



ALVAREZ & MARSAL CANADA INC.  
STRATEGIC OIL & GAS LTD.  
RECEIVERSHIP SALE



**Strategic**  
OIL & GAS LTD.

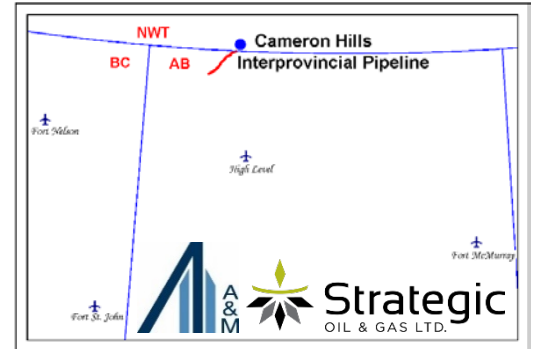
# OVERVIEW INFORMATION

**Bid Deadline: 12:00 pm September 23, 2021**

**Receivership Sale:  
Cameron Hills, Northwest Territories  
& Interprovincial Pipeline**



On January 28, 2020, the Alberta Court of Queen’s Bench (the “Court”) made an order (the “Receivership Order”) appointing **Alvarez & Marsal Canada Inc.** (“A&M”) as receiver and manager (“the Receiver”) over all of **Strategic Oil & Gas Ltd.’s** and **Strategic Transmission Ltd.’s** (together “Strategic” or the “Company”) current and future assets, undertakings and properties of every nature and kind whatsoever situated in the Northwest Territories, including all proceeds thereof and including, without limiting the generality of the foregoing, any letters of credit issued in respect of assets situated in the Northwest Territories (the “NWT Property”).



Additionally, Strategic holds legal title to, and is the licensee of, a pipeline which crosses the border between Alberta and the Northwest Territories (the “Interprovincial Pipeline”). While the Receiver does not have possession of this Interprovincial Pipeline, nor is it in care and custody of such pipeline, on July 19, 2021, the Receiver obtained an order from the Court (the “Sales Process Order”), permitting the Receiver to conduct a sale solicitation process (“SSP”) respecting the NWT Property and the Interprovincial Pipeline. For the purposes of this SSP, all references to NWT Property shall include reference to the Interprovincial Pipeline.

The Receiver has engaged **Sayer Energy Advisors** to assist with the sale of Strategic’s interests in the *Cameron Hills* area of the Northwest Territories as well as Strategic’s Interprovincial Pipeline.

Under the SSP, all qualified interested parties will be provided with an opportunity to participate in the SSP. The SSP is intended to solicit interest in a sale of the NWT Property. Any agreement arising from the SSP will be subject to approval by the Court in Strategic’s receivership proceedings. A copy of the SSP is found on our website at [www.sayeradvisors.com](http://www.sayeradvisors.com). All capitalized terms used but not otherwise defined herein shall have the meaning given to them in the SSP. In the event of any conflict between this information brochure and the terms of the SSP, the terms of the SSP shall prevail.

**PROCESS & TIMELINE**

Sayer Energy Advisors is accepting offers to acquire the NWT Property until **12:00 pm on Thursday, September 23, 2021.**

Timeline	
Week of August 23, 2021	Preliminary Information Distributed
Week of August 23, 2021	Data Room Opens
<b>September 23, 2021</b>	<b>12:00 noon</b> <b>Bid Deadline</b>
October 1, 2021	Effective Date
November 2021	Closing Date

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

**Sayer Energy Advisors is accepting offers from interested parties until noon on Thursday, September 23, 2021.**





### Cameron Hills Property

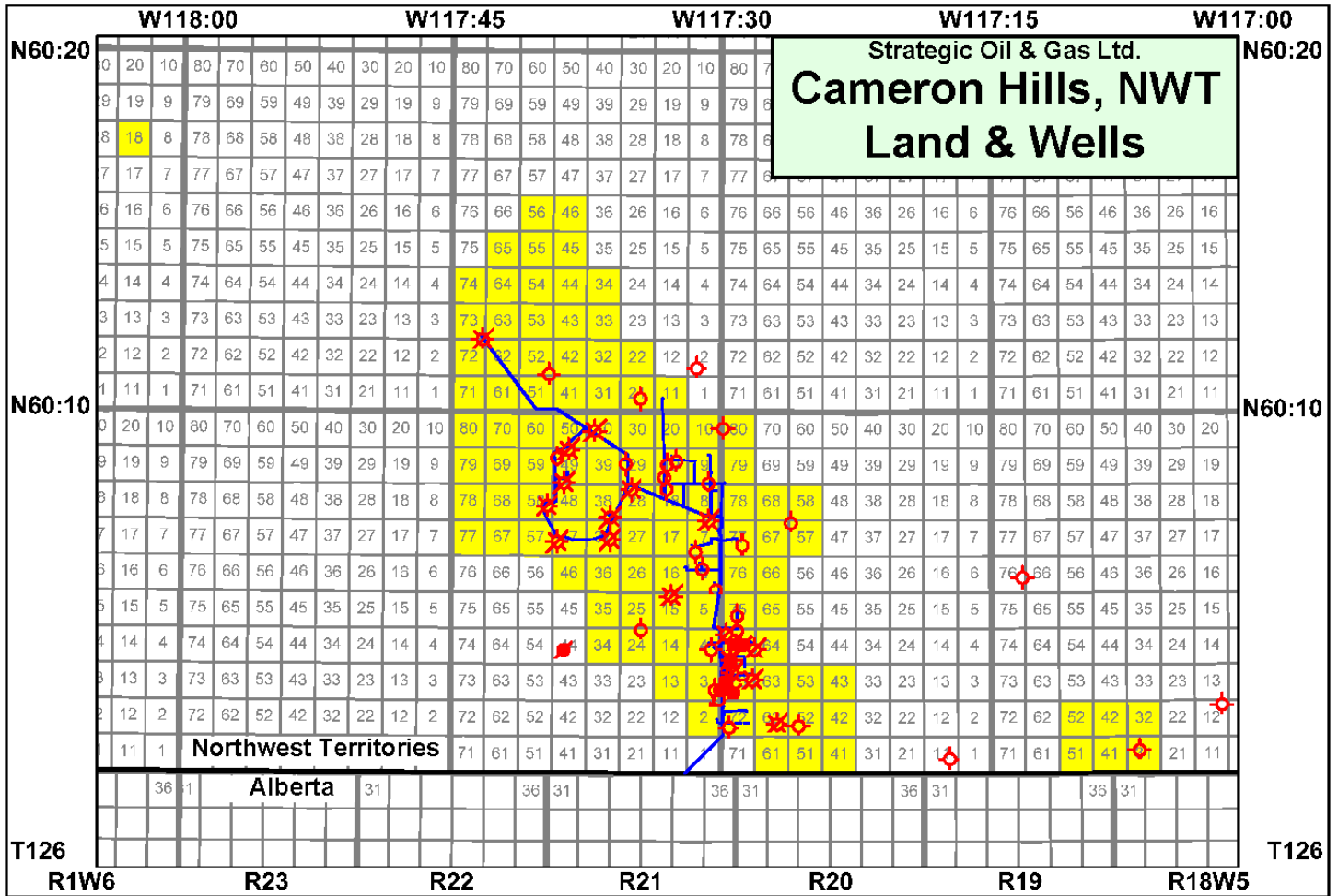
### W117, N60:00 - W118 N60:20

Strategic holds an average 86% working interest in 86,223 acres (74,207 net acres) in the *Cameron Hills* area of the Northwest Territories just north of the border with Alberta. Strategic also holds a 100% interest in an Interprovincial Pipeline which connects the gathering system at the central battery in *Cameron Hills* to a natural gas plant located in the Bistcho Lake area of Alberta at 06-32-122-02W6 owned by **Tallahassee Exploration Inc.**

Production has been shut-in since 2015 due to commodity prices. Production consisted primarily of oil and natural gas from the Keg River and Sulphur Point formations, and natural gas from the Slave Point Formation.

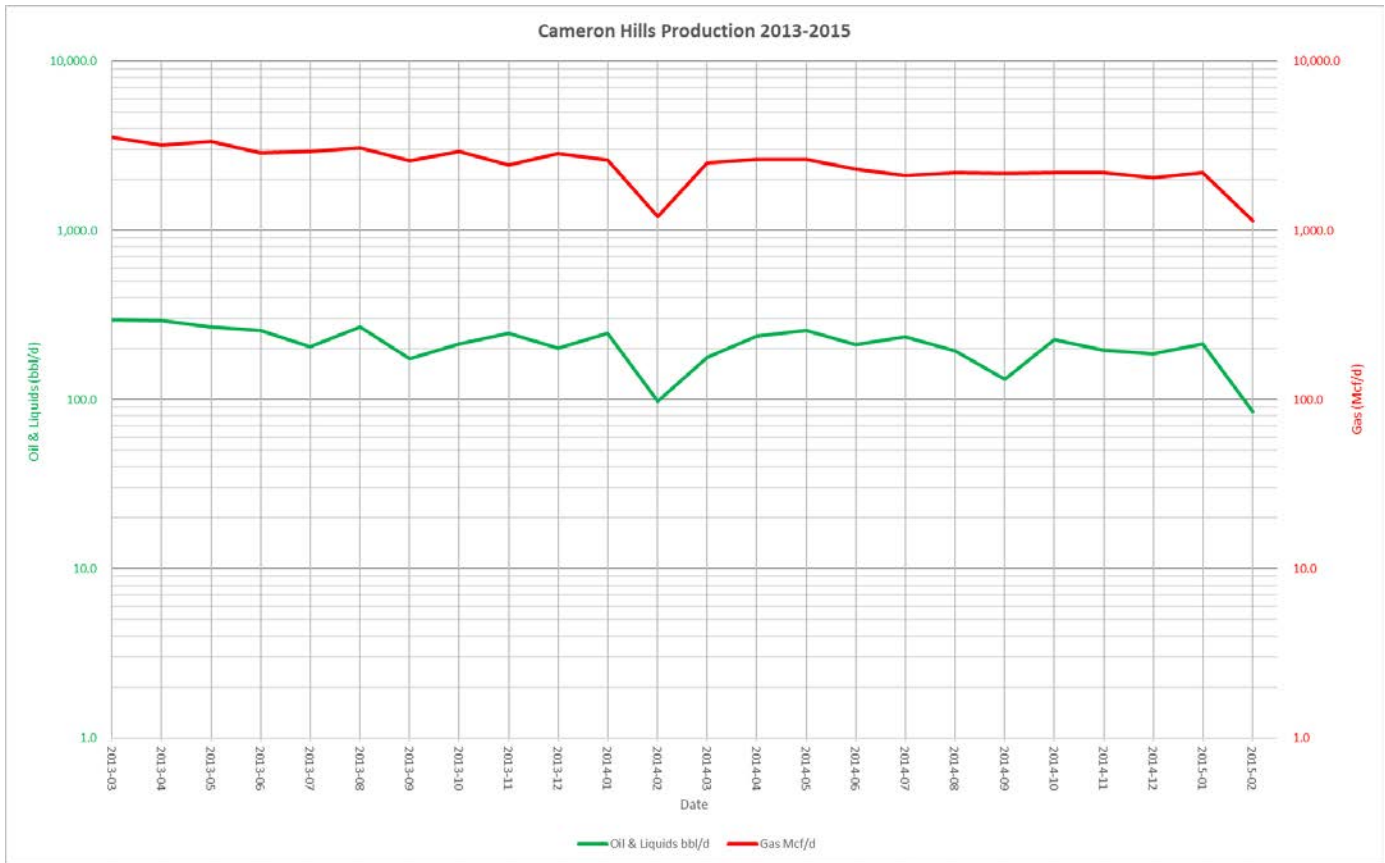
Prior to being shut-in, average daily production for calendar 2014 net to Strategic from *Cameron Hills* was approximately 571 boe/d consisting of 2.2 MMcf/d of natural gas and 200 barrels of oil and natural gas liquids per day. Natural gas from *Cameron Hills* was processed at the Bistcho Lake facility in Alberta.

The main compressor facility at *Cameron Hills* at H-03 60-10 117-30 is connected via pipeline to the sour natural gas plant and oil battery in the Bistcho area of Alberta at 06-32-122-02W6. There is also a water injection well at 300/A03 60-10 117-30/0.





**Cameron Hills, Northwest Territories  
Gross Production Group Plot of Strategic’s Oil & Natural Gas Wells**



## Regulatory Update

In 2019, a large abandonment program was commenced including a draft site wide monitoring plan. All wells which were capable of production have been plugged and cemented above the productive zone. In connection with the abandonment program, 12 wells are having a phase one environmental assessment completed.

All available regulatory and environmental information relating to the NWT Property is in the virtual data room for parties that sign a confidentiality agreement.

The Company also has a water licence through the Mackenzie Valley Land and Water Board at *Cameron Hills* which is valid until 2025. The Mackenzie Valley Land and Water Board also provides land use permits; the Company’s land use permit is due for renewal in 2022.

The SSP provides further details regarding the various Energy Regulators who play a role in regulating Strategic’s NWT Property. Any Successful Bidder under the SSP will be required to comply with all regulatory requirements of the applicable Energy Regulator. Nothing in the SSP shall constitute any “pre-approval” of any transfers of applicable licenses, permits or approvals by the applicable Energy Regulator, nor shall it fetter the discretion of the Energy Regulators in any way. The Energy Regulators shall in each instance retain their discretion to approve the transfer of any applicable licenses, permits or approvals required under any Successful Bid pursuant to their governing legislation. The Receiver may assist with facilitating meetings between Qualified Bidders and the applicable Energy Regulators upon request.





## Upside

The main prospective reservoir at *Cameron Hills* is the Sulphur Point Formation. Strategic believes there is vast upside in using unconventional completions in the conventional reservoir at *Cameron Hills*.

The Sulphur Point dolomite at *Cameron Hills* is found at a depth of approximately 1,420 metres and comprises a 12-15 metre-thick light (33.5°API) oil column. Recent estimates for drilling, equipping and tie-in costs are approximately \$3.0-\$4.0 million per well, including approximately \$250,000-\$300,000 for access costs, \$1.0-\$1.5 million for drilling costs and \$1.0-\$1.5 million for completion costs. Anticipated initial production from a Sulphur Point well is approximately 630 barrels of oil per day.

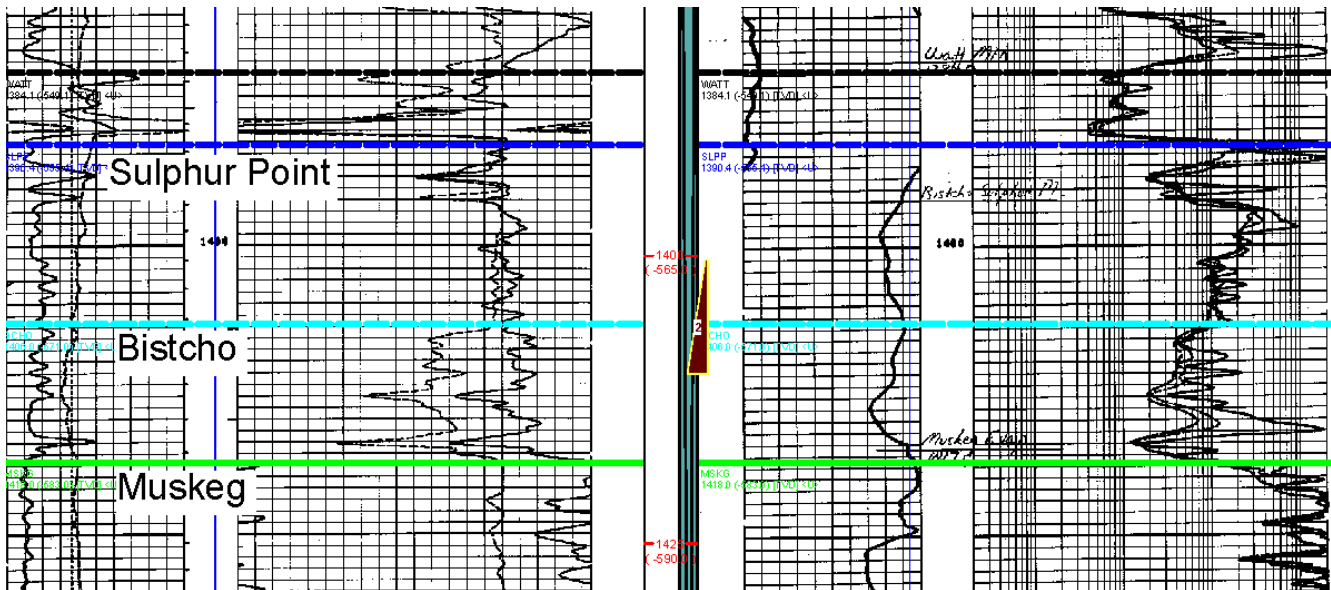
Strategic has used the interpretations of its proprietary and partnered seismic data to identify large upside in the Sulphur Point with potential for over 66 horizontal wells on its land. This includes 60 horizontal wells targeting the Sulphur Point regional dolostone prospect with 1,500 metre laterals and six horizontal wells targeting the high-permeability Sulphur Point karst prospect.

Prior to being shut-in, the Sulphur Point oil well *Strategic Et Al Cameron 300/K74 60-10 117-15/0* was producing at a rate of approximately 125 boe/d (110 barrels of oil and natural gas liquids per day and 87 Mcf/d of natural gas). The K74 well had cumulative production of approximately 1.6 million barrels of oil.

The well *Strategic Et Al Cameron 300/A73 60-20 117-30/0* was a prolific Sulphur Point natural gas well with cumulative production of over 6.7 Bcf of natural gas.

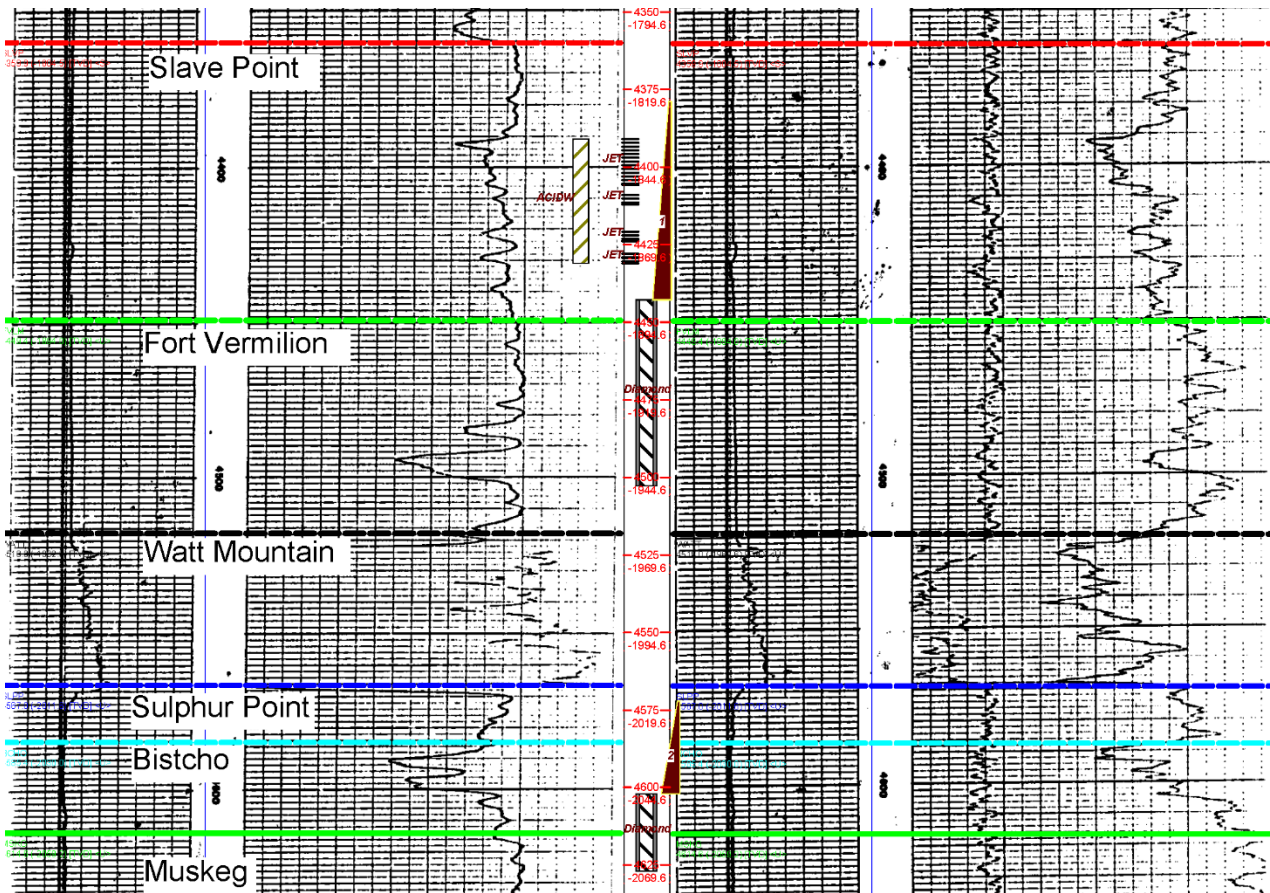
The Company has reservoir studies and petrophysical analysis including core data which are available in the virtual data room for parties which sign a confidentiality agreement.

### **Paramount et Al Cameron 00/J76 60-10 117-00/0 Sulphur Point Formation**



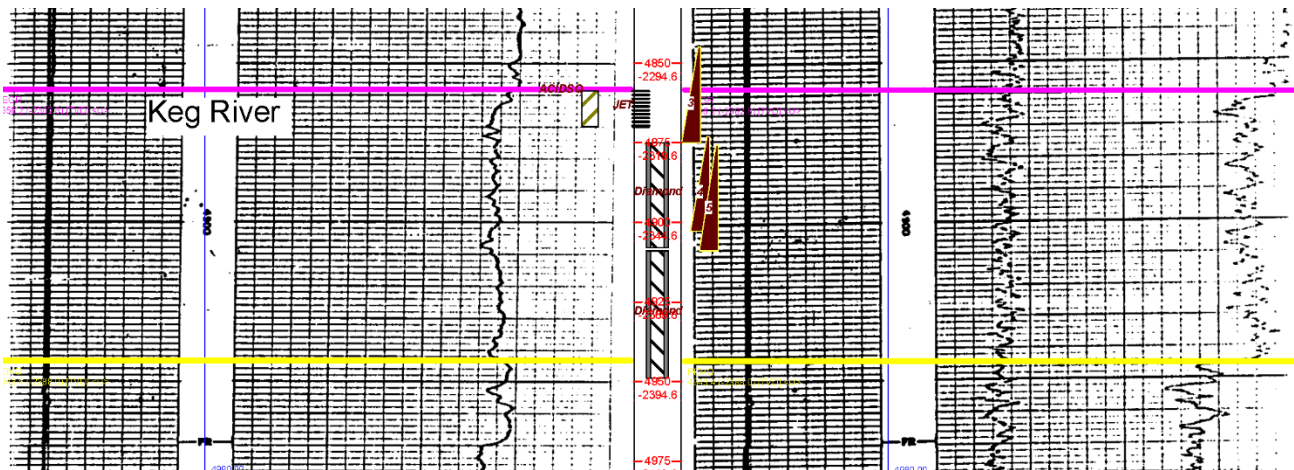


**Paramount et Al Cameron 00/A05 60-10 117-30/0  
Slave Point Formation**



In addition to the Sulphur Point, the Company believes the Keg River Basin Oil is prospective for future oil development.

**Paramount et Al Cameron 00/A05 60-10 117-30/0  
Keg River Formation**



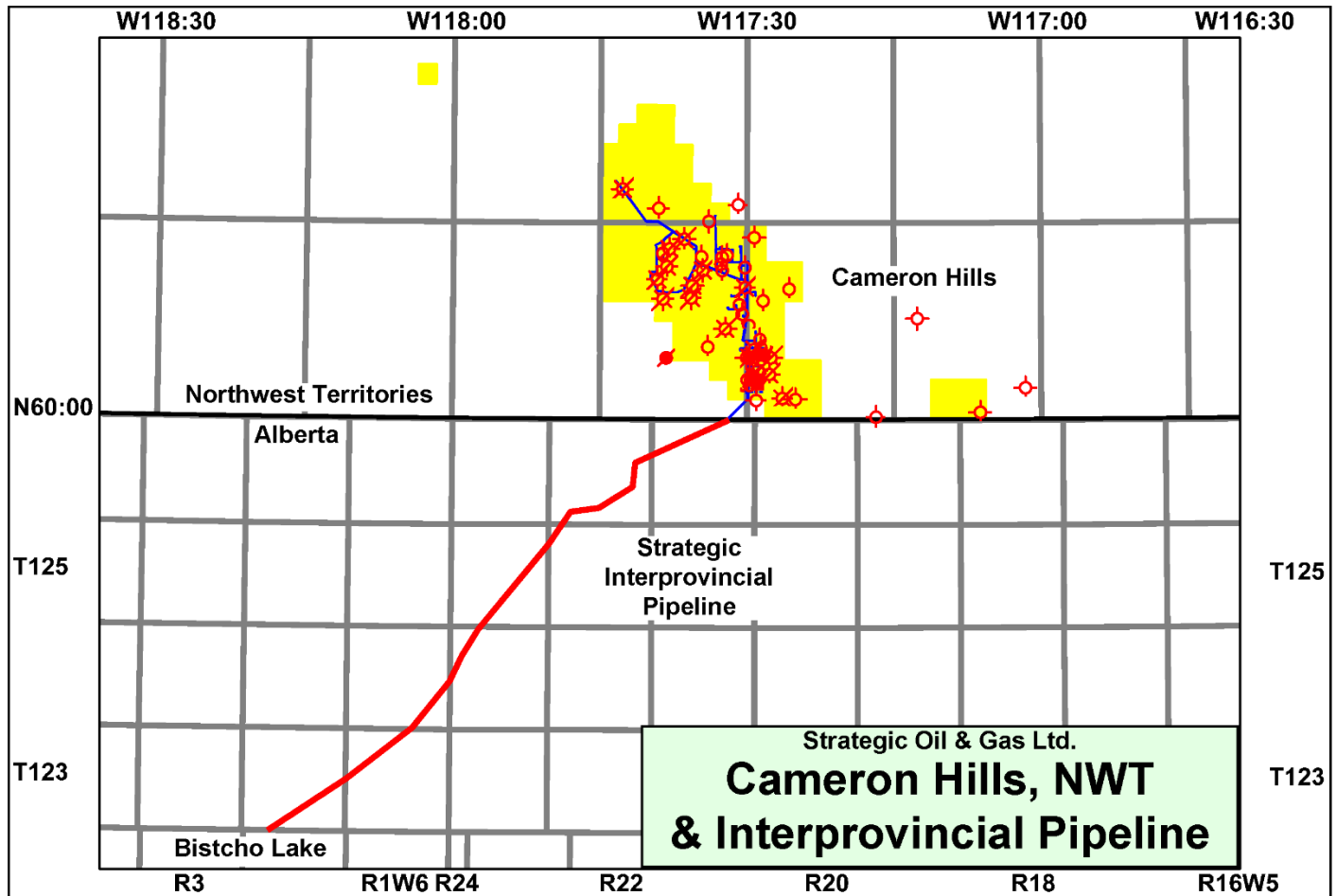
The Company believes additional upside is possible in the form of cogeneration. With the large amount of natural gas production capability from the NWT Property, natural gas could be converted and sold into the power grid.





## Cameron Hills Interprovincial Pipeline

Strategic owns a 12" Interprovincial Pipeline which ties the gathering system at the H-03 central battery at grid area 60° 10' N, 117° 30' W at *Cameron Hills* to the Bistcho Lake natural gas plant 06-32-122-02W6 located in Alberta. The pipeline runs approximately 75 kilometres south of *Cameron Hills* through a pipeline header at 05-24-126-22W5M.



The Interprovincial Pipeline has been fully suspended, discontinued and properly cleaned and purged. Cathodic protection has been maintained on the pipeline. Information on the discontinuation and maintenance of the pipeline is available in the virtual data room for parties that execute a confidentiality agreement.

## Cameron Hills Facilities

At *Cameron Hills*, the Company owns a natural gas gathering system and the main compressor located at H-03 60-10 117-30 which is connected via pipeline to the sour natural gas plant in the Bistcho area of Alberta at 06-32-122-02W6. Strategic's oil and natural gas production was transported to sales through the Interprovincial Pipeline. There is also a water injection well at 300/A03 60-10 117-30/0. Detailed information on the facilities is available in the virtual data room for parties that execute a confidentiality agreement.





The Company acknowledged that there is an option to tie-in to the **Enbridge Inc.** pipeline in the Norman Wells area of the Northwest Territories.

Another option to transport natural gas production from *Cameron Hills* to sales could be connecting to the Tallahassee owned natural gas plat at 13-29-125-19W5 in the Jackpot area of Alberta, north of Steen River, as access to the natural gas plant at Bistcho Lake is limited to winter access only. It is estimated that this could be achieved by constructing approximately 17 kilometres of pipeline.

The additional pipeline required would connect from the Interprovincial Pipeline at the Alberta border to the 13-29 pipeline system. From 13-29 to the 9-17 Steen River Gas Plant there is approximately 36 kilometres and four segments of 12” pipeline owned by Strategic.

**AbaData Pipeline Report**

LICENSE / LINE #	PROV	COMPANY NAME	LICENSE DATE	FROM LOCATION	TO LOCATION	LGTH (kms)	STS	SUB	H2S (mol/kmol)	OD (mm)	WT (mm)	MAT	TYPE	GRD	MOP (kpa)	JNT	INTL COAT	STRESS LEVEL (%)	ENV	FIELD
46904 - 1	AB	STRATEGIC OIL & GAS LTD.	SEP 18 2002	11-16-126-18W5 BE	8-5-126-19W5 BE	11.58	D	SG	25	273	7.09	S	Z245.1	3592	0	W	U	0	CC	RATZ
46904 - 2	AB	STRATEGIC OIL & GAS LTD.	APR 19 2002	13-29-125-19W5 BE	7-25-124-20W5 BE	12.05	D	SG	25	323.9	8.4	S	Z245.1	3592	0	W	U	0	CC	JACKPOT
46904 - 3	AB	STRATEGIC OIL & GAS LTD.	MAY 16 2002	7-25-124-20W5 BE	3-1-124-20W5 BE	6.99	D	SG	25	323.9	8.4	S	Z245.1	3592	0	W	U	0	CC	JACKPOT
46904 - 4	AB	STRATEGIC OIL & GAS LTD.	MAY 16 2002	3-1-124-20W5 BE	1-11-123-20W5 BE	7.87	D	SG	25	323.9	8.4	S	Z245.1	3592	0	W	U	0	CC	
46904 - 5	AB	STRATEGIC OIL & GAS LTD.	MAY 16 2002	1-11-123-20W5 BE	9-17-122-20W5 BE	9.42	D	SG	25	323.9	8.4	S	Z245.1	3592	0	W	U	0	CC	DIZZY

Government Pipeline Data Current to: August 06, 2021

## Cameron Hills Reserves

*McDaniel & Associates Consultants Ltd.* (“McDaniel”) prepared an independent reserves evaluation of Strategic’s properties as part of the Company’s year-end reporting in 2015 (the “McDaniel Report”). The McDaniel Report is effective December 31, 2015 using McDaniel’s January 1, 2016 forecast pricing.

McDaniel estimates that, as of December 31, 2015, the *Cameron Hills* property contained remaining proved plus probable reserves of 498,000 barrels of oil (498,000 boe), with an estimated net present value of \$6.1 million using forecast pricing at a 10% discount.

Note that all natural gas from *Cameron Hills* was previously processed at the Bitscho Lake facility in Alberta, which was shut-in. As a result, no natural gas reserves have been assigned to the NWT Property.

McDaniel & Associates Consultants Ltd. as at December 31, 2015							
COMPANY GROSS RESERVES				PV BEFORE TAX			
	Oil	Natural Gas	Ngl	Total	5%	10%	15%
	Mbbbl	MMcf	Mbbbl	MBOE	(000's)		
<b>Proved Developed Producing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Proved Undeveloped	303	0	0	303	\$4,640	\$3,765	\$3,110
<b>Total Proved</b>	<b>303</b>	<b>0</b>	<b>0</b>	<b>303</b>	<b>\$4,640</b>	<b>\$3,765</b>	<b>\$3,110</b>
Probable	195	0	0	195	\$3,225	\$2,328	\$1,723
<b>Total Proved Plus Probable</b>	<b>498</b>	<b>0</b>	<b>0</b>	<b>498</b>	<b>\$7,865</b>	<b>\$6,093</b>	<b>\$4,834</b>

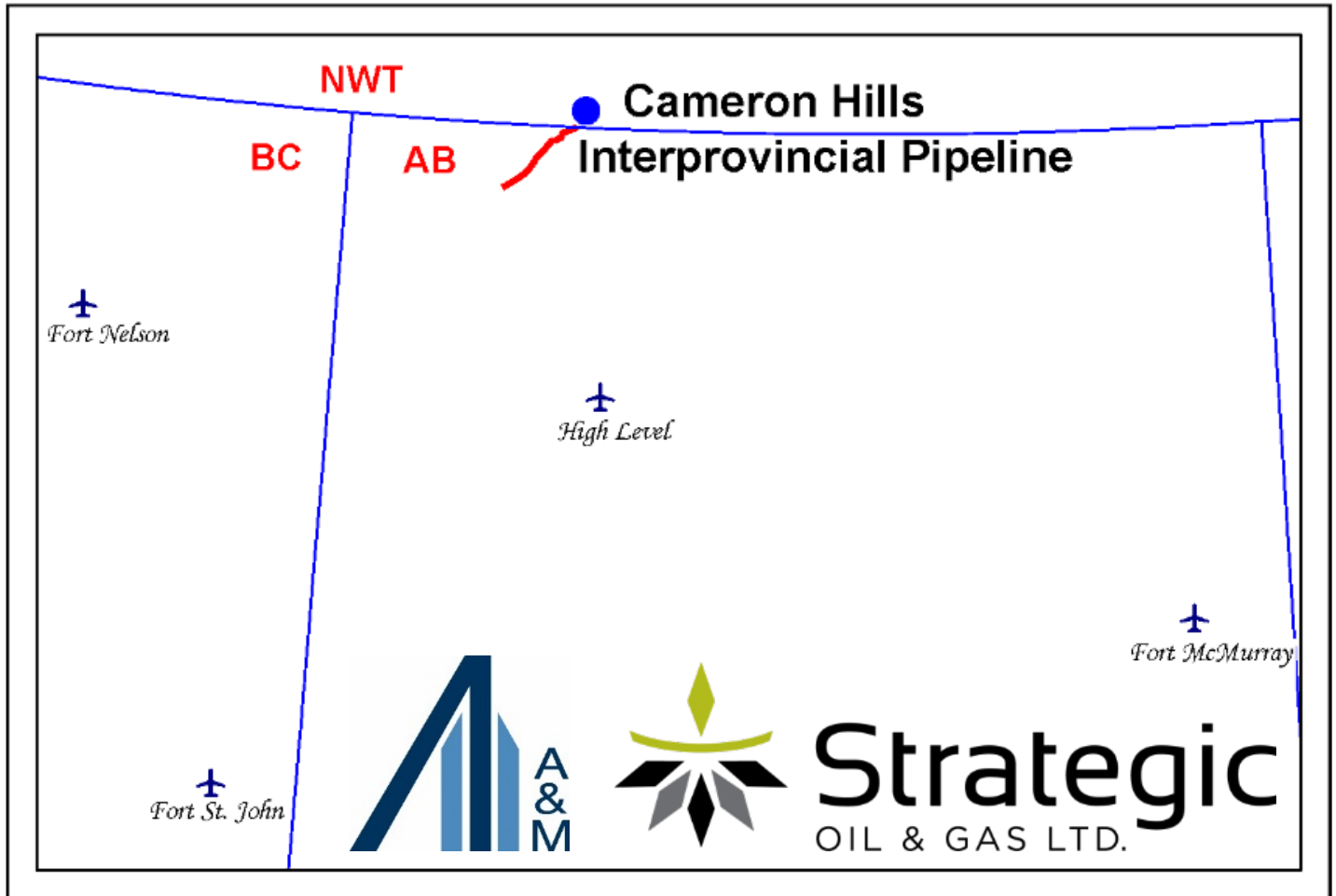
The reserve estimates and forecasts of production and revenues for the Company’s properties were prepared within the context of the Company’s year-end evaluation, which was an evaluation of all of the Company’s properties in aggregate. Extraction and use of any individual property evaluation outside of this context may not be appropriate without supplementary due diligence. Values in the “Total” row may not correspond to the total of the values presented due to rounding.







# **Alvarez & Marsal Canada Inc. Strategic Oil & Gas Ltd. Summer 2021 Receivership Sale**



## **CONTACT**

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

Included in the confidential information is the following: summary land information, historical financial information, the McDaniel Report and other relevant technical information.

To receive further information on the NWT Property please contact Ben Rye, Tom Pavic or Grazina Palmer at 403.266.6133.



## Overview

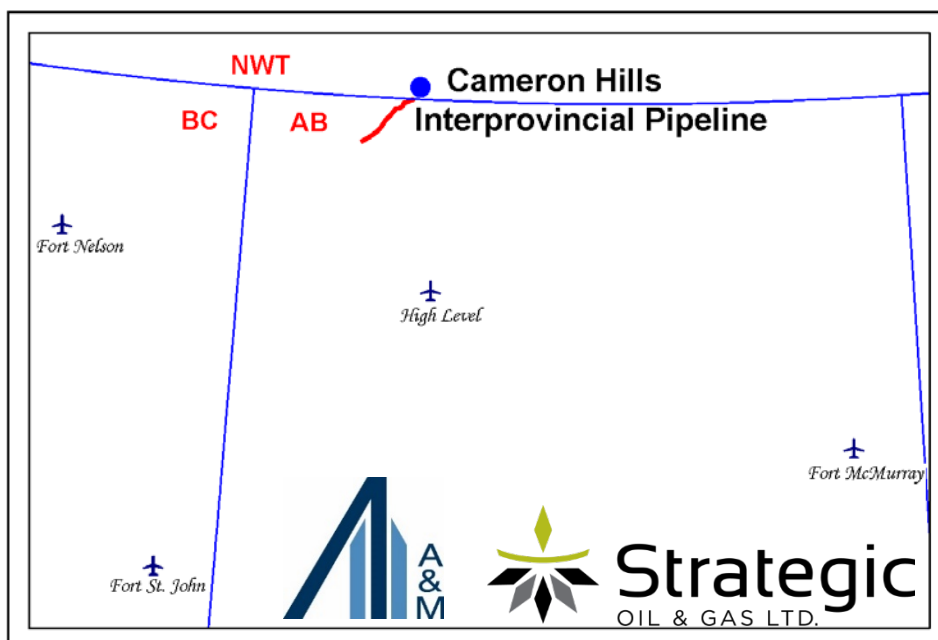
On January 28, 2020, the Alberta Court of Queen’s Bench (the “Court”) made an order (the “Receivership Order”) appointing **Alvarez & Marsal Canada Inc.** (“A&M”) as receiver and manager (“the Receiver”) over all of **Strategic Oil & Gas Ltd.’s** and **Strategic Transmission Ltd.’s** (together “Strategic” or the “Company”) current and future assets, undertakings and properties of every nature and kind whatsoever situated in the Northwest Territories, including all proceeds thereof and including, without limiting the generality of the foregoing, any letters of credit issued in respect of assets situated in the Northwest Territories (the “NWT Property”).

Additionally, Strategic holds legal title to, and is the licensee of, a pipeline which crosses the border between Alberta and the Northwest Territories (the “Interprovincial Pipeline”). While the Receiver does not have possession of this Interprovincial Pipeline, nor is it in care and custody of such pipeline, on July 19, 2021, the Receiver obtained an order from the Court (the “Sales Process Order”), permitting the Receiver to conduct a sale solicitation process (“SSP”) respecting the NWT Property and the Interprovincial Pipeline. For the purposes of this SSP, all references to NWT Property shall include reference to the Interprovincial Pipeline.

The Receiver has engaged **Sayer Energy Advisors** to assist with the sale of Strategic’s interests in the *Cameron Hills* area of the Northwest Territories as well as Strategic’s Interprovincial Pipeline.

Under the SSP, all qualified interested parties will be provided with an opportunity to participate in the SSP. The SSP is intended to solicit interest in a sale of the NWT Property. Any agreement arising from the SSP will be subject to approval by the Court in Strategic’s receivership proceedings. A copy of the SSP is found on our website at [www.sayeradvisors.com](http://www.sayeradvisors.com). All capitalized terms used but not otherwise defined herein shall have the meaning given to them in the SSP. In the event of any conflict between the marketing information and the terms of the SSP, the terms of the SSP shall prevail.

### Overview Map Showing Location of the Divestiture Property



**Cameron Hills Property**

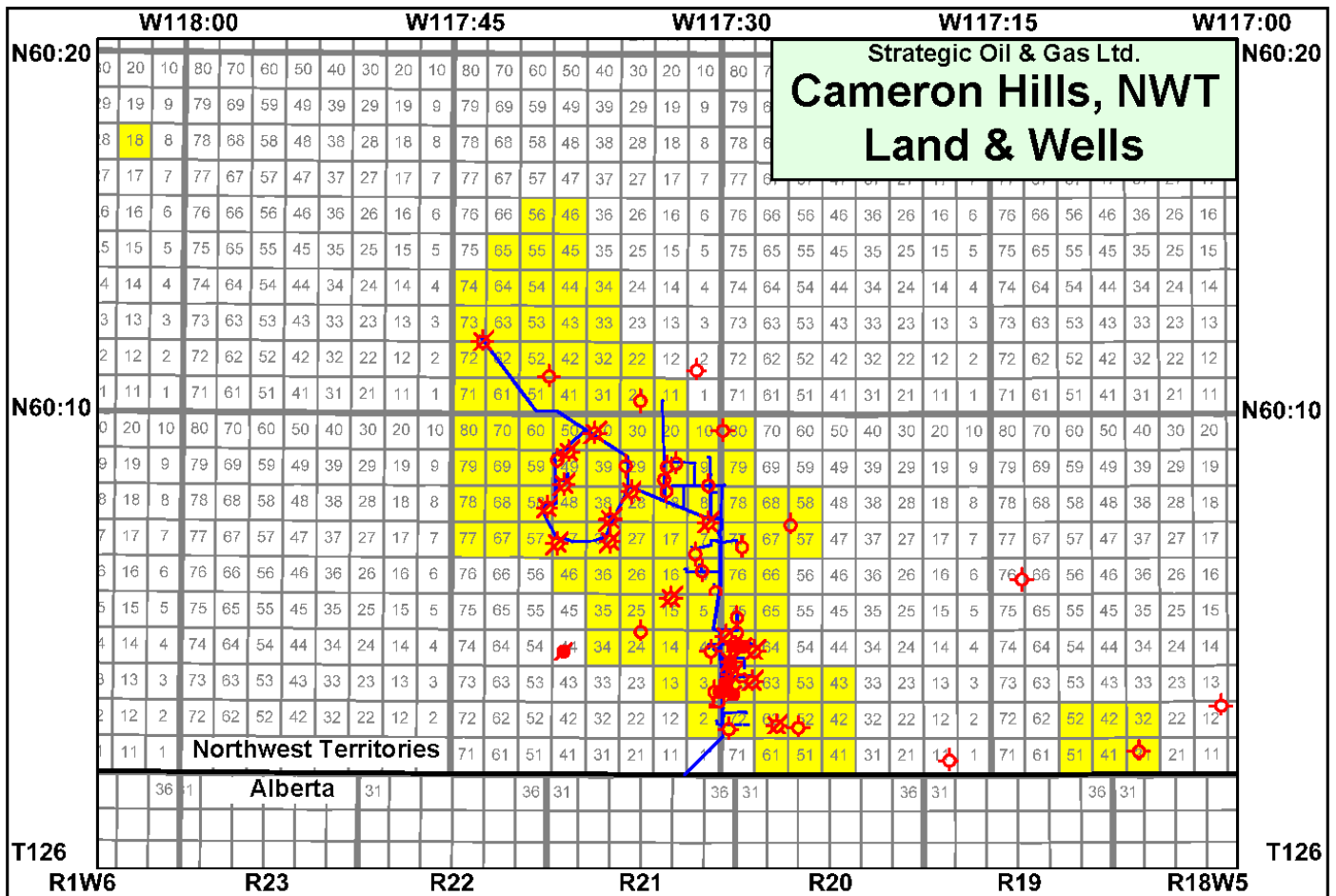
**W117, N60:00 -W118 N60:20**

Strategic holds an average 86% working interest in 86,223 acres (74,207 net acres) in the *Cameron Hills* area of the Northwest Territories just north of the border with Alberta. Strategic also holds a 100% interest in an Interprovincial Pipeline which connects the gathering system at the central battery in *Cameron Hills* to a natural gas plant located in the Bistcho Lake area of Alberta at 06-32-122-02W6 owned by **Tallahassee Exploration Inc.**

Production has been shut-in since 2015 due to commodity prices. Production consisted primarily of oil and natural gas from the Keg River and Sulphur Point formations, and natural gas from the Slave Point Formation.

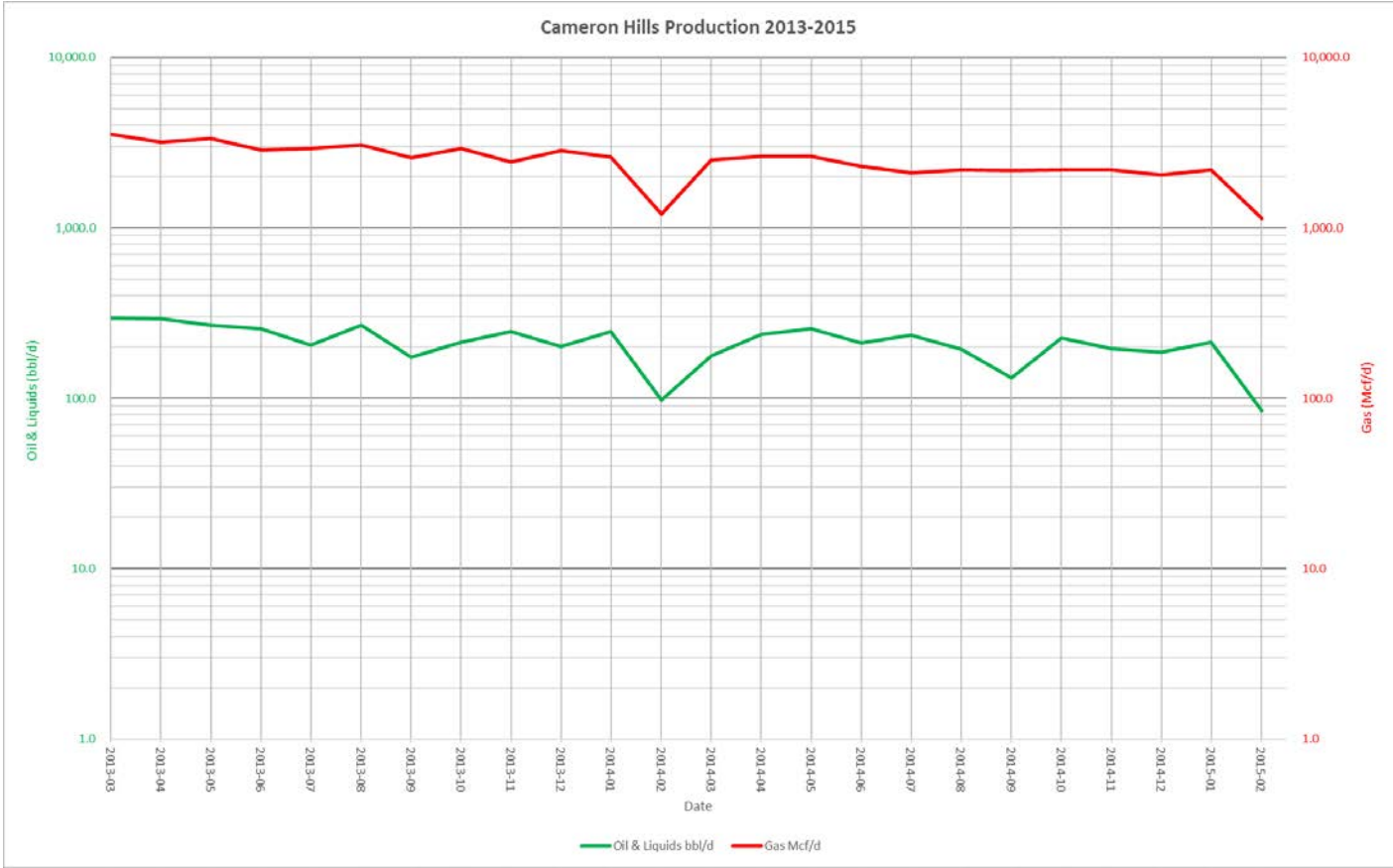
Prior to being shut-in, average daily production for calendar 2014 net to Strategic from *Cameron Hills* was approximately 571 boe/d consisting of 2.2 MMcf/d of natural gas and 200 barrels of oil and natural gas liquids per day. Natural gas from *Cameron Hills* was processed at the Bistcho Lake facility in Alberta.

The main compressor facility at *Cameron Hills* at H-03 60-10 117-30 is connected via pipeline to the sour natural gas plant and oil battery in the Bistcho area of Alberta at 06-32-122-02W6. There is also a water injection well at 300/A03 60-10 117-30/0.





### Cameron Hills, Northwest Territories Gross Production Group Plot of Strategic's Oil & Natural Gas Wells





## **Regulatory Update**

In 2019, a large abandonment program was commenced including a draft site wide monitoring plan. All wells which were capable of production have been plugged and cemented above the productive zone. In connection with the abandonment program, 12 wells are having a phase one environmental assessment completed.

All available regulatory and environmental information relating to the NWT Property is in the virtual data room for parties that sign a confidentiality agreement.

The Company also has a water licence through the Mackenzie Valley Land and Water Board at *Cameron Hills* which is valid until 2025. The Mackenzie Valley Land and Water Board also provides land use permits; the Company's land use permit is due for renewal in 2022.

The SSP provides further details regarding the various Energy Regulators who play a role in regulating Strategic's NWT Property. Any Successful Bidder under the SSP will be required to comply with all regulatory requirements of the applicable Energy Regulator. Nothing in the SSP shall constitute any "pre-approval" of any transfers of applicable licenses, permits or approvals by the applicable Energy Regulator, nor shall it fetter the discretion of the Energy Regulators in any way. The Energy Regulators shall in each instance retain their discretion to approve the transfer of any applicable licenses, permits or approvals required under any Successful Bid pursuant to their governing legislation. The Receiver may assist with facilitating meetings between Qualified Bidders and the applicable Energy Regulators upon request.





### Upside

The main prospective reservoir at *Cameron Hills* is the Sulphur Point Formation. Strategic believes there is vast upside in using unconventional completions in the conventional reservoir at *Cameron Hills*.

The Sulphur Point dolomite at *Cameron Hills* is found at a depth of approximately 1,420 metres and comprises a 12-15 metre-thick light (33.5°API) oil column. Recent estimates for drilling, equipping and tie-in costs are approximately \$3.0-\$4.0 million per well, including approximately \$250,000-\$300,000 for access costs, \$1.0-\$1.5 million for drilling costs and \$1.0-\$1.5 million for completion costs. Anticipated initial production from a Sulphur Point well is approximately 630 barrels of oil per day.

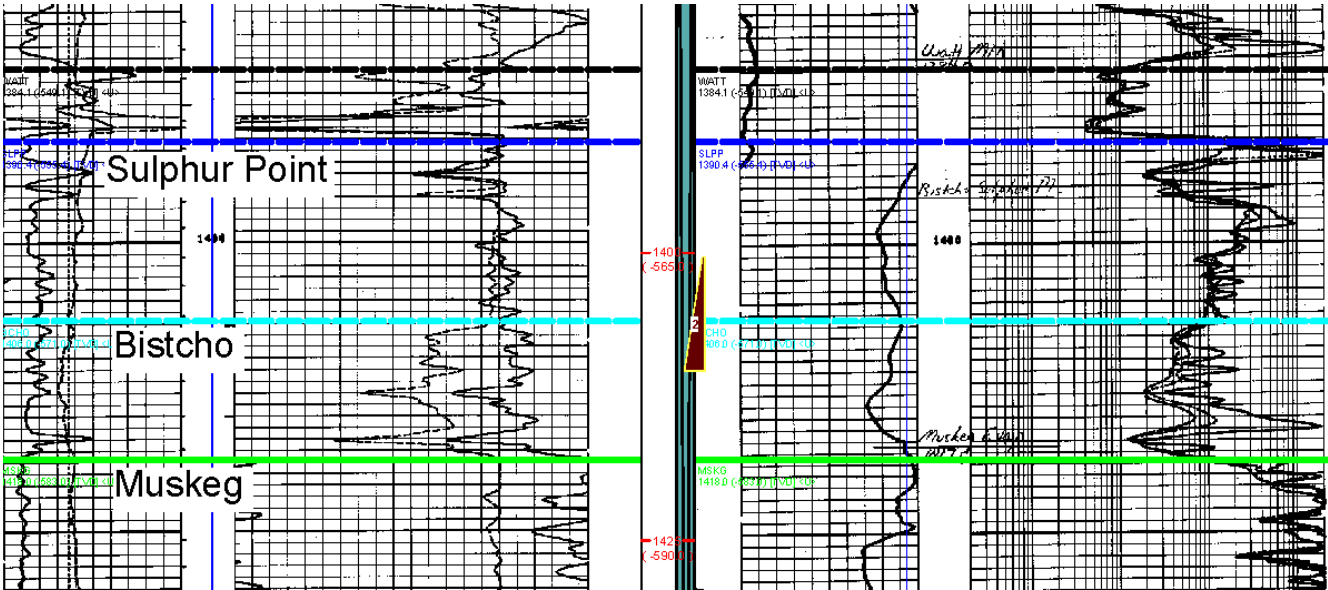
Strategic has used the interpretations of its proprietary and partnered seismic data to identify large upside in the Sulphur Point with potential for over 66 horizontal wells on its land. This includes 60 horizontal wells targeting the Sulphur Point regional dolomite prospect with 1,500 metre laterals and six horizontal wells targeting the high-permeability Sulphur Point karst prospect.

Prior to being shut-in, the Sulphur Point oil well *Strategic Et Al Cameron 300/K74 60-10 117-15/0* was producing at a rate of approximately 125 boe/d (110 barrels of oil and natural gas liquids per day and 87 Mcf/d of natural gas). The K74 well had cumulative production of approximately 1.6 million barrels of oil.

The well *Strategic Et Al Cameron 300/A73 60-20 117-30/0* was a prolific Sulphur Point natural gas well with cumulative production of over 6.7 Bcf of natural gas.

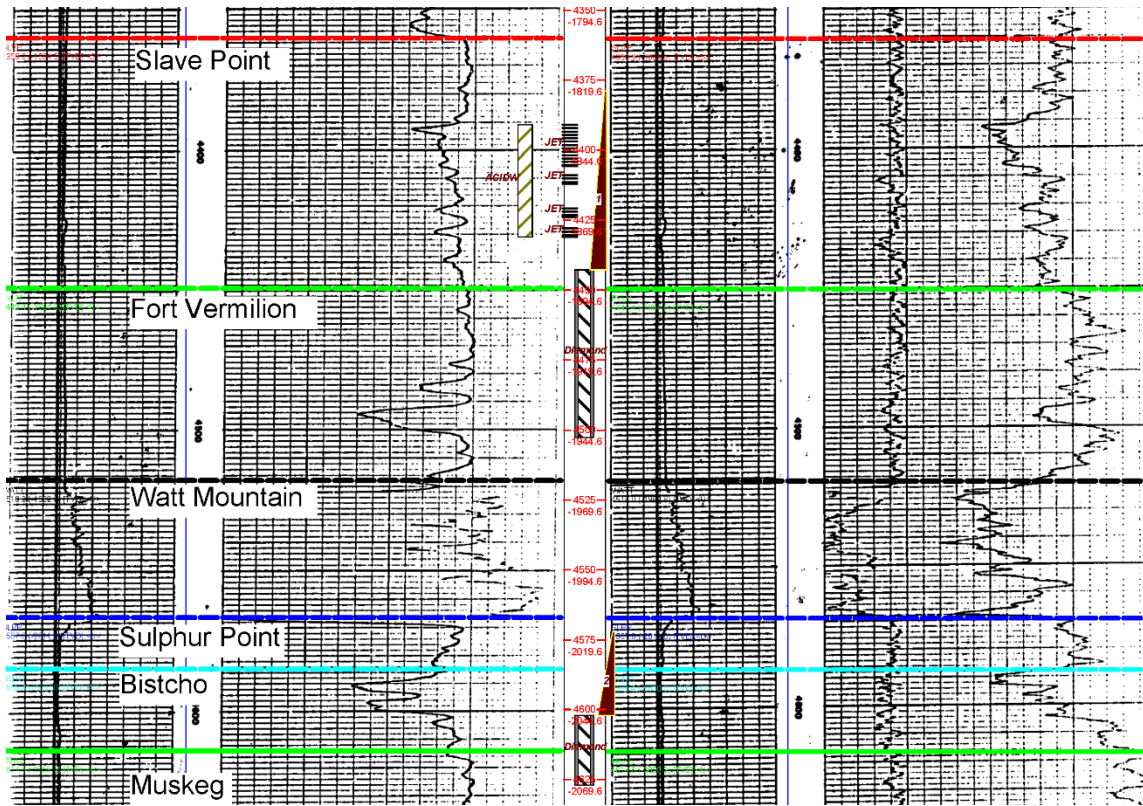
The Company has reservoir studies and petrophysical analysis including core data which are available in the virtual data room for parties which sign a confidentiality agreement.

### Paramount et Al Cameron 00/J76 60-10 117-00/0 Sulphur Point Formation



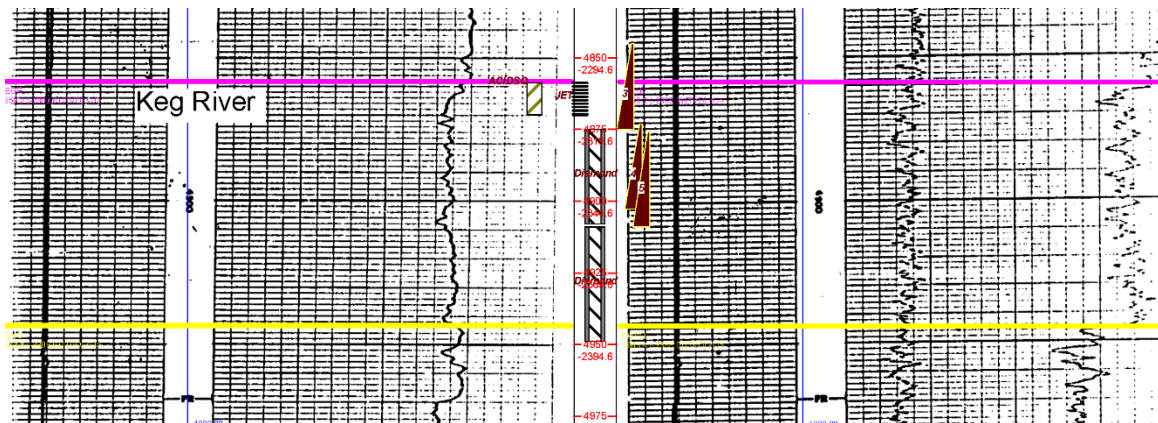


**Paramount et Al Cameron 00/A05 60-10 117-30/0  
Slave Point Formation**



In addition to the Sulphur Point, the Company believes the Keg River Basin Oil is prospective for future oil development.

**Paramount et Al Cameron 00/A05 60-10 117-30/0  
Keg River Formation**



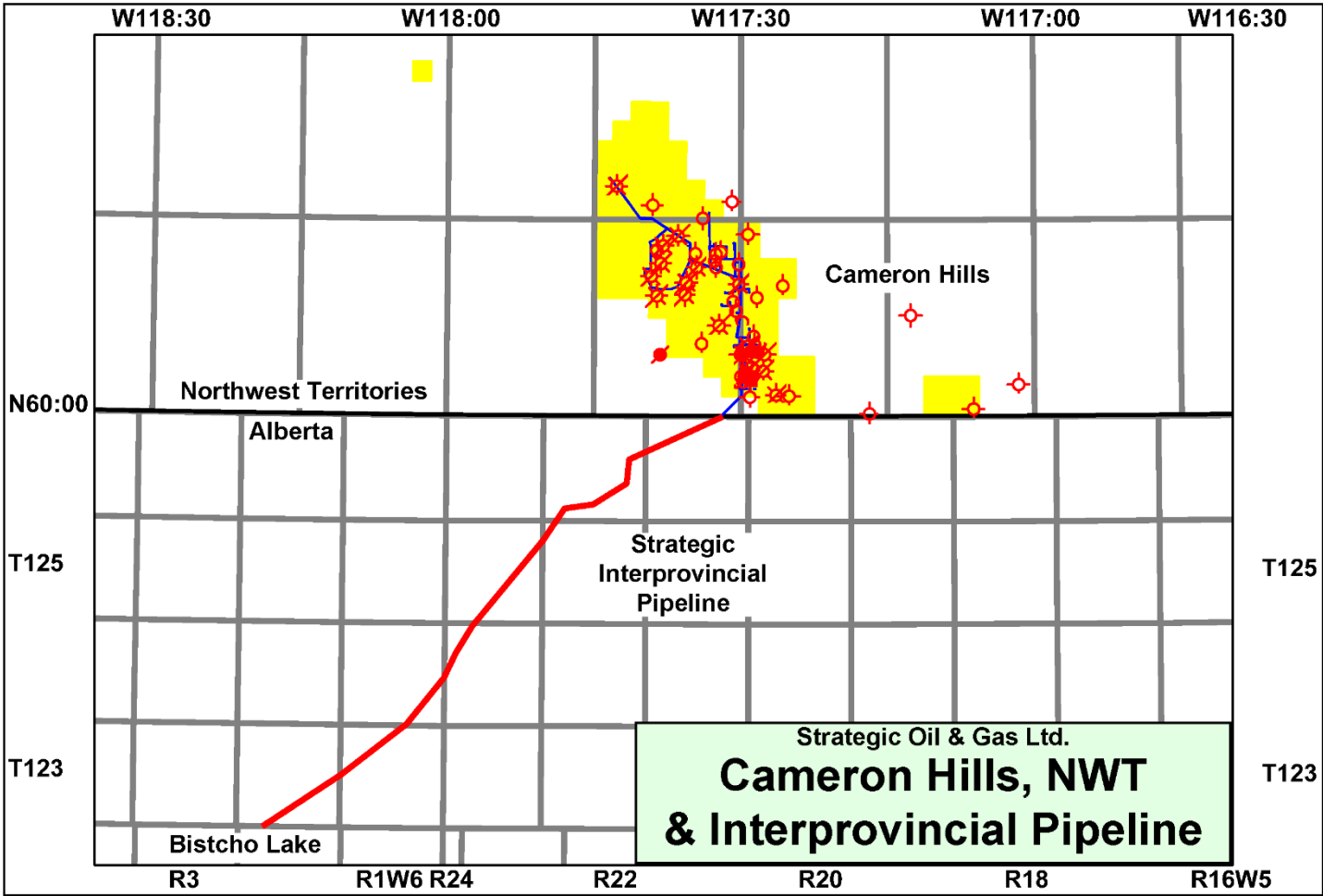
The Company believes additional upside is possible in the form of cogeneration. With the large amount of natural gas production capability from the NWT Property, natural gas could be converted and sold into the power grid.





### Cameron Hills Interprovincial Pipeline

Strategic owns a 12" Interprovincial Pipeline which ties the gathering system at the H-03 central battery at grid area 60° 10' N, 117° 30' W at *Cameron Hills* to the Bistcho Lake natural gas plant 06-32-122-02W6 located in Alberta. The pipeline runs approximately 75 kilometres south of *Cameron Hills* through a pipeline header at 05-24-126-22W5M. Strategic's oil and natural gas production was transported to sales through the Interprovincial Pipeline.



The Interprovincial Pipeline has been fully suspended, discontinued and properly cleaned and purged. Cathodic protection has been maintained on the pipeline. Information on the discontinuation and maintenance of the pipeline is available in the virtual data room for parties that execute a confidentiality agreement.







The Company acknowledged that there is an option to tie-in to the **Enbridge Inc.** pipeline in the Norman Wells area in the Northwest Territories.

Another option to transport natural gas production from *Cameron Hills* to sales could be connecting to the Tallahassee owned natural gas plant at 13-29-125-19W5 in the Jackpot area of Alberta, north of Steen River, as access to the natural gas plant at Bistcho Lake is limited to winter access only. It is estimated that this could be achieved by constructing approximately 17 kilometres of pipeline.

The additional pipeline required would connect from the Interprovincial Pipeline at the Alberta border to the 13-29 pipeline system. From 13-29 to the 9-17 Steen River Gas Plant there is approximately 36 kilometres and four segments of 12” pipeline which are with the **Orphan Well Association**.

AbaData Pipeline Report

LICENSE / LINE #	PROV	COMPANY NAME	LICENSE DATE	FROM LOCATION	TO LOCATION	LGTH (kms)	STS	SUB	H2S (mol/kmol)	OD (mm)	WT (mm)	MAT	TYPE	GRD	MOP (kpa)	JNT	INTL COAT	STRESS LEVEL (%)	ENV	FIELD
46904 - 1	AB	STRATEGIC OIL & GAS LTD.	SEP 18 2002	11-16-126-18W5 BE	8-5-126-19W5 BE	11.58	D	SG	25	273	7.09	S	Z245.1	3592	0	W	U	0	CC	RATZ
46904 - 2	AB	STRATEGIC OIL & GAS LTD.	APR 19 2002	13-29-125-19W5 BE	7-25-124-20W5 BE	12.05	D	SG	25	323.9	8.4	S	Z245.1	3592	0	W	U	0	CC	JACKPOT
46904 - 3	AB	STRATEGIC OIL & GAS LTD.	MAY 16 2002	7-25-124-20W5 BE	3-1-124-20W5 BE	6.99	D	SG	25	323.9	8.4	S	Z245.1	3592	0	W	U	0	CC	JACKPOT
46904 - 4	AB	STRATEGIC OIL & GAS LTD.	MAY 16 2002	3-1-124-20W5 BE	1-11-123-20W5 BE	7.87	D	SG	25	323.9	8.4	S	Z245.1	3592	0	W	U	0	CC	
46904 - 5	AB	STRATEGIC OIL & GAS LTD.	MAY 16 2002	1-11-123-20W5 BE	9-17-122-20W5 BE	9.42	D	SG	25	323.9	8.4	S	Z245.1	3592	0	W	U	0	CC	DIZZY

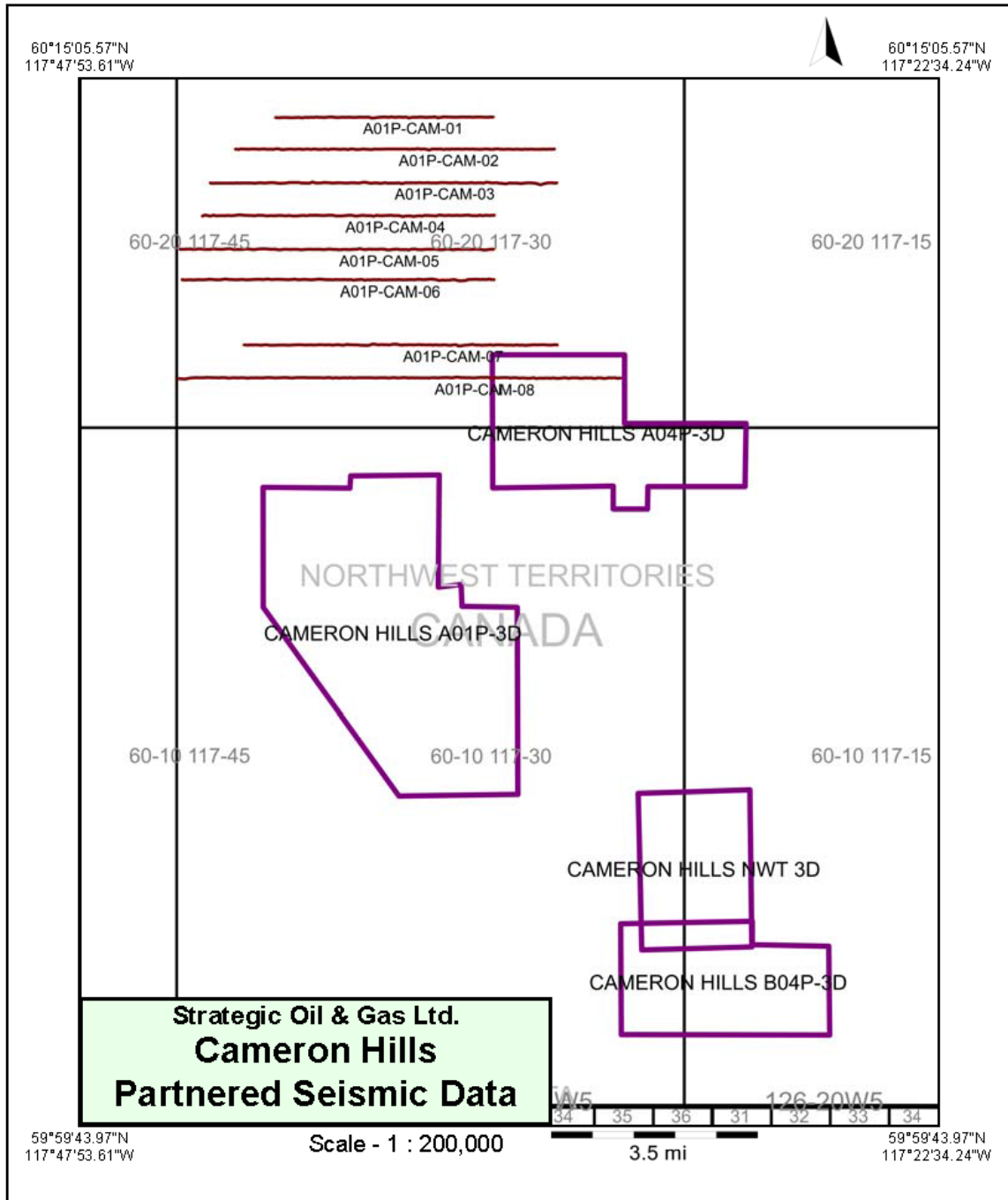
Government Pipeline Data Current to: August 06, 2021







### Cameron Hills, Northwest Territories Partnered Seismic Coverage



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.



## Cameron Hills Facilities

At *Cameron Hills*, the Company owns a natural gas gathering system and the main compressor located at H-03 60-10 117-30 which is connected via pipeline to the sour natural gas plant in the Bistcho area of Alberta at 06-32-122-02W6. Strategic's oil and natural gas production was transported to sales through the Interprovincial Pipeline. There is also a water injection well at 300/A03 60-10 117-30/0. Detailed information on the facilities is available in the virtual data room for parties that execute a confidentiality agreement.

## Cameron Hills Reserves

*McDaniel & Associates Consultants Ltd.* ("McDaniel") prepared an independent reserves evaluation of Strategic's properties as part of the Company's year-end reporting in 2015 (the "McDaniel Report"). The McDaniel Report is effective December 31, 2015 using McDaniel's January 1, 2016 forecast pricing.

McDaniel estimates that, as of December 31, 2015, the *Cameron Hills* property contained remaining proved plus probable reserves of 498,000 barrels of oil (498,000 boe), with an estimated net present value of \$6.1 million using forecast pricing at a 10% discount.

Note that all natural gas from *Cameron Hills* was previously processed at the Bitscho Lake facility in Alberta, which was shut-in. As a result, no natural gas reserves have been assigned to the NWT Property.

McDaniel & Associates Consultants Ltd. as at December 31, 2015							
COMPANY GROSS RESERVES					PV BEFORE TAX		
	Oil	Natural Gas	Ngl	Total	5%	10%	15%
	Mbbl	MMcf	Mbbl	MBOE		(000's)	
<b>Proved Developed Producing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Proved Undeveloped	303	0	0	303	\$4,640	\$3,765	\$3,110
<b>Total Proved</b>	<b>303</b>	<b>0</b>	<b>0</b>	<b>303</b>	<b>\$4,640</b>	<b>\$3,765</b>	<b>\$3,110</b>
Probable	195	0	0	195	\$3,225	\$2,328	\$1,723
<b>Total Proved Plus Probable</b>	<b>498</b>	<b>0</b>	<b>0</b>	<b>498</b>	<b>\$7,865</b>	<b>\$6,093</b>	<b>\$4,834</b>

The reserve estimates and forecasts of production and revenues for the Company's properties were prepared within the context of the Company's year-end evaluation, which was an evaluation of all of the Company's properties in aggregate. Extraction and use of any individual property evaluation outside of this context may not be appropriate without supplementary due diligence. Values in the "Total" row may not correspond to the total of the values presented due to rounding.

## Cameron Hills Well List

See well list in Excel.

RECIPIENT COMPANY LETTERHEAD

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

**ALVAREZ & MARSAL CANADA INC., solely in its capacity as the Court-appointed Receiver and Manager of those properties, assets and undertakings of Strategic Oil and Gas Ltd. and Strategic Transmission Ltd. situate in the Northwest Territories**

**c/o Sayer Energy Advisors  
1620, 540 – 5th Avenue SW  
Calgary, Alberta T2P 0M2  
Attention: Ben Rye**

Dear Messrs. Rye and Pavic:

**RE: Confidentiality Agreement – Strategic Oil and Gas Ltd. and Strategic Transmission Ltd. (collectively, “Strategic”) Receivership Sale (NWT Properties)**

\_\_\_\_ (“**Recipient**”) has expressed an interest in the purchase of certain or all of the assets, undertakings, properties held and/or owned by Strategic situate in the Northwest Territories (the “**Property**”). Alvarez & Marsal Canada Inc. is the Receiver and Manager of all of Strategic’s current and future assets, undertakings and properties of every nature and kind whatsoever situated in the Northwest Territories (“**Receiver**”). The Receiver is prepared to provide the Recipient access to certain information relating to the Property (collectively, the “**Confidential Information**”). In consideration of Receiver providing access to the Confidential Information, Recipient agrees as follows:

1. Recipient acknowledges that all Confidential Information provided to Recipient is proprietary to Strategic except for Confidential Information which is set out and described in Clause 5 of this letter.
2. The Confidential Information shall be kept in the strictest of confidence and shall not be used for any purpose whatsoever other than evaluating a possible transaction between Recipient and the Receiver on behalf of Strategic. The Confidential Information shall not be disclosed to any person other than Recipient and to such of its directors, employees, agents, consultants, representatives and advisors (the “**Representatives**”) who have a requirement to know such Confidential Information for the purpose of appraising the Property. Recipient shall take all steps that are necessary to ensure that its Representatives are aware of the terms and conditions of this Confidentiality Agreement (this “**Agreement**”) and Recipient confirms that such terms and conditions are binding upon any and all of its Representatives. Upon request, Recipient shall provide Strategic and the Receiver with a list of the Representatives who have received the Confidential Information.
3. Recipient agrees that it and its Representatives shall not disclose to any person or publish or disperse in any form, any terms, conditions or other facts with respect to any possible transaction relating to the Property for which the Confidential Information was disclosed.
4. Notwithstanding the foregoing terms, Recipient shall be permitted to disclose such Confidential Information that is required to be disclosed pursuant to any law, rule or regulation in force in Canada. In the event that Recipient receives a request or legal directive to disclose Confidential Information, to the extent permitted under applicable law, Recipient shall promptly provide written and verbal notification to the Receiver of such a request. Recipient shall consult with the Receiver on the advisability of taking steps to resist or narrow such request or directive. If disclosure is deemed advisable, Recipient shall cooperate with the Receiver in any attempt that the Receiver may make to

obtain an order or other reliable assurance that confidential treatment will be accorded by the requesting or directing party to the Confidential Information required to be disclosed.

5. The restrictions set forth in Clauses 2 and 3 above shall not apply to any part of the Confidential Information which is:
  - a. now in the public domain or becomes part of the public domain other than through an act of the Recipient or its Representatives; or
  - b. known to Recipient prior to disclosure hereunder and was acquired without any obligation of confidentiality; or
  - c. subject to disclosure required by law, rule or regulation provided that the Receiver is given notice pursuant to Clause 4 prior to such disclosure; or
  - d. acquired independently by Recipient, without any obligation of confidentiality, from a third party that has the right to disseminate such information without restrictions at the time it is acquired by Recipient.
  
6. Recipient acknowledges the confidential nature and competitive value of the Confidential Information. Accordingly, without limitation and in addition to any rights of the Receiver on behalf of Strategic against the Recipient arising by any breach hereof, the Recipient shall:
  - a. be liable to the Receiver for all losses, costs, damages and expenses whatsoever which they may suffer, sustain, pay or incur; and in addition,
  - b. indemnify and save harmless the Receiver against any and all actions, proceedings, claims, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by the Receiver or which the Receiver may suffer, sustain, pay or incur, including the payment of the Receiver's legal costs and disbursements on a full indemnity, solicitor and their own client basis, which are incurred by the Receiver in connection with such litigation, including any appeal therefrom and steps incidental thereto;

resulting from disclosure by the Recipient, or its Representatives, of all or any part or parts of the Confidential Information.
  
7. The Recipient acknowledges that the restrictions contained in this agreement are necessary for the protection of the Confidential Information and in order to maintain the integrity of the sales process presently being conducted by the Receiver, and the Recipient considers them to be reasonable for that purpose. In the event of any such breach the Recipient agrees that the Receiver, in addition to such other remedies that may be available, shall be entitled to specific performance and other injunctive or equitable relief including interim or interlocutory relief, if demanded.
  
8. At any time, at the request of the Receiver, Recipient shall immediately return or cause to be returned to the Receiver all of the Confidential Information which may have been released to the Recipient. Recipient shall not retain any copies or other reproductions or extracts of the Confidential Information. Furthermore, Recipient shall, if so requested by the Receiver, provide certification from an officer of the Recipient to the Receiver that the terms and conditions of this Clause have been

complied with. The Recipient will return all requested Confidential Information except to the extent such Confidential Information is on computer systems that are backed-up or archived in the normal course.

9. Recipient understands and agrees that no contract or agreement providing for the sale of the Property shall be deemed to exist between the Recipient and the Receiver unless and until a definitive offer to purchase has been accepted in writing by the Receiver. For greater clarity the Recipient acknowledges that this Agreement does not constitute a definitive offer to purchase. Recipient hereby waives, in advance, any claims (including, without limitation, breach of contract) in connection with the sale of the Property unless and until a definitive offer to purchase from Recipient has been accepted in writing by the Receiver.
10. Recipient understands that in providing access to the Confidential Information, neither Strategic nor the Receiver make any representation or warranty as to the accuracy or completeness of the Confidential Information. Recipient agrees that neither Strategic nor the Receiver shall have any liability to the Recipient or any of its Representatives as a result of the use of the information by it or its Representatives.
11. This Agreement shall be construed and determined according to the laws of the Province of Alberta. Each of Receiver and Recipient irrevocably and unconditionally consent to and submit to the jurisdiction of the courts of the Province of Alberta for any actions, suits or proceedings arising out of or relating to this Agreement.
12. Recipient understands and agrees that:
  - a. The Receiver shall be free to conduct the process for the sale of the Property in its sole discretion and shall determine, without limitation, the course and nature of negotiations with any prospective buyer and the acceptance of a definitive offer to purchase without prior notice to the Recipient, its Representatives or any other person or corporate entity; and
  - b. Recipient shall not have any claims whatsoever against the Receiver or any of its directors, officers, stockholders, owners, affiliates, representatives, advisors or agents arising out of or relating to the sale of the Property.
13. Recipient shall not initiate or arrange, directly or indirectly, or maintain contact regarding Strategic's business operations, prospects or finances (except as contemplated herein and for those contacts made in the ordinary course of business unrelated to the possible transaction) with any officer, director, employee, consultant or other representative of Strategic, or with any customer, supplier, sales representative, or competitor of Strategic except with the express written permission of the Receiver. Any such permission granted by the Receiver may be revoked at any time.
14. If any provision of this Agreement is wholly or partially unenforceable for any reason, such unenforceability shall not affect the enforceability of the balance of this Agreement.
15. This Agreement shall be binding upon, and enure to the benefit of, the parties hereto, and their respective successors and permitted assigns.

16. This Agreement will expire on the earlier of: (a) the date of completion of a transaction involving Strategic and the Recipient or any of them, and/or a person directly or indirectly controlled by the Recipient; and (b) one (1) year after the date hereof.
17. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect. Time is of the essence with respect to this Agreement.
18. This Agreement may be executed and delivered in counterpart and by facsimile or emailed copies, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to constitute one and the same instrument.

*[Balance of page intentionally left blank.]*



The Recipient accepts the Confidential Information to be provided relating to the Property subject to the terms and conditions set forth in this Agreement.

Yours truly,

\_\_\_\_\_  
**COMPANY NAME**

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

\_\_\_\_\_  
**OFFICER'S PRINTED NAME**

\_\_\_\_\_  
**OFFICER'S TITLE**

\_\_\_\_\_  
**NAME OF CONTACT PERSON TO FORWARD INFORMATION**

\_\_\_\_\_  
**CONTACT ADDRESS**

\_\_\_\_\_  
**TELEPHONE NUMBER**

\_\_\_\_\_  
**EMAIL ADDRESS**

Option to Attach Business Card Here:

**Accepted by ALVAREZ & MARSAL CANADA INC., solely in its capacity as the Court-appointed Receiver and Manager of those properties, assets and undertakings of Strategic Oil and Gas Ltd. and Strategic Transmission Ltd. situate in the Northwest Territories, and not in its personal or corporate capacity**

this \_\_\_\_ day of \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
Orest Konowalchuk, CPA, CA, CIRP, LIT  
Senior Vice President