



# **OVERVIEW INFORMATION**

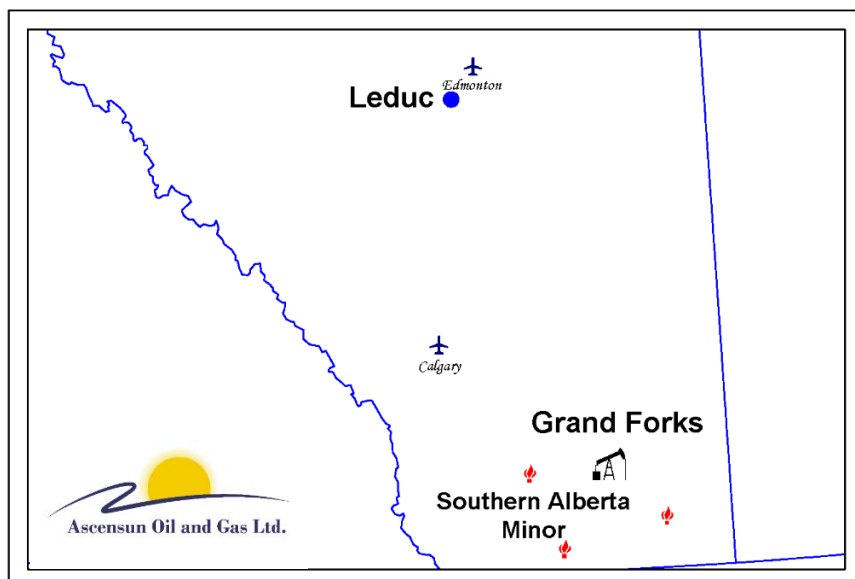
## Property Divestiture: Grand Forks, Leduc & Southern Alberta Areas 185 bbl/d, 2 Mcf/d (185 boe/d)



Sayer Energy Advisors has been engaged to assist Ascensun Oil and Gas Ltd. ("Ascensun" or the "Company") with the sale of its oil and natural gas interests located in the *Grand Forks*, *Leduc* and *Southern Alberta Minor* areas of Alberta (the "Properties").

The Company's low decline oil production is from the *Grand Forks* area, where Ascensun holds mainly 100% working interests in several oil pools producing from the Glauconitic Sandstone, Sawtooth, Lower Mannville and Sunburst formations.

Average daily production net to Ascensun from the Properties for November 2021 was approximately 185 barrels of oil and natural gas liquids per day and trace volumes of natural gas (185 boe/d).



Net operating income from the Properties for November 2021 was approximately \$152,000 or \$1.8 million on an annualized basis.

The Company's preference would be to sell the Properties in one transaction with the exception of the *Leduc* property, which could be sold separately.

## PROCESS & TIMELINE

Sayer Energy Advisors is accepting offers relating to the process until **12:00 pm on Thursday March 3, 2022**.

Timeline		
Week of January 31, 2022		Preliminary Information Distributed
Week of January 31, 2022		Data Room Opens
<b>March 3, 2022</b>	<b>12:00 noon</b>	<b>Bid Deadline</b>
March 1, 2022		Effective Date
March/April 2022		Closing Date

*Sayer Energy Advisors does not conduct a "second-round" bidding process; the intention is to attempt to conclude 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 3, 2022.**





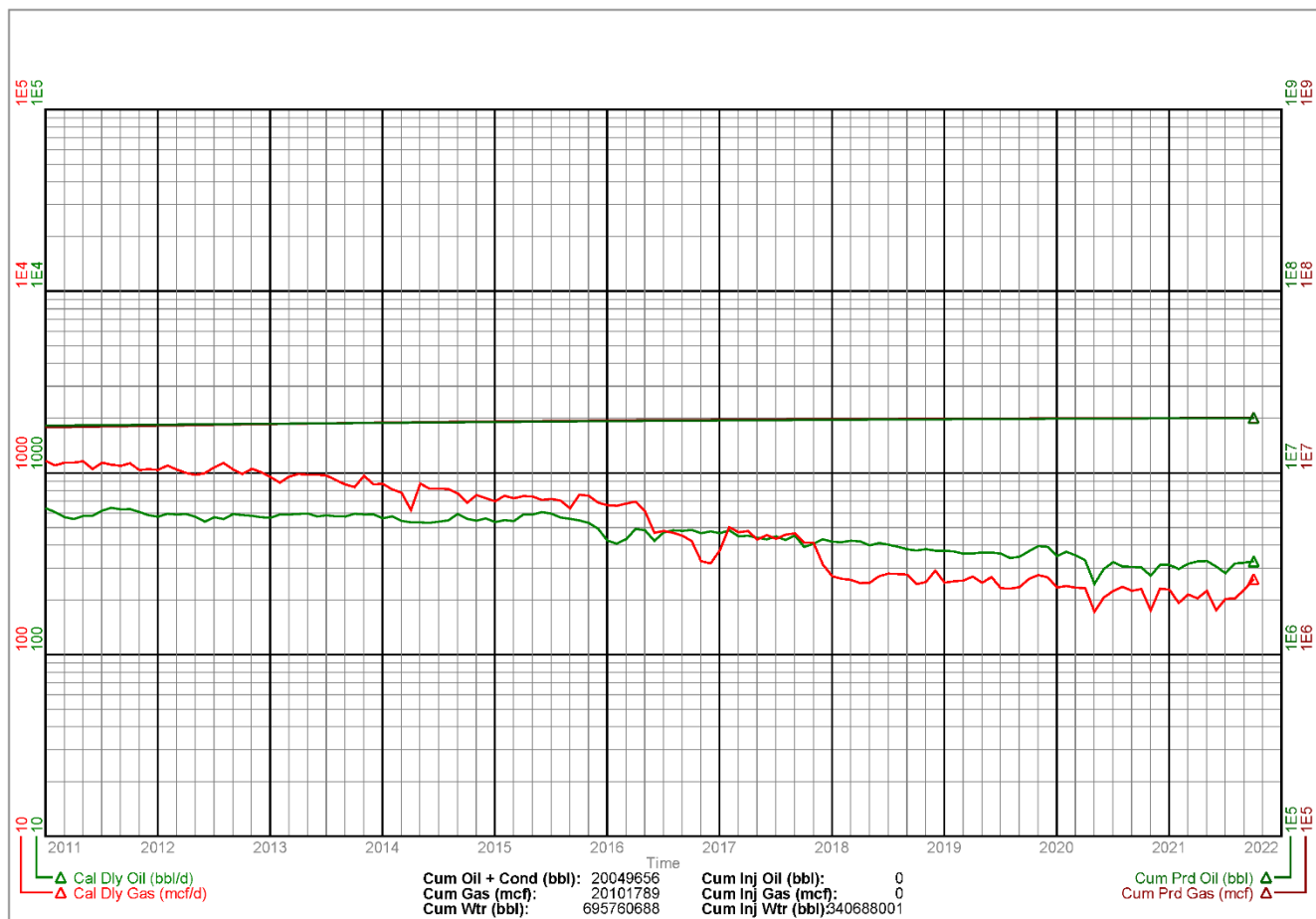
## Production Overview

Average daily production net to Ascensun from the Properties for November 2021 was approximately 185 barrels of oil and natural gas liquids per day and minor volumes of natural gas (185 boe/d) as outlined below.

Net operating income from the Properties for November 2021 was approximately \$152,000 or \$1.8 million on an annualized basis.

PROPERTY	NOVEMBER 2021 NET PRODUCTION (Average Daily)				NOI
	Oil	Ngl	Nat. Gas	Total	Nov. 2021
	bbl/d	bbl/d	Mcf/d	boe/d	Annualized
<b>Grand Forks</b>	185	-	2	185	\$1,824,000
<b>Southern Alberta Minor</b>	-	-	-	-	-
<b>Leduc</b>	-	-	-	-	-
<b>TOTAL</b>	<b>185</b>	<b>-</b>	<b>2</b>	<b>185</b>	<b>\$1,824,000</b>

**Gross Production Group Plot of Ascensun's Oil and Natural Gas Wells**





## LMR Summary

As of January 1, 2022, Ascensun's net deemed asset value for the Properties was (\$2.2 million) (deemed assets of \$7.6 million and deemed liabilities of \$9.9 million), with an LMR ratio of 0.77.

The LMR for each of the Properties as of January 1, 2022 is summarized below.

### Summary of LMR by Property

PROPERTY	Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
Grand Forks	\$7,632,865	\$9,045,245	(\$1,412,380)	0.84
Southern Alberta Minor	\$0	\$804,922	(\$804,922)	0.00
Leduc	-	-	-	-
<b>TOTAL OFFERING</b>	<b>\$7,632,865</b>	<b>\$9,850,167</b>	<b>(\$2,217,302)</b>	<b>0.77</b>

The stated LMR numbers do not include a \$2.4 million security deposit with the **Alberta Energy Regulator**.

## Reserves Overview

*Trimble Engineering Associates Ltd.* ("Trimble") prepared an independent reserves evaluation of the Properties as part of the Company's year-end evaluation (the "Trimble Report"). The Trimble Report is effective December 31, 2020 using Trimble's January 1, 2021 forecast pricing.

Trimble estimates that, as of December 31, 2020, the Properties contained remaining proved plus probable reserves of 3.2 million barrels of oil and natural gas liquids and 1.2 Bcf of natural gas (3.4 million boe), with an estimated net present value of \$27.5 million using forecast pricing at a 10% discount.

Trimble Engineering Associates Ltd. as of December 31, 2020							
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	5%	10% (000s)	15%
<b>Proved Developed Producing</b>	<b>252</b>	<b>0</b>	<b>0</b>	<b>252</b>	<b>\$1,841</b>	<b>\$2,098</b>	<b>\$2,001</b>
Proved Non-Producing/Undeveloped	808	213	15	858	\$6,368	\$4,744	\$3,508
<b>Total Proved</b>	<b>1,059</b>	<b>213</b>	<b>15</b>	<b>1,110</b>	<b>\$8,209</b>	<b>\$6,842</b>	<b>\$5,508</b>
Probable	2,047	1,012	71	2,286	\$28,323	\$20,696	\$15,414
<b>Total Proved Plus Probable</b>	<b>3,106</b>	<b>1,225</b>	<b>86</b>	<b>3,396</b>	<b>\$36,532</b>	<b>\$27,538</b>	<b>\$20,922</b>

The reserve estimates and forecasts of production and revenues for the Company's properties were prepared within the context of the Company's year-end evaluation, which was an evaluation of all of the Company's properties in aggregate. 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.





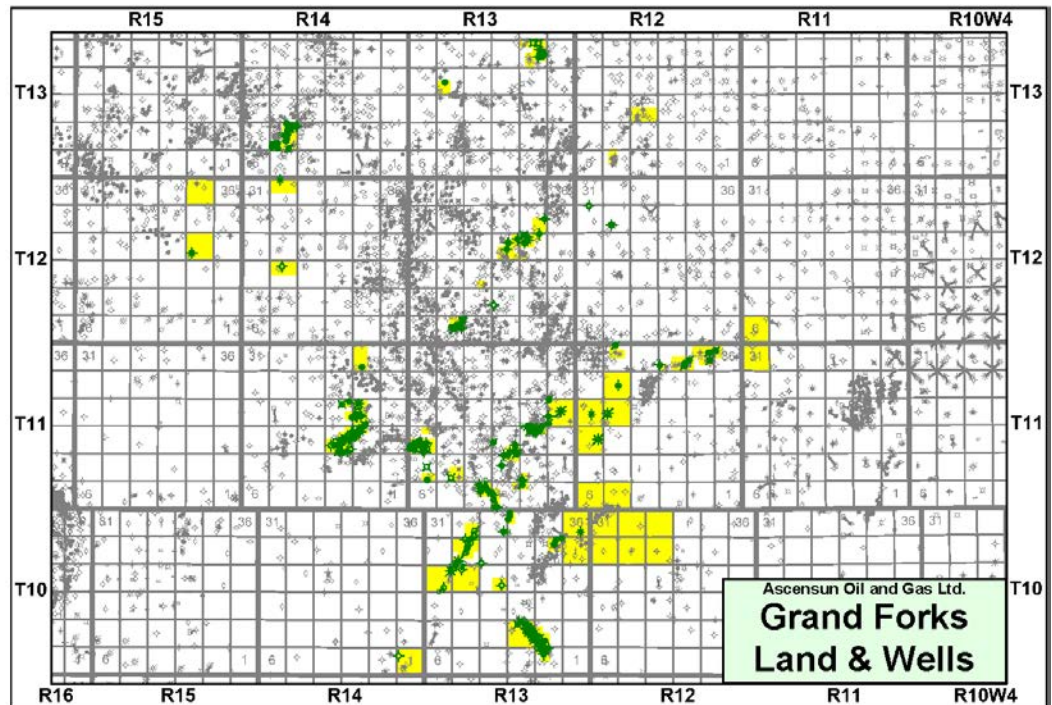
## Grand Forks Property

## Township 10-13, Range 11-15 W4

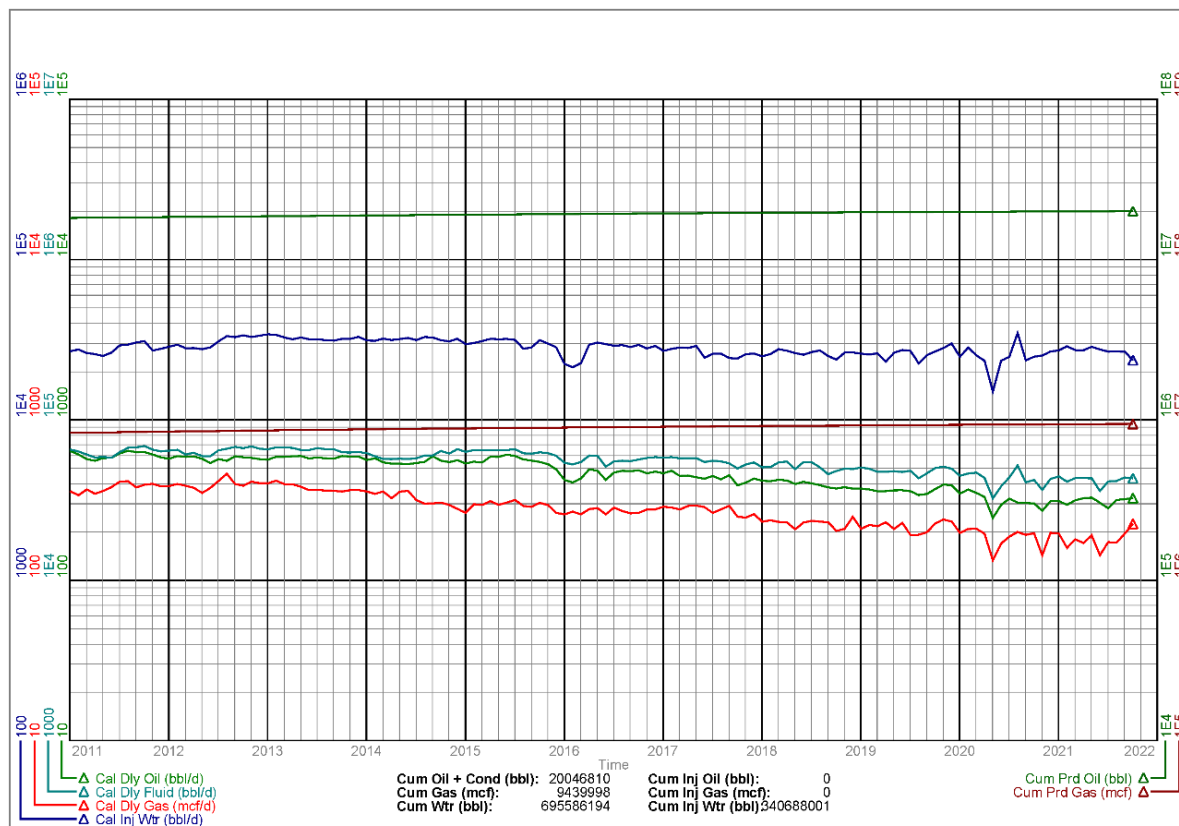
At *Grand Forks*, Ascensun holds mainly 100% working interests in several oil pools which are producing from the Glauconitic Sandstone, Lower Mannville, Sawtooth and Sunburst formations.

Average daily production net to the Company from *Grand Forks* in November 2021 was approximately 185 barrels of oil and natural gas liquids per day and two Mcf/d of natural gas (185 boe/d).

Operating income net to Ascensun from *Grand Forks* in November 2021 was approximately \$152,000, or \$1.8 million on an annualized basis.



### Grand Forks, Alberta Gross Production Group Plot of Ascensun's Oil and Natural Gas Wells

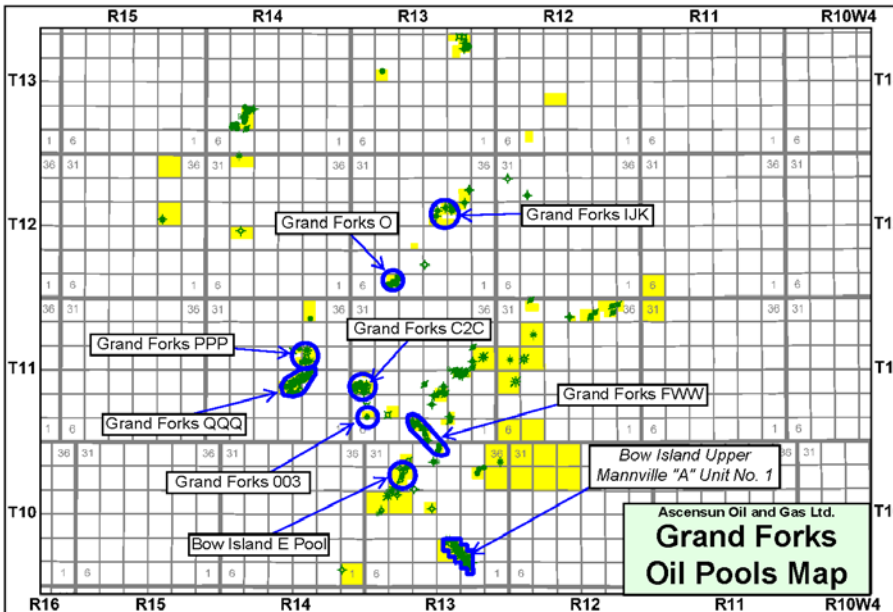






## Grand Forks Geology

The *Grand Forks* property consists of several oil pools targeting the Glauconitic Sandstone, Lower Mannville, Sawtooth and Sunburst formations as shown on the following map.



The Grand Forks E, C2C and FWW pools produce to Ascensun's multi-well oil battery at 10-07-11-13W4.

Ascensun's oil production from the Grand Forks PPP pool is pipeline connected to its battery at 10-22-11-14W4.

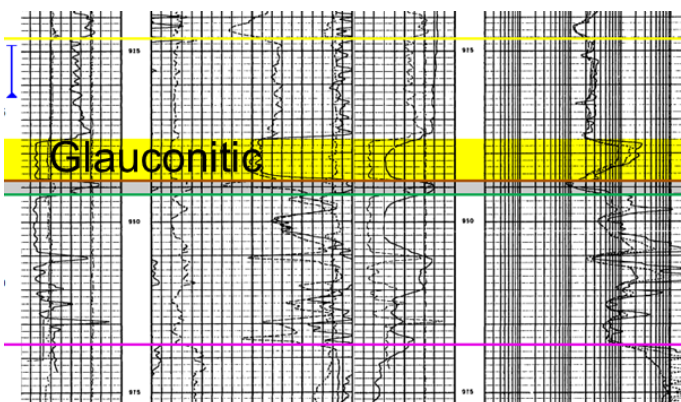
The Company's oil production from the Grand Forks QQQ is connected to its battery at 00/12-14-011-14W4.

The Company has a 100% working interest in the *Bow Island Upper Mannville "A" Unit No. 1* which has a gathering system connected to its multi-well battery at 09-10-10-13W4.

### Bow Island Glauconite E Pool – Glauconitic Sandstone Formation

The Glauconitic Sandstone Formation is found at a depth of approximately 900-950 metres as shown in the following well log.

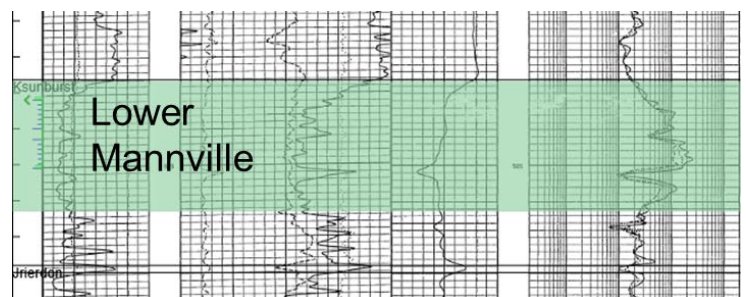
#### Churchill BI 100/04-29-010-13W4/0 – Glauconitic Sandstone Formation Type Log



### Grand Forks FWW Pool – Lower Mannville WW

The Lower Mannville Formation is found at a depth of approximately 900-950 metres as shown in the following well log.

#### Churchill 102 GrdFrks 102/15-04-011-13W4/0 – Lower Mannville Type Log



The Lower Mannville reservoir in the FWW pool produces through water drive.

The main mechanism for production from the E pool reservoir is water drive. Three wells have been converted to water injectors to maintain pressure.

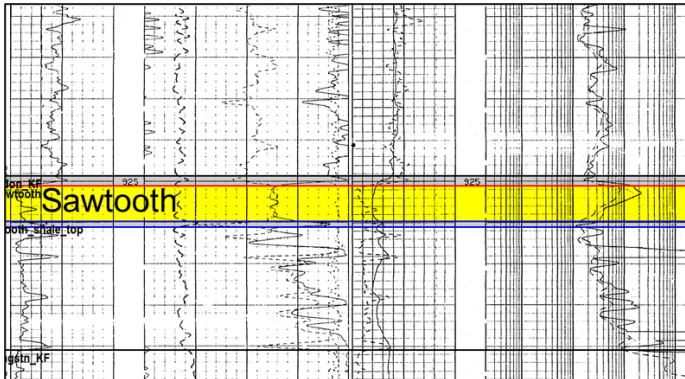




## Grand Forks Sawtooth PPP Pool

The Sawtooth reservoir is found at a depth of approximately 900-950 metres as shown in the following well log.

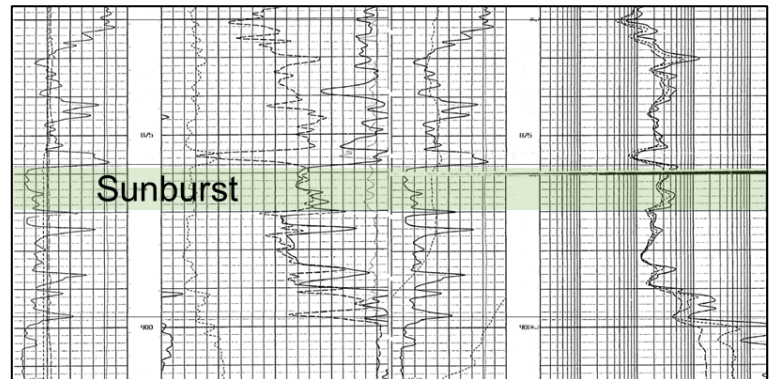
**Oakmont GrdFrks 100/08-22-011-14W4/0 –  
Sawtooth Type Log**



## Grand Forks Sunburst C2C Pool

The Sunburst Formation is found at a depth of approximately 870 metres as shown in the following well log.

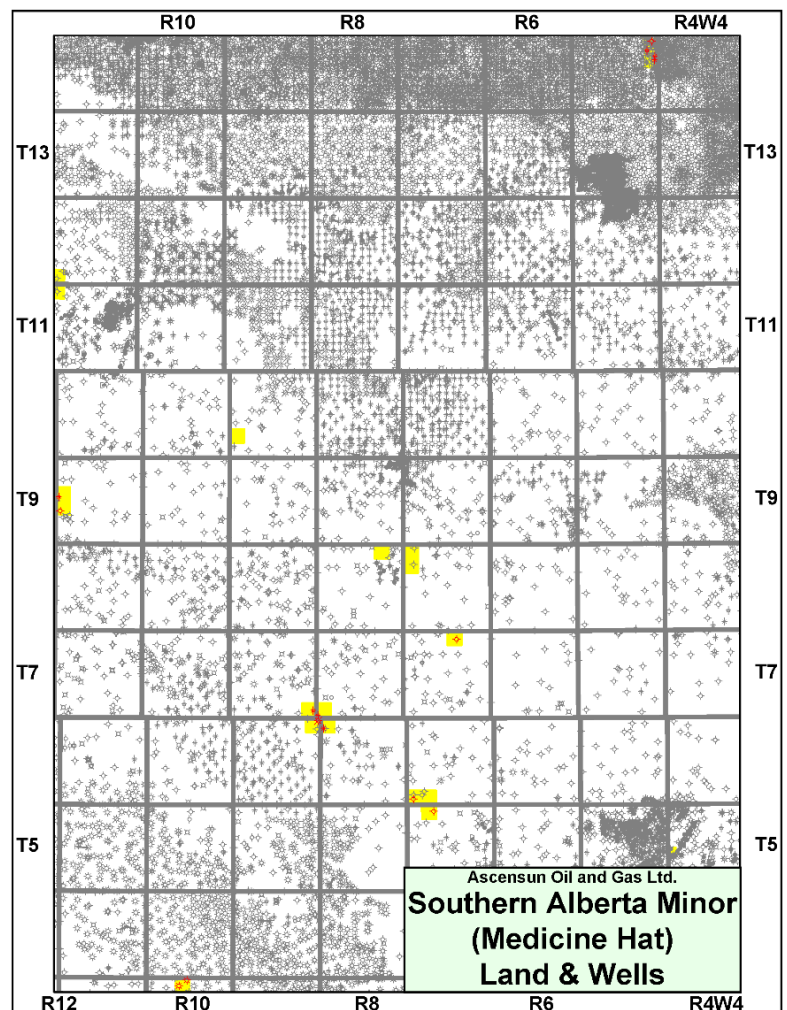
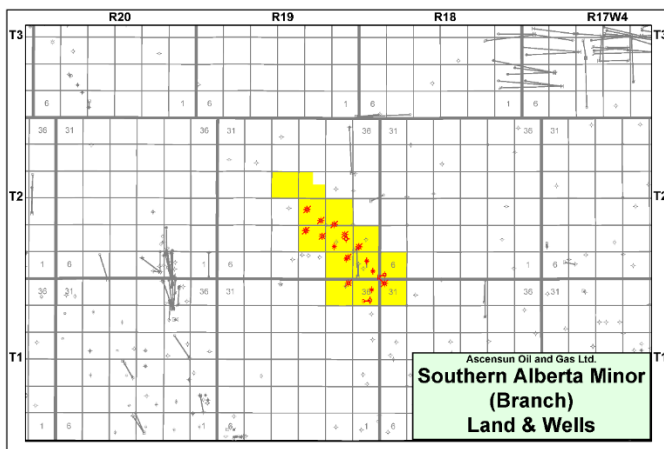
**Churchill 102 GrdFrks 102/03-18-011-13W4/0 –  
Sunburst Type Log**



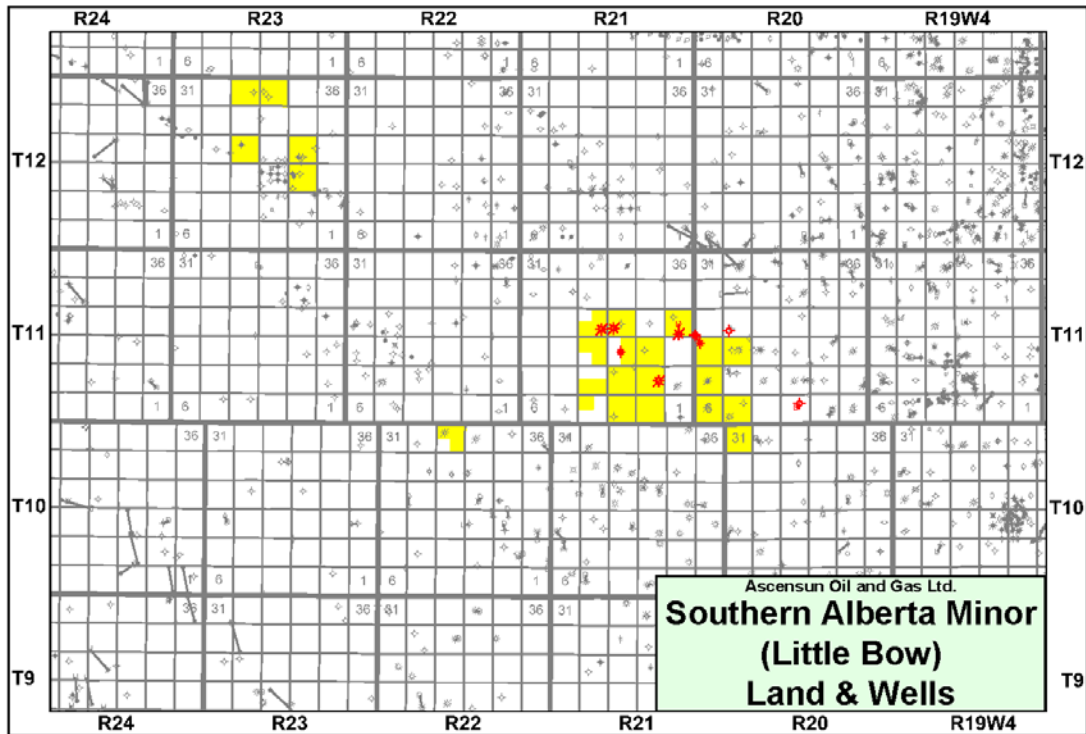
## Southern Alberta Minor Properties Township 1-14, Range 4-23 W4

In addition to Ascensun's interests in the *Grand Forks* and *Leduc* areas, the Company has various operated and non-operated working interests in several wells throughout Alberta including the *Branch*, *Little Bow* and *Medicine Hat* areas.

There is no production associated with the *Southern Alberta Minor* properties.







## Leduc Property

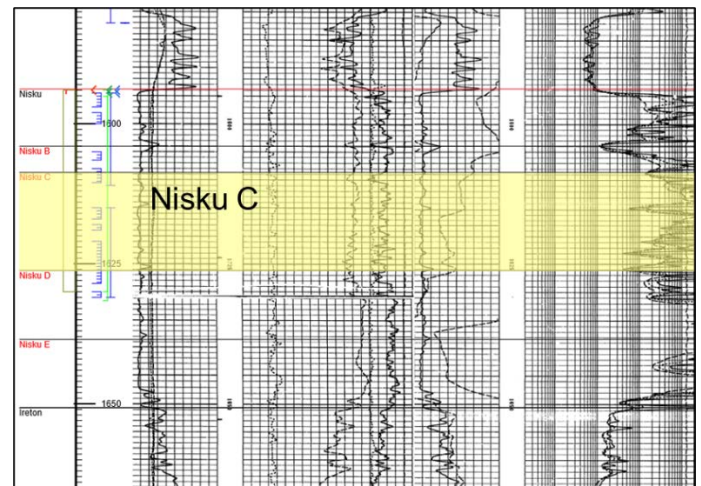
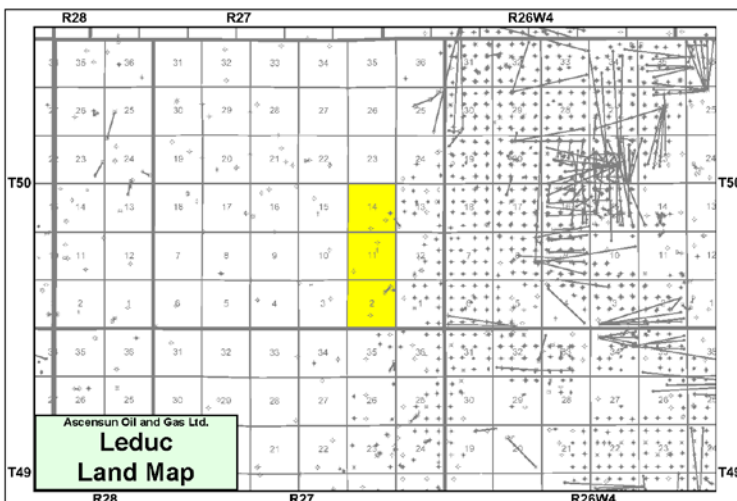
## Township 50, Range 27 W4

At *Leduc*, Ascensun has a 100% working interest in three sections of land prospective for the oil in the Nisku Formation.

There is no production from the *Leduc* property. The Company has four horizontal Nisku drilling locations booked on its lands at *Leduc* including one proved undeveloped and three probable undeveloped locations.

As shown in the following well log, the Nisku C zone is the target reservoir at *Leduc*.

## OWL Et Al Leduc 100/16-02-050-27W4/0 – Nisku Formation Type Log



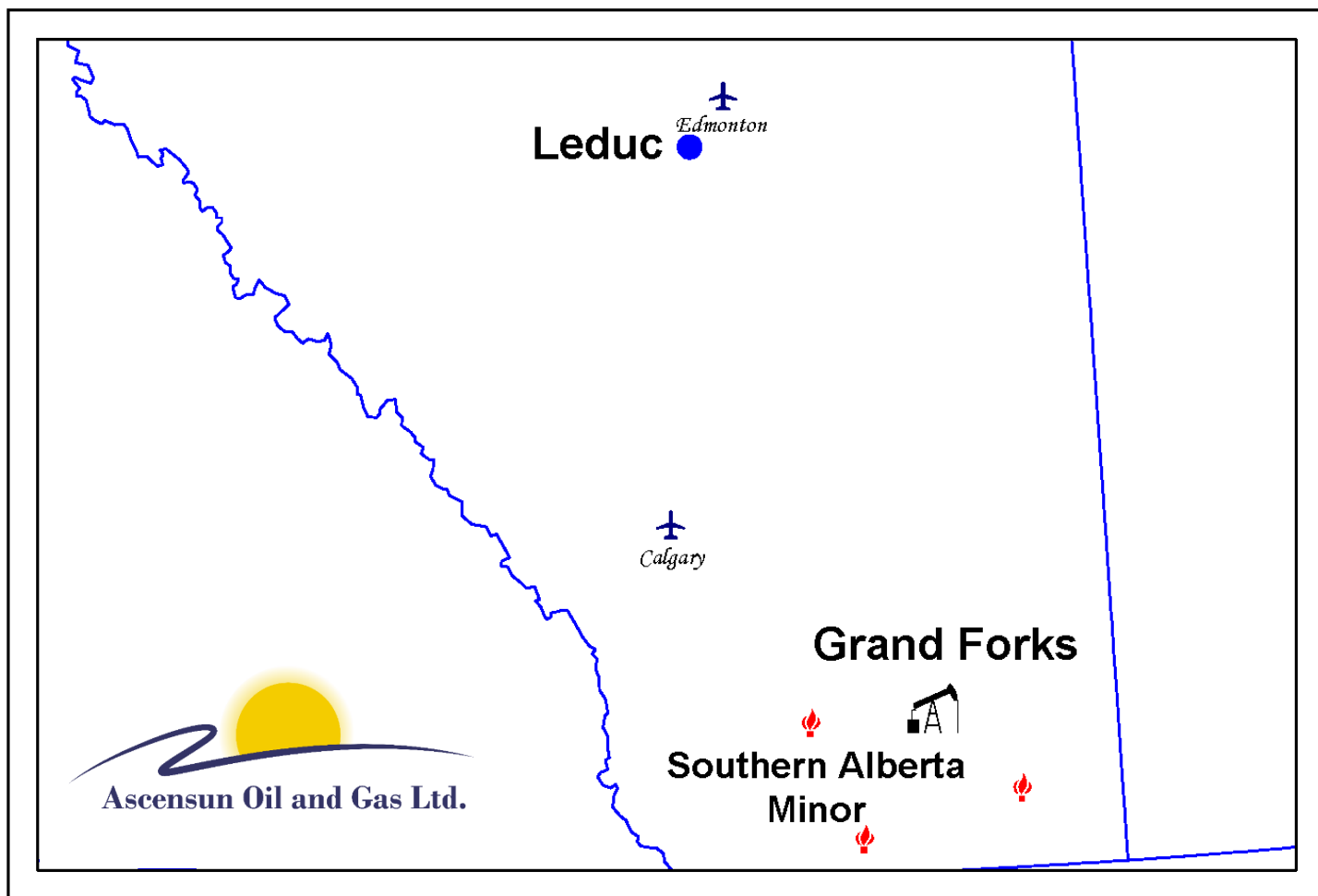




**BID DEADLINE: 12:00 pm March 3, 2022**

**Property Divestiture**

# **Ascensun Oil and Gas Ltd. Property Divestiture Winter 2022**



## **CONTACT**

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

Included in the confidential information is the following: summary land information, the Trimble Report, LMR information, most recent net operations summary, detailed facilities information and other relevant technical information.

To receive further information on the Properties please contact Ben Rye, Tom Pavic or Grazina Palmer at 403.266.6133.



1620, 540 – 5<sup>th</sup> Avenue SW, Calgary, Alberta Canada T2P 0M2  
Tel: 403.266.6133 Fax: 403.266.4467 [www.sayeradvisors.com](http://www.sayeradvisors.com)



## Overview

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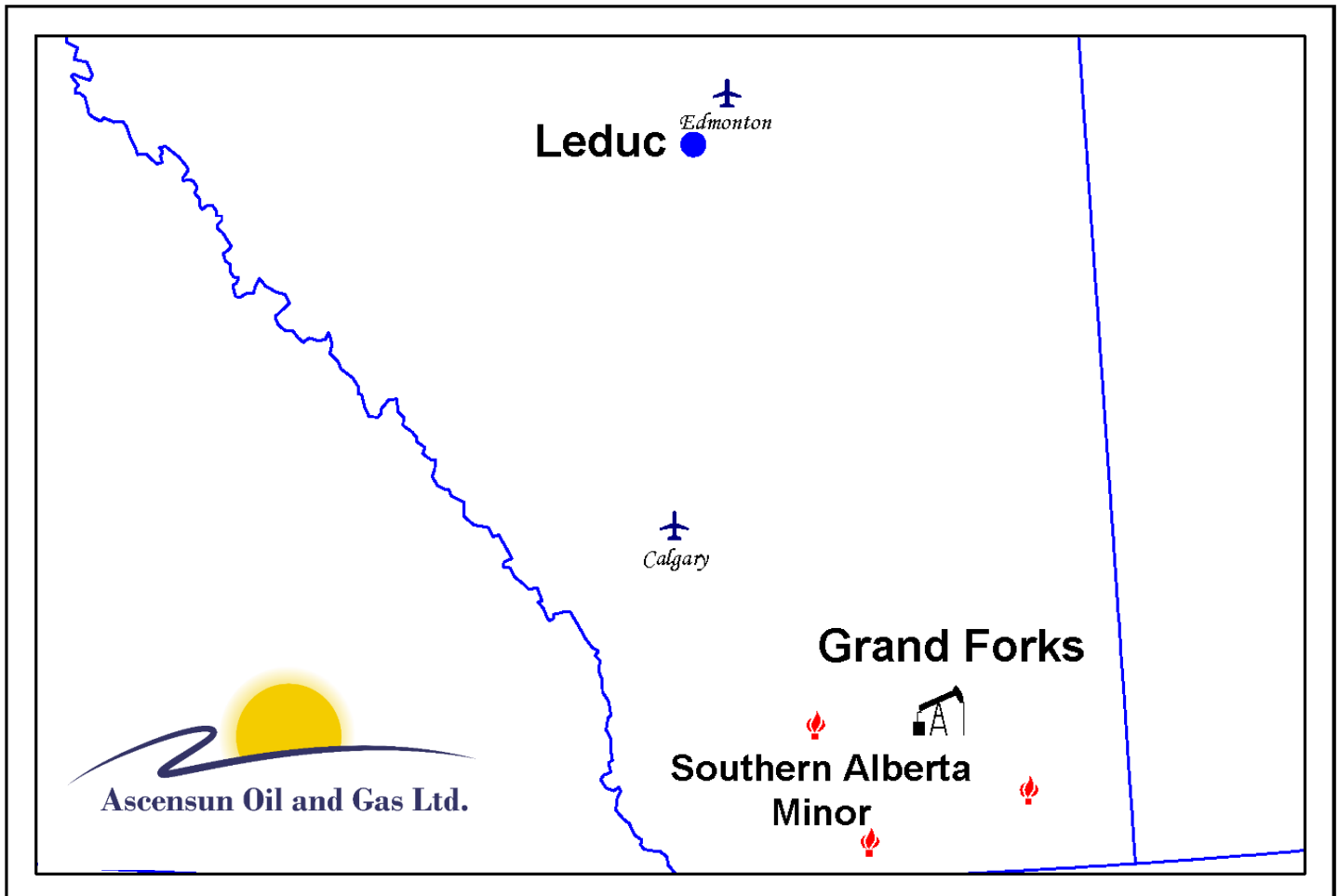
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### Overview Map Showing Location of the Divestiture Properties





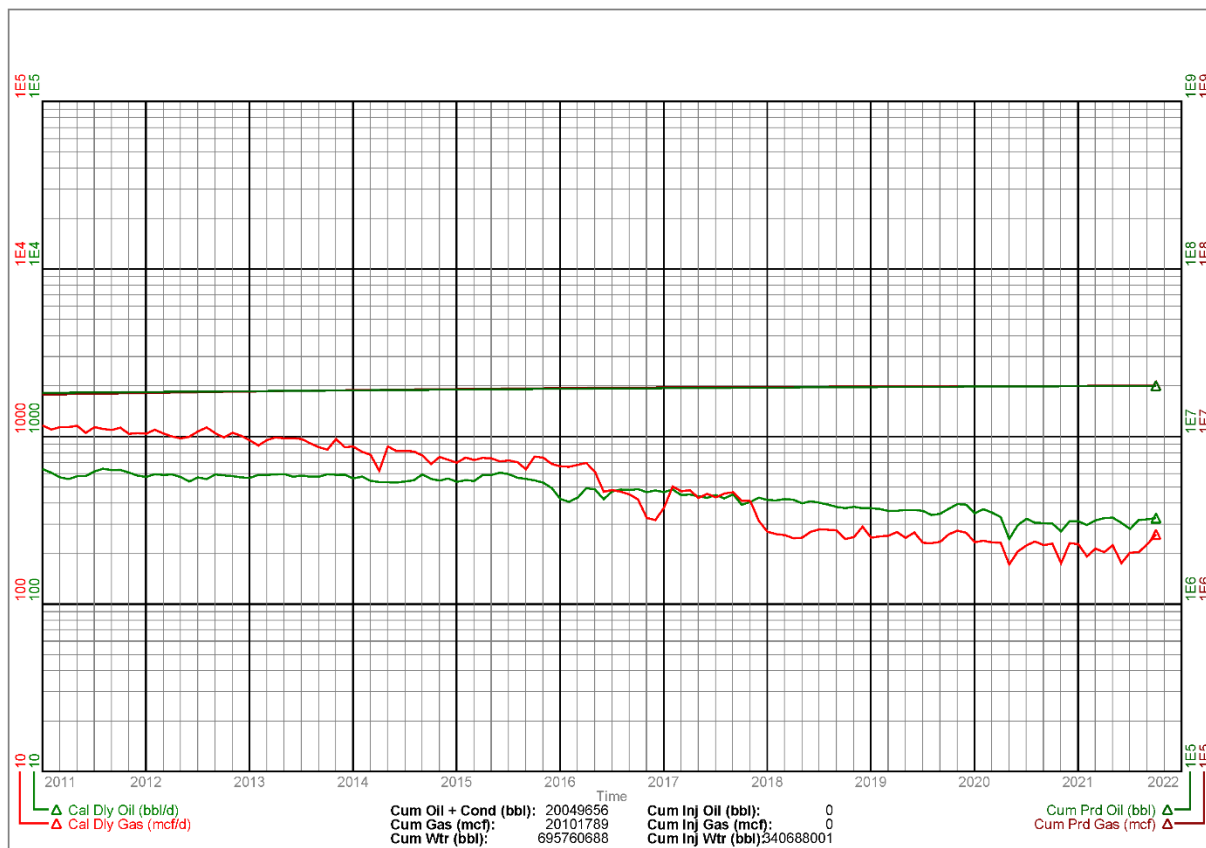
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<b>TOTAL</b>	<b>185</b>	<b>-</b>	<b>2</b>	<b>185</b>	<b>\$1,824,000</b>

## Gross Production Group Plot of Ascensun's Oil and Natural Gas Wells





## LMR Summary

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## Reserves Overview

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	Oil	Natural Gas	Ngl	Total	5%	10%	15%
	Mbbl	MMcf	Mbbl	MBOE		(000s)	
<b>Proved Developed Producing</b>	<b>252</b>	<b>0</b>	<b>0</b>	<b>252</b>	<b>\$1,841</b>	<b>\$2,098</b>	<b>\$2,001</b>
Proved Non-Producing/Undeveloped	808	213	15	858	\$6,368	\$4,744	\$3,508
<b>Total Proved</b>	<b>1,059</b>	<b>213</b>	<b>15</b>	<b>1,110</b>	<b>\$8,209</b>	<b>\$6,842</b>	<b>\$5,508</b>
Probable	2,047	1,012	71	2,286	\$28,323	\$20,696	\$15,414
<b>Total Proved Plus Probable</b>	<b>3,106</b>	<b>1,225</b>	<b>86</b>	<b>3,396</b>	<b>\$36,532</b>	<b>\$27,538</b>	<b>\$20,922</b>

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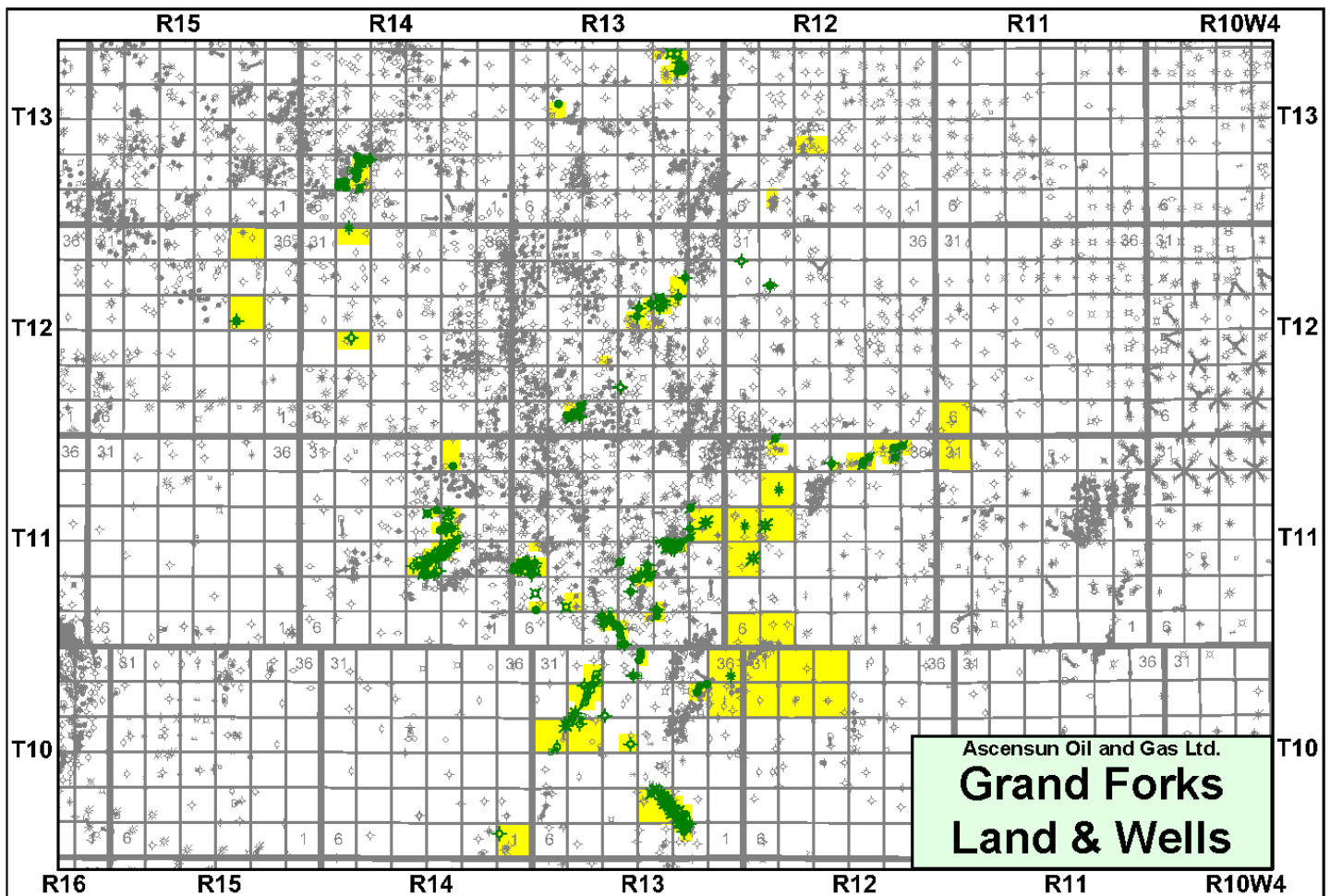
## Grand Forks Property

## Township 10-13, Range 11-15 W4

At *Grand Forks*, Ascensun holds mainly 100% working interests in several oil pools producing from the Glauconitic Sandstone, Sawtooth, Lower Mannville and Sunburst formations.

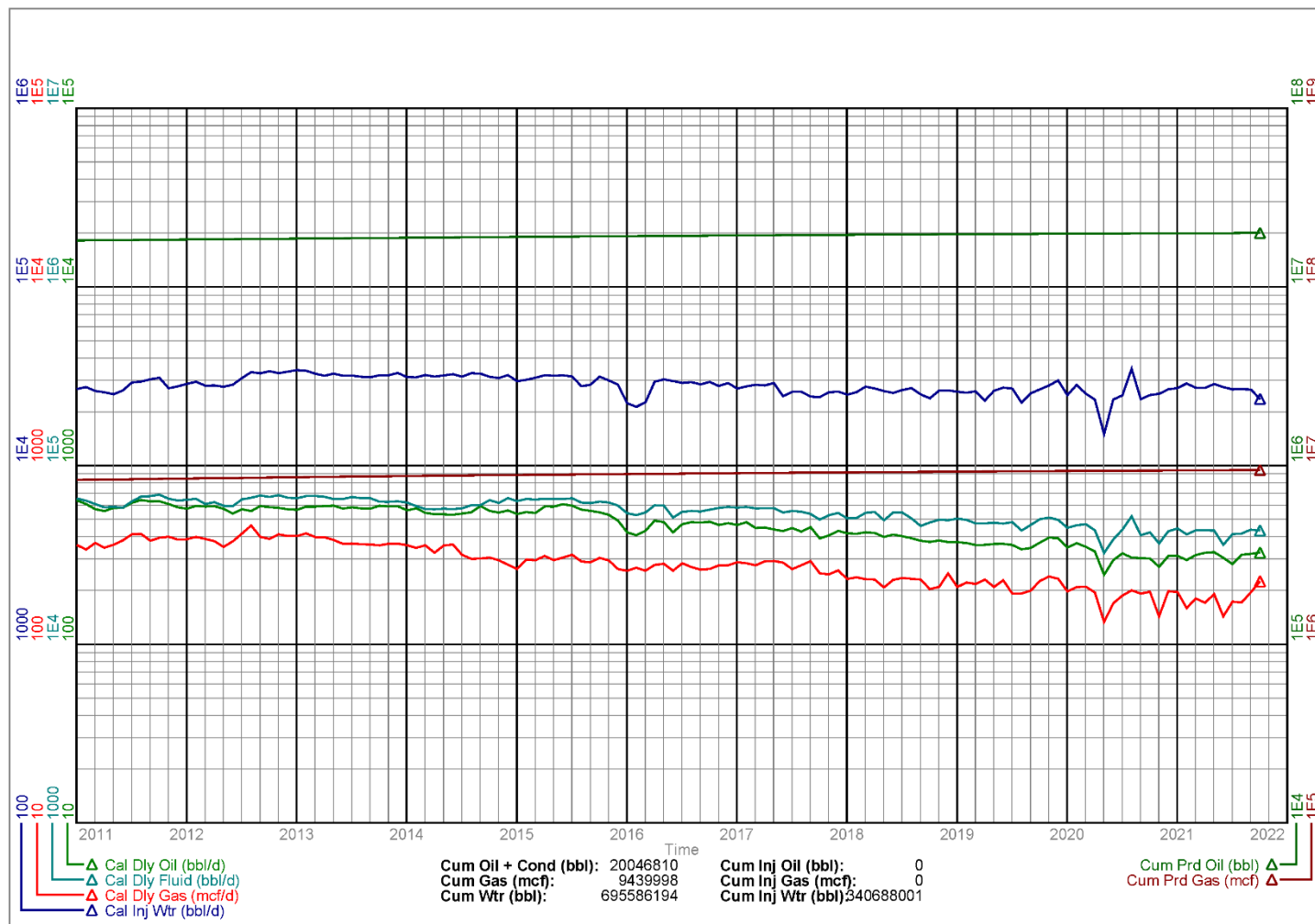
Average daily production net to the Company from *Grand Forks* in November 2021 was approximately 185 barrels of oil and natural gas liquids per day and two Mcf/d of natural gas (185 boe/d).

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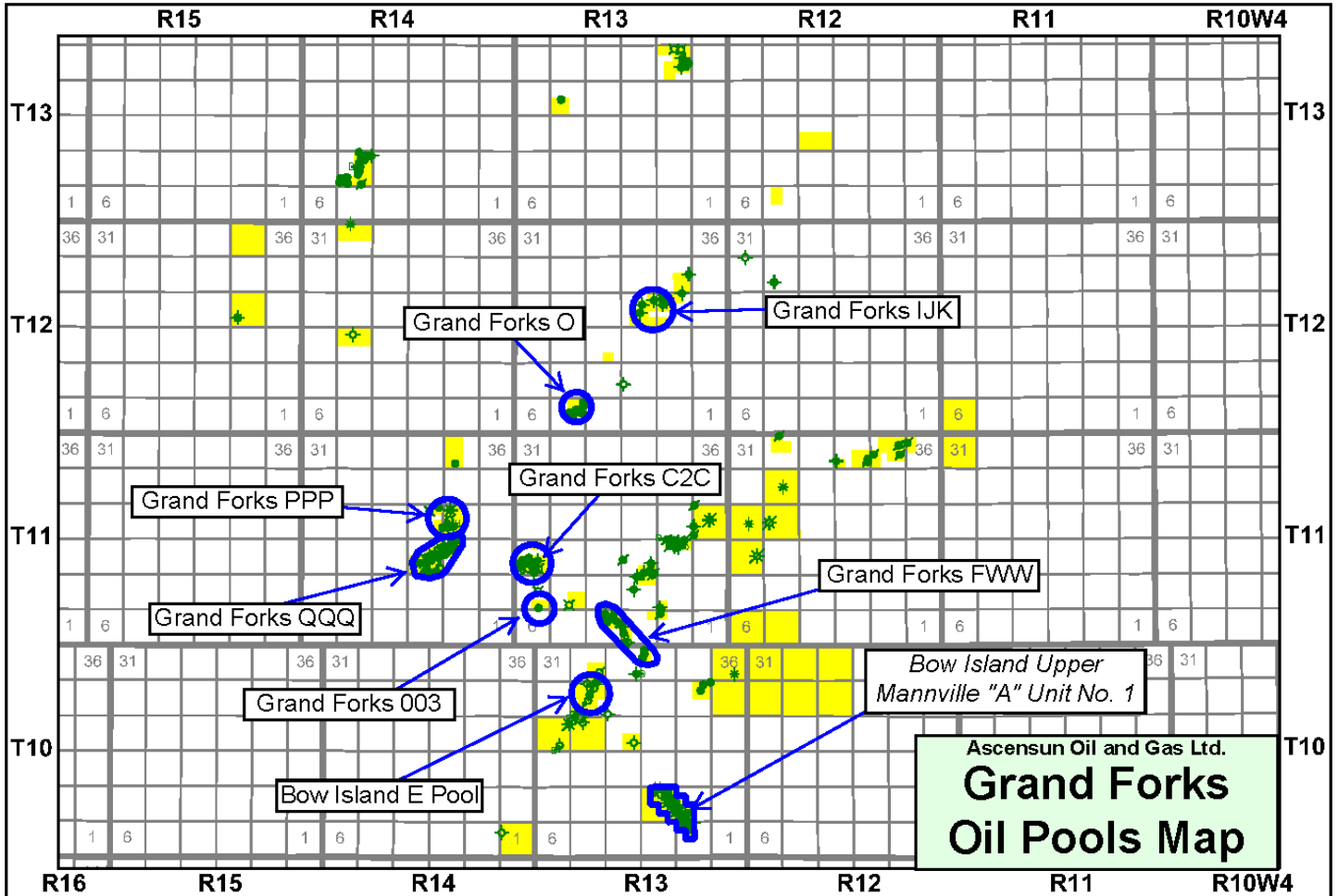
**Grand Forks, Alberta**  
**Gross Production Group Plot of Ascensun's Oil and Natural Gas Wells**





## Grand Forks Geology

The *Grand Forks* property consists of several oil pools targeting the Glauconitic Sandstone, Sawtooth, Lower Mannville and Sunburst formations as shown on the following map.



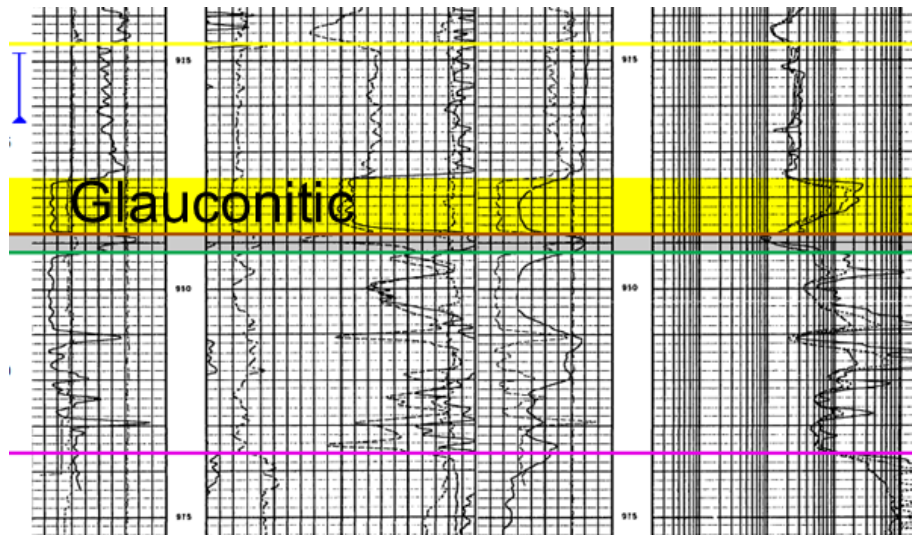


## Bow Island Glauconite E Pool – Glauconitic Sandstone Formation

The Glauconitic Sandstone Formation is found at a depth of approximately 900-950 metres as shown in the following well log.

The main mechanism for production from the E pool reservoir is water drive. Three wells have been converted to water injectors to maintain pressure.

### Churchill BI 100/04-29-010-13W4/0 – Glauconitic Sandstone Formation Type Log

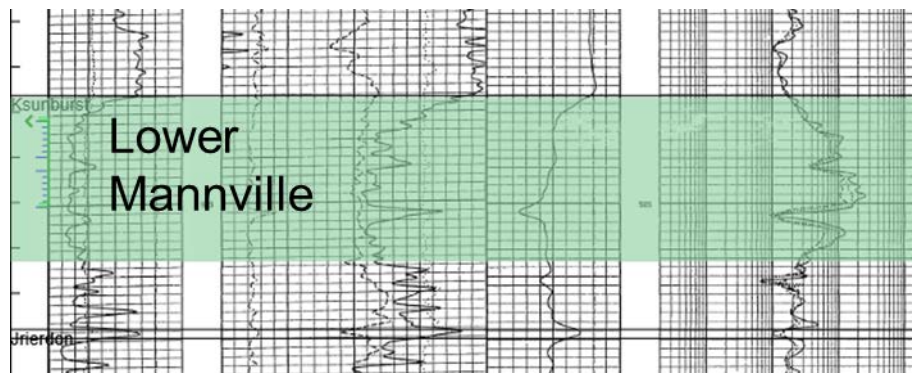


## Grand Forks FWW Pool – Lower Mannville WW

The Lower Mannville Formation is found at a depth of approximately 900-950 metres as shown in the following well log.

The Lower Mannville reservoir in the FWW pool produces through water drive.

### Churchill 102 GrdFrks 102/15-04-011-13W4/0 – Lower Mannville Type Log



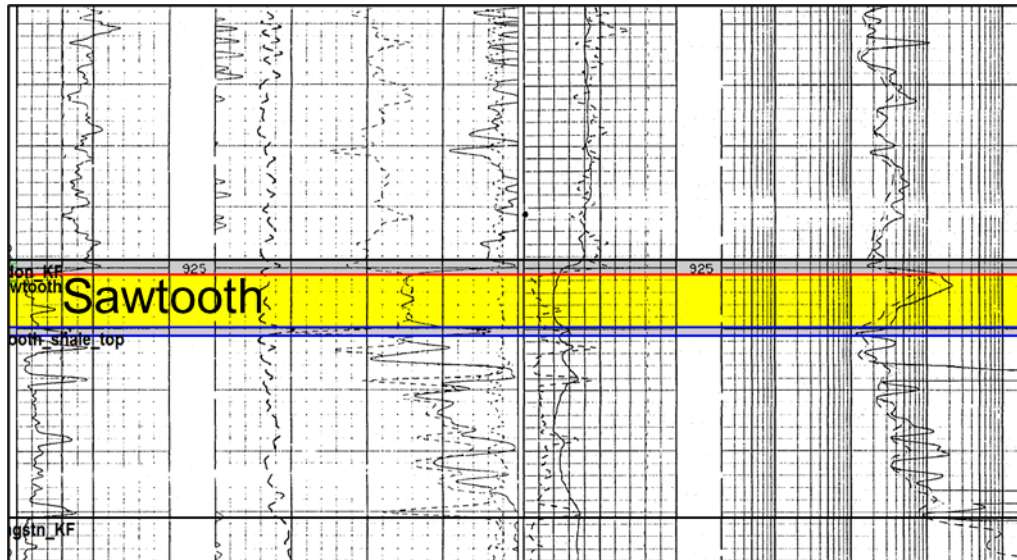




## Grand Forks Sawtooth PPP Pool

The Sawtooth reservoir is found at a depth of approximately 900-950 metres as shown in the following well log.

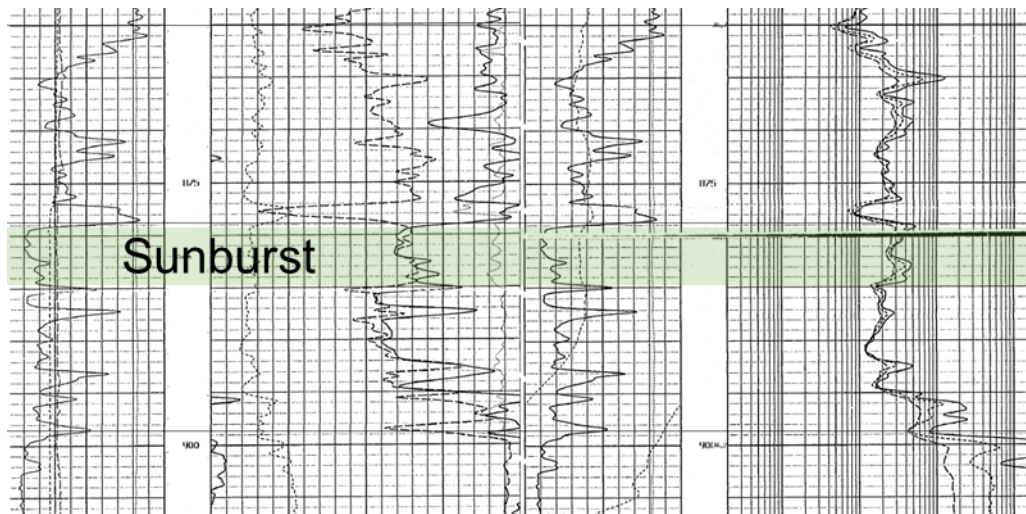
### *Oakmont GrdFrks 100/08-22-011-14W4/0 – Sawtooth Type Log*



## Grand Forks Sunburst C2C Pool

The Sunburst Formation is found at a depth of approximately 870 metres as shown in the following well log.

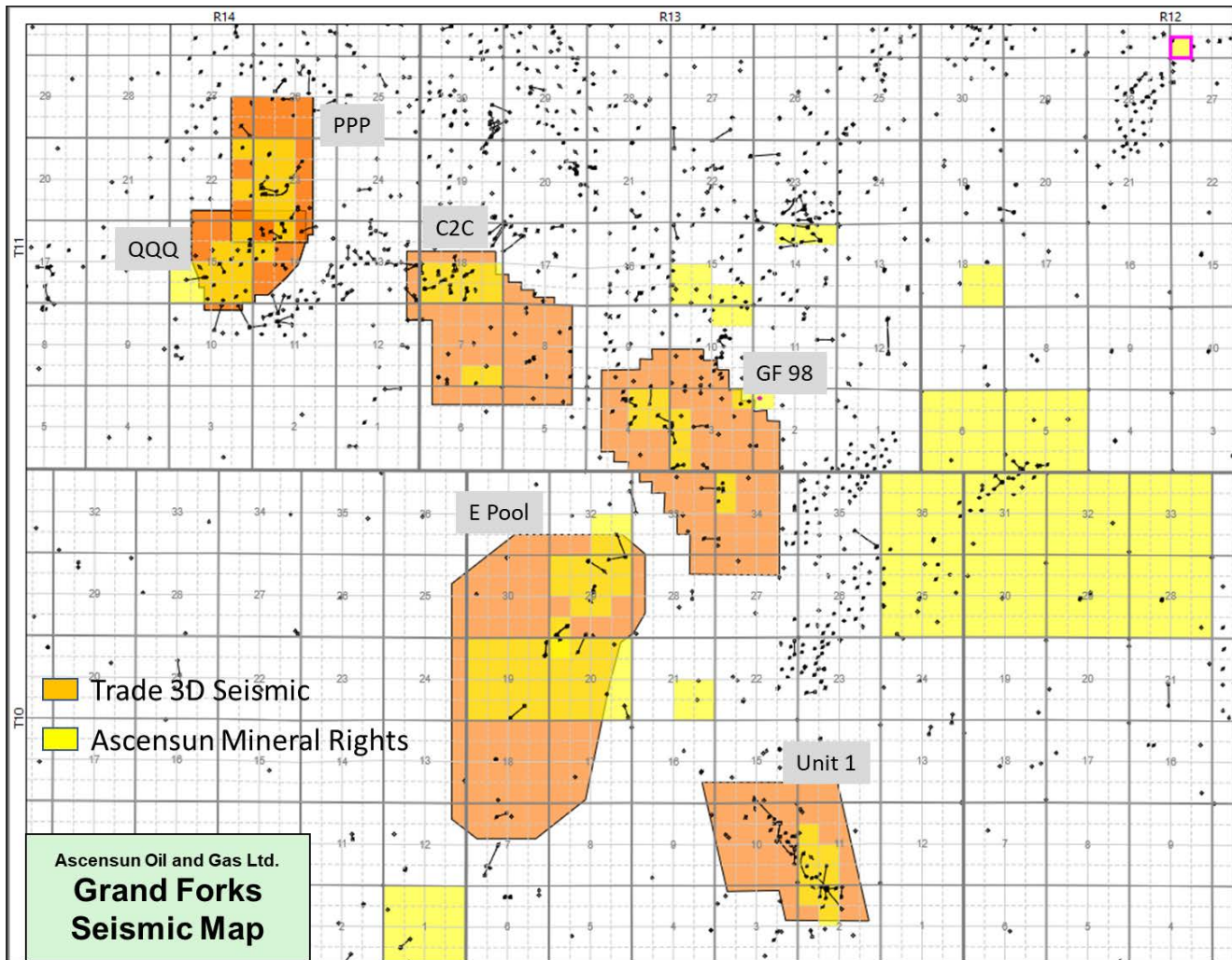
### *Churchill 102 GrdFrks 102/03-18-011-13W4/0 – Sunburst Type Log*





## Grand Forks Seismic

The Company has ownership in trade 3D seismic data over the majority of its lands at *Grand Forks* as illustrated on the following plat. The Company's interpretations of the seismic are available for viewing on a workstation by parties which have executed a confidentiality agreement.



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.





## Grand Forks Facilities

Ascensun holds an interest in the following facilities at *Grand Forks*.

Further details on the Company's facilities and equipment are available to parties that sign a confidentiality agreement.

License Number	Surface Location	Operator	Facility Type	Ascensun W.I. %
400	00/13-02-010-13W4	Ascensun	Oil Satellite	100%
401	00/09-10-010-13W4	Ascensun	Muti-well Battery	100%
413	00/04-29-010-13W4	Ascensun	Oil Satellite	75%
562	00/12-03-011-13W4	Ascensun	Oil Satellite	100%
563	00/10-07-011-13W4	Ascensun	Muti-well Battery	90.86%
564	00/02-08-011-13W4	Ascensun	Water Injection Plant	60%
576	00/02-18-011-13W4	Ascensun	Oil Satellite	100%
625	00/10-22-011-14W4	Ascensun	Muti-well Battery	100%
815	00/13-23-012-13W4	Canadian Natural	Injection Plant	40%
816	00/14-23-012-13W4	Canadian Natural	Muti-well Battery	40%
847	00/05-23-012-15W4	Ascensun	Single Well Battery	55%
20120	00/12-14-011-14W4	Ascensun	Multi-well Battery	100%
20560	00/13-34-010-13W4	Ascensun	Oil Satellite	81.25%
20563	00/15-04-011-13W4	Ascensun	Oil Satellite	100%
21141	00/10-15-011-14W4	Ascensun (COGI)	Satellite	96.44%
35898	02/04-29-010-13W4	Ascensun	Compressor Station	75%
39180	00/16-29-010-13W4	Ascensun	Oil Satellite	75%

The Grand Forks E, C2C and FWW pools produce to Ascensun's multi-well oil battery at 10-07-11-13W4.

Ascensun's oil production from the Grand Forks PPP pool is pipeline connected to its battery at 10-22-11-14W4.

The Company's oil production from the Grand Forks QQQ is connected to its battery at 00/12-14-011-14W4.

The Company has a 100% working interest in the *Bow Island Upper Mannville "A" Unit No. 1* which has a gathering system connected to its multi-well battery at 09-10-10-13W4.





## Grand Forks Marketing

Ascensun has a monthly crude oil purchase agreement in place with **Macquarie Oil Services Canada Ltd.** terminable with 30 days' notice.

Ascensun's multi-well batteries are located at 09-10-10-13W4, 10-07-11-13W4, 12-14-11-14W4 and 10-22-11-14W4. Oil is trucked to the Fincastle truck terminal where it is sold into the Bow River South Pipeline and the BR Plains Pipeline.

## Grand Forks Reserves

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Trimble estimates that, as of December 31, 2020, the *Grand Forks* property contained remaining proved plus probable reserves of 2.4 million barrels of oil, with an estimated net present value of \$18.8 million using forecast pricing at a 10% discount.

Trimble Engineering Associates Ltd. as of December 31, 2020							
COMPANY GROSS RESERVES					PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	5%	10% (000s)	15%
<b>Proved Developed Producing</b>	<b>252</b>	<b>0</b>	<b>0</b>	<b>252</b>	<b>\$1,841</b>	<b>\$2,098</b>	<b>\$2,001</b>
Proved Undeveloped	694	0	0	694	\$5,157	\$3,969	\$3,057
<b>Total Proved</b>	<b>945</b>	<b>0</b>	<b>0</b>	<b>945</b>	<b>\$6,998</b>	<b>\$6,067</b>	<b>\$5,058</b>
Probable	1,505	0	0	1,505	\$17,739	\$12,772	\$9,356
<b>Total Proved Plus Probable</b>	<b>2,451</b>	<b>0</b>	<b>0</b>	<b>2,451</b>	<b>\$24,737</b>	<b>\$18,839</b>	<b>\$14,414</b>

The reserve estimates and forecasts of production and revenues for the Company's properties were prepared within the context of the Company's year-end evaluation, which was an evaluation of all of the Company's properties in aggregate. 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.







## Grand Forks LMR as of January 1, 2022

As of January 1, 2022, Ascensun's net deemed asset value for *Grand Forks* was (\$1.4 million) (deemed assets of \$7.6 million and deemed liabilities of \$9.0 million), with an LMR ratio of 0.84.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$7,632,865	\$9,045,245	(\$1,412,380)	0.84

The stated LMR numbers do not include a \$2.4 million security deposit with the AER.

## Grand Forks Well List

See well list in Excel.



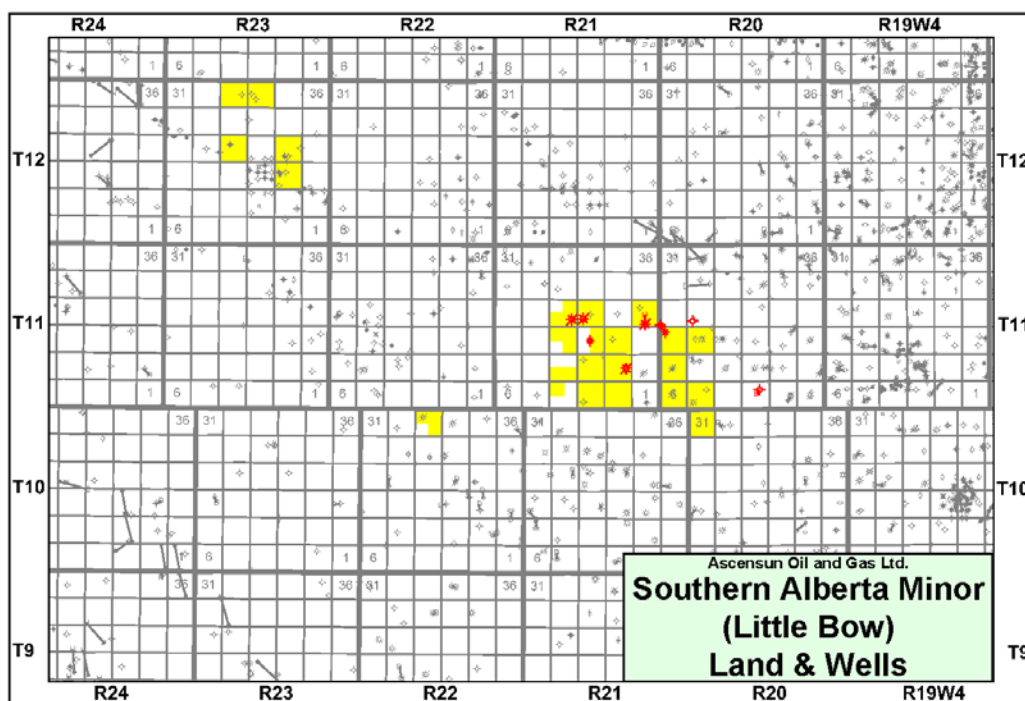
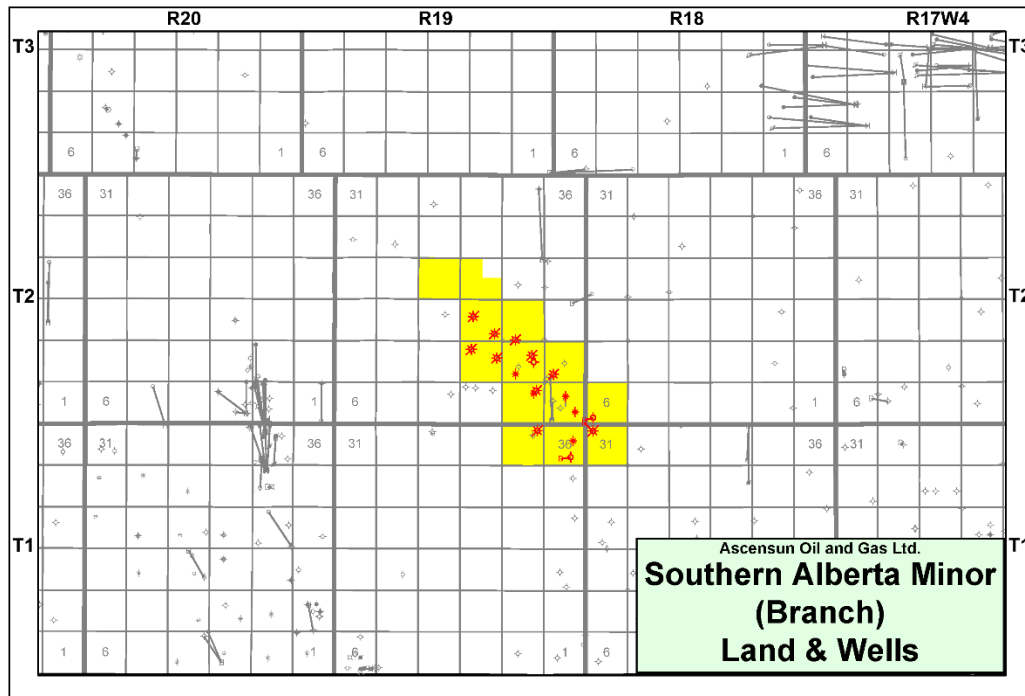


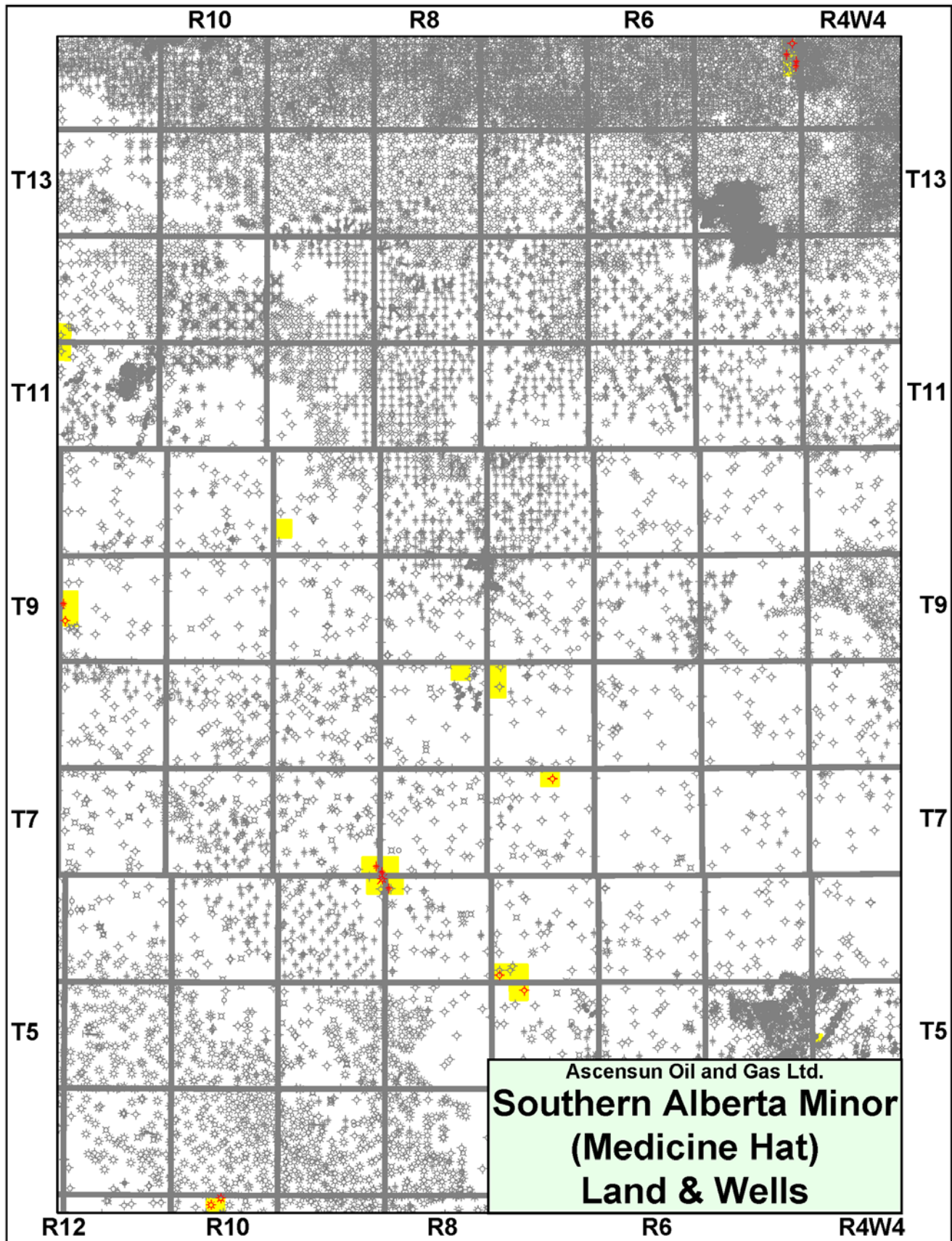
## Southern Alberta Minor Properties

## Township 1-14, Range 4-23 W4

In addition to Ascensun's interests in the *Grand Forks* and *Leduc* areas, the Company has various operated and non-operated working interests in several wells throughout Alberta including the *Branch*, *Little Bow* and *Medicine Hat* areas.

There is no production associated with the *Southern Alberta Minor* properties.







## Southern Alberta Minor Facilities

At *Southern Alberta Minor* Ascensun holds an interest in the following facilities.

Further details on the Company's facilities and equipment are available to parties that sign a confidentiality agreement.

License Number	Surface Location	Operator	Facility Type	Ascensun W.I. %
23616	00/06-22-011-21W4	Ascensun	Gas Plant	100%

The 06-22 gas plant consists of a dehydrator, compressor and tank.

## Southern Alberta Minor Reserves

The Southern Alberta Minor properties were not evaluated.

## Southern Alberta Minor LMR as of January 1, 2022

As of January 1, 2022, Ascensun's net deemed asset value for *Southern Alberta Minor* was (\$804,922) (deemed assets of \$0 and deemed liabilities of \$804,922), with an LMR ratio of 0.00.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$0	\$804,922	(\$804,922)	0.00

The stated LMR numbers do not include a \$2.4 million security deposit with the AER.

## Southern Alberta Minor Well List

See well list in Excel.





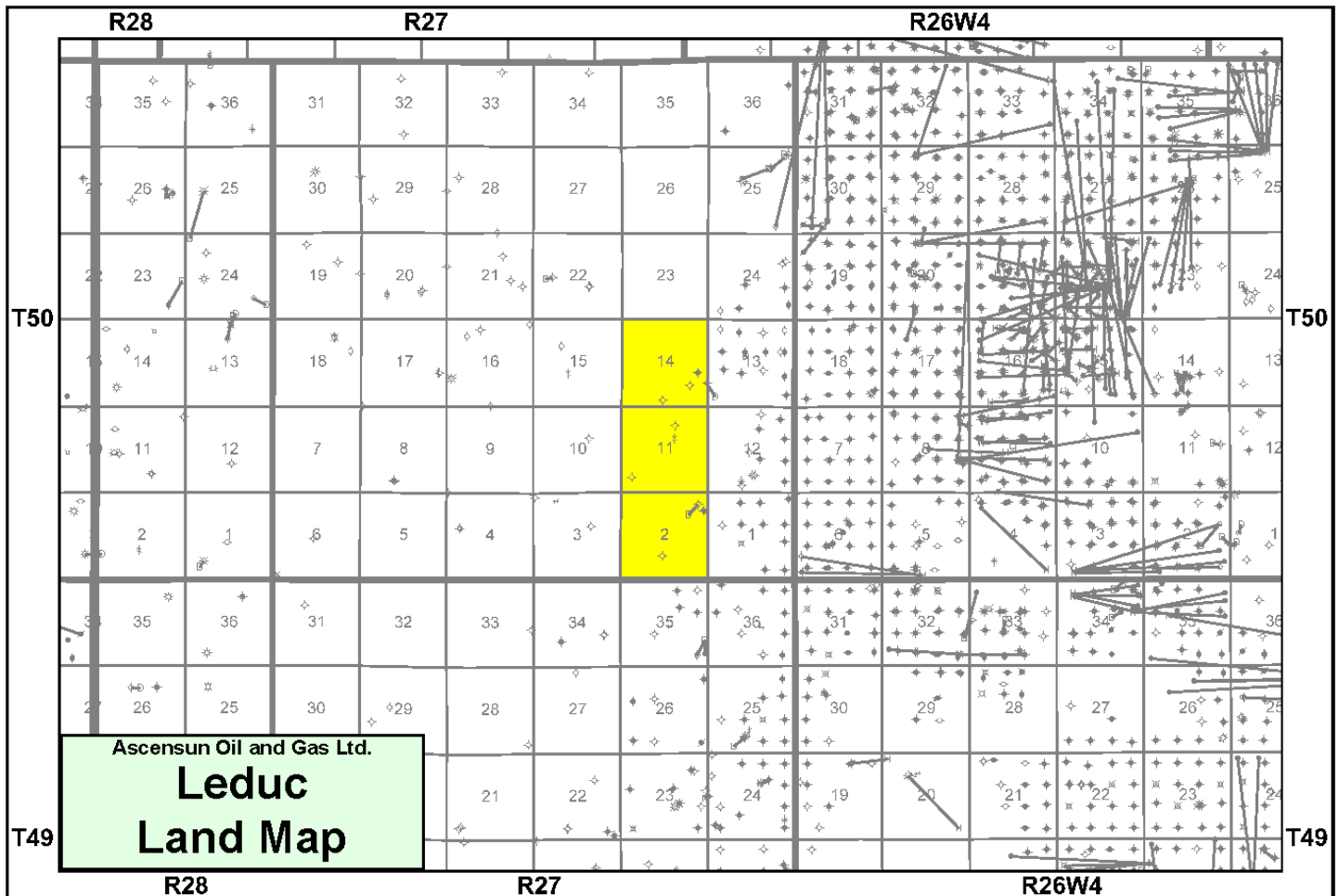


## Leduc Property

## Township 50, Range 27 W4

At *Leduc*, Ascensun has a 100% working interest in three sections of land prospective for the oil in the Nisku Formation.

There is no production from the *Leduc* property. The Company has four horizontal Nisku drilling locations booked on its lands at *Leduc* including one proved undeveloped and three probable undeveloped locations.

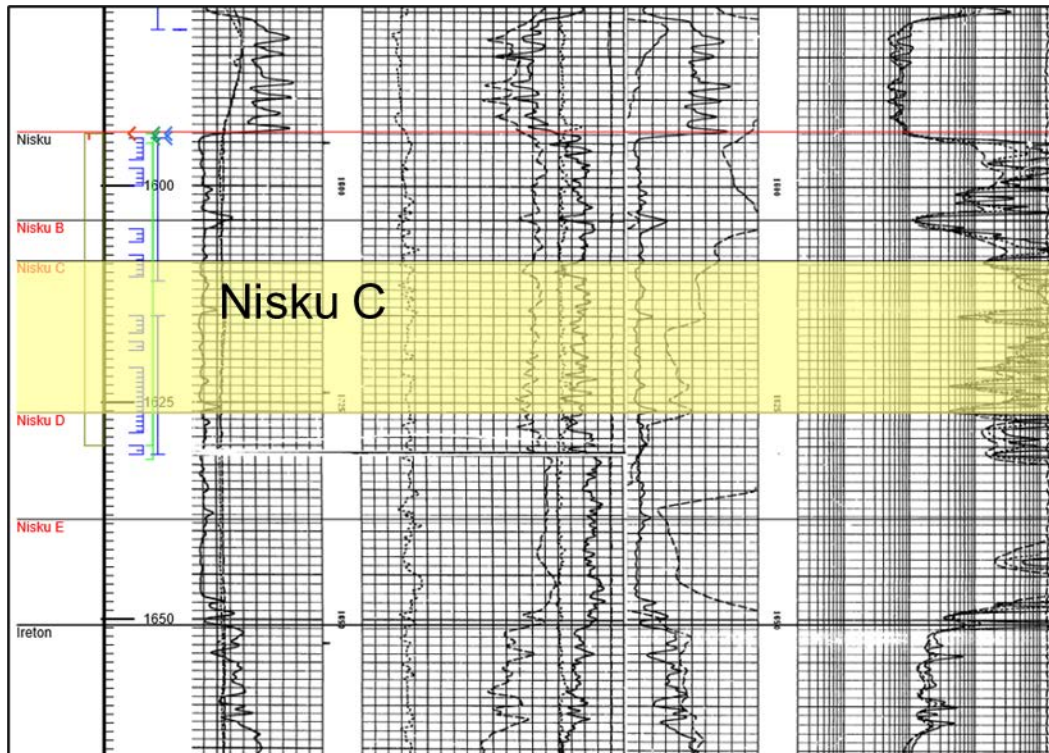




## Leduc Geology

As shown in the following well log, the Nisku C zone is the target reservoir at *Leduc*.

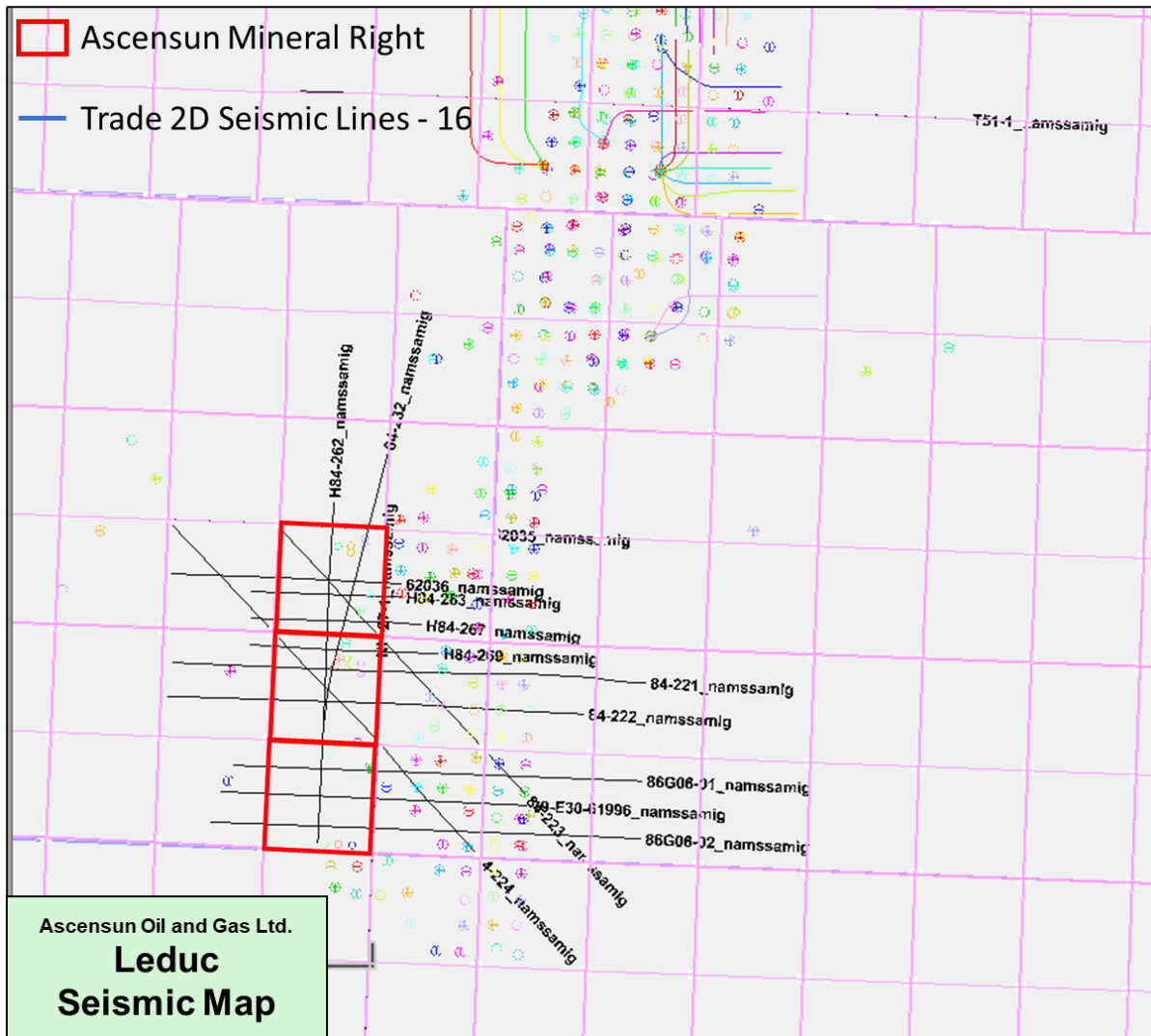
### ***OWL Et Al Leduc 100/16-02-050-27W4/0 – Nisku Formation Type Log***





## Leduc Seismic

The Company has ownership in trade 2D seismic data over the majority of its lands at *Leduc* as illustrated on the following plat. The Company's interpretations of the seismic are available for viewing on a workstation by parties which have executed a Confidentiality Agreement.



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.





## Leduc Reserves

*Trimble Engineering Associates Ltd.* ("Trimble") prepared an independent reserves evaluation of the Properties as part of the Company's year-end evaluation (the "Trimble Report"). The Trimble Report is effective December 31, 2020 using Trimble's January 1, 2021 forecast pricing.

Trimble estimates that, as of December 31, 2020, the *Leduc* property contained remaining proved plus probable reserves of 741,000 barrels of oil and 1.2 Bcf of natural gas (945,000 boe), with an estimated net present value of \$8.7 million using forecast pricing at a 10% discount.

Trimble Engineering Associates Ltd. as of December 31, 2020							
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	5%	10% (000s)	15%
<b>Proved Developed Producing</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Proved Undeveloped	114	213	15	164	\$1,211	\$776	\$450
<b>Total Proved</b>	<b>114</b>	<b>213</b>	<b>15</b>	<b>164</b>	<b>\$1,211</b>	<b>\$776</b>	<b>\$450</b>
Probable	541	1,012	71	781	\$10,584	\$7,924	\$6,058
<b>Total Proved Plus Probable</b>	<b>655</b>	<b>1,225</b>	<b>86</b>	<b>945</b>	<b>\$11,795</b>	<b>\$8,699</b>	<b>\$6,508</b>

The reserve estimates and forecasts of production and revenues for the Company's properties were prepared within the context of the Company's year-end evaluation, which was an evaluation of all of the Company's properties in aggregate. 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.

## Leduc LMR as of January 1, 2022

Ascensun does not operate any wells or facilities at *Leduc*.

## Leduc Well List

Ascensun does not have ownership in any wells at *Leduc*.



RECIPIENT COMPANY LETTERHEAD

\_\_\_\_\_, 2022

**Ascensun Oil and Gas Ltd.  
c/o Sayer Energy Advisors  
1620, 540 - 5<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 0M2**

Attention: Ben Rye

Re: **Confidentiality Agreement  
Property Divestiture**

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\_\_\_\_\_ ("Recipient") has expressed an interest in the purchase of certain oil and natural gas properties owned by Ascensun Oil and Gas Ltd. ("Ascensun") in the Grand Forks, Leduc and southern Alberta areas (the "Properties"). Ascensun 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 Ascensun providing the Confidential Information, Recipient agrees as follows:

1. Recipient acknowledges that all Confidential Information provided to Recipient is proprietary to Ascensun 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 Ascensun. 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 Ascensun 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 Ascensun 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 Ascensun of such a request. Recipient shall consult with Ascensun on the advisability of taking steps to resist or narrow such request or directive. If disclosure is deemed advisable, Recipient shall cooperate with Ascensun in any attempt that Ascensun 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 Ascensun; or
  - (c) subject to disclosure required by law, rule or regulation provided that Ascensun 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 Ascensun under a confidentiality agreement.
7. Recipient acknowledges the competitive value of the Confidential Information. Accordingly, without limitation and in addition to any rights of Ascensun and its joint venture partners against the Recipient arising by any breach hereof, the Recipient shall:
  - (a) be liable to Ascensun for all losses, costs, damages and expenses whatsoever which they may suffer, sustain, pay or incur; and in addition,
  - (b) indemnify Ascensun against any and all actions, proceedings, claims, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by Ascensun or which Ascensun 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 Ascensun, Recipient shall immediately return or cause to be returned to Ascensun 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 Ascensun, provide certification from an officer of the Recipient to Ascensun 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 Ascensun 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 Ascensun unless and until a definitive offer to purchase has been accepted in writing by Ascensun. 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 Ascensun.

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, Ascensun makes no representation or warranty as to the accuracy or completeness of the Confidential Information. Recipient agrees that neither Ascensun nor anyone representing Ascensun 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 Ascensun may be irreparably injured by a breach of this Confidentiality Agreement that could not be adequately compensated for by damages. Ascensun 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) Ascensun 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 Ascensun 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 Ascensun and then only against Ascensun 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 Ascensun'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 Ascensun, or with any customer, supplier, sales representative, or competitor of Ascensun except with the express written permission of Ascensun. Any such permission granted by Ascensun 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 Ascensun Oil and Gas Ltd. this \_\_\_\_ day of \_\_\_\_\_, 2022**

\_\_\_\_\_  
Julia Zhou  
Director and CFO