

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF DUNDEE OIL AND GAS LIMITED**

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**SUPPLEMENTAL MOTION RECORD  
(Returnable 11 June 2018)**

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Date: 6 June 2018

**GOWLING WLG (CANADA) LLP**  
Barristers & Solicitors  
1 First Canadian Place, Suite 1600  
100 King Street West  
Toronto ON M5X 1G5

**E. PATRICK SHEA (LSUC. No. 39655K)**  
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Solicitors for the Applicant

**TO: THE ATTACHED SERVICE LIST**

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**(As at May 9, 2018)**

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<b>AND TO:</b>	<b>DEPARTMENT OF JUSTICE</b> The Exchange Tower Suite 3400, 130 King St. W. Toronto, ON M5X 1K6  <b>Diane Winters</b> Tel: (416) 973-3172 Fax: (416) 973-0810 Email: <a href="mailto:diane.winters@justice.gc.ca">diane.winters@justice.gc.ca</a>

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**(As At May 9, 2018)**

<b>TO:</b>	<p><b>OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY CANADA</b> 151 Yonge Street, 4th Floor Toronto, Ontario M5C 2W7</p> <p><b>Stephanie Lee</b> Tel: (647) 285-1826 Fax: (416) 973-7440 Email: stephanie.lee@canada.ca</p> <p><b>Jacqueline Baker</b> Tel: (647) 649-8547 Fax: (416) 973-7440 Email: jacqueline.baker@canada.ca</p>
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**(As at May 9, 2018)**

<b>TO:</b>	<b>JIM PATTISON INDUSTRIES LTD.</b> 1235 – 73 <sup>rd</sup> Avenue S.E. Calgary AB T2H 2X1  Secured Party
<b>AND TO:</b>	<b>JIM PATTISON LEASING</b> 2700 Matheson Blvd East, Suite 500, PO Box 61, West Tower Mississauga ON L4W 4V9
<b>AND TO:</b>	<b>AMERICAN REFINING GROUP, INC.</b> 77 N Kendall Ave Bradford, PA 16701
<b>AND TO:</b>	<b>CGI INFORMATION SYSTEMS AND MANAGEMENT CONSULTANTS INC.</b> 900, 800 – 5 <sup>th</sup> Avenue SW Calgary, AB T2P 3T6
<b>AND TO:</b>	<b>BP CANADA ENERGY COMPANY</b> 1200, 240-4 Avenue SW, P.O, Box 200 Calgary, AB T2P 2H8
<b>AND TO:</b>	<b>CONOCOPHILLIPS CANADA MARKETING &amp; TRADING ULC</b> 401 - 9th Avenue S.W. Calgary, AB T2P 2H7
<b>AND TO:</b>	<b>ENBRIDGE GAS DISTRIBUTION INC.</b> 5400 Westheimer Court Houston, Texas 77056
<b>AND TO:</b>	<b>ENERFLEX LTD.</b> 4700 47 Street SE Calgary, AB T2B 3R1
<b>AND TO:</b>	<b>QUEST AUTOMOTIVE LEASING</b> 4960 Sheppard Avenue East Toronto, ON M1S 4A7



<b>AND TO:</b>	<b>SHELL CANADA LIMITED</b> 400 4th Avenue S.W. PO Box 100, Station M Calgary, AB T2P 2H5
<b>AND TO:</b>	<b>SHELL ENERGY NORTH AMERICA (CANADA) INC.</b> #3500, 450 – 1st Street SW Calgary, AB T2P 5H1
<b>AND TO:</b>	<b>UNION GAS LIMITED</b> 50 Keil Drive North Chatham, ON N7M 5M1

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Supplementary Affidavit of Jane Lowrie sworn 5 June 2018..... 1

**TAB 1**

Court File No. CV-18-591908-OOCL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
DUNDEE OIL AND GAS LIMITED

Applicants

SUPPLEMENTARY AFFIDAVIT OF JANE LOWRIE  
(Sworn June 5, 2018)

I, Jane Lowrie, of the City of London, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the President and Chief Executive Officer of Lagasco Inc. ("**Lagasco**"). I have been active in the Lagasco group of companies ("Lagasco Group") and the oil and gas industry in Ontario since 1981. I am a graduate of Trinity College in Toronto where I received a B.A. in 1976, and the University of Western Ontario (Ivey) where I received an M.B.A. in 1981.
2. Unless otherwise stated herein, all facts set forth in this Affidavit are based upon: (a) my personal knowledge; (b) my experience as President and Chief Executive Officer of Lagasco; and (c) information provided to me by employees and authorized representatives and professionals of Lagasco. If called upon to testify, I would testify competently to the facts set forth in this Affidavit. I am authorized to swear this Affidavit on behalf of Lagasco.
3. I swear this Supplementary Affidavit to provide additional evidence and information with respect to the issue of "whether the person to whom the rights and obligations are to be assigned would be able to perform the obligations" and "whether it would be appropriate to assign the rights and obligations to that person" as provided for in sections 11.3 (3) (b)

and (c) of the *Companies' Creditors Arrangement Act* in support of a motion (the "**Sale Approval Motion**"), which is now returnable on June 11<sup>th</sup>, 2018.

#### **Background Information on the Purchaser (Lagasco)**

4. Lagasco is part of the Lagasco Group, a third-generation Lowrie family managed oil and gas production and exploration group of business' which has been operating in Ontario since 1976. I have managed the Lagasco Group for 37 years. The Lagasco Group collectively currently employs 35 management and field employees and in addition several professional independent consultants including engineering and geological teams
5. The Lagasco Group collectively operate 396 wells in Ontario making them the 2<sup>nd</sup> largest oil and gas producer in Ontario. The Lagasco Group currently holds over 780 leases with hundreds of landowners and has been successfully managing their obligations under the leases for 37 years. The Lagasco Group has plugged 59 wells in the past six years without being ordered to do so by the Ministry of Natural Resources and Forestry ("**MNRF**"). The Lagasco Group collectively produce over 400 BOE (barrels of oil equivalent) per day.
6. The Lagasco Group has a long history of responsible and sustainable operations including operating in compliance with the requirements of the MNRF.
7. Lagasco itself is currently operating 59 wells, all in the Province of Ontario. Lagasco is and always has been in compliance with all plugging and remediation requirements of the Province of Ontario and has plugged 11 wells in the past 6 years to the satisfaction of the MNRF.
8. The Lagasco Group companies, including Lagasco, are all managed and operated out of London and Bothwell, Ontario by myself and my team of professionals who are set out in Exhibit "A" hereto:

### **Companies Related to Lagasco**

9. Lagasco is affiliated with and shares common ownership with the following companies which are part of the Lagasco Group.
  1. Clearbeach Resources Inc.
  2. On-Energy Corp.
  3. Liberty Oil & Gas Ltd.
  4. Eastern Oilfield Services

### **Lagasco's Current Operations (prior to purchasing Dundee Assets)**

10. As stated above, Lagasco is currently operating 59 wells in the Province of Ontario. The internally prepared balance sheet of Lagasco which references the amount of the deposit under the Asset Purchase Agreement with Dundee Oil and Gas Limited and Dundee Energy Limited Partnership (together, "Dundee") is filed separately as Confidential Exhibit "1". The company is presently funded to continue its usual present operations and to fund the deposit and other costs associated with the due diligence related to the purchase of the assets of Dundee (the "**Dundee Assets**")
11. At the time of closing of the transaction Lagasco will have sufficient funding to complete the transaction contemplated by the Asset Purchase Agreement and to fund working capital required to continue Dundee's former operations as a going concern. Lagasco has one deposit with the MNRF as security for well abandonment and remediation and will increase those deposits to the amounts required by the legislation with respect to the Dundee Assets when acquired.

12. The Lagasco Group has a financing commitment from Pace Credit Union for \$15,000,000 of primary debt to be secured by the Dundee oil and gas reserves in connection with the purchase of the Dundee Assets. In addition, Lagasco, has arranged for \$16 million in lease funding (secured by the \$20 million of book value of equipment and real property currently owned by Dundee), private debt funding and equity funding. The proposed financing arrangements are awaiting the approval of the court of the transaction before being finalized.

#### **Post Purchase Cash Flow of Lagasco**

13. Lagasco has prepared a post closing cash flow relating to its operations after the Dundee Assets are incorporated into the business commencing in 2018 through to 2032, the expected life of the purchased assets. This cash flow includes abandonment and reclamation obligations set out in the petroleum and natural gas leases. The cash flow which is attached as Exhibit "B" to this affidavit (the "**Lagasco Cash Flow**") demonstrates that:
  - a) The operations of Lagasco will be cash positive in every year of operations, and
  - b) Lagasco will be able to perform the obligations relating to the agreements assigned to it under section 11.3 of the *Companies Creditors Arrangement Act*.

#### **Deloitte Statement of Reserves**

14. The Lagasco Cash Flow relies in part on the Statement of Reserves Data and Other Oil and Gas Information of Dundee Energy Limited Partnership prepared by Deloitte dated February 28, 2018 (hereinafter the "**Deloitte Statement**"). The cash flow is built upon the Deloitte Proven Developed Producing operating projections which include revenues, royalty payments, operating costs, and abandonment and reclamation costs. This document is, with the permission of Deloitte, attached as Exhibit "C" to this affidavit.



15. As described in part one of the Deloitte Statement, the purpose of the statement was to evaluate the assets held by Dundee Energy Limited Partnership as at December 31, 2017. In addition to the valuation of the proved and proved plus probable reserves of oil and gas, the Deloitte Statement contains forecasts of future net revenue relating to the Dundee Assets.

### **Deloitte Confirmation Report**

16. To assist in the interpretation of the Deloitte Statement with respect to the assumption of the Dundee operations by Lagasco, Lagasco retained Deloitte to prepare a further report to confirm various aspects of the Deloitte Statement and to provide a further cash flow based on the Deloitte Statement. This further report is attached as Exhibit "D" to this affidavit (the "**Deloitte Confirmation Report**").
17. The Deloitte Confirmation Report contains independent confirmation of the forecast revenues and expenses relating to the continued operation of the Dundee Assets for the life of the wells. It provides the following summary of the cash flow:

The following is a summary of the Proved Developed Producing cash flow as attached in the appendix (all values are presented in Canadian dollars):

WI Sales Revenue (MM\$)	\$620.3
Royalties & Burdens (MM\$)	(\$95.5)
Operating Costs (MM\$)	(\$183.9)
Abandonment & Salvage (MM\$)	(\$82.6)
Before Tax Cash Flow (MM\$)	\$259.3
Before Tax Cash Flow discounted at 10% (MM\$)	\$83.3

18. This summary shows that there is a positive cash flow for the life of the wells after payment of all operating costs, royalties and abandonment and salvage costs (including well plugging and remediation)
19. Page 4 of the Deloitte Confirmation Report contains the backup details to the summary in paragraph 17 above. This summary details the revenue sources and prices associated with those revenues in table form which is more particularly set forth in paragraph 21 below.

20. The table set out in paragraph 21 below details revenue, expenses and net operating income relating to the Dundee Assets on the assumption of continued operation from 2018 to 2032.

21. The amounts on this table are in millions of dollars and are as follows:

Year	WI Sales Revenue MM\$C	Royalty Revenue MM\$C	Co. Share Revenue MM\$C	Total Roy. & Burden MM\$C	Net Operating Revenue MM\$C	Operating Costs & Salvage MM\$C	Abandon. MM\$C	Other Revenue MM\$C	Sask Cap Surch MM\$C	Net Op. Income MM\$C
2018	23.7	0.0	23.7	3.7	20.0	8.8	3.0	-	-	8.2
2019	22.9	0.0	22.9	3.5	19.4	8.5	0.5	-	-	10.4
2020	22.0	0.0	22.0	3.4	18.6	8.2	3.1	-	-	7.4
2021	21.7	0.0	21.7	3.4	18.4	7.8	2.2	-	-	8.4
2022	21.5	0.0	21.5	3.3	18.2	7.5	1.0	-	-	9.8
2023	21.1	0.0	21.1	3.3	17.8	7.2	1.1	-	-	9.6
2024	20.8	0.0	20.9	3.2	17.6	6.9	1.1	-	-	9.6
2025	20.4	0.0	20.4	3.2	17.3	6.7	1.5	-	-	9.2
2026	19.7	0.0	19.7	3.1	16.7	6.4	1.0	-	-	9.3
2027	18.9	0.0	18.9	2.9	16.0	6.2	1.2	-	-	8.6
2028	18.2	0.0	18.3	2.8	15.4	5.9	2.8	-	-	6.6
2029	17.4	0.0	17.4	2.7	14.7	5.7	0.7	-	-	8.4
2030	16.7	0.0	16.8	2.6	14.2	5.4	0.7	-	-	8.0
2031	16.1	0.0	16.1	2.5	13.6	5.3	1.2	-	-	7.1
2032	15.6	0.0	15.6	2.4	13.2	5.0	0.5	-	-	7.7
Rem.	323.5	0.6	324.2	49.5	274.6	82.4	61.2	-	-	131.0
50.00 yr	620.3	1.0	621.3	95.5	525.8	183.9	82.6	-	-	259.3

This table shows net operating income from 2018 to 2032 and adds on a lump sum for the remainder of the life of the assets. The net operating income is positive in each and every year. These numbers have been transferred to line 10 of the Lagasco Cash Flow.

22. The Lagasco Cash Flow incorporates in addition to the Deloitte Confirmation Report net operating income amount, its general and administrative expenses, its lease expenses and debt repayment. After payment all of those expenses Lagasco remains cash flow positive in each and every year from 2018 to 2032.


23. I am completely confident in stating that Lagasco has now and will have in the future, adequate capitalization to assume the operation of the Dundee Assets and to pay all liabilities, plugging, abandonment and salvage costs associated with the assumption of leases and contracts which are part of the Dundee Assets.

24. Lagasco, its management and employees have the experience and qualifications to continue the operation of the Dundee Assets.

SWORN before me at the City of London,  
in the Province of Ontario, this 5<sup>th</sup> day of  
June, 2018.



Commissioner for Taking Affidavits

  
JANE LOWRIE

**TAB A**

Court File No. CV-18-591908-OOCL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,

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DUNDEE OIL AND GAS LIMITED

Applicants

***EXHIBITS***

TABS "A" TO "D" ARE THE  
EXHIBITS TO THE AFFIDAVIT OF  
**JANE LOWRIE**  
SWORN THIS 5TH DAY OF JUNE, 2018



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A Commissioner for taking Affidavits

**EXHIBIT "A"****Senior Management Team*****Jane Lowrie | President***

Jane is a second-generation oil and gas producer in Ontario, and has been involved in exploration, development and acquisitions for over 35 years. As the Chief Executive she manages over 400 BOE/d of oil and gas production in Ontario. Jane is a past President of the Ontario Petroleum Institute (1994-95), is currently on the Board of Directors, and has an in-depth firsthand knowledge of all aspects of the Ontario oil patch. Jane obtained an MBA from the Richard Ivey School of Business and has utilized this educational base to build from the ground floor a viable energy business in Ontario.

***Scott Lewis | Vice President***

Scott is a third-generation producer in Ontario and a Professional Geologist and Project manager at the ON group with over 8 years of experience in the Ontario patch. Scott has worked as project lead on several federal and provincial government well abandonment projects and is integral in the day to day management of the ON group of companies. He obtained his professional designation in Petroleum Geology working in the Ontario Oil and Gas sector. In addition to an MBA from the Centre for Energy, Petroleum and Mineral Law and Policy at the University of Dundee Scotland, and an honours bachelor of science in Geology at the University of Western Ontario.

***Neil Hoey | Consulting Geologist***

Neil has over 35 years of oil and gas experience, concentrated heavily in exploration and development, and gas storage development in Ontario and Michigan. Prior to joining the ON team as a consultant, Neil worked for The Consumers Gas Company / Telesis Oil and Gas. Under his leadership and supervision, Neil executed exploration and development programs in the Lake Erie Offshore Core Area. Over 150 wells were drilled with over 100 BCF of gas reserves added. Neil was also a team member in the Essex-Kent Ordovician Trenton-Black River Core Area, during which time numerous pools were discovered and successfully brought on production, including the Hillman Pool, Renwick Pool, and Goldsmith Pool. Within the ON group, Neil is heavily involved with the company's exploration and development programs, gas storage development, geological, geophysical and land evaluations, and well site supervision. Neil graduated from Brock University in 1981 with a BSc. in Geology.

***Jim McIntosh | Consulting Engineer***

Jim has 40 years of experience in the upstream oil and gas business, with 30 years in the southwestern Ontario area. Prior to joining the ON team, Jim worked for Ram Petroleum Limited and Cambright Gas Corporation/ Shiningbank Energy Limited in Ontario. He has been an independent consultant for the past 14 years and has been actively involved in developing Trenton/Black River gas and oil pools as well as Cambrian gas pools. He helped Ram expand company net production to over 1,000 BOE/d, and built the Cambright Gas production up to a peak of 1,500 BOE/d. As well as drilling, completing, and evaluating numerous wells, Jim has designed and built the well site facilities, gathering systems, oil batteries, and compressor/dehydration sites necessary to bring these pools into production. Within the ON group, Jim is involved in gas storage pool evaluations and development, and pipeline and compressor station design and installation. Jim graduated from the University of Alberta in Edmonton in 1976 with a bachelor's degree in engineering.

***Frank Gentry | Consulting Engineer***

Frank has 35 years of experience in oil and natural gas production operations, drilling, exploitation, and exploration. His expertise encompasses both shallow low pressure and deep high pressure high volume natural gas wells, oil wells and associated production operations of all depths, water flood and other secondary recovery projects, and surface production facility design, construction, and start up. He has directly supervised the drilling, completion, and facility construction of approximately 250 wells. Additionally, he has directed and managed over \$100 MM of producing property acquisitions. Further, Frank has provided expert testimony on regulatory hearings as well as protested reservoir interpretations and studies. Frank has an engineering degree from the University of Wyoming, USA and an MBA.

***Bill Blake | Operations Manager***

Bill has an established track record in the industry with over 35 years of senior management and executive level experience in the natural gas utility industry as well as the oil and gas sector. Since 2006, Bill has been a senior manager for the ON group with operations including over 400 oil and gas wells. He provided management expertise for the development of Tribute Resources's (a related company) first natural gas storage project, the Tipperary Pool. Prior to 2006, Bill was employed in a senior management position for 27 years with an Ontario natural gas utility. Bill is familiar with Ontario regulatory matters having been involved in the preparation of numerous cases as a key witness before the Ontario Energy Board. Bill has a Bachelor of Arts majoring in Economics from the University of Western Ontario.

***Jen Nisker | Chief Financial Officer***

Jennifer is a graduate of the Richard Ivey School of Business at the University of Western Ontario. Immediately following graduation, Jennifer worked at Deloitte LLP where she obtained her Chartered Accountant (now Chartered Professional Accountant) designation. She was involved in the tax group and in the financial advisory group gaining valuable experience in business valuations, mergers and acquisitions, financial modelling and business financings. For the past nine years, Jennifer has been a consultant to the ON group where she assumed responsibilities for financing reporting and budget to actual analysis, financial modelling and business acquisition analysis and due diligence work, financing sourcing and bank reporting, cash flow preparation and lease program management. In addition, she has worked with Tribute Resources Inc. to assess renewable energy business opportunities in wind power, landfill gas, hydraulic facilities and marine tidal power generation in addition to being responsible for compliance reporting for this public company including the quarterly preparation of the financial statements and MD&A.

***Peter Budd | Strategic Advisor***

Peter's legal and regulatory expertise in the energy industry over 28 years have been pursued in Europe, North, Central and South America. Peter was a partner at Bennet Jones LLP, Chair at Power Budd LLP and an international partner in the UK-based law firm CMS Cameron McKenna. As the inaugural Chair of the Ontario Energy Association, and the Ontario Electricity Market Design Committee Peter became deeply involved in various energy industry restructurings, and received multiple cabinet appointments to solve industry issues, including appointments to the Independent Electricity Market Operator, and the Electricity and Conservation Task Force. While his career began in Calgary during the deregulation of the natural gas industry, he has since pursued renewable energy projects in the areas of wind, solar, biomass, hydraulic and marine and tidal power generation, as well as energy storage with clients in the industry. Peter also has extensive government relations expertise and enjoys his work with First Nations.

**TAB B**



LAGASCO INC.  
DUNDEE PURCHASE  
OPREATING CASH FLOW FORECAST

EXHIBIT "B"

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
CASH IN	Aug 1 - Dec 31														
Net operating income as per Deloitte (income net of operating costs, royalties and abandonment costs)	3,803,592	10,382,500	7,352,500	8,411,600	9,769,800	9,617,600	9,583,800	9,151,000	9,285,200	8,637,000	6,642,900	8,374,600	8,019,700	7,110,200	7,705,200
<b>Total Cash in</b>	<b>3,803,592</b>	<b>10,382,500</b>	<b>7,352,500</b>	<b>8,411,600</b>	<b>9,769,800</b>	<b>9,617,600</b>	<b>9,583,800</b>	<b>9,151,000</b>	<b>9,285,200</b>	<b>8,637,000</b>	<b>6,642,900</b>	<b>8,374,600</b>	<b>8,019,700</b>	<b>7,110,200</b>	<b>7,705,200</b>
CASH OUT															
General and Administrative	1,551,309	1,551,309	1,551,309	1,473,744	1,400,056	1,330,054	1,263,551	1,200,373	1,140,355	1,083,337	1,029,170	977,712	928,826	882,385	838,265
Lease expense	712,842	2,138,526	2,138,526	2,138,526	2,138,526	1,425,684	-	-	-	-	-	-	-	-	-
Debt repayment	825,508	2,488,524	2,488,524	2,488,524	2,488,524	2,488,524	2,488,524	2,488,524	1,663,016	-	-	-	-	-	-
<b>Total Cash Out</b>	<b>3,089,659</b>	<b>6,178,359</b>	<b>6,178,359</b>	<b>6,100,794</b>	<b>6,027,106</b>	<b>5,244,262</b>	<b>3,752,075</b>	<b>3,688,897</b>	<b>2,803,371</b>	<b>1,083,337</b>	<b>1,029,170</b>	<b>977,712</b>	<b>928,826</b>	<b>882,385</b>	<b>838,265</b>
<b>Difference</b>	<b>713,933</b>	<b>4,204,141</b>	<b>1,174,141</b>	<b>2,310,806</b>	<b>3,742,694</b>	<b>4,373,338</b>	<b>5,831,725</b>	<b>5,462,103</b>	<b>6,481,829</b>	<b>7,553,663</b>	<b>5,613,730</b>	<b>7,396,888</b>	<b>7,090,874</b>	<b>6,227,815</b>	<b>6,866,935</b>
Cumulative	713,933	4,918,074	6,092,215	8,403,021	12,145,715	16,519,053	22,350,778	27,812,881	34,294,710	41,848,373	47,462,103	54,858,991	61,949,865	68,177,680	75,044,615

**TAB C**

EXHIBIT C

# **FORM 51-101 F1**

**Prepared for:**

**DUNDEE ENERGY LIMITED**

**In respect of assets held by**

**DUNDEE ENERGY LIMITED PARTNERSHIP**

**Statement of reserves data  
and other oil and gas information  
as of December 31, 2017**

**Prepared by Deloitte**

**February 28, 2018**

**Table of contents**

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Part 2	Disclosure of reserves data	2
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**Part 1            Date of statement**

Date of statement:        **February 28, 2018**  
Effective date:            **December 31, 2017**  
Preparation date:        **February 28, 2018**

Deloitte LLP (Deloitte) was contracted by Dundee Energy Limited (the Company) to evaluate the assets held by Dundee Energy Limited Partnership (DELP) effective December 31, 2017. Deloitte was engaged by the Company to evaluate proved and proved plus probable reserves; no valuation of possible reserves or resources was undertaken. The 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)*.

DELP's oil and gas reserves are located onshore and offshore in Ontario, Canada and in southern Alberta, Canada.

The reserves on the properties described herein are estimates only. By its nature, such forecasting of reserves and related economic parameters and analyses are forward-looking statements based on predictions of future events and assumptions. 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 proved reserves (forecast case)**

Please refer to NI 51-101 Forecast Case – Oil and Gas Reserves Summary in the Appendix.

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

Please refer to NI 51-101 Forecast Case – Summary of Net Present Values of Future Net Revenue in the Appendix.

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

Please refer to NI 51-101 Forecast Case – Total Future Net Revenue (Undiscounted), and NI 51-101 Forecast Case – Unit Value of Net Reserves by Production Group in the Appendix.

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

Supplemental constant price estimates are not reported.

**Item 2.3 Reserves disclosure varies with accounting**

DELP is wholly owned by Dundee Energy Limited, a company incorporate in Ontario. The general partner of DELP is Dundee Oil and Gas Limited.

**Item 2.4 Future net revenue disclosure varies with accounting**

DELP is wholly owned by Dundee Energy Limited, a company incorporated in Ontario. The general partner of DELP is Dundee Oil and Gas Limited.

**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 set out in the Deloitte Price Forecast effective December 31, 2017 (see Appendix). All prices are stated in Canadian dollars unless otherwise indicated. Adjustments for oil differential and gas heating values are applied to these prices, as appropriate for each entity. Capital and operating costs are inflated.

**Part 4 Reconciliation of changes in reserves****Item 4.1 Reserves reconciliation**

Please refer to NI 51-101 Forecast Case - Reconciliation of Company Gross Reserves by Principal Product in the Appendix.

**Part 5 Additional information relating to reserves data****Item 5.1 Undeveloped reserves**

No additional undeveloped reserves were assigned this year.

In 2016 in the Goldsmith property two proved undeveloped locations were added. Both wells will utilize an existing surface location to drill horizontally into the Ordovician. Dundee has interpreted seismic data to correlate the Trenton level lows which are similar to other features proven to be productive. Reserves have been assigned based on analogy to nearby horizontal wells targeting the same formation. The two locations are forecast to be drilled in 2019 and 2020.

Two vertical proved undeveloped locations were assigned to the Petrolia East property in 2016, targeting the Silurian Guelph Reef, utilizing seismic data and analogy to existing producing wells. These locations are forecast to be drilled in 2019 and 2020.

Two horizontal locations have been added in the Offshore West Central property (one proved and one probable location), and two proved horizontal locations were added to the Offshore West property in 2016, all in the A-2 Carbonate. The proved undeveloped locations were assigned reserves based on analogy of offsetting wells. The probable undeveloped location is directly offsetting a well that indicates gas pay in the same formation on well logs, but has not produced. These locations are forecast to be drilled in 2021 (three locations) and 2022 (one location).

	Oil		Natural gas		NGLs	
	First attributed WI*, Mbbl	Cumulative WI*, Mbbl	First attributed WI*, MMcf	Cumulative WI*, MMcf	First attributed WI*, Mbbl	Cumulative WI*, Mbbl
<b>Proved undeveloped</b>						
Prior	-	-	3,579.0	18,598.8	-	-
2015	-	-	-	4,815.9	-	-
2016	600.0	600.0	3,904.4	8,707.6	3.8	3.8
2017	-	600.0	-	8,620.7	-	3.4
<b>Probable undeveloped</b>						
Prior	-	-	2,155.0	11,717.9	-	-
2015	-	-	-	2,956.9	-	-
2016	140.0	140.0	3009.1	5,925.0	0.7	0.7
2017	-	140.0	-	5,855.6	-	0.7

\* WI = working interest before royalties.

Prior to June 29, 2010, the Company did not own these assets, therefore did not book any reserves.

**Item 5.2 Significant factors or uncertainties**

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**

Future capital expenditures will be funded from cash flow and will not make any projects uneconomic. If the size of a capital program exceeds cash flow, the company could consider debt or equity as a secondary source of funding.

Year	Future costs Net (M\$)	
	Proved	Proved + probable
2018	10.0	110.0
2019	8,456.8	9,465.3
2020	1,929.5	3,726.3
2021	4,253.9	5,986.5
2022	1,653.2	1,653.2
2023+	-	-
Total	16,303.5	20,941.3

**Part 6 Other oil and gas information****Item 6.1 Oil and gas properties and wells****Item 6.1.1 Major properties****Off Shore East**

The Off Shore East property is located on Lake Erie, on the Canadian side of the US/Canada border. The property consists of the area of the lake between Crystal Beach and Turkey Point, Ontario. DELP holds between 90 and 100 percent working interests along with various NPI and GORR interests in three groups, one standing well, and five locations. The three groups constitute the majority of the value in the property, the Lake Erie E Nanticoke, Lake Erie E Port Maitland, and Lake Erie E Trustco groups. All three groups target gas production from the Whirlpool and Grimsby Formations.

**Off Shore Central**

The Off Shore Central property is located on Lake Erie, on the Canadian side of the US/Canada border. The property consists of the area of the lake between Turkey Point and Port Talbot, Ontario. DELP holds a 100 percent working interest in one proved developed producing group and nine locations. The majority of production within this property targets gas production from the Whirlpool and Grimsby Formations.

**Hillman**

The Hillman property is a developed oil and gas asset located in Essex County, Ontario; more specifically the Mersea, Gosfield, and Olinda areas. DELP holds an 82.5 to 100 percent working interest in 46 producing oil wells including two producing oil Units. Production is from the Ordovician Trenton and Black River Groups.

**Renwick**

The Renwick property is a developed oil and gas asset located in Essex and Kent Counties, Ontario; more specifically the Mersea and Romney areas. DELP holds 100 percent working interest in 15 producing oil wells. Production is from the Middle Ordovician Trenton and Black River Groups.



**Other properties**

The list of Other Properties includes Corey East, Goldsmith, Mikwan, Minors, Off Shore West, Off Shore West Central, Petrolia East, Rochester, and Single Well Oil Battery. All of these are located in Ontario with some being offshore on Lake Erie, with the exception of Mikwan, which is located in southern Alberta.

**Item 6.1.2 Gross and net oil and gas wells**

Country/Province	Oil		Gas		Non-producing		Total	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Canada								
Ontario	144.0	138.8	426.0	416.6	67.0	66.4	637.0	621.8
Alberta	0.0	0.0	4.0	1.0	0.0	0.0	4.0	1.0
Total	144.0	138.8	430.0	426.6	67.0	66.4	641.0	622.8

**Item 6.2 Properties with no attributed reserves**

As at December 31, 2017 DELP onshore and offshore Ontario assets have a combined total acreage of 288,168 acres (net 281,006). DELP's Alberta assets have a total acreage of 640 acres (net 160 acres). Summarized below is the portion of this acreage that is considered undeveloped.

Province	Undeveloped acreage	
	Gross, acres	Net, acres
Canada		
Ontario Offshore	11,161	11,161
Ontario Onshore	15,992	14,653
Alberta	0	0
Total	27,153	25,814

These lands have no financial commitment on them other than annual rental payments to the Ministry of Natural Resources or Freehold lessors.

**Item 6.3 Forward contracts**

There were no outstanding commodity swap derivative contracts at December 31, 2017, as investments in derivative financial instruments are no longer permitted under the terms of DELP's lending arrangements. DELP previously determined that the fair value of outstanding commodity swap derivative contracts at December 31, 2016 resulted in a liability balance of \$2,275,000.

**Item 6.4 Additional information concerning abandonment and reclamation costs**

<b>No. of net wells</b>	
Included in evaluation	622.8
Not included in evaluation	0
<hr/>	
Area	Gross cost of abandonment and reclamation
Ontario Off Shore	\$66,000/well
Ontario On Shore	\$100,000/well
Alberta	\$60,000/well

Forecast abandonment costs	Proved		Proved plus probable	
	Undiscounted	Discounted at 10%	Undiscounted	Discounted at 10%
	M\$	M\$	M\$	M\$
Next 3 fiscal years	6,536.4	3,877.8	65,36.4	3,877.8
Following years	78,536.6	6,315.9	79,451.4	6,283.8
<b>Total</b>	<b>85,073.0</b>	<b>10,193.7</b>	<b>85,987.9</b>	<b>10,161.57</b>

**Item 6.5 Tax horizon**

DELP is a limited partnership and, as such, is not subject to income taxes in Canada. The Corporation, as the sole limited partner in DELP is expected to be cash taxable in 2018.

**Item 6.6 Costs incurred**

During 2017, DELP incurred capital expenditures of \$0.5 million, including costs of all of which related to maintaining its existing and essential land portfolio.

**Item 6.7 Exploration and development activities**

Exploration and evaluation expenditures were \$0.5 million in 2017, all of which related to maintaining its existing and essential land portfolio.

In 2018, DELP will continue to maintain its existing and essential land portfolio.

## Item 6.8 Production estimates

## Forecast production working interest

January 1, 2018 - December 31, 2018

	Proved	Proved + probable
Off Shore East		
Gas (MMcf)	1,874.1	1,878.0
Off Shore Central		
Gas (MMcf)	870.7	873.5
Hillman		
Oil (Mbbbl)	42.8	43.5
Gas (MMcf)	38.8	39.6
Renwick		
Oil (Mbbbl)	26.9	27.2
Gas (MMcf)	31.8	32.2
NGL (Mbbbl)	0.2	0.2
Others		
Oil (Mbbbl)	73.7	77.9
Gas (MMcf)	735.6	748.5
NGL (Mbbbl)	0.3	0.3
Total		
Oil (Mbbbl)	143.4	148.6
Gas (MMcf)	3,551.0	3,571.8
NGL (Mbbbl)	0.5	0.5

**Item 6.9 Production history – total company**

All values appearing in the following tables are working interest numbers calculated using lease operating statements.

<b>Total Company</b>				
	Q1 2017	Q2 2017	Q3 2017	Q4 2017
<b>Production</b>				
Light oil + NGLs, bopd	436	482	444	402
Gas, Mcf/d	10,236	10,308	10,290	9,924
Boe/d	2,142	2,200	2,159	2,056
<b>Light Oil and NGLs</b>				
<b>Averages, \$/Boe</b>				
Price	65.47	64.42	58.88	69.06
Royalties paid	9.88	9.58	8.94	10.46
Operating cost	25.86	21.99	20.88	25.09
Netback	29.73	32.85	29.05	33.51
<b>Natural Gas</b>				
<b>Averages, \$/Mcf</b>				
Price	4.78	4.34	4.13	3.98
Royalties paid	0.70	0.66	0.61	0.60
Operating cost	1.61	2.00	2.20	1.88
Netback	2.47	1.68	1.32	1.50

**Production history – by field – Off Shore East (1 of 4)**

**Off Shore East**

	Q1 2017	Q2 2017	Q3 2017	Q4 2017
<b>Production</b>				
Light oil, bopd				
Gas, Mcf/d	5,333	5,306	5,183	5,124
Boe/d	889	884	864	854
<b>Light Oil and NGLs</b>				
Averages, \$/Boe				
Price				
Royalties paid				
Operating cost				
Netback	-	-	-	-
<b>Natural Gas</b>				
Averages, \$/Mcf				
Price	4.63	4.43	4.08	4.03
Royalties paid	0.63	0.61	0.56	0.55
Operating cost	1.05	1.49	1.76	1.40
Netback	2.94	2.33	1.77	2.08

## Production history – by field – Off Shore Central (2 of 4)

Off Shore Central				
	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Production				
Light oil, bopd				
Gas, Mcf/d	2,492	2,484	2,689	2,516
Boe/d	415	414	448	419
Light Oil and NGLs				
Averages, \$/Boe				
Price				
Royalties paid				
Operating cost				
Netback	-	-	-	-
Natural Gas				
Averages, \$/Mcf				
Price	4.60	4.36	4.02	4.00
Royalties paid	0.80	0.76	0.70	0.69
Operating cost	1.49	1.54	2.33	1.75
Netback	2.31	2.06	1.00	1.55

## Production history - by field - Hillman (3 of 4)

Hillman				
	Q1 2017	Q2 2017	Q3 2017	Q4 2017
<b>Production</b>				
Light oil, bopd	135	136	133	116
Gas, Mcf/d	115	139	137	119
Boe/d	154	159	156	136
<b>Light Oil and NGLs</b>				
Averages, \$/Boe				
Price	65.81	64.97	58.91	68.44
Royalties paid	9.82	9.62	8.52	10.02
Operating cost	24.03	22.31	17.37	26.31
Netback	31.96	33.04	33.02	32.11
<b>Natural Gas</b>				
Averages, \$/Mcf				
Price	4.78	4.66	4.11	4.13
Royalties paid	0.69	0.65	0.57	0.57
Operating cost	1.95	1.80	1.42	2.12
Netback	2.14	2.21	2.12	1.44

## Production history – by field - Renwick (4 of 4)

<b>Renwick</b>				
	Q1 2017	Q2 2017	Q3 2017	Q4 2017
<b>Production</b>				
Light oil + NGLs, bopd	83	96	83	81
Gas, Mcf/d	95	98	90	98
Boe/d	99	112	98	97
<b>Light Oil and NGLs</b>				
Averages, \$/Boe				
Price	66.91	65.98	59.71	68.72
Royalties paid	11.34	11.31	10.23	11.73
Operating cost	34.20	21.98	30.60	25.74
Netback	21.37	32.69	18.88	31.26
<b>Natural Gas</b>				
Averages, \$/Mcf				
Price	4.56	4.34	4.06	3.99
Royalties paid	0.65	0.61	0.55	0.55
Operating cost	2.69	1.78	2.43	2.03
Netback	1.22	1.95	1.08	1.41



### 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.

**Appendix**

NI 51-101 forecast case – Oil and gas reserves summary

NI 51-101 forecast case – Summary of net present values of future net revenue

NI 51-101 forecast case – Total future net revenue (with corporate tax pools)

NI 51-101 forecast case – Unit value of net reserves by production group

NI 51-101 forecast case – Reconciliation of company gross reserves by principal product

Deloitte 2017 12 31 Price Forecast

Form 51-101 F2

Dundee Energy Limited Partnership  
 NI 51-101 FORECAST CASE  
 OIL AND GAS RESERVES SUMMARY  
 Deloitte December 31, 2017 Forecast Pricing

Effective December 31, 2017

Canada

VOLUMES IN IMPERIAL UNITS																
CATEGORY	Oil				Natural Gas										Total BOE	
	Light, Medium and Shale		Heavy		Solution		Conventional		Coalbed Methane		Natural Gas Liquids		Sulphur			
	WI Gross Mstb	Co. Share Net Mstb	WI Gross Mstb	Co. Share Net Mstb	WI Gross Mstb	Co. Share Net Mstb	WI Gross MMcf	Co. Share Net MMcf	WI Gross MMcf	Co. Share Net MMcf	WI Gross MMcf	Co. Share Net MMcf	WI Gross Mstb	Co. Share Net Mstb	WI Gross Mbl	Co. Share Net Mbl
PDP	1,301.5	1,106.6	0.0	0.0	0.0	0.0	71,051.3	60,869.0	58.0	47.8	4.4	3.6	0.0	0.0	13,307.5	11,263.5
PDNP	80.3	68.4	0.0	0.0	0.0	0.0	1,841.9	1,538.0	0.0	0.0	0.2	0.2	0.0	0.0	387.5	324.9
PUD	600.0	503.3	0.0	0.0	0.0	0.0	8,820.7	7,218.6	0.0	0.0	3.4	2.8	0.0	0.0	2,040.2	1,709.3
TP	1,981.7	1,680.3	0.0	0.0	0.0	0.0	82,414.4	69,616.4	58.0	47.8	8.1	6.6	0.0	0.0	15,735.2	13,297.8
PB	794.6	676.5	0.0	0.0	0.0	0.0	18,492.0	15,465.3	36.9	30.4	2.5	2.0	0.0	0.0	3,885.2	3,260.2
P+P	2,776.3	2,365.9	0.0	0.0	0.0	0.0	100,906.4	85,091.7	94.9	78.2	10.6	8.6	0.0	0.0	19,620.4	16,557.8

VOLUMES IN METRIC UNITS																
CATEGORY	Oil				Natural Gas										Total BOE	
	Light, Medium and Shale		Heavy		Solution		Conventional		Coalbed Methane		Natural Gas Liquids		Sulphur			
	WI Gross E <sup>3</sup>	Co. Share Net E <sup>3</sup>	WI Gross E <sup>3</sup>	Co. Share Net E <sup>3</sup>	WI Gross E <sup>3</sup>	Co. Share Net E <sup>3</sup>	WI Gross E <sup>3</sup>	Co. Share Net E <sup>3</sup>	WI Gross E <sup>3</sup>	Co. Share Net E <sup>3</sup>	WI Gross E <sup>3</sup>	Co. Share Net E <sup>3</sup>	WI Gross E <sup>3</sup>	Co. Share Net E <sup>3</sup>	WI Gross E <sup>3</sup>	Co. Share Net E <sup>3</sup>
PDP	205.8	176.2	0.0	0.0	0.0	0.0	2,027.2	1,714.7	1.6	1.3	0.7	0.6	0.0	0.0	2,114.7	1,789.9
PDNP	12.8	10.9	0.0	0.0	0.0	0.0	51.9	43.3	0.0	0.0	0.0	0.0	0.0	0.0	51.6	41.6
PUD	95.3	80.0	0.0	0.0	0.0	0.0	242.9	203.4	0.0	0.0	0.5	0.4	0.0	0.0	324.2	271.6
TP	314.9	267.0	0.0	0.0	0.0	0.0	2,321.9	1,981.4	1.6	1.3	1.3	1.0	0.0	0.0	2,600.5	2,113.1
PB	126.3	107.4	0.0	0.0	0.0	0.0	921.0	785.7	1.0	0.9	0.4	0.3	0.0	0.0	917.4	785.3
P+P	441.2	374.4	0.0	0.0	0.0	0.0	2,842.0	2,397.1	2.7	2.2	1.7	1.4	0.0	0.0	3,117.9	2,631.2

Dundee Energy Limited Partnership  
 NI 51-101 FORECAST CASE  
 SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE – WITH CORPORATE TAX POOLS  
 Deloitte December 31, 2017 Forecast Pricing

Effective December 31, 2017

Canada

RESERVES CATEGORY	Before Income Taxes					After Income Taxes					Unit Value
	0%	5%	10%	15%	20%	0%	5%	10%	15%	20%	Before Income Tax
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$	Discounted at 10%
Proved Developed Producing	259,308.2	131,788.3	83,262.9	60,381.6	47,490.8	209,551.4	116,488.9	76,988.3	57,308.4	45,812.5	7.39
Proved Developed Non-Producing	9,584.2	5,794.5	3,924.6	2,860.3	2,190.9	7,029.7	4,374.6	3,057.3	2,299.1	1,812.8	12.08
Proved Undeveloped	51,979.9	28,580.6	17,725.8	11,635.3	7,872.2	38,067.0	20,951.7	12,861.7	8,342.8	5,541.0	10.37
Proved	320,852.3	166,263.4	104,913.4	74,877.3	57,553.0	254,648.1	141,825.2	92,907.3	67,950.4	53,166.3	7.89
Probable	134,952.4	60,772.9	26,324.4	16,268.8	11,073.6	99,242.0	37,331.3	19,373.0	11,989.6	8,190.8	8.07
Proved Plus Probable	455,804.7	217,036.3	131,237.8	91,136.1	68,627.6	353,890.1	179,156.6	112,280.4	79,940.0	61,357.1	7.93

Unit Value calculation based on Net 80e reserves.

Dundee Energy Limited Partnership  
 NI 51-101 FORECAST CASE  
 TOTAL FUTURE NET REVENUE -- WITH CORPORATE TAX POOLS  
 Deloitte December 31, 2017 Forecast Pricing

Effective December 31, 2017

Canada

CATEGORY	Revenue*	Royalties	Operating Costs	Investment Costs	Well Abandonment Costs	Future Net Revenue Before Income Taxes	Income Taxes	Future Net Revenue After Income Taxes
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
PDP	621,300.9	95,480.0	183,904.8	0.0	82,607.9	259,308.2	49,756.8	209,551.4
PDNP	19,050.9	3,003.3	6,195.4	288.0	0.0	9,564.2	2,534.5	7,029.7
PUD	109,968.6	17,833.7	21,694.5	16,015.5	2,465.1	51,979.9	13,912.9	38,067.0
TP	780,340.4	116,317.0	211,704.6	16,303.5	95,073.0	320,852.3	66,204.2	254,648.1
PB	236,328.1	37,683.8	60,139.2	4,637.8	914.9	134,952.4	35,710.4	99,242.0
P+P	988,868.5	154,000.8	271,933.8	20,941.3	85,987.9	455,804.7	101,914.6	353,890.1

\*Revenue includes product revenue and other income from facilities, wells and corporate if specified.

Dundee Energy Limited Partnership  
 NI 51-101 FORECAST CASE  
 FUTURE NET REVENUE BY PRODUCTION TYPE  
 Deloitte December 31, 2017 Forecast Pricing

Effective December 31, 2017

Canada

	FUTURE NET REVENUE BEFORE INCOME TAXES*		UNIT VALUE
	10% M\$		\$/Mcf \$/bbl
<b>TOTAL PROVED</b>			
Conventional Natural Gas	64,581.3		0.94 \$/Mcf
Coal Bed Methane	-13.4		-0.28 \$/Mcf
Light and Medium Crude Oil	40,345.5		24.02 \$/bbl
Total	104,913.4		8.02 \$/BOE
<b>TOTAL PROVED + PROBABLE</b>			
Conventional Natural Gas	77,660.3		0.93 \$/Mcf
Coal Bed Methane	3.8		0.05 \$/Mcf
Light and Medium Crude Oil	53,573.7		22.75 \$/bbl
Total	131,237.8		8.07 \$/BOE

\*Primary product type and all associated by-products are included.

Dundee Energy Limited Partnership  
NI 51-101 FORECAST CASE  
RECONCILIATION OF COMPANY GROSS RESERVES BY PRINCIPAL PRODUCT

Opening: Deloitte December 31, 2016 Forecast Pricing  
Closing: Deloitte December 31, 2017 Forecast Pricing

Effective December 31, 2017

Canada

	Light & Medium Oil			Conventional Gas			Coalbed Methane			Natural Gas Liquids		
	Proved	Probable	Proved +	Proved	Probable	Proved +	Proved	Probable	Proved +	Proved	Probable	Proved +
	Mstb	Mstb	Mstb	MMcf	MMcf	MMcf	MMcf	MMcf	MMcf	Mstb	Mstb	Mstb
Opening Balance	2,178.6	849.8	3,028.4	96,227.8	19,466.8	115,694.6	130.9	78.7	209.6	10.6	3.3	13.9
Production	-129.6	0.0	-129.6	-3,676.7	0	-3,676.7	-14.4	0	-14.4	-0.3	0	-0.3
Technical Revisions	-86.0	-48.8	-105.8	-10,094.3	-865.8	-11,060.1	-35.2	-52.2	-87.4	-2.1	-0.8	-2.9
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	-11.3	-5.4	-16.8	-42.4	-9.0	-51.4	-23.2	10.4	-12.9	-0.1	0.0	-0.1
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	1,981.7	794.6	2,776.3	82,414.4	18,482.0	100,906.4	58.0	36.0	94.9	8.1	2.5	10.6

Devote Resource Evaluation & Advisory  
 CenSQA Domestic Forecast  
 Base Case Forecast Effective December 01 2017

Date	Price Inflation Rate	Cost Inflation Rate	CAD to USD Exchange Rate	Crude Oil Pricing										Natural Gas Liquids Pricing Edmonton Par Prices										Natural Gas Pricing										Alberta Price C\$/GJ								
				WTI at Cushing US\$/Bbl		WTI at Cushing US\$/Bbl		Edmonton City Gate US\$/GJ		Edmonton City Gate US\$/GJ		WCS 20.5 Dwt API Hardisty US\$/GJ		Bow River 75 Dwt API Hardisty US\$/GJ		Heavy Oil 12 Dwt API Hardisty US\$/GJ		Ethane US\$/GJ		Propane US\$/GJ		Butane US\$/GJ		Pentane + Condensate US\$/GJ		Alberta Reference US\$/GJ		A.Delta AECO US\$/GJ		B.C. AECO US\$/GJ		B.C. Direct US\$/GJ			Hymex Henry US\$/Mcf		Hymex Henry US\$/Mcf		Ontario Down Reference US\$/Mcf		Alberta Price C\$/GJ	
				Real	Current	Real	Current	Real	Current	Real	Current	Real	Current	Real	Current	Real	Current	Real	Current	Real	Current	Real	Current	Real	Current	Real	Current	Real	Current	Real	Current	Real	Current		Real	Current	Real	Current				
2007	2.5%	2.5%	0.97	55.23	55.41	55.42	55.33	55.19	55.55	55.47	55.38	55.23	55.23	55.23	55.23	55.23	55.23	55.23	55.23	55.23	55.23	55.23	55.23	55.23	55.23	55.23	55.23	55.23	55.23	55.23	55.23	55.23	55.23	55.23	55.23	55.23	55.23	55.23				

Notes:  
 - All prices are in Canadian dollars unless WTI and NYMEX gas which are in U.S. dollars  
 - Edmonton city gate prices based on historical spot gas prices posted by the government of Alberta and Net Energy contractual prices of Dep. API - 0.5% Siphon  
 - Alberta Gas-Liquid prices are presented in Edmonton therefore an additional transportation cost must be included to carry gas to other parts  
 - WTI is equivalent to Brent  
 - Real prices based on 2017 dollars with no escalation considered  
 - Alberta gas prices, except AECO, include an average cost of service to the plant gate  
 - AECO prices have been estimated more a reference to a spot reference

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**TAB D**



## EXHIBIT D

May 30, 2018

700, 850 – 2 Street SW  
 Calgary AB T2P 0R8  
 Canada

Tel: 403-267-1700  
 Fax: 587-774-5398  
 www.deloitte.ca

Lagasco Inc.  
 2807 Woodhull Road  
 London ON N6K 4S4

Attention: Jane Lowrie

**Re: Dundee Energy Limited Partnership - Reserve Report Confirmation**

In connection with Lagasco Inc.'s (Lagasco) successful purchase of the Dundee Energy Limited Partnership (DELP) oil and gas reserves, you have advised us that Lagasco, the Ontario court system, and potential financial lenders will be relying upon Deloitte's Dundee Energy Limited Partnership December 31, 2017 Reserve Report (the Report). It is Deloitte's understanding that Lagasco currently owns no additional oil and/or natural gas assets, and as such, the resultant cash flows found in the Dundee Report are considered to be representative of Lagasco's cash flows post-purchase.

This letter acknowledges this reliance and confirms certain aspects of our report as follows:

- Deloitte conducted an independent reserves evaluation of DELP using an evaluation effective date of December 31, 2017 under the Canadian Oil and Gas Evaluation Handbook (COGEH) as applied to National Instrument 51-101 (NI 51-101);
- Deloitte has knowledge of the relevant financial reporting requirements with respect to reserves disclosure to be filed with the appropriate regulatory agencies. We confirm that the evaluation was performed in accordance with accepted industry practices;
- Deloitte is a member in good standing with the Association of Professional Engineers, Geoscientists of Alberta (APEGA) and follow APEGA's Practice Standard for the Evaluation of Oil and Gas Reserves for Public Disclosure. Deloitte's APEGA permit to practice is found in the Executive Summary of the Report;
- Deloitte and its predecessor companies have engaged in the independent evaluation of oil and gas reserves in Canada since 1986;
- We ensure that the evaluation of the oil and gas properties is prepared with an objective state of mind and the report has not been influenced by any members of DELP or Lagasco;
- In accordance with NI 51-101, well abandonment and reclamation costs have been included in the Report. These costs were provided by the company and reviewed by Deloitte for reasonableness. The abandonment costs for existing wells have been scheduled and attributed on a Corporate level. The abandonment and reclamation costs for undeveloped locations are included at the well level;
- The Ministry of Natural Resources and Forestry (MNR) in Ontario has assigned DELP an order to abandon a specific number of wells from 2018 to 2020. This schedule has been included in the Deloitte abandonment calculations;
- Deloitte confirms that the abandonment and reclamation process is consistent with industry standards for all NI 51-101 compliant reserve reports.

The following is a summary of the Proved Developed Producing cash flow as attached in the appendix (all values are presented in Canadian dollars):

WI Sales Revenue (MM\$)	\$620.3
Royalties & Burdens (MM\$)	(\$95.5)
Operating Costs (MM\$)	(\$183.9)
Abandonment & Salvage (MM\$)	(\$82.6)
Before Tax Cash Flow (MM\$)	\$259.3
Before Tax Cash Flow discounted at 10% (MM\$)	\$83.3

The key assumptions used by Deloitte in the Report can be found below. The signed Representation Letter included in the Executive Summary section of the Report frees Deloitte from having to perform detailed due diligence on land ownership, and revenue and expenses data, however, any data that is provided is reviewed for reasonableness and any differences were reconciled with DELP.

#### **Reserves Category**

Proved 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 been previously on production, and the date of resumption of production must be known with reasonable certainty. These reserve volumes have a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

#### **Land**

DELP provided land ownership information, which included lessor and lessee royalty burdens. The land data was accepted as factual and no investigation of title by Deloitte was made to verify the reports.

#### **Royalties & Taxes**

All royalties and taxes, including the lessor and overriding royalties, are based on government regulations, and/or negotiated leases or farm-out agreements that were in effect as of the evaluation effective date.

#### **Capital and Operating Costs**

Operating and capital costs were based on current costs escalated to the date the cost was incurred, and are in current year dollars. The economic runs provide the escalated dollar costs as described in the Pricing description below.

Operating costs were determined from historical data on the property as provided by DELP. If this data was not available or incomplete, the costs were based on Deloitte experience and historical database.

Capital costs were either provided by DELP (and reviewed by Deloitte for reasonableness); or determined by Deloitte taking into account well capability, facility requirement, and distance to markets. Facility expenditures for shut-in gas are forecast to occur prior to the well's first production.

#### **Pricing**

The price forecast used in the report was prepared by Deloitte with an effective date of December 31, 2017. These prices are based on information available from numerous government agencies, industry publications, oil refineries, natural gas marketers, and industry trends.

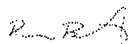
The prices are Deloitte's best estimate of how the future will look, based on the many uncertainties that exist in both the domestic Canadian and international petroleum industries. Inflation forecasts and exchange rates, an integral part of the forecast, have also been considered. In preparing the price forecast Deloitte considers the current monthly trends, the actual and trends for the year to date, and the prior year actual in determining the forecast. The base forecast for both oil and gas is based on NYMEX futures in US dollars.

The crude oil and natural gas forecasts are based on yearly variable factors weighted to higher percent in current data and reflecting a higher percent to the prior year historical. These forecasts are Deloitte's interpretation of current available information and, while they are considered reasonable, changing market conditions or additional information may require alteration from the indicated effective date.

Lagasco Inc.  
Reserve Report Confirmation  
Page 3

In our opinion, the proved developed producing volumes and value within the reserve report presents fairly the producing cash flow of DELP as of December 31, 2017 in accordance with NI 51-101, accepted reservoir engineering practices, and based upon reasonable pricing and other economic assumptions.

Sincerely,



Robin G. Bertram, P. Eng.  
**Deloitte LLP**

## Dundee Energy Limited Partnership

### Economics Detail - Before Tax Results as of January 1, 2018 Proved Developed Producing Dundee Energy Limited Partnership

Year	WI Share Oil				WI Share Sales Gas				WI Share Condensate				WI Share Liquids				WI Other		
	WI Wells	Cal Day Rate bbl/d	Volume Mmbbl	Avg. Price \$/bbl	Sales Revenue MM\$C	Cal Day Rate Mcf/d	Volume MMcf	Avg. Price \$/Mcf	Sales Revenue MM\$C	Cal Day Rate bbl/d	Volume Mmbbl	Avg. Price \$/bbl	Sales Revenue MM\$C	Cal Day Rate bbl/d	Volume Mmbbl	Avg. Price \$/bbl	Sales Revenue MM\$C	Sales Revenue MM\$C	WI Sales Revenue MM\$C
2018	507.12	390.6	142.0	66.21	6.0	0,722.7	3,548.8	3.88	13.8	-	-	-	1.2	0.5	40.70	0.0	-	-	23.7
2019	498.43	350.0	128.1	72.01	6.2	8,238.1	3,371.9	4.04	13.6	-	-	-	1.1	0.4	42.61	0.0	-	-	22.9
2020	470.93	311.0	113.9	74.33	6.5	8,798.1	3,220.1	4.20	13.5	-	-	-	1.0	0.4	44.04	0.0	-	-	22.0
2021	445.15	276.1	100.8	76.87	6.0	8,374.8	3,055.7	4.46	13.6	-	-	-	0.9	0.3	46.02	0.0	-	-	21.7
2022	421.47	247.1	90.2	87.80	7.9	7,870.0	2,901.1	4.67	13.8	-	-	-	0.9	0.3	53.91	0.0	-	-	21.5
2023	398.88	221.3	80.8	89.61	7.2	7,610.7	2,777.9	4.98	13.8	-	-	-	0.8	0.3	55.33	0.0	-	-	21.1
2024	378.89	197.1	72.1	91.40	6.6	7,269.2	2,680.5	5.35	14.2	-	-	-	0.7	0.3	56.75	0.0	-	-	20.8
2025	354.19	177.7	64.0	93.20	6.0	6,046.4	2,535.4	5.66	14.3	-	-	-	0.7	0.2	58.22	0.0	-	-	20.4
2026	333.01	157.9	57.7	95.04	5.5	6,839.4	2,423.4	5.87	14.2	-	-	-	0.6	0.2	59.71	0.0	-	-	19.7
2027	319.11	139.0	50.7	96.93	4.9	6,346.8	2,316.6	6.02	14.0	-	-	-	0.5	0.2	61.23	0.0	-	-	18.9
2028	301.62	124.3	45.5	98.89	4.5	6,068.6	2,221.1	6.18	13.7	-	-	-	0.5	0.2	62.76	0.0	-	-	18.2
2029	284.14	111.3	40.6	100.86	4.1	5,803.2	2,118.2	6.28	13.3	-	-	-	0.4	0.2	64.30	0.0	-	-	17.4
2030	261.92	98.2	35.9	102.86	3.7	5,550.4	2,025.9	6.44	13.0	-	-	-	0.4	0.1	66.06	0.0	-	-	16.7
2031	246.45	89.4	32.6	104.89	3.4	5,314.5	1,939.8	6.55	12.7	-	-	-	0.3	0.1	67.70	0.0	-	-	16.1
2032	233.47	79.7	29.2	106.96	3.1	5,093.8	1,862.5	6.70	12.5	-	-	-	0.3	0.1	69.39	0.0	-	-	15.6
Rem.	214.49	16.8	216.1	124.01	26.8	2,583.3	33,021.0	8.08	206.7	-	-	-	0.1	0.7	70.24	0.1	-	-	323.5
60.00 yr			1,301.6	91.76	118.4	72,009.8	6.85	600.7					4.4	56.90	0.3				620.3

Year	Crown Royalties			Freehold Royalties			Mineral Tax M\$C	Indian Royalties			Overriding Royalties			NPI Payable M\$C	Other Burdens M\$C	Total Roy. & Burden M\$C	Total Roy. & Burden %
	Unadj. Royalty M\$C	Royalty Deduction M\$C	Royalty Payable M\$C	Unadj. Royalty M\$C	Royalty Deduction M\$C	Royalty Payable M\$C		Unadj. Royalty M\$C	Royalty Deduction M\$C	Royalty Payable M\$C	Unadj. Royalty M\$C	Royalty Deduction M\$C	Royalty Payable M\$C				
2018	0.9	0.2	0.7	2,964.7	-	2,964.7	-	-	-	650.0	-	650.0	47.1	-	3,663.4	15.5	
2019	0.9	0.2	0.7	2,864.2	-	2,864.2	-	-	-	627.6	-	627.6	47.7	-	3,540.2	15.6	
2020	0.9	0.2	0.8	2,754.5	-	2,754.5	-	-	-	602.8	-	602.8	48.3	-	3,408.3	15.5	
2021	0.9	0.1	0.8	2,716.4	-	2,716.4	-	-	-	592.4	-	592.4	50.4	-	3,360.0	15.6	
2022	0.9	0.1	0.8	2,693.6	-	2,693.6	-	-	-	587.0	-	587.0	51.3	-	3,332.6	15.6	
2023	0.9	0.1	0.8	2,640.1	-	2,640.1	-	-	-	572.9	-	572.9	53.6	-	3,267.4	15.5	
2024	0.9	0.1	0.8	2,607.2	-	2,607.2	-	-	-	565.4	-	565.4	56.6	-	3,230.1	15.5	
2025	0.9	0.1	0.8	2,553.8	-	2,553.8	-	-	-	550.3	-	550.3	58.5	-	3,163.3	15.5	
2026	0.8	0.1	0.7	2,488.7	-	2,488.7	-	-	-	525.0	-	525.0	59.4	-	3,050.9	15.6	
2027	0.6	0.1	0.7	2,393.2	-	2,393.2	-	-	-	500.2	-	500.2	57.8	-	2,921.6	15.6	
2028	0.7	0.1	0.7	2,282.0	-	2,282.0	-	-	-	479.0	-	479.0	57.1	-	2,819.8	15.6	
2029	0.5	0.1	0.5	2,180.3	-	2,180.3	-	-	-	458.2	-	458.2	55.9	-	2,692.0	15.5	
2030	0.4	0.0	0.3	2,096.2	-	2,096.2	-	-	-	439.0	-	439.0	56.1	-	2,591.6	15.6	
2031	0.4	0.0	0.3	2,018.0	-	2,018.0	-	-	-	422.0	-	422.0	54.9	-	2,495.1	15.6	
2032	0.3	0.0	0.3	1,953.1	-	1,953.1	-	-	-	406.7	-	406.7	55.0	-	2,415.1	15.5	
Rem.	0.0	0.0	0.0	40,466.2	-	40,466.2	-	-	-	7,624.7	-	7,624.7	1,438.3	-	49,528.3	15.3	
60.00 yr	11.2	1.6	9.6	77,620.4	-	77,620.4	-	-	-	16,602.9	-	16,602.9	2,247.1	-	85,480.0	15.4	

Year	WI Sales Revenue MM\$C	Royalty Revenue MM\$C	Co. Share Revenue & Burden MM\$C	Total Roy. & Burden MM\$C	Net Operating Revenue MM\$C	Abandon. Costs & Salvage MM\$C	Other Revenue MM\$C	Sask Cap Surch MM\$C	Net Op. Income MM\$C	Capital Costs					Before Tax Cash Flow			NPV @ 10.00 % MM\$C
										COGPE MM\$C	CBE MM\$C	CDE MM\$C	OCA MM\$C	Total MM\$C	BTGF MM\$C	Cum. MM\$C		
2018	23.7	0.0	23.7	3.7	20.0	8.8	3.0	-	8.2	-	-	-	-	-	8.2	8.2	7.0	
2019	22.9	0.0	22.9	3.5	19.4	8.5	0.5	-	10.4	-	-	-	-	-	10.4	18.6	6.0	
2020	22.0	0.0	22.0	3.4	18.6	8.2	3.1	-	7.4	-	-	-	-	-	7.4	26.0	5.8	
2021	21.7	0.0	21.7	3.4	18.4	7.8	2.2	-	8.4	-	-	-	-	-	8.4	34.4	6.0	
2022	21.5	0.0	21.5	3.3	18.2	7.5	1.0	-	9.8	-	-	-	-	-	9.8	44.2	6.4	
2023	21.1	0.0	21.1	3.3	17.8	7.2	1.1	-	9.6	-	-	-	-	-	9.6	53.8	5.7	
2024	20.8	0.0	20.8	3.2	17.6	6.9	1.1	-	9.5	-	-	-	-	-	9.0	63.4	5.2	
2025	20.4	0.0	20.4	3.2	17.3	6.7	1.5	-	9.2	-	-	-	-	-	9.2	72.5	4.5	
2026	19.7	0.0	19.7	3.1	16.7	6.4	1.0	-	9.3	-	-	-	-	-	9.3	81.8	4.1	
2027	19.9	0.0	19.9	2.9	16.0	6.2	1.2	-	8.6	-	-	-	-	-	8.6	90.4	3.5	
2028	18.2	0.0	18.3	2.8	15.4	5.9	2.8	-	6.6	-	-	-	-	-	6.6	97.1	2.4	
2029	17.4	0.0	17.4	2.7	14.7	5.7	0.7	-	6.4	-	-	-	-	-	6.4	105.4	2.8	
2030	16.7	0.0	16.8	2.6	14.2	5.4	0.7	-	8.0	-	-	-	-	-	8.0	113.5	2.4	
2031	16.1	0.0	16.1	2.5	13.6	5.3	1.2	-	7.1	-	-	-	-	-	7.1	120.6	2.0	
2032	15.6	0.0	15.6	2.4	13.2	5.0	0.5	-	7.7	-	-	-	-	-	7.7	128.3	1.9	
Rem.	323.5	0.0	324.2	40.5	274.5	82.4	61.2	-	131.0	-	-	-	-	-	131.0	259.3	13.6	
60.00 yr	620.3	1.0	621.3	95.6	525.8	183.9	82.6	-	269.3	-	-	-	-	-	269.3	269.3	83.0	

Country/Province	Canada
Mineral Owner	N/A
Prod. Category	N/A
Incentive	N/A
Econ. Calc. Date	Jan 2017
Avg. WI Share	67.33 %
Econ. Life To Aban.	50.00 yr / 50.00 yr
Econ. RLI	17.61 yr
Price Deck	Deloitte December 31 2017 Forecast
Price Set	N/A
Economic Limit	N/A
COS / COO	100.0 % / 100.0 %
Oil Reserves Type	Light and Medium Oil
Gas Reserves Type	<multiple>

Product	Remaining Reserves				Net Revenue NPV (MM\$C)						
	Gross	WI	RI	Co. Share	Net	0.00 %	6.00 %	8.00 %	10.00 %	15.00 %	20.00 %
Oil (Mmbbl)	1,365.3	1,301.5	7.4	1,308.9	1,169.8	102.0	67.8	55.4	50.7	40.7	34.1
Sales Gas (MMcf)	73,634.6	72,009.8	7.1	72,016.9	60,907.6	423.6	188.9	134.7	113.0	80.5	62.8
Condensate (Mmbbl)	-	-	-	-	-	-	-	-	-	-	-
Liquids (Mmbbl)	4.6	4.4	-	4.4	3.6	0.2	0.1	0.1	0.1	0.1	0.1
Other Equiv. (MBOE)	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total (MBOE)	13,672.3	13,307.5	8.6	13,316.1	11,263.5	625.8	264.9	191.2	163.9	121.3	86.9
Total BTGF	-	-	-	-	-	259.3	131.8	98.0	83.3	60.4	47.6

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF DUNDEE OIL AND GAS LIMITED**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

(PROCEEDING COMMENCED AT TORONTO)

**SUPPLEMENTARY AFFIDAVIT OF JANE LOWRIE  
(SWORN 5 JUNE 2018)**

**GOWLING WLG (CANADA) LLP**  
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Solicitors for the Applicant

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED  
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**SUPPLEMENATL MOTION RECORD  
(returnable 11 June 2018)**

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