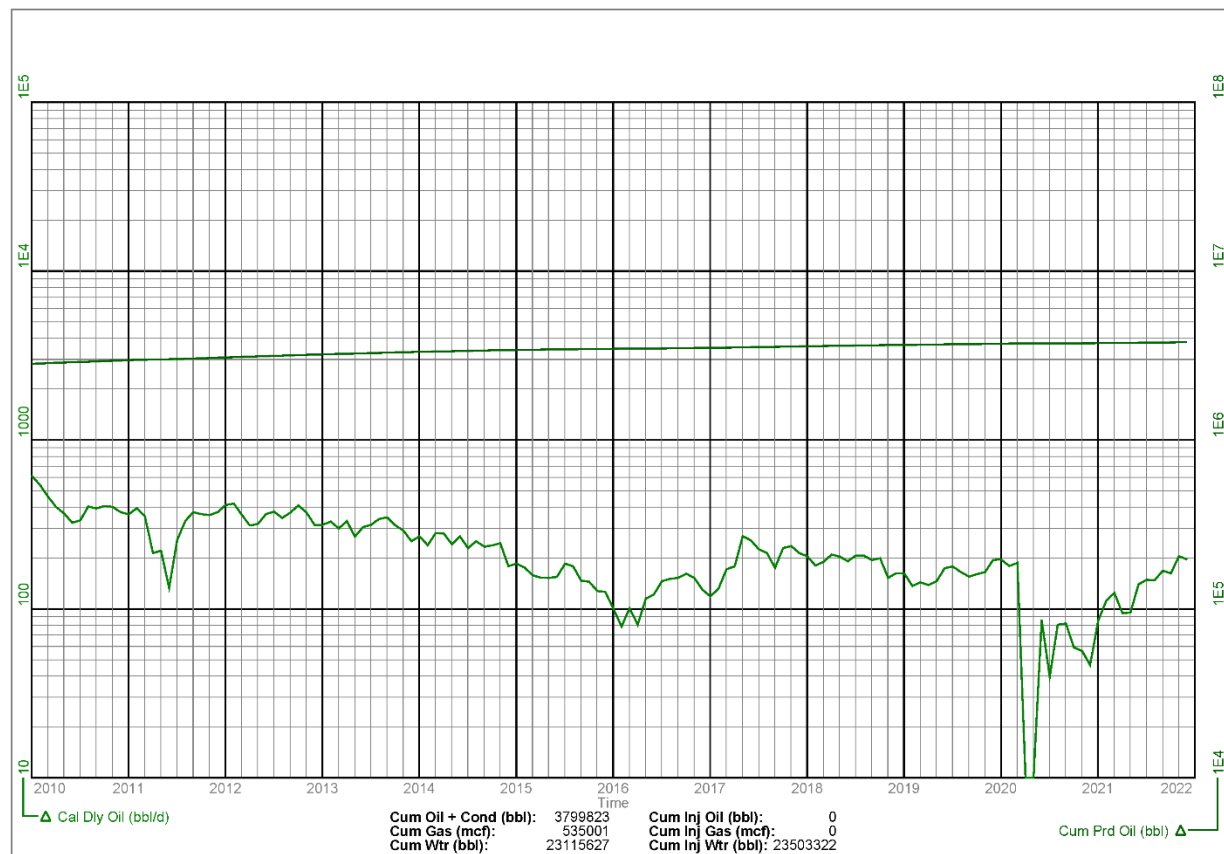
## Production Overview

Average daily production net to Aldon from the Properties for the month of January 2022 was approximately 189 bbl/d of oil as outlined below.

Operating income net to Aldon from the Properties in January 2022 was approximately \$212,000, or \$2.5 million on an annualized basis.

PROPERTY	JANUARY 2022 NET PRODUCTION (Average Daily)				NOI
	Oil bbl/d	Ngl bbl/d	Nat. Gas Mcf/d	Total boe/d	JAN 2022 Monthly
Huntoon	97	-	-	97	\$86,000
Midale	45	-	-	45	\$75,000
Midale North	23	-	-	23	\$34,000
Weyburn	17	-	-	17	\$13,000
Bemersyde	6	-	-	6	\$4,000
<b>TOTAL</b>	<b>189</b>	<b>-</b>	<b>-</b>	<b>189</b>	<b>\$212,000</b>

## Gross Production Group Plot of Aldon's Oil Wells





## LMR Summary

As of April 28, 2022, Aldon's net deemed asset value for the Properties was (\$287,279) (deemed assets of \$4.1 million and deemed liabilities of \$4.4 million), with an LMR ratio of 0.93.

The LMR for each of the Properties as of April 28, 2022 is summarized below.

### Summary of LMR by Property

PROPERTY	Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
Huntoon	\$2,157,155	\$2,436,985	(\$279,829)	0.89
Midale	\$834,515	\$735,110	\$99,405	1.14
Midale North	\$496,620	\$214,000	\$282,620	2.32
Weyburn	\$486,988	\$510,145	(\$23,157)	0.95
Bemersyde	\$93,960	\$460,278	(\$366,318)	0.20
<b>TOTAL OFFERING</b>	<b>\$4,069,239</b>	<b>\$4,356,518</b>	<b>(\$287,279)</b>	<b>0.93</b>

## Marketing Overview

Oil is sold on a 30-day evergreen contract to either **Tidal Energy Marketing Inc.** or **Kingston Midstream**.

## Reserves Overview

The Company does not have a third-party reserves evaluation of the Properties.





## Huntoon Property

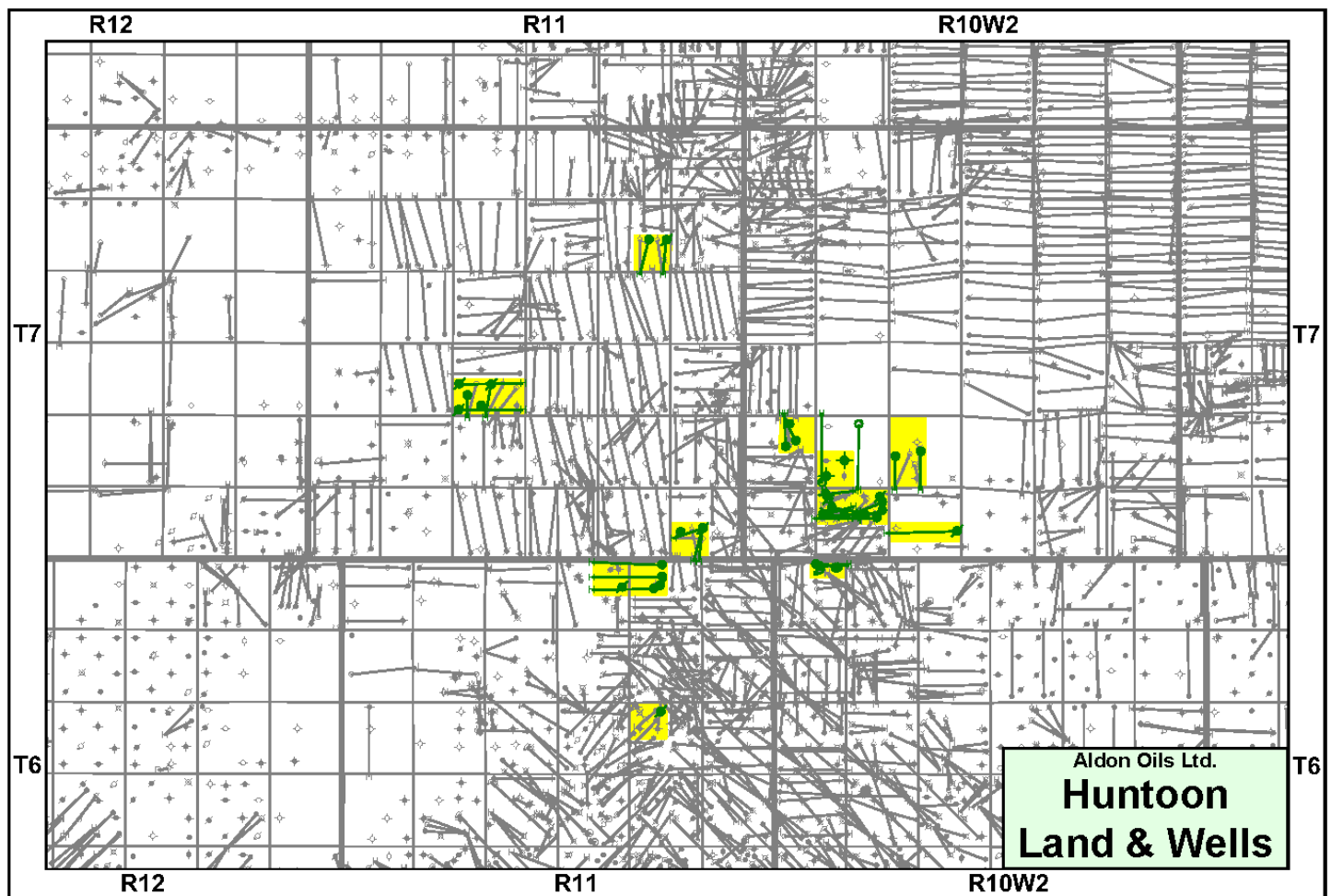
## Township 6-7, Range 10-11 W2

At *Huntoon*, Aldon holds mainly a 100% working interest in a total of approximately three sections of land. The *Huntoon* property is located just north of the Midale oil pool and includes 26 active wells producing oil at a low decline rate from the Midale, Frobisher and Bakken formations. Aldon has one Frobisher disposal well at 191/12-05-007-10W2/0.

The *Huntoon* property has stacked upside in several formations, with up to twenty additional Midale locations, five Frobisher locations and seven Bakken locations. Nearby wells have also produced from the Birdbear, Duperow and Red River formations.

Average daily production net to Aldon from *Huntoon* for the month of January 2022 was approximately 97 barrels of oil per day.

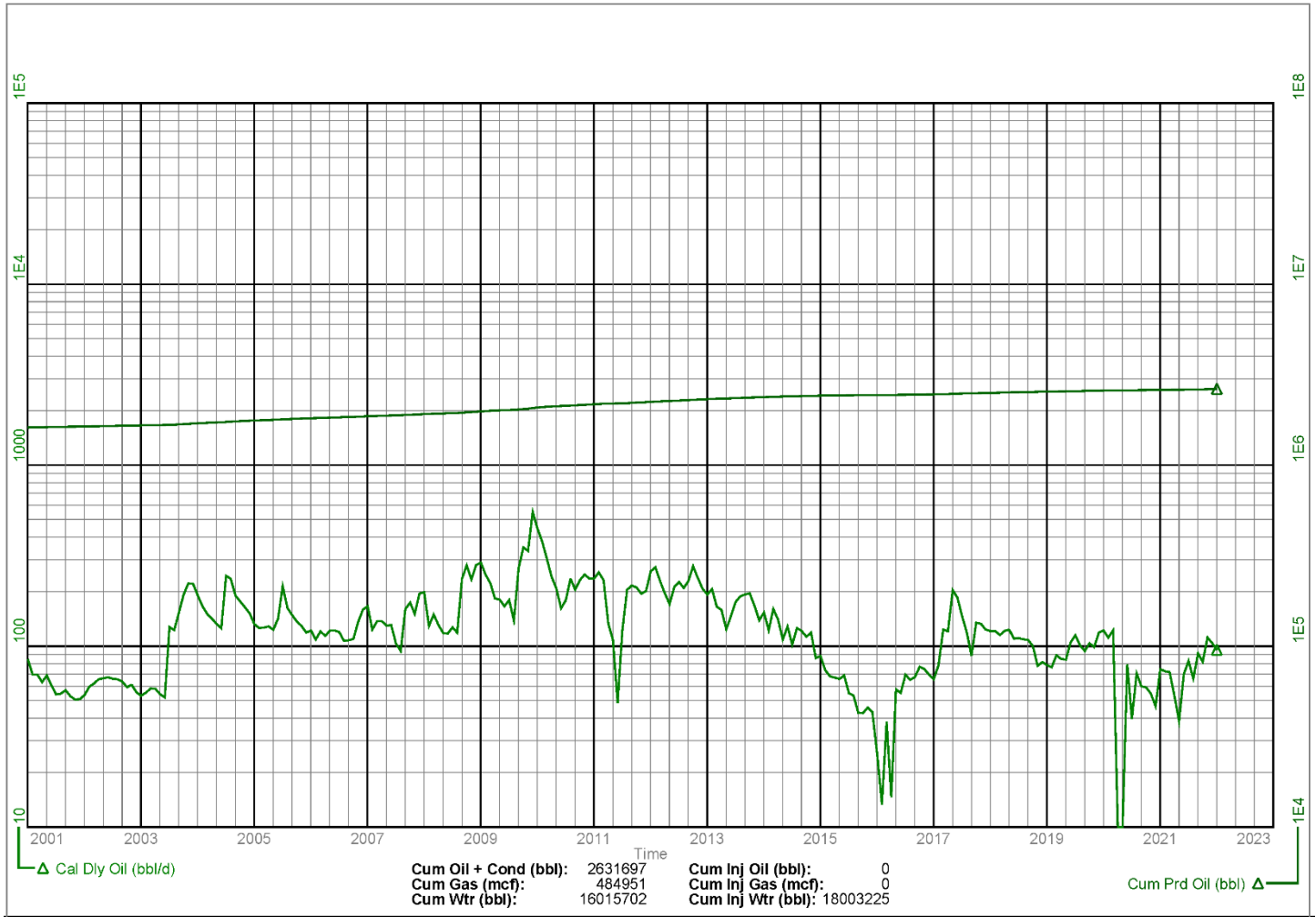
Operating income net to Aldon from *Huntoon* in January 2022 was approximately \$86,000, or \$1.0 million on an annualized basis.







# Huntoon, Saskatchewan – Gross Production Group Plot of Aldon's Oil Wells

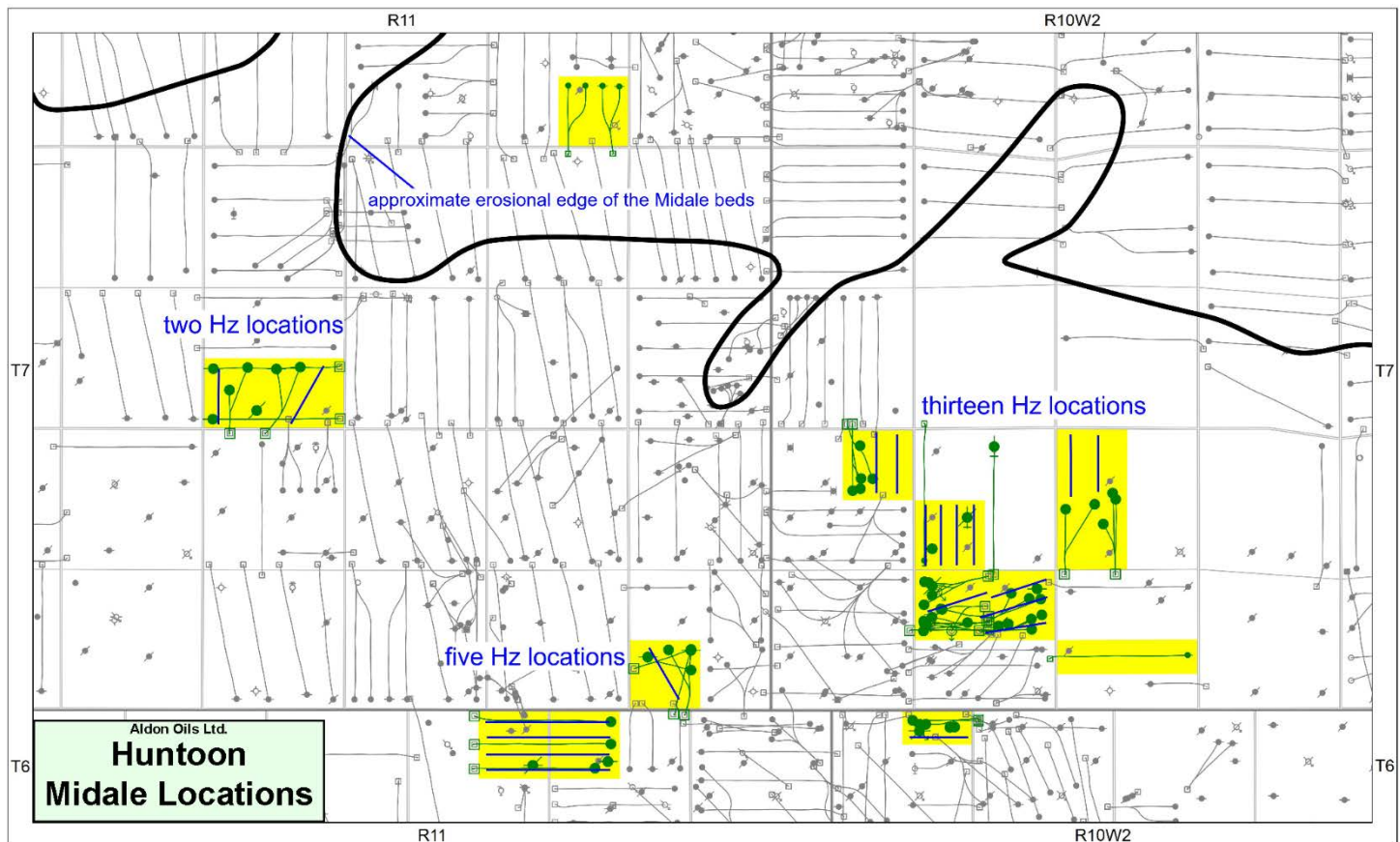




## Huntoon Geology

### Midale Formation

The *Huntoon* area lies immediately updip from the Midale oil pool and subjacent to the Midale subcrop. Midale wells on the *Huntoon* property are characterized by low-inflow, low-water cut, long-term production. It is believed that up to 20 development drilling locations exist at *Huntoon* as shown in blue on the following map.



The low permeability of the rock means that primary production alone has been unable to efficiently drain the reservoir, and therefore other methods are necessary to access the reserves. Implementing a waterflood may be the most cost-efficient means of increasing production, and if successful the results may warrant the drilling of additional horizontal wells where pioneer vertical wells were uneconomic.

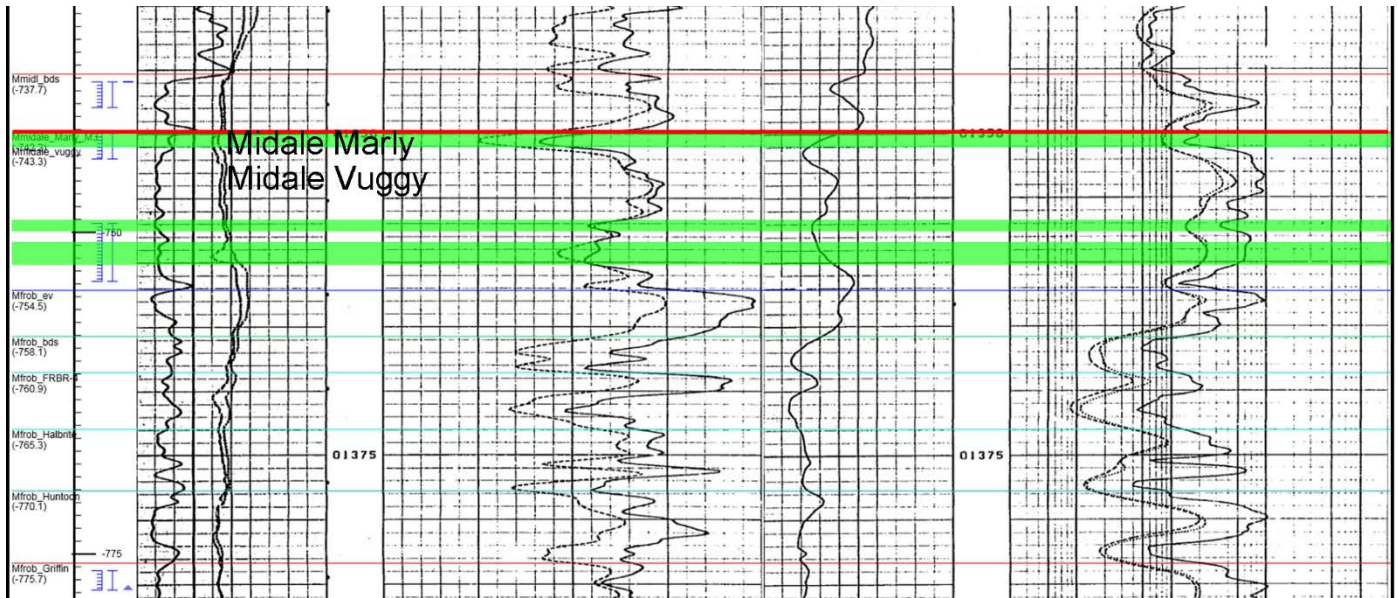
Alternatively, various companies have been stimulating the Midale with fracture treatments in areas of southeast Saskatchewan where those beds are characterized by good reserves but low permeability. The Pinto, Alameda and Steelman areas in southeastern Saskatchewan are examples where a similar reservoir to *Huntoon* exists, and fracture treatments there have successfully unlocked additional value over primary production.





The following well log shows the Midale Marly and Midale Vuggy reservoir at *Huntoon*.

**Aldon Midale 111/10-05-007-10W2/03 – Midale Type Log**



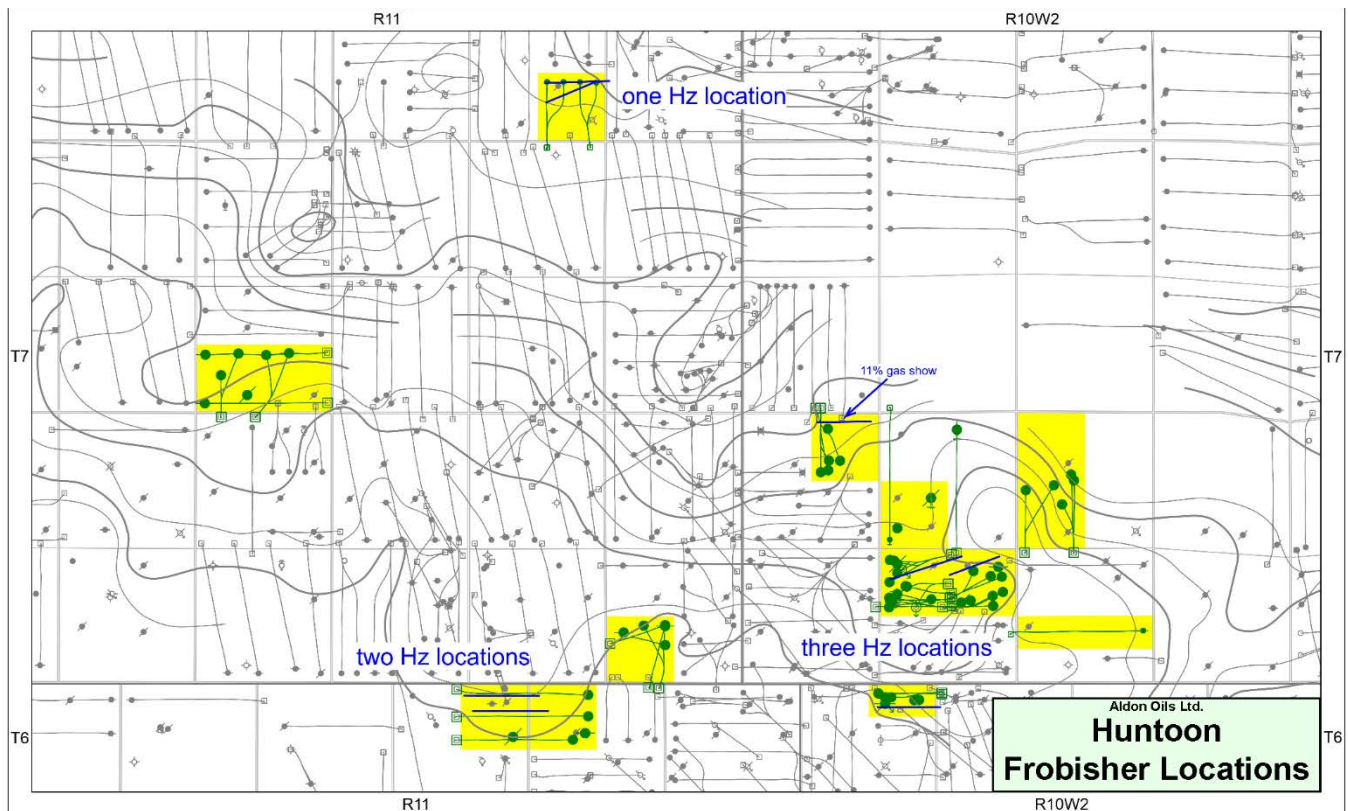


## Additional Upside

The Company has identified additional development locations in the Frobisher and Bakken formations where previous drilling has not fully delineated the boundaries of those plays. Two development locations exist in the Frobisher on the north half of Section 05-007-10W2, one development location exists on LSDs 15 and 16 of Section 31-006-10W2 and two locations exist on the northeast quarter of Section 34-006-11W2 and the northwest quarter of Section 35-006-11W2.

**Crescent Point Energy Corp.** penetrated the Frobisher on the northeast quarter of Section 07-007-10W2 with the 102/15-18-007-10W2 wellbore which resulted in a gas spike of 11% from the Stoughton beds and may indicate an additional location there as shown on the following map.

The map below shows the existing Frobisher-target wells in green, with structure contours of the top of the Frobisher Evaporite indicated in light grey with 5 metre contour intervals. The five prospective Frobisher locations are shown in blue.

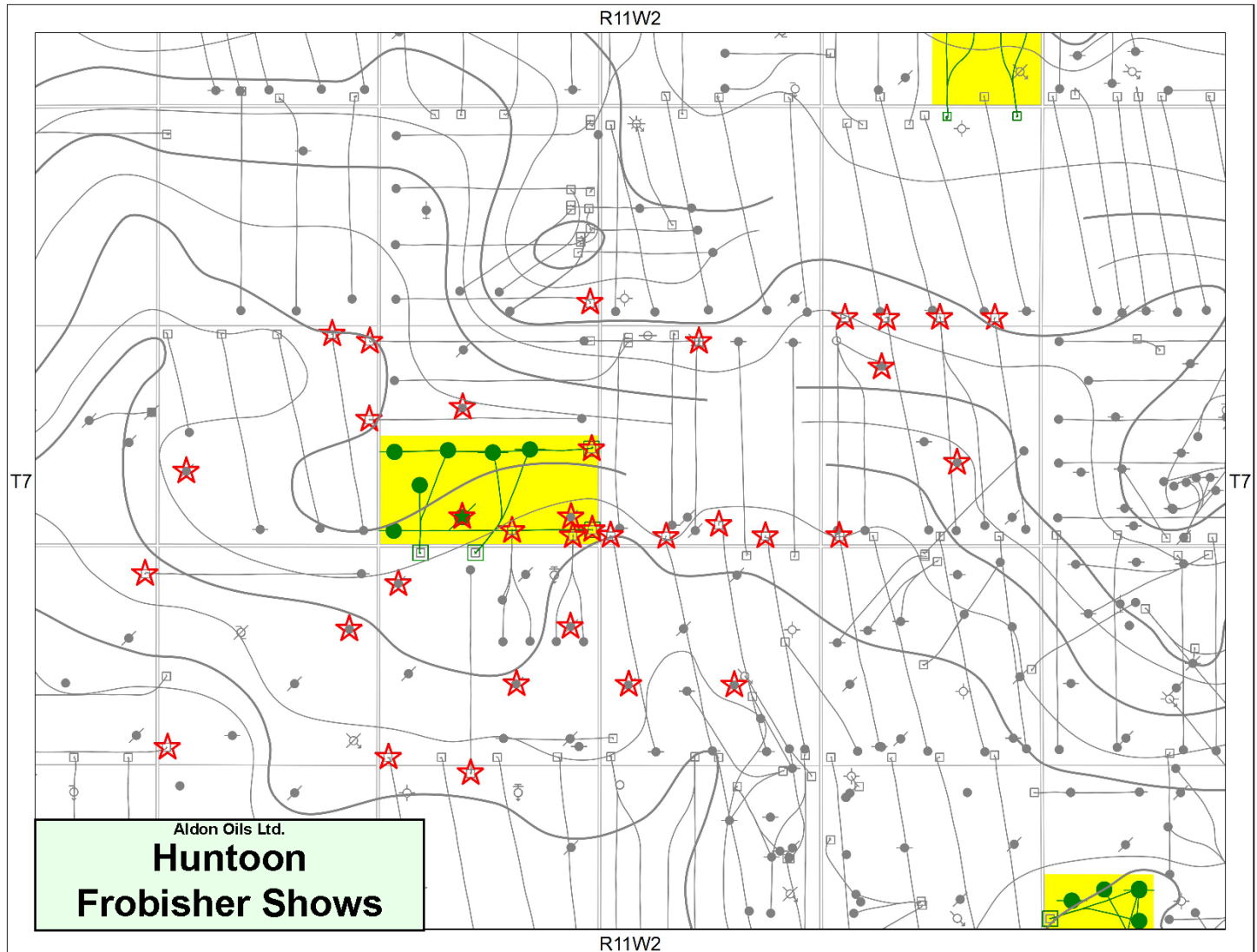






Hydrocarbon shows and production from older vertical wellbores and a structural nose that trends from the northeast to southwest have generated further interest in the Frobisher to the west in the south half of Section 16-007-11W2.

The abundant, concentrated nature of the hydrocarbon shows in the State 'A', Halbrite and Huntoon beds, combined with favourable structure, suggests the possibility of an extension of the pool. Developing this area with horizontal wells could be key in order to maximize oil production.



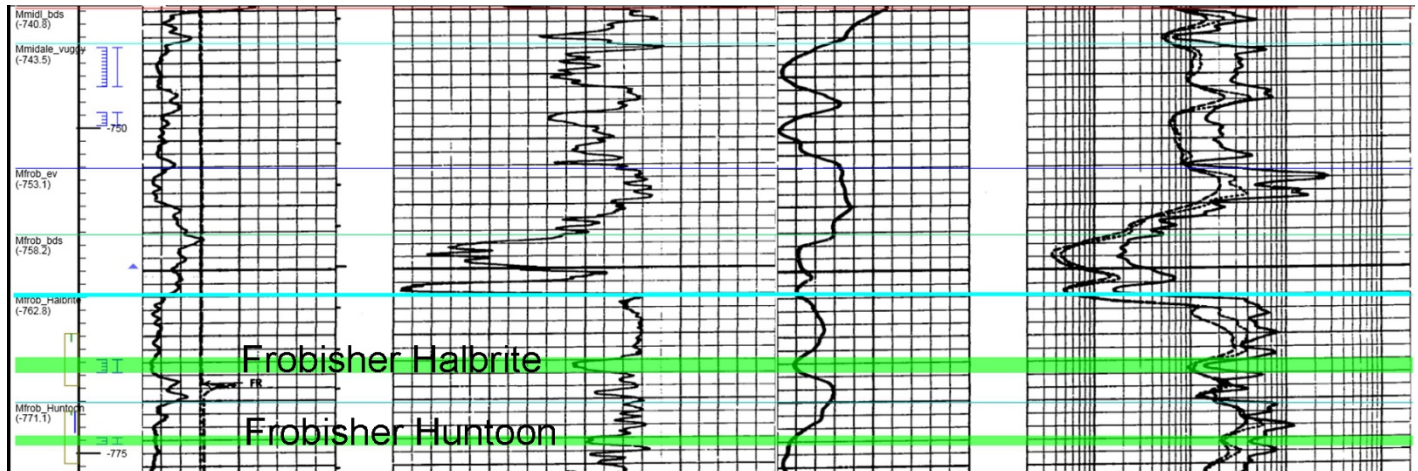
The preceding map shows the distribution of production around Section 16-007-11W2. Frobisher hydrocarbon shows are highlighted with red stars. The structure contours of the top of the Frobisher Evaporite are indicated in grey with contour intervals at 5 metres.





The following well log shows the DST over the Halbrite target recovered 181 metres of gassy oil and 38 metres of mud-cut, gassy oil. Significant hydrocarbon shows occur in the Halbrite, Huntoon and State 'A' beds in the wells surrounding the *Huntoon* property.

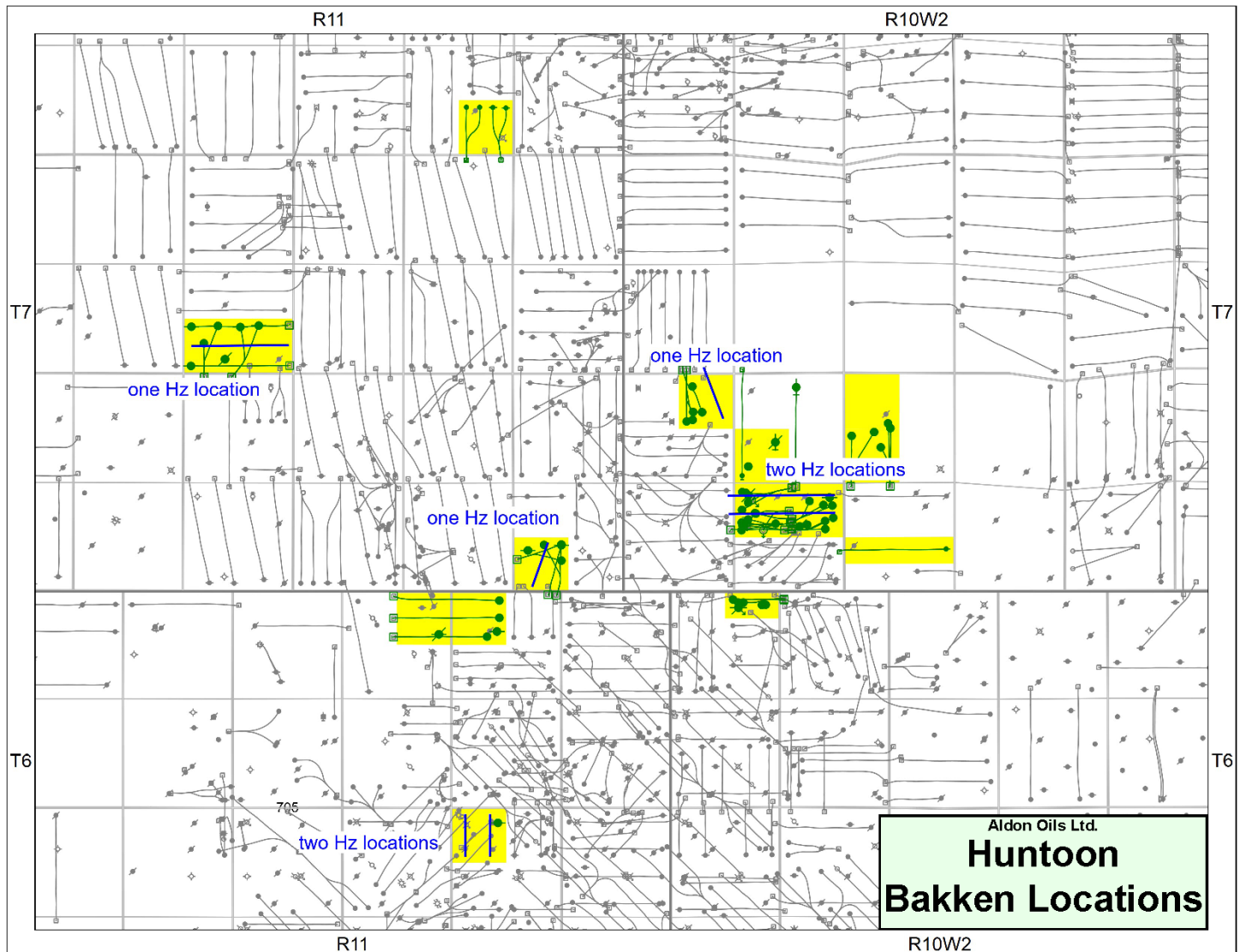
**Aldon Midale 101/03-16-007-11W2/00 – Frobisher Type Log**





As one of southeast Saskatchewan's primary plays, there are very good producers from the Bakken Formation offsetting the Company's lands at *Huntoon*. Many of the offsetting wells are existing Bakken producing wells.

Aldon has identified up to seven Bakken development locations on the property. The following map shows the Company's seven prospective Bakken locations in blue.

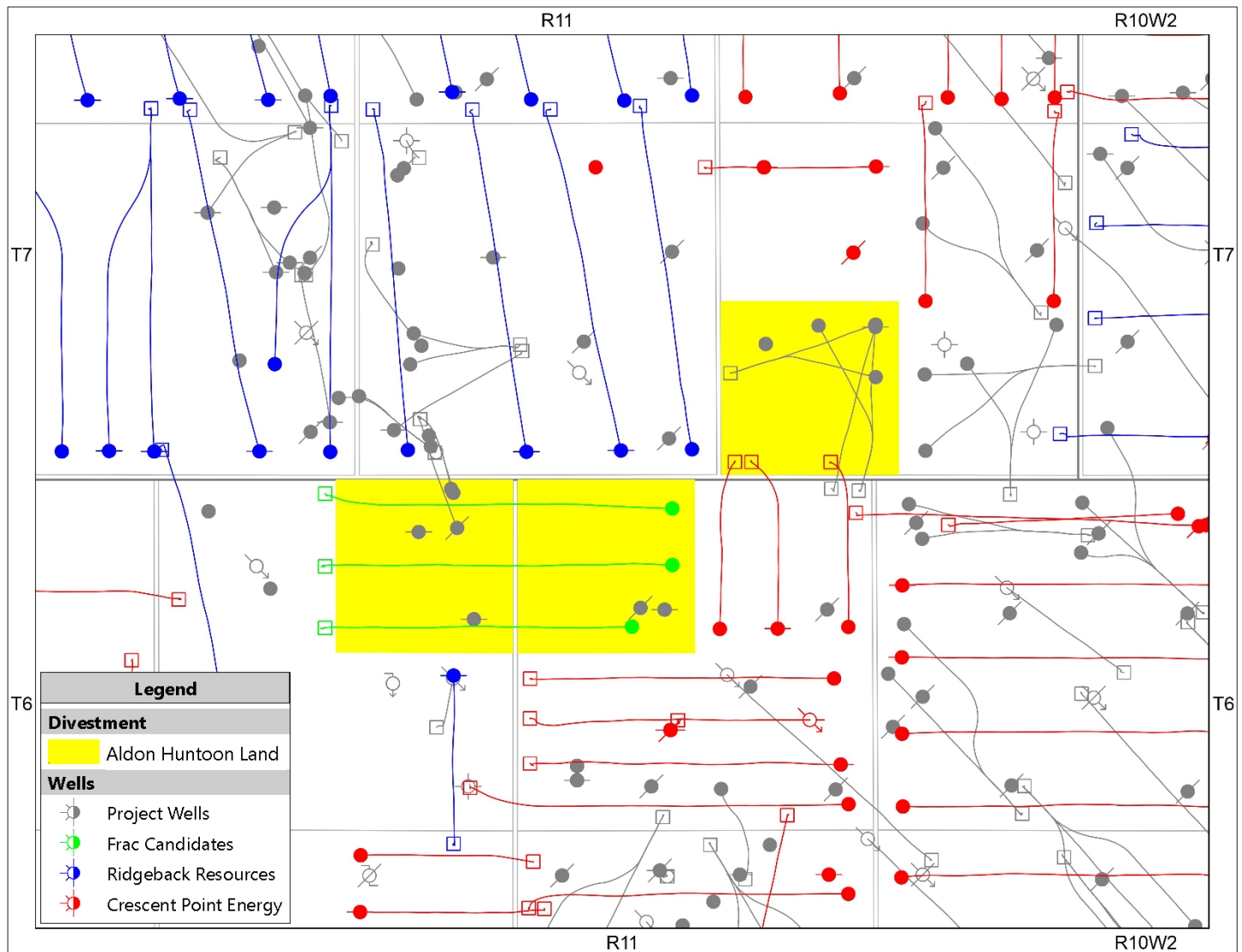




The Company has identified three locations for re-entry potential of existing wellbores. The wells were initially drilled with an open hole completion and can be further developed using multi-stage fracture stimulation.

The upside locations are surrounded by successfully fracture stimulated Bakken wells by **Crescent Point Energy Corp.** and **Ridgeback Resources Inc.** Similar post fracture results could be expected.

The following map shows the Aldon Bakken frac candidates in green, Crescent Point wells in red and Ridgeback wells in blue.

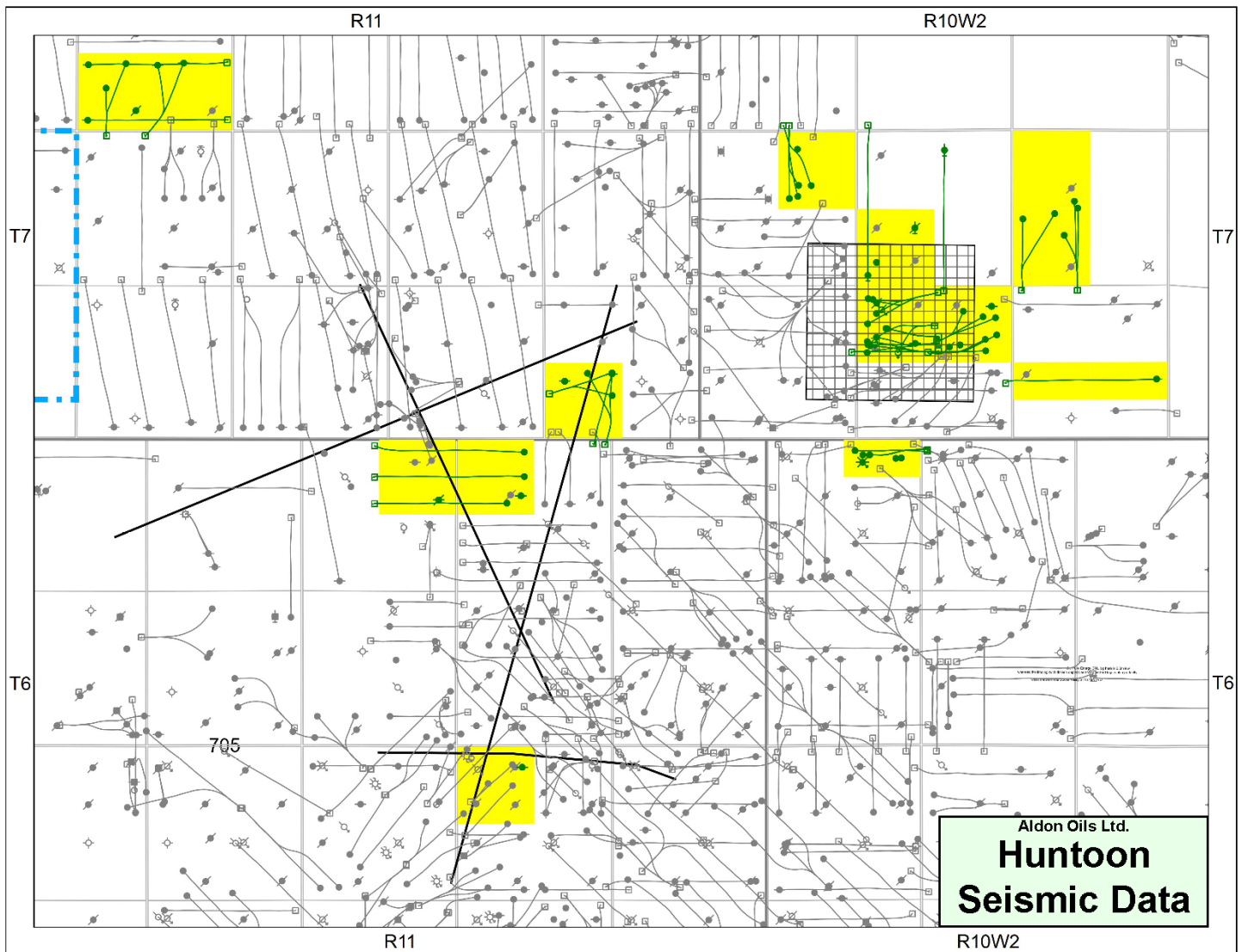






## Huntoon Seismic

The Company has trade 2D and 3D seismic over a portion of its lands at *Huntoon*, as illustrated on the following plat. The Company's interpretations of the seismic are available in hard copy for viewing in the Data Room, located in Sayer's office, by parties which have executed a confidentiality agreement.



As a member of *The Association of Professional Engineers and Geoscientists of Alberta* ("APEGA"), Sayer Energy Advisors adheres to the "Guidelines for Ethical Use of Geophysical Data" which APEGA first published in May 2010. The complete document summarizing the APEGA guidelines can be downloaded from APEGA's website, where it can be found at <https://www.apega.ca/assets/PDFs/geophysical-data.pdf>. In order to ensure that the rights of all data owners are recognized and respected, the copying of data and the opportunity to view uninterpreted licensed data are activities that are not permitted in a Sayer Data Room.





## Huntoon Facilities

Details of the facilities and equipment at *Huntoon* are as follows:

Location	Facility Code	Facility Type	Status	WI
10-05-007-10W2	SKBTB4M0511	Multi-Well Oil Battery	Active	100%
10-05-007-10W2	SKIFM400250	Water Injection / Disposal	Active	100%
14-34-006-11W2	B4L3954	Multi-Well Oil Battery	Active	100%

## Huntoon Reserves

The Company does not have a third-party reserves evaluation of the Properties.

## Huntoon LMR

As of April 28, 2022, Aldon's net deemed asset value for *Huntoon* was (\$279,829) (deemed assets of \$2.2 million and deemed liabilities of \$2.4 million), with an LMR ratio of 0.89.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$2,157,155	\$2,436,985	(\$279,829)	0.89

## Huntoon Well List

See well list in Excel.

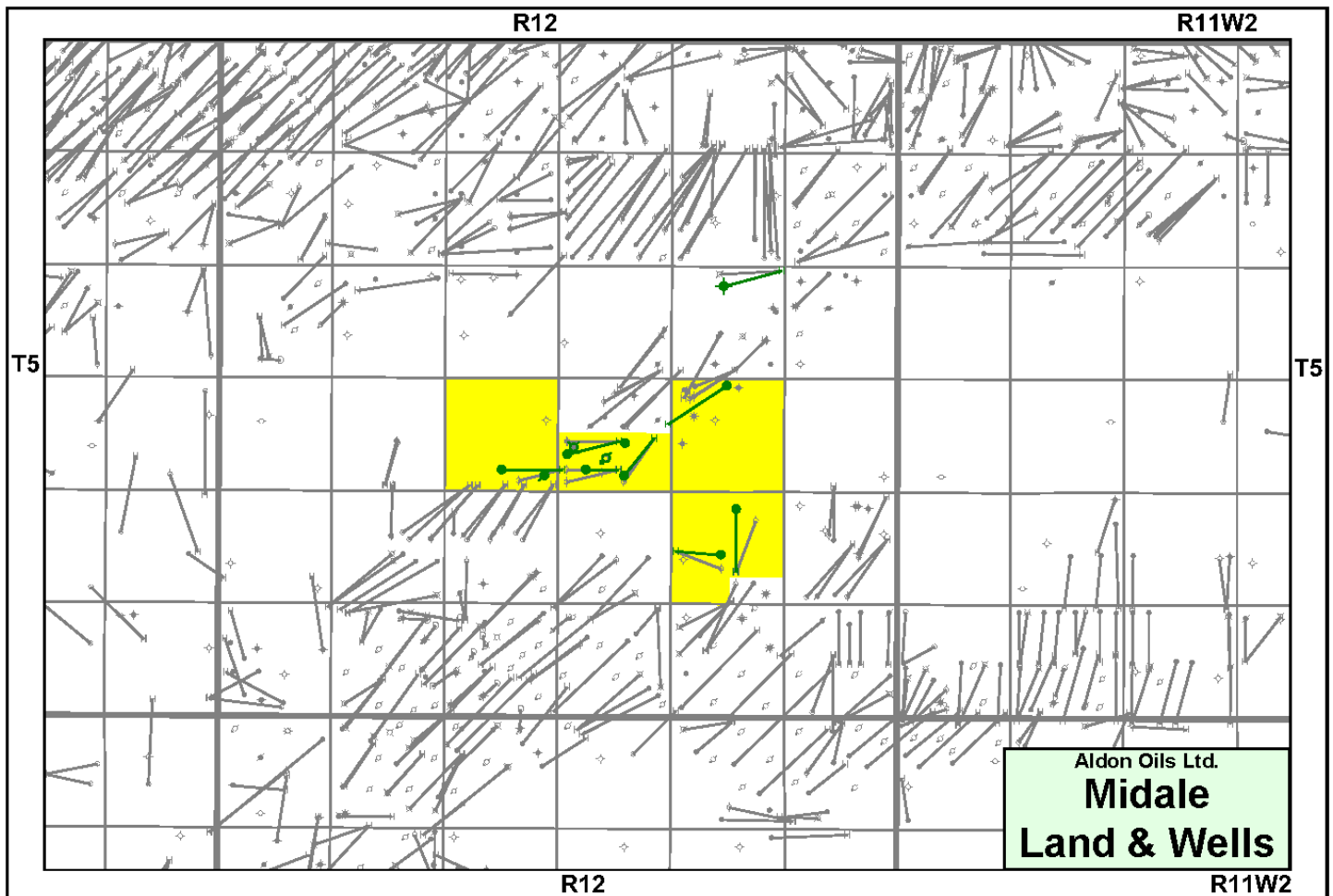


**Midale Property****Township 5, Range 12 W2**

At *Midale*, Aldon holds operated, largely a 100% working interest in over three sections of land on which there are several wells with low-decline, light oil production primarily from the stacked Midale Marly, Midale Vuggy and Frobisher beds. Productivity from the zones is dependent on structure and stratigraphy. The Company also has one Mannville and one Midale disposal well at *Midale*.

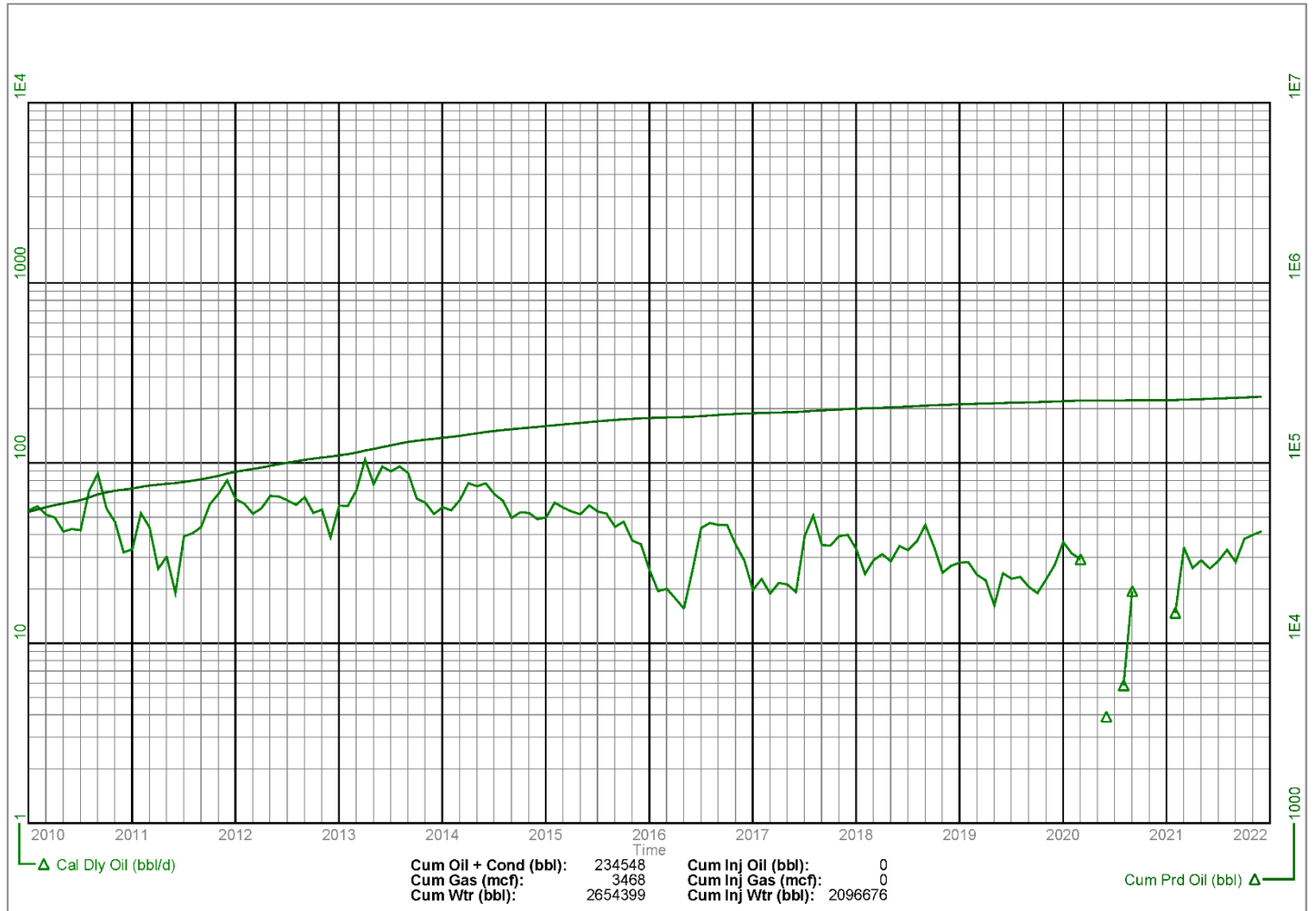
Average daily production net to Aldon from *Midale* for the month of January 2022 was approximately 45 barrels of oil per day.

Operating income net to Aldon from *Midale* in January 2022 was approximately \$75,000, or \$900,000 on an annualized basis.





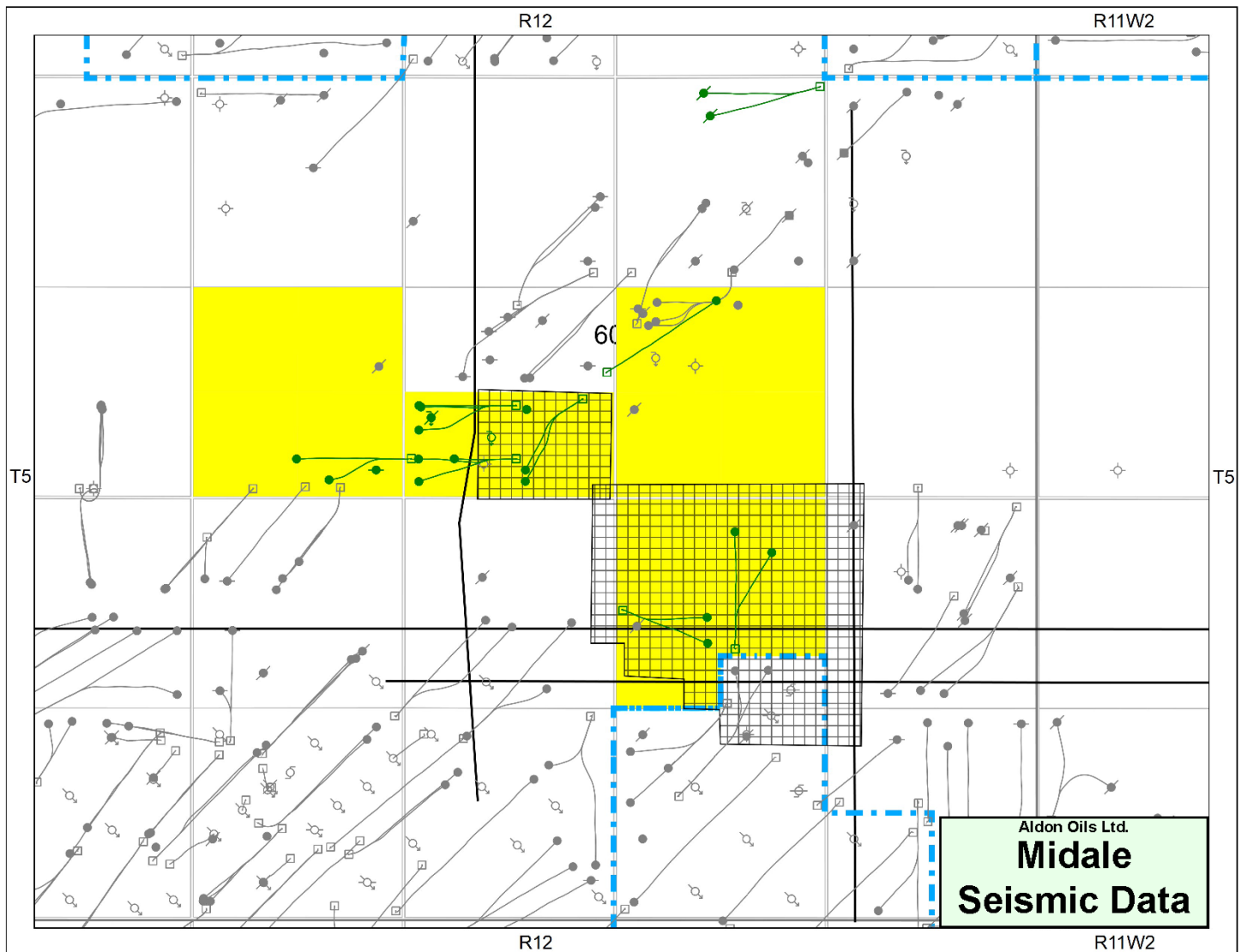
### Midale, Saskatchewan – Gross Production Group Plot of Aldon's Oil Wells





## Midale Seismic

The Company has trade 2D and 3D seismic over a portion of its lands at *Midale*, as illustrated on the following plat. The Company's interpretations of the seismic are available in hard copy for viewing in the Data Room located in Sayer's office, by parties which have executed a confidentiality agreement.



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## Midale Facilities

Details of the facilities and equipment at *Midale* are as follows:

Location	Facility Code	Facility Type	Status	WI
05-15-005-12W2	B4L3976	Multi-Well Oil Battery	Active	100%
05-15-005-12W2	12012	Water Injection / Disposal	Active	100%

## Midale Reserves

The Company does not have a third-party reserves evaluation of the Properties.

## Midale LMR

As of April 28, 2022, Aldon's net deemed asset value for *Midale* was \$99,405 (deemed assets of \$834,515 and deemed liabilities of \$735,110), with an LMR ratio of 1.14.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$834,515	\$735,110	\$99,405	1.14

## Midale Well List

See well list in Excel.





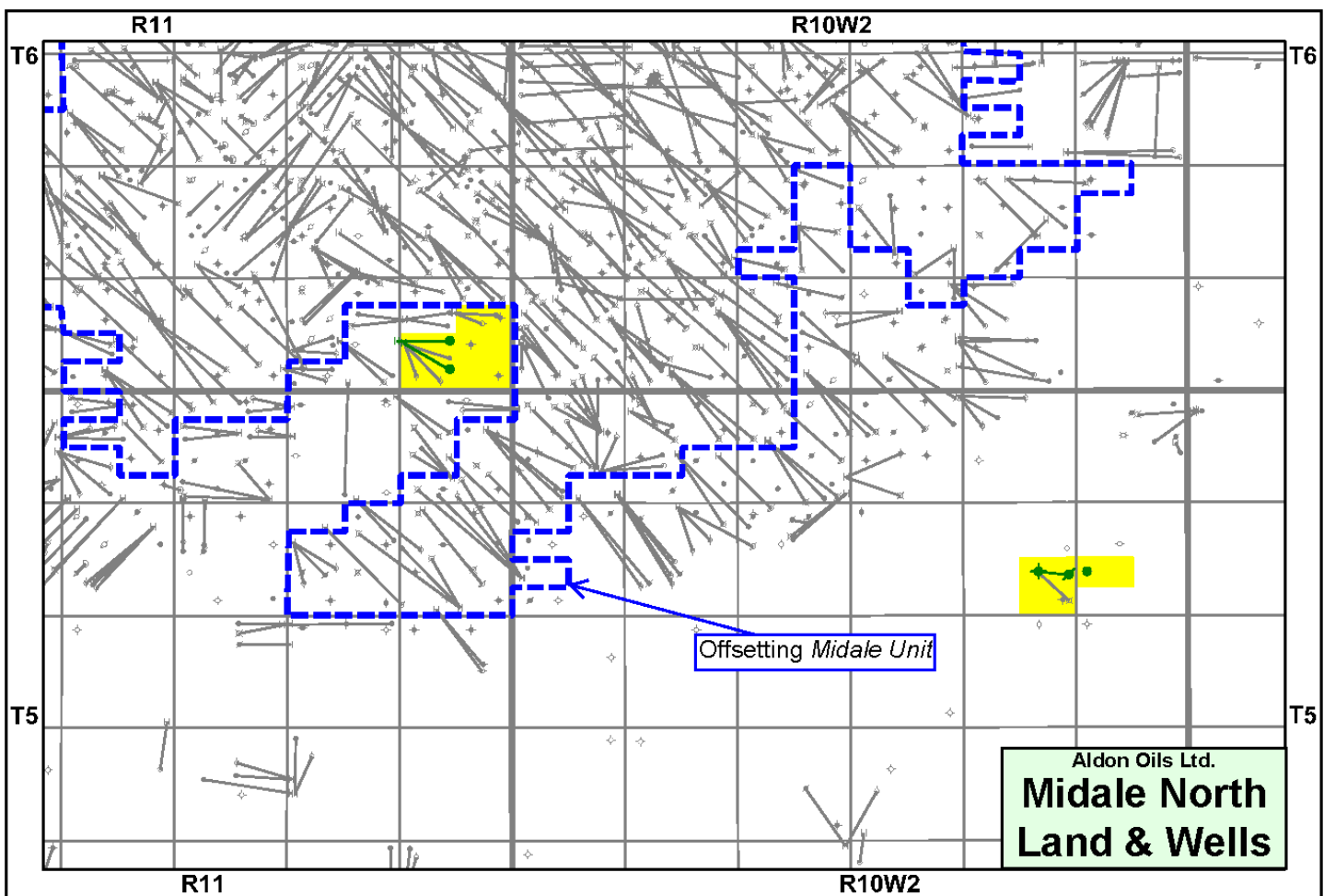
## Midale North Property

## Township 5-6, Range 10-11 W2

At *Midale North*, Aldon holds a 100% working interest in a total of one section of land. The *Midale North* property is located just outside of the *Midale Unit* which is operated by **Cardinal Energy Ltd.** The primary reservoir is the Midale Marly beds, with good porosity and lower permeability. Reservoir pressure is maintained by Cardinal's CO<sub>2</sub> flood within the Unit, resulting in low declines for the local area.

Average daily production net to Aldon from *Midale North* for the month of January 2022 was approximately 23 barrels of oil per day.

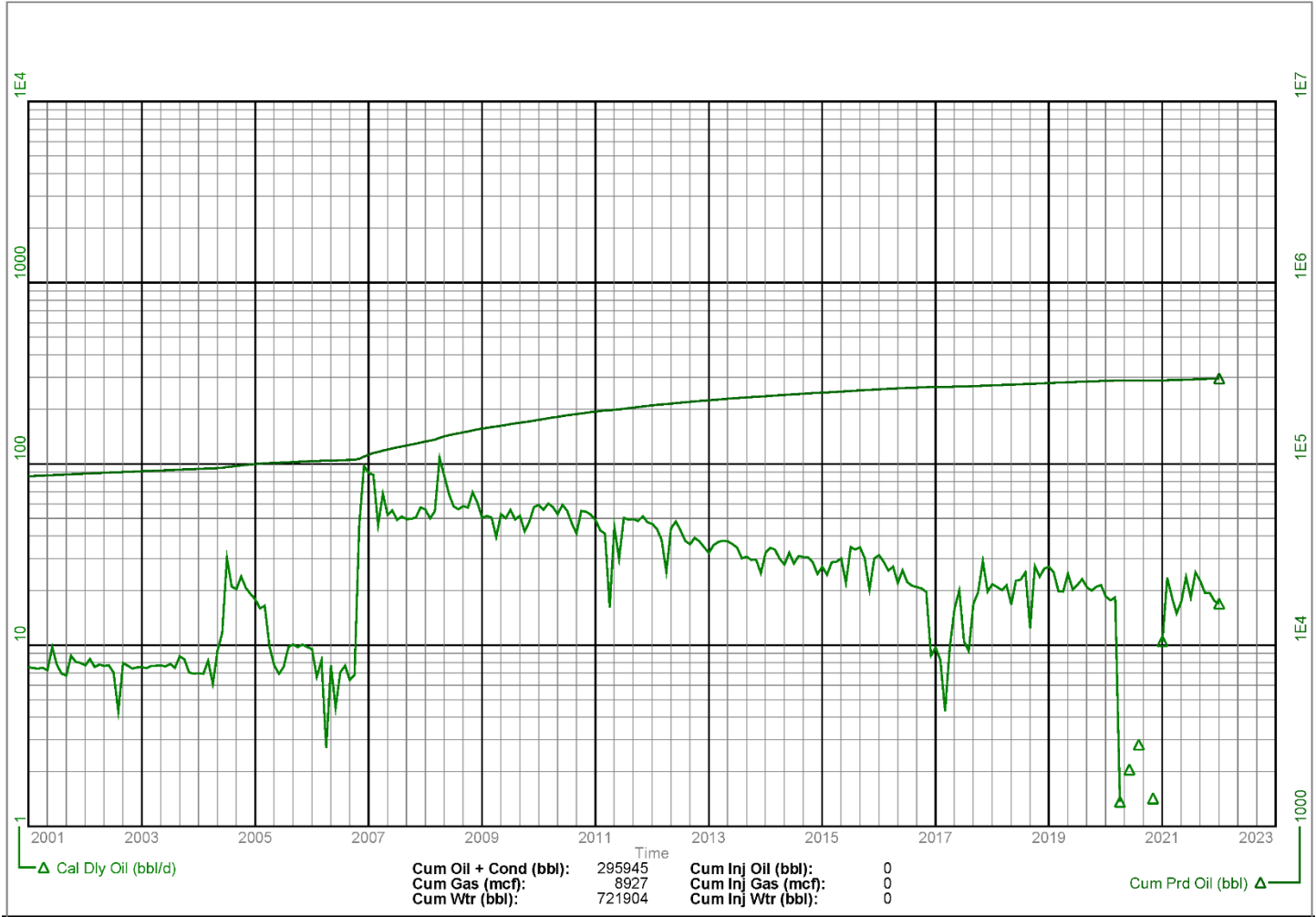
Operating income net to Aldon from *Midale North* in January 2022 was approximately \$34,000, or \$408,000 on an annualized basis.







**Midale North, Saskatchewan – Gross Production Group Plot of  
Aldon's Oil Wells**

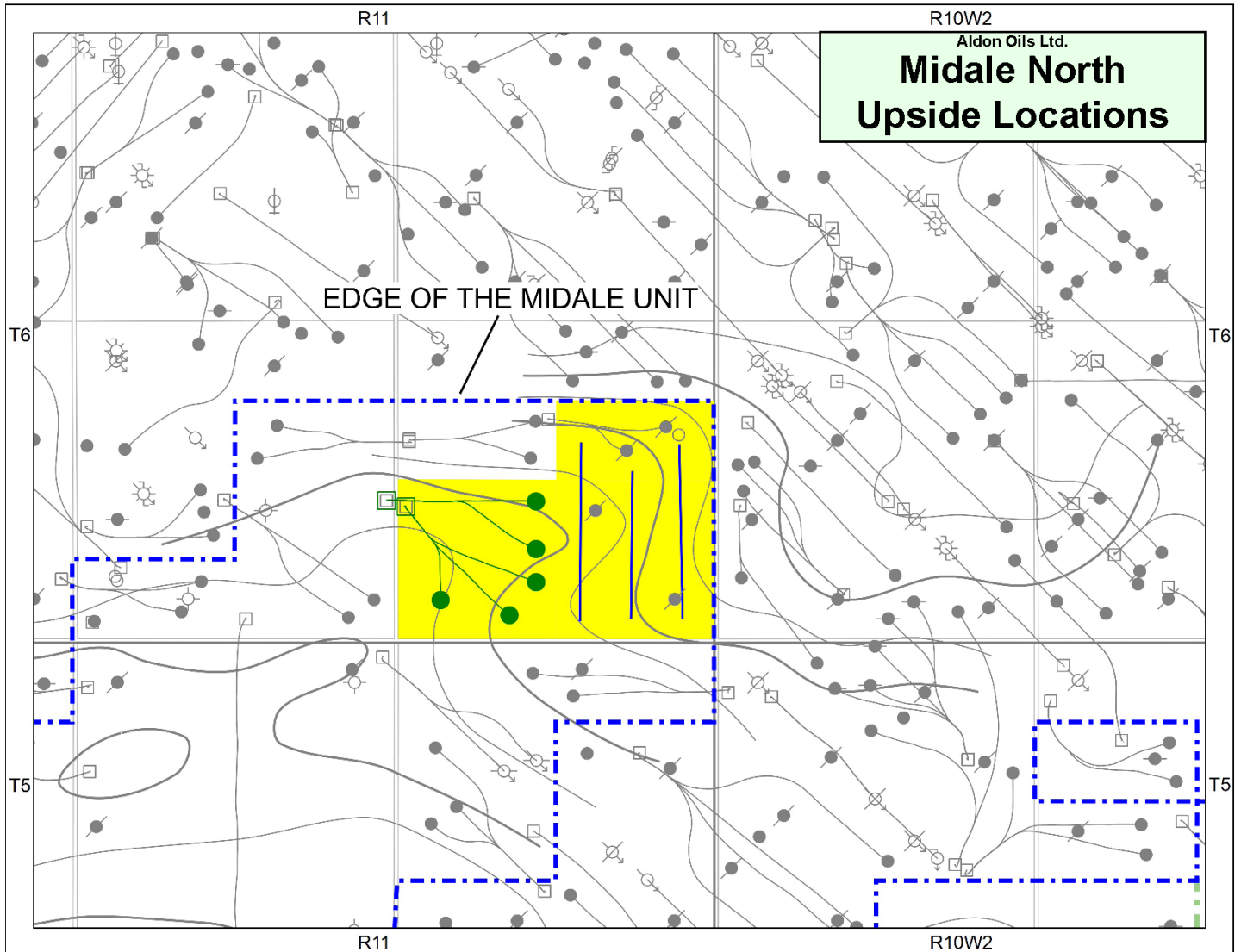






## Midale North Geology

The following map shows the structure contours on the top of the Midale beds at 5 metre contour intervals with Aldon's upside locations at *Midale North* shown in blue.





## Midale North Seismic

The Company does not have ownership in any seismic data over its lands at *Midale North*.

## Midale North Facilities

The Company does not have an interest in any facilities at *Midale North*.

## Midale North Reserves

The Company does not have a third-party reserves evaluation of the Properties.

## Midale North LMR

As of April 28, 2022, Aldon's net deemed asset value for *Midale North* was \$282,620 (deemed assets of \$496,620 and deemed liabilities of \$214,000), with an LMR ratio of 2.32.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$496,620	\$214,000	\$282,620	2.32

## Midale North Well List

See well list in Excel.





## Weyburn Property

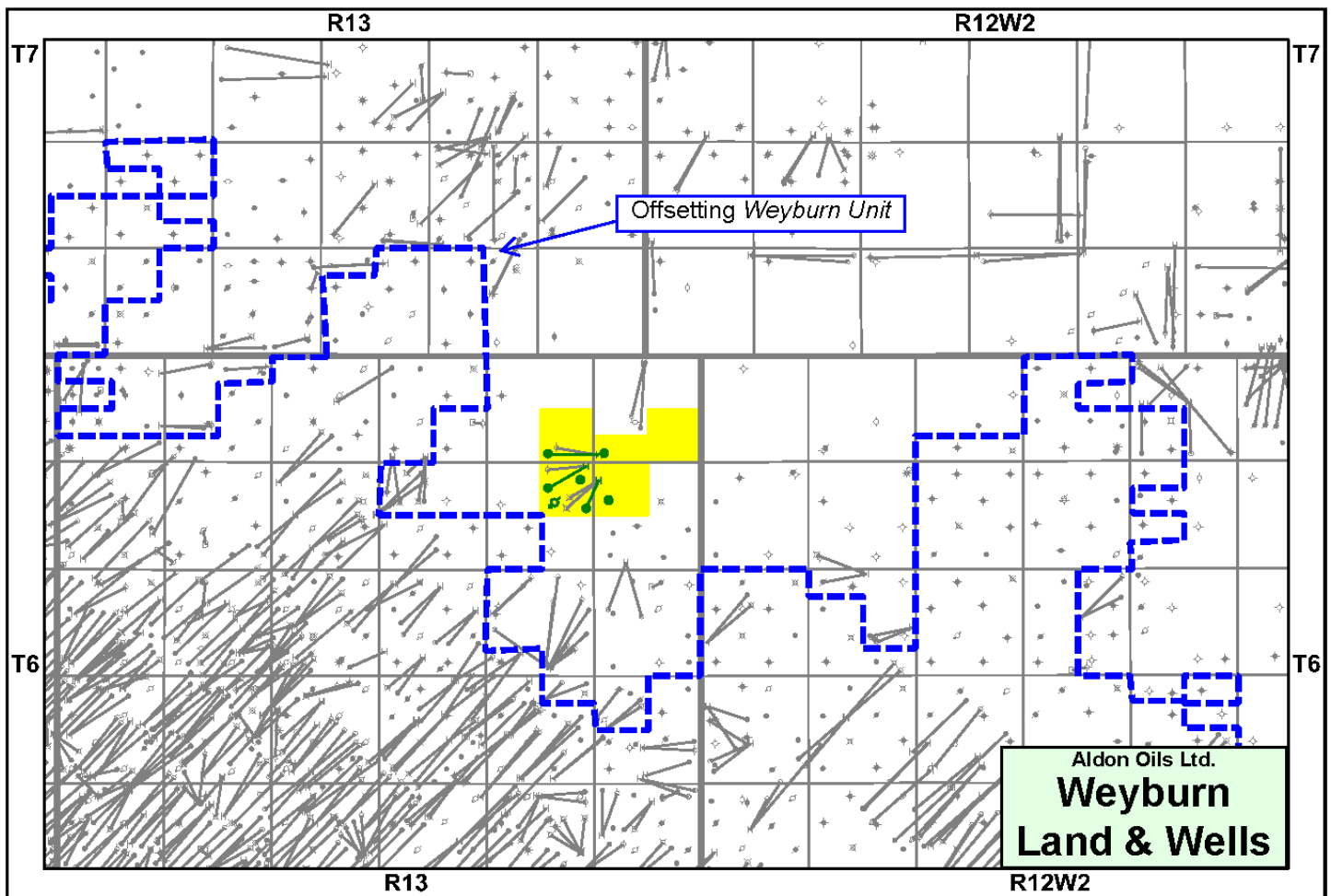
## Township 6, Range 13 W2

At *Weyburn*, Aldon holds mainly a 100% working interest in over one section of land located immediately adjacent to the northeastern edge of the *Weyburn Unit* which is currently under CO<sub>2</sub> flood. Oil production is from the Midale Marly and Vuggy beds. Productivity is dependent on reservoir development and structure. The Company also has a Midale disposal well at 102/10-26-006-13W2/0.

Average daily production net to Aldon from *Weyburn* for the month of January 2022 was approximately 17 barrels of oil per day.

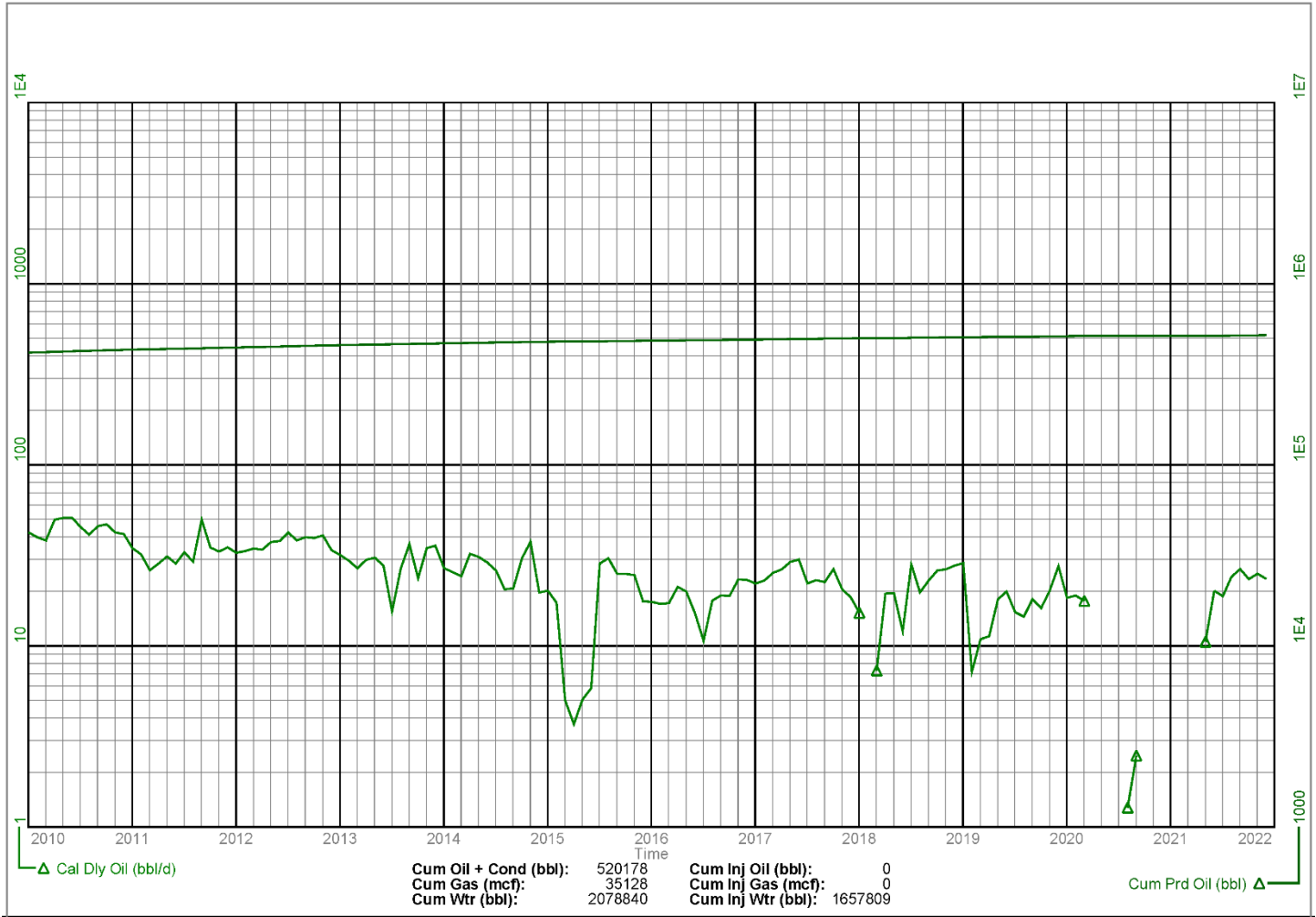
Operating income net to Aldon from *Weyburn* in January 2022 was approximately \$13,000, or \$156,000 on an annualized basis.

Further drilling opportunities exist at *Weyburn* where horizontal wells can be placed to maximize exposure to both reservoirs, particularly with multiple legs. The Company has identified a strong, northeast to southwest-trending structural nose on the lands.





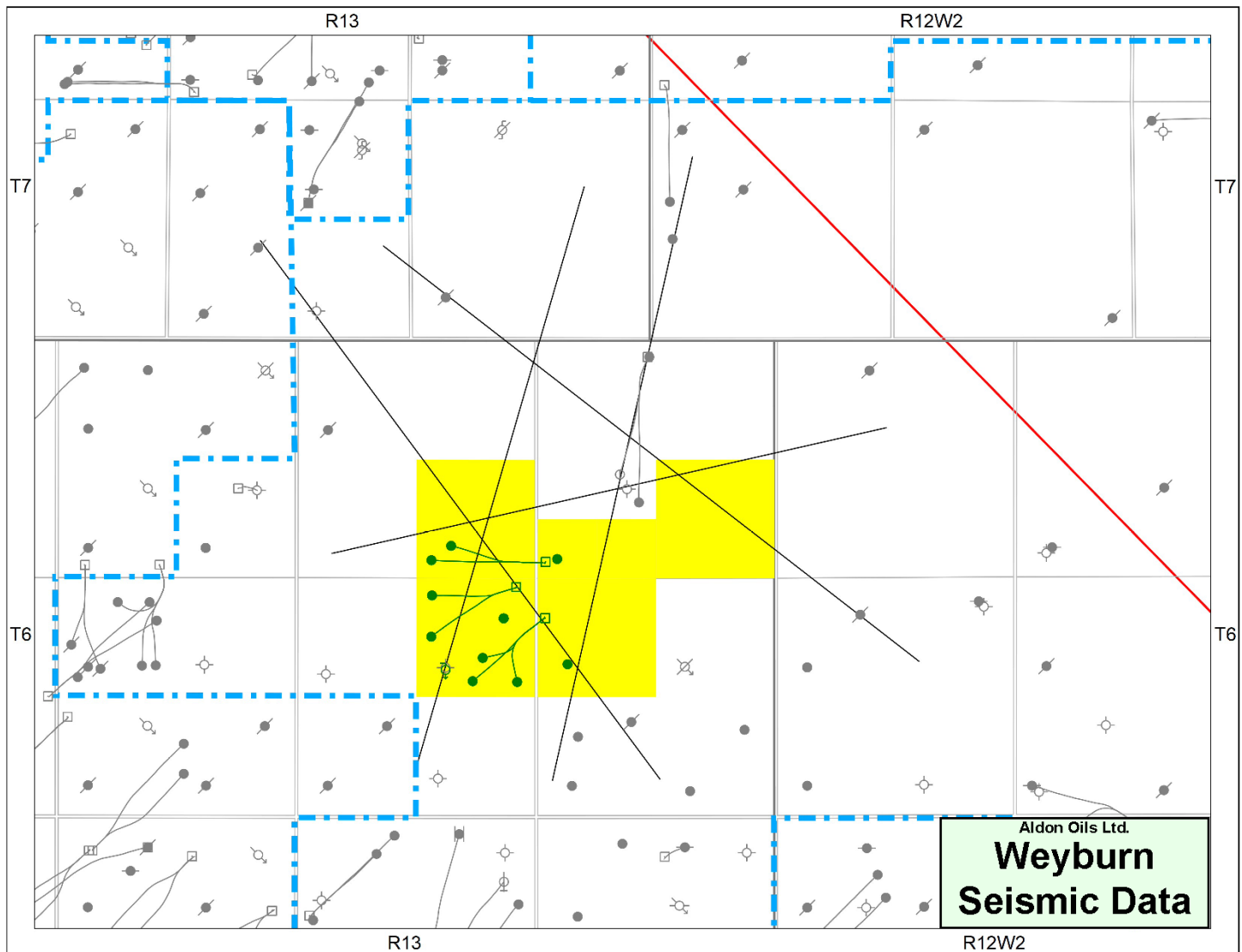
### Weyburn, Saskatchewan – Gross Production Group Plot of Aldon's Oil Wells





## Weyburn Seismic

The Company has trade 2D seismic over a portion of its lands at *Weyburn*, as illustrated on the following plat. The Company's interpretations of the seismic are available in hard copy for viewing in the Data Room located in Sayer's office, by parties which have executed a confidentiality agreement.



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## Weyburn Facilities

Details of the facilities and equipment at *Weyburn* are as follows:

Location	Facility Code	Facility Type	Status	WI
04-36-006-13W2	B4L3911	Multi-Well Oil Battery	Active	100%
04-36-006-13W2	0027571	Water Injection / Disposal	Active	100%

## Weyburn

The Company does not have a third-party reserves evaluation of the Properties.

## Weyburn LMR

As of April 28, 2022, Aldon's net deemed asset value for *Weyburn* was (\$23,157) (deemed assets of \$486,988 and deemed liabilities of \$510,145), with an LMR ratio of 0.95.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$486,988	\$510,145	(\$23,157)	0.95

## Weyburn Well List

See well list in Excel.

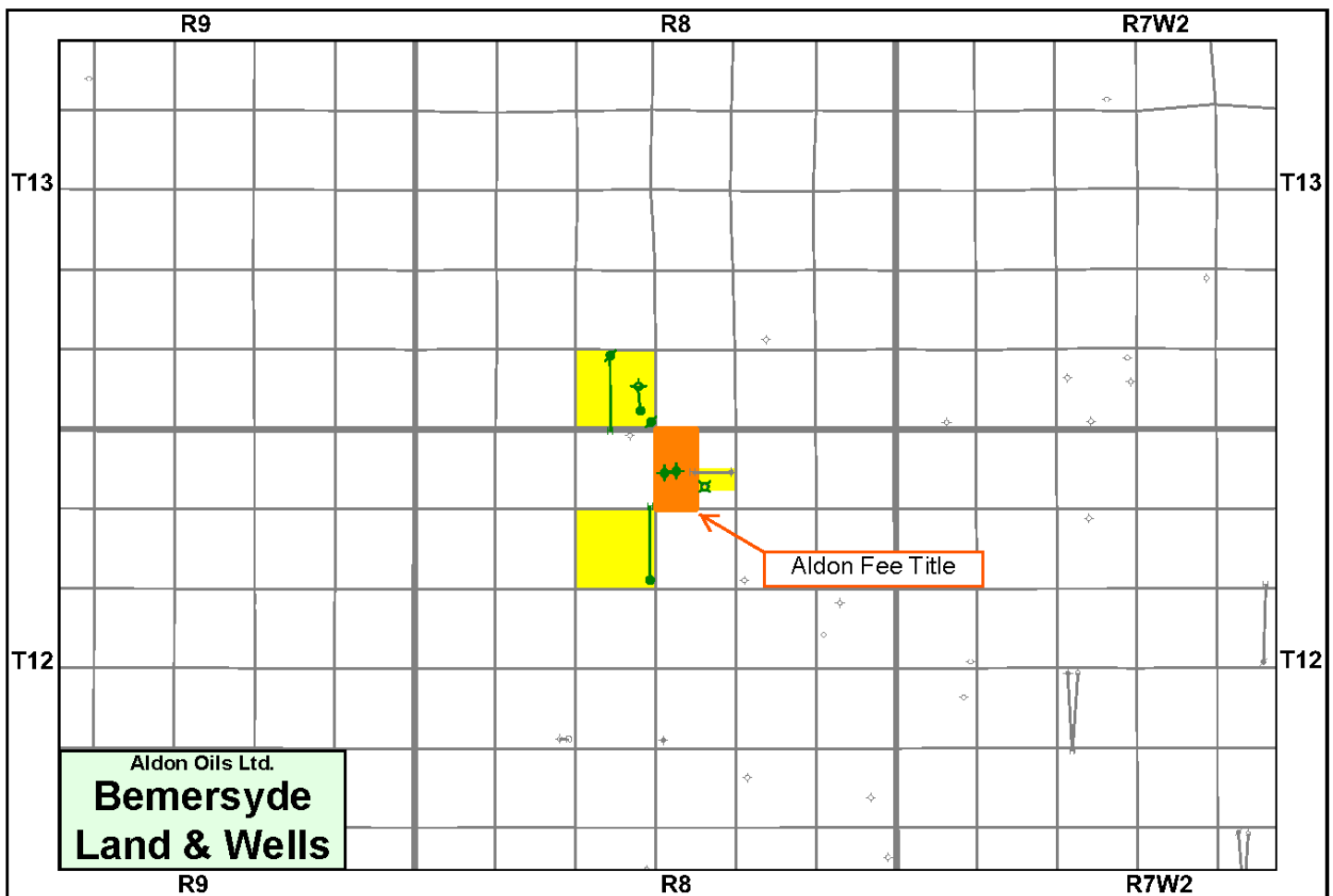


**Bemersyde Property****Township 12-13, Range 8 W2**

At *Bemersyde*, Aldon holds primarily a 50% working interest in certain lands as well as a 50% interest in the Fee Title in the west half of Section 34-012-08W2, on which Aldon will grant a PNG lease. Oil production is from the Bakken, and Yeoman formations. The Company also has a Mannville disposal well at *Bemersyde*.

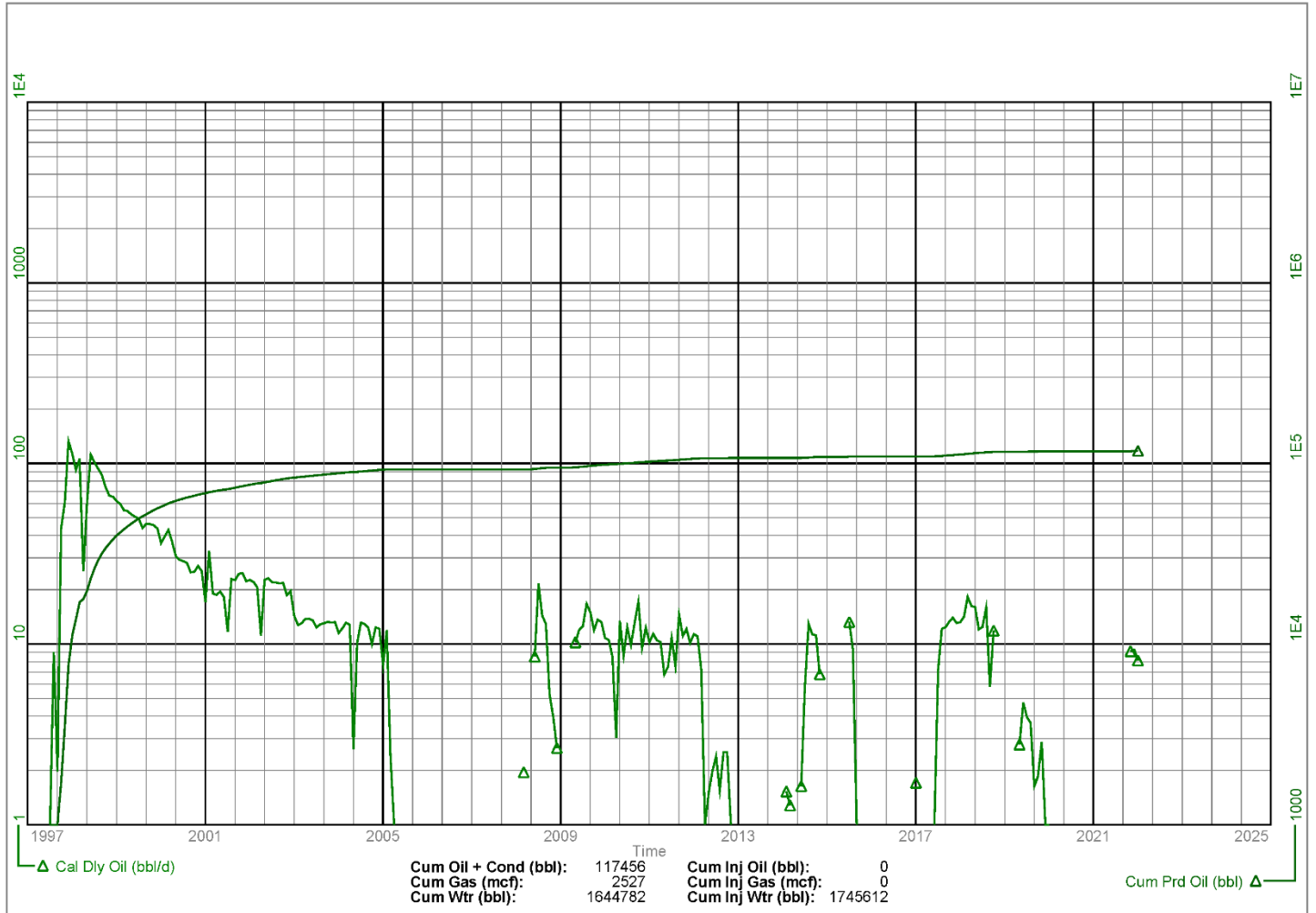
Average daily production net to Aldon from *Bemersyde* for the month of January 2022 was approximately six barrels of oil per day.

Operating income net to Aldon from *Bemersyde* in January 2022 was approximately \$4,000, or \$48,000 on an annualized basis.





### Bemersyde, Saskatchewan – Gross Production Group Plot of Aldon's Oil Wells







## Bemersyde Seismic

The Company does not have ownership in any seismic data over its lands at *Bemersyde*.

## Bemersyde Facilities

Details of the facilities and equipment at *Bemersyde* are as follows:

Location	Facility Code	Facility Type	Status	WI
05-34-012-08W2	B4L3760	Multi-Well Oil Battery	Active	50%
05-34-012-08W2	D403720	Water Injection / Disposal	Active	50%

## Bemersyde Reserves

The Company does not have a third-party reserves evaluation of the Properties.

## Bemersyde LMR

As of April 28, 2022, Aldon's net deemed asset value for *Bemersyde* was (\$366,318) (deemed assets of \$93,960 and deemed liabilities of \$460,278), with an LMR ratio of 0.20.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$93,960	\$460,278	(\$366,318)	0.20

## Bemersyde Well List

See well list in Excel.

