



COASTAL RESOURCES LIMITED
PROPERTY DIVESTITURE



OVERVIEW

INFORMATION

Bid Deadline: 12:00 pm March 16, 2023

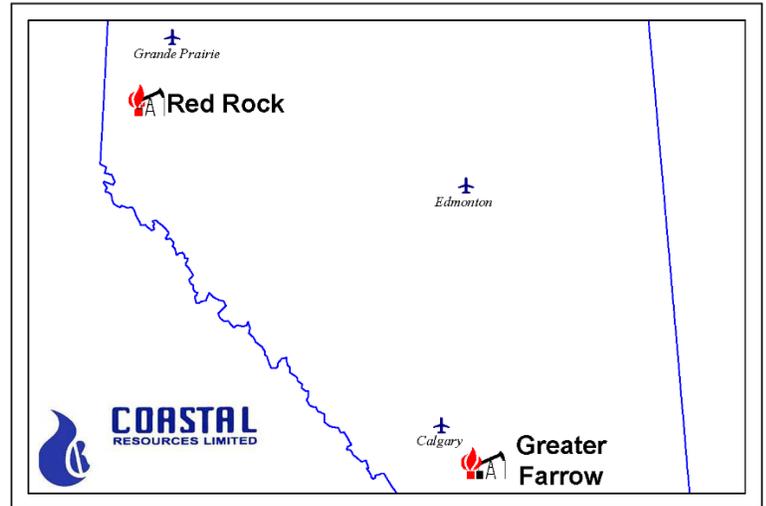
**Property Divestiture:
Farrow & Red Rock, Alberta
525 Mcf/d, 75 bbl/d (163 boe/d)**



Coastal Resources Limited (“Coastal” or the “Company”) has engaged **Sayer Energy Advisors** to assist it with the sale of its non-operated working interests located in the *Greater Farrow* and *Red Rock* areas of Alberta (the “Properties”).

Preference will be given to offers to acquire all of the Properties in one transaction; however, offers may be considered for individual properties.

In the *Greater Farrow* area, Coastal has various non-operated working interests in the *Arrowwood*, *Brant*, *Farrow*, *Lomond* and *Milo* areas. The *Greater Farrow* area is productive from the Glauconitic Sandstone Formation.



At *Red Rock*, Coastal holds non-operated working interests including a 5.52470830% working interest in the *Red Rock Chinook Unit No. 1* operated by **TAQA North Ltd.** Production at *Red Rock* is from the Chinook Formation.

Average daily sales production net to Coastal from the Properties for the month of October 2022 was approximately 525 Mcf/d of natural gas and 75 barrels of light oil and natural gas liquids per day (163 boe/d).

Operating income net to Coastal from the Properties for the month of October 2022 was approximately \$192,000 per month, or \$2.3 million on an annualized basis.

PROCESS & TIMELINE

Sayer Energy Advisors is accepting offers to acquire the Properties until **12:00 pm on Thursday March 16, 2023.**

Timeline	
Week of February 6, 2023	Preliminary Information Distributed
Week of February 13, 2023	Data Room Opens
March 16, 2023	Bid Deadline
March 1, 2023	Effective Date
April 2023	Closing Date

Sayer Energy Advisors does not conduct a “second-round” bidding process; the intention is to attempt to conclude a transaction(s) with the party(ies) submitting the most acceptable proposal(s) at the conclusion of the process.

Sayer Energy Advisors is accepting offers from interested parties until noon on Thursday March 16, 2023.



Production & Financial Overview

Average daily sales production net to Coastal from the Properties for the month of October 2022 was approximately 525 Mcf/d of natural gas and 75 barrels of oil and natural gas liquids per day (163 boe/d).

Operating income net to Coastal from the Properties for the month of October 2022 was approximately \$192,000 per month, or \$2.3 million on an annualized basis.

PROPERTY	OCTOBER 2022 NET PRODUCTION				NOI Oct. 2022 Monthly
	(Average Daily)				
	Oil bbl/d	Ngl bbl/d	Nat. Gas Mcf/d	Total boe/d	
Greater Farrow Area	53	14	442	141	\$172,400
Red Rock	8	0	83	22	\$19,300
TOTAL	61	14	525	163	\$191,700

Reserves Overview

S&P Global (“S&P”) prepared an independent reserves evaluation of the Properties specifically for this divestiture (the “S&P Report”). The S&P Report is effective January 1, 2023 using Sproule Associates Limited’s October 31, 2022 forecast pricing.

S&P estimated that, as of January 1, 2023, the Properties contained remaining proved plus probable reserves of 197,000 barrels of oil and natural gas liquids and 866 MMcf of natural gas (341,000 boe), with an estimated net present value of \$7.0 million using forecast pricing at a 10% discount.

	S&P Global as at January 1, 2023						
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	5%	10% (000s)	15%
Proved Developed Producing	45	353	9	112	\$2,434	\$2,361	\$2,223
Proved Non-Producing/Undeveloped	94	314	10	156	\$3,629	\$3,057	\$2,687
Total Proved	138	667	19	268	\$6,062	\$5,419	\$4,910
Probable	34	199	6	73	\$1,951	\$1,610	\$1,367
Total Proved Plus Probable	172	866	25	341	\$8,014	\$7,028	\$6,277

The reserve estimates and forecasts of production and revenues for the Properties were prepared specifically for this divestiture. Extraction and use of any individual property evaluation outside of this context may not be appropriate without supplementary due diligence. Values in the “Total” row may not correspond to the total of the values presented due to rounding.

LMR Summary

Coastal does not operate any wells or facilities associated with the Properties. Asset retirement obligation (“ARO”) numbers have been incorporated into the S&P Report. Further details on the Company’s ARO will be made available in the virtual data room for parties that execute a confidentiality agreement.





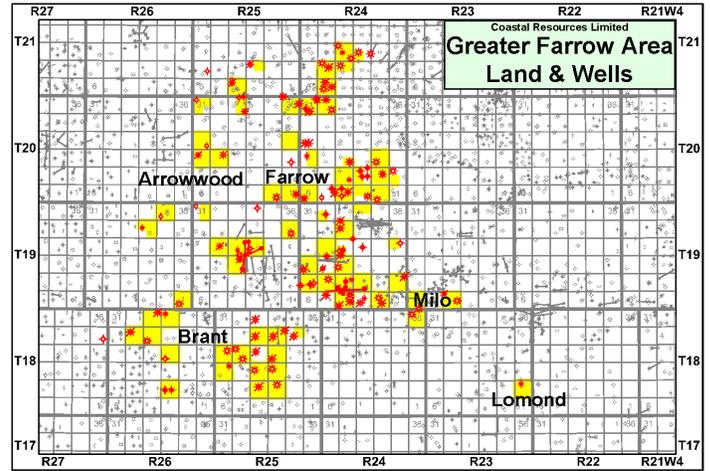
Greater Farrow Area

Township 18-21, Range 23-27 W4

In the *Greater Farrow* area, Coastal has various non-operated working interests in the *Arrowwood, Brant, Farrow, Lomond* and *Milo* areas. The *Greater Farrow* area is productive from the *Elkton, Glauconite, Sunburst, Belly River* and *Medicine Hat* formations.

At *Farrow*, the TAQA operated horizontal Glauconitic Sandstone well at 102/02-10-019-24W4/03 was drilled in early 2022, and was brought on production in June 2022.

Average daily sales production net to Coastal from the *Greater Farrow* area for the month of October 2022 was approximately 442 Mcf/d of natural gas and 67 barrels of oil and natural gas liquids per day (141 boe/d).



Operating income net to Coastal from the *Greater Farrow* area for the month of October 2022 was approximately \$172,400 per month, or \$2.1 million on an annualized basis.

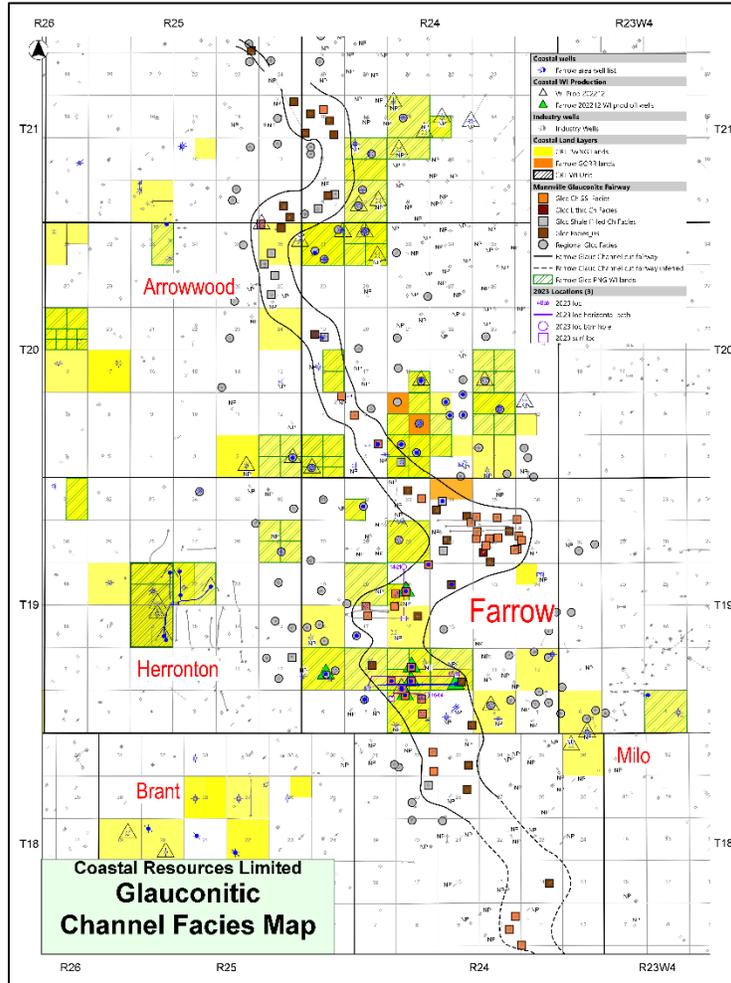
PROPERTY	OCTOBER 2022 NET PRODUCTION (Average Daily)				NOI Oct. 2022 Monthly
	Oil	Ngl	Nat. Gas	Total	
	bbl/d	bbl/d	Mcf/d	boe/d	
Farrow	52	14	416	136	\$172,700
Brant	-	-	17	3	(\$1,100)
Arrowwood	1	-	7	2	\$1,500
Milo	-	-	2	-	(\$700)
Lomond	-	-	-	-	-
GREATER FARROW AREA TOTAL	53	14	442	141	\$172,400

Greater Farrow Area, Alberta – Gross Production Group Plot of Coastal’s Oil & Natural Gas Wells





The Company has mapped the Glauconitic Channel trends on its lands in the *Greater Farrow* area, as shown on the following map.



Greater Farrow Reserves

S&P Global (“S&P”) prepared an independent reserves evaluation of the Properties specifically for this divestiture (the “S&P Report”). The S&P Report is effective January 1, 2023 using Sproule Associates Limited’s October 31, 2022 forecast pricing.

S&P estimated that, as of January 1, 2023, the *Greater Farrow* area contained remaining proved plus probable reserves of 167,000 barrels of oil and natural gas liquids and 628 MMcf of natural gas (271,000 boe), with an estimated net present value of \$5.9 million using forecast pricing at a 10% discount.

	S&P Global as at January 1, 2023						
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	5%	10% (000s)	15%
Proved Developed Producing	31	231	8	78	\$1,954	\$1,872	\$1,802
Proved Non-Producing/Undeveloped	84	250	10	135	\$3,115	\$2,661	\$2,308
Total Proved	115	481	18	213	\$5,068	\$4,534	\$4,110
Probable	28	147	6	58	\$1,629	\$1,366	\$1,177
Total Proved Plus Probable	143	628	24	271	\$6,698	\$5,900	\$5,287

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Farrow Property

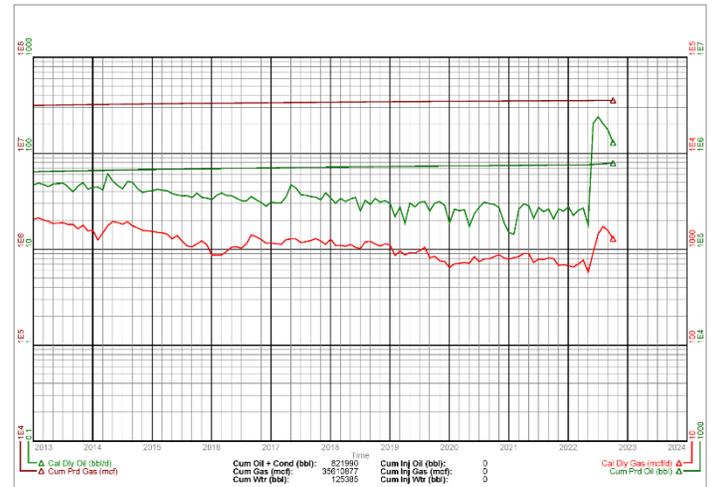
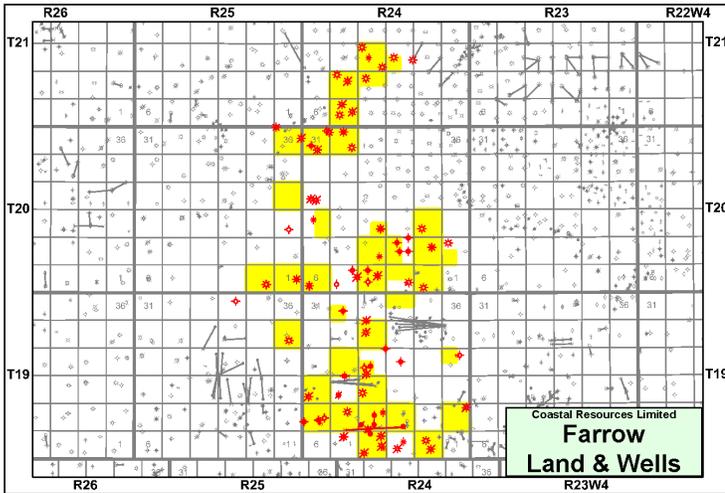
Township 19-21, Range 24-25 W4

At *Farrow*, Coastal holds various non-operated working interests in 31 sections of land. Coastal's production at *Farrow* is operated primarily by TAQA.

Average daily sales production net to Coastal from *Farrow* for the month of October 2022 was approximately 416 Mcf/d of natural gas and 66 barrels of oil and natural gas liquids per day (136 boe/d).

Operating income net to Coastal from *Farrow* for the month of October 2022 was approximately \$173,000 per month, or \$2.1 million on an annualized basis.

Farrow, Alberta – Gross Production Group Plot of Coastal's Oil & Natural Gas Wells



At *Farrow*, the TAQA operated horizontal Glauconitic Sandstone well at 102/02-10-019-24W4/03 was drilled in early 2022, and was brought on production in June 2022.

The decrease in production from September to October 2022 at *Farrow* is due to a combination of some downtime from the horizontal well at 102/02-10-019-24W4/03 along with initial base declines.

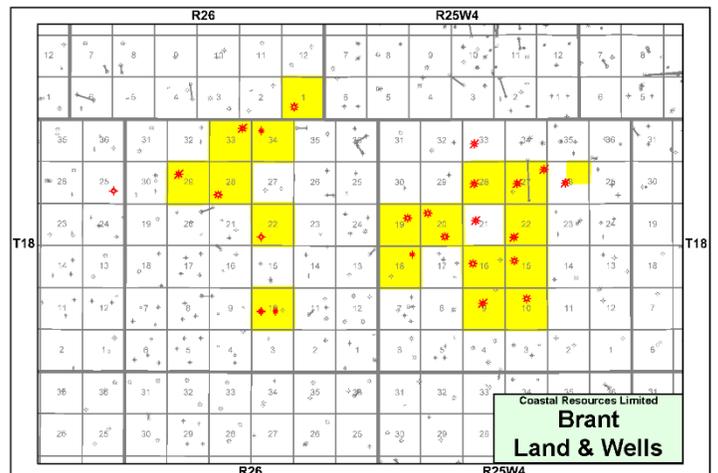
Brant Property

Township 18-19, Range 25-26 W4

At *Brant*, Coastal holds various non-operated working interests in 17.25 sections of land. Coastal's production at *Brant* is operated primarily by TAQA.

Average daily sales production net to Coastal from *Brant* for the month of October 2022 was approximately 17 Mcf/d of natural gas (three boe/d).

Operating income net to Coastal from *Brant* for the month of October 2022 was approximately (\$1,100) per month, or (\$13,000) on an annualized basis.





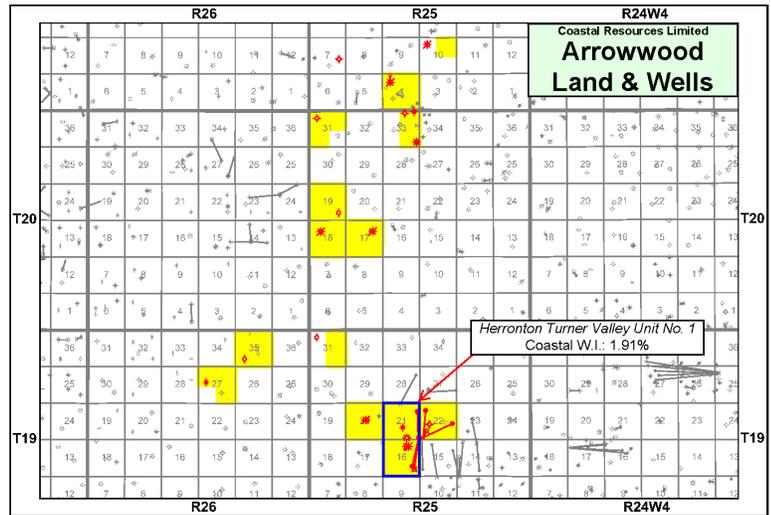
Arrowwood Property

Coastal holds various non-operated working interests in 11.75 sections of land at *Arrowwood* including a 1.91% working interest in the *Herronton Turner Valley Unit No. 1* operated by **Journey Energy Inc.**, which is comprised of two producing natural gas wells.

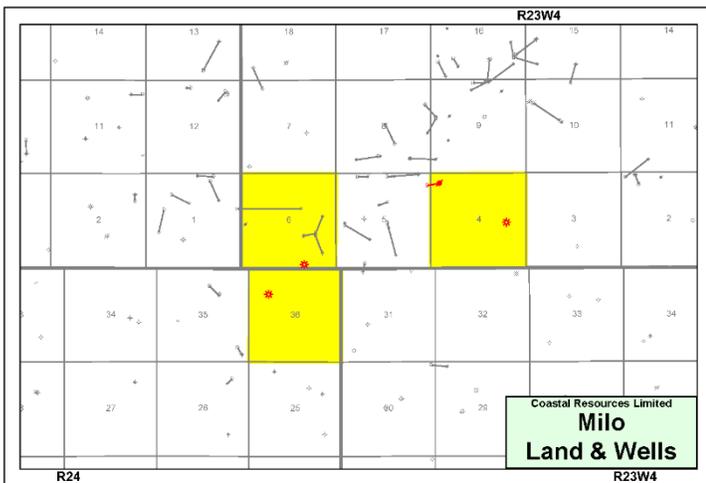
Average daily sales production net to Coastal from *Arrowwood* for the month of October 2022 was approximately seven Mcf/d of natural gas and one barrel of oil per day (two boe/d).

Operating income net to Coastal from *Arrowwood* for the month of October 2022 was approximately \$1,500 per month, or \$18,000 on an annualized basis.

Township 19-21, Range 25-26 W4



Milo Property



Township 18-19, Range 23-24 W4

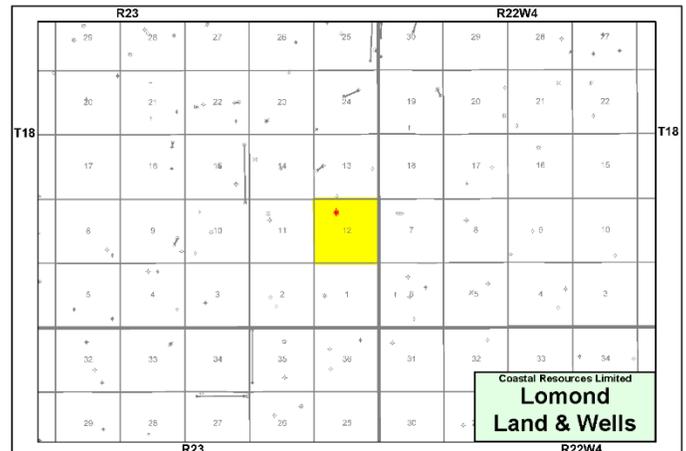
At *Milo*, Coastal holds a 40% working interest in three sections of land on which there are four wells operated by **Canadian Natural Resources Limited** and **TAQA**.

Average daily sales production net to Coastal from *Milo* for the month of October 2022 was approximately two Mcf/d of natural gas.

Operating income net to Coastal from *Milo* for the month of October 2022 was approximately (\$700) per month, or (\$8,400) on an annualized basis.

Lomond Property Township 18, Range 23 W4

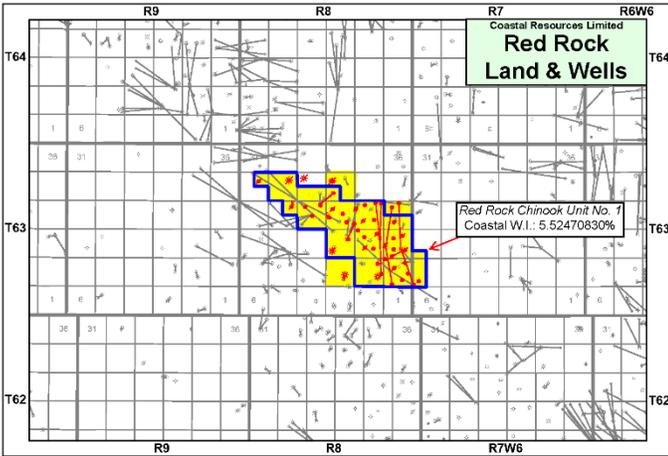
At *Lomond*, Coastal holds a 10% working interest in one section of land on which there is one suspended well operated by **TAQA**.





Red Rock Property

Township 63, Range 7-8 W6



At Red Rock, Coastal holds non-operated working interests including a 5.52470830% working interest in the Red Rock Chinook Unit No. 1 operated by TAQA. Production at Red Rock is from the Chinook Formation.

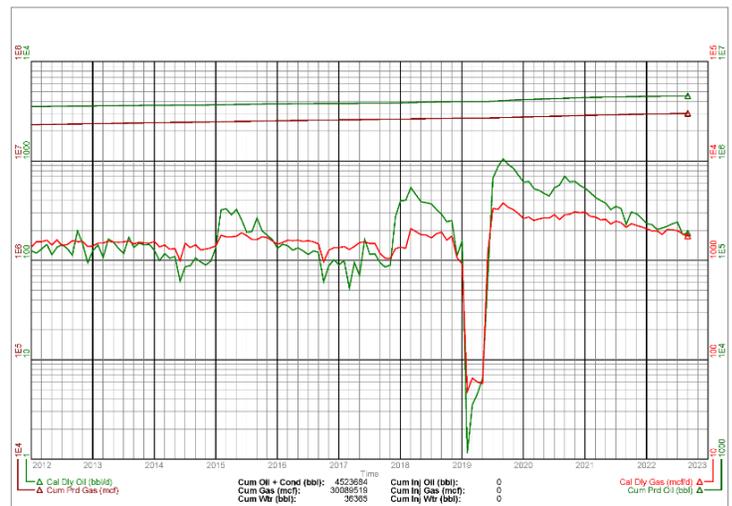
Average daily sales production net to Coastal from Red Rock for the month of October 2022 was approximately 83 Mcf/d of natural gas and eight barrels of oil and natural gas liquids per day (22 boe/d).

Operating income net to Coastal from Red Rock for the month of October 2022 was approximately \$19,300 per month, or \$232,000 on an annualized basis.

At Red Rock, the Company has been assigned in the S&P Report a proven undeveloped horizontal drilling location at 103/15-24-063-08W6/00.

The Company has also identified two unbooked horizontal drilling locations at 100/11-27-063-08W6/00 and 102/12-27-063-08W6/00 which require pooling.

Red Rock, Alberta – Gross Production Group Plot



Red Rock Reserves

S&P Global (“S&P”) prepared an independent reserves evaluation of the Properties specifically for this divestiture (the “S&P Report”). The S&P Report is effective January 1, 2023 using Sproule Associates Limited’s October 31, 2022 forecast pricing.

S&P estimated that, as of January 1, 2023, the Red Rock property contained remaining proved plus probable reserves of 238 MMcf of natural gas and 30,000 barrels of oil and natural gas liquids (70,000 boe), with an estimated net present value of \$1.1 million using forecast pricing at a 10% discount.

	S&P Global as at January 1, 2023						
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	5%	10% (000s)	15%
Proved Developed Producing	14	122	0	34	\$480	\$489	\$421
Proved Non-Producing/Undeveloped	10	64	0	21	\$514	\$396	\$379
Total Proved	23	186	1	55	\$994	\$885	\$800
Probable	6	52	0	15	\$322	\$243	\$191
Total Proved Plus Probable	29	238	1	70	\$1,316	\$1,128	\$990

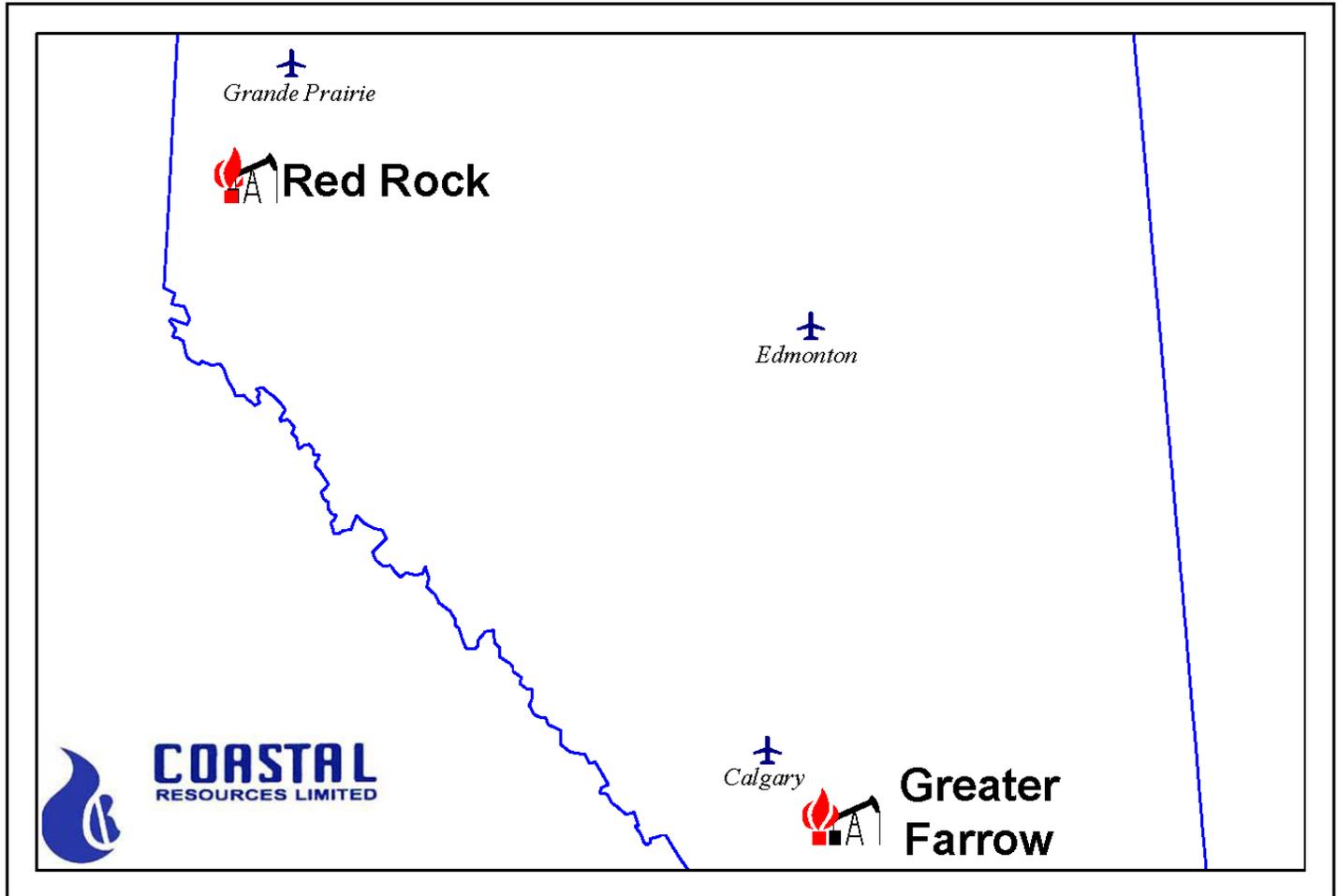
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Coastal Resources Limited

Winter 2023

Property Divestiture



CONTACT

Parties wishing to receive access to the confidential information with detailed information relating to this opportunity should execute the confidentiality agreement which is available on Sayer Energy Advisors' website (www.sayeradvisors.com) and return one copy to Sayer Energy Advisors by courier, email (brye@sayeradvisors.com) or fax (403.266.4467).

Included in the confidential information is the following: detailed land information, ARO information, the S&P Report, most recent net operations summary and other relevant technical information.

To receive further information on the Properties or to schedule a visit to the Data Room, which is situated at Sayer's office, please contact Ben Rye, Tom Pavic or Grazina Palmer at 403.266.6133.

Overview

Coastal Resources Limited (“Coastal” or the “Company”) has engaged **Sayer Energy Advisors** to assist it with the sale of its non-operated working interests located in the *Greater Farrow* and *Red Rock* areas of Alberta (the “Properties”).

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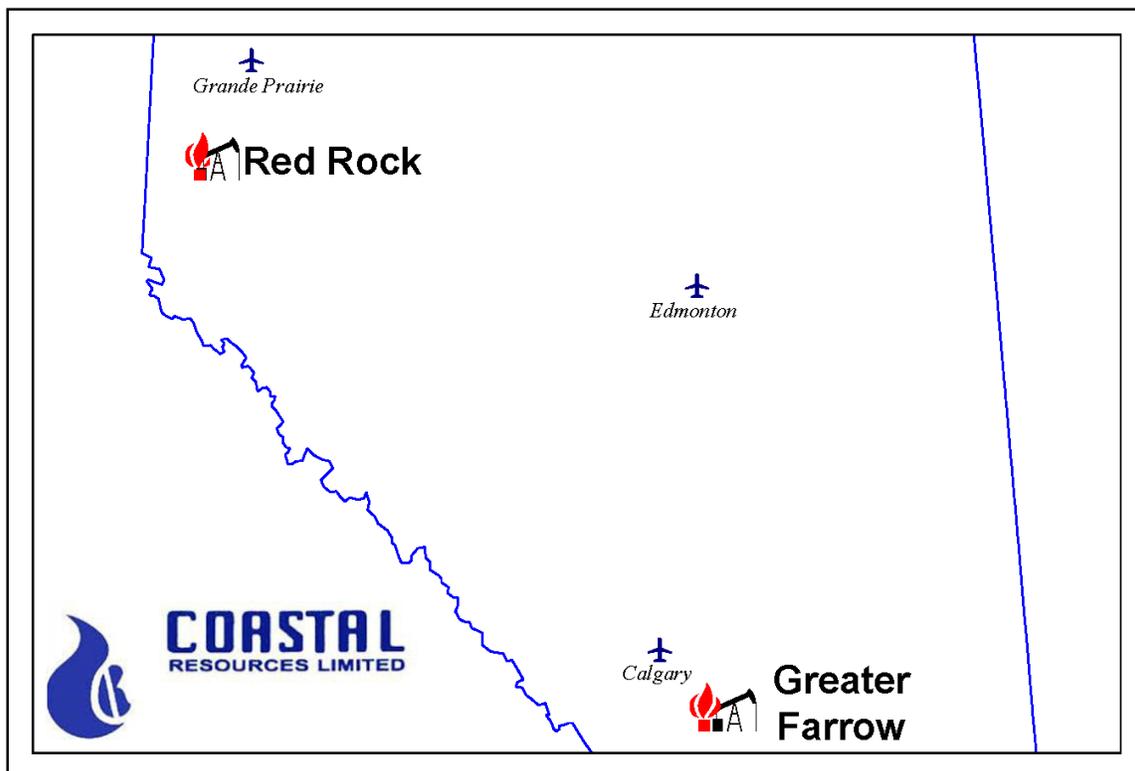
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At *Red Rock*, Coastal holds non-operated working interests including a 5.52470830% working interest in the *Red Rock Chinook Unit No. 1* operated by **TAQA North Ltd.** Production at *Red Rock* is from the Chinook Formation.

Average daily sales production net to Coastal from the Properties for the month of October 2022 was approximately 525 Mcf/d of natural gas and 75 barrels of light oil and natural gas liquids per day (163 boe/d).

Operating income net to Coastal from the Properties for the month of October 2022 was approximately \$192,000 per month, or \$2.3 million on an annualized basis.

Overview Map Showing the Location of the Divestiture Properties



Production Overview

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Red Rock	8	0	83	22	\$19,300
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Reserves Overview

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Total Proved	138	667	19	268	\$6,062	\$5,419	\$4,910
Probable	34	199	6	73	\$1,951	\$1,610	\$1,367
Total Proved Plus Probable	172	866	25	341	\$8,014	\$7,028	\$6,277

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LMR Summary

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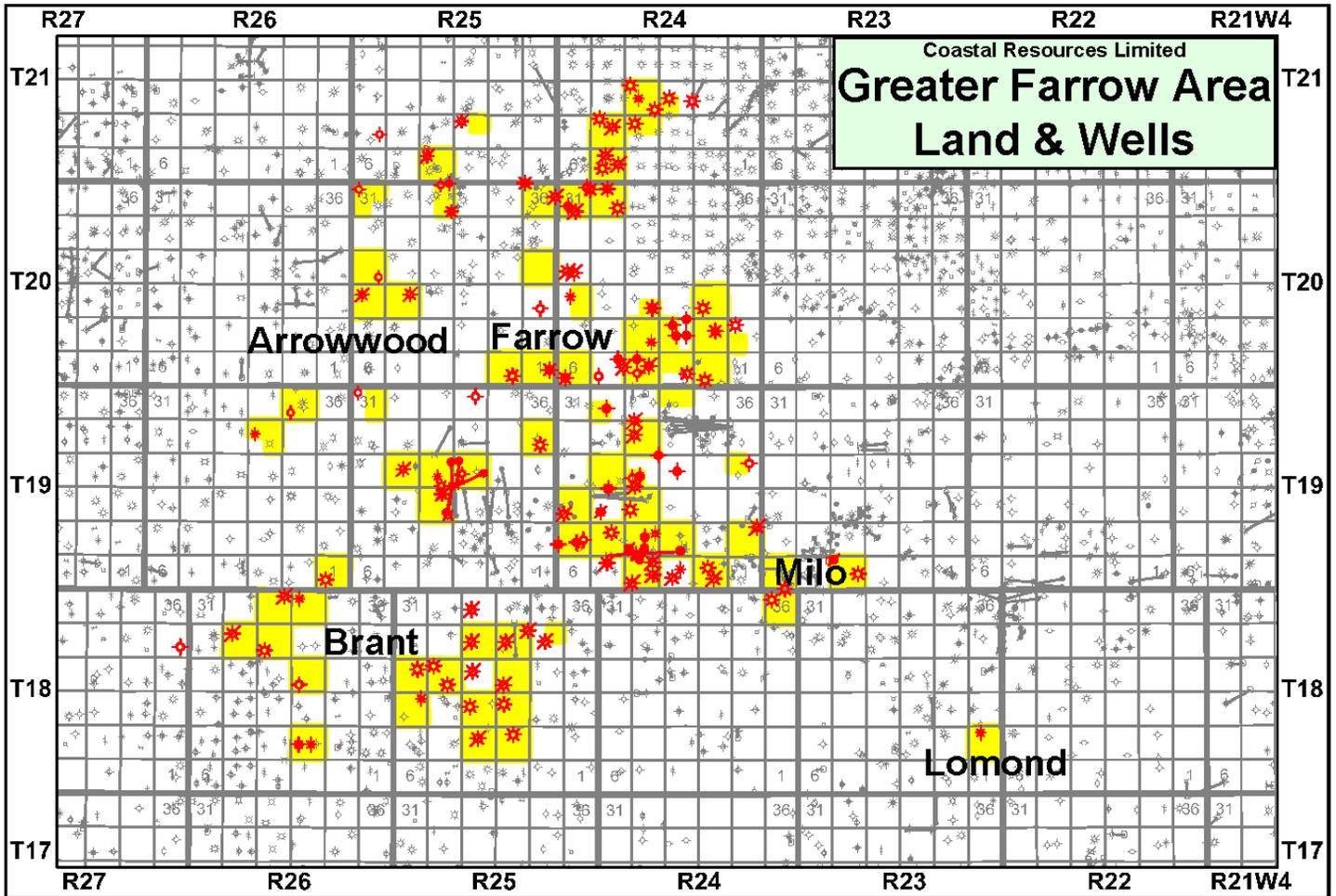


Greater Farrow Area

Township 18-21, Range 23-27 W4

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At *Farrow*, the TAQA operated horizontal Glauconitic Sandstone well at 102/02-10-019-24W4/03 was drilled in early 2022, and was brought on production in June 2022.

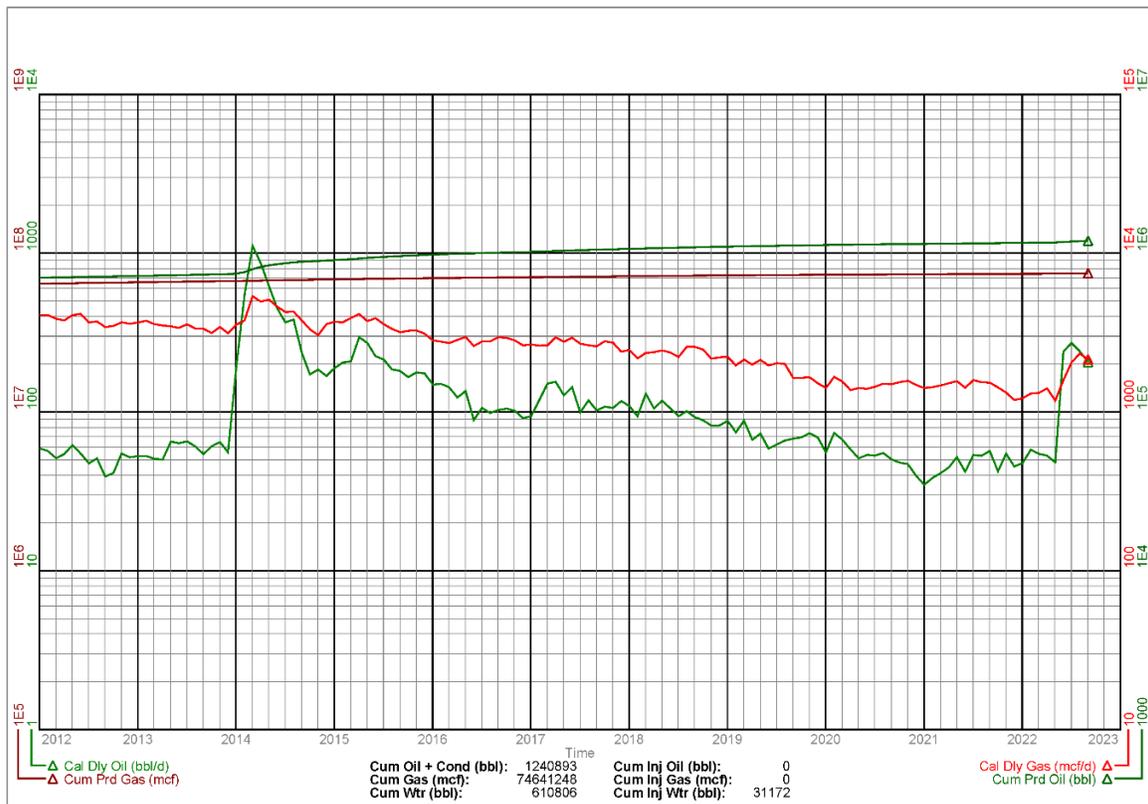


Average daily sales production net to Coastal from the *Greater Farrow* area for the month of October 2022 was approximately 442 Mcf/d of natural gas and 67 barrels of oil and natural gas liquids per day (141 boe/d).

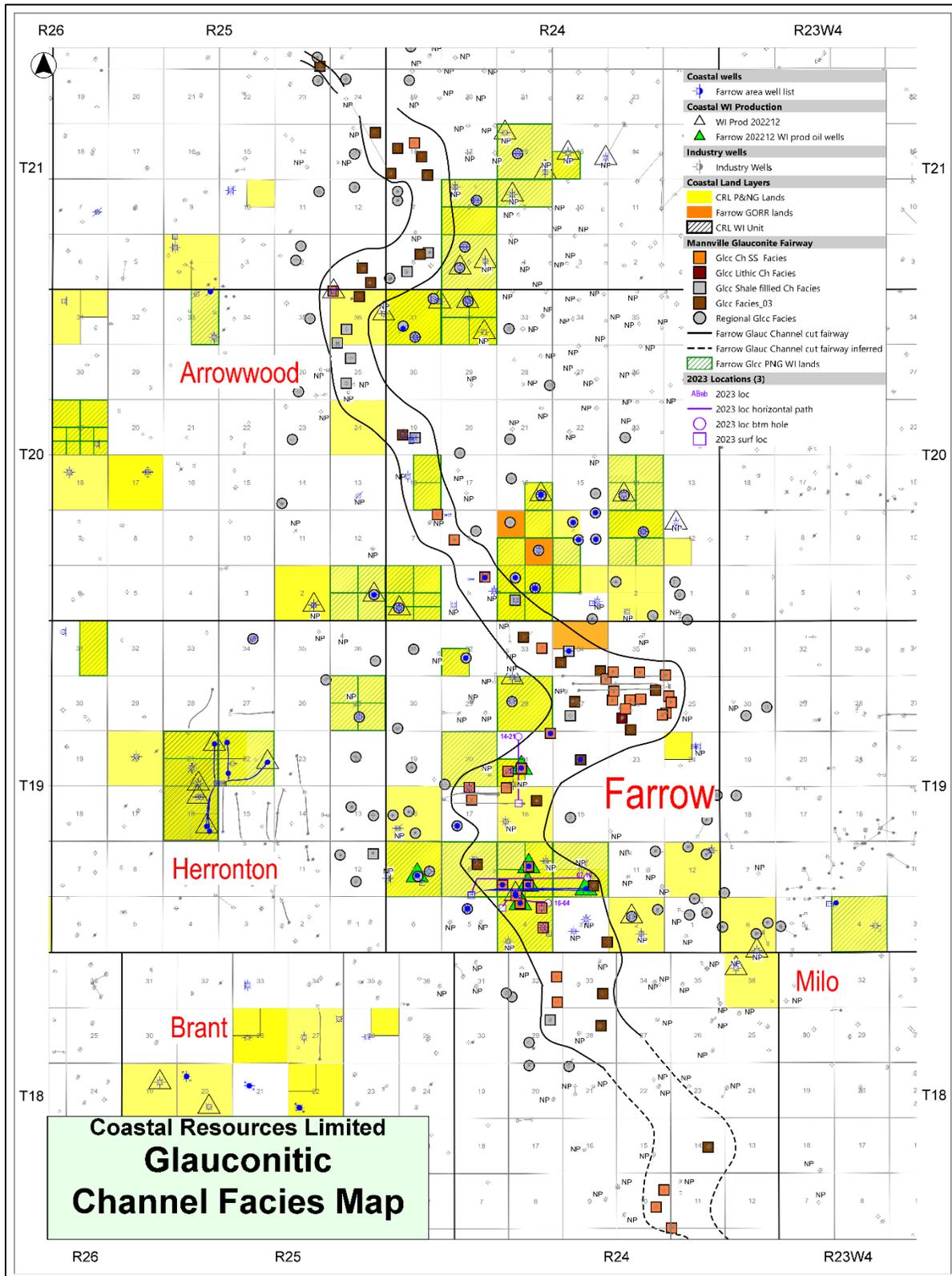
Operating income net to Coastal from the *Greater Farrow* area for the month of October 2022 was approximately \$172,400 per month, or \$2.1 million on an annualized basis.

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	Oil	Ngl	Nat. Gas	Total	
	bbl/d	bbl/d	Mcf/d	boe/d	
Farrow	52	14	416	136	\$172,700
Brant	-	-	17	3	(\$1,100)
Arrowwood	1	-	7	2	\$1,500
Milo	-	-	2	-	(\$700)
Lomond	-	-	-	-	-
GREATER FARROW AREA TOTAL	53	14	442	141	\$172,400

Greater Farrow Area, Alberta – Gross Production Group Plot of Coastal’s Oil & Natural Gas Wells



The Company has mapped the Glauconitic Channel trends on its lands in the *Greater Farrow* area, as shown on the following map.

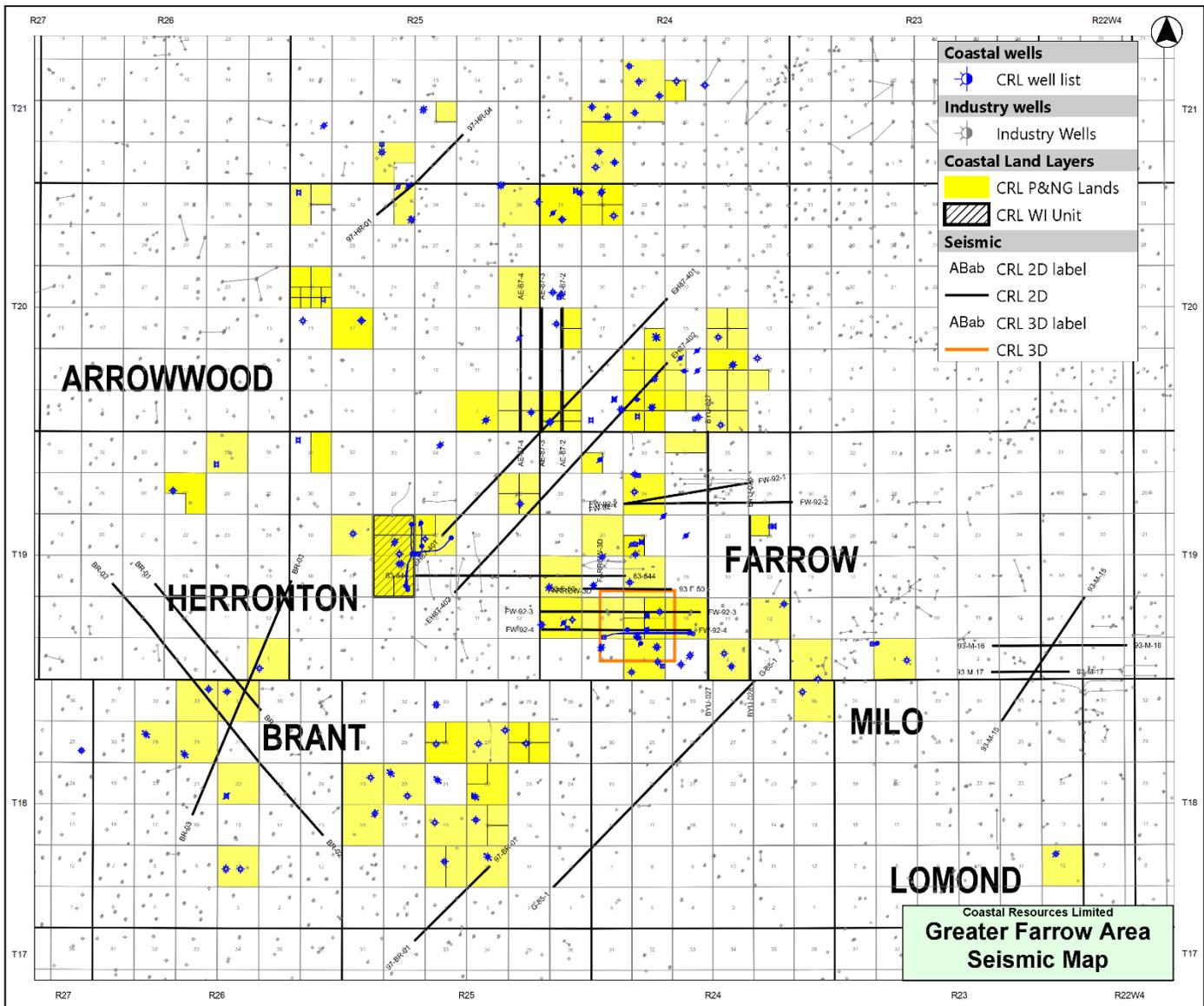




Greater Farrow Seismic

In the *Greater Farrow Area*, Coastal has an interest in various 2D and 3D seismic data as shown on the following plat. The Company’s interpretations of the seismic are available for viewing in the data room located in the Sayer office, by parties which have executed a confidentiality agreement.

Greater Farrow, Alberta Seismic Coverage



As a member of *The Association of Professional Engineers and Geoscientists of Alberta* (“APEGA”), Sayer Energy Advisors adheres to the “*Guidelines for Ethical Use of Geophysical Data*” which APEGA first published in May 2010. The complete document summarizing the APEGA guidelines can be downloaded from APEGA’s website, where it can be found at <https://www.apega.ca/assets/PDFs/geophysical-data.pdf>. In order to ensure that the rights of all data owners are recognized and respected, the copying of data and the opportunity to view uninterpreted licensed data are activities that are not permitted in a Sayer Data Room.



Greater Farrow Marketing

Coastal takes the majority of its production in kind and markets through a third party.

Greater Farrow Reserves

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Greater Farrow LMR

The Company does not operate any wells or facilities associated with the Properties. ARO numbers have been incorporated into the S&P Report. Further details on the Company’s ARO will be made available in the virtual data room for parties that execute a confidentiality agreement.

Greater Farrow Well List

See well list in Excel.

Farrow Property

Township 19-21, Range 24-25 W4

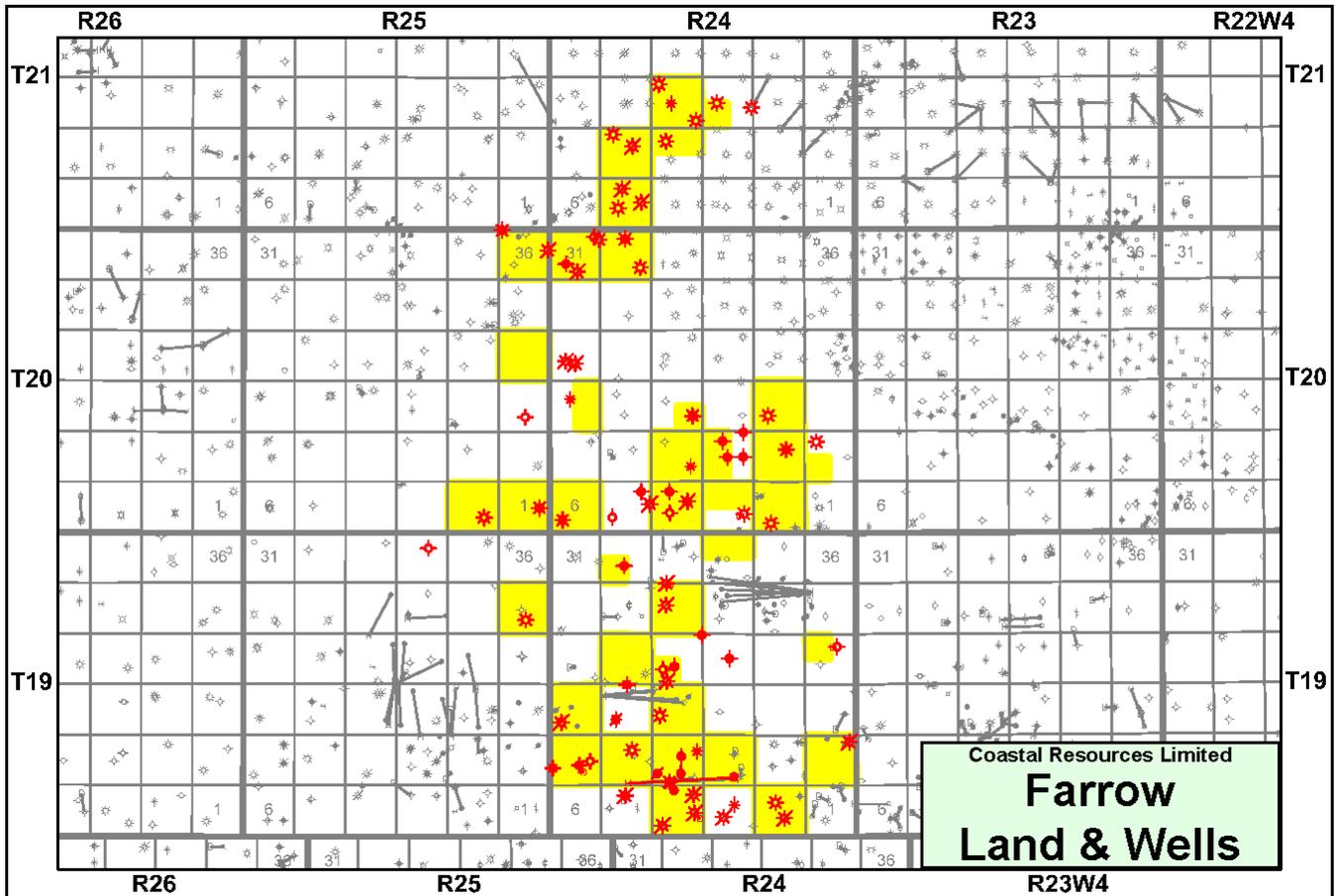
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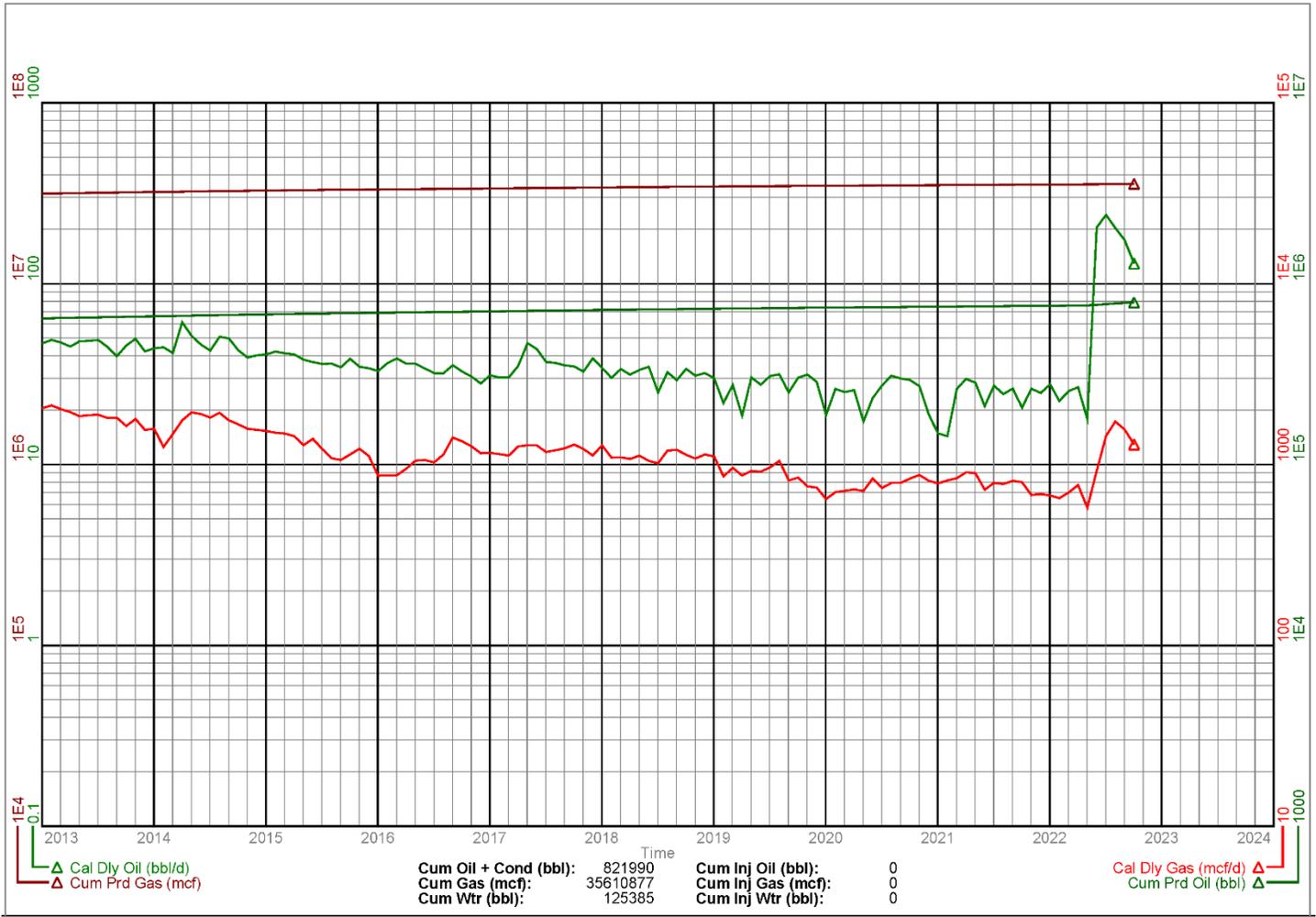
At *Farrow*, the Company has been assigned in the S&P Report two high working interest proven undeveloped horizontal drilling locations at 100/07-10-019-24W4/00 and 100/16-04-019-24W4/00. The 100/07-10 location is surveyed with surface lease built, surface equipment installed and only requires a short on-lease tie-in. Several follow-up step out locations may result from these drills. The Company has also identified an unbooked horizontal drilling location further north in the channel fairway that would requires pooling, and a number of suspended well reactivations.

Additionally, three reactivations at *Farrow* were recognized in the S&P Report.





Farrow, Alberta – Gross Production Group Plot of Coastal’s Oil & Natural Gas Wells



At *Farrow*, the TAQA operated horizontal Glauconite well at 102/02-10-019-24W4/03 was drilled in early 2022, and was brought on production in June 2022.

The decrease in production from September to October 2022 at *Farrow* is due to a combination of some downtime from the horizontal well at 102/02-10-019-24W4/03 along with initial base declines.



Farrow Facilities

The Company holds working interests in the natural gas gathering system as well as the Farrow Gas Plant at 06-31-020-24W4. The plant produces sales natural gas to the ATCO pipeline system and natural gas liquids are trucked to a sales terminal. Coastal has excess capacity at the 06-31 gas plant for future production volumes.

Farrow Reserves

S&P Global (“S&P”) prepared an independent reserves evaluation of the Properties specifically for this divestiture (the “S&P Report”). The S&P Report is effective January 1, 2023 using Sproule Associates Limited’s October 31, 2022 forecast pricing.

S&P estimated that, as of January 1, 2023, the *Farrow* property contained remaining proved plus probable reserves of 164,000 barrels of oil and natural gas liquids and 607 MMcf of natural gas (266,000 boe), with an estimated net present value of \$5.8 million using forecast pricing at a 10% discount.

	S&P Global as at January 1, 2023						
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	5%	10% (000s)	15%
Proved Developed Producing	30	213	8	73	\$1,892	\$1,819	\$1,754
Proved Non-Producing/Undeveloped	84	250	10	135	\$3,115	\$2,661	\$2,308
Total Proved	114	464	18	208	\$5,006	\$4,480	\$4,062
Probable	27	144	6	57	\$1,618	\$1,357	\$1,170
Total Proved Plus Probable	141	607	23	266	\$6,624	\$5,837	\$5,232

The reserve estimates and forecasts of production and revenues for the Properties were prepared specifically for this divestiture. Extraction and use of any individual property evaluation outside of this context may not be appropriate without supplementary due diligence. Values in the “Total” row may not correspond to the total of the values presented due to rounding.

Farrow LMR

The Company does not operate any wells or facilities associated with the Properties. ARO numbers have been incorporated into the S&P Report. Further details on the Company’s ARO will be made available in the virtual data room for parties that execute a confidentiality agreement.

Farrow Well List

See well list in Excel.



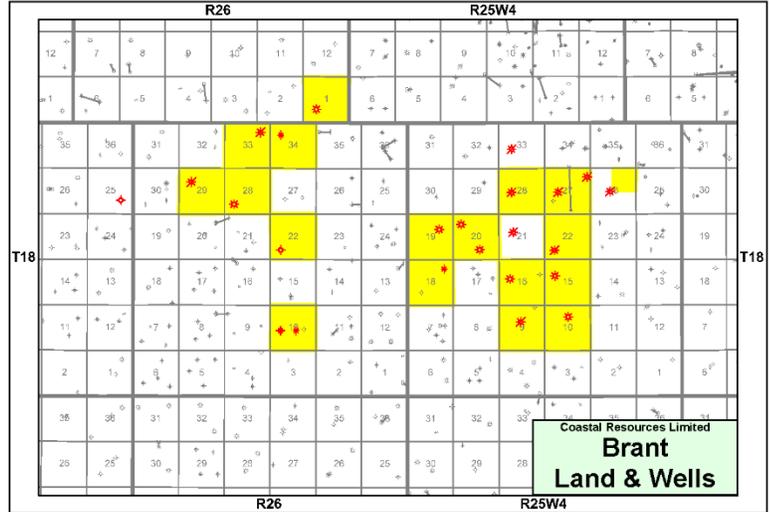
Brant Property

Township 18-19, Range 25-26 W4

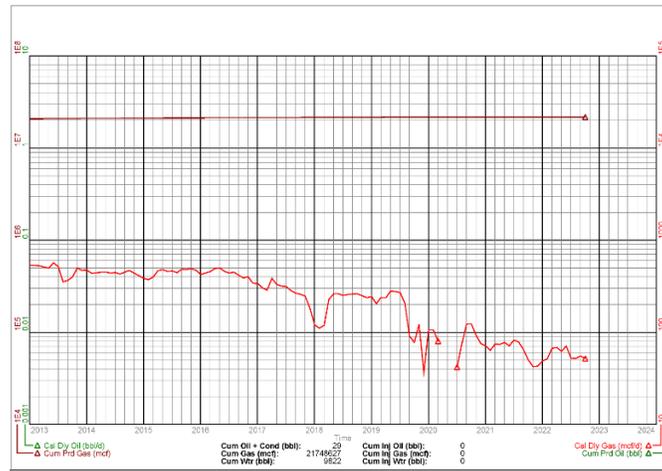
At *Brant*, Coastal holds various non-operated working interests in 17.25 sections of land. Coastal's production at *Brant* is operated primarily by TAQA.

Average daily sales production net to Coastal from *Brant* for the month of October 2022 was approximately 17 Mcf/d of natural gas (three boe/d).

Operating income net to Coastal from *Brant* for the month of October 2022 was approximately (\$1,100) per month, or (\$13,000) on an annualized basis.



Brant, Alberta – Gross Production Group Plot of Coastal’s Oil & Natural Gas Wells



Brant Facilities

The Company does not have an interest in any facilities at *Brant*.

Brant LMR

The Company does not operate any wells or facilities associated with the Properties. Further details on the Company's ARO will be made available in the virtual data room for parties that execute a confidentiality agreement.

Brant Well List

See well list in Excel.





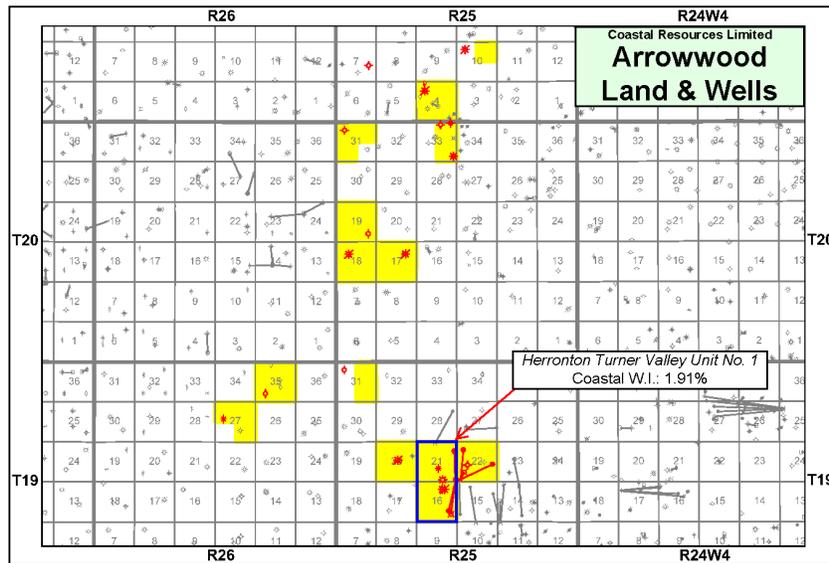
Arrowwood Property

Township 19-21, Range 25-26 W4

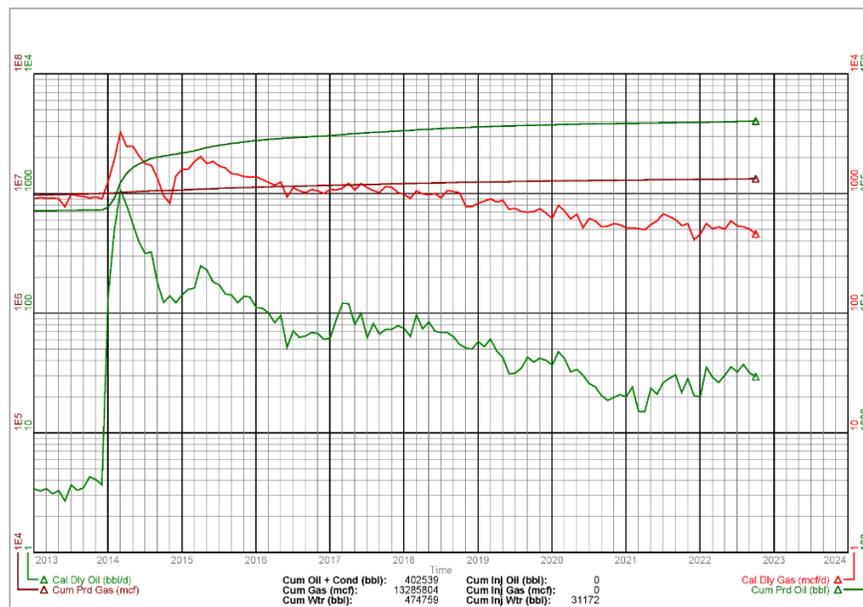
Coastal holds various non-operated working interests in 11.75 sections of land at *Arrowwood* including a 1.91% working interest in the *Herronton Turner Valley Unit No. 1* operated by **Journey Energy Inc.**, which is comprised of two producing natural gas wells.

Average daily sales production net to Coastal from *Arrowwood* for the month of October 2022 was approximately seven Mcf/d of natural gas and one barrel of oil per day (two boe/d).

Operating income net to Coastal from *Arrowwood* for the month of October 2022 was approximately \$1,500 per month, or \$18,000 on an annualized basis.



Arrowwood, Alberta – Gross Production Group Plot of Coastal’s Oil & Natural Gas Wells



Arrowwood Facilities

The Company does not have an interest in any facilities at *Arrowwood*.

Arrowwood Reserves

S&P Global (“S&P”) prepared an independent reserves evaluation of the Properties specifically for this divestiture (the “S&P Report”). The S&P Report is effective January 1, 2023 using Sproule Associates Limited’s October 31, 2022 forecast pricing.

S&P estimated that, as of January 1, 2023, the *Arrowwood* property contained remaining proved plus probable reserves of 21 MMcf of natural gas and 1,000 barrels of oil and natural gas liquids (5,000 boe), with an estimated net present value of \$63,000 using forecast pricing at a 10% discount.

	S&P Global as at January 1, 2023						
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	5%	10% (000s)	15%
Proved Developed Producing	1	18	0	4	\$62	\$54	\$48
Proved Non-Producing/Undeveloped	0	0	0	0	\$0	\$0	\$0
Total Proved	1	18	0	4	\$62	\$54	\$48
Probable	0	3	0	1	\$11	\$9	\$7
Total Proved Plus Probable	1	21	0	5	\$74	\$63	\$55

The reserve estimates and forecasts of production and revenues for the Properties were prepared specifically for this divestiture. Extraction and use of any individual property evaluation outside of this context may not be appropriate without supplementary due diligence. Values in the “Total” row may not correspond to the total of the values presented due to rounding.

Arrowwood LMR

The Company does not operate any wells or facilities associated with the Properties. ARO numbers have been incorporated into the S&P Report. Further details on the Company’s ARO will be made available in the virtual data room for parties that execute a confidentiality agreement.

Arrowwood Well List

See well list in Excel.



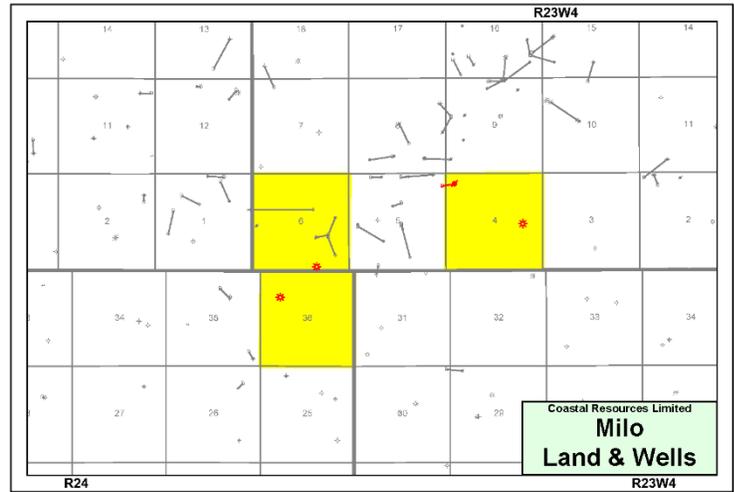
Milo Property

Township 18-19, Range 23-24 W4

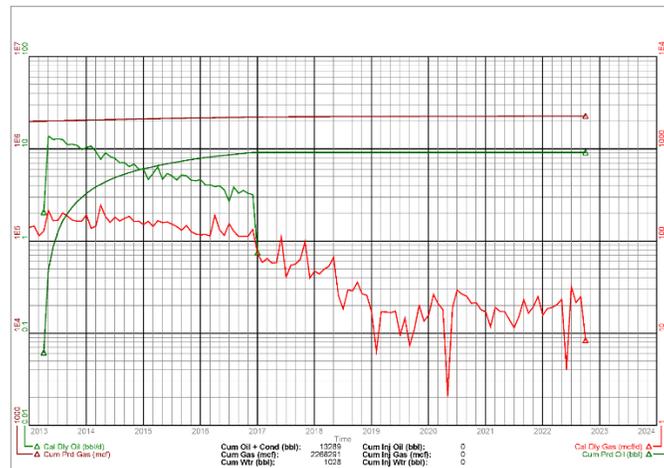
At *Milo*, Coastal holds a 40% working interest in three sections of land on which there are four wells operated by **Canadian Natural Resources Limited** and TAQA.

Average daily sales production net to Coastal from *Milo* for the month of October 2022 was approximately two Mcf/d of natural gas.

Operating income net to Coastal from *Milo* for the month of October 2022 was approximately (\$700) per month, or (\$8,400) on an annualized basis.



Milo, Alberta – Gross Production Group Plot of Coastal’s Oil & Natural Gas Wells



Milo Facilities

The Company does not have an interest in any facilities at *Milo*.

Milo LMR

The Company does not operate any wells or facilities associated with the Properties. Further details on the Company’s ARO will be made available in the virtual data room for parties that execute a confidentiality agreement.

Milo Well List

See well list in Excel.

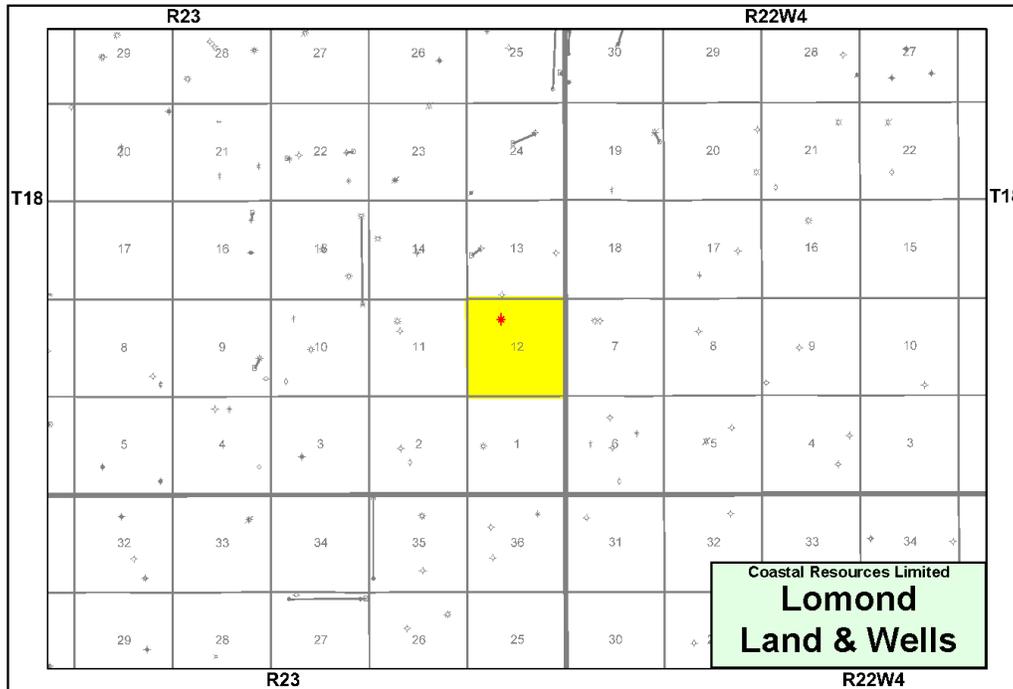




Lomond Property

Township 18, Range 23 W4

At *Lomond*, Coastal holds a 10% working interest in one section of land on which there is one suspended well operated by TAQA.



Lomond Facilities

The Company does not have an interest in any facilities at *Lomond*.

Lomond LMR

The Company does not operate any wells or facilities associated with the Properties. Further details on the Company's ARO will be made available in the virtual data room for parties that execute a confidentiality agreement.

Lomond Well List

See well list in Excel.



Red Rock Property

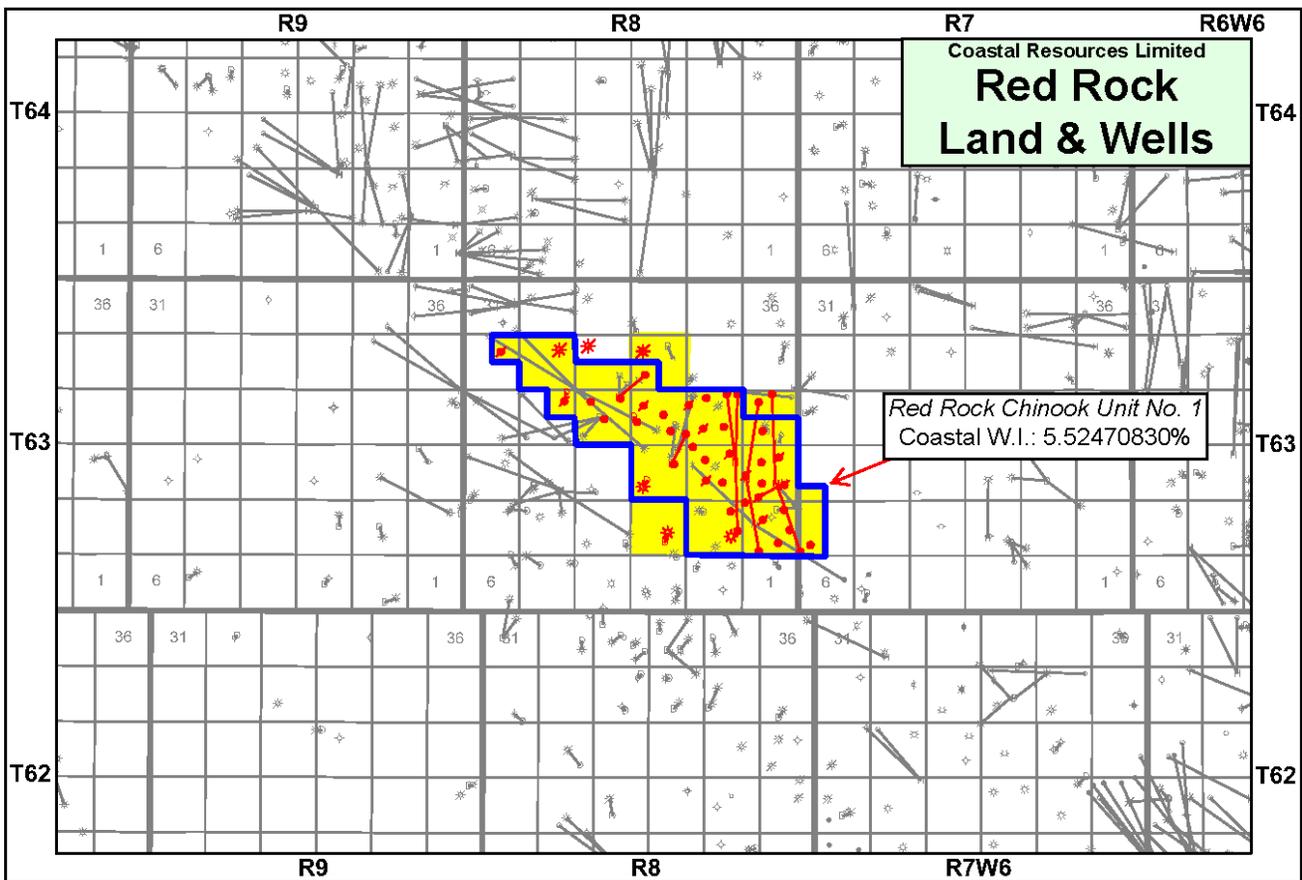
Township 63, Range 7-8 W6

At *Red Rock*, Coastal holds non-operated working interests including a 5.52470830% working interest in the *Red Rock Chinook Unit No. 1* operated by TAQA. Production at *Red Rock* is from the Chinook Formation.

Average daily sales production net to Coastal from *Red Rock* for the month of October 2022 was approximately 83 Mcf/d of natural gas and eight barrels of oil and natural gas liquids per day (22 boe/d).

Operating income net to Coastal from *Red Rock* for the month of October 2022 was approximately \$19,300 per month, or \$232,000 on an annualized basis.

At *Red Rock*, the Company has been assigned in the S&P Report a proven undeveloped horizontal drilling location at 103/15-24-063-08W6/00. The Company has also identified two unbooked horizontal drilling locations at 100/11-27-063-08W6/00 and 102/12-27-063-08W6/00 which require pooling.



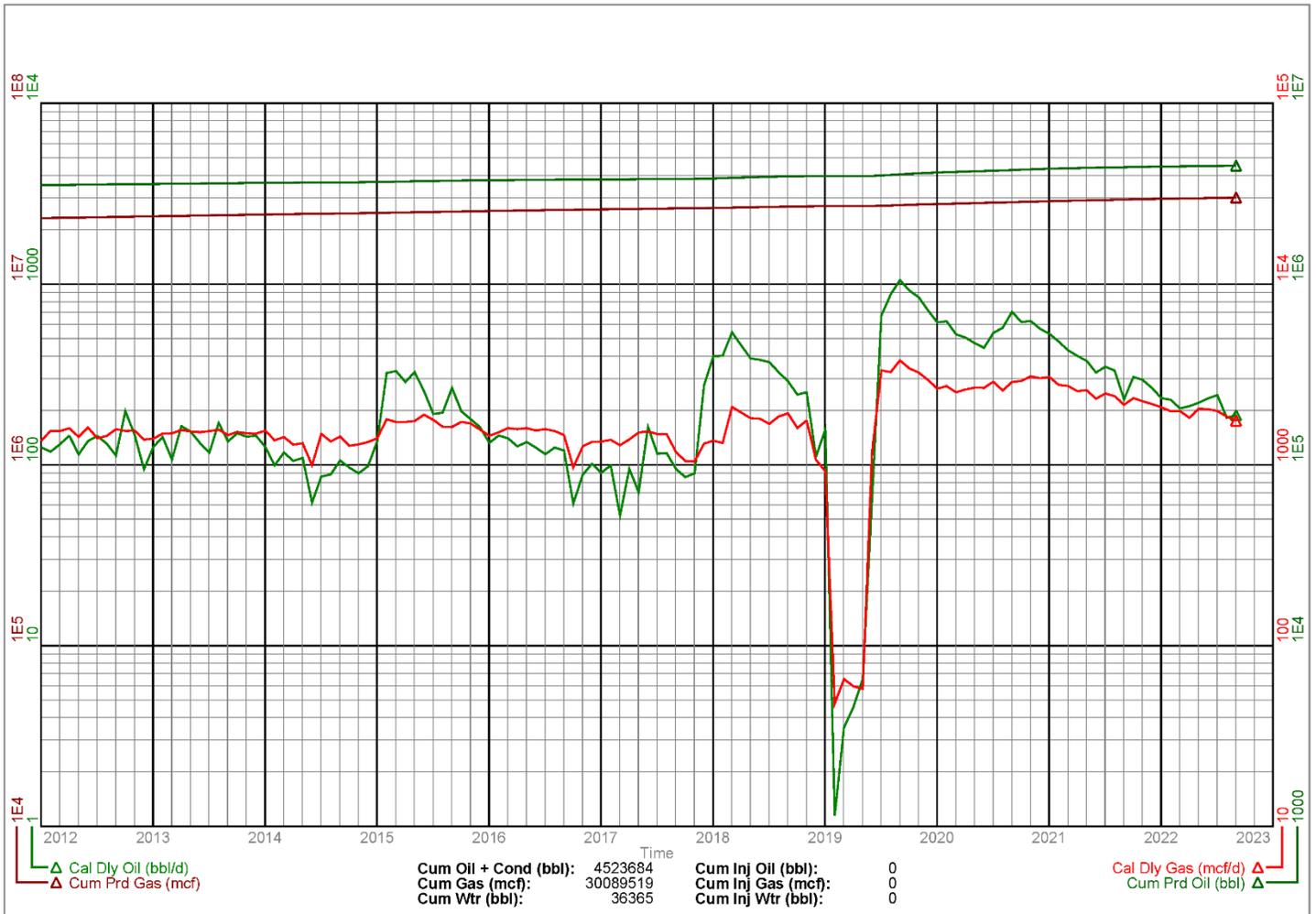
Interest Holders

Interest % (%)	Participant Name
94.47529170	TAQA NORTH
5.52470830	COASTAL RESOURCES LIMITED





Red Rock, Alberta – Gross Production Group Plot of Coastal’s Oil & Natural Gas Wells



Red Rock Seismic

Coastal does not have ownership in any seismic data at *Red Rock*.

Red Rock Marketing

Coastal takes the majority of its production in kind and markets through a third party.



Red Rock Facilities

The Company has a 5.52470830% working interest in the Red Rock Chinook Unit #1 oil battery and compression facility at 16-14-63-08W6. The natural gas is compressed for processing and is pipeline connected to medium pressure for processing. Oil sales is pumped by LACT unit facility at the Unit battery through a Unit oil pipeline to Pembina Pipeline's main line at 05-27-062-07W6 location.

Red Rock Reserves

S&P Global ("S&P") prepared an independent reserves evaluation of the Properties specifically for this divestiture (the "S&P Report"). The S&P Report is effective January 1, 2023 using Sproule Associates Limited's October 31, 2022 forecast pricing.

S&P estimated that, as of January 1, 2023, the *Red Rock* property contained remaining proved plus probable reserves of 238 MMcf of natural gas and 30,000 barrels of oil and natural gas liquids (70,000 boe), with an estimated net present value of \$1.1 million using forecast pricing at a 10% discount.

	S&P Global as at January 1, 2023						
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	5%	10% (000s)	15%
Proved Developed Producing	14	122	0	34	\$480	\$489	\$421
Proved Non-Producing/Undeveloped	10	64	0	21	\$514	\$396	\$379
Total Proved	23	186	1	55	\$994	\$885	\$800
Probable	6	52	0	15	\$322	\$243	\$191
Total Proved Plus Probable	29	238	1	70	\$1,316	\$1,128	\$990

The reserve estimates and forecasts of production and revenues for the Properties were prepared specifically for this divestiture. Extraction and use of any individual property evaluation outside of this context may not be appropriate without supplementary due diligence. Values in the "Total" row may not correspond to the total of the values presented due to rounding.

Red Rock LMR

The Company does not operate any wells or facilities associated with the Properties. ARO numbers have been incorporated into the S&P Report. Further details on the Company's ARO will be made available in the virtual data room for parties that execute a confidentiality agreement.

Red Rock Well List

See well list in Excel.

RECIPIENT COMPANY LETTERHEAD

_____, 20____

**Coastal Resources Limited
c/o Sayer Energy Advisors
1620, 540 - 5th Avenue SW
Calgary, Alberta T2P 0M2**

Attention: Ben Rye

Re: **Confidentiality Agreement
Non-Core Property Divestiture**

_____ (“Recipient”) has expressed an interest in the purchase of certain oil and natural gas properties owned by Coastal Resources Limited (“Coastal”) in the Greater Farrow and Red Rock areas of Alberta (the “Properties”). Coastal is prepared to provide the Recipient access to certain information relating to the Properties, including but not limited to land schedules, financial results, marketing materials, geological and geophysical information and other documentation (“Confidential Information”). In consideration of Coastal providing the Confidential Information, Recipient agrees as follows:

1. Recipient acknowledges that all Confidential Information provided to Recipient is proprietary to Coastal and its joint venture partners except for Confidential Information which is set out and described in Clause 6.
2. The Confidential Information shall be kept in the strictest of confidence and shall not be used for any purpose whatsoever other than evaluating a possible transaction between Recipient and Coastal. The Confidential Information shall not be disclosed to any person other than Recipient and to such of its directors, employees, agents, consultants, representatives and advisors (the “Representatives”) who have a need to know such information for the purpose of appraising the Properties. Recipient shall take all steps that are necessary to ensure that its Representatives are aware of the terms and conditions of this Agreement and that such terms and conditions are binding upon any and all of its Representatives. Upon request, Recipient shall provide Coastal with a list of the Representatives who have received the Confidential Information.
3. Recipient agrees that it and its Representatives shall not disclose to any person or publish or disperse in any form, any terms, conditions or other facts with respect to any possible transaction relating to the Properties for which the Confidential Information was disclosed.
4. If the Recipient makes a request to view seismic data as part of its review of a possible transaction involving the Properties, as the case may be, and Coastal provides such access, the Recipient warrants that under no circumstances will it allow its Representatives to copy, remove, take away or otherwise reproduce any of the seismic data or derivatives thereof that such Representatives have been given access to hereunder. This would include, but not be limited to, an absolute restriction against the use of electronic equipment to produce photographs or other digital copy or reproductions of any of the affected seismic data and or photocopies, sketches or tracings of such affected seismic data. No electronic devices, cameras, USB devices, laptops or cellphones with photographic capability may be brought into the dataroom or an area where data is disclosed.

5. Notwithstanding the foregoing terms, Recipient shall be permitted to disclose such Confidential Information that is required to be disclosed pursuant to any law, rule or regulation. In the event that Recipient receives a request or legal directive to disclose Confidential Information, Recipient shall promptly provide written and verbal notification to Coastal of such a request. Recipient shall consult with Coastal on the advisability of taking steps to resist or narrow such request or directive. If disclosure is deemed advisable, Recipient shall cooperate with Coastal in any attempt that Coastal may make to obtain an order or other reliable assurance that confidential treatment will be accorded by the requesting or directing party to the information required to be disclosed.
6. The restrictions set forth in Clauses 2 and 3 above shall not apply to any part of the Confidential Information which is:
 - (a) now in the public domain or becomes part of the public domain other than through an act of the Recipient or its Representatives; or
 - (b) in the lawful possession of the Recipient prior to its disclosure by Coastal; or
 - (c) subject to disclosure required by law, rule or regulation provided that Coastal is given notice pursuant to Clause 5 prior to such disclosure; or
 - (d) made available to the Recipient or its Representatives from a source who may reasonably be believed to legally hold such information and who is not bound to Coastal under a confidentiality agreement.
7. Recipient acknowledges the competitive value of the Confidential Information. Accordingly, without limitation and in addition to any rights of Coastal and its joint venture partners against the Recipient arising by any breach hereof, the Recipient shall:
 - (a) be liable to Coastal for all losses, costs, damages and expenses whatsoever which they may suffer, sustain, pay or incur; and in addition,
 - (b) indemnify Coastal against any and all actions, proceedings, claims, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by Coastal or which Coastal may suffer, sustain, pay or incur;resulting from disclosure by the Recipient, or its Representatives, of all or any part or parts of the Confidential Information.
8. At any time, at the request of Coastal, Recipient shall immediately return or cause to be returned to Coastal all of the Confidential Information which may have been released to the Recipient. Recipient shall not retain any copies or other reproductions or extracts of the Confidential Information. Furthermore, Recipient shall, if so requested by Coastal, provide certification from an officer of the Recipient to Coastal that the terms and conditions of this Clause have been complied with. The Recipient will return all requested Confidential Information except to the extent that computer systems are back-up or archived. The Recipient will be able to retain a copy of any analysis of Confidential Information in respect to a possible transaction with Coastal for any internal management and/or board of directors recommendations or approvals.
9. Recipient understands and agrees that no contract or agreement providing for the sale of the Properties shall be deemed to exist between the Recipient and Coastal unless and until a definitive offer to purchase has been accepted in writing by Coastal. For greater clarity the Recipient acknowledges that this Agreement does not constitute a definitive offer to purchase.

Recipient hereby waives, in advance, any claims (including, without limitation, breach of contract) in connection with the sale of the Properties unless and until a definitive offer to purchase from Recipient has been accepted in writing by Coastal.

10. This Confidentiality Agreement shall remain in force for a period of one year from the date hereof, or until such time as all of the Confidential Information becomes part of the public domain through conventional processes and through no violation of this Agreement, whichever comes first.
11. Recipient understands that in providing access to the Confidential Information, Coastal makes no representation or warranty as to the accuracy or completeness of the Confidential Information. Recipient agrees that neither Coastal nor anyone representing Coastal shall have any liability to the Recipient or any of its Representatives as a result of the use of the information by it or its Representatives.
12. This Agreement shall be construed and determined according to the laws of the Province of Alberta.
13. Recipient acknowledges and agrees that Coastal may be irreparably injured by a breach of this Confidentiality Agreement that could not be adequately compensated for by damages. Coastal and its joint venture partners shall be entitled to equitable relief, including injunctive relief and specific performance, in the event of a breach of any of the provisions of this Confidentiality Agreement. Such remedies shall be in addition to all other remedies available at law or in equity.
14. Recipient understands and agrees that:
 - (a) Coastal shall be free to conduct the process for the sale of the Properties in its sole discretion and shall determine, without limitation, the course and nature of negotiations with any prospective buyer and the acceptance of a definitive offer to purchase without prior notice to the Recipient, its Representatives or any other person or corporate entity; and
 - (b) Recipient shall not have any claims whatsoever against Coastal or any of its directors, officers, stockholders, owners, affiliates, representatives, advisors or agents arising out of or relating to the sale of the Properties other than as a party to a definitive offer to purchase accepted in writing by Coastal and then only against Coastal and in accordance with the terms of said offer to purchase.
15. Recipient hereby acknowledges that it is aware and that it will advise its Representatives privy to the Confidential Information that applicable security laws prohibit any person who has received from an issuer material, non-public information concerning the matters which are the subject of this Agreement from purchasing or selling securities of such issuer or from communicating such information to any other person, under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.
16. Recipient shall not initiate or arrange, directly or indirectly, or maintain contact regarding Coastal's business operations, prospects or finances (except as contemplated herein and for those contacts made in the ordinary course of business unrelated to the possible transaction) with any officer, director, employee, consultant or other representative of Coastal, or with any customer, supplier, sales representative, or competitor of Coastal except with the express written permission of Coastal. Any such permission granted by Coastal may be revoked at any time.

17. If any provision of this agreement is wholly or partially unenforceable for any reason, such unenforceability shall not affect the enforceability of the balance of this Confidentiality Agreement.
18. This Confidentiality Agreement shall be binding upon, and enure to the benefit of, the parties hereto, and their respective successors and permitted assigns.

The Recipient accepts the Confidential Information to be provided relating to the Properties subject to the terms and conditions set forth in this Confidentiality Agreement.

Yours truly,

COMPANY NAME

OFFICER'S SIGNATURE

OFFICER'S PRINTED NAME & TITLE

I certify that no changes have been made to this Confidentiality Agreement that have not been clearly marked and initialed.

CONFIDENTIAL INFORMATION DELIVERY OPTIONS: *(please check one)*

_____ **Electronic** or _____ **Hard copy (binder)**

NAME OF CONTACT PERSON TO FORWARD INFORMATION

CONTACT ADDRESS

TELEPHONE NUMBER

EMAIL ADDRESS

Option to Attach Business Card Here:

Accepted by Coastal Resources Limited this ___ day of _____, 20___

Nazir Meghani
VP Operations