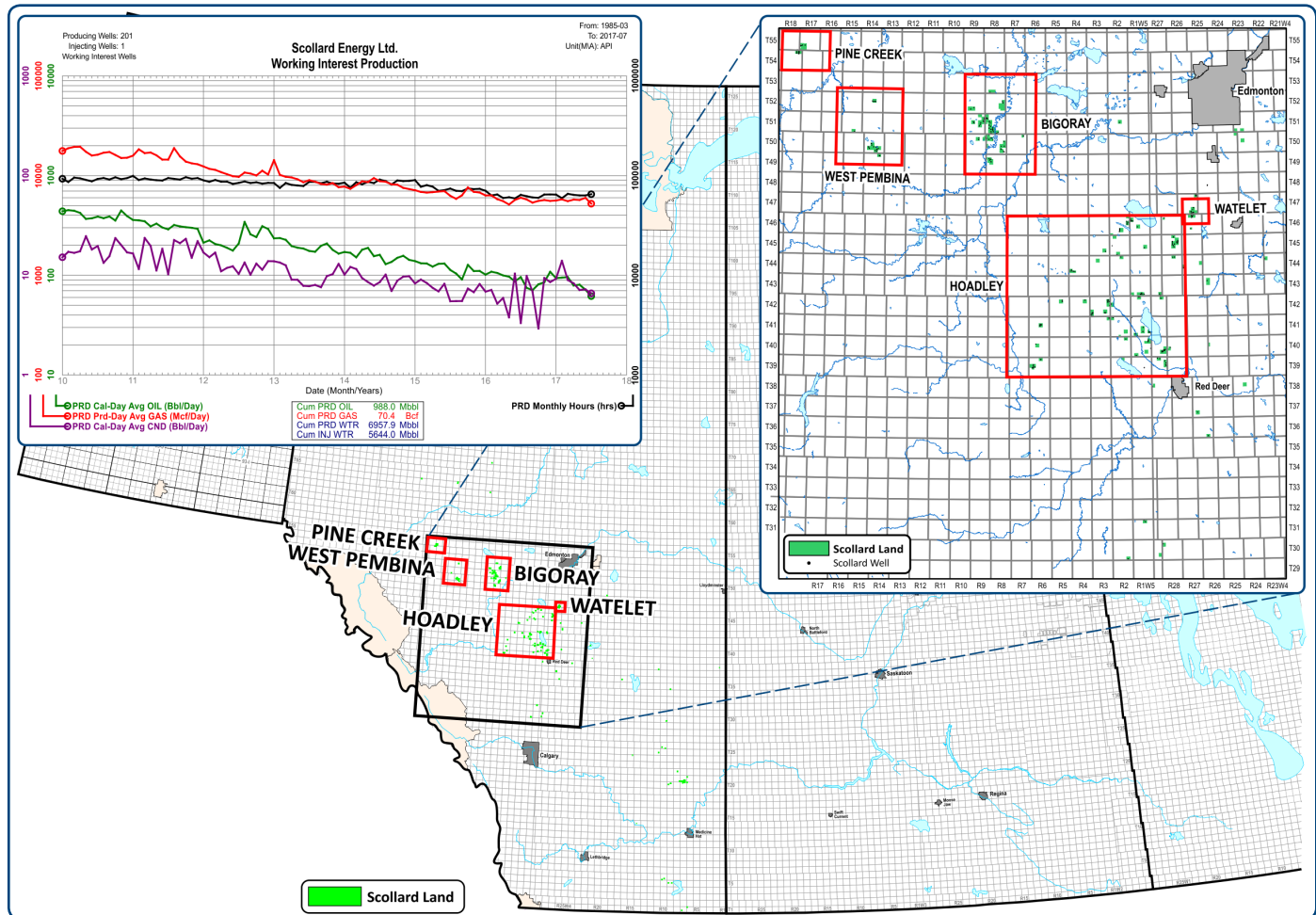


# SCOLLARD ENERGY LTD.

## 2017 RECEIVERSHIP PROCESS

FTI Consulting Canada Inc. (“FTI Consulting” or the “Receiver”), acting in its capacity as Receiver of Scollard Energy Ltd. (“Scollard” or the “Company”), has engaged GMP FirstEnergy as financial advisor in relation to Scollard and the sale of any or all of the assets of the Company (the “Assets”). All transactions shall be subject to approval of the Court of Queen’s Bench of Alberta.



Scollard is a central Alberta, W5 focused, producer with a large economic inventory of Glauconitic, Spirit River, Cardium and Ellerslie drilling opportunities across four core areas. Limited activity over the last 4 years with 2 wells drilled since 2014, has resulted in an established low decline, liquids rich gas and oil production base as well as under utilized existing infrastructure for future growth. Notable recent offsetting activity in core areas has helped to unlock additional upside both in inventory and type curve performance.

Scollard Energy Ltd. - Production & Reserves Summary												
Total Offering	Production			YTD 2017 NOI (M\$)	Reserves Volumes						Reserves Values	
	August 2017				Total Proved			Proved plus Probable			Pre-tax NPV@10%	
	Liquids (bbl/d)	Gas (Mcf/d)	Total (BOE/d)		Liquids (Mbbbl)	Gas (MMcf)	Total (MBOE)	Liquids (Mbbbl)	Gas (MMcf)	Total (MBOE)	TP (M\$)	P+P (M\$)
Scollard Energy Ltd.	287	4,265	998	1,100	2,175	28,513	6,927	3,707	50,315	12,093	42,460	77,029

Reserves as at December 31, 2016 as per Sproule Associates Ltd. & McDaniel & Associates Ltd. using Sproule January 2017 forecast pricing. Production is from August 2017 field estimates. NPV's shown are before tax.

# SCOLLARD ENERGY LTD.

## KEY ATTRIBUTES OF THE COMPANY:

### CORPORATE HIGHLIGHTS

- » August 2017 field estimated production of 998 BOE/d (84 bbl/d of oil, 203 bbl/d of NGLs and 4.3 MMcf/d of natural gas; 72% gas).
- » Total Proved reserves of 6.9 MMBOE (69% gas) and P+P reserves of 12.1 MMBOE (69% gas).
- » 37 (28.3 net) booked locations; additional 98 (73.2 net) unbooked locations at Hoadley and West Pembina.
- » LMR of 1.30 as of September 5, 2017.

### ASSET HIGHLIGHTS

#### Hoadley Overview

- » Scollard holds 26 (16 net) sections of Glauconitic rights at Hoadley, directly offsetting established production and new drilling activity across the Glauconitic barrier bar trend.
- » Well performance has been very consistent year-over-year from 2010 through 2015.
- » 2016 results have seen a significant step change in well performance across the Hoadley trend with a transition to hybrid slickwater fracturing (from foam fracs); 2016 production rates have exceeded previous years with average flat to inclining first year production.
- » 18 (13.6 net) booked Glauconitic locations at Hoadley with a conservative type curve in context of the recent 2016 slickwater results; 50 (29.3 net) unbooked locations.
- » Economics have improved materially with slickwater fracs and subsequent performance.
- » Scollard owns 2 major facilities with the majority of gas processed at Keyera Rimbeay.
- » August 2017 field estimated production of 459 BOE/d (57 bbl/d of oil, 86 bbl/d of NGLs and 1.9 MMcf/d of natural gas; 69% gas).
- » Total Proved reserves of 2.6 MMBOE (70% gas) and P+P reserves of 5.5 MMBOE (70% gas).

#### West Pembina Overview

- » Competitor activity directly adjacent to Scollard's land at West Pembina have focused predominantly on the Spirit River, Ellerslie, Rock Creek, Cardium and Viking.
- » Spirit River development in West Pembina has remained active since 2010, with over 140 Spirit River wells drilled and placed on production. Scollard has developed an internal type curve based on these offsetting wells.
- » With an estimated capital cost of \$2.5 MM, Notikewin wells are highly economic with >100% ROR and one year payout (Sproule January 2017 price forecast).
- » Sproule has booked 6 Proved Undeveloped Notikewin locations; an additional 6 Probable Viking re-completions have been booked at West Pembina (100% W.I.).
- » Notable unbooked upside identified in multiple horizons which trend across the acreage.
- » Scollard owns and operates a gathering system and compressor station at 14-3-50-14W5 connected to several Keyera gas plants (current processing at Keyera Pembina North).
- » August 2017 field estimated production of 200 BOE/d (50 bbl/d of NGLs and 0.9 MMcf/d of natural gas; 73% gas).
- » Total Proved reserves of 3.3 MMBOE (71% gas) and P+P reserves of 4.2 MMBOE (71% gas).

#### Pine Creek Overview

- » At Pine Creek, Scollard is focused on the development of the Cardium, with horizontal production reaching an average IP30 rate of 264 BOE/d (36% liquids) directly offsetting the Company's land position; operated and non-operated (Long Run and Pine Cliff).
- » Results have varied year-over-year, with 2012, 2013 and 2015 results outperforming the average type curve; with improved drilling and completion techniques, Scollard believes it is able to achieve results similar to wells drilled in 2012.
- » Adjacent Cardium pools to the east and west average a lower IP30 rate (<200 BOE/d; 26% raw liquids), but follow a similar decline rate after 6 months of production.
- » Scollard has developed an internal Cardium type curve based on directly offsetting results.
- » McDaniel has booked 6 (2.8 net) Probable Cardium locations (5 Long Run operated).
- » August 2017 field estimated production of 140 BOE/d (10 bbl/d of oil, 18 bbl/d of NGLs and 0.7 MMcf/d of natural gas; 80% gas).
- » Total Proved reserves of 0.4 MMBOE (78% gas) and P+P reserves of 1.4 MMBOE (76% gas).

# SCOLLARD ENERGY LTD.

## KEY ATTRIBUTES OF THE COMPANY (CONT'D):

### Watelet Overview

- » Watelet has seen limited activity in recent years, however legacy Ellerslie producers in the area continue to produce at low decline rates, maintaining very stable oil production rates of 10 bbl/d or greater per well.
- » A vertical Ellerslie well drilled in Q4 2007 (100/10-02-047-26W4/00) has produced over 99 Mbbl of oil to date, exhibiting flat production and is currently producing ~20 bbl/d and has a 6 meter unperforated gas cap.
- » 2 (2 net) booked locations (1 PUD, 1 Probable); have been recognized by McDaniel with a total capital requirement of \$2 MM.
- » In addition to the Ellerslie vertical wells, Scollard also has 4 operated producing Mannville gas wells with an average working interest of 84.7%.
- » August 2017 field estimated production of 80 BOE/d (20 bbl/d of oil, 10 bbl/d of NGLs and 0.3 MMcf/d of natural gas; 65% gas).
- » Total Proved reserves of 0.3 MMBOE (62% gas) and P+P reserves of 0.5 MMBOE (54% gas).

## DESCRIPTION OF THE SALES PROCESS

FTI Consulting, acting as Receiver, has initiated a process to review strategic alternatives with a view to maximizing value. This may include, among other alternatives, the sale of the Company or a portion of the Company's assets, a merger, farm-in or joint venture, or other such options as may be determined by the Receiver.

A detailed marketing presentation and Confidentiality Agreement ("CA") will be made available on GMP FirstEnergy's website or can be obtained by contacting GMP FirstEnergy directly. Parties who execute a CA will have access to the confidential information available in an online data room which will open the week of October 2, 2017. Technical presentations with Scollard's management team will be available upon request starting the week of October 9, 2017. Please direct all correspondence and inquiries to GMP FirstEnergy:

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## DISCLAIMER

This document has been prepared by GMP FirstEnergy from information provided by Scollard and other sources and is being distributed for the sole purpose of providing recipients with an overview of the Company and its assets in connection with a possible transaction (the "Transaction").

In preparing this document, GMP FirstEnergy relied without any independent verification on information provided or that is publicly available. The information and any analyses in this document are preliminary and the prospective counterparty will conduct its own independent evaluation and analysis of the information and satisfy itself as to the quality, accuracy, completeness and materiality of this information. Prospective counterparties will rely solely on their own due diligence and investigation in respect of any decision of whether or not to submit a proposal, enter into a definitive agreement and complete a Transaction.

This document may include certain statements, estimates, forecasts and projections provided by the Company and with respect to the anticipated future performance of the assets. Such statements, estimates, forecasts and projections reflect various assumptions made by the Company and/or GMP FirstEnergy concerning anticipated results, which may or may not prove to be correct. No representations or warranties are made as to the accuracy of such statements, estimates, forecasts or projections.

Unless otherwise noted:

All dollar values contained herein are in C\$ (M is thousands, MM is millions).

All oil and gas equivalent volumes are converted at 6 Mcf/bbl.