

FORM 51-101 F1

Paleo Resources, Inc.

**Statement of reserves data
and other oil and gas information
as of December 31, 2021**

Prepared by Prator Bett, LLC

April 28, 2022

Table of contents

| | Page |
|---|------|
| Part 1 Date of statement | 1 |
| Part 2 Disclosure of reserves data | 2 |
| Part 3 Pricing assumptions | 6 |
| Part 4 Reconciliations of changes in reserves | 8 |
| Part 5 Additional information relating to reserves data | 10 |
| Part 6 Other oil and gas information | 11 |
| Appendix | |
| Forward looking statements | 17 |
| Reserve definitions | 19 |
| Glossary of abbreviations | 20 |

Part 1 Date of statement

Date of statement: April 28, 2022
Effective date: December 31, 2021
Preparation date: April 28, 2022

Paleo Resources, Inc.'s (the Company) Canadian and U.S.A. oil and gas reserves were evaluated by Prator Bett, LLC (Prator Bett), effective December 31, 2021. PBLLC was engaged by the Company to evaluate Proved and Proved plus Probable reserves: no valuation of Possible reserves or resources was undertaken. The Prator Bett evaluation was prepared in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* and the *Canadian Oil and Gas Evaluation Handbook ("COGE Handbook")*.

The Company has assets located in both the United States and in Canada. The Company's Canadian oil and gas reserves are located seven miles northeast of Red Deer, Alberta in sections 22 and 23, township 39, range 26 W4M. The Company's American oil and gas reserves are located in Polk County, Texas.

The reserves on the property described herein are estimates only. By nature, such forecasting of reserves and related economic parameters and analyses are forward-looking statements based on predictions of future events. Actual events or results may differ materially. Furthermore, the estimated future net revenue contained in the following tables does not necessarily represent the fair market value of the reserves.

In certain instances, numbers may not total due to computer-generated rounding.

Part 2 Disclosure of reserves data

Item 2.1 Reserves data (forecast prices and costs)

Item 2.1.1 Breakdown of reserves (forecast case)

Paleo Resources, Inc.
NI 51-101 FORECAST CASE
OIL AND GAS RESERVES SUMMARY
Deloitte December 31, 2021 Forecast Pricing

Effective: December 31, 2021

Canada

VOLUMES IN IMPERIAL UNITS

| CATEGORY | Oil | | | | | | Gas | | | | | | Natural Gas Liquids | | Sulfur | | Total BOE | |
|--------------------------------|--------------------|-----------|-------------|-----------|---------|-----------|----------|-----------|--------------|-----------|------------------|-----------|---------------------|-----------|--------|-----------|-----------|-----------|
| | Light/Medium Crude | | Heavy Crude | | Bitumen | | Solution | | Conventional | | Coalbead Methane | | | | | | | |
| | W.I. | Co. Share | W.I. | Co. Share | W.I. | Co. Share | W.I. | Co. Share | W.I. | Co. Share | W.I. | Co. Share | W.I. | Co. Share | W.I. | Co. Share | W.I. | Co. Share |
| | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net |
| | Mstb | Mstb | Mstb | Mstb | Mstb | Mstb | MMcf | MMcf | MMcf | MMcf | MMcf | MMcf | Mstb | Mstb | Mlt | Mlt | Mboe | Mboe |
| Proved Developed Producing | 155.0 | 69.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 155.0 | 69.8 |
| Proved Developed Non-Producing | 191.0 | 86.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 191.0 | 86.0 |
| Proved Undeveloped | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Proved | 346.1 | 155.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 346.1 | 155.7 |
| Probable | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Proved + Probable | 346.1 | 155.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 346.1 | 155.7 |

VOLUMES IN METRIC UNITS

| CATEGORY | Oil | | | | | | Gas | | | | | | Natural Gas Liquids | | Sulfur | | Total BOE | |
|--------------------------------|--------------------|-----------|-------------|-----------|---------|-----------|----------|-----------|--------------|-----------|------------------|-----------|---------------------|-----------|--------|-----------|-----------|-----------|
| | Light/Medium Crude | | Heavy Crude | | Bitumen | | Solution | | Conventional | | Coalbead Methane | | | | | | | |
| | W.I. | Co. Share | W.I. | Co. Share | W.I. | Co. Share | W.I. | Co. Share | W.I. | Co. Share | W.I. | Co. Share | W.I. | Co. Share | W.I. | Co. Share | W.I. | Co. Share |
| | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net |
| | E3m3 | E3m3 | E3m3 | E3m3 | E3m3 | E3m3 | E6m3 | E6m3 | E6m3 | E6m3 | E6m3 | E6m3 | E3m3 | E3m3 | E3t | E3t | E3m3 | E3m3 |
| Proved Developed Producing | 24.6 | 11.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 24.6 | 11.1 |
| Proved Developed Non-Producing | 30.4 | 13.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 30.4 | 13.7 |
| Proved Undeveloped | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Proved | 55.0 | 24.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 55.0 | 24.8 |
| Probable | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Proved + Probable | 55.0 | 24.8 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 55.0 | 24.8 |

Light/Medium includes Tight and Synthetic oil. Heavy includes Ultra Heavy and Pelican Lake Heavy in Alberta

United States

[illegible][illegible]

Item 2.1.2 Net present value of future net revenue (forecast case)

Item 2.1.2 Net present value of future net revenue (forecast case)

Paleo Resources, Inc.
NI 51-101 FORECAST CASE
SUMMARY OF NET PRESENT VALUE OF FUTURE NET REVENUE - WITH CORPORATE TAX POOLS
Deloitte December 31, 2021 Forecast Pricing
(CANADIAN DOLLARS)

Effective: December 31, 2021

Canada

| RESERVES CATEGORY | Before Income Taxes | | | | | After Income Taxes | | | | | 10% BTAX \$/boe* |
|--------------------------------|---------------------|-----------|------------|------------|------------|--------------------|-----------|------------|------------|------------|---------------------|
| | 0% M\$ | 5% M\$ | 10% M\$ | 15% M\$ | 20% M\$ | 0% M\$ | 5% M\$ | 10% M\$ | 15% M\$ | 20% M\$ | |
| Proved Developed Producing | 3,798.5 | 3,029.6 | 2,488.0 | 2,095.1 | 1,801.7 | 3,000.8 | 2,409.0 | 1,990.7 | 1,686.3 | 1,458.3 | 35.67 |
| Proved Developed Non-Producing | 4,090.0 | 3,367.4 | 2,829.5 | 2,420.0 | 2,101.2 | 3,231.1 | 2,678.3 | 2,264.9 | 1,948.8 | 1,701.8 | 32.92 |
| Proved Undeveloped | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.00 |
| Total Proved | 7,888.6 | 6,397.0 | 5,317.6 | 4,515.1 | 3,902.9 | 6,232.0 | 5,087.4 | 4,255.6 | 3,635.1 | 3,160.1 | 34.15 |
| Probable | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.00 |
| Total Proved + Probable | 7,888.6 | 6,397.0 | 5,317.6 | 4,515.1 | 3,902.9 | 6,232.0 | 5,087.4 | 4,255.6 | 3,635.1 | 3,160.1 | 34.15 |

Effective: December 31, 2021

United States

| RESERVES CATEGORY | Before Income Taxes | | | | | After Income Taxes | | | | | 10% BTAX \$/Mcfe* |
|--------------------------------|---------------------|-----------|------------|------------|------------|--------------------|-----------|------------|------------|------------|----------------------|
| | 0% M\$ | 5% M\$ | 10% M\$ | 15% M\$ | 20% M\$ | 0% M\$ | 5% M\$ | 10% M\$ | 15% M\$ | 20% M\$ | |
| Proved Developed Producing | 207.0 | 189.6 | 176.1 | 165.4 | 156.8 | 188.4 | 174.3 | 163.3 | 154.4 | 147.2 | 2.49 |
| Proved Developed Non-Producing | 1,028.5 | 920.5 | 824.6 | 739.3 | 663.3 | 812.5 | 732.2 | 660.2 | 595.6 | 537.6 | 1.22 |
| Proved Undeveloped | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.00 |
| Total Proved | 1,235.5 | 1,110.0 | 1,000.7 | 904.7 | 820.2 | 1,000.9 | 906.5 | 823.5 | 750.0 | 684.7 | 1.34 |
| Probable | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.00 |
| Total Proved + Probable | 1,235.5 | 1,110.0 | 1,000.7 | 904.7 | 820.2 | 1,000.9 | 906.5 | 823.5 | 750.0 | 684.7 | 1.34 |

* The unit values are based on net reserves volumes

Item 2.1.3 Additional information concerning future net revenue (forecast case)

Paleo Resources, Inc.
NI 51-101 FORECAST CASE
TOTAL FUTURE NET REVENUE – WITH CORPORATE TAX POOLS
0
(CANADIAN DOLLARS)

Effective: December 31, 2021

Canada

| RESERVES CATEGORY | Revenue | Royalties | Operating Costs | Investment Costs | Well Abandonment Costs | Future Net Revenue | Income Taxes | Future Net Revenue After |
|--------------------------------|----------|-----------|-----------------|------------------|------------------------|--------------------|--------------|--------------------------|
| | | | | | | Before Income Tax | | Income Tax |
| | M\$ | M\$ | M\$ | M\$ | M\$ | M\$ | M\$ | M\$ |
| Proved Developed Producing | 5,233.2 | 892.3 | 483.1 | 0.0 | 59.3 | 3,798.5 | 0.0 | 3,798.5 |
| Proved Developed Non-Producing | 6,349.4 | 1,237.0 | 616.5 | 56.3 | 349.7 | 4,090.0 | 0.0 | 4,090.0 |
| Proved Undeveloped | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Proved | 11,582.6 | 2,129.4 | 1,099.5 | 56.3 | 408.9 | 7,888.6 | 0.0 | 7,888.6 |
| Probable | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Proved + Probable | 11,582.6 | 2,129.4 | 1,099.5 | 56.3 | 408.9 | 7,888.6 | 0.0 | 7,888.6 |

Effective: December 31, 2021

United States

| RESERVES CATEGORY | Revenue | Royalties | Operating Costs | Investment Costs | Well Abandonment Costs | Future Net Revenue | Income Taxes | Future Net Revenue After |
|--------------------------------|---------|-----------|-----------------|------------------|------------------------|--------------------|--------------|--------------------------|
| | | | | | | Before Income Tax | | Income Tax |
| | M\$ | M\$ | M\$ | M\$ | M\$ | M\$ | M\$ | M\$ |
| Proved Developed Producing | 478.2 | 153.9 | 77.6 | 0.0 | 39.7 | 207.0 | 0.0 | 207.0 |
| Proved Developed Non-Producing | 2,843.5 | 902.9 | 332.2 | 353.8 | 226.1 | 1,028.5 | 0.0 | 1,028.5 |
| Proved Undeveloped | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Proved | 3,321.7 | 1,056.9 | 409.7 | 353.8 | 265.8 | 1,235.5 | 0.0 | 1,235.5 |
| Probable | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Proved + Probable | 3,321.7 | 1,056.9 | 409.7 | 353.8 | 265.8 | 1,235.5 | 0.0 | 1,235.5 |

Royalties for the United States include freehold royalties, production taxes and ad valorem taxes.

Paleo Resources, Inc.
NI 51-101 FORECAST CASE
FUTURE NET REVENUE BY PRODUCT TYPE
Deloitte December 31, 2021 Forecast Pricing
(Canadian Dollars)

| Effective: December 31, 2021 | | Canada | |
|--|--|-----------------------|-----------------------|
| | | Btax NPV @ 10% M\$ | Unit Value \$/boe |
| TOTAL PROVED | | | |
| Light and Medium Crude Oil (including solution gas and by-products) | | 5,317.6 | 34.15 |
| Conventional Natural Gas (including by-products but excluding solution and gas and by-products from oil wells) | | 0.0 | 0.00 |
| Total | | 5,317.6 | 34.15 |
| TOTAL PROVED + PROBABLE | | | |
| Light and Medium Crude Oil (including solution gas and by-products) | | 5,317.6 | 34.15 |
| Conventional Natural Gas (including by-products but excluding solution and gas and by-products from oil wells) | | 0.0 | 0.00 |
| Total | | 5,317.6 | 34.15 |
| Effective: December 31, 2021 | | United States | |
| | | Btax NPV @ 10% M\$ | Unit Value \$/Mcfe |
| TOTAL PROVED | | | |
| Light and Medium Crude Oil (including solution gas and by-products) | | 126.4 | 4.58 |
| Conventional Natural Gas (including by-products but excluding solution and gas and by-products from oil wells) | | 874.3 | 1.22 |
| Total | | 1,000.7 | 1.34 |
| TOTAL PROVED + PROBABLE | | | |
| Light and Medium Crude Oil (including solution gas and by-products) | | 126.4 | 4.58 |
| Conventional Natural Gas (including by-products but excluding solution and gas and by-products from oil wells) | | 874.3 | 1.22 |
| Total | | 1,000.7 | 1.34 |

Item 2.2 Supplemental disclosure of reserves data (constant prices and costs)

No supplemental disclosure using Constant Prices and Costs has been made.

Part 3 Pricing assumptions

Item 3.1 Constant prices used in estimates

Supplemental constant price estimates are not reported.

Item 3.2 Forecast prices used in estimates

Forecast oil and gas prices are laid out in the Deloitte Price Forecast December 31, 2021 Table. Adjustments for oil differential and gas heating values are applied to these prices, as appropriate for each entity. Capital and operating costs are inflated.

| | | | | | Crude Oil Pricing | | | | | Natural Gas Liquids Pricing Edmonton Par Prices | | | | Natural Gas Pricing | | | | | | Sulphur |
|---|-------------|----------------------------|---------------------------|--------------------------------|-------------------------------|-------------------------------|----------------------------------|----------------------------------|----------------------------|--|--------------------|-------------------|-------------------------------------|---|--|--|------------------------------------|--------------------------|--------------------------|---------------------------------|
| | | | | | WTI at Cushing US\$/bbl | WTI at Cushing US\$/bbl | Edmonton City Gate C\$/bbl | Edmonton City Gate C\$/bbl | WCS Hardisty C\$/bbl | Ethane C\$/bbl | Propane C\$/bbl | Butane C\$/bbl | Pentanes + Condensate C\$/bbl | Alberta Reference Average Price C\$/mcf | Alberta AECO Average Price C\$/mcf | Alberta AECO Average Price C\$/mcf | B.C. Direct Sales C\$/mcf | NYMEX Hub US\$/Mcf | NYMEX Hub US\$/Mcf | Alberta Plant Gate C\$/lt |
| | | Price Inflation Rate | Cost Inflation Rate | CAD to USD Exchange Rate | Real | Current | Real | Current | Current | Current | Current | Current | Current | Current | Real | Current | Current | Real | Current | Current |
| H | 2010 | 1.8% | 1.8% | 0.971 | \$94.66 | \$79.40 | \$92.76 | \$77.80 | \$67.22 | \$11.53 | \$45.19 | \$68.79 | \$84.02 | \$3.76 | \$4.78 | \$4.01 | \$4.01 | \$5.23 | \$4.39 | \$56.94 |
| i | 2011 | 2.9% | 2.9% | 1.012 | \$111.14 | \$94.88 | \$111.90 | \$95.54 | \$77.12 | \$10.30 | \$52.41 | \$86.98 | \$105.24 | \$3.46 | \$4.25 | \$3.63 | \$3.34 | \$4.69 | \$4.00 | \$101.60 |
| s | 2012 | 1.5% | 1.5% | 1.001 | \$107.02 | \$94.11 | \$98.44 | \$86.57 | \$73.10 | \$6.73 | \$30.80 | \$75.47 | \$99.67 | \$2.25 | \$2.72 | \$2.39 | \$2.29 | \$3.13 | \$2.75 | \$126.81 |
| t | 2013 | 0.3% | 0.3% | 0.972 | \$109.64 | \$97.91 | \$104.55 | \$93.36 | \$74.97 | \$8.68 | \$38.54 | \$77.44 | \$103.52 | \$2.98 | \$3.55 | \$3.17 | \$3.11 | \$4.18 | \$3.73 | \$62.17 |
| o | 2014 | 1.9% | 1.9% | 0.906 | \$103.46 | \$93.26 | \$104.27 | \$94.00 | \$81.06 | \$12.46 | \$42.93 | \$59.43 | \$101.47 | \$4.22 | \$5.00 | \$4.50 | \$4.16 | \$4.87 | \$4.39 | \$88.99 |
| r | 2015 | 1.1% | 1.1% | 0.783 | \$52.98 | \$48.69 | \$62.02 | \$57.00 | \$44.80 | \$7.49 | \$5.35 | \$33.70 | \$55.15 | \$2.56 | \$2.93 | \$2.69 | \$1.81 | \$2.86 | \$2.63 | \$107.45 |
| i | 2016 | 1.4% | 1.4% | 0.755 | \$46.43 | \$43.15 | \$56.18 | \$52.22 | \$38.90 | \$6.04 | \$8.71 | \$31.45 | \$52.43 | \$1.93 | \$2.32 | \$2.16 | \$1.75 | \$2.71 | \$2.52 | \$45.40 |
| c | 2017 | 1.6% | 1.6% | 0.771 | \$53.96 | \$50.88 | \$65.62 | \$61.88 | \$50.53 | \$6.11 | \$27.92 | \$40.98 | \$63.65 | \$2.13 | \$2.32 | \$2.19 | \$1.56 | \$3.17 | \$2.99 | \$41.85 |
| a | 2018 | 2.3% | 2.3% | 0.772 | \$67.76 | \$64.94 | \$72.10 | \$69.10 | \$49.68 | \$6.90 | \$29.76 | \$46.17 | \$75.74 | \$1.36 | \$1.61 | \$1.54 | \$1.26 | \$3.30 | \$3.17 | \$89.25 |
| l | 2019 | 1.9% | 1.9% | 0.754 | \$58.11 | \$56.98 | \$70.39 | \$69.02 | \$58.75 | \$5.00 | \$15.82 | \$21.40 | \$67.57 | \$1.48 | \$1.85 | \$1.81 | \$1.02 | \$2.62 | \$2.57 | \$37.54 |
| | 2020 | 0.7% | 0.7% | 0.746 | \$39.52 | \$39.23 | \$46.03 | \$45.69 | \$36.09 | \$6.20 | \$16.11 | \$20.93 | \$47.14 | \$2.00 | \$2.27 | \$2.25 | \$2.20 | \$2.06 | \$2.04 | \$2.60 |
| 2 | 0 12 Mths F | 3.3% | 3.3% | 0.798 | \$67.65 | \$67.65 | \$79.80 | \$79.80 | \$67.65 | \$10.06 | \$45.92 | \$40.30 | \$81.87 | \$3.20 | \$3.61 | \$3.61 | \$3.30 | \$3.92 | \$3.92 | \$65.37 |
| 2 | 0 Mths F | 0.0% | 0.0% | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 1 | Avg. | N/A | N/A | 0.798 | \$67.65 | \$67.65 | \$79.80 | \$79.80 | \$67.65 | \$10.06 | \$45.92 | \$40.30 | \$81.87 | \$3.20 | \$3.61 | \$3.61 | \$3.30 | \$3.92 | \$3.92 | \$65.37 |
| F | 2022 | 0.0% | 0.0% | 0.800 | \$69.00 | \$69.00 | \$81.25 | \$81.25 | \$67.50 | \$10.05 | \$44.70 | \$56.90 | \$85.30 | \$3.25 | \$3.65 | \$3.65 | \$3.55 | \$4.00 | \$4.00 | \$75.00 |
| o | 2023 | 2.0% | 2.0% | 0.800 | \$64.00 | \$65.30 | \$73.75 | \$75.25 | \$62.50 | \$9.00 | \$33.85 | \$45.15 | \$79.00 | \$2.85 | \$3.20 | \$3.25 | \$3.15 | \$3.50 | \$3.55 | \$51.00 |
| r | 2024 | 2.0% | 2.0% | 0.800 | \$59.00 | \$61.40 | \$67.50 | \$70.25 | \$57.20 | \$8.75 | \$31.65 | \$42.15 | \$73.75 | \$2.75 | \$3.05 | \$3.15 | \$3.05 | \$3.25 | \$3.40 | \$52.00 |
| e | 2025 | 2.0% | 2.0% | 0.800 | \$59.00 | \$62.60 | \$67.50 | \$71.65 | \$58.35 | \$8.90 | \$32.25 | \$43.00 | \$75.25 | \$2.80 | \$3.05 | \$3.25 | \$3.15 | \$3.25 | \$3.45 | \$53.05 |
| c | 2026 | 2.0% | 2.0% | 0.800 | \$59.00 | \$63.85 | \$67.50 | \$73.05 | \$59.55 | \$9.10 | \$32.90 | \$43.85 | \$76.75 | \$2.85 | \$3.05 | \$3.30 | \$3.20 | \$3.25 | \$3.50 | \$54.10 |
| a | 2027 | 2.0% | 2.0% | 0.800 | \$59.00 | \$66.15 | \$67.50 | \$74.55 | \$60.70 | \$9.25 | \$33.55 | \$44.70 | \$78.30 | \$2.95 | \$3.05 | \$3.35 | \$3.25 | \$3.25 | \$3.60 | \$55.20 |
| s | 2028 | 2.0% | 2.0% | 0.800 | \$59.00 | \$66.45 | \$67.50 | \$76.00 | \$61.95 | \$9.45 | \$34.25 | \$45.60 | \$79.85 | \$3.00 | \$3.05 | \$3.45 | \$3.30 | \$3.25 | \$3.65 | \$56.30 |
| t | 2029 | 2.0% | 2.0% | 0.800 | \$59.00 | \$67.75 | \$67.50 | \$77.55 | \$63.20 | \$9.65 | \$34.90 | \$46.50 | \$81.45 | \$3.05 | \$3.05 | \$3.50 | \$3.40 | \$3.25 | \$3.75 | \$57.45 |
| | 2030 | 2.0% | 2.0% | 0.800 | \$59.00 | \$69.15 | \$67.50 | \$79.10 | \$64.45 | \$9.85 | \$35.60 | \$47.45 | \$83.05 | \$3.10 | \$3.05 | \$3.55 | \$3.45 | \$3.25 | \$3.80 | \$58.60 |
| | 2031 | 2.0% | 2.0% | 0.800 | \$59.00 | \$70.50 | \$67.50 | \$80.65 | \$65.75 | \$10.05 | \$36.35 | \$48.40 | \$84.75 | \$3.15 | \$3.05 | \$3.65 | \$3.55 | \$3.25 | \$3.90 | \$59.75 |
| | 2032 | 2.0% | 2.0% | 0.800 | \$59.00 | \$71.90 | \$67.50 | \$82.30 | \$67.05 | \$10.25 | \$37.05 | \$49.35 | \$86.45 | \$3.25 | \$3.05 | \$3.70 | \$3.60 | \$3.25 | \$3.95 | \$60.95 |
| | 2033 | 2.0% | 2.0% | 0.800 | \$59.00 | \$73.35 | \$67.50 | \$83.95 | \$68.40 | \$10.45 | \$37.80 | \$50.35 | \$88.15 | \$3.30 | \$3.05 | \$3.80 | \$3.65 | \$3.25 | \$4.05 | \$62.15 |
| | 2034 | 2.0% | 2.0% | 0.800 | \$59.00 | \$74.85 | \$67.50 | \$85.60 | \$69.75 | \$10.65 | \$38.55 | \$51.35 | \$89.90 | \$3.35 | \$3.05 | \$3.85 | \$3.75 | \$3.25 | \$4.10 | \$63.40 |
| | 2035 | 2.0% | 2.0% | 0.800 | \$59.00 | \$76.30 | \$67.50 | \$87.30 | \$71.15 | \$10.85 | \$39.35 | \$52.40 | \$91.70 | \$3.45 | \$3.05 | \$3.95 | \$3.80 | \$3.25 | \$4.20 | \$64.70 |
| | 2036 | 2.0% | 2.0% | 0.800 | \$59.00 | \$77.85 | \$67.50 | \$89.05 | \$72.55 | \$11.10 | \$40.10 | \$53.45 | \$93.55 | \$3.50 | \$3.05 | \$4.00 | \$3.90 | \$3.25 | \$4.30 | \$65.95 |
| | 2037 | 2.0% | 2.0% | 0.800 | \$59.00 | \$79.40 | \$67.50 | \$90.85 | \$74.00 | \$11.30 | \$40.90 | \$54.50 | \$95.40 | \$3.55 | \$3.05 | \$4.10 | \$3.95 | \$3.25 | \$4.35 | \$67.30 |
| | 2038 | 2.0% | 2.0% | 0.800 | \$59.00 | \$81.00 | \$67.50 | \$92.65 | \$75.50 | \$11.55 | \$41.75 | \$55.60 | \$97.35 | \$3.65 | \$3.05 | \$4.20 | \$4.05 | \$3.25 | \$4.45 | \$68.65 |
| | 2039 | 2.0% | 2.0% | 0.800 | \$59.00 | \$82.60 | \$67.50 | \$94.50 | \$77.00 | \$11.75 | \$42.55 | \$56.70 | \$99.30 | \$3.70 | \$3.05 | \$4.25 | \$4.15 | \$3.25 | \$4.55 | \$70.00 |
| | 2040 | 2.0% | 2.0% | 0.800 | \$59.00 | \$84.25 | \$67.50 | \$96.40 | \$78.55 | \$12.00 | \$43.40 | \$57.85 | \$101.25 | \$3.80 | \$3.05 | \$4.35 | \$4.20 | \$3.25 | \$4.65 | \$71.40 |
| | 2041 | 2.0% | 2.0% | 0.800 | \$59.00 | \$85.95 | \$67.50 | \$98.35 | \$80.10 | \$12.25 | \$44.30 | \$59.00 | \$103.30 | \$3.85 | \$3.05 | \$4.45 | \$4.30 | \$3.25 | \$4.75 | \$72.85 |
| | 2041+ | 2.0% | 2.0% | 0.800 | 0.0% | 2.0% | 0.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 0.0% | 2.0% | 2.0% | 0.0% | 2.0% | 2.0% |

Notes:

- * Data sources include: EIA, DOE, NRC, Flint Hills Resources, Alberta Government
- * All prices are in Canadian dollars except WTI and NYMEX which are in U.S. dollars
- * Edmonton city gate prices are historical light oil prices posted by the government of Alberta and Net Energy differential futures (40 Deg. API) (0.5% Sulphur)
- * Natural Gas Liquid prices are forecasted at Edmonton therefore an additional transportation cost must be included to plant gate sales point
- * 1Mcf is equivalent to 1mmbtu
- * Real prices listed in 2020 dollars with no escalation considered
- * Alberta gas prices, except AECO, include an average cost of service to the plant gate
- * NGL prices have been switched from a micro reference to a spec reference

Deloitte

Disclaimer: No representation or warranty of any kind (whether expressed or implied) is given by Deloitte LLP as to the accuracy, completeness, currency or fitness for any purpose of this document. As such, this document does not constitute the giving of investment advice, nor a part of any advice on investment decisions. Accordingly, regardless of the form of action, whether in contract, tort or otherwise, and to the extent permitted by applicable law, Deloitte LLP accepts no liability of any kind and disclaims all responsibility for the consequences of any person acting or refraining from acting in reliance on this price forecast in whole or in part. This price forecast is not for dissemination in the United States or for distribution to United States investors.

Part 4 Reconciliation of changes in reserves

Item 4.1 Reserves reconciliation

Effective: December 31, 2021

Canada

Opening: Deloitte December 31, 2020 Forecast Pricing

Closing: Deloitte December 31, 2021 Forecast Pricing

| | Light & Medium Oil | | | Heavy Oil | | | Conventional Gas | | | Natural Gas Liquids | | |
|--------------------------------|--------------------|----------|-------------------|-----------|----------|-------------------|------------------|----------|-------------------|---------------------|----------|-------------------|
| | Proved | Probable | Proved + Probable | Proved | Probable | Proved + Probable | Proved | Probable | Proved + Probable | Proved | Probable | Proved + Probable |
| | Mstb | Mstb | Mstb | Mstb | Mstb | Mstb | MMcf | MMcf | MMcf | Mstb | Mstb | Mstb |
| Opening Balance | 346.0 | 0.0 | 346.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Production | -35.2 | 0.0 | -35.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Technical Revisions | 35.2 | 0.0 | 35.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Extensions & Improved Recovery | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Discoveries | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Acquisitions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Dispositions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Economic Factors | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Infill Drilling | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Closing Balance | 346.0 | 0.0 | 346.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Paleo Resources drilled the 103/9-22-39-26 in 2019 and established the new oil/water contact in the Joffre Pool B. This well started producing intermittently in September 2021 but the production was limited based on the amount of sour gas the Del Canada plant could flare for Paleo. At year-end, Paleo was constructing its own flaring facility which was expected to be completed in 1Q 2022. The 1D0/15-22-039-26 also already has a pumping unit installed and will start producing upon the completion of the flaring facility. In addition, the 100/14-22-39-26 will be recompleted and added shortly thereafter. At this point, Paleo has decided to delay the gas injection. The two later wells are included in the Proved Nonproducing reserve category. The 100/10/22-39-2 would also be available for production from the Joffre Pool B, if necessary. The reserves were calculated volumetrically.

Paleo owns and interest in two wells in the Joffre Pool C. However, at this time, any remaining reserves are uneconomic to recover. Both of these wells are scheduled to be plugged and abandoned; one in 2022 and the other in 2023.

Effective: December 31, 2021

United States

Opening: Deloitte December 31, 2020 Forecast Pricing

Closing: Deloitte December 31, 2021 Forecast Pricing

| | Light & Medium Oil | | | Heavy Oil | | | Conventional Gas | | | Natural Gas Liquids | | |
|--------------------------------|--------------------|----------|-------------------|-----------|----------|-------------------|------------------|----------|-------------------|---------------------|----------|-------------------|
| | Proved | Probable | Proved + Probable | Proved | Probable | Proved + Probable | Proved | Probable | Proved + Probable | Proved | Probable | Proved + Probable |
| | Mstb | Mstb | Mstb | Mstb | Mstb | Mstb | MMcf | MMcf | MMcf | Mstb | Mstb | Mstb |
| Opening Balance | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1,228.3 | 0.0 | 1,228.3 | 0.0 | 0.0 | 0.0 |
| Production | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -398.9 | 0.0 | -398.9 | 0.0 | 0.0 | 0.0 |
| Technical Revisions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 314.2 | 0.0 | 314.2 | 0.0 | 0.0 | 0.0 |
| Extensions & Improved Recovery | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Discoveries | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Acquisitions | 54.0 | 0.0 | 54.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Dispositions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Economic Factors | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Infill Drilling | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Closing Balance | 54.0 | 0.0 | 54.0 | 0.0 | 0.0 | 0.0 | 1,143.7 | 0.0 | 1,143.7 | 0.0 | 0.0 | 0.0 |

Paleo participated in the drilling of two wells in Louisiana; the Kenneth Savoy 001 and the Middlebrooks E 001. Both of these wells are operated by Planet Operating, LLC and Paleo owns less than 10% working interest in both wells.

Since December 31, 2018, the two Yegua producers, Raptor A#1 and the Raptor B#1, produced to the economic limit and are shut-in. The plan is to plug and abandon these two wells in 2022. The Ranger A#1 was brought on-line in late 2019 and continues to decline with only slight decrease in Technical Revision of gas reserves. The Jones 1 and Stampede A#1 are still awaiting pipeline hook-up and have no revisions in the reserves. The plans are to bring these well on-line mid-2022.

Part 5 Additional information relating to reserves data

Item 5.1 Undeveloped reserves

Canada

Since the new well 103/9-22-39-26 was drilled in 2019 and established the new oil/water contact all the remaining reserves in the Joffre Pool B are classified as Proved Producing or Proved Developed Nonproducing. No additional drilling will be necessary to recover the reserves. All locations in Project C are considered uneconomic at current price.

| Canada | | |
|--------|----------------------|-----------------|
| Year | Undeveloped Reserves | |
| | Proved (Mstb) | Probable (Mstb) |
| 2016 | 105.7 | 0.0 |
| 2017 | 0.0 | 0.0 |
| 2018 | 0.0 | 0.0 |
| 2019 | 0.0 | 0.0 |
| 2020 | 0.0 | 0.0 |
| 2021 | 0.0 | 0.0 |

United States

Since Paleo let the leases for the Woodbine Properties expire, all of the Proved and Probable Undeveloped reserves were removed from the prior year's report. If Paleo secures new leases with the intent to drill, the undeveloped locations could return.

| United States | | |
|---------------|----------------------|-----------------|
| Year | Undeveloped Reserves | |
| | Proved (Mcfe) | Probable (Mcfe) |
| 2018 | 3745.36 | 4650.16 |
| 2019 | 3860.28 | 4650.16 |
| 2020 | 0 | 0 |
| 2021 | 0 | 0 |

Item 5.2 Significant factors or uncertainties

The process of estimating reserves is complex. It requires significant judgment and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, commodity prices and economic conditions. The Corporation's reserves are evaluated by Prator Bett, LLC an independent engineering firm.

Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, commodity prices, economic conditions and governmental restrictions. Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. The Company's actual production, revenues, taxes, development and operating expenditures with respect to its reserves may vary from such estimates, and such variances could be material. Reserve estimates are subject to change with such factors as, updated production data, well performance and operational issues, ongoing development activities, price forecasts, and other economic conditions.

Item 5.3 Future development costs

| Canada | | | | |
|--------|------------------------------------|-------------------|---|-------------------|
| Year | Undiscounted Future Cost net (M\$) | | Discounted at 10% Future Cost net (M\$) | |
| | Proved | Proved + Probable | Proved | Proved + Probable |
| 2022 | 56.3 | 56.3 | 53.8 | 53.8 |
| 2023 | 0.0 | 0.0 | 0.0 | 0.0 |
| 2024 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL | 56.3 | 56.3 | 53.8 | 53.8 |

| United States | | | | |
|---------------|------------------------------------|-------------------|---|-------------------|
| Year | Undiscounted Future Cost net (M\$) | | Discounted at 10% Future Cost net (M\$) | |
| | Proved | Proved + Probable | Proved | Proved + Probable |
| 2022 | 353.8 | 353.8 | 338.0 | 338.0 |
| 2023 | 0.0 | 0.0 | 0.0 | 0.0 |
| 2024 | 0.0 | 0.0 | 0.0 | 0.0 |
| TOTAL | 353.8 | 353.8 | 338.0 | 338.0 |

Part 6 Other oil and gas information

Item 6.1 Oil and gas properties and wells

Canada

Project B and C

Joffre are located approximately 7 miles northeast of Red Deer, Alberta in Township 39, Range 26W4.

United States

Louisiana

The Company added small working interest in two properties located in Louisiana. Both are oil wells. One is located in St. Landry Parish and the other is located in Acadia Parish.

Polk County, Texas

The Company's legacy American oil and gas reserves in the Woodbine and Yegua formations are located in Polk County, Texas.

Geology - Canada

Leduc

The Late Devonian Leduc Formation is represented by large barrier reef and smaller pinnacle reef bioherms which grew on the Cooking Lake platform carbonates. Trending northeast to southwest, the limestones and dolostones of the Leduc/Cooking Lake Formations were deposited on the bathymetric highs of the Late Devonian seas. Hydrocarbons are trapped by lateral stratigraphic pinch-out of these dolomitic carbonates into deeper water shale sediments.

Horseshoe Canyon/Bearpaw

The Horseshoe Canyon Formation is part of the Upper Cretaceous Edmonton group which lies unconformably on top of the Belly River Group and is overlain by the tertiary Scollard Formation. Sediments of the Horseshoe Canyon were deposited in a complex coastal environment with shore face sands, tidal channel sands, distributary sands and large back barrier peat bog swamps. The result of such an environment is a stratigraphic section of approximately 100 to 400 metres thick with the lower to middle Horseshoe Canyon containing multiple prospective coal seams and sandstones.

Basal Belly River/Pakowki

The Upper Cretaceous Basal Belly River/Pakowki Formations represent a marginal marine fluvial/deltaic environment that deposited clastic sediments in series of north-south trending bar sands. Reservoirs are developed in sandstone lobes, and to a lesser extent, channel sands, as river systems supplied sediments to the prograding delta. Gas pools that are developed in deltaic lobe sandstones trapped stratigraphically as the reservoir sands grade laterally into siltstone and shale.

Upper Mannville

The Early Cretaceous Upper Mannville Group consists of sandstones, siltstones, shales and coals deposited in a fluvial environment in which shorelines and sediments were moving northward. Sandstones of the Upper Mannville contain a significant amount of volcanic and feldspathic material. Hydrocarbons are trapped stratigraphically within porous sandstones that are truncated by tight, lithic Upper Mannville channels in an updip position or as the sandstones pinch-out or grade laterally into the surrounding siltstones and shales.

Geology – United States

Louisiana –

The Middlebrooks well produces from the Homeseeker A sand, also known as the Lower Marginulina Texana, and which is part of the Middle Frio formation in Bayou Mallet, South Field.

The Savoy well produces from the Guillory sand in the Savoy Field. The well interpreted to be located on a southward plunging nose. A down-to-the-south fault, with approximately 250 feet of displacement, backs up the structure to the north. Guillory sand production is on the northwest flank where the sand pinches out.

Texas -

The Upper Woodbine is a rich deltaic sequence with abundant sand channels thinning on the edges with tight distal clay choked sands.

The lower Woodbine is a slope fan feature and is progradational in nature exhibiting a Bouma type sequence with the coarsest sands at the base then fining up. These sands are discontinuous and lenticular and vary in areal extent.

The Yegua Formation is a shallow sandstone reservoir that is the upper part of the Claiborne Group which is in the Tertiary System. The sandstones were deposited in a fluvial delta system and are typically considered to be channel sands.

Item 6.1.2 Gross and net oil and gas wells

| | Producing | | | | Non-Producing | | | |
|---------------|-----------|-----|-------|-----|---------------|-----|-------|-----|
| Country | Oil | | Gas | | | | Total | |
| Province | Gross | Net | Gross | Net | Gross | Net | Gross | Net |
| Canada | | | | | | | | |
| Alberta | 1.0 | 0.5 | 0.0 | 0.0 | 5.0 | 2.2 | 6.0 | 2.6 |
| United States | | | | | | | | |
| Texas | 2.0 | 0.1 | 1.0 | 0.7 | 5.0 | 3.2 | 8.0 | 4.1 |
| Total | 3.0 | 0.6 | 1.0 | 0.7 | 10.0 | 5.4 | 14.0 | 6.7 |

Item 6.2 Properties with no attributed reserves

Canada

The only well in the Joffre Pool B that has no reserves attributed to it at this time is the 100/10-22-39-26. This well could be capable of production but will be held on standby in case needed in the future.

There is also potential for a CO₂ flood. Other CO₂ floods in nearby fields have shown potential for incremental recoveries ranging from 12 to 25 percent. However, Paleo would need to conduct a study to determine if such an enhanced recovery scheme in this pool would be technically and economically feasible.

The producing gas wells, C2 – 00/05-23-039-26W4/2 and C3 – 03/05-23-039-26W4/0 are both currently uneconomic, no reserves have been assigned at this time.

United States

Yegua

As of December 31, 2021, the Company has an interest in oil and gas leases of approximately 244 gross (178 net) acres of undeveloped properties in Polk County, Texas with no reserves attributed.

The Company's current joint venture partner agreements as of December 31, 2021 do not specify any contractual work commitments.

Item 6.3 Forward contracts

There are no forward contracts applicable to any produced product.

Item 6.5 Tax Horizon

The Company is not expected to pay income tax based on proved plus probable cash flow economics for the Canadian assets. The Company is not expected pay income tax based on net operating loss carry forward for the American assets.

Item 6.6 Costs incurred

The following table summarizes Company's property acquisition costs, exploration costs and development costs incurred during the financial year ended December 31, 2021:

| Property Acquisitions and Capital Expenditures | |
|---|--------------------|
| Nature of Cost | Amount (\$) |
| Property Acquisition Cost | |
| Proved | 3,780 |
| Unproved | 47,253 |
| Exploration Costs | 0 |
| Development Costs | 337,377 |
| Total | 388,410 |

Item 6.7 Exploration and development activities

Joffre B Pool, Alberta, Canada

The Company drilled and completed 1 gross (0.5 net) wells in 2019 in Alberta, Canada. This well was brought online in September 2021 at curtailed rates, while Paleo continued to build necessary production facilities. Facilities were completed in April 2022, which will permit the company to attempt to bring two additional wells online. Gas injection plans have been deferred at the present time.

Louisiana

The Company has a small interest in two gross wells (0.1 net). One is located in Acadia Parish and the other in St. Landry Parish. Both wells are marginal producers and have negligible value.

Yegua formation, Polk County, Texas

The Company drilled and completed 6 gross (4.5 net) wells in 2017 in Polk County, Texas. 2 gross (1.3 net) natural gas wells started producing in September 2017. 1 gross (1 net) well produced non-commercial quantities of natural gas and water and in October 2017, the Company plugged and abandoned the well. 1 gross (0.745 net) gas well was completed and started producing in September of 2019. The remaining 2 gross (1.5 net) natural gas wells have been completed but await completion of connection to pipelines expected to be completed in 2022.

Item 6.8 Production estimates

The following table discloses the total working interest volume for 2022 for each product type associated with the first year of the gross proved reserves and gross probable reserves reported in the Prator Bett report effective December 31, 2021, based on forecast prices and costs:

| Forecast Production - Working interest January 1, 2022 - December 31, 2022 | | | |
|---|-------------|--------|-------------------|
| | | Proved | Proved + Probable |
| Joffre (Project B&C), AB | | | |
| | Oil (Mbbbl) | 19.8 | 19.8 |
| | Gas (MMcf) | 0.0 | 0.0 |
| | NGL (Mbbbl) | 0.0 | 0.0 |
| Louisiana | | | |
| | Oil (Mbbbl) | 0.6 | 0.6 |
| | Gas (MMcf) | 6.0 | 6.0 |
| | NGL (Mbbbl) | 0.0 | 0.0 |
| Woodbine formation, Polk Co, TX | | | |
| | Oil (Mbbbl) | 0.0 | 0.0 |
| | Gas (MMcf) | 0.0 | 0.0 |
| | NGL (Mbbbl) | 0.0 | 0.0 |
| Yegua formation, Polk Co, TX | | | |
| | Oil (Mbbbl) | 0.0 | 0.0 |
| | Gas (MMcf) | 223.2 | 223.2 |
| | NGL (Mbbbl) | 0.0 | 0.0 |
| Total | | | |
| | Oil (Mbbbl) | 19.8 | 19.8 |
| | Gas (MMcf) | 223.2 | 223.2 |
| | NGL (Mbbbl) | 0.0 | 0.0 |

Item 6.9 Production history

The following table summarizes the share of the Company's average daily production, prices received, royalties paid, production taxes, operating expenses and operating netbacks for the periods indicated:

| TOTAL COMPANY | | | | |
|-------------------------------------|---------|---------|---------|---------|
| | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 |
| Volumes | | | | |
| Light Oil + NGLs, bopd | 403.0 | 521.9 | 399.1 | 252.4 |
| Gas, Mcf/d | 0.0 | 0.0 | 2.7 | 7.4 |
| boe/d | 67.2 | 87.0 | 69.2 | 49.4 |
| Light Oil + NGLs | | | | |
| Average Price, \$/bbl | 0.00 | 0.00 | 80.43 | 99.85 |
| Gas | | | | |
| Average Price, \$/Mcf | 3.29 | 3.32 | 4.78 | 7.13 |
| Total Petroleum and Gas Revenue, \$ | 119,419 | 157,707 | 195,375 | 233,294 |
| Total Royalties, \$ | 28,479 | 37,610 | 44,071 | 49,756 |
| Production Taxes, \$ | 9,457 | 10,069 | 11,165 | 12,036 |
| Operating Expenses, \$ | 29,062 | 34,412 | 32,391 | 68,088 |
| Netback, \$/boe | 8.7 | 9.6 | 16.9 | 22.7 |

| CANADA | | | | |
|-------------------------------------|---------|---------|---------|---------|
| | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 |
| Volumes | | | | |
| Light Oil + NGLs, bopd | 0.0 | 0.0 | 0.0 | 0.0 |
| Gas, Mcf/d | 0.0 | 0.0 | 2.7 | 5.1 |
| boe/d | 0.0 | 0.0 | 2.7 | 5.1 |
| Light Oil + NGLs | | | | |
| Average Price, \$/bbl | 0.00 | 0.00 | 80.43 | 103.63 |
| Gas | | | | |
| Average Price, \$/Mcf | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Petroleum and Gas Revenue, \$ | 0 | 0 | 20,026 | 48,273 |
| Total Royalties, \$ | 0 | 0 | 2,254 | 5,593 |
| Production Taxes, \$ | 0 | 0 | 0 | 0 |
| Operating Expenses, \$ | 6,874 | 10,483 | 2,938 | 21,624 |
| Netback, \$/boe | 0.0 | 0.0 | 59.6 | 45.2 |

| UNITED STATES | | | | |
|-------------------------------------|---------|---------|---------|---------|
| | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 |
| Volumes | | | | |
| Light Oil + NGLs, bopd | 403.0 | 521.9 | 399.1 | 252.4 |
| Gas, Mcf/d | 0.0 | 0.0 | 0.0 | 2.3 |
| boe/d | 67.2 | 87.0 | 66.5 | 44.4 |
| Light Oil + NGLs | | | | |
| Average Price, \$/bbl | 0.00 | 0.00 | 0.00 | 91.56 |
| Gas | | | | |
| Average Price, \$/Mcf | 3.29 | 3.32 | 4.78 | 7.13 |
| Total Petroleum and Gas Revenue, \$ | 119,419 | 157,707 | 175,349 | 185,021 |
| Total Royalties, \$ | 28,479 | 37,610 | 41,817 | 44,163 |
| Production Taxes, \$ | 9,457 | 10,069 | 11,165 | 12,036 |
| Operating Expenses, \$ | 22,188 | 23,929 | 29,453 | 46,464 |
| Netback, \$/boe | 9.8 | 10.9 | 15.2 | 20.2 |

APPENDIX

Forward looking statements

Reserve definitions

Glossary of abbreviations

FORM 51-101 F2 Report on Reserves Data by Independent Qualified Reserves Evaluator

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Form 51-101F1 constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "potential", "targeting", "intend", "could", "might", "should", "believe", "prospect", "future", "possible", "can", "speculative", "perhaps" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Form 51-101F1 should not be unduly relied upon. These statements speak only as of the date of this Form 51-101F1. The Company does not intend, and does not assume any obligation, to update or revise these forward-looking statements except as required pursuant to applicable securities laws.

Forward-looking information and statements are included throughout this Form 51-101F1 and include, but are not limited to, statements pertaining to the following:

- corporate strategy;
- the Company's reserves;
- estimates of present value or future net cash flow;
- capital expenditure programs, future capital requirements and the timing and method of financing thereof;
- the production of the Company's assets;
- the Company's access to adequate pipeline capacity and third-party infrastructure;
- the performance and characteristics of the Company's oil and natural gas interest;
- the quantity and quality of the Company's oil and natural gas reserves;
- tax horizon and taxability of the Company;
- supply and demand for oil, natural gas liquids and natural gas;
- industry conditions pertaining to the oil and gas industry; and
- abandonment and reclamation costs.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Form 51-101F1:

- general economic conditions in Canada, the United States and globally including reduced availability of debt and equity financing generally;
- industry conditions, including fluctuations in the price of oil, NGL and natural gas;
- governmental regulation of the oil and gas industry, including environmental regulation;
- fluctuation in foreign exchange or interest rates;
- liabilities inherent in oil and natural gas operations;
- geological, technical, drilling and processing problems and other difficulties in producing reserves;
- uncertainties associated with estimating oil and natural gas reserves;
- incorrect assessments of the value of acquisitions;

- unanticipated operating events which can reduce production or cause production to be shut in or delayed;
- failure to obtain industry partner and other third party consents and approvals, when required;
- stock market volatility and market valuations;
- availability of financing on acceptable terms;
- competition for, among other things, capital, acquisitions of reserves, undeveloped land and skilled personnel;
- competition for and inability to retain drilling rigs and other services;
- rights to surface access;
- the need to obtain required approvals from regulatory authorities;
- general business and market conditions; and
- the liquidity and capital resources risks and business risks discussed in the Company's management's discussion and analysis for the years ended December 31, 2017.

These factors should not be considered exhaustive. Statements in respect of "reserves" are by their nature forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitably produced in the future. With respect to forward-looking statements contained in this Form 51-101F1, the Company has made assumptions regarding: future exchange rates; energy markets and the price of oil and natural gas; condition of general economic, commodity and financial markets; current technology; cash flow; commodity prices; production rates; effects of regulation and environmental and tax laws; future operating costs and the Company's ability to obtain financing on acceptable terms. Readers are cautioned that the foregoing list of factors is not exhaustive.

The above summary of assumptions and risks related to forward-looking information has been provided in this Form 51-101F1 in order to provide readers with a more complete perspective on the Company's future operations and prospects. Readers are cautioned that this information may not be appropriate for other purposes.

The forward-looking statements contained in this Form 51-101F1 are expressly qualified by this cautionary statement.

ROUNDING

In certain instances, numbers may not total due to computer-generated rounding.

NON-GAAP MEASURES

This Form 51-101F1 uses "netback" which does not have standardized meanings prescribed by generally accepted accounting principles and therefore may not be comparable measures to other companies where similar terminology is used. Netback denotes petroleum and natural gas revenue less royalties, operating expenses and transportation and marketing expenses.

Reserve definitions

Reserves are classified in accordance with the following definitions which meet the standards established by National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities and found in Appendix 1 to Companion Policy 51-101 CP, Part 2 Definition of Reserves.

Reserve categories

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on

- analysis of drilling, geological, geophysical and engineering data;
- the use of established technology; and
- specified economic conditions, which are generally accepted as being reasonable and are disclosed.

Reserves are classified according to the degree of certainty associated with the estimates:

Proved Reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

Probable Reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Possible Reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

Development and production status

Each of the reserves categories (proved, probable and possible) may be divided into developed and undeveloped categories:

Developed Reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

Developed Producing Reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing, or if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

Developed Non-Producing Reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

Undeveloped Reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.

SELECTED ABBREVIATIONS

Certain terms and abbreviations used in this document are defined below:

| | |
|----------|--|
| "bbl" | barrel of oil or NGL; |
| "bcf" | billion cubic feet of natural gas; |
| "bpd" | barrel of oil or NGL per day; |
| "Boe" | barrel of oil equivalent determined by converting a volume of natural gas to barrels using the ratio of 6 Mcf to one barrel; |
| "Boe/d" | barrel of oil equivalent per day; |
| "Mbbbl" | thousand barrels; |
| "MBoe" | thousand barrels of oil equivalent; |
| "Mcf" | thousand cubic feet of natural gas; |
| "Mcfe" | Mcf of gas equivalent determined by converting a volume of oil or NGL to Mcf using the ratio of 0.1667 barrels to 1 Mcf; |
| "Mcf/d" | thousand cubic feet of natural gas per day; |
| "MMcf" | million cubic feet of natural gas; |
| "MMcf/d" | million cubic feet of natural gas per day; |
| "Mstb" | thousand stock tank barrels; |
| "NGLs" | natural gas liquids; |
| "\$US" | United States dollar; |
| "\$Cdn" | Canadian dollar. |

Conversion

In this document measurements are given in standard Imperial or metric units only. The following table sets forth certain standard conversions.

| To convert from: | To: | Multiply by: |
|------------------|--------------|--------------|
| Mcf | cubic metres | 28.174 |
| Cubic metres | cubic feet | 35.494 |
| bbls | cubic metres | 0.159 |
| cubic metres | bbls | 6.290 |
| feet | metres | 0.305 |
| metres | feet | 3.281 |
| miles | kilometres | 1.609 |
| kilometres | miles | 0.621 |
| acres | hectares | 0.405 |
| hectares | acres | 2.471 |

In this Form 51-101F1, the calculation of barrels of Boe is calculated at a conversion rate of 6 Mcf for one bbl based on an energy equivalency conversion method. Boe's may be misleading particularly if used in isolation. A Boe conversion ratio of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable to the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.