



LIGHTSTREAM RESOURCES LTD.
CORPORATE OFFERING | JULY 2016



Introduction

Lightstream Resources Ltd. (the "Company") has engaged TD Securities Inc. ("TD") to manage a process to divest all of the Company's assets (the "Offering"). The Company is a predominantly-light oil Canadian exploration and production company with a focused asset portfolio in three core areas: Bakken, Cardium and Swan Hills. Interested parties are encouraged to review the Offering from an asset value perspective, independent of the current capitalization.

INVESTMENT HIGHLIGHTS

- **High-netback, light oil production base**
 - » Strong operating netback of \$17.18/boe⁽¹⁾ driven by low operating costs of \$12.57/boe⁽²⁾ and a light oil-weighted production stream
 - » At current pricing, Lightstream's assets generate strong free cash flow to support future growth
- **Two major core areas account for 93% of current production**
 - » Total production of 25,921 boe/d; 67% Oil and Liquids⁽²⁾
 - » The vast majority of Lightstream's production comes from two Business Units:
 - › The Cardium Business Unit: 14,680 boe/d (51% Oil and Liquids)⁽²⁾
 - › The Saskatchewan Business Unit: 9,355 boe/d (93% Oil and Liquids)⁽²⁾
 - » Low base decline rate of 23%
- **Long-life reserves; significant oil-in-place with low current recovery factors**
 - » 142 mboe of 2P reserves, almost 50% PDP⁽³⁾; 15 year RLI
 - » ~2.3 billion barrels of Discovered Petroleum-Initially-in-Place ("DPIIP")
 - › Cardium Business Unit current recovery factor of 3.3%
 - › Saskatchewan Business Unit current recovery factor of 2.9%
- **Business provides compelling upside from large inventory of economic drilling locations and secondary recovery projects**
 - » 486 booked⁽³⁾, 1,036 unbooked drilling locations
 - » Secondary recovery projects implemented in the Bakken and the Swan Hills core areas with natural gas flood and waterflood ultimate recoveries expected to be 15-25%
- **Strong environmental liability position⁽⁴⁾**
 - » Alberta LMR: 3.22
 - » Saskatchewan LMR: 3.47
 - » BC LMR: 1.03

(1) Based on May 2016 Lease Operating Statement values

(2) Average based on Lease Operating Statements Jan-May 2016

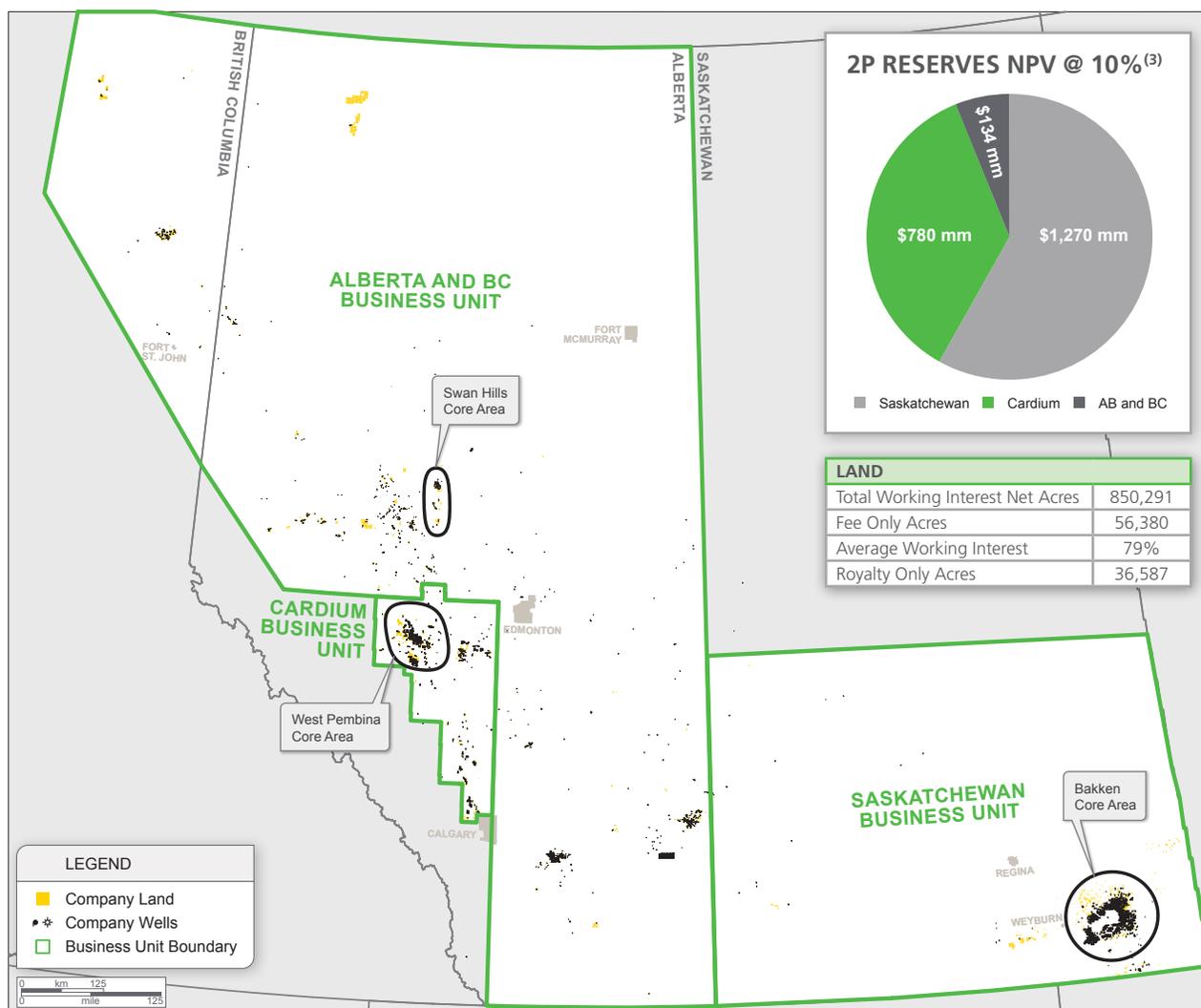
(3) Sproule December 31, 2015 Reserves Report, January 1, 2016 pricing per Sproule

(4) As of June 2016

Business Highlights

Production of 25,921 boe/d⁽¹⁾ concentrated in three oil and liquids-rich core assets results in high netbacks, predictable declines and strong support for over 1,500 booked and unbooked drilling locations.

OFFERING MAP



OFFERING SUMMARY

BUSINESS UNIT	TOTAL PRODUCTION ⁽¹⁾	OIL AND LIQUIDS SPLIT ⁽¹⁾	NET OPERATING INCOME ⁽²⁾	1P VOLUMES ⁽³⁾	2P VOLUMES ⁽³⁾	1P NPV10 ⁽³⁾	2P NPV10 ⁽³⁾
	(boe/d)	(%)	(\$mm)	(mmboe)	(mmboe)	(\$mm)	(\$mm)
Cardium	14,680	51%	28.7	45.7	66.2	582	780
Saskatchewan	9,355	93%	21.8	36.4	63.1	730	1,270
AB and BC	1,886	57%	-0.2	7.5	13.1	73	134
TOTAL	25,921	67%	50.3	89.6	142.4	1,385	2,184

(1) Average based on Lease Operating Statements Jan-May 2016

(2) Company actuals from Lease Operating Statements Jan-May 2016, average WTI price during period was US\$37.48/bbl

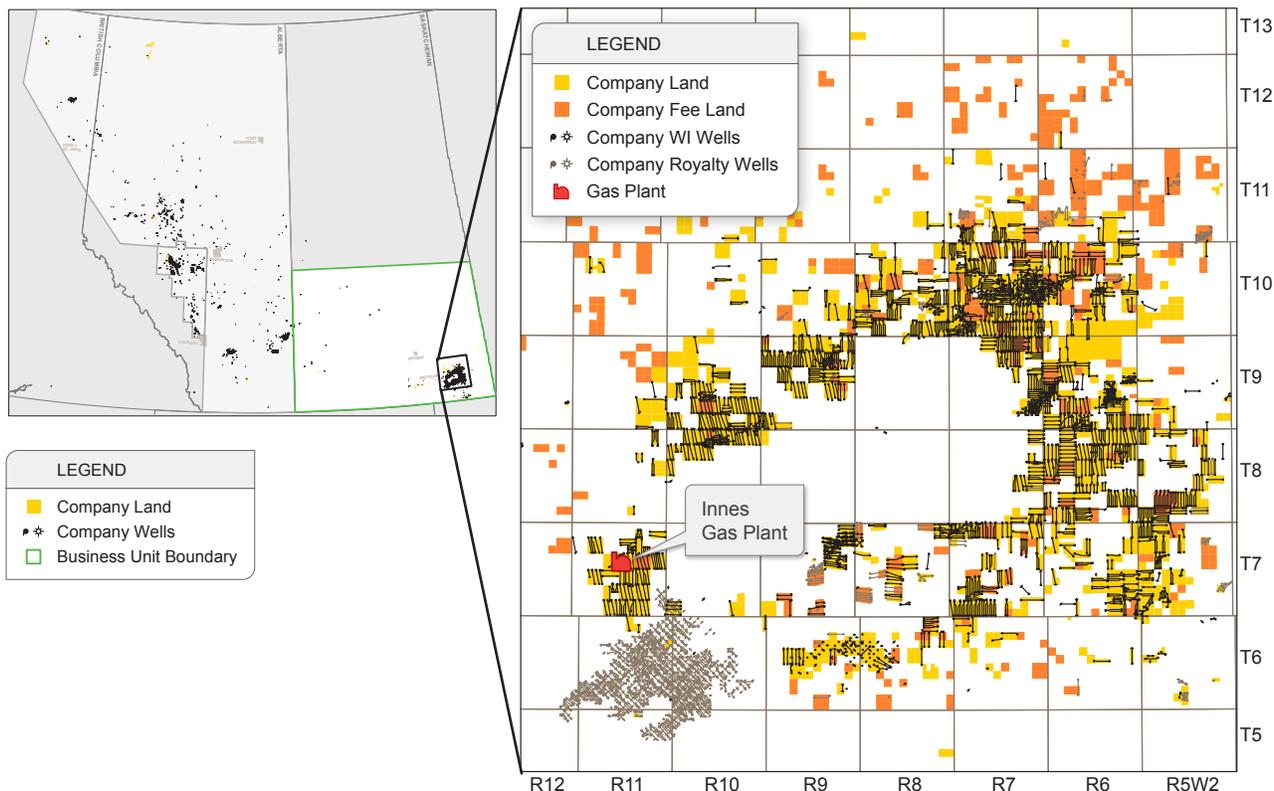
(3) Sproule December 31, 2015 Reserves Report, January 1, 2016 pricing per Sproule

Saskatchewan Business Unit Summary

- The Bakken zone is the core asset within the Saskatchewan Business Unit and is one of Canada's largest unconventional oil reservoirs with significant remaining recoverable volumes
- Significant, high-working interest position in 286,000 net acres of Contiguous Crown, Private Freehold, and Corporate Fee Title land
 - » Corporate Fee Title land of ~56,000 acres
- Lightstream's land position in the Bakken reservoir is estimated to contain an DPIP of 1.4 billion barrels with cumulative recovery of 2.9% (July 2016) across the lands
 - » Significant opportunity for EOR via both natural gas and water injection
- Additional low risk development and exploration upside provided by Mississippian prospects
- High netback of \$23.07/boe⁽¹⁾
 - » 42.1-45.4 °API Bakken light oil production of 7,841 boe/d⁽²⁾
 - » 30.2-33.0 °API Mississippian light oil production of 1,492 boe/d⁽²⁾
 - » 32 boe/d⁽²⁾ of royalty production
- 62.8 mmboe of 2P reserves (December 31, 2015)
- Total inventory of Bakken and Mississippian locations (booked and unbooked) of 805 and 209, respectively

BUSINESS UNIT	SASKATCHEWAN
PRODUCTION⁽³⁾	Jan-May 2016
Average Production	9,355 boe/d
Oil and NGLs	93%
FINANCIALS⁽³⁾	Jan-May 2016
Net Operating Income	\$21.8 mm
Capex	\$2.5 mm
Opex	\$15.95/boe
Free Cash Flow	\$19.3 mm
RESERVES	Sproule 31-Dec-15
2P NPV @10%	\$1,270 mm
2P Reserves Volumes	63,061 mboe
UPSIDE OPPORTUNITIES	
Undeveloped Land	146,097 net acres
Booked Locations	293 net
Unbooked Locations	721 net

BAKKEN CORE AREA MAP



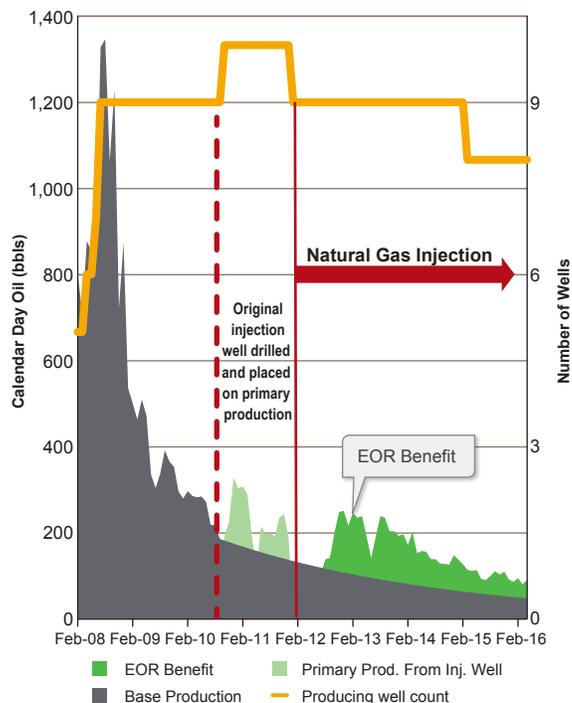
4 (1) Based on May 2016 Lease Operating Statement values
 (2) Average based on Company field estimate production
 (3) Average based on Company Lease Operating Statements Jan-May 2016



Saskatchewan Business Unit Opportunities

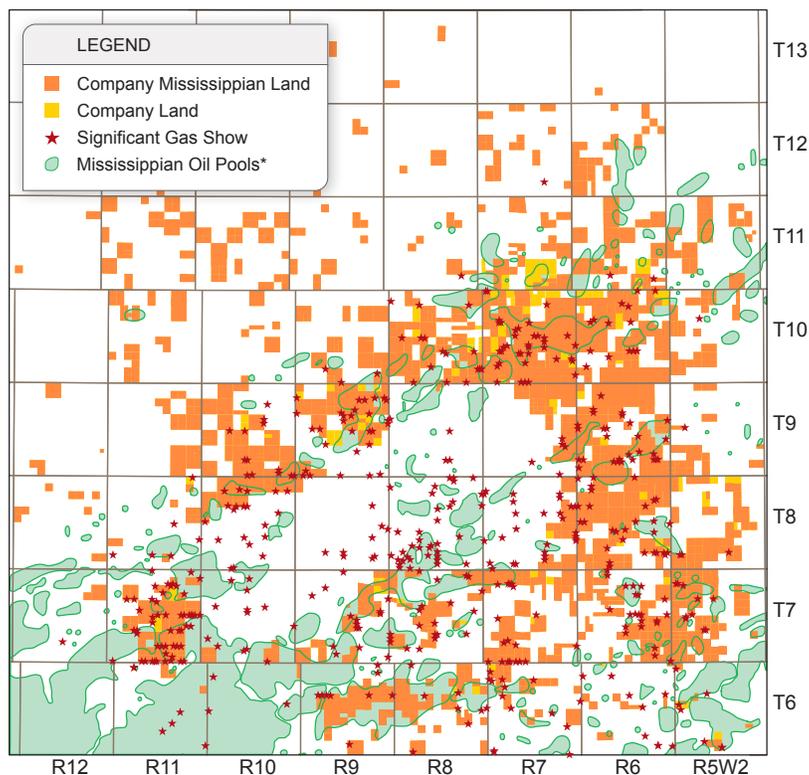
- Lightstream has developed the Bakken into an asset generating significant free cashflow with an extensive existing infrastructure and large inventory of infill, step-out and field extension locations
- Current inventory >800 Bakken drilling locations, Lightstream has also implemented two natural gas injection schemes, one at Creelman and one at Midale
 - » Patterns have demonstrated positive results and enhanced recovery since operations began in 2011
- EOR schemes are expected to increase the recovery factor to 15 – 25%
- Sproule recognizes a total of 622 mboe of remaining reserves for the 16-34 EOR pattern (December 31, 2015)
 - » EUR increased reserves by 32.5% due to secondary recovery (to-date)
- Majority of the Bakken landbase suitable for either natural gas or waterflooding efforts

EOR PERFORMANCE CHART (16-34 PATTERN)



- Mississippian hydrocarbon accumulations exist along the various subcrop edges of the formations and their sub-units, as well in structurally defined erosional highs
- Lightstream has developed a large database of Mississippian gas shows which, when combined with seismic, has significantly de-risked a large inventory of highly economic Mississippian drilling locations
 - » Drilling down to the Bakken provides a free look at the Mississippian horizon
- Current total Mississippian inventory of 209 locations
 - » Only 34 locations booked
- Creelman/Frobisher discovery at 101/09-35-008-10W2/00 key analog to further development

MISSISSIPPIAN SIGNIFICANT GAS SHOWS MAP



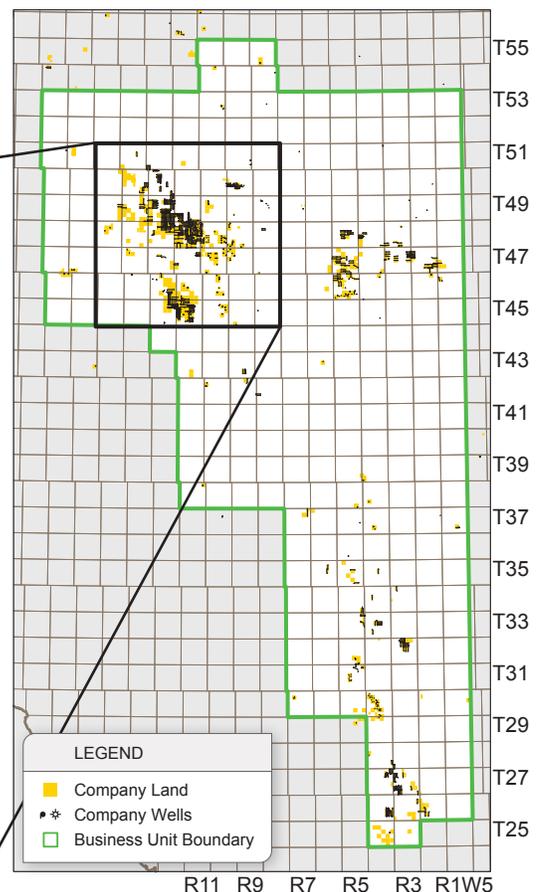
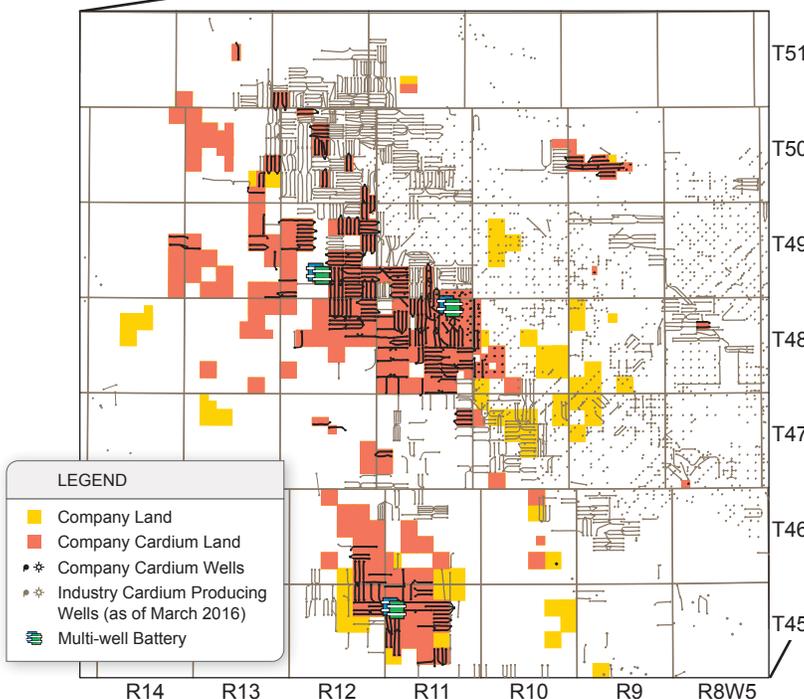
*Sherwin GeoEdges Inc.

Cardium Business Unit Summary

- Predictable base production of 14,879 boe/d⁽¹⁾ declining at 14%
 - » Cardium Formation: 11,517 boe/d⁽¹⁾; 61% Oil and Liquids
 - » Falher/Notikewin Formations: 2,884 boe/d⁽¹⁾; 14% Oil and Liquids
- Attractive land base of ~183,000 net acres of land
 - » Largely concentrated in the West Pembina and Brazeau areas where horizontal drilling and multi-stage fracturing have unlocked additional reserves
 - » 152,468 net acres of Cardium Rights
 - » 31,504 net acres of Mannville Rights
- Minimal expiry concerns in the most prospective areas
- Almost 80% of the 2P reserves are concentrated in West Pembina and Brazeau
- Very attractive LMR of 5.0 due to recent nature of development
- Sufficient inventory available to achieve steady production of ~15,000 boe/d while generating free cash flow
 - » 430 booked, unbooked and contingent net locations targeting the Cardium (395) and Mannville (35) formations
- Recent Company activity has focused on the liquids-rich Mannville gas opportunities at Brazeau

BUSINESS UNIT	CARDIUM
PRODUCTION⁽²⁾	Jan-May 2016
Average Production	14,680 boe/d
Oil and NGLs	51%
FINANCIALS⁽²⁾	Jan-May 2016
Net Operating Income	\$28.7 mm
Capex	\$1.3 mm
Opex	\$9.05/boe
Free Cash Flow	\$27.4 mm
RESERVES	Sproule 31-Dec-15
2P NPV @10%	\$780 mm
2P Reserves Volumes	66,231 mboe
UPSIDE OPPORTUNITIES	
Undeveloped Land	77,053 net acres
Booked Locations	151 net
Unbooked Locations	279 net

WEST PEMBINA CORE AREA MAP

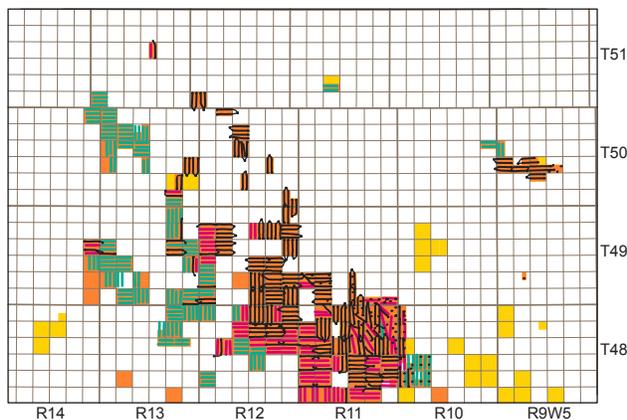


6 (1) Average based on Company field estimate production
 (2) Average based on Company Lease Operating Statements Jan-May 2016

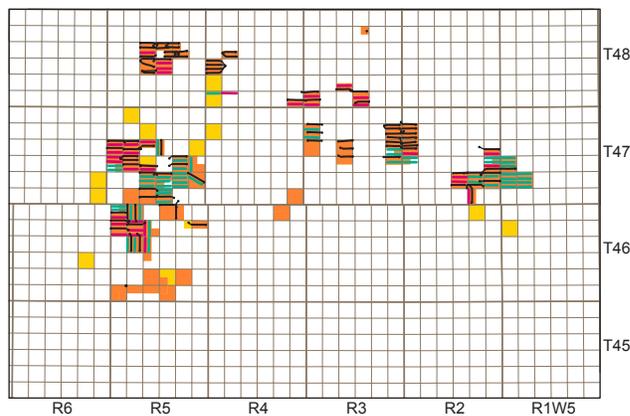


Cardium Formation Opportunities

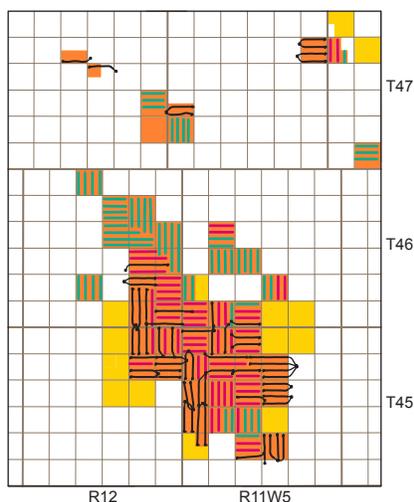
WEST PEMBINA



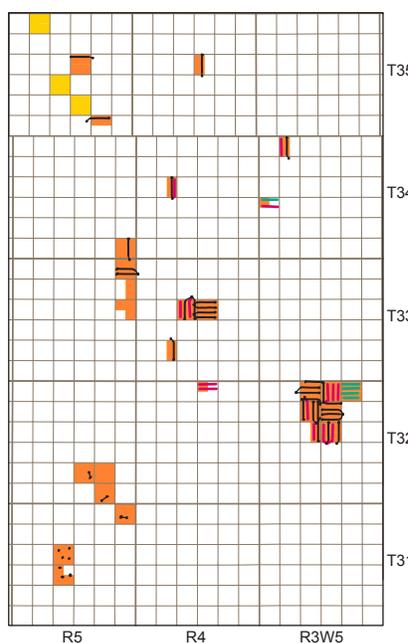
EAST PEMBINA



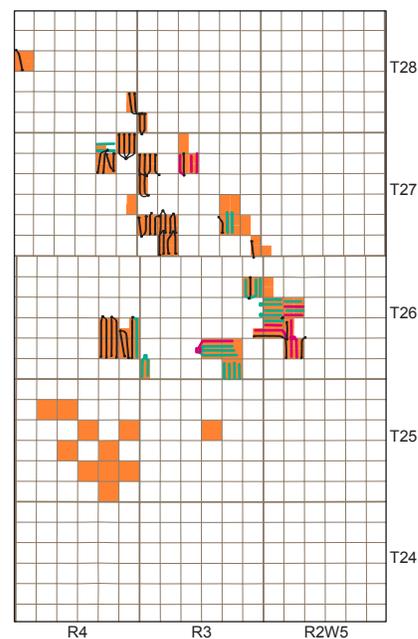
BRAZEAU



GARRINGTON



LOCHEND



LEGEND

- Company Cardium Land
- Company Land
- ✱ Company Cardium Wells
- Booked Locations
- Unbooked Locations

CARDIUM LOCATION INVENTORY

CORE AREA	BOOKED	UNBOOKED	CONTINGENT
West Pembina	66.9	89.3	15.3
East Pembina	25.4	42.2	8.8
Brazeau	42.0	48.3	11.9
Garrington	6.0	1.6	2.0
Lochend	8.9	14.9	9.3
Other	0.9	0.9	0.0
TOTAL	150.1	197.2	47.3

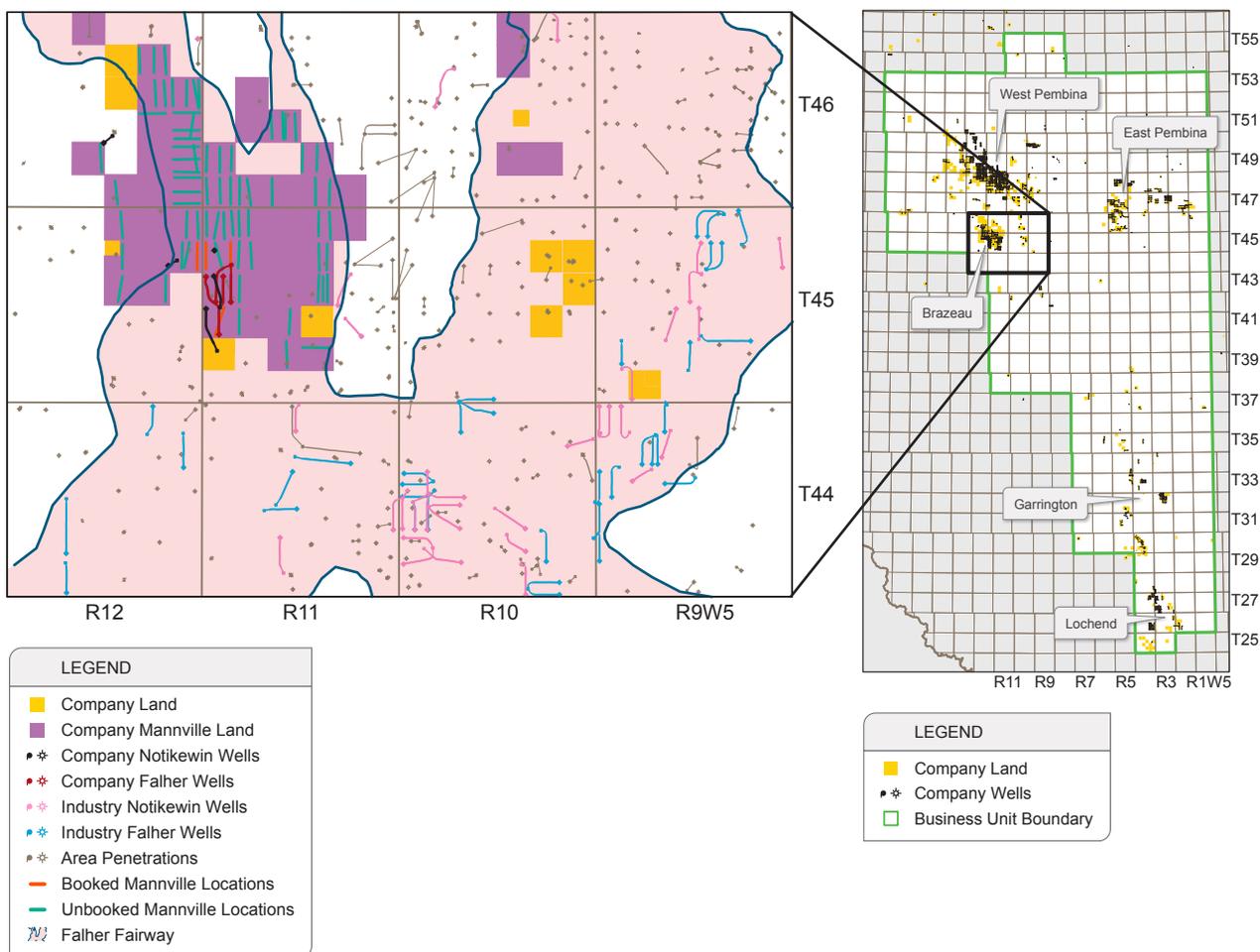
NEED TO KNOW

- Oil-weighted focused area currently being exploited with infills and step-out drilling
 - » 89% of Cardium inventory located in West Pembina, East Pembina and Brazeau
- Waterflood EUR implemented in July 2014
- Company operates key facilities and infrastructure

Other Cardium Business Unit Opportunities

- Existing Cardium infrastructure allows Mannville formations such as the Falher and Notikewin to be optimally developed
- Considerable Mannville (Falher/Notikewin) industry activity in the Brazeau region with 204 producing horizontal wells and current production of ~380 mmcfe/d
- Lightstream has 5.1 net wells on production and to date an inventory of ~35 net Mannville locations

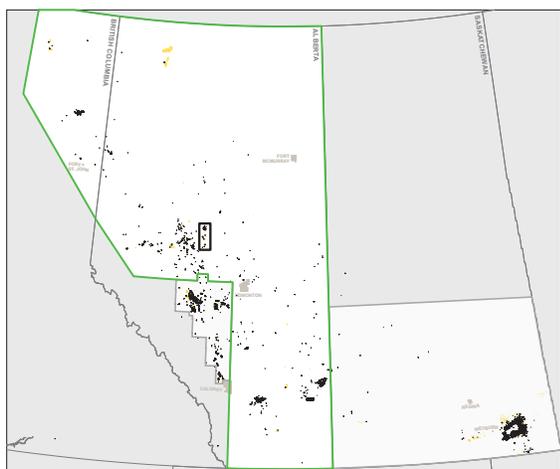
BRAZEAU CORE AREA MAP



Alberta and British Columbia Business Unit Summary

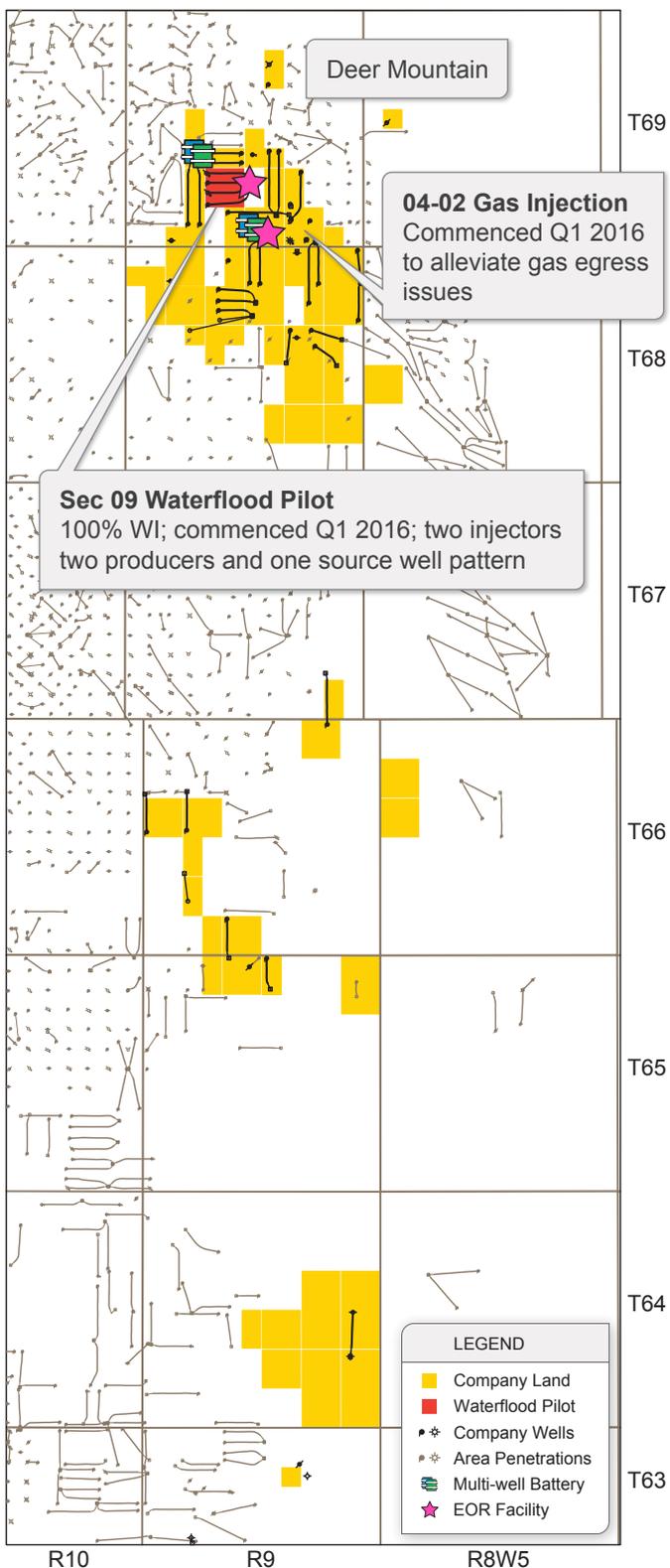
- The Alberta/BC Business Unit is comprised of the Swan Hills core asset and other legacy production from Southern Alberta and West Central Alberta and BC
- The Swan Hills region features high impact development and exploration upside with large DPIIP of ~8 mmbbl/section at Deer Mountain
- The Deer Mountain area also contains significant EOR potential due to proven projects in close proximity, LTS owned infrastructure and a high working interest
- 317 boe/d currently shut-in due to 3rd party gas system constraints
 - » Company is currently re-injecting solution gas to maintain oil production

BUSINESS UNIT	SWAN HILLS	OTHER AB/BC
PRODUCTION⁽¹⁾	Jan-May 2016	
Average Production	887 boe/d	1,000 boe/d
Oil and NGLs	96%	23%
FINANCIALS⁽¹⁾	Jan-May 2016	
Net Operating Income	\$1.9 mm	-\$2.1 mm
Capex	\$1.0 mm	\$1.4 mm
Opex	19.79/boe	\$26.12/boe
Free Cash Flow	\$0.9 mm	-\$3.5 mm
RESERVES	Sproule 31-Dec-15	
2P NPV @10%	\$117 mm	\$17 mm
2P Reserves Volumes	9,999 mboe	3,131 mboe
UPSIDE OPPORTUNITIES		
Undeveloped Land	18,413 net acres	196,258 net acres
Booked Locations	39 net	2 net
Unbooked Locations	33 net	0 net



(1) Average based on Company Lease Operating Statements Jan-May 2016

SWAN HILLS CORE AREA MAP



Process and Contacts

Lightstream Resources Ltd. has engaged TD Securities to manage a process to divest the Company's entire Canadian asset portfolio. The Company is a light oil-focused Canadian exploration and production company with a diverse producing and resource portfolio. Although the offering is separated into three packages (Saskatchewan, Cardium, and Alberta/British Columbia) the Company's strong preference is to complete an en bloc transaction.

It is the intention of the Company and TD to conduct the Offering process such that it minimizes any disruption to the Company's operations. Interested Parties should not contact the Company directly regarding any aspect of the Offering.

A Confidentiality Agreement can be found on the TD Energy Advisors website www.tdenergyadvisors.com. Virtual data room access may be obtained upon executing and submitting a Confidentiality Agreement via email to the attention of Tom Hades (tom.hades@tdsecurities.com). All other inquiries, communications or additional information requests related to the Offering should be directed to one of the following individuals at TD Securities.

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Timing

- Virtual Data Room: July 13, 2016
- Technical Presentations: Commencing week of July 20, 2016
- Bid Date: TBD

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