

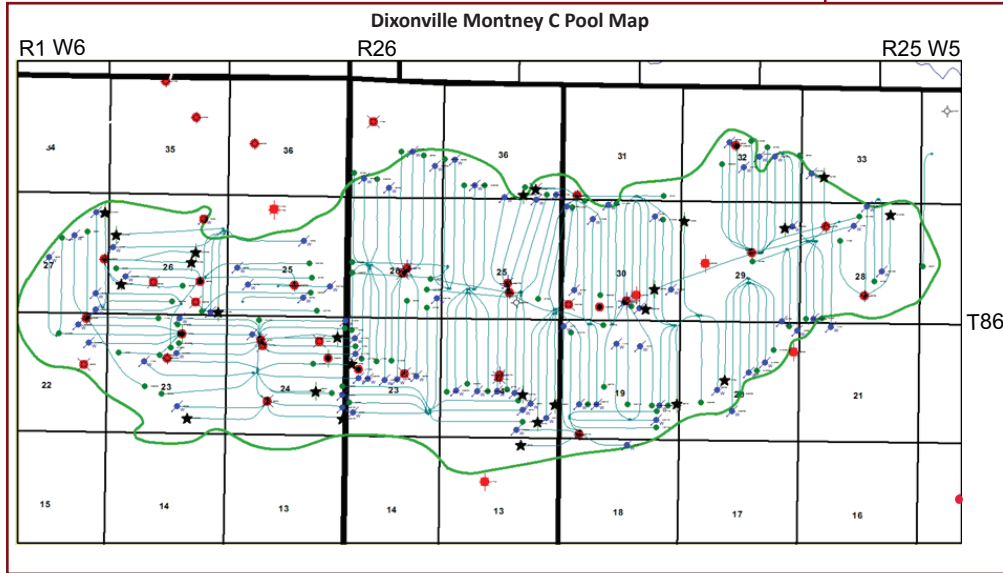
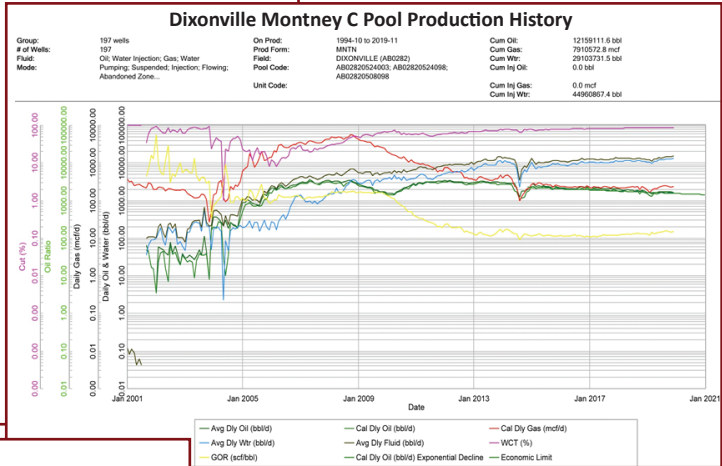
FTI Consulting Canada Inc., in its capacity as Court appointed Receiver (the "Receiver") of Eagle Energy Inc., Eagle Energy Holdings Inc. and Eagle Energy Trust, has retained CB Securities Inc. ("CB Securities") as its advisor for the sale of the oil and gas properties (the "Properties") held by the Companies.

DIXONVILLE HIGHLIGHTS

■ **1,600 Bbls/day (800 Bbls/day net) of 30° API oil**

■ **Large OOIP of 108 MMBbls in 5 sands that make up the Montney C pool**

- Pool is ~16 sections in size
- Developed with 194 horizontal and 2 vertical wells
- 91 currently producing oil
 - 18 Bbls/day average well rate
 - 82 injecting water
- Cumulative recovery factor of 11.2% (12.2 MMBbls)
- Proved Producing ultimate recovery factor of 22% (24.3 MMBbls)
- Proved plus Probable Producing ultimate recovery factor of 27% (29.8 MMBbls)
- Decline in the order of 5% to 7%
 - >20 year producing reserve life indices



■ **2.82 LMR in January 2020**

- \$64.6 million of deemed assets and \$22.9 million of deemed ARO liabilities at 100% WI
- Most of the net ARO liabilities are in the McDaniel's engineering evaluation

■ **Annual Net Operating Income of >\$7.0 million based on forecast prices**

- Netbacks of ~\$9,000/Bbl/day
- \$26.50/Bbl operating expenses and 19% royalties
- Oil prices received average Edmonton Light less \$13.10/Bbl

■ **Significant and Relevant Remaining Upside**

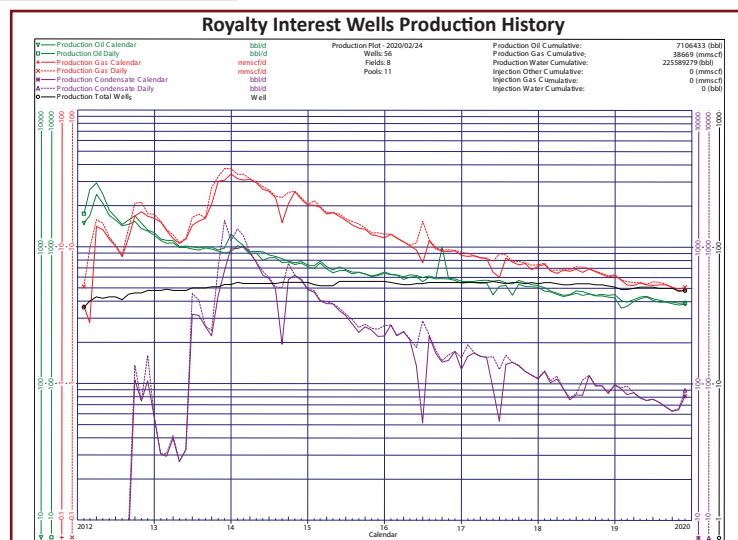
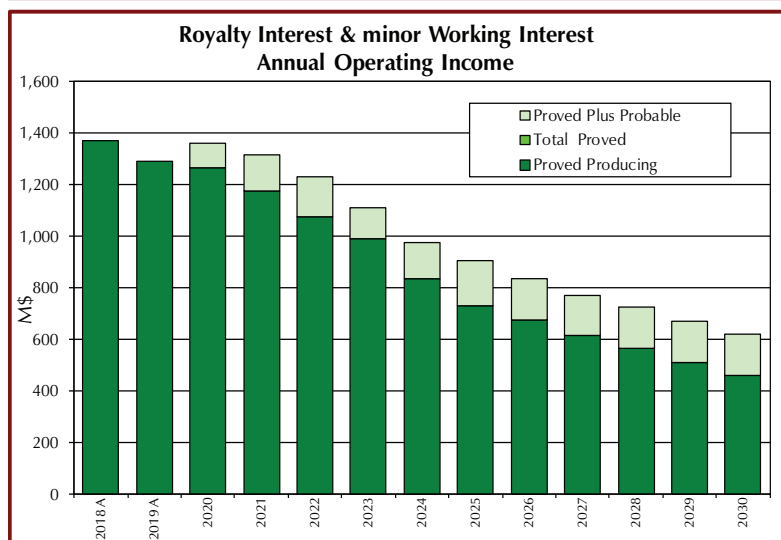
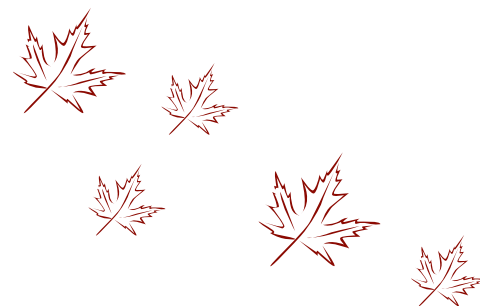
- Potential for re-drills of existing wells and kick-offs from the heel of existing wells
 - 3 of the 6 development phases are not being adequately drained with recovery factors well below the other 3 development phases
 - ~\$800 thousand gross CAPEX to drill a cased horizontal
 - 32 existing underperforming horizontal wells identified with <6% cumulative recovery factors, including 13 suspended horizontal wells
 - 20 potential infill and step out locations
- 18 wells are identified for conversion from progressive cavity to insert rod pumps to increase uptime and reduce annual operating costs by ~\$80,000/well with a ~1.1 year payout
- 8 wells identified for conversion to electric submersible pumps
- Conversion from propane that makes up \$1.2 million of the total \$7.6 million annual net operating costs (~\$3/Bbl cost savings with payouts ranging from 1.3 to 3.2 years)

PHASE 1 BID DATE: by noon on March 27, 2020



ROYALTY INTEREST & MINOR WORKING INTEREST HIGHLIGHTS

- 208 BOE/day of net production
 - 46 Bbls/day of net oil / condensate
 - 764 Mcf/day of net sales gas
 - 36 Bbls/day of net NGLs
- 54 royalty interest wells and 9 non-operated working interest wells
- Shallow declines mostly from horizontal development in 2011 through 2014
- Cardium, Montney, Sawtooth, and Falher are main production zones
- \$1.26 million of annualized Net Operating Income of based on recent Q4 2019 statements



OFFERING INFORMATION

General Timing of Offering

The Offer Submission and Evaluation stage of the Sale Process will be comprised of a two-phase process: **Phase 1** involves the submission of non-binding letters of intent ("LOI") from qualified bidders, due by **noon on March 27, 2020** and **Phase 2** involves the submission of formal binding offers from those parties that submitted an LOI and are invited by CB Securities and the Receiver to participate in Phase 2, due on **April 17, 2020**.

Following selection of the Successful Bid(s), the Receiver will bring an application to the Court for a sale approval(s) and vesting order(s) on May 1, 2020.

The effective date of the Transactions will be May 1, 2020.

Confidential Information

Potential purchasers that have executed the Confidentiality Agreement will be provided with confidential information and confidential updates, accessible with a username and password to the Virtual Data Room.

Bidding Documents

The non-binding LOI should contain the offer price for the property, proposed effective date, any financing conditions, approval requirements, as well as expected timing to remove offer conditions and execute a purchase and sale agreement.

Other

The Properties will be sold on an as is, where is basis subject to approval of the Court of Queen's Bench of Alberta and will be sold free and clear of all encumbrances, to the extent permitted by law and the Court.

The Receiver and CB Securities make no representation or warranty as to the accuracy or completeness of the information provided in connection with this Offering. Each potential purchaser should rely on their own investigation and due diligence to satisfy itself as to all matters relating to this Offering. No representations or warranties will be provided by the Receiver in a purchase and sale agreement.

The Receiver and CB Securities reserve the right to modify the timing, procedures, and terms and conditions of this Offering, or to terminate this Offering at any time. The Receiver also reserves the right to accept or reject any or all offers at its sole discretion for any reason whatsoever.

Prospective purchasers wishing to participate in this Offering are requested to direct their inquiries to



Darryl Derouin at (403) 781-7041 or info@cbsecurities.com

