



**FTI Consulting Canada Inc. as Trustee for the Estate of  
Wild Rose Energy Ltd.**

**Receivership Sale of Gas Storage, Midstream and EOR Assets**

**November 2017**

# Opportunity Summary

*FTI Consulting Canada Inc. (“FTI”), in its capacity as Court appointed Receiver and Manager of certain assets of Wild Rose Energy Ltd. (“Wild Rose” or the “Company”), is seeking offers to acquire the assets of Wild Rose. Confidential information will be made available to parties who execute a confidentiality agreement.*

*Offers to acquire are subject to the terms and conditions outlined in the sale and investment solicitation process (“SISP”) approved by the Court of the Queen’s Bench of Alberta, with non-binding Phase I bids due 12:00pm MST on December 14, 2017 and binding Phase II bids due at 12:00pm MST on January 24, 2018. Any asset sale will be completed on an “as is, where is” basis and subject to approval of the Court. The SISP procedures have been posted to the website of the Receiver and available to all prospective transaction parties.*

*All amounts in CAD\$ unless noted herein.*

- Solid existing asset base encompassing natural gas storage, midstream (gas processing/gathering) and enhanced oil recovery (“EOR”) in the Brazeau/Pembina area of Central, Alberta
  - Investment of \$100.5MM made to-date in existing operations by Wild Rose and its affiliates
  - Nisku A Pool active for EOR/storage and contains ~15Bcf of injected gas from 3rd party storage customers
  - Storage capabilities of up to 30MMcf/d injection and up to 15MMcf/d withdraw
  
- Well-positioned to capitalize on future organic growth opportunities
  - Highly scalable storage operations (up to 117 Bcf of storage capacity and injection up to 100MMcf/d and withdraw of 60MMcf/d), as well as midstream operations (sweet processing up to 240MMcf/d)
  - Situated near high potential deep basin development areas that are established oil and gas producing with multiple productive zones - some of which have significant reserves, high success rates, rapid payouts and attractive full cycle economics
  - Strategically located in close proximity to key infrastructure, including Tidewater Midstream & Infrastructure’s Brazeau River Complex (deep cut gas processing facility), Keyera’s Brazeau North and Zeta Creek processing plants, TCPL and Alliance sales pipeline systems, local pipelines, major road and highways
  
- Operational flexibility to buyer
  - Ability for connected producers to inject gas due to seasonality (summer/winter pricing), speculation on AECO prices, or TCPL/NOVA maintenance outages like Upstream James River)
  - Ability to convert Nisku A and Nisku D from EOR licensed facilities to Commercial Gas Storage with AER/TCPL (subject to their approval process)

**Opportunity to own natural gas storage, midstream and EOR assets with \$100.5MM invested to-date.**

# Existing Asset Base

## Natural Gas Storage

- Investment of \$38.7MM to-date
- 100% working interest in three (3) depleted sweet Nisku reservoirs comprised of total of 117Bcf of potential storage capacity
  - Nisku “A” pool (53 Bcf capacity) - licensed as EOR scheme (active)
  - Nisku “D” pool (25 Bcf) - licensed as EOR scheme (inactive)
  - Nisku “E” pool (39 Bcf) - licensed as Commercial Gas Storage (inactive)
- Required equipment/pipelines for current injection of up to 30MMcf/d and withdraws of up to 15MMcf/d (capable of expansion to 100MMcf/d and 60MMcf/d, respectively)
- Existing third party contracts with well capitalized gas storage customers
- Processing at Tidewater Midstream & Infrastructure Ltd.’s Brazeau River Complex (“BRC”) with existing connections to the NOVA system for storage sales gas

## Enhanced Oil Recovery (“EOR”)

- Investment of \$26.5MM to-date
- 44 BOE/day of production from Nisku “A” and “E” Pools, consisting of 14 Bbls/day of oil and 30 Bbls/day of natural gas liquids
- Up to 4MM bbls of total estimated recoverable oil and gas liquids
- Three Nisku reservoirs are capable producing natural gas, oil and condensate from 11 wells
- Processing at BRC with existing connections to NOVA for sales gas and liquids sales pipelines
- Ability to convert EOR to Commercial Gas Storage

*The EOR operations are facilitated by Natural Gas Storage operations (i.e., when gas is withdrawn from Natural Gas Storage’s Nisku “A” Pool and processed at the BRC, the oil and gas liquids are retained by Wild Rose).*

## Midstream (Gas Processing)

- Invested \$35.3MM to-date
- Partially constructed sweet gas processing facility with capabilities up to 240MMcf/d (modular design to add at 60MMcf/d trains as demand dictates)
- Some equipment is dual purpose/common with natural gas storage operations
- TCPL approved new 16” sales pipeline (300MMcf/d) for connection to WAS mainline (17 klms)
- TCPL approved new receipt meter station (269MMcf/d) with FT-R (90MMcf/d in 2020 + \$800K CIAC)

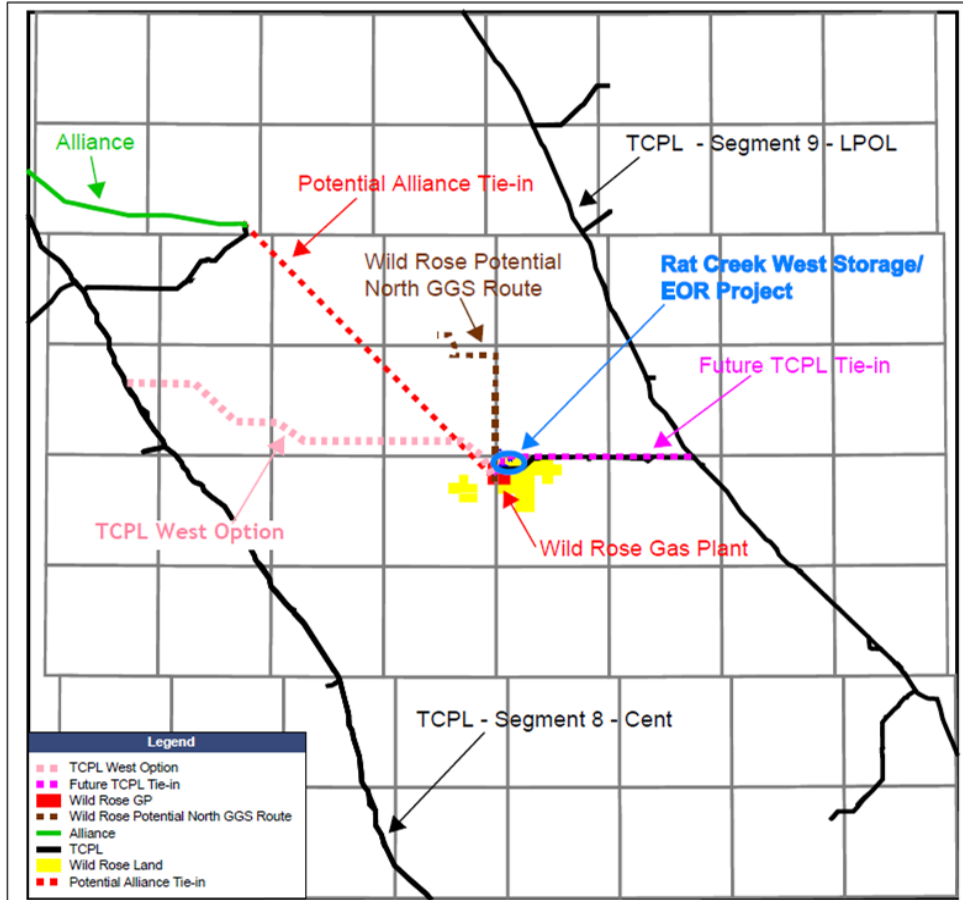
## Other Assets

- Deep mineral rights in Brazeau area (primarily base Mannville to Nisku)
- Emission Performance Credits/Carbon Credits (54K units)
- Tax Pools (\$100MM)

Solid asset foundation base for expansion and strategic relevance.

# Facilities and Site

## Wild Rose Asset Map



## Investment Highlights

Strategically located near highly economic Spirit River gas fairway, with proximity to both TCPL and Alliance pipeline systems

\$65.2MM of capital spent on gas storage and EOR;  
\$35.3MM of capital invested in partially constructed gas processing facility;

Centrally located, sweet gas processing plant partially constructed with expansion to 240MMcf/d

Strategically located in close proximity to Tidewater's BRC gas processing facility

Ability to expand gas storage to 100MMcf/d injection and 60MMcf/d withdraw

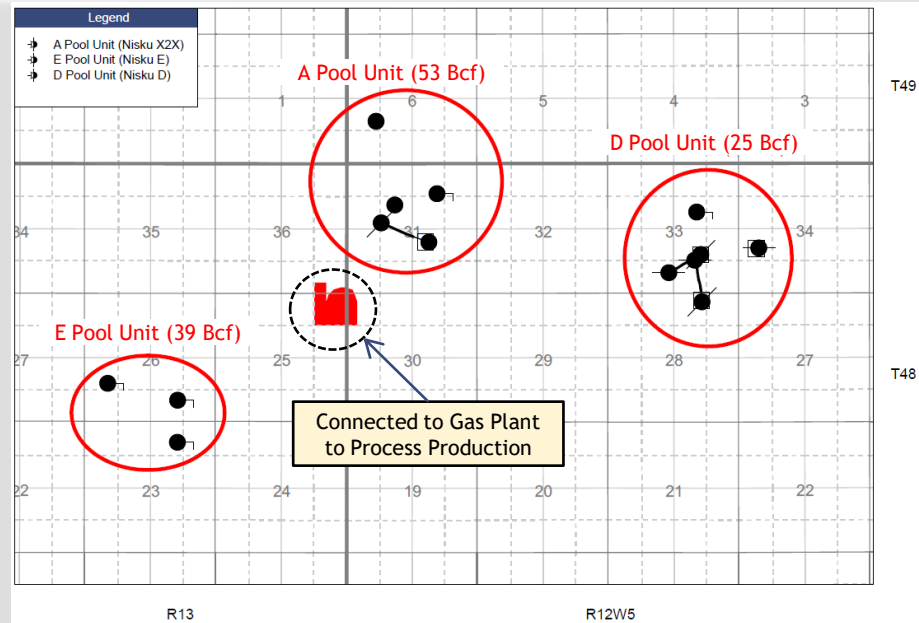
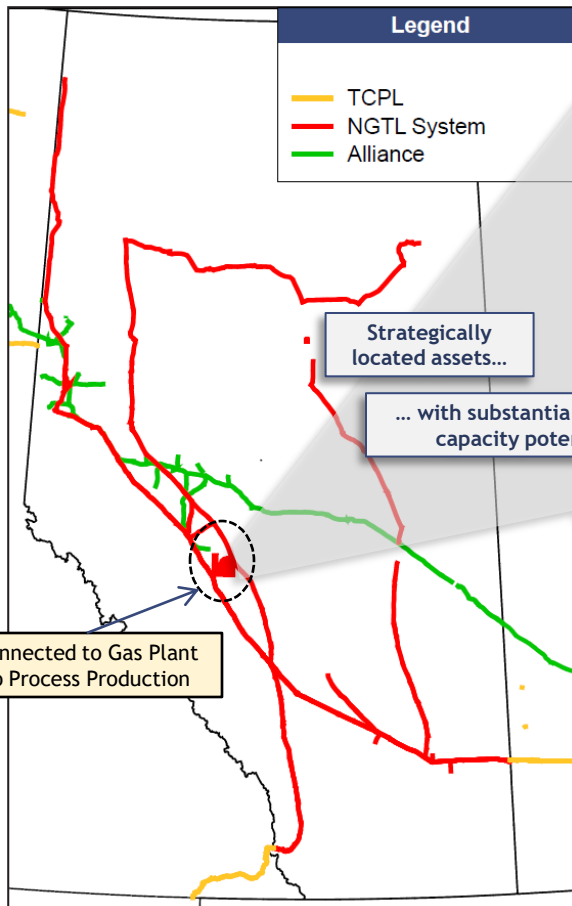


Future potential growth projects for buyer materially expands operations.

# Strategically Located Assets

*Wild Rose Energy owns three natural gas storage reservoirs with 120 Bcf capacity, which also contain an estimated up to 4 MMboe of oil and NGL reserves. These assets underlie the gas storage and enhanced liquids recovery business.*

## Asset Map



- Wild Rose owns 3 sweet Nisku oil reservoirs that were previously developed into a successful Natural Gas Storage and Enhanced Oil Recovery project (1980-1995) by two major oil and gas companies, Amoco (BP) and PetroCanada (Suncor)
- Strategically located near Tidewater's Brazeau River Complex with existing processing already connected, and tied into the TCPL/NOVA pipeline system
- Through phased development, these assets offer the ability to grow into one of the largest commercial natural gas storage facilities in Western Canada (capacity of 120 Bcf)

Immediate growth opportunity to develop Nisku A Pool with scalable gas storage capacity of 53 Bcf + EOR.

# Existing Capital Investment

## Significant Investment in Assets

- Nisku 'A', 'D' and 'E' reservoirs (120 Bcf total gas storage capacity and up to 4 MMboe of recoverable oil and NGLs; 0.2 MMboe of gas)
- Storage operations functioning: 30 MMcf/d injection, 15 MMcf/d withdrawal with low cost expansion projects identified to increase capabilities to 100 MMcf/d injection and 60 MMcf/d withdrawal
- Strategic position
  - Offset regions with highly economic well results
  - Pipeline connected to TCPL, Plains and Pembina
  - Long-standing local relationships with producers, marketers, suppliers

## Attractive EOR Economics

- Current liquids extraction at 15 MMcf/d (Nisku A and E):
  - 44 bbl of oil and NGL extracted from Nisku gas reservoir at BRC facility
    - 10 bbl/MMcf Ethane (C2)
    - 6 bbl/MMcf Propane (C3)
    - 6 bbl/MMcf Butane (C4)
    - 8 bbl/MMcf Condensate (C5)
    - 14 bbl/MMcf Oil
- Storage business allows Wild Rose to retain the liquids extracted when third party gas is withdrawn from the reservoir
- Constant cycling of gas is conducted when no third party storage withdrawals are required

Existing Assets	Investment (C\$MM)	Description
Nisku Oil Reservoirs and EOR Assets	\$26.5	■ 'A', 'D' and 'E' pools with combined ~120 Bcf storage capacity and up to 4.0 MMboe of recoverable oil and NGLs
Storage and EOR - Development Costs	\$38.7	■ Development costs to date associated with engineering and design work, site preparation, compressor construction installation, and installation of pipelines and other equipment
Gas Processing Facility	\$35.3	■ Development costs to date associated with engineering and design work (\$15.1 MM) and equipment such as flare stack separator (\$20.2 MM); significant investment in equipment scaled to enable future expansion
<b>Total</b>	<b>C\$100.5 MM</b>	

Foundation of tangible and intangible assets developed since 2011 for \$100.5MM.

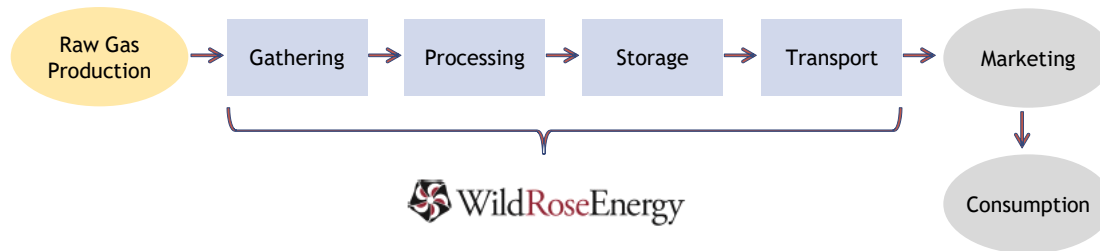


# Integrated Midstream Platform

## Full-Service Midstream Offerings

### A compelling value proposition

- Gathering and compression services
- Processing capabilities
- Options for gas storage
- Egress tie-in to TCPL
- Upside from EOR operations



## Identified Growth Projects

### Primary Growth Projects

- Storage/EOR Expansion: (Under Construction) Increase existing injection / withdrawal capacity up to 100 MMcf/d / 60 MMcf/d
- Processing Facility Phase 1: (Under Construction) 60-120 MMcf/d sweet gas refrigeration processing facility
- TCPL East Line: (Pre-FEED) 17 km sales pipeline with throughput capacity of 300 MMcf/d connecting to the TCPL Alberta System (WAS)
- Northern Gathering Line: (Pre-FEED) 16 km gathering line with throughput capacity of 100 MMcf/d

### Secondary Growth Projects

- Processing Facility Phase 2: (Pre-FEED) Additional 120 MMcf/d sweet gas processing capacity expansion (total of 240MMcf/d)
- Compression System: (Pre-FEED) Compression capabilities increase Northern Gathering Line capacity by 100 MMcf/d to a total of 200 MMcf/d

## Platform that is Well Positioned to Capitalize on Future Organic Growth Opportunities

Highly scalable operations

Situated near high potential development areas and key infrastructure

Flexible operations to address market and business needs

Integrated midstream strategy with significant upside potential.

# Process and Contacts

*FTI Consulting Canada Inc. (“FTI”), in its capacity as Court appointed Receiver and Manager of certain assets of Wild Rose Energy Ltd. (“Wild Rose” or the “Company”), is seeking offers to acquire the assets of Wild Rose. FTI will act as the sole contact for all parties who have expressed an interest in acquiring Wild Rose’s assets. A virtual data room has been established, which provides a description of Wild Rose’s assets, as well as operational information.*

*FTI expressly reserves the right at any time to amend or terminate these sale procedures, to decline an Interest Party the ability to participate in the process, to terminate discussions with any or all Interested Parties, to reject any or all offers, or to negotiate with any party with respect to a possible transaction.*

*Offers to acquire are subject to the terms and conditions outlined in the sale and investment solicitation process (“SISP”) approved by the Court of the Queen’s Bench of Alberta, with non-binding Phase I bids due 12:00pm MST on December 14, 2017 and binding Phase II bids due at 12:00pm MST on January 24, 2018. Any asset sale will be completed on an “as is, where is” basis and subject to approval of the Court. The SISP procedures have been posted to the website of the Receiver and available to all prospective transaction parties.*

## Contacts

*FTI will act as the sole contact for all Interested Parties. The directors, officers and employees of Wild Rose should not be contacted directly. All communications and inquiries from Interested Parties should be directed to one of the FTI representatives listed below:*

### **Deryck Helkaa**

Senior Managing Director  
Deryck.Helkaa@FTIconsulting.com  
403.454.6031

### **Dustin Oliver**

Managing Director  
Dustin.Oliver@FTIconsulting.com  
403.454.6032



# Disclaimer

*This Information Memorandum (the “IM”) is based on information provided by Wild Rose Energy Ltd. (“Wild Rose”) from its own records and from other sources. The IM is being distributed by FTI solely for the use by certain qualified Interested Parties. The sole purpose of the IM is to assist Interested Parties in determining whether or not to proceed with further investigation of the potential acquisition of the Wild Rose assets (the “Transaction”).*

*The information contained herein (the “Information”) has been prepared in good faith to assist Interested Parties in completing their own independent evaluation of the assets, but does not purport to be all inclusive or to contain all of the information that an Interested Party may desire or that may be required by an Interested Party to properly evaluate the assets. In all cases, the Interested Parties should conduct their own independent investigation and analysis of the assets and the data set forth in this IM.*

*FTI has not independently verified any of the Information contained herein. Neither Wild Rose, FTI nor their respective affiliates will assume any liability for the Interested Parties’ use of this IM or any other oral, written or other communication transmitted to the Interested Parties during the course of its evaluation of the assets.*

*FTI and Wild Rose expressly disclaim any and all liability and responsibility for an associated with the quality, accuracy, completeness or materiality of the Information.*

*The Interested Party will conduct its own independent evaluation and analysis of the Information and satisfy itself as to the quality, accuracy, completeness and materiality of the same. The Interested Party will rely solely on its own independent evaluation and analysis of the Information when deciding whether or not to submit a bid, enter into a definitive purchase agreement and consummate a Transaction.*

*The IM may include certain statements, estimates, forecasts and projections provided by Wild Rose and with respect to anticipated future performance of the assets. Such statements, estimates, forecasts and projections reflect various assumptions made by Wild Rose concerning anticipated results, which may or may not provide to be correct. No representations or warranties are made as to accuracy of such statements, estimates, forecasts or projections. The only Information that will have any legal effect will be that specifically represented or warranted in a definitive purchase agreement, when, as and if executed, with respect to a possible Transaction and executed on behalf of FTI and the purchaser.*

***NEITHER THIS IM NOR ITS DELIVERY TO AN INTERESTED PARTY SHALL CONSTITUTE OR BE CONSTRUED TO BE AN OFFER TO SELL ANY SECURITIES OF WILD ROSE. THIS IM SHALL NOT BE DEEMED AN INDICATION OF THE STATE OF AFFAIRS OF WILD ROSE NOT CONSTITUTE ANY INDICATION THAT THERE HAS BEEN NO CHANGE IN THE BUSINESS OR AFFAIRS OF WILD ROSE SINCE THE DATE HEREOF.***

*This IM is prepared solely for the use of certain qualified Interested Parties to provide information only. The information contained herein, while obtained from sources that FTI believes to be reliable, is not a guaranteed as to its accuracy or completeness. The IM is for information purposes only and does not constitute an offer to sell or a solicitation to buy securities of Wild Rose.*