

**PARK PLACE ENERGY INC.
RESERVES ASSESSMENT AND
EVALUATION OF
TURKISH OIL PROPERTIES
CORPORATE SUMMARY**

Effective December 31, 2017

1181620

CORPORATE SUMMARY**TABLE OF CONTENTS**

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April 10, 2018

Project 1181620

Dr. Arthur Halleran, Ph.D.
Park Place Energy Inc.
Suite 700 – 838 West Hastings Street
Vancouver, British Columbia V6C 0A6

Dear Sir:

**Re: Park Place Energy Inc.
Corporate Evaluation
Effective December 31, 2017**

GLJ Petroleum Consultants (GLJ) has completed an independent reserves assessment and evaluation of the oil and gas properties located in Turkey of Park Place Energy Inc. (the “Company”). The effective date of this evaluation is December 31, 2017.

This report has been prepared for the Company for the purpose of annual disclosure and other financial requirements. This evaluation has been prepared in accordance with reserves definitions, standards and procedures contained in the Canadian Oil and Gas Evaluation Handbook.

It was GLJ’s primary mandate in this evaluation to provide an independent evaluation of the oil and gas reserves of the Company in aggregate. Accordingly it may not be appropriate to extract individual property or entity estimates for other purposes. Our engagement letter notes these limitations on the use of this report.

All values reported herein are in U.S. Dollars.

It is trusted that this evaluation meets your current requirements. Should you have any questions regarding this analysis, please contact the undersigned.

Yours very truly,

GLJ PETROLEUM CONSULTANTS LTD.

A handwritten signature in blue ink, appearing to read 'Patrick A. Olenick'.

Patrick A. Olenick, P. Eng.
Manager, Engineering

PAO/jem
Attachments


INDEPENDENT PETROLEUM CONSULTANTS' CONSENT

The undersigned firm of Independent Petroleum Consultants of Calgary, Alberta, Canada has prepared an independent evaluation of the **Park Place Energy Inc.** (the "Company") Turkish oil and gas properties and hereby gives consent to the use of its name and to the said estimates. The effective date of the evaluation is **December 31, 2017.**

In the course of the evaluation, the Company provided GLJ Petroleum Consultants Ltd. personnel with basic information which included land data, well information, geological information, reservoir studies, estimates of on-stream dates, contract information, current hydrocarbon product prices, operating cost data, capital budget forecasts, financial data and future operating plans. Other engineering, geological or economic data required to conduct the evaluation and upon which this report is based, were obtained from public records, other operators and from GLJ Petroleum Consultants Ltd. nonconfidential files. The Company has provided a representation letter confirming that all information provided to GLJ Petroleum Consultants Ltd. is correct and complete to the best of its knowledge. Procedures recommended in the Canadian Oil and Gas Evaluation (COGE) Handbook to verify certain interests and financial information were applied in this evaluation. In applying these procedures and tests, nothing came to GLJ Petroleum Consultants Ltd.'s attention that would suggest that information provided by the Company was not complete and accurate. GLJ Petroleum Consultants Ltd. reserves the right to review all calculations referred to or included in this report and to revise the estimates in light of erroneous data supplied or information existing but not made available which becomes known subsequent to the preparation of this report.

The accuracy of any reserves and production estimate is a function of the quality and quantity of available data and of engineering interpretation and judgment. While reserves and production estimates presented herein are considered reasonable, the estimates should be accepted with the understanding that reservoir performance subsequent to the date of the estimate may justify revision, either upward or downward.

Revenue projections presented in this report are based in part on forecasts of market prices, currency exchange rates, inflation, market demand and government policy which are subject to many uncertainties and may, in future, differ materially from the forecasts utilized herein. Present values of revenues documented in this report do not necessarily represent the fair market value of the reserves evaluated herein.

| |
|--|
| <p>PERMIT TO PRACTICE GLJ PETROLEUM CONSULTANTS LTD.</p> |
|  |
| Signature: _____ |
| Date: _____ April 10, 2018 _____ |
| <p>PERMIT NUMBER: P 2066 The Association of Professional Engineers and Geoscientists of Alberta</p> |



INTRODUCTION

GLJ Petroleum Consultants (GLJ) was commissioned by Park Place Energy Inc. (the “Company”) to prepare an independent evaluation of its oil and gas reserves effective December 31, 2017. The locations of the most significant reserves properties are indicated on the attached index map.

The evaluation was initiated in February 2018 and completed by April 2018. Estimates of reserves and projections of production were generally prepared using well information and production data provided by the Company to approximately December 31, 2017. The Company also provided land, accounting data and other technical information not available in the public domain to approximately December 31, 2017. In certain instances, the Company also provided recent engineering, geological and other information up to December 31, 2017. The Company has confirmed that, to the best of its knowledge, all information provided to GLJ is correct and complete as of the effective date.

This evaluation has been prepared in accordance with procedures and standards contained in the Canadian Oil and Gas Evaluation (COGE) Handbook. The reserves definitions used in preparing this report (included herein under “Reserves Definitions”) are those contained in the COGE Handbook and the Canadian Securities Administrators National Instrument 51-101 (NI 51-101).

The evaluation was conducted on the basis of the GLJ January 1, 2018 Price Forecast which is summarized in the Product Price and Market Forecasts section of this report.

Tables summarizing production, royalties, costs, revenue projections, reserves and present value estimates for various reserves categories for individual properties and the Company total are provided in the tabbed sections of this Summary Report.

The Evaluation Procedure section outlines general procedures used in preparing this evaluation. The individual property reports, provided under separate cover, provide additional evaluation details. The following summarizes evaluation matters that have been included/excluded in cash flow projections:

- in accordance with NI 51-101, the effect on projected revenues of the Company’s financial hedging activity has not been included,

- provisions for the abandonment and reclamation of all of the Company's existing and future wells to which reserves have been attributed have been included; all other abandonment and reclamation costs have not been included,
- general and administrative (G&A) costs and overhead recovery have not been included,
- undeveloped land values have not been included.

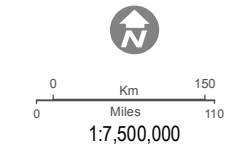
The "Securities Reporting" section of this report provides reserves data in a format that is consistent with the disclosure requirements set out in NI 51-101.

Economic forecasts are provided on an after tax basis including tax pools provided by the Company in the "After Tax Analysis" section.

The preparation of an evaluation requires the use of judgment in applying the standards and definitions contained in the COGE Handbook and NI 51-101. GLJ has applied those standards and definitions based on its experience and knowledge of industry practice. While GLJ believes that the reserves data set forth in this evaluation have, in all material respects, been determined and are in accordance with the COGE Handbook, because the application of the standards and definitions contained in the COGE Handbook and NI 51-101 require the use of judgment there is no assurance that the applicable securities regulator(s) will not take a different view as to some of the determinations in the evaluation.



Map 1
Index Map
Property Location



Company: Park Place Energy Inc.
Property: Turkey

Effective Date: December 31, 2017
Project: s1181620/cenm01

SUMMARY
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Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary**
 Currency: **\$US Dollars**

Table 1

Reserve Class: **Various**
 Development Class: **Classifications**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Summary of Reserves and Values

| | Proved Producing | Proved Developed Non- Producing | Proved Undevelope d | Total Proved | Total Probable | Total Proved Plus Probable | Total Possible | Total PPP |
|---|---------------------|--|---------------------------|-----------------|-------------------|-------------------------------------|-------------------|--------------|
| MARKETABLE RESERVES | | | | | | | | |
| Light & Medium Oil (Mbbbl) | | | | | | | | |
| Total Company Interest | 228 | 9 | 0 | 237 | 68 | 305 | 64 | 369 |
| Working Interest | 228 | 9 | 0 | 237 | 68 | 305 | 64 | 369 |
| Net After Royalty | 200 | 8 | 0 | 207 | 59 | 267 | 56 | 323 |
| Oil Equivalent (Mboe) | | | | | | | | |
| Total Company Interest | 228 | 9 | 0 | 237 | 68 | 305 | 64 | 369 |
| Working Interest | 228 | 9 | 0 | 237 | 68 | 305 | 64 | 369 |
| Net After Royalty | 200 | 8 | 0 | 207 | 59 | 267 | 56 | 323 |
| BEFORE TAX PRESENT VALUE (M\$) | | | | | | | | |
| 0% | 4,542 | 76 | 0 | 4,618 | 1,621 | 6,239 | 1,549 | 7,788 |
| 5% | 3,976 | 63 | 0 | 4,039 | 1,155 | 5,194 | 1,007 | 6,201 |
| 8% | 3,694 | 56 | 0 | 3,751 | 956 | 4,707 | 796 | 5,502 |
| 10% | 3,527 | 52 | 0 | 3,579 | 849 | 4,428 | 687 | 5,114 |
| 12% | 3,374 | 48 | 0 | 3,421 | 757 | 4,179 | 597 | 4,776 |
| 15% | 3,168 | 43 | 0 | 3,210 | 644 | 3,854 | 491 | 4,345 |
| 20% | 2,877 | 35 | 0 | 2,912 | 503 | 3,415 | 366 | 3,782 |
| FIRST 6 YEARS BEFORE TAX CASH FLOW (M\$) | | | | | | | | |
| 2018 | 1,157 | -27 | 0 | 1,130 | 25 | 1,155 | 15 | 1,170 |
| 2019 | 847 | 33 | 0 | 879 | 63 | 942 | 38 | 980 |
| 2020 | 633 | 17 | 0 | 651 | 88 | 739 | 54 | 793 |
| 2021 | 526 | 15 | 0 | 541 | 109 | 650 | 69 | 720 |
| 2022 | 433 | 14 | 0 | 447 | 127 | 573 | 85 | 658 |
| 2023 | 347 | 12 | 0 | 359 | 145 | 504 | 93 | 597 |

BOE Factors: HVY OIL 1.0 RES GAS 6.0 PROPANE 1.0 ETHANE 1.0
 COND 1.0 SLN GAS 6.0 BUTANE 1.0 SULPHUR 0.0

Run Date: April 05, 2018 09:39:12

1181620 Class (A,B1,B2,C,F,I,O,R), GLJ (2018-01), psum

April 09, 2018 11:11:35

Table 2

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary**
 Currency: **\$US Dollars**

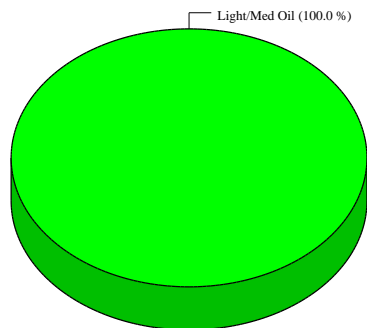
Reserve Class: **Various**
 Development Class: **Classifications**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Company Production, Reserves and Present Value Summary

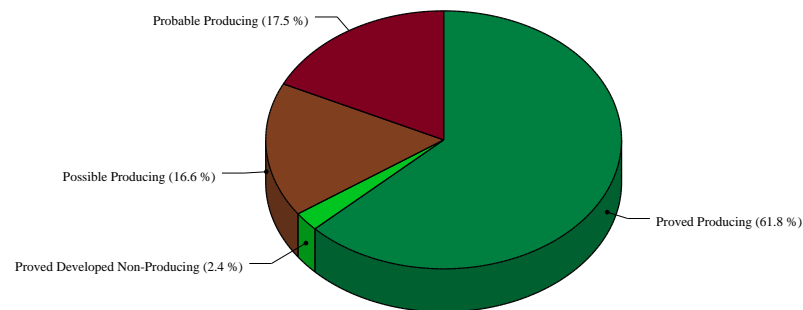
| Entity Description | 2018 Company Interest Prod'n | | | | Company Interest Reserves | | | | | Net After Royalty Reserves | | | | | Reserve Life Index yrs | Before Income Tax Discounted Present Value (M\$) | | | | |
|--|------------------------------|-----------|-----------|---------------|---------------------------|----------|----------|-------------|--------------|----------------------------|----------|----------|-------------|--------------|------------------------|--|-------|-------|-------|-------|
| | Gas Mcf/d | Oil bbl/d | NGL bbl/d | Oil Eq. boe/d | Gas MMcf | Oil Mbbl | NGL Mbbl | Sulphur Mlt | Oil Eq. Mboe | Gas MMcf | Oil Mbbl | NGL Mbbl | Sulphur Mlt | Oil Eq. Mboe | | 0% | 5% | 8% | 10% | 12% |
| Proved Producing | 0 | 104 | 0 | 104 | 0 | 228 | 0 | 0 | 228 | 0 | 200 | 0 | 0 | 200 | 6.0 | 4,542 | 3,976 | 3,694 | 3,527 | 3,374 |
| Proved Developed Non-Producing | 0 | 1 | 0 | 1 | 0 | 9 | 0 | 0 | 9 | 0 | 8 | 0 | 0 | 8 | 17.8 | 76 | 63 | 56 | 52 | 48 |
| Proved Undeveloped | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 0 | 0 | 0 | 0 | 0 |
| Total Proved | 0 | 106 | 0 | 106 | 0 | 237 | 0 | 0 | 237 | 0 | 207 | 0 | 0 | 207 | 6.1 | 4,618 | 4,039 | 3,751 | 3,579 | 3,421 |
| Probable Producing | 0 | 2 | 0 | 2 | 0 | 65 | 0 | 0 | 65 | 0 | 57 | 0 | 0 | 57 | 115.8 | 1,561 | 1,113 | 922 | 819 | 731 |
| Probable Developed Non-Producing | 0 | 0 | 0 | 0 | 0 | 3 | 0 | 0 | 3 | 0 | 3 | 0 | 0 | 3 | 744.1 | 60 | 42 | 34 | 30 | 26 |
| Probable Undeveloped | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 0 | 0 | 0 | 0 | 0 |
| Total Probable | 0 | 2 | 0 | 2 | 0 | 68 | 0 | 0 | 68 | 0 | 59 | 0 | 0 | 59 | 120.5 | 1,621 | 1,155 | 956 | 849 | 757 |
| Proved Plus Probable Producing | 0 | 106 | 0 | 106 | 0 | 293 | 0 | 0 | 293 | 0 | 256 | 0 | 0 | 256 | 7.6 | 6,103 | 5,089 | 4,617 | 4,346 | 4,105 |
| Proved Plus Probable Developed Non-Producing | 0 | 1 | 0 | 1 | 0 | 12 | 0 | 0 | 12 | 0 | 10 | 0 | 0 | 10 | 24.0 | 136 | 105 | 90 | 82 | 74 |
| Proved Plus Probable Undeveloped | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 0 | 0 | 0 | 0 | 0 |
| Total Proved Plus Probable | 0 | 107 | 0 | 107 | 0 | 305 | 0 | 0 | 305 | 0 | 267 | 0 | 0 | 267 | 7.8 | 6,239 | 5,194 | 4,707 | 4,428 | 4,179 |
| Total Possible | 0 | 1 | 0 | 1 | 0 | 64 | 0 | 0 | 64 | 0 | 56 | 0 | 0 | 56 | 196.7 | 1,549 | 1,007 | 796 | 687 | 597 |
| Total PPP | 0 | 108 | 0 | 108 | 0 | 369 | 0 | 0 | 369 | 0 | 323 | 0 | 0 | 323 | 9.3 | 7,788 | 6,201 | 5,502 | 5,114 | 4,776 |

Reserves Characterization
 Percentage of Total PPP Company Interest BOE Reserves

Product Types



Reserves Classifications



BOE Factors: HVY OIL 1.0 RES GAS 6.0 PROPANE 1.0 ETHANE 1.0
 COND 1.0 SLN GAS 6.0 BUTANE 1.0 SULPHUR 0.0

Historical and Forecast Production

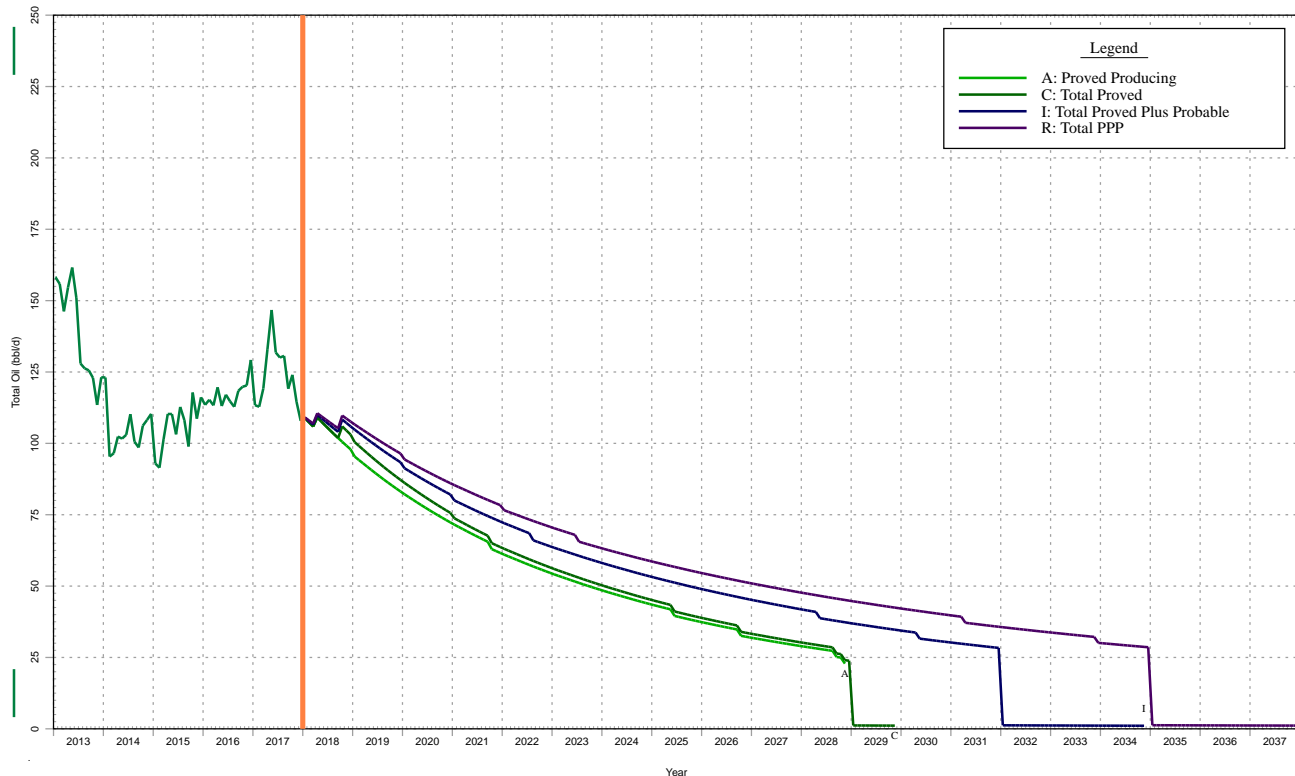
Company:
Property:
Description:

Park Place Energy Inc.
Corporate
Summary

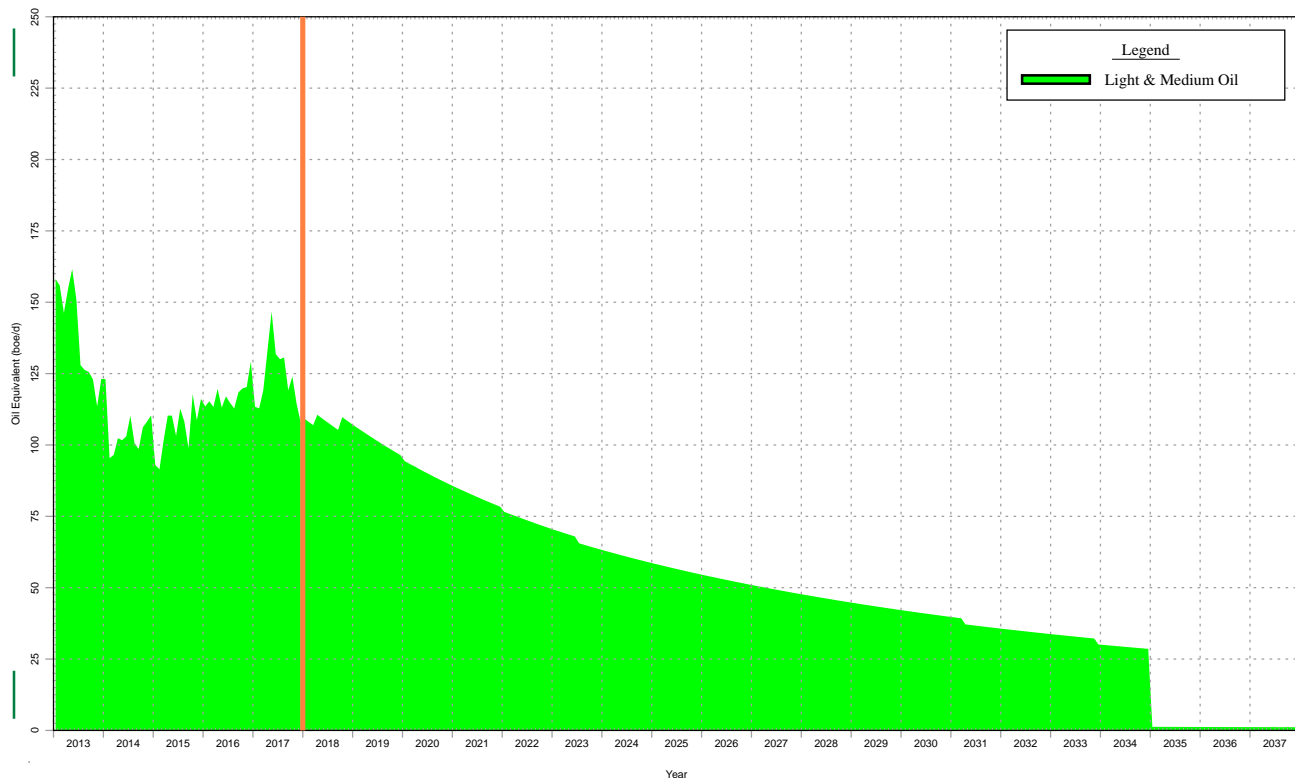
Pricing:
Effective Date:

GLJ (2018-01)
December 31, 2017

Company* Interest Total Oil



Company* Interest Oil Equivalent - Total PPP



*Note: Historical company interest production is based on current interests in the evaluated reserves entities applied to reported actual gross lease production. Consequently, company actuals may differ from the history shown due to changes in ownership.

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| Total Proved | 21 |

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary**
 Currency: **US Dollars**

Reserve Class: **Various**
 Development Class: **Classifications**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Summary of Reserves and Values

| | Proved Producing | Proved Developed Non-Producing | Proved Undeveloped | Total Proved Non-Producing | Total Proved |
|---|---------------------|--------------------------------------|-----------------------|----------------------------------|-----------------|
| MARKETABLE RESERVES | | | | | |
| Light & Medium Oil (Mbbbl) | | | | | |
| Total Company Interest | 228 | 9 | 0 | 9 | 237 |
| Working Interest | 228 | 9 | 0 | 9 | 237 |
| Net After Royalty | 200 | 8 | 0 | 8 | 207 |
| Oil Equivalent (Mboe) | | | | | |
| Total Company Interest | 228 | 9 | 0 | 9 | 237 |
| Working Interest | 228 | 9 | 0 | 9 | 237 |
| Net After Royalty | 200 | 8 | 0 | 8 | 207 |
| BEFORE TAX PRESENT VALUE (M\$) | | | | | |
| 0% | 4,542 | 76 | 0 | 76 | 4,618 |
| 5% | 3,976 | 63 | 0 | 63 | 4,039 |
| 8% | 3,694 | 56 | 0 | 56 | 3,751 |
| 10% | 3,527 | 52 | 0 | 52 | 3,579 |
| 12% | 3,374 | 48 | 0 | 48 | 3,421 |
| 15% | 3,168 | 43 | 0 | 43 | 3,210 |
| 20% | 2,877 | 35 | 0 | 35 | 2,912 |
| FIRST 6 YEARS BEFORE TAX CASH FLOW (M\$) | | | | | |
| 2018 | 1,157 | -27 | 0 | -27 | 1,130 |
| 2019 | 847 | 33 | 0 | 33 | 879 |
| 2020 | 633 | 17 | 0 | 17 | 651 |
| 2021 | 526 | 15 | 0 | 15 | 541 |
| 2022 | 433 | 14 | 0 | 14 | 447 |
| 2023 | 347 | 12 | 0 | 12 | 359 |

BOE Factors: HVY OIL 1.0 RES GAS 6.0 PROPANE 1.0 ETHANE 1.0
 COND 1.0 SLN GAS 6.0 BUTANE 1.0 SULPHUR 0.0

Run Date: April 05, 2018 09:39:11

1181620 Class (A,B1,B2,B,C), GLJ (2018-01), psum

April 09, 2018 11:11:39

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary**
 Currency: **\$US Dollars**

Reserve Class: **Various**
 Development Class: **Classifications**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Company Production, Reserves and Present Value Summary

| Entity Description | 2018 Company Interest Prod'n | | | | Company Interest Reserves | | | | | Net After Royalty Reserves | | | | | Reserve Life Index yrs | Before Income Tax Discounted Present Value (M\$) | | | | |
|--|------------------------------|------------|-----------|---------------|---------------------------|------------|-----------|-------------|--------------|----------------------------|------------|-----------|-------------|--------------|------------------------|--|--------------|--------------|--------------|--------------|
| | Gas Mcf/d | Oil bbl/d | NGL bbl/d | Oil Eq. boe/d | Gas MMcf | Oil Mbbbl | NGL Mbbbl | Sulphur Mlt | Oil Eq. Mboe | Gas MMcf | Oil Mbbbl | NGL Mbbbl | Sulphur Mlt | Oil Eq. Mboe | | 0% | 5% | 8% | 10% | 12% |
| Proved Producing | | | | | | | | | | | | | | | | | | | | |
| Cendere | 0 | 104 | 0 | 104 | 0 | 228 | 0 | 0 | 228 | 0 | 200 | 0 | 0 | 200 | 6.0 | 4,542 | 3,976 | 3,694 | 3,527 | 3,374 |
| Total: Proved Producing | 0 | 104 | 0 | 104 | 0 | 228 | 0 | 0 | 228 | 0 | 200 | 0 | 0 | 200 | | 4,542 | 3,976 | 3,694 | 3,527 | 3,374 |
| Proved Developed Non-Producing | | | | | | | | | | | | | | | | | | | | |
| Cendere | 0 | 1 | 0 | 1 | 0 | 9 | 0 | 0 | 9 | 0 | 8 | 0 | 0 | 8 | 4.5 | 76 | 63 | 56 | 52 | 48 |
| Total: Proved Developed Non-Producing | 0 | 1 | 0 | 1 | 0 | 9 | 0 | 0 | 9 | 0 | 8 | 0 | 0 | 8 | | 76 | 63 | 56 | 52 | 48 |
| Proved Undeveloped | | | | | | | | | | | | | | | | | | | | |
| Cendere | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 | 0 | 0 | 0 | 0 | 0 |
| Total: Proved Undeveloped | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | 0 | 0 |
| Total Proved Non-Producing | | | | | | | | | | | | | | | | | | | | |
| Cendere | 0 | 1 | 0 | 1 | 0 | 9 | 0 | 0 | 9 | 0 | 8 | 0 | 0 | 8 | 4.5 | 76 | 63 | 56 | 52 | 48 |
| Total: Total Proved Non-Producing | 0 | 1 | 0 | 1 | 0 | 9 | 0 | 0 | 9 | 0 | 8 | 0 | 0 | 8 | | 76 | 63 | 56 | 52 | 48 |
| Total Proved | | | | | | | | | | | | | | | | | | | | |
| Cendere | 0 | 106 | 0 | 106 | 0 | 237 | 0 | 0 | 237 | 0 | 207 | 0 | 0 | 207 | 6.1 | 4,618 | 4,039 | 3,751 | 3,579 | 3,421 |
| Total: Total Proved | 0 | 106 | 0 | 106 | 0 | 237 | 0 | 0 | 237 | 0 | 207 | 0 | 0 | 207 | | 4,618 | 4,039 | 3,751 | 3,579 | 3,421 |

BOE Factors: HVY OIL 1.0 RES GAS 6.0 PROPANE 1.0 ETHANE 1.0
 COND 1.0 SLN GAS 6.0 BUTANE 1.0 SULPHUR 0.0

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary**
 Currency: **US Dollars**

Reserve Class: **Proved**
 Development Class: **Producing**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Economic Forecast

PRODUCTION FORECAST

Light & Medium Oil Production

| Year | Company Oil Wells | Company Daily bbl/d | Company Yearly Mbbl | Net Yearly Mbbl | Price \$/bbl |
|-------------|-------------------|---------------------|---------------------|-----------------|--------------|
| 2018 | 2 | 104 | 38 | 33 | 62.00 |
| 2019 | 2 | 89 | 33 | 28 | 59.93 |
| 2020 | 2 | 77 | 28 | 25 | 59.36 |
| 2021 | 2 | 67 | 24 | 21 | 62.29 |
| 2022 | 2 | 58 | 21 | 18 | 65.21 |
| 2023 | 2 | 51 | 19 | 16 | 68.14 |
| 2024 | 2 | 46 | 17 | 15 | 71.06 |
| 2025 | 2 | 40 | 15 | 13 | 73.98 |
| 2026 | 2 | 35 | 13 | 11 | 76.23 |
| 2027 | 2 | 30 | 11 | 10 | 77.70 |
| 2028 | 2 | 27 | 10 | 9 | 79.25 |
| 2029 | 0 | 0 | 0 | 0 | 0.00 |
| Sub. | | | 228 | 200 | 65.94 |
| Rem. | | | 0 | 0 | 0.00 |
| Tot. | | | 228 | 200 | 65.94 |

REVENUE AND EXPENSE FORECAST

Revenue Before Burdens

| Year | Working Interest | | | | Royalty Interest Total M\$ | Company Interest Total M\$ | Royalty Burdens Pre-Processing | | Gas Processing Allowance | | Total Royalty After Process. M\$ | Net Revenue After Royalty M\$ | Operating Expenses | | |
|-------------|------------------|----------|-------------|---------------|----------------------------|----------------------------|--------------------------------|-----------|--------------------------|-----------|----------------------------------|-------------------------------|--------------------|--------------|--------------|
| | Oil M\$ | Gas M\$ | NGL+Sul M\$ | Total M\$ | | | Crown M\$ | Other M\$ | Crown M\$ | Other M\$ | | | Fixed M\$ | Variable M\$ | Total M\$ |
| 2018 | 2,361 | 0 | 0 | 2,361 | 0 | 2,361 | 295 | 0 | 0 | 0 | 295 | 2,066 | 559 | 350 | 909 |
| 2019 | 1,949 | 0 | 0 | 1,949 | 0 | 1,949 | 244 | 0 | 0 | 0 | 244 | 1,705 | 553 | 305 | 858 |
| 2020 | 1,675 | 0 | 0 | 1,675 | 0 | 1,675 | 209 | 0 | 0 | 0 | 209 | 1,466 | 562 | 270 | 832 |
| 2021 | 1,519 | 0 | 0 | 1,519 | 0 | 1,519 | 190 | 0 | 0 | 0 | 190 | 1,329 | 565 | 238 | 803 |
| 2022 | 1,375 | 0 | 0 | 1,375 | 0 | 1,375 | 172 | 0 | 0 | 0 | 172 | 1,203 | 560 | 210 | 770 |
| 2023 | 1,278 | 0 | 0 | 1,278 | 0 | 1,278 | 160 | 0 | 0 | 0 | 160 | 1,118 | 569 | 190 | 760 |
| 2024 | 1,195 | 0 | 0 | 1,195 | 0 | 1,195 | 149 | 0 | 0 | 0 | 149 | 1,046 | 580 | 174 | 754 |
| 2025 | 1,083 | 0 | 0 | 1,083 | 0 | 1,083 | 135 | 0 | 0 | 0 | 135 | 947 | 574 | 155 | 729 |
| 2026 | 973 | 0 | 0 | 973 | 0 | 973 | 122 | 0 | 0 | 0 | 122 | 852 | 568 | 138 | 705 |
| 2027 | 862 | 0 | 0 | 862 | 0 | 862 | 108 | 0 | 0 | 0 | 108 | 754 | 560 | 122 | 682 |
| 2028 | 770 | 0 | 0 | 770 | 0 | 770 | 96 | 0 | 0 | 0 | 96 | 674 | 553 | 109 | 662 |
| 2029 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub. | 15,039 | 0 | 0 | 15,039 | 0 | 15,039 | 1,880 | 0 | 0 | 0 | 1,880 | 13,159 | 6,203 | 2,261 | 8,464 |
| Rem. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tot. | 15,039 | 0 | 0 | 15,039 | 0 | 15,039 | 1,880 | 0 | 0 | 0 | 1,880 | 13,159 | 6,203 | 2,261 | 8,464 |
| Disc | 10,237 | 0 | 0 | 10,237 | 0 | 10,237 | 1,280 | 0 | 0 | 0 | 1,280 | 8,958 | 3,837 | 1,551 | 5,388 |

| Year | Mineral Tax M\$ | Capital Tax M\$ | NPI Burden M\$ | Net Prod'n Revenue M\$ | Other Income M\$ | Aband. & Oper. | | Net Capital Investment | | | | Before Tax Cash Flow | | |
|-------------|-----------------|-----------------|----------------|------------------------|------------------|-----------------|--------------|------------------------|-----------|-----------|-----------|----------------------|--------------|---------------|
| | | | | | | Recl. Costs M\$ | Income M\$ | Dev. M\$ | Plant M\$ | Tang. M\$ | Total M\$ | Annual M\$ | Cum. M\$ | 10.0% Def M\$ |
| 2018 | 0 | 0 | 0 | 1,157 | 0 | 0 | 1,157 | 0 | 0 | 0 | 0 | 1,157 | 1,157 | 1,103 |
| 2019 | 0 | 0 | 0 | 847 | 0 | 0 | 847 | 0 | 0 | 0 | 0 | 847 | 2,004 | 1,837 |
| 2020 | 0 | 0 | 0 | 633 | 0 | 0 | 633 | 0 | 0 | 0 | 0 | 633 | 2,637 | 2,336 |
| 2021 | 0 | 0 | 0 | 526 | 0 | 0 | 526 | 0 | 0 | 0 | 0 | 526 | 3,163 | 2,713 |
| 2022 | 0 | 0 | 0 | 433 | 0 | 0 | 433 | 0 | 0 | 0 | 0 | 433 | 3,596 | 2,995 |
| 2023 | 0 | 0 | 0 | 358 | 0 | 11 | 347 | 0 | 0 | 0 | 0 | 347 | 3,943 | 3,201 |
| 2024 | 0 | 0 | 0 | 292 | 0 | 0 | 292 | 0 | 0 | 0 | 0 | 292 | 4,235 | 3,358 |
| 2025 | 0 | 0 | 0 | 218 | 0 | 0 | 218 | 0 | 0 | 0 | 0 | 218 | 4,454 | 3,464 |
| 2026 | 0 | 0 | 0 | 146 | 0 | 11 | 135 | 0 | 0 | 0 | 0 | 135 | 4,588 | 3,524 |
| 2027 | 0 | 0 | 0 | 73 | 0 | 0 | 73 | 0 | 0 | 0 | 0 | 73 | 4,661 | 3,554 |
| 2028 | 0 | 0 | 0 | 11 | 0 | 0 | 11 | 0 | 0 | 0 | 0 | 11 | 4,673 | 3,558 |
| 2029 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,673 | 3,558 |
| Sub. | 0 | 0 | 0 | 4,695 | 0 | 22 | 4,673 | 0 | 0 | 0 | 0 | 4,673 | 4,673 | 3,558 |
| Rem. | 0 | 0 | 0 | 0 | 0 | 131 | -131 | 0 | 0 | 0 | 0 | -131 | 4,542 | 3,527 |
| Tot. | 0 | 0 | 0 | 4,695 | 0 | 153 | 4,542 | 0 | 0 | 0 | 0 | 4,542 | 4,542 | 3,527 |
| Disc | 0 | 0 | 0 | 3,570 | 0 | 43 | 3,527 | 0 | 0 | 0 | 0 | 3,527 | 3,527 | 3,527 |

SUMMARY OF RESERVES

| Product | Units | Remaining Reserves at Jan 01, 2018 | | | | Oil Equivalents | | | Reserve Life Indic. (yr) | | |
|----------------|-------|------------------------------------|------------------|---------------|-----|-----------------|--------------|------------|--------------------------|------------|-----------|
| | | Working Interest | Roy/NPI Interest | Total Company | Net | Oil Eq. Factor | Company Mboe | % of Total | Reserve Life | Life Index | Half Life |
| Light/Med Oil | Mbbl | 228 | 0 | 228 | 200 | 1.000 | 228 | 100 | 11.0 | 6.0 | 3.6 |
| Total: Oil Eq. | Mboe | 228 | 0 | 228 | 200 | 1.000 | 228 | 100 | 11.0 | 6.0 | 3.6 |

PRODUCT REVENUE AND EXPENSES

| Product | Units | Average First Year Unit Values | | | | | | Net Revenue After Royalties | | | | |
|----------------|--------|--------------------------------|---------------|----------------|-------------|--------------------|----------------|-----------------------------|------------|------------|--------------|------------|
| | | Base Price | Price Adjust. | Wellhead Price | Net Burdens | Operating Expenses | Other Expenses | Prod'n Revenue | Undisc M\$ | % of Total | 10% Disc M\$ | % of Total |
| Light/Med Oil | \$/bbl | 70.25 | -8.25 | 62.00 | 7.75 | 23.87 | 0.00 | 30.38 | 13,159 | 100 | 8,958 | 100 |
| Total: Oil Eq. | \$/boe | 70.25 | -8.25 | 62.00 | 7.75 | 23.87 | 0.00 | 30.38 | 13,159 | 100 | 8,958 | 100 |

REVENUE BURDENS AND NET PRESENT VALUE SUMMARY

| | Net Present Value Before Income Tax | | | | | | | | | |
|-------------------|-------------------------------------|---------|----|--------------|--------------------|----------------------|---------------------|-----------|--------|--|
| | Revenue Burdens (%) | | | Disc. Rate % | Prod'n Revenue M\$ | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | | |
| | Initial | Average | | | | | | M\$ | \$/boe | |
| Crown Royalty | 12.5000 | 12.5000 | 0 | 4,695 | 4,542 | 0 | 4,542 | 19.92 | | |
| Non-crown Royalty | 0.0000 | 0.0000 | 5 | 4,055 | 3,976 | 0 | 3,976 | 17.43 | | |
| Mineral Tax | 0.0000 | 0.0000 | 8 | 3,749 | 3,694 | 0 | 3,694 | 16.20 | | |
| | | | 10 | 3,570 | 3,527 | 0 | 3,527 | 15.46 | | |
| | | | 12 | 3,408 | 3,374 | 0 | 3,374 | 14.79 | | |
| | | | 15 | 3,192 | 3,168 | 0 | 3,168 | 13.89 | | |
| | | | 20 | 2,892 | 2,877 | 0 | 2,877 | 12.62 | | |

Evaluator: Olenick, Patrick A.
Run Date: April 05, 2018 09:39:02

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary**
 Currency: **\$US Dollars**

Reserve Class: **Proved**
 Development Class: **Developed Non-Producing**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Economic Forecast

PRODUCTION FORECAST

Light & Medium Oil Production

| Year | Company Oil Wells | Company Daily bbl/d | Company Yearly Mbbl | Net Yearly Mbbl | Price \$/bbl |
|-------------|-------------------|---------------------|---------------------|-----------------|--------------|
| 2018 | 0 | 1 | 0 | 0 | 62.00 |
| 2019 | 0 | 5 | 2 | 1 | 59.93 |
| 2020 | 0 | 4 | 1 | 1 | 59.36 |
| 2021 | 0 | 2 | 1 | 1 | 62.29 |
| 2022 | 0 | 2 | 1 | 1 | 65.21 |
| 2023 | 0 | 2 | 1 | 1 | 68.14 |
| 2024 | 0 | 2 | 1 | 1 | 71.06 |
| 2025 | 0 | 2 | 1 | 0 | 73.98 |
| 2026 | 0 | 1 | 1 | 0 | 76.23 |
| 2027 | 0 | 1 | 0 | 0 | 77.70 |
| 2028 | 0 | 1 | 0 | 0 | 79.25 |
| 2029 | 0 | 1 | 0 | 0 | 80.84 |
| Sub. | | | 9 | 8 | 66.91 |
| Rem. | | | 0 | 0 | 0.00 |
| Tot. | | | 9 | 8 | 66.91 |

REVENUE AND EXPENSE FORECAST

Revenue Before Burdens

| Year | Working Interest | | | | Royalty Interest Total M\$ | Company Interest Total M\$ | Royalty Burdens Pre-Processing | | Gas Processing Allowance | | Total Royalty After Process. M\$ | Net Revenue After Royalty M\$ | Operating Expenses | | |
|-------------|------------------|----------|-------------|------------|----------------------------|----------------------------|--------------------------------|-----------|--------------------------|-----------|----------------------------------|-------------------------------|--------------------|--------------|------------|
| | Oil M\$ | Gas M\$ | NGL+Sul M\$ | Total M\$ | | | Crown M\$ | Other M\$ | Crown M\$ | Other M\$ | | | Fixed M\$ | Variable M\$ | Total M\$ |
| 2018 | 30 | 0 | 0 | 30 | 0 | 30 | 4 | 0 | 0 | 0 | 4 | 26 | 9 | 4 | 14 |
| 2019 | 99 | 0 | 0 | 99 | 0 | 99 | 12 | 0 | 0 | 0 | 12 | 86 | 38 | 15 | 54 |
| 2020 | 79 | 0 | 0 | 79 | 0 | 79 | 10 | 0 | 0 | 0 | 10 | 69 | 39 | 13 | 52 |
| 2021 | 49 | 0 | 0 | 49 | 0 | 49 | 6 | 0 | 0 | 0 | 6 | 43 | 20 | 8 | 28 |
| 2022 | 47 | 0 | 0 | 47 | 0 | 47 | 6 | 0 | 0 | 0 | 6 | 41 | 20 | 7 | 28 |
| 2023 | 45 | 0 | 0 | 45 | 0 | 45 | 6 | 0 | 0 | 0 | 6 | 39 | 21 | 7 | 28 |
| 2024 | 44 | 0 | 0 | 44 | 0 | 44 | 5 | 0 | 0 | 0 | 5 | 38 | 21 | 6 | 28 |
| 2025 | 42 | 0 | 0 | 42 | 0 | 42 | 5 | 0 | 0 | 0 | 5 | 37 | 22 | 6 | 28 |
| 2026 | 40 | 0 | 0 | 40 | 0 | 40 | 5 | 0 | 0 | 0 | 5 | 35 | 22 | 6 | 28 |
| 2027 | 38 | 0 | 0 | 38 | 0 | 38 | 5 | 0 | 0 | 0 | 5 | 33 | 22 | 5 | 28 |
| 2028 | 36 | 0 | 0 | 36 | 0 | 36 | 4 | 0 | 0 | 0 | 4 | 31 | 23 | 5 | 28 |
| 2029 | 34 | 0 | 0 | 34 | 0 | 34 | 4 | 0 | 0 | 0 | 4 | 30 | 23 | 5 | 28 |
| Sub. | 582 | 0 | 0 | 582 | 0 | 582 | 73 | 0 | 0 | 0 | 73 | 509 | 282 | 87 | 369 |
| Rem. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tot. | 582 | 0 | 0 | 582 | 0 | 582 | 73 | 0 | 0 | 0 | 73 | 509 | 282 | 87 | 369 |
| Disc | 370 | 0 | 0 | 370 | 0 | 370 | 46 | 0 | 0 | 0 | 46 | 324 | 170 | 56 | 227 |

| Year | Mineral Tax M\$ | Capital Tax M\$ | NPI Burden M\$ | Net Prod'n Revenue M\$ | Other Income M\$ | Aband. & Recl. Costs M\$ | Oper. Income M\$ | Net Capital Investment | | | Before Tax Cash Flow | | | |
|-------------|-----------------|-----------------|----------------|------------------------|------------------|--------------------------|------------------|------------------------|-----------|-----------|----------------------|------------|-----------|---------------|
| | | | | | | | | Dev. M\$ | Plant M\$ | Tang. M\$ | Total M\$ | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ |
| 2018 | 0 | 0 | 0 | 12 | 0 | 0 | 12 | 39 | 0 | 0 | 39 | -27 | -27 | -26 |
| 2019 | 0 | 0 | 0 | 33 | 0 | 0 | 33 | 0 | 0 | 0 | 0 | 33 | 6 | 3 |
| 2020 | 0 | 0 | 0 | 17 | 0 | 0 | 17 | 0 | 0 | 0 | 0 | 17 | 23 | 17 |
| 2021 | 0 | 0 | 0 | 15 | 0 | 0 | 15 | 0 | 0 | 0 | 0 | 15 | 38 | 27 |
| 2022 | 0 | 0 | 0 | 14 | 0 | 0 | 14 | 0 | 0 | 0 | 0 | 14 | 52 | 36 |
| 2023 | 0 | 0 | 0 | 12 | 0 | 0 | 12 | 0 | 0 | 0 | 0 | 12 | 64 | 43 |
| 2024 | 0 | 0 | 0 | 11 | 0 | 0 | 11 | 0 | 0 | 0 | 0 | 11 | 74 | 49 |
| 2025 | 0 | 0 | 0 | 9 | 0 | 11 | -2 | 0 | 0 | 0 | 0 | -2 | 72 | 48 |
| 2026 | 0 | 0 | 0 | 7 | 0 | 0 | 7 | 0 | 0 | 0 | 0 | 7 | 79 | 51 |
| 2027 | 0 | 0 | 0 | 5 | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 5 | 84 | 53 |
| 2028 | 0 | 0 | 0 | 3 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 3 | 88 | 54 |
| 2029 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 89 | 55 |
| Sub. | 0 | 0 | 0 | 140 | 0 | 11 | 128 | 39 | 0 | 0 | 39 | 89 | 89 | 55 |
| Rem. | 0 | 0 | 0 | 0 | 0 | 13 | -13 | 0 | 0 | 0 | 0 | -13 | 76 | 52 |
| Tot. | 0 | 0 | 0 | 140 | 0 | 25 | 115 | 39 | 0 | 0 | 39 | 76 | 76 | 52 |
| Disc | 0 | 0 | 0 | 98 | 0 | 8 | 89 | 37 | 0 | 0 | 37 | 52 | 52 | 52 |

SUMMARY OF RESERVES

| Product | Units | Remaining Reserves at Jan 01, 2018 | | | | Oil Equivalents | | | Reserve Life Indic. (yr) | | |
|----------------|-------|------------------------------------|------------------|---------------|-----|-----------------|--------------|------------|--------------------------|------------|-----------|
| | | Working Interest | Roy/NPI Interest | Total Company | Net | Oil Eq. Factor | Company Mboe | % of Total | Reserve Life | Life Index | Half Life |
| Light/Med Oil | Mbbl | 9 | 0 | 9 | 8 | 1.000 | 9 | 100 | 12.0 | 17.8 | 4.1 |
| Total: Oil Eq. | Mboe | 9 | 0 | 9 | 8 | 1.000 | 9 | 100 | 12.0 | 17.8 | 4.1 |

PRODUCT REVENUE AND EXPENSES

| Product | Units | Average First Year Unit Values | | | | | | Net Revenue After Royalties | | | | |
|----------------|--------|--------------------------------|---------------|----------------|-------------|--------------------|----------------|-----------------------------|------------|------------|--------------|------------|
| | | Base Price | Price Adjust. | Wellhead Price | Net Burdens | Operating Expenses | Other Expenses | Prod'n Revenue | Undisc M\$ | % of Total | 10% Disc M\$ | % of Total |
| Light/Med Oil | \$/bbl | 70.25 | -8.25 | 62.00 | 7.75 | 28.68 | 0.00 | 25.57 | 509 | 100 | 324 | 100 |
| Total: Oil Eq. | \$/boe | 70.25 | -8.25 | 62.00 | 7.75 | 28.68 | 0.00 | 25.57 | 509 | 100 | 324 | 100 |

REVENUE BURDENS AND NET PRESENT VALUE SUMMARY

| | Net Present Value Before Income Tax | | | | | | | |
|-------------------|-------------------------------------|---------|--------------|--------------------|----------------------|---------------------|-----------|--------|
| | Revenue Burdens (%) | | Disc. Rate % | Prod'n Revenue M\$ | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | |
| | Initial | Average | | | | | M\$ | \$/boe |
| Crown Royalty | 12.5000 | 12.5000 | 0 | 140 | 115 | 39 | 76 | 8.72 |
| Non-crown Royalty | 0.0000 | 0.0000 | 5 | 115 | 102 | 38 | 63 | 7.28 |
| Mineral Tax | 0.0000 | 0.0000 | 8 | 104 | 94 | 38 | 56 | 6.47 |
| | | | 10 | 98 | 89 | 37 | 52 | 5.98 |
| | | | 12 | 92 | 85 | 37 | 48 | 5.52 |
| | | | 15 | 84 | 79 | 37 | 43 | 4.89 |
| | | | 20 | 74 | 71 | 36 | 35 | 4.01 |

Evaluator: Olenick, Patrick A.
Run Date: April 05, 2018 09:39:08

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary**
 Currency: **\$US Dollars**

Reserve Class: **Proved**
 Development Class: **Total Non-Producing**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Economic Forecast

PRODUCTION FORECAST

Light & Medium Oil Production

| Year | Company Oil Wells | Company Daily bbl/d | Company Yearly Mbbl | Net Yearly Mbbl | Price \$/bbl |
|-------------|-------------------|---------------------|---------------------|-----------------|--------------|
| 2018 | 0 | 1 | 0 | 0 | 62.00 |
| 2019 | 0 | 5 | 2 | 1 | 59.93 |
| 2020 | 0 | 4 | 1 | 1 | 59.36 |
| 2021 | 0 | 2 | 1 | 1 | 62.29 |
| 2022 | 0 | 2 | 1 | 1 | 65.21 |
| 2023 | 0 | 2 | 1 | 1 | 68.14 |
| 2024 | 0 | 2 | 1 | 1 | 71.06 |
| 2025 | 0 | 2 | 1 | 0 | 73.98 |
| 2026 | 0 | 1 | 1 | 0 | 76.23 |
| 2027 | 0 | 1 | 0 | 0 | 77.70 |
| 2028 | 0 | 1 | 0 | 0 | 79.25 |
| 2029 | 0 | 1 | 0 | 0 | 80.84 |
| Sub. | | | 9 | 8 | 66.91 |
| Rem. | | | 0 | 0 | 0.00 |
| Tot. | | | 9 | 8 | 66.91 |

REVENUE AND EXPENSE FORECAST

Revenue Before Burdens

| Year | Working Interest | | | | Royalty Interest Total M\$ | Company Interest Total M\$ | Royalty Burdens Pre-Processing | | Gas Processing Allowance | | Total Royalty After Process. M\$ | Net Revenue After Royalty M\$ | Operating Expenses | | |
|-------------|------------------|----------|-------------|------------|----------------------------|----------------------------|--------------------------------|-----------|--------------------------|-----------|----------------------------------|-------------------------------|--------------------|--------------|------------|
| | Oil M\$ | Gas M\$ | NGL+Sul M\$ | Total M\$ | | | Crown M\$ | Other M\$ | Crown M\$ | Other M\$ | | | Fixed M\$ | Variable M\$ | Total M\$ |
| 2018 | 30 | 0 | 0 | 30 | 0 | 30 | 4 | 0 | 0 | 0 | 4 | 26 | 9 | 4 | 14 |
| 2019 | 99 | 0 | 0 | 99 | 0 | 99 | 12 | 0 | 0 | 0 | 12 | 86 | 38 | 15 | 54 |
| 2020 | 79 | 0 | 0 | 79 | 0 | 79 | 10 | 0 | 0 | 0 | 10 | 69 | 39 | 13 | 52 |
| 2021 | 49 | 0 | 0 | 49 | 0 | 49 | 6 | 0 | 0 | 0 | 6 | 43 | 20 | 8 | 28 |
| 2022 | 47 | 0 | 0 | 47 | 0 | 47 | 6 | 0 | 0 | 0 | 6 | 41 | 20 | 7 | 28 |
| 2023 | 45 | 0 | 0 | 45 | 0 | 45 | 6 | 0 | 0 | 0 | 6 | 39 | 21 | 7 | 28 |
| 2024 | 44 | 0 | 0 | 44 | 0 | 44 | 5 | 0 | 0 | 0 | 5 | 38 | 21 | 6 | 28 |
| 2025 | 42 | 0 | 0 | 42 | 0 | 42 | 5 | 0 | 0 | 0 | 5 | 37 | 22 | 6 | 28 |
| 2026 | 40 | 0 | 0 | 40 | 0 | 40 | 5 | 0 | 0 | 0 | 5 | 35 | 22 | 6 | 28 |
| 2027 | 38 | 0 | 0 | 38 | 0 | 38 | 5 | 0 | 0 | 0 | 5 | 33 | 22 | 5 | 28 |
| 2028 | 36 | 0 | 0 | 36 | 0 | 36 | 4 | 0 | 0 | 0 | 4 | 31 | 23 | 5 | 28 |
| 2029 | 34 | 0 | 0 | 34 | 0 | 34 | 4 | 0 | 0 | 0 | 4 | 30 | 23 | 5 | 28 |
| Sub. | 582 | 0 | 0 | 582 | 0 | 582 | 73 | 0 | 0 | 0 | 73 | 509 | 282 | 87 | 369 |
| Rem. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tot. | 582 | 0 | 0 | 582 | 0 | 582 | 73 | 0 | 0 | 0 | 73 | 509 | 282 | 87 | 369 |
| Disc | 370 | 0 | 0 | 370 | 0 | 370 | 46 | 0 | 0 | 0 | 46 | 324 | 170 | 56 | 227 |

| Year | Mineral Tax M\$ | Capital Tax M\$ | NPI Burden M\$ | Net Prod'n Revenue M\$ | Other Income M\$ | Aband. & Recl. Costs M\$ | Oper. Income M\$ | Net Capital Investment | | | Before Tax Cash Flow | | | |
|-------------|-----------------|-----------------|----------------|------------------------|------------------|--------------------------|------------------|------------------------|-----------|-----------|----------------------|------------|-----------|---------------|
| | | | | | | | | Dev. M\$ | Plant M\$ | Tang. M\$ | Total M\$ | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ |
| 2018 | 0 | 0 | 0 | 12 | 0 | 0 | 12 | 39 | 0 | 0 | 39 | -27 | -27 | -26 |
| 2019 | 0 | 0 | 0 | 33 | 0 | 0 | 33 | 0 | 0 | 0 | 0 | 33 | 6 | 3 |
| 2020 | 0 | 0 | 0 | 17 | 0 | 0 | 17 | 0 | 0 | 0 | 0 | 17 | 23 | 17 |
| 2021 | 0 | 0 | 0 | 15 | 0 | 0 | 15 | 0 | 0 | 0 | 0 | 15 | 38 | 27 |
| 2022 | 0 | 0 | 0 | 14 | 0 | 0 | 14 | 0 | 0 | 0 | 0 | 14 | 52 | 36 |
| 2023 | 0 | 0 | 0 | 12 | 0 | 0 | 12 | 0 | 0 | 0 | 0 | 12 | 64 | 43 |
| 2024 | 0 | 0 | 0 | 11 | 0 | 0 | 11 | 0 | 0 | 0 | 0 | 11 | 74 | 49 |
| 2025 | 0 | 0 | 0 | 9 | 0 | 11 | -2 | 0 | 0 | 0 | 0 | -2 | 72 | 48 |
| 2026 | 0 | 0 | 0 | 7 | 0 | 0 | 7 | 0 | 0 | 0 | 0 | 7 | 79 | 51 |
| 2027 | 0 | 0 | 0 | 5 | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 5 | 84 | 53 |
| 2028 | 0 | 0 | 0 | 3 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 3 | 88 | 54 |
| 2029 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 89 | 55 |
| Sub. | 0 | 0 | 0 | 140 | 0 | 11 | 128 | 39 | 0 | 0 | 39 | 89 | 89 | 55 |
| Rem. | 0 | 0 | 0 | 0 | 0 | 13 | -13 | 0 | 0 | 0 | 0 | -13 | 76 | 52 |
| Tot. | 0 | 0 | 0 | 140 | 0 | 25 | 115 | 39 | 0 | 0 | 39 | 76 | 76 | 52 |
| Disc | 0 | 0 | 0 | 98 | 0 | 8 | 89 | 37 | 0 | 0 | 37 | 52 | 52 | 52 |

SUMMARY OF RESERVES

| Product | Units | Remaining Reserves at Jan 01, 2018 | | | | Oil Equivalents | | | Reserve Life Indic. (yr) | | |
|----------------|-------|------------------------------------|------------------|---------------|-----|-----------------|--------------|------------|--------------------------|------------|-----------|
| | | Working Interest | Roy/NPI Interest | Total Company | Net | Oil Eq. Factor | Company Mboe | % of Total | Reserve Life | Life Index | Half Life |
| Light/Med Oil | Mbbl | 9 | 0 | 9 | 8 | 1.000 | 9 | 100 | 12.0 | 17.8 | 4.1 |
| Total: Oil Eq. | Mboe | 9 | 0 | 9 | 8 | 1.000 | 9 | 100 | 12.0 | 17.8 | 4.1 |

PRODUCT REVENUE AND EXPENSES

| Product | Units | Average First Year Unit Values | | | | | | Net Revenue After Royalties | | | | |
|----------------|--------|--------------------------------|---------------|----------------|-------------|--------------------|----------------|-----------------------------|------------|------------|--------------|------------|
| | | Base Price | Price Adjust. | Wellhead Price | Net Burdens | Operating Expenses | Other Expenses | Prod'n Revenue | Undisc M\$ | % of Total | 10% Disc M\$ | % of Total |
| Light/Med Oil | \$/bbl | 70.25 | -8.25 | 62.00 | 7.75 | 28.68 | 0.00 | 25.57 | 509 | 100 | 324 | 100 |
| Total: Oil Eq. | \$/boe | 70.25 | -8.25 | 62.00 | 7.75 | 28.68 | 0.00 | 25.57 | 509 | 100 | 324 | 100 |

REVENUE BURDENS AND NET PRESENT VALUE SUMMARY

| | Net Present Value Before Income Tax | | | | | | | |
|-------------------|-------------------------------------|---------|--------------|--------------------|----------------------|---------------------|-----------|--------|
| | Revenue Burdens (%) | | Disc. Rate % | Prod'n Revenue M\$ | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | |
| | Initial | Average | | | | | M\$ | \$/boe |
| Crown Royalty | 12.5000 | 12.5000 | 0 | 140 | 115 | 39 | 76 | 8.72 |
| Non-crown Royalty | 0.0000 | 0.0000 | 5 | 115 | 102 | 38 | 63 | 7.28 |
| Mineral Tax | 0.0000 | 0.0000 | 8 | 104 | 94 | 38 | 56 | 6.47 |
| | | | 10 | 98 | 89 | 37 | 52 | 5.98 |
| | | | 12 | 92 | 85 | 37 | 48 | 5.52 |
| | | | 15 | 84 | 79 | 37 | 43 | 4.89 |
| | | | 20 | 74 | 71 | 36 | 35 | 4.01 |

Evaluator: Olenick, Patrick A.
Run Date: April 05, 2018 09:39:11

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary**
 Currency: **US Dollars**

Reserve Class: **Proved**
 Development Class: **Total**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Economic Forecast

PRODUCTION FORECAST

Light & Medium Oil Production

| Year | Company Oil Wells | Company Daily bbl/d | Company Yearly Mbbl | Net Yearly Mbbl | Price \$/bbl |
|-------------|-------------------|---------------------|---------------------|-----------------|--------------|
| 2018 | 3 | 106 | 39 | 34 | 62.00 |
| 2019 | 3 | 94 | 34 | 30 | 59.93 |
| 2020 | 3 | 81 | 30 | 26 | 59.36 |
| 2021 | 2 | 69 | 25 | 22 | 62.29 |
| 2022 | 2 | 60 | 22 | 19 | 65.21 |
| 2023 | 2 | 53 | 19 | 17 | 68.14 |
| 2024 | 2 | 48 | 17 | 15 | 71.06 |
| 2025 | 2 | 42 | 15 | 13 | 73.98 |
| 2026 | 2 | 36 | 13 | 12 | 76.23 |
| 2027 | 2 | 32 | 12 | 10 | 77.70 |
| 2028 | 2 | 28 | 10 | 9 | 79.25 |
| 2029 | 0 | 1 | 0 | 0 | 80.84 |
| Sub. | | | 237 | 207 | 65.98 |
| Rem. | | | 0 | 0 | 0.00 |
| Tot. | | | 237 | 207 | 65.98 |

REVENUE AND EXPENSE FORECAST

Revenue Before Burdens

| Year | Working Interest | | | | Royalty Interest Total M\$ | Company Interest Total M\$ | Royalty Burdens Pre-Processing | | Gas Processing Allowance | | Total Royalty After Process. M\$ | Net Revenue After Royalty M\$ | Operating Expenses | | |
|-------------|------------------|----------|-------------|---------------|----------------------------|----------------------------|--------------------------------|-----------|--------------------------|-----------|----------------------------------|-------------------------------|--------------------|--------------|--------------|
| | Oil M\$ | Gas M\$ | NGL+Sul M\$ | Total M\$ | | | Crown M\$ | Other M\$ | Crown M\$ | Other M\$ | | | Fixed M\$ | Variable M\$ | Total M\$ |
| 2018 | 2,392 | 0 | 0 | 2,392 | 0 | 2,392 | 299 | 0 | 0 | 0 | 299 | 2,093 | 568 | 355 | 923 |
| 2019 | 2,047 | 0 | 0 | 2,047 | 0 | 2,047 | 256 | 0 | 0 | 0 | 256 | 1,791 | 592 | 321 | 912 |
| 2020 | 1,754 | 0 | 0 | 1,754 | 0 | 1,754 | 219 | 0 | 0 | 0 | 219 | 1,535 | 601 | 283 | 884 |
| 2021 | 1,567 | 0 | 0 | 1,567 | 0 | 1,567 | 196 | 0 | 0 | 0 | 196 | 1,372 | 585 | 246 | 831 |
| 2022 | 1,422 | 0 | 0 | 1,422 | 0 | 1,422 | 178 | 0 | 0 | 0 | 178 | 1,244 | 580 | 217 | 797 |
| 2023 | 1,323 | 0 | 0 | 1,323 | 0 | 1,323 | 165 | 0 | 0 | 0 | 165 | 1,157 | 590 | 197 | 787 |
| 2024 | 1,239 | 0 | 0 | 1,239 | 0 | 1,239 | 155 | 0 | 0 | 0 | 155 | 1,084 | 601 | 181 | 781 |
| 2025 | 1,124 | 0 | 0 | 1,124 | 0 | 1,124 | 141 | 0 | 0 | 0 | 141 | 984 | 596 | 161 | 756 |
| 2026 | 1,013 | 0 | 0 | 1,013 | 0 | 1,013 | 127 | 0 | 0 | 0 | 127 | 886 | 590 | 143 | 733 |
| 2027 | 900 | 0 | 0 | 900 | 0 | 900 | 112 | 0 | 0 | 0 | 112 | 787 | 582 | 127 | 709 |
| 2028 | 806 | 0 | 0 | 806 | 0 | 806 | 101 | 0 | 0 | 0 | 101 | 705 | 576 | 114 | 690 |
| 2029 | 34 | 0 | 0 | 34 | 0 | 34 | 4 | 0 | 0 | 0 | 4 | 30 | 23 | 5 | 28 |
| Sub. | 15,621 | 0 | 0 | 15,621 | 0 | 15,621 | 1,953 | 0 | 0 | 0 | 1,953 | 13,668 | 6,485 | 2,349 | 8,833 |
| Rem. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tot. | 15,621 | 0 | 0 | 15,621 | 0 | 15,621 | 1,953 | 0 | 0 | 0 | 1,953 | 13,668 | 6,485 | 2,349 | 8,833 |
| Disc | 10,608 | 0 | 0 | 10,608 | 0 | 10,608 | 1,326 | 0 | 0 | 0 | 1,326 | 9,282 | 4,007 | 1,608 | 5,615 |

| Year | Mineral Tax M\$ | Capital Tax M\$ | NPI Burden M\$ | Net Prod'n Revenue M\$ | Other Income M\$ | Aband. & Oper. | | Net Capital Investment | | | | Before Tax Cash Flow | | | |
|-------------|-----------------|-----------------|----------------|------------------------|------------------|-----------------|--------------|------------------------|-----------|-----------|-----------|----------------------|--------------|---------------|--------------|
| | | | | | | Recl. Costs M\$ | Income M\$ | Dev. M\$ | Plant M\$ | Tang. M\$ | Total M\$ | Annual M\$ | Cum. M\$ | 10.0% Def M\$ | |
| 2018 | 0 | 0 | 0 | 1,169 | 0 | 0 | 1,169 | 39 | 0 | 0 | 0 | 39 | 1,130 | 1,130 | 1,078 |
| 2019 | 0 | 0 | 0 | 879 | 0 | 0 | 879 | 0 | 0 | 0 | 0 | 0 | 879 | 2,010 | 1,840 |
| 2020 | 0 | 0 | 0 | 651 | 0 | 0 | 651 | 0 | 0 | 0 | 0 | 0 | 651 | 2,660 | 2,353 |
| 2021 | 0 | 0 | 0 | 541 | 0 | 0 | 541 | 0 | 0 | 0 | 0 | 0 | 541 | 3,201 | 2,740 |
| 2022 | 0 | 0 | 0 | 447 | 0 | 0 | 447 | 0 | 0 | 0 | 0 | 0 | 447 | 3,648 | 3,031 |
| 2023 | 0 | 0 | 0 | 370 | 0 | 11 | 359 | 0 | 0 | 0 | 0 | 0 | 359 | 4,007 | 3,244 |
| 2024 | 0 | 0 | 0 | 302 | 0 | 0 | 302 | 0 | 0 | 0 | 0 | 0 | 302 | 4,310 | 3,407 |
| 2025 | 0 | 0 | 0 | 227 | 0 | 11 | 216 | 0 | 0 | 0 | 0 | 0 | 216 | 4,526 | 3,512 |
| 2026 | 0 | 0 | 0 | 153 | 0 | 11 | 142 | 0 | 0 | 0 | 0 | 0 | 142 | 4,668 | 3,575 |
| 2027 | 0 | 0 | 0 | 78 | 0 | 0 | 78 | 0 | 0 | 0 | 0 | 0 | 78 | 4,746 | 3,607 |
| 2028 | 0 | 0 | 0 | 15 | 0 | 0 | 15 | 0 | 0 | 0 | 0 | 0 | 15 | 4,760 | 3,612 |
| 2029 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 4,762 | 3,613 |
| Sub. | 0 | 0 | 0 | 4,835 | 0 | 34 | 4,801 | 39 | 0 | 0 | 0 | 39 | 4,762 | 4,762 | 3,613 |
| Rem. | 0 | 0 | 0 | 0 | 0 | 144 | -144 | 0 | 0 | 0 | 0 | 0 | -144 | 4,618 | 3,579 |
| Tot. | 0 | 0 | 0 | 4,835 | 0 | 178 | 4,657 | 39 | 0 | 0 | 39 | 4,618 | 4,618 | 4,618 | 3,579 |
| Disc | 0 | 0 | 0 | 3,667 | 0 | 51 | 3,616 | 37 | 0 | 0 | 37 | 3,579 | 3,579 | 3,579 | 3,579 |

SUMMARY OF RESERVES

| Product | Units | Remaining Reserves at Jan 01, 2018 | | | | Oil Equivalents | | | Reserve Life Indic. (yr) | | |
|----------------|-------|------------------------------------|------------------|---------------|-----|-----------------|--------------|------------|--------------------------|------------|-----------|
| | | Working Interest | Roy/NPI Interest | Total Company | Net | Oil Eq. Factor | Company Mboe | % of Total | Reserve Life | Life Index | Half Life |
| Light/Med Oil | Mbbl | 237 | 0 | 237 | 207 | 1.000 | 237 | 100 | 12.0 | 6.1 | 3.6 |
| Total: Oil Eq. | Mboe | 237 | 0 | 237 | 207 | 1.000 | 237 | 100 | 12.0 | 6.1 | 3.6 |

PRODUCT REVENUE AND EXPENSES

| Product | Units | Average First Year Unit Values | | | | | | Net Revenue After Royalties | | | | |
|----------------|--------|--------------------------------|---------------|----------------|-------------|--------------------|----------------|-----------------------------|------------|------------|--------------|------------|
| | | Base Price | Price Adjust. | Wellhead Price | Net Burdens | Operating Expenses | Other Expenses | Prod'n Revenue | Undisc M\$ | % of Total | 10% Disc M\$ | % of Total |
| Light/Med Oil | \$/bbl | 70.25 | -8.25 | 62.00 | 7.75 | 23.93 | 0.00 | 30.32 | 13,668 | 100 | 9,282 | 100 |
| Total: Oil Eq. | \$/boe | 70.25 | -8.25 | 62.00 | 7.75 | 23.93 | 0.00 | 30.32 | 13,668 | 100 | 9,282 | 100 |

REVENUE BURDENS AND NET PRESENT VALUE SUMMARY

| | Net Present Value Before Income Tax | | | | | | | | | |
|-------------------|-------------------------------------|---------|----|--------------|--------------------|----------------------|---------------------|-----------|--------|--|
| | Revenue Burdens (%) | | | Disc. Rate % | Prod'n Revenue M\$ | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | | |
| | Initial | Average | | | | | | M\$ | \$/boe | |
| Crown Royalty | 12.5000 | 12.5000 | 0 | 4,835 | 4,657 | 39 | 4,618 | 19.50 | | |
| Non-crown Royalty | 0.0000 | 0.0000 | 5 | 4,170 | 4,078 | 38 | 4,039 | 17.06 | | |
| Mineral Tax | 0.0000 | 0.0000 | 8 | 3,853 | 3,788 | 38 | 3,751 | 15.84 | | |
| | | | 10 | 3,667 | 3,616 | 37 | 3,579 | 15.12 | | |
| | | | 12 | 3,500 | 3,459 | 37 | 3,421 | 14.45 | | |
| | | | 15 | 3,277 | 3,247 | 37 | 3,210 | 13.56 | | |
| | | | 20 | 2,966 | 2,948 | 36 | 2,912 | 12.30 | | |

Evaluator: Olenick, Patrick A.
Run Date: April 05, 2018 09:39:11

PROVED AND PROVED PLUS PROBABLE RESERVES**TABLE OF CONTENTS**

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Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary**
 Currency: **\$US Dollars**

Reserve Class: **Various**
 Development Class: **Classifications**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Summary of Reserves and Values

| | Total Probable | Total Proved Plus Probable |
|---|---------------------------|---|
| MARKETABLE RESERVES | | |
| <u>Light & Medium Oil (Mbbbl)</u> | | |
| Total Company Interest | 68 | 305 |
| Working Interest | 68 | 305 |
| Net After Royalty | 59 | 267 |
| <u>Oil Equivalent (Mboe)</u> | | |
| Total Company Interest | 68 | 305 |
| Working Interest | 68 | 305 |
| Net After Royalty | 59 | 267 |
| BEFORE TAX PRESENT VALUE (M\$) | | |
| 0% | 1,621 | 6,239 |
| 5% | 1,155 | 5,194 |
| 8% | 956 | 4,707 |
| 10% | 849 | 4,428 |
| 12% | 757 | 4,179 |
| 15% | 644 | 3,854 |
| 20% | 503 | 3,415 |
| FIRST 6 YEARS BEFORE TAX CASH FLOW (M\$) | | |
| 2018 | 25 | 1,155 |
| 2019 | 63 | 942 |
| 2020 | 88 | 739 |
| 2021 | 109 | 650 |
| 2022 | 127 | 573 |
| 2023 | 145 | 504 |

BOE Factors: HVY OIL 1.0 RES GAS 6.0 PROPANE 1.0 ETHANE 1.0
 COND 1.0 SLN GAS 6.0 BUTANE 1.0 SULPHUR 0.0

Run Date: April 05, 2018 09:39:12

1181620 Class (FI), GLJ (2018-01), psum

April 09, 2018 11:11:55

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary**
 Currency: **\$US Dollars**

Reserve Class: **Various**
 Development Class: **Classifications**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Company Production, Reserves and Present Value Summary

| Entity Description | 2018 Company Interest Prod'n | | | | Company Interest Reserves | | | | | Net After Royalty Reserves | | | | | Reserve Life Index yrs | Before Income Tax Discounted Present Value (M\$) | | | | |
|--|------------------------------|------------|-----------|---------------|---------------------------|------------|----------|-------------|--------------|----------------------------|------------|----------|-------------|--------------|------------------------|--|--------------|--------------|--------------|--------------|
| | Gas Mcf/d | Oil bbl/d | NGL bbl/d | Oil Eq. boe/d | Gas MMcf | Oil Mbbl | NGL Mbbl | Sulphur Mlt | Oil Eq. Mboe | Gas MMcf | Oil Mbbl | NGL Mbbl | Sulphur Mlt | Oil Eq. Mboe | | 0% | 5% | 8% | 10% | 12% |
| Total Probable | | | | | | | | | | | | | | | | | | | | |
| Cendere | 0 | 2 | 0 | 2 | 0 | 68 | 0 | 0 | 68 | 0 | 59 | 0 | 0 | 59 | 120.5 | 1,621 | 1,155 | 956 | 849 | 757 |
| Total: Total Probable | 0 | 2 | 0 | 2 | 0 | 68 | 0 | 0 | 68 | 0 | 59 | 0 | 0 | 59 | | 1,621 | 1,155 | 956 | 849 | 757 |
| Total Proved Plus Probable | | | | | | | | | | | | | | | | | | | | |
| Cendere | 0 | 107 | 0 | 107 | 0 | 305 | 0 | 0 | 305 | 0 | 267 | 0 | 0 | 267 | 7.8 | 6,239 | 5,194 | 4,707 | 4,428 | 4,179 |
| Total: Total Proved Plus Probable | 0 | 107 | 0 | 107 | 0 | 305 | 0 | 0 | 305 | 0 | 267 | 0 | 0 | 267 | | 6,239 | 5,194 | 4,707 | 4,428 | 4,179 |

BOE Factors: HVY OIL 1.0 RES GAS 6.0 PROPANE 1.0 ETHANE 1.0
 COND 1.0 SLN GAS 6.0 BUTANE 1.0 SULPHUR 0.0

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary**
 Currency: **US Dollars**

Reserve Class: **Probable**
 Development Class: **Total**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Economic Forecast

PRODUCTION FORECAST

Light & Medium Oil Production

| Year | Company Oil Wells | Company Daily bbl/d | Company Yearly Mbbl | Net Yearly Mbbl | Price \$/bbl |
|-------------|-------------------|---------------------|---------------------|-----------------|--------------|
| 2018 | 0 | 2 | 1 | 0 | 62.00 |
| 2019 | 0 | 5 | 2 | 2 | 59.93 |
| 2020 | 0 | 6 | 2 | 2 | 59.36 |
| 2021 | 0 | 7 | 3 | 2 | 62.28 |
| 2022 | 0 | 8 | 3 | 3 | 65.22 |
| 2023 | 0 | 8 | 3 | 2 | 68.14 |
| 2024 | 0 | 8 | 3 | 3 | 71.06 |
| 2025 | 0 | 9 | 3 | 3 | 73.98 |
| 2026 | 0 | 11 | 4 | 3 | 76.23 |
| 2027 | 0 | 12 | 4 | 4 | 77.70 |
| 2028 | 0 | 11 | 4 | 4 | 79.25 |
| 2029 | 2 | 35 | 13 | 11 | 80.84 |
| Sub. | | | 44 | 39 | 73.64 |
| Rem. | | | 24 | 21 | 83.47 |
| Tot. | | | 68 | 59 | 77.05 |

REVENUE AND EXPENSE FORECAST

Revenue Before Burdens

| Year | Working Interest | | | | Royalty Interest Total M\$ | Company Interest Total M\$ | Royalty Burdens Pre-Processing | | Gas Processing Allowance | | Total Royalty After Process. M\$ | Net Revenue After Royalty M\$ | Operating Expenses | | |
|-------------|------------------|----------|-------------|--------------|----------------------------|----------------------------|--------------------------------|-----------|--------------------------|-----------|----------------------------------|-------------------------------|--------------------|--------------|--------------|
| | Oil M\$ | Gas M\$ | NGL+Sul M\$ | Total M\$ | | | Crown M\$ | Other M\$ | Crown M\$ | Other M\$ | | | Fixed M\$ | Variable M\$ | Total M\$ |
| 2018 | 35 | 0 | 0 | 35 | 0 | 35 | 4 | 0 | 0 | 0 | 4 | 31 | 0 | 5 | 6 |
| 2019 | 116 | 0 | 0 | 116 | 0 | 116 | 15 | 0 | 0 | 0 | 15 | 102 | 21 | 18 | 39 |
| 2020 | 126 | 0 | 0 | 126 | 0 | 126 | 16 | 0 | 0 | 0 | 16 | 110 | 2 | 20 | 22 |
| 2021 | 166 | 0 | 0 | 166 | 0 | 166 | 21 | 0 | 0 | 0 | 21 | 145 | 9 | 26 | 35 |
| 2022 | 197 | 0 | 0 | 197 | 0 | 197 | 25 | 0 | 0 | 0 | 25 | 172 | 16 | 30 | 46 |
| 2023 | 190 | 0 | 0 | 190 | 0 | 190 | 24 | 0 | 0 | 0 | 24 | 166 | 4 | 28 | 32 |
| 2024 | 207 | 0 | 0 | 207 | 0 | 207 | 26 | 0 | 0 | 0 | 26 | 181 | 5 | 30 | 35 |
| 2025 | 254 | 0 | 0 | 254 | 0 | 254 | 32 | 0 | 0 | 0 | 32 | 222 | 21 | 36 | 58 |
| 2026 | 296 | 0 | 0 | 296 | 0 | 296 | 37 | 0 | 0 | 0 | 37 | 259 | 39 | 42 | 81 |
| 2027 | 333 | 0 | 0 | 333 | 0 | 333 | 42 | 0 | 0 | 0 | 42 | 292 | 59 | 47 | 106 |
| 2028 | 324 | 0 | 0 | 324 | 0 | 324 | 40 | 0 | 0 | 0 | 40 | 283 | 58 | 46 | 104 |
| 2029 | 1,019 | 0 | 0 | 1,019 | 0 | 1,019 | 127 | 0 | 0 | 0 | 127 | 891 | 616 | 144 | 760 |
| Sub. | 3,263 | 0 | 0 | 3,263 | 0 | 3,263 | 408 | 0 | 0 | 0 | 408 | 2,855 | 850 | 474 | 1,324 |
| Rem. | 1,966 | 0 | 0 | 1,966 | 0 | 1,966 | 246 | 0 | 0 | 0 | 246 | 1,720 | 1,342 | 278 | 1,620 |
| Tot. | 5,229 | 0 | 0 | 5,229 | 0 | 5,229 | 654 | 0 | 0 | 0 | 654 | 4,575 | 2,192 | 752 | 2,944 |
| Disc | 2,119 | 0 | 0 | 2,119 | 0 | 2,119 | 265 | 0 | 0 | 0 | 265 | 1,854 | 705 | 308 | 1,013 |

| Year | Mineral Tax M\$ | Capital Tax M\$ | NPI Burden M\$ | Net Prod'n Revenue M\$ | Other Income M\$ | Aband. & Oper. | | Net Capital Investment | | | Before Tax Cash Flow | | | |
|-------------|-----------------|-----------------|----------------|------------------------|------------------|-----------------|--------------|------------------------|-----------|-----------|----------------------|--------------|--------------|---------------|
| | | | | | | Recl. Costs M\$ | Income M\$ | Dev. M\$ | Plant M\$ | Tang. M\$ | Total M\$ | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ |
| 2018 | 0 | 0 | 0 | 25 | 0 | 0 | 25 | 0 | 0 | 0 | 0 | 25 | 25 | 24 |
| 2019 | 0 | 0 | 0 | 63 | 0 | 0 | 63 | 0 | 0 | 0 | 0 | 63 | 87 | 78 |
| 2020 | 0 | 0 | 0 | 88 | 0 | 0 | 88 | 0 | 0 | 0 | 0 | 88 | 176 | 147 |
| 2021 | 0 | 0 | 0 | 109 | 0 | 0 | 109 | 0 | 0 | 0 | 0 | 109 | 285 | 226 |
| 2022 | 0 | 0 | 0 | 127 | 0 | 0 | 127 | 0 | 0 | 0 | 0 | 127 | 412 | 308 |
| 2023 | 0 | 0 | 0 | 134 | 0 | -11 | 145 | 0 | 0 | 0 | 0 | 145 | 557 | 394 |
| 2024 | 0 | 0 | 0 | 147 | 0 | 11 | 136 | 0 | 0 | 0 | 0 | 136 | 692 | 467 |
| 2025 | 0 | 0 | 0 | 165 | 0 | 0 | 165 | 0 | 0 | 0 | 0 | 165 | 857 | 548 |
| 2026 | 0 | 0 | 0 | 178 | 0 | -11 | 189 | 0 | 0 | 0 | 0 | 189 | 1,046 | 632 |
| 2027 | 0 | 0 | 0 | 186 | 0 | 12 | 174 | 0 | 0 | 0 | 0 | 174 | 1,220 | 702 |
| 2028 | 0 | 0 | 0 | 179 | 0 | 0 | 179 | 0 | 0 | 0 | 0 | 179 | 1,399 | 768 |
| 2029 | 0 | 0 | 0 | 132 | 0 | 0 | 132 | 0 | 0 | 0 | 0 | 132 | 1,531 | 812 |
| Sub. | 0 | 0 | 0 | 1,531 | 0 | 0 | 1,531 | 0 | 0 | 0 | 0 | 1,531 | 1,531 | 812 |
| Rem. | 0 | 0 | 0 | 100 | 0 | 10 | 90 | 0 | 0 | 0 | 0 | 90 | 1,621 | 849 |
| Tot. | 0 | 0 | 0 | 1,631 | 0 | 10 | 1,621 | 0 | 0 | 0 | 0 | 1,621 | 1,621 | 849 |
| Disc | 0 | 0 | 0 | 841 | 0 | -8 | 849 | 0 | 0 | 0 | 0 | 849 | 849 | 849 |

SUMMARY OF RESERVES

| Product | Units | Remaining Reserves at Jan 01, 2018 | | | | Oil Equivalents | | | Reserve Life Indic. (yr) | | |
|----------------|-------|------------------------------------|------------------|---------------|-----|-----------------|--------------|------------|--------------------------|------------|-----------|
| | | Working Interest | Roy/NPI Interest | Total Company | Net | Oil Eq. Factor | Company Mboe | % of Total | Reserve Life | Life Index | Half Life |
| Light/Med Oil | Mbbl | 68 | 0 | 68 | 59 | 1.000 | 68 | 100 | 17.0 | 120.5 | 11.2 |
| Total: Oil Eq. | Mboe | 68 | 0 | 68 | 59 | 1.000 | 68 | 100 | 17.0 | 120.5 | 11.2 |

PRODUCT REVENUE AND EXPENSES

| Product | Units | Average First Year Unit Values | | | | | Net Revenue After Royalties | | | | | |
|----------------|--------|--------------------------------|---------------|----------------|-------------|--------------------|-----------------------------|----------------|------------|------------|--------------|------------|
| | | Base Price | Price Adjust. | Wellhead Price | Net Burdens | Operating Expenses | Other Expenses | Prod'n Revenue | Undisc M\$ | % of Total | 10% Disc M\$ | % of Total |
| Light/Med Oil | \$/bbl | 70.25 | -8.25 | 62.00 | 7.75 | 9.92 | 0.00 | 44.33 | 4,575 | 100 | 1,854 | 100 |
| Total: Oil Eq. | \$/boe | 70.25 | -8.25 | 62.00 | 7.75 | 9.92 | 0.00 | 44.33 | 4,575 | 100 | 1,854 | 100 |

REVENUE BURDENS AND NET PRESENT VALUE SUMMARY

| | Net Present Value Before Income Tax | | | | | | | | | |
|-------------------|-------------------------------------|---------|----|--------------|--------------------|----------------------|---------------------|-----------|--------|--|
| | Revenue Burdens (%) | | | Disc. Rate % | Prod'n Revenue M\$ | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | | |
| | Initial | Average | | | | | | M\$ | \$/boe | |
| Crown Royalty | 12.5000 | 12.5000 | 0 | 1,631 | 1,621 | 0 | 1,621 | 23.89 | | |
| Non-crown Royalty | 0.0000 | 0.0000 | 5 | 1,148 | 1,155 | 0 | 1,155 | 17.02 | | |
| Mineral Tax | 0.0000 | 0.0000 | 8 | 948 | 956 | 0 | 956 | 14.09 | | |
| | | | 10 | 841 | 849 | 0 | 849 | 12.51 | | |
| | | | 12 | 750 | 757 | 0 | 757 | 11.16 | | |
| | | | 15 | 637 | 644 | 0 | 644 | 9.49 | | |
| | | | 20 | 499 | 503 | 0 | 503 | 7.42 | | |

Evaluator: Olenick, Patrick A.
Run Date: April 05, 2018 09:39:12

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary**
 Currency: **US Dollars**

Reserve Class: **Proved Plus Probable**
 Development Class: **Total**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Economic Forecast

PRODUCTION FORECAST

Light & Medium Oil Production

| Year | Company Oil Wells | Company Daily bbl/d | Company Yearly Mbbl | Net Yearly Mbbl | Price \$/bbl |
|-------------|-------------------|---------------------|---------------------|-----------------|--------------|
| 2018 | 3 | 107 | 39 | 34 | 62.00 |
| 2019 | 3 | 99 | 36 | 32 | 59.93 |
| 2020 | 3 | 87 | 32 | 28 | 59.36 |
| 2021 | 2 | 76 | 28 | 24 | 62.29 |
| 2022 | 2 | 68 | 25 | 22 | 65.21 |
| 2023 | 2 | 61 | 22 | 19 | 68.14 |
| 2024 | 2 | 56 | 20 | 18 | 71.06 |
| 2025 | 2 | 51 | 19 | 16 | 73.98 |
| 2026 | 2 | 47 | 17 | 15 | 76.23 |
| 2027 | 2 | 43 | 16 | 14 | 77.70 |
| 2028 | 2 | 39 | 14 | 12 | 79.25 |
| 2029 | 2 | 36 | 13 | 11 | 80.84 |
| Sub. | | | 281 | 246 | 67.19 |
| Rem. | | | 24 | 21 | 83.47 |
| Tot. | | | 305 | 267 | 68.44 |

REVENUE AND EXPENSE FORECAST

Revenue Before Burdens

| Year | Working Interest | | | | Royalty Interest Total M\$ | Company Interest Total M\$ | Royalty Burdens Pre-Processing | | Gas Processing Allowance | | Total Royalty After Process. M\$ | Net Revenue After Royalty M\$ | Operating Expenses | | |
|-------------|------------------|----------|-------------|---------------|----------------------------|----------------------------|--------------------------------|-----------|--------------------------|-----------|----------------------------------|-------------------------------|--------------------|--------------|---------------|
| | Oil M\$ | Gas M\$ | NGL+Sul M\$ | Total M\$ | | | Crown M\$ | Other M\$ | Crown M\$ | Other M\$ | | | Fixed M\$ | Variable M\$ | Total M\$ |
| 2018 | 2,427 | 0 | 0 | 2,427 | 0 | 2,427 | 303 | 0 | 0 | 0 | 303 | 2,123 | 569 | 360 | 929 |
| 2019 | 2,164 | 0 | 0 | 2,164 | 0 | 2,164 | 270 | 0 | 0 | 0 | 270 | 1,893 | 613 | 339 | 951 |
| 2020 | 1,881 | 0 | 0 | 1,881 | 0 | 1,881 | 235 | 0 | 0 | 0 | 235 | 1,646 | 603 | 303 | 907 |
| 2021 | 1,733 | 0 | 0 | 1,733 | 0 | 1,733 | 217 | 0 | 0 | 0 | 217 | 1,517 | 594 | 272 | 866 |
| 2022 | 1,618 | 0 | 0 | 1,618 | 0 | 1,618 | 202 | 0 | 0 | 0 | 202 | 1,416 | 596 | 247 | 843 |
| 2023 | 1,513 | 0 | 0 | 1,513 | 0 | 1,513 | 189 | 0 | 0 | 0 | 189 | 1,324 | 594 | 226 | 820 |
| 2024 | 1,446 | 0 | 0 | 1,446 | 0 | 1,446 | 181 | 0 | 0 | 0 | 181 | 1,265 | 606 | 211 | 816 |
| 2025 | 1,378 | 0 | 0 | 1,378 | 0 | 1,378 | 172 | 0 | 0 | 0 | 172 | 1,206 | 617 | 197 | 814 |
| 2026 | 1,309 | 0 | 0 | 1,309 | 0 | 1,309 | 164 | 0 | 0 | 0 | 164 | 1,145 | 629 | 185 | 814 |
| 2027 | 1,233 | 0 | 0 | 1,233 | 0 | 1,233 | 154 | 0 | 0 | 0 | 154 | 1,079 | 641 | 175 | 815 |
| 2028 | 1,129 | 0 | 0 | 1,129 | 0 | 1,129 | 141 | 0 | 0 | 0 | 141 | 988 | 634 | 160 | 794 |
| 2029 | 1,053 | 0 | 0 | 1,053 | 0 | 1,053 | 132 | 0 | 0 | 0 | 132 | 921 | 639 | 149 | 788 |
| Sub. | 18,884 | 0 | 0 | 18,884 | 0 | 18,884 | 2,360 | 0 | 0 | 0 | 2,360 | 16,523 | 7,335 | 2,822 | 10,157 |
| Rem. | 1,966 | 0 | 0 | 1,966 | 0 | 1,966 | 246 | 0 | 0 | 0 | 246 | 1,720 | 1,342 | 278 | 1,620 |
| Tot. | 20,849 | 0 | 0 | 20,849 | 0 | 20,849 | 2,606 | 0 | 0 | 0 | 2,606 | 18,243 | 8,677 | 3,101 | 11,777 |
| Disc | 12,727 | 0 | 0 | 12,727 | 0 | 12,727 | 1,591 | 0 | 0 | 0 | 1,591 | 11,136 | 4,712 | 1,916 | 6,628 |

| Year | Mineral Tax M\$ | Capital Tax M\$ | NPI Burden M\$ | Net Prod'n Revenue M\$ | Other Income M\$ | Aband. & Oper. | | Net Capital Investment | | | | Before Tax Cash Flow | | | |
|-------------|-----------------|-----------------|----------------|------------------------|------------------|-----------------|--------------|------------------------|-----------|-----------|-----------|----------------------|--------------|---------------|--------------|
| | | | | | | Recl. Costs M\$ | Income M\$ | Dev. M\$ | Plant M\$ | Tang. M\$ | Total M\$ | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ | |
| 2018 | 0 | 0 | 0 | 1,194 | 0 | 0 | 1,194 | 39 | 0 | 0 | 0 | 39 | 1,155 | 1,155 | 1,101 |
| 2019 | 0 | 0 | 0 | 942 | 0 | 0 | 942 | 0 | 0 | 0 | 0 | 0 | 942 | 2,097 | 1,918 |
| 2020 | 0 | 0 | 0 | 739 | 0 | 0 | 739 | 0 | 0 | 0 | 0 | 0 | 739 | 2,836 | 2,500 |
| 2021 | 0 | 0 | 0 | 650 | 0 | 0 | 650 | 0 | 0 | 0 | 0 | 0 | 650 | 3,486 | 2,966 |
| 2022 | 0 | 0 | 0 | 573 | 0 | 0 | 573 | 0 | 0 | 0 | 0 | 0 | 573 | 4,060 | 3,339 |
| 2023 | 0 | 0 | 0 | 504 | 0 | 0 | 504 | 0 | 0 | 0 | 0 | 0 | 504 | 4,564 | 3,638 |
| 2024 | 0 | 0 | 0 | 449 | 0 | 11 | 438 | 0 | 0 | 0 | 0 | 0 | 438 | 5,002 | 3,874 |
| 2025 | 0 | 0 | 0 | 392 | 0 | 11 | 381 | 0 | 0 | 0 | 0 | 0 | 381 | 5,383 | 4,060 |
| 2026 | 0 | 0 | 0 | 331 | 0 | 0 | 331 | 0 | 0 | 0 | 0 | 0 | 331 | 5,714 | 4,207 |
| 2027 | 0 | 0 | 0 | 264 | 0 | 12 | 252 | 0 | 0 | 0 | 0 | 0 | 252 | 5,966 | 4,309 |
| 2028 | 0 | 0 | 0 | 194 | 0 | 0 | 194 | 0 | 0 | 0 | 0 | 0 | 194 | 6,160 | 4,380 |
| 2029 | 0 | 0 | 0 | 133 | 0 | 0 | 133 | 0 | 0 | 0 | 0 | 0 | 133 | 6,293 | 4,425 |
| Sub. | 0 | 0 | 0 | 6,366 | 0 | 34 | 6,332 | 39 | 0 | 0 | 0 | 39 | 6,293 | 6,293 | 4,425 |
| Rem. | 0 | 0 | 0 | 100 | 0 | 154 | -54 | 0 | 0 | 0 | 0 | 0 | -54 | 6,239 | 4,428 |
| Tot. | 0 | 0 | 0 | 6,466 | 0 | 188 | 6,278 | 39 | 0 | 0 | 39 | 6,239 | 6,239 | 6,239 | 4,428 |
| Disc | 0 | 0 | 0 | 4,508 | 0 | 43 | 4,465 | 37 | 0 | 0 | 37 | 4,428 | 4,428 | 4,428 | 4,428 |

SUMMARY OF RESERVES

| Product | Units | Remaining Reserves at Jan 01, 2018 | | | | Oil Equivalents | | | Reserve Life Indic. (yr) | | |
|----------------|-------|------------------------------------|------------------|---------------|-----|-----------------|--------------|------------|--------------------------|------------|-----------|
| | | Working Interest | Roy/NPI Interest | Total Company | Net | Oil Eq. Factor | Company Mboe | % of Total | Reserve Life | Life Index | Half Life |
| Light/Med Oil | Mbbl | 305 | 0 | 305 | 267 | 1.000 | 305 | 100 | 17.0 | 7.8 | 4.7 |
| Total: Oil Eq. | Mboe | 305 | 0 | 305 | 267 | 1.000 | 305 | 100 | 17.0 | 7.8 | 4.7 |

PRODUCT REVENUE AND EXPENSES

| Product | Units | Average First Year Unit Values | | | | | | Net Revenue After Royalties | | | | |
|----------------|--------|--------------------------------|---------------|----------------|-------------|--------------------|----------------|-----------------------------|------------|------------|--------------|------------|
| | | Base Price | Price Adjust. | Wellhead Price | Net Burdens | Operating Expenses | Other Expenses | Prod'n Revenue | Undisc M\$ | % of Total | 10% Disc M\$ | % of Total |
| Light/Med Oil | \$/bbl | 70.25 | -8.25 | 62.00 | 7.75 | 23.73 | 0.00 | 30.52 | 18,243 | 100 | 11,136 | 100 |
| Total: Oil Eq. | \$/boe | 70.25 | -8.25 | 62.00 | 7.75 | 23.73 | 0.00 | 30.52 | 18,243 | 100 | 11,136 | 100 |

REVENUE BURDENS AND NET PRESENT VALUE SUMMARY

| | Net Present Value Before Income Tax | | | | | | | | | |
|-------------------|-------------------------------------|---------|----|--------------|--------------------|----------------------|---------------------|-----------|--------|--|
| | Revenue Burdens (%) | | | Disc. Rate % | Prod'n Revenue M\$ | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | | |
| | Initial | Average | | | | | | M\$ | \$/boe | |
| Crown Royalty | 12.5000 | 12.5000 | 0 | 6,466 | 6,278 | 39 | 6,239 | 20.48 | | |
| Non-crown Royalty | 0.0000 | 0.0000 | 5 | 5,318 | 5,232 | 38 | 5,194 | 17.05 | | |
| Mineral Tax | 0.0000 | 0.0000 | 8 | 4,801 | 4,745 | 38 | 4,707 | 15.45 | | |
| | | | 10 | 4,508 | 4,465 | 37 | 4,428 | 14.53 | | |
| | | | 12 | 4,249 | 4,216 | 37 | 4,179 | 13.72 | | |
| | | | 15 | 3,914 | 3,891 | 37 | 3,854 | 12.65 | | |
| | | | 20 | 3,465 | 3,451 | 36 | 3,415 | 11.21 | | |

Evaluator: Olenick, Patrick A.
Run Date: April 05, 2018 09:39:12

POSSIBLE AND PROVED PLUS PROBABLE PLUS POSSIBLE RESERVES**TABLE OF CONTENTS**

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| COMPANY PRODUCTION, RESERVES AND PRESENT VALUE SUMMARY | 32 |
| ECONOMIC FORECASTS | |
| Total Possible | 33 |
| Total PPP | 35 |

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary**
 Currency: **US Dollars**

Reserve Class: **Various**
 Development Class: **Classifications**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Summary of Reserves and Values

| | Total Possible | Total PPP |
|---|---------------------------|----------------------|
| MARKETABLE RESERVES | | |
| <u>Light & Medium Oil (Mbbbl)</u> | | |
| Total Company Interest | 64 | 369 |
| Working Interest | 64 | 369 |
| Net After Royalty | 56 | 323 |
| <u>Oil Equivalent (Mboe)</u> | | |
| Total Company Interest | 64 | 369 |
| Working Interest | 64 | 369 |
| Net After Royalty | 56 | 323 |
| BEFORE TAX PRESENT VALUE (M\$) | | |
| 0% | 1,549 | 7,788 |
| 5% | 1,007 | 6,201 |
| 8% | 796 | 5,502 |
| 10% | 687 | 5,114 |
| 12% | 597 | 4,776 |
| 15% | 491 | 4,345 |
| 20% | 366 | 3,782 |
| FIRST 6 YEARS BEFORE TAX CASH FLOW (M\$) | | |
| 2018 | 15 | 1,170 |
| 2019 | 38 | 980 |
| 2020 | 54 | 793 |
| 2021 | 69 | 720 |
| 2022 | 85 | 658 |
| 2023 | 93 | 597 |

BOE Factors: HVY OIL 1.0 RES GAS 6.0 PROPANE 1.0 ETHANE 1.0
 COND 1.0 SLN GAS 6.0 BUTANE 1.0 SULPHUR 0.0

Run Date: April 05, 2018 09:39:12

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Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary**
 Currency: **\$US Dollars**

Reserve Class: **Various**
 Development Class: **Classifications**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Company Production, Reserves and Present Value Summary

| Entity Description | 2018 Company Interest Prod'n | | | | Company Interest Reserves | | | | | Net After Royalty Reserves | | | | | Reserve Life Index yrs | Before Income Tax Discounted Present Value (M\$) | | | | |
|------------------------------|------------------------------|------------|-----------|---------------|---------------------------|------------|----------|-------------|--------------|----------------------------|------------|----------|-------------|--------------|------------------------|--|--------------|--------------|--------------|--------------|
| | Gas Mcf/d | Oil bbl/d | NGL bbl/d | Oil Eq. boe/d | Gas MMcf | Oil Mbbl | NGL Mbbl | Sulphur Mlt | Oil Eq. Mboe | Gas MMcf | Oil Mbbl | NGL Mbbl | Sulphur Mlt | Oil Eq. Mboe | | 0% | 5% | 8% | 10% | 12% |
| Total Possible | | | | | | | | | | | | | | | | | | | | |
| Cendere | 0 | 1 | 0 | 1 | 0 | 64 | 0 | 0 | 64 | 0 | 56 | 0 | 0 | 56 | 196.7 | 1,549 | 1,007 | 796 | 687 | 597 |
| Total: Total Possible | 0 | 1 | 0 | 1 | 0 | 64 | 0 | 0 | 64 | 0 | 56 | 0 | 0 | 56 | | 1,549 | 1,007 | 796 | 687 | 597 |
| Total PPP | | | | | | | | | | | | | | | | | | | | |
| Cendere | 0 | 108 | 0 | 108 | 0 | 369 | 0 | 0 | 369 | 0 | 323 | 0 | 0 | 323 | 9.3 | 7,788 | 6,201 | 5,502 | 5,114 | 4,776 |
| Total: Total PPP | 0 | 108 | 0 | 108 | 0 | 369 | 0 | 0 | 369 | 0 | 323 | 0 | 0 | 323 | | 7,788 | 6,201 | 5,502 | 5,114 | 4,776 |

BOE Factors: HVY OIL 1.0 RES GAS 6.0 PROPANE 1.0 ETHANE 1.0
 COND 1.0 SLN GAS 6.0 BUTANE 1.0 SULPHUR 0.0

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary**
 Currency: **US Dollars**

Reserve Class: **Possible**
 Development Class: **Total**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Economic Forecast

PRODUCTION FORECAST

Light & Medium Oil Production

| Year | Company Oil Wells | Company Daily bbl/d | Company Yearly Mbbl | Net Yearly Mbbl | Price \$/bbl |
|-------------|-------------------|---------------------|---------------------|-----------------|--------------|
| 2018 | 0 | 1 | 0 | 0 | 62.00 |
| 2019 | 0 | 2 | 1 | 1 | 59.93 |
| 2020 | 0 | 4 | 1 | 1 | 59.36 |
| 2021 | 0 | 6 | 2 | 2 | 62.29 |
| 2022 | 0 | 6 | 2 | 2 | 65.20 |
| 2023 | 0 | 6 | 2 | 2 | 68.14 |
| 2024 | 0 | 5 | 2 | 2 | 71.06 |
| 2025 | 0 | 6 | 2 | 2 | 73.98 |
| 2026 | 0 | 6 | 2 | 2 | 76.23 |
| 2027 | 0 | 6 | 2 | 2 | 77.70 |
| 2028 | 0 | 7 | 3 | 2 | 79.25 |
| 2029 | 0 | 8 | 3 | 2 | 80.84 |
| Sub. | | | 22 | 20 | 71.78 |
| Rem. | | | 42 | 37 | 87.05 |
| Tot. | | | 64 | 56 | 81.74 |

REVENUE AND EXPENSE FORECAST

Revenue Before Burdens

| Year | Working Interest | | | | Royalty Interest Total M\$ | Company Interest Total M\$ | Royalty Burdens Pre-Processing | | Gas Processing Allowance | | Total Royalty After Process. M\$ | Net Revenue After Royalty M\$ | Operating Expenses | | |
|-------------|------------------|----------|-------------|--------------|----------------------------|----------------------------|--------------------------------|-----------|--------------------------|-----------|----------------------------------|-------------------------------|--------------------|--------------|--------------|
| | Oil M\$ | Gas M\$ | NGL+Sul M\$ | Total M\$ | | | Crown M\$ | Other M\$ | Crown M\$ | Other M\$ | | | Fixed M\$ | Variable M\$ | Total M\$ |
| 2018 | 20 | 0 | 0 | 20 | 0 | 20 | 3 | 0 | 0 | 0 | 3 | 18 | 0 | 3 | 3 |
| 2019 | 54 | 0 | 0 | 54 | 0 | 54 | 7 | 0 | 0 | 0 | 7 | 47 | 1 | 8 | 9 |
| 2020 | 77 | 0 | 0 | 77 | 0 | 77 | 10 | 0 | 0 | 0 | 10 | 67 | 1 | 12 | 13 |
| 2021 | 126 | 0 | 0 | 126 | 0 | 126 | 16 | 0 | 0 | 0 | 16 | 111 | 21 | 20 | 41 |
| 2022 | 134 | 0 | 0 | 134 | 0 | 134 | 17 | 0 | 0 | 0 | 17 | 117 | 12 | 20 | 32 |
| 2023 | 145 | 0 | 0 | 145 | 0 | 145 | 18 | 0 | 0 | 0 | 18 | 127 | 12 | 22 | 33 |
| 2024 | 137 | 0 | 0 | 137 | 0 | 137 | 17 | 0 | 0 | 0 | 17 | 120 | 2 | 20 | 22 |
| 2025 | 149 | 0 | 0 | 149 | 0 | 149 | 19 | 0 | 0 | 0 | 19 | 130 | 3 | 21 | 24 |
| 2026 | 158 | 0 | 0 | 158 | 0 | 158 | 20 | 0 | 0 | 0 | 20 | 139 | 3 | 22 | 25 |
| 2027 | 165 | 0 | 0 | 165 | 0 | 165 | 21 | 0 | 0 | 0 | 21 | 144 | 3 | 23 | 27 |
| 2028 | 211 | 0 | 0 | 211 | 0 | 211 | 26 | 0 | 0 | 0 | 26 | 185 | 23 | 30 | 53 |
| 2029 | 229 | 0 | 0 | 229 | 0 | 229 | 29 | 0 | 0 | 0 | 29 | 200 | 31 | 32 | 63 |
| Sub. | 1,606 | 0 | 0 | 1,606 | 0 | 1,606 | 201 | 0 | 0 | 0 | 201 | 1,405 | 112 | 235 | 347 |
| Rem. | 3,651 | 0 | 0 | 3,651 | 0 | 3,651 | 456 | 0 | 0 | 0 | 456 | 3,194 | 2,177 | 517 | 2,693 |
| Tot. | 5,256 | 0 | 0 | 5,256 | 0 | 5,256 | 657 | 0 | 0 | 0 | 657 | 4,599 | 2,288 | 752 | 3,040 |
| Disc | 1,688 | 0 | 0 | 1,688 | 0 | 1,688 | 211 | 0 | 0 | 0 | 211 | 1,477 | 553 | 244 | 797 |

| Year | Mineral Tax M\$ | Capital Tax M\$ | NPI Burden M\$ | Net Prod'n Revenue M\$ | Other Income M\$ | Aband. & Oper. | | Net Capital Investment | | | | Before Tax Cash Flow | | | |
|-------------|-----------------|-----------------|----------------|------------------------|------------------|-----------------|--------------|------------------------|-----------|-----------|-----------|----------------------|--------------|---------------|------------|
| | | | | | | Recl. Costs M\$ | Income M\$ | Dev. M\$ | Plant M\$ | Tang. M\$ | Total M\$ | Annual M\$ | Cum. M\$ | 10.0% Def M\$ | |
| 2018 | 0 | 0 | 0 | 15 | 0 | 0 | 15 | 0 | 0 | 0 | 0 | 0 | 15 | 15 | 14 |
| 2019 | 0 | 0 | 0 | 38 | 0 | 0 | 38 | 0 | 0 | 0 | 0 | 0 | 38 | 53 | 47 |
| 2020 | 0 | 0 | 0 | 54 | 0 | 0 | 54 | 0 | 0 | 0 | 0 | 0 | 54 | 107 | 89 |
| 2021 | 0 | 0 | 0 | 69 | 0 | 0 | 69 | 0 | 0 | 0 | 0 | 0 | 69 | 176 | 139 |
| 2022 | 0 | 0 | 0 | 85 | 0 | 0 | 85 | 0 | 0 | 0 | 0 | 0 | 85 | 261 | 194 |
| 2023 | 0 | 0 | 0 | 93 | 0 | 0 | 93 | 0 | 0 | 0 | 0 | 0 | 93 | 354 | 250 |
| 2024 | 0 | 0 | 0 | 98 | 0 | 0 | 98 | 0 | 0 | 0 | 0 | 0 | 98 | 452 | 302 |
| 2025 | 0 | 0 | 0 | 106 | 0 | -11 | 118 | 0 | 0 | 0 | 0 | 0 | 118 | 569 | 360 |
| 2026 | 0 | 0 | 0 | 113 | 0 | 11 | 102 | 0 | 0 | 0 | 0 | 0 | 102 | 671 | 405 |
| 2027 | 0 | 0 | 0 | 118 | 0 | -12 | 129 | 0 | 0 | 0 | 0 | 0 | 129 | 800 | 457 |
| 2028 | 0 | 0 | 0 | 132 | 0 | 12 | 120 | 0 | 0 | 0 | 0 | 0 | 120 | 921 | 501 |
| 2029 | 0 | 0 | 0 | 137 | 0 | 0 | 137 | 0 | 0 | 0 | 0 | 0 | 137 | 1,058 | 547 |
| Sub. | 0 | 0 | 0 | 1,058 | 0 | 0 | 1,058 | 0 | 0 | 0 | 0 | 0 | 1,058 | 1,058 | 547 |
| Rem. | 0 | 0 | 0 | 501 | 0 | 10 | 491 | 0 | 0 | 0 | 0 | 0 | 491 | 1,549 | 687 |
| Tot. | 0 | 0 | 0 | 1,559 | 0 | 10 | 1,549 | 0 | 0 | 0 | 0 | 0 | 1,549 | 1,549 | 687 |
| Disc | 0 | 0 | 0 | 680 | 0 | -6 | 687 | 0 | 0 | 0 | 0 | 0 | 687 | 687 | 687 |

SUMMARY OF RESERVES

| Product | Units | Remaining Reserves at Jan 01, 2018 | | | | Oil Equivalents | | | Reserve Life Indic. (yr) | | |
|----------------|-------|------------------------------------|------------------|---------------|-----|-----------------|--------------|------------|--------------------------|------------|-----------|
| | | Working Interest | Roy/NPI Interest | Total Company | Net | Oil Eq. Factor | Company Mboe | % of Total | Reserve Life | Life Index | Half Life |
| Light/Med Oil | Mbbl | 64 | 0 | 64 | 56 | 1.000 | 64 | 100 | 21.0 | 196.7 | 14.3 |
| Total: Oil Eq. | Mboe | 64 | 0 | 64 | 56 | 1.000 | 64 | 100 | 21.0 | 196.7 | 14.3 |

PRODUCT REVENUE AND EXPENSES

| Product | Units | Average First Year Unit Values | | | | | | Net Revenue After Royalties | | | | |
|----------------|--------|--------------------------------|---------------|----------------|-------------|--------------------|----------------|-----------------------------|------------|------------|--------------|------------|
| | | Base Price | Price Adjust. | Wellhead Price | Net Burdens | Operating Expenses | Other Expenses | Prod'n Revenue | Undisc M\$ | % of Total | 10% Disc M\$ | % of Total |
| Light/Med Oil | \$/bbl | 70.25 | -8.25 | 62.00 | 7.75 | 9.88 | 0.00 | 44.37 | 4,599 | 100 | 1,477 | 100 |
| Total: Oil Eq. | \$/boe | 70.25 | -8.25 | 62.00 | 7.75 | 9.88 | 0.00 | 44.37 | 4,599 | 100 | 1,477 | 100 |

REVENUE BURDENS AND NET PRESENT VALUE SUMMARY

| | Net Present Value Before Income Tax | | | | | | | | | |
|-------------------|-------------------------------------|---------|----|--------------|--------------------|----------------------|---------------------|-----------|--------|--|
| | Revenue Burdens (%) | | | Disc. Rate % | Prod'n Revenue M\$ | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | | |
| | Initial | Average | | | | | | M\$ | \$/boe | |
| Crown Royalty | 12.5000 | 12.5000 | 0 | 1,559 | 1,549 | 0 | 1,549 | 24.09 | | |
| Non-crown Royalty | 0.0000 | 0.0000 | 5 | 1,001 | 1,007 | 0 | 1,007 | 15.65 | | |
| Mineral Tax | 0.0000 | 0.0000 | 8 | 789 | 796 | 0 | 796 | 12.37 | | |
| | | | 10 | 680 | 687 | 0 | 687 | 10.68 | | |
| | | | 12 | 592 | 597 | 0 | 597 | 9.29 | | |
| | | | 15 | 487 | 491 | 0 | 491 | 7.64 | | |
| | | | 20 | 363 | 366 | 0 | 366 | 5.70 | | |

Evaluator: Olenick, Patrick A.
Run Date: April 05, 2018 09:39:12

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary**
 Currency: **US Dollars**

Reserve Class: **PPP**
 Development Class: **Total**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Economic Forecast

PRODUCTION FORECAST

Light & Medium Oil Production

| Year | Company Oil Wells | Company Daily bbl/d | Company Yearly Mbbl | Net Yearly Mbbl | Price \$/bbl |
|-------------|-------------------|---------------------|---------------------|-----------------|--------------|
| 2018 | 3 | 108 | 39 | 35 | 62.00 |
| 2019 | 3 | 101 | 37 | 32 | 59.93 |
| 2020 | 3 | 90 | 33 | 29 | 59.36 |
| 2021 | 3 | 82 | 30 | 26 | 62.29 |
| 2022 | 2 | 74 | 27 | 24 | 65.21 |
| 2023 | 2 | 67 | 24 | 21 | 68.14 |
| 2024 | 2 | 61 | 22 | 19 | 71.06 |
| 2025 | 2 | 57 | 21 | 18 | 73.98 |
| 2026 | 2 | 53 | 19 | 17 | 76.23 |
| 2027 | 2 | 49 | 18 | 16 | 77.70 |
| 2028 | 2 | 46 | 17 | 15 | 79.25 |
| 2029 | 2 | 43 | 16 | 14 | 80.84 |
| Sub. | | | 303 | 266 | 67.52 |
| Rem. | | | 65 | 57 | 85.76 |
| Tot. | | | 369 | 323 | 70.76 |

REVENUE AND EXPENSE FORECAST

Revenue Before Burdens

| Year | Working Interest | | | | Royalty Interest Total M\$ | Company Interest Total M\$ | Royalty Burdens Pre-Processing | | Gas Processing Allowance | | Total Royalty After Process. M\$ | Net Revenue After Royalty M\$ | Operating Expenses | | |
|-------------|------------------|----------|-------------|---------------|----------------------------|----------------------------|--------------------------------|-----------|--------------------------|-----------|----------------------------------|-------------------------------|--------------------|--------------|---------------|
| | Oil M\$ | Gas M\$ | NGL+Sul M\$ | Total M\$ | | | Crown M\$ | Other M\$ | Crown M\$ | Other M\$ | | | Fixed M\$ | Variable M\$ | Total M\$ |
| 2018 | 2,447 | 0 | 0 | 2,447 | 0 | 2,447 | 306 | 0 | 0 | 0 | 306 | 2,141 | 569 | 363 | 932 |
| 2019 | 2,218 | 0 | 0 | 2,218 | 0 | 2,218 | 277 | 0 | 0 | 0 | 277 | 1,941 | 613 | 347 | 961 |
| 2020 | 1,958 | 0 | 0 | 1,958 | 0 | 1,958 | 245 | 0 | 0 | 0 | 245 | 1,713 | 604 | 316 | 920 |
| 2021 | 1,859 | 0 | 0 | 1,859 | 0 | 1,859 | 232 | 0 | 0 | 0 | 232 | 1,627 | 616 | 291 | 907 |
| 2022 | 1,752 | 0 | 0 | 1,752 | 0 | 1,752 | 219 | 0 | 0 | 0 | 219 | 1,533 | 607 | 268 | 875 |
| 2023 | 1,658 | 0 | 0 | 1,658 | 0 | 1,658 | 207 | 0 | 0 | 0 | 207 | 1,450 | 606 | 247 | 853 |
| 2024 | 1,583 | 0 | 0 | 1,583 | 0 | 1,583 | 198 | 0 | 0 | 0 | 198 | 1,385 | 608 | 231 | 839 |
| 2025 | 1,527 | 0 | 0 | 1,527 | 0 | 1,527 | 191 | 0 | 0 | 0 | 191 | 1,336 | 620 | 218 | 838 |
| 2026 | 1,467 | 0 | 0 | 1,467 | 0 | 1,467 | 183 | 0 | 0 | 0 | 183 | 1,284 | 632 | 207 | 839 |
| 2027 | 1,398 | 0 | 0 | 1,398 | 0 | 1,398 | 175 | 0 | 0 | 0 | 175 | 1,223 | 644 | 198 | 842 |
| 2028 | 1,341 | 0 | 0 | 1,341 | 0 | 1,341 | 168 | 0 | 0 | 0 | 168 | 1,173 | 657 | 190 | 847 |
| 2029 | 1,282 | 0 | 0 | 1,282 | 0 | 1,282 | 160 | 0 | 0 | 0 | 160 | 1,121 | 670 | 181 | 851 |
| Sub. | 20,489 | 0 | 0 | 20,489 | 0 | 20,489 | 2,561 | 0 | 0 | 0 | 2,561 | 17,928 | 7,446 | 3,057 | 10,504 |
| Rem. | 5,616 | 0 | 0 | 5,616 | 0 | 5,616 | 702 | 0 | 0 | 0 | 702 | 4,914 | 3,519 | 795 | 4,314 |
| Tot. | 26,106 | 0 | 0 | 26,106 | 0 | 26,106 | 3,263 | 0 | 0 | 0 | 3,263 | 22,843 | 10,965 | 3,852 | 14,817 |
| Disc | 14,415 | 0 | 0 | 14,415 | 0 | 14,415 | 1,802 | 0 | 0 | 0 | 1,802 | 12,613 | 5,265 | 2,160 | 7,425 |

| Year | Mineral Tax M\$ | Capital Tax M\$ | NPI Burden M\$ | Net Prod'n Revenue M\$ | Other Income M\$ | Aband. & Oper. | | Net Capital Investment | | | | Before Tax Cash Flow | | | |
|-------------|-----------------|-----------------|----------------|------------------------|------------------|-----------------|--------------|------------------------|-----------|-----------|-----------|----------------------|--------------|---------------|--------------|
| | | | | | | Recl. Costs M\$ | Income M\$ | Dev. M\$ | Plant M\$ | Tang. M\$ | Total M\$ | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ | |
| 2018 | 0 | 0 | 0 | 1,209 | 0 | 0 | 1,209 | 39 | 0 | 0 | 0 | 39 | 1,170 | 1,170 | 1,115 |
| 2019 | 0 | 0 | 0 | 980 | 0 | 0 | 980 | 0 | 0 | 0 | 0 | 0 | 980 | 2,150 | 1,965 |
| 2020 | 0 | 0 | 0 | 793 | 0 | 0 | 793 | 0 | 0 | 0 | 0 | 0 | 793 | 2,943 | 2,590 |
| 2021 | 0 | 0 | 0 | 720 | 0 | 0 | 720 | 0 | 0 | 0 | 0 | 0 | 720 | 3,662 | 3,105 |
| 2022 | 0 | 0 | 0 | 658 | 0 | 0 | 658 | 0 | 0 | 0 | 0 | 0 | 658 | 4,321 | 3,534 |
| 2023 | 0 | 0 | 0 | 597 | 0 | 0 | 597 | 0 | 0 | 0 | 0 | 0 | 597 | 4,918 | 3,887 |
| 2024 | 0 | 0 | 0 | 547 | 0 | 11 | 536 | 0 | 0 | 0 | 0 | 0 | 536 | 5,454 | 4,176 |
| 2025 | 0 | 0 | 0 | 498 | 0 | 0 | 498 | 0 | 0 | 0 | 0 | 0 | 498 | 5,952 | 4,420 |
| 2026 | 0 | 0 | 0 | 444 | 0 | 11 | 433 | 0 | 0 | 0 | 0 | 0 | 433 | 6,385 | 4,612 |
| 2027 | 0 | 0 | 0 | 381 | 0 | 0 | 381 | 0 | 0 | 0 | 0 | 0 | 381 | 6,766 | 4,766 |
| 2028 | 0 | 0 | 0 | 326 | 0 | 12 | 314 | 0 | 0 | 0 | 0 | 0 | 314 | 7,081 | 4,882 |
| 2029 | 0 | 0 | 0 | 270 | 0 | 0 | 270 | 0 | 0 | 0 | 0 | 0 | 270 | 7,351 | 4,972 |
| Sub. | 0 | 0 | 0 | 7,424 | 0 | 34 | 7,390 | 39 | 0 | 0 | 0 | 39 | 7,351 | 7,351 | 4,972 |
| Rem. | 0 | 0 | 0 | 601 | 0 | 163 | 437 | 0 | 0 | 0 | 0 | 0 | 437 | 7,788 | 5,114 |
| Tot. | 0 | 0 | 0 | 8,025 | 0 | 198 | 7,827 | 39 | 0 | 0 | 39 | 7,788 | 7,788 | 7,788 | 5,114 |
| Disc | 0 | 0 | 0 | 5,188 | 0 | 37 | 5,152 | 37 | 0 | 0 | 0 | 37 | 5,114 | 5,114 | 5,114 |

SUMMARY OF RESERVES

| Product | Units | Remaining Reserves at Jan 01, 2018 | | | | Oil Equivalents | | | Reserve Life Indic. (yr) | | |
|----------------|-------|------------------------------------|------------------|---------------|-----|-----------------|--------------|------------|--------------------------|------------|-----------|
| | | Working Interest | Roy/NPI Interest | Total Company | Net | Oil Eq. Factor | Company Mboe | % of Total | Reserve Life | Life Index | Half Life |
| Light/Med Oil | Mbbl | 369 | 0 | 369 | 323 | 1.000 | 369 | 100 | 21.0 | 9.3 | 5.8 |
| Total: Oil Eq. | Mboe | 369 | 0 | 369 | 323 | 1.000 | 369 | 100 | 21.0 | 9.3 | 5.8 |

PRODUCT REVENUE AND EXPENSES

| Product | Units | Average First Year Unit Values | | | | | | Net Revenue After Royalties | | | | |
|----------------|--------|--------------------------------|---------------|----------------|-------------|--------------------|----------------|-----------------------------|------------|------------|--------------|------------|
| | | Base Price | Price Adjust. | Wellhead Price | Net Burdens | Operating Expenses | Other Expenses | Prod'n Revenue | Undisc M\$ | % of Total | 10% Disc M\$ | % of Total |
| Light/Med Oil | \$/bbl | 70.25 | -8.25 | 62.00 | 7.75 | 23.62 | 0.00 | 30.63 | 22,843 | 100 | 12,613 | 100 |
| Total: Oil Eq. | \$/boe | 70.25 | -8.25 | 62.00 | 7.75 | 23.62 | 0.00 | 30.63 | 22,843 | 100 | 12,613 | 100 |

REVENUE BURDENS AND NET PRESENT VALUE SUMMARY

| | Net Present Value Before Income Tax | | | | | | | | | |
|-------------------|-------------------------------------|---------|----|--------------|--------------------|----------------------|---------------------|-----------|--------|--|
| | Revenue Burdens (%) | | | Disc. Rate % | Prod'n Revenue M\$ | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | | |
| | Initial | Average | | | | | | M\$ | \$/boe | |
| Crown Royalty | 12.5000 | 12.5000 | 0 | 8,025 | 7,827 | 39 | 7,788 | 21.11 | | |
| Non-crown Royalty | 0.0000 | 0.0000 | 5 | 6,319 | 6,239 | 38 | 6,201 | 16.81 | | |
| Mineral Tax | 0.0000 | 0.0000 | 8 | 5,590 | 5,540 | 38 | 5,502 | 14.91 | | |
| | | | 10 | 5,188 | 5,152 | 37 | 5,114 | 13.86 | | |
| | | | 12 | 4,841 | 4,813 | 37 | 4,776 | 12.95 | | |
| | | | 15 | 4,401 | 4,382 | 37 | 4,345 | 11.78 | | |
| | | | 20 | 3,828 | 3,818 | 36 | 3,782 | 10.25 | | |

Evaluator: Olenick, Patrick A.
Run Date: April 05, 2018 09:39:12

RESERVES DEFINITIONS

Reserves estimates have been prepared by GLJ Petroleum Consultants (GLJ) in accordance with standards contained in the Canadian Oil and Gas Evaluation (COGE) Handbook. The following reserves definitions are set out by the Canadian Securities Administrators in National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities (NI 51-101; in Part 2 of the Glossary to NI 51-101) with reference to the COGE Handbook.

Reserves Categories

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on:

- analysis of drilling, geological, geophysical, and engineering data;
- the use of established technology;
- specified economic conditions¹, which are generally accepted as being reasonable, and shall be disclosed.

Reserves are classified according to the degree of certainty associated with the estimates.

Proved Reserves

Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

Probable Reserves

Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Possible Reserves

Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

Other criteria that must also be met for the classification of reserves are provided in [Section 5.5 of the COGE Handbook].

¹ For securities reporting, the key economic assumptions will be the prices and costs used in the estimate. The required assumptions may vary by jurisdiction, for example:

- (a) **forecast prices and costs, in Canada under NI 51-101**
- (b) **constant prices and costs, based on the average of the first day posted prices in each of the 12 months of the reporting issuer's financial year, under US SEC rules (this is optional disclosure under NI 51-101).**

Development and Production Status

Each of the reserves categories (proved, probable, and possible) may be divided into developed and undeveloped categories.

Developed Reserves

Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

Developed Producing Reserves

Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

Developed Non-Producing Reserves

Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.

Undeveloped Reserves

Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves category (proved, probable, possible) to which they are assigned.

In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities, and completion intervals in the pool and their respective development and production status.

Levels of Certainty for Reported Reserves

The qualitative certainty levels referred to in the definitions above are applicable to individual reserves entities (which refers to the lowest level at which reserves calculations are performed) and to Reported Reserves (which refers to the highest level sum of individual entity estimates for which reserves estimates are presented). Reported Reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves;
- at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves;
- at least a 10 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable plus possible reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the

associated risks and uncertainties. However, the majority of reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with *reserves* estimates and the effect of aggregation is provided in Section 5.5.3 [of the *COGE Handbook*].

DOCUMENTED RESERVES CATEGORIES

Production and revenue projections are prepared for each of the following main reserves categories:

Reserves Category

Proved
Proved Plus Probable
Proved Plus Probable Plus Possible

Production and Development Status

Developed Producing*
Developed Non-Producing
Undeveloped
Total (sum of developed producing, developed non-producing and undeveloped)

** as producing reserves are inherently developed, GLJ simply refers to “developed producing” reserves as “producing”*

Reserves and revenue projections are available in GLJ’s evaluation database for any reserves and development subcategory including those determined by difference (e.g., probable producing).

The following reserves categories are documented in this Corporate Summary volume:

Proved Producing
Proved Developed Non-Producing
Proved Undeveloped
Total Proved
Total Probable
Total Proved Plus Probable
Total Possible
Total Proved Plus Probable Plus Possible

Documentation for the following additional reserves categories is provided in the “Expanded Corporate Summary Information”, which has been provided to the Company in electronic format only.

Proved

Developed Producing
Developed Non-Producing
Undeveloped
Total

Probable

Developed Producing
Developed Non-Producing
Undeveloped
Total

Proved Plus Probable

Developed Producing
Developed Non-Producing
Undeveloped
Total

Possible

Developed Producing
Developed Non-Producing
Undeveloped
Total

Proved Plus Probable Plus Possible

Developed Producing
Developed Non-Producing
Undeveloped
Total

Individual property evaluation reports contain detailed documentation of reserves estimation methodology and evaluation procedures.

When evaluating reserves, GLJ evaluators generally first identify the producing situation and assign proved, proved plus probable and proved plus probable plus possible reserves in recognition of the existing level of development and the existing depletion strategy. Incremental non-producing (developed non-producing or undeveloped) reserves are subsequently assigned recognizing future development opportunities and enhancements to the depletion mechanism. It should be recognized that future developments may result in accelerated recovery of producing reserves.

EVALUATION PROCEDURE

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EVALUATION PROCEDURE

The following outlines the methodology employed by GLJ Petroleum Consultants (GLJ) in conducting the evaluation of the Company's oil and gas properties. GLJ evaluation procedures are in compliance with standards contained in the Canadian Oil and Gas Evaluation (COGE) Handbook.

INTEREST DESCRIPTIONS

The Company provided GLJ with current land interest information. The Company provided a representation letter confirming accuracy of land information. Certain cross-checks of land and accounting information were undertaken by GLJ as recommended in the COGE Handbook. In this process, nothing came to GLJ's attention that indicated that information provided by the Company was incomplete or unreliable.

In GLJ's reports, "Company Interest" reserves and values refer to the sum of royalty interest* and working interest reserves before deduction of royalty burdens payable. "Working Interest" reserves equate to those reserves that are referred to as "Company Gross" reserves by the Canadian Securities Administrators (CSA) in NI 51-101.

In the Securities Reporting section, working interest (or Company Gross) volumes are presented in tables to correspond to NI 51-101 disclosure requirements.

**Royalty interest reserves include royalty volumes derived only from other working interest owners.*

WELL DATA

Pertinent interest and offset well data such as drill stem tests, workovers, pressure surveys, production tests, etc., were provided by the Company or were obtained from other operators, public records or GLJ nonconfidential files.

ACCOUNTING SUMMARY

The Company provided GLJ with available accounting data on a property basis and for the corporate total for the period February 1, 2017, to December 31, 2017. In some circumstances this information was also provided on a cost centre basis to address major reserves entities that are a subset of a Company property.

PRODUCTION FORECASTS

In establishing all production forecasts, consideration was given to existing gas contracts and the possibility of contract revisions, to the operator's plans for development drilling and to reserves and well capability. Generally, development drilling in an area was not considered unless there was some indication from the operator that drilling could be expected.

The on-stream date for currently shut-in reserves was estimated with consideration given to the following:

- proximity to existing facilities
- plans of the operator
- economics

ECONOMIC PARAMETERS

Pertinent economic parameters are listed as follows:

- a) The effective date is December 31, 2017.
- b) Operating and capital costs were estimated in 2018 dollars and then escalated as summarized in the Product Price and Market Forecasts section of this report.
- c) Economic forecasts were prepared for each property on a before income tax basis. Detailed discounting of future cash flow was performed using a discount factor of 10.0 percent with all values discounted annually to December 31, 2017, on a mid-calendar-year basis.
- d) Oil and gas production is subject to a 12.5 percent royalty.
- e) Field level overhead charges have been included; recovery of overhead expenses has not been included.
- f) The Company's office G&A costs have not been included.
- g) Abandonment and reclamation costs for all existing and future wells to which reserves have been assigned have been included at the property level. Costs have been scheduled five years after the last year of production for each well. Additional abandonment and reclamation costs associated with pipelines and facilities have not been included in this analysis.

OIL EQUIVALENT OR GAS EQUIVALENT

In this report, quantities of hydrocarbons have been converted to barrels of oil equivalent (boe); or to sales gas equivalent (sge) using factors of 6 Mcf/boe for gas, 1 bbl/boe for all liquids, and 0 boe for sulphur. Users of oil equivalent values are cautioned that while boe based metrics are useful for comparative purposes, they may be misleading when used in isolation.

LIST OF ABBREVIATIONS

| | |
|-------|---|
| AOF | absolute open flow |
| bbl | barrels |
| Bcf | billion cubic feet of gas at standard conditions |
| BIIP | bitumen initially-in-place |
| boe | barrel of oil equivalent, in this evaluation determined using 6 Mcf/boe for gas, 1 bbl/boe for all liquids, and 0 boe for sulphur |
| bopd | barrels of oil per day |
| Btu | British thermal units |
| bwpd | barrels of water per day |
| DSU | drilling spacing unit |
| GCA | gas cost allowance |
| GIIP | gas initially-in-place |
| GOC | gas-oil contact |
| GOR | gas-oil ratio |
| GORR | gross overriding royalty |
| GWC | gas-water contact |
| Mbbl | thousand barrels |
| Mboe | thousand boe |
| Mcf | thousand cubic feet of gas at standard conditions |
| Mcfe | thousand cubic feet of gas equivalent |
| Mlt | thousand long tons |
| M\$ | thousand dollars |
| MM\$ | million dollars |
| MMbbl | million barrels |
| MMboe | million boe |
| MMBtu | million British thermal units |
| MMcf | million cubic feet of gas at standard conditions |
| MRL | maximum rate limitation |
| Mstb | thousand stock tank barrels |
| MMstb | million stock tank barrels |
| NGL | natural gas liquids (ethane, propane, butane and condensate) |
| NPI | net profits interest |
| OIIP | oil initially-in-place |
| ORRI | overriding royalty interest |
| OWC | oil-water contact |
| P&NG | petroleum and natural gas |
| PIIP | petroleum initially-in-place |

| | |
|------|--|
| psia | pounds per square inch absolute |
| psig | pounds per square inch gauge |
| PVT | pressure-volume-temperature |
| RLI | reserves life index, calculated by dividing reserves by the forecast of first year production |
| scf | standard cubic feet |
| sge | sales gas equivalent – if presented in this evaluation, determined using 1 barrel of oil or natural gas liquid = 6 Mcfe; 0 for sulphur |
| stb | stock tank barrel |
| WI | working interest |
| WTI | West Texas Intermediate |

PRODUCT PRICE AND MARKET FORECASTS

January 1, 2018

GLJ Petroleum Consultants has prepared its January 1, 2018 price and market forecasts, as summarized in the attached Tables 1, 2, 3 and 4, after a comprehensive review of information. Information sources include numerous government agencies, industry publications, Canadian oil refiners and natural gas marketers. The forecasts presented herein are based on an informed interpretation of currently available data. While these forecasts are considered reasonable at this time, users of these forecasts should understand the inherent high uncertainty in forecasting any commodity or market. These forecasts will be revised periodically as market, economic and political conditions change. These future revisions may be significant.

Table 1
GLJ Petroleum Consultants
Crude Oil and Natural Gas Liquids
Price Forecast
 Effective January 1, 2018

| Year | Inflation % | CAD/USD Exchange Rate USD/CAD | NYMEX WTI Near Month Contract Crude Oil at Cushing, OK | | Brent Blend Crude Oil FOB North Sea | Light, Sweet Crude Oil (40 API, 0.3%S) at Edmonton | Bow River Crude Oil Stream Quality at Hardisty | WCS Crude Oil Stream Quality at Hardisty | Heavy Crude Oil Proxy (12 API) at Hardisty | Light Sour Crude Oil (35 API, 1.2%S) at Cromer | Medium Crude Oil (29 API, 2.0%S) at Cromer | Alberta Natural Gas Liquids (Then Current Dollars) | | | | |
|----------------|-------------|-------------------------------|--|----------------------|-------------------------------------|--|--|--|--|--|--|--|---------------------|--------------------------|-------------------------|-------------------------------------|
| | | | Constant 2018 \$ USD/bbl | Then Current USD/bbl | Then Current USD/bbl | Then Current CAD/bbl | Then Current CAD/bbl | Then Current CAD/bbl | Then Current CAD/bbl | Then Current CAD/bbl | Then Current CAD/bbl | Then Current CAD/bbl | Spec Ethane CAD/bbl | Edmonton Propane CAD/bbl | Edmonton Butane CAD/bbl | Edmonton CS+ Stream Quality CAD/bbl |
| | | | | | | | | | | | | | | | | |
| 2008 | 2.4 | 0.9428 | 116.72 | 99.64 | 98.30 | 102.90 | 84.31 | 82.95 | 74.94 | 96.08 | 93.10 | N/A | 58.38 | 75.33 | 104.78 | |
| 2009 | 0.4 | 0.8798 | 70.67 | 61.78 | 62.50 | 66.32 | 60.18 | 58.66 | 54.46 | 63.84 | 62.96 | N/A | 38.03 | 48.17 | 68.17 | |
| 2010 | 1.8 | 0.9711 | 90.64 | 79.52 | 80.25 | 77.87 | 68.45 | 67.27 | 60.76 | 76.58 | 73.76 | N/A | 46.84 | 65.91 | 84.27 | |
| 2011 | 2.9 | 1.0115 | 106.54 | 95.12 | 110.86 | 95.53 | 78.59 | 77.14 | 67.64 | 92.35 | 88.33 | N/A | 53.66 | 74.42 | 104.17 | |
| 2012 | 1.5 | 1.0009 | 102.53 | 94.21 | 111.71 | 86.60 | 74.42 | 73.13 | 63.64 | 84.51 | 81.37 | N/A | 29.04 | 66.70 | 100.84 | |
| 2013 | 0.9 | 0.9711 | 105.01 | 97.96 | 108.77 | 93.47 | 76.33 | 75.01 | 65.11 | 92.30 | 88.13 | N/A | 38.88 | 68.81 | 104.70 | |
| 2014 | 1.9 | 0.9055 | 98.74 | 93.00 | 99.71 | 94.58 | 81.08 | 81.03 | 73.73 | 92.68 | 89.67 | N/A | 45.53 | 69.20 | 102.44 | |
| 2015 | 1.1 | 0.7831 | 50.82 | 48.78 | 53.60 | 57.20 | 45.50 | 44.82 | 39.25 | 55.49 | 51.87 | N/A | 6.49 | 36.75 | 60.42 | |
| 2016 | 1.4 | 0.7551 | 44.68 | 43.38 | 45.05 | 53.08 | 39.83 | 38.96 | 32.78 | 51.46 | 48.84 | N/A | 13.40 | 34.49 | 56.25 | |
| 2017 | 1.6 | 0.7711 | 51.69 | 50.88 | 54.16 | 62.78 | 50.85 | 50.46 | 44.56 | 62.02 | 59.90 | N/A | 28.64 | 44.58 | 66.80 | |
| 2018 Q1 | 2.0 | 0.790 | 59.00 | 59.00 | 66.00 | 70.25 | 45.44 | 44.94 | 34.25 | 68.85 | 65.34 | 5.91 | 42.15 | 54.80 | 77.22 | |
| 2018 Q2 | 2.0 | 0.790 | 59.00 | 59.00 | 66.00 | 70.25 | 49.87 | 49.37 | 40.01 | 68.85 | 65.34 | 6.51 | 42.15 | 54.80 | 77.22 | |
| 2018 Q3 | 2.0 | 0.790 | 59.00 | 59.00 | 65.00 | 70.25 | 51.13 | 50.63 | 42.13 | 68.85 | 65.34 | 7.09 | 38.64 | 52.69 | 75.63 | |
| 2018 Q4 | 2.0 | 0.790 | 59.00 | 59.00 | 65.00 | 70.25 | 51.13 | 50.63 | 42.13 | 68.85 | 65.34 | 7.49 | 38.64 | 52.69 | 75.63 | |
| 2018 Full Year | 2.0 | 0.790 | 59.00 | 59.00 | 65.50 | 70.25 | 49.39 | 48.89 | 39.63 | 68.85 | 65.34 | 6.75 | 40.40 | 53.74 | 76.42 | |
| 2019 | 2.0 | 0.790 | 57.84 | 59.00 | 63.50 | 70.25 | 53.66 | 53.16 | 45.71 | 68.85 | 65.34 | 7.95 | 36.53 | 49.18 | 74.68 | |
| 2020 | 2.0 | 0.800 | 57.67 | 60.00 | 63.00 | 70.31 | 56.75 | 56.25 | 49.81 | 68.91 | 65.39 | 9.12 | 35.93 | 49.22 | 74.38 | |
| 2021 | 2.0 | 0.810 | 59.37 | 63.00 | 66.00 | 72.84 | 59.76 | 59.26 | 52.89 | 71.38 | 67.74 | 10.34 | 36.06 | 50.99 | 77.16 | |
| 2022 | 2.0 | 0.820 | 60.97 | 66.00 | 69.00 | 75.61 | 62.70 | 62.20 | 55.89 | 74.10 | 70.32 | 11.14 | 36.29 | 52.93 | 79.88 | |
| 2023 | 2.0 | 0.830 | 62.50 | 69.00 | 72.00 | 78.31 | 65.56 | 65.06 | 58.82 | 76.75 | 72.83 | 11.51 | 37.59 | 54.82 | 82.53 | |
| 2024 | 2.0 | 0.830 | 63.93 | 72.00 | 75.00 | 81.93 | 69.17 | 68.67 | 62.43 | 80.29 | 76.19 | 11.76 | 39.33 | 57.35 | 86.14 | |
| 2025 | 2.0 | 0.830 | 65.29 | 75.00 | 78.00 | 85.54 | 72.79 | 72.29 | 66.05 | 83.83 | 79.55 | 12.02 | 41.06 | 59.88 | 89.76 | |
| 2026 | 2.0 | 0.830 | 66.00 | 77.33 | 80.33 | 88.35 | 75.60 | 75.10 | 68.86 | 86.58 | 82.16 | 12.27 | 42.41 | 61.84 | 92.57 | |
| 2027 | 2.0 | 0.830 | 66.00 | 78.88 | 81.88 | 90.22 | 77.46 | 76.96 | 70.72 | 88.41 | 83.90 | 12.53 | 43.30 | 63.15 | 94.43 | |
| 2028+ | 2.0 | 0.830 | 66.00 | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | |

Historical futures contract price is an average of the daily settlement price of the near month contract over the calendar month.

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Table 2
GLJ Petroleum Consultants
Natural Gas and Sulphur
Price Forecast
 Effective January 1, 2018

| Year | NYMEX Henry Hub | | Midwest Price at Chicago | AECO/NIT Spot | Alliance Transfer Pool Spot | Alberta Plant Gate | | | Saskatchewan Plant Gate | | | British Columbia | | Sulphur FOB Vancouver | Alberta Sulphur at Plant Gate |
|----------------|----------------------|----------------------|--------------------------------|----------------------|-----------------------------------|-----------------------|----------------------|-----------|-------------------------|-------------------|-------------------------|------------------|------------|-----------------------------|--|
| | Near Month Contract | | Then | Then | Then | Spot | | | SaskEnergy CAD/MMBtu | Spot CAD/MMBtu | Sumas Spot USD/MMBtu | Westcoast | Spot | USD/lt | CAD/lt |
| | Constant | Then | Current | Current | Current | Constant | Then | ARP | | | | Station 2 | Plant Gate | | |
| | 2018 \$ USD/MMBtu | Current USD/MMBtu | Current USD/MMBtu | Current CAD/MMBtu | Current CAD/MMBtu | 2017 \$ CAD/MMBtu | Current CAD/MMBtu | CAD/MMBtu | CAD/MMBtu | CAD/MMBtu | USD/MMBtu | CAD/MMBtu | CAD/MMBtu | USD/lt | CAD/lt |
| 2008 | 10.42 | 8.90 | 8.91 | 8.16 | N/A | 9.29 | 7.94 | 7.88 | 8.07 | 8.04 | 6.47 | 8.21 | 7.99 | 497.39 | 488.63 |
| 2009 | 4.77 | 4.16 | 4.05 | 3.99 | N/A | 4.34 | 3.79 | 3.85 | 3.87 | 3.83 | 3.80 | 3.90 | 3.70 | 57.06 | 24.57 |
| 2010 | 5.01 | 4.40 | 4.53 | 4.01 | N/A | 4.31 | 3.78 | 3.77 | 3.96 | 3.85 | 4.12 | 3.78 | 3.63 | 88.94 | 48.26 |
| 2011 | 4.51 | 4.03 | 4.21 | 3.62 | N/A | 3.83 | 3.42 | 3.46 | 3.57 | 3.58 | 3.90 | 3.33 | 3.18 | 217.16 | 171.93 |
| 2012 | 3.07 | 2.83 | 2.92 | 2.40 | N/A | 2.41 | 2.21 | 2.25 | 2.31 | 2.26 | 2.70 | 2.30 | 2.12 | 201.03 | 157.91 |
| 2013 | 3.99 | 3.73 | 3.81 | 3.18 | N/A | 3.17 | 2.96 | 2.98 | 3.09 | 3.10 | 3.71 | 3.14 | 2.94 | 105.74 | 74.02 |
| 2014 | 4.54 | 4.28 | 5.36 | 4.50 | N/A | 4.52 | 4.26 | 4.22 | 4.39 | 4.42 | 4.37 | 4.29 | 4.07 | 145.41 | 110.41 |
| 2015 | 2.74 | 2.63 | 2.85 | 2.70 | N/A | 2.57 | 2.47 | 2.56 | 2.71 | 2.61 | 2.31 | 1.80 | 1.59 | 139.61 | 128.14 |
| 2016 | 2.63 | 2.55 | 2.48 | 2.18 | 2.36 | 2.00 | 1.94 | 1.93 | 2.18 | 2.09 | 2.18 | 1.77 | 1.60 | 82.96 | 60.06 |
| 2017 | 3.07 | 3.02 | 3.04 | 2.16 | 2.12 | 1.93 | 1.90 | 2.09 | 2.26 | 2.29 | 2.60 | 1.55 | 1.32 | 85.75 | 61.14 |
| 2018 Q1 | 2.80 | 2.80 | 2.70 | 1.95 | 1.95 | 1.70 | 1.70 | 1.70 | 1.80 | 1.85 | 2.55 | 1.10 | 0.89 | 90.00 | 63.92 |
| 2018 Q2 | 2.80 | 2.80 | 2.70 | 2.13 | 2.13 | 1.87 | 1.87 | 1.87 | 1.97 | 2.03 | 2.20 | 1.28 | 1.07 | 90.00 | 63.92 |
| 2018 Q3 | 2.90 | 2.90 | 2.80 | 2.29 | 2.29 | 2.04 | 2.04 | 2.04 | 2.14 | 2.19 | 2.50 | 1.49 | 1.29 | 90.00 | 63.92 |
| 2018 Q4 | 2.90 | 2.90 | 2.80 | 2.41 | 2.41 | 2.15 | 2.15 | 2.15 | 2.25 | 2.31 | 2.65 | 1.71 | 1.50 | 90.00 | 63.92 |
| 2018 Full Year | 2.85 | 2.85 | 2.75 | 2.20 | 2.20 | 1.94 | 1.94 | 1.94 | 2.04 | 2.10 | 2.48 | 1.40 | 1.19 | 90.00 | 63.92 |
| 2019 | 2.94 | 3.00 | 2.90 | 2.54 | 2.54 | 2.24 | 2.28 | 2.28 | 2.38 | 2.44 | 2.50 | 1.99 | 1.78 | 100.00 | 76.58 |
| 2020 | 3.12 | 3.25 | 3.15 | 2.88 | 2.88 | 2.52 | 2.62 | 2.62 | 2.72 | 2.78 | 2.75 | 2.48 | 2.27 | 102.00 | 77.50 |
| 2021 | 3.30 | 3.50 | 3.40 | 3.24 | 3.24 | 2.80 | 2.97 | 2.97 | 3.07 | 3.14 | 3.00 | 2.94 | 2.73 | 104.04 | 78.44 |
| 2022 | 3.42 | 3.70 | 3.60 | 3.47 | 3.47 | 2.96 | 3.20 | 3.20 | 3.30 | 3.37 | 3.20 | 3.17 | 2.96 | 106.12 | 79.41 |
| 2023 | 3.50 | 3.86 | 3.76 | 3.58 | 3.58 | 3.00 | 3.31 | 3.31 | 3.41 | 3.48 | 3.36 | 3.28 | 3.06 | 108.24 | 80.41 |
| 2024 | 3.50 | 3.94 | 3.84 | 3.66 | 3.66 | 3.00 | 3.38 | 3.38 | 3.48 | 3.56 | 3.44 | 3.36 | 3.14 | 110.40 | 83.01 |
| 2025 | 3.50 | 4.02 | 3.92 | 3.73 | 3.73 | 3.01 | 3.45 | 3.45 | 3.55 | 3.63 | 3.52 | 3.43 | 3.21 | 112.62 | 85.69 |
| 2026 | 3.50 | 4.10 | 4.00 | 3.80 | 3.80 | 3.01 | 3.53 | 3.53 | 3.63 | 3.70 | 3.60 | 3.50 | 3.29 | 114.87 | 88.40 |
| 2027 | 3.50 | 4.18 | 4.08 | 3.88 | 3.88 | 3.01 | 3.60 | 3.60 | 3.70 | 3.78 | 3.68 | 3.58 | 3.36 | 117.17 | 91.17 |
| 2028+ | 3.50 | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | 3.01 | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr |

Unless otherwise stated, the gas price reference point is the receipt point on the applicable provincial gas transmission system known as the plant gate. The plant gate price represents the price before raw gathering and processing charges are deducted.

Revised 2017-12-31

Table 3
GLJ Petroleum Consultants
International and Frontier
Price Forecast
 Effective January 1, 2018

| Year | Inflation % | CADUSD | GBPUSD | EURUSD | NYMEX WTI Near Month Contract Crude Oil at Cushing, OK | | Light Louisiana Sweet Crude Oil | | Maya Crude Oil | | Brent Blend Crude Oil FOB North Sea | | NYMEX Henry Hub Near Month Contract | | Algonquin City-Gates | | National Balancing Point (UK) | | |
|----------------|-------------|---------------|---------------|---------------|--|----------|---------------------------------|----------|----------------|----------|-------------------------------------|----------|-------------------------------------|-----------|----------------------|-----------|-------------------------------|-----------|-----------|
| | | Exchange Rate | Exchange Rate | Exchange Rate | Then | Then | Then | Then | Then | Then | Then | Then | Then | Then | Then | Then | Then | Then | Then |
| | | USD/CAD | USD/GBP | USD/EUR | USD/bbl | CAD/bbl | USD/bbl | CAD/bbl | USD/bbl | CAD/bbl | USD/bbl | CAD/bbl | USD/MMBtu | CAD/MMBtu | USD/MMBtu | CAD/MMBtu | USD/MMBtu | CAD/MMBtu | USD/MMBtu |
| 2008 | 2.4 | 0.9428 | 1.8514 | 1.4573 | 99.64 | 104.27 | 102.31 | 107.04 | 83.90 | 87.62 | 98.30 | 102.81 | 8.90 | 9.36 | 8.55 | 10.36 | 11.41 | 12.12 | |
| 2009 | 0.4 | 0.8798 | 1.5649 | 1.3930 | 61.78 | 69.57 | 64.31 | 72.52 | 56.46 | 63.55 | 62.50 | 70.47 | 4.16 | 4.75 | 4.88 | 5.61 | 4.95 | 5.68 | |
| 2010 | 1.8 | 0.9711 | 1.5465 | 1.3274 | 79.52 | 81.85 | 82.78 | 85.20 | 70.29 | 72.35 | 80.25 | 82.58 | 4.40 | 4.53 | 5.33 | 5.50 | 6.39 | 6.58 | |
| 2011 | 2.9 | 1.0115 | 1.6038 | 1.3920 | 95.12 | 94.02 | 112.33 | 111.03 | 98.60 | 97.52 | 110.86 | 109.57 | 4.03 | 3.98 | 5.08 | 5.02 | 9.35 | 9.25 | |
| 2012 | 1.5 | 1.0009 | 1.5854 | 1.2861 | 94.21 | 94.11 | 111.77 | 111.62 | 99.60 | 99.50 | 111.71 | 111.57 | 2.83 | 2.82 | 3.99 | 3.99 | 9.38 | 9.37 | |
| 2013 | 0.9 | 0.9711 | 1.5645 | 1.3285 | 97.96 | 100.95 | 106.19 | 109.32 | 97.26 | 100.13 | 108.77 | 112.04 | 3.73 | 3.84 | 7.16 | 7.36 | 10.50 | 10.82 | |
| 2014 | 1.9 | 0.9055 | 1.6472 | 1.3288 | 93.00 | 102.50 | 94.24 | 103.88 | 85.79 | 94.53 | 99.71 | 109.89 | 4.28 | 4.72 | 8.33 | 9.21 | 8.25 | 9.12 | |
| 2015 | 1.1 | 0.7831 | 1.5283 | 1.1097 | 48.78 | 62.12 | 49.43 | 62.97 | 44.02 | 55.99 | 53.60 | 68.23 | 2.63 | 3.36 | 4.90 | 6.19 | 6.52 | 8.31 | |
| 2016 | 1.4 | 0.7551 | 1.3550 | 1.1066 | 43.38 | 57.33 | 45.08 | 59.58 | 36.40 | 48.09 | 45.05 | 59.54 | 2.55 | 3.38 | 3.22 | 4.29 | 4.66 | 6.18 | |
| 2017 | 1.6 | 0.771 | 1.289 | 1.129 | 50.88 | 66.02 | 54.01 | 70.04 | 46.97 | 60.89 | 54.16 | 70.26 | 3.02 | 3.93 | 3.50 | 4.52 | 5.63 | 7.29 | |
| 2018 Q1 | 2.0 | 0.790 | 1.350 | 1.175 | 59.00 | 74.68 | 62.00 | 78.48 | 57.42 | 72.68 | 66.00 | 83.54 | 2.80 | 3.54 | 4.20 | 5.32 | 6.25 | 7.91 | |
| 2018 Q2 | 2.0 | 0.790 | 1.350 | 1.175 | 59.00 | 74.68 | 62.00 | 78.48 | 57.42 | 72.68 | 66.00 | 83.54 | 2.80 | 3.54 | 4.20 | 5.32 | 6.25 | 7.91 | |
| 2018 Q3 | 2.0 | 0.790 | 1.350 | 1.175 | 59.00 | 74.68 | 62.00 | 78.48 | 56.55 | 71.58 | 65.00 | 82.28 | 2.90 | 3.67 | 4.30 | 5.44 | 6.25 | 7.91 | |
| 2018 Q4 | 2.0 | 0.790 | 1.350 | 1.175 | 59.00 | 74.68 | 62.00 | 78.48 | 56.55 | 71.58 | 65.00 | 82.28 | 2.90 | 3.67 | 4.30 | 5.44 | 6.25 | 7.91 | |
| 2018 Full Year | 2.0 | 0.790 | 1.350 | 1.175 | 59.00 | 74.68 | 62.00 | 78.48 | 56.98 | 72.13 | 65.50 | 82.91 | 2.85 | 3.61 | 4.25 | 5.38 | 6.25 | 7.91 | |
| 2019 | 2.0 | 0.790 | 1.300 | 1.150 | 59.00 | 74.68 | 61.50 | 77.85 | 55.25 | 69.93 | 63.50 | 80.38 | 3.00 | 3.80 | 4.40 | 5.57 | 6.50 | 8.23 | |
| 2020 | 2.0 | 0.800 | 1.300 | 1.150 | 60.00 | 75.00 | 62.50 | 78.13 | 54.81 | 68.51 | 63.00 | 78.75 | 3.25 | 4.06 | 4.65 | 5.81 | 6.75 | 8.44 | |
| 2021 | 2.0 | 0.810 | 1.300 | 1.150 | 63.00 | 77.78 | 65.50 | 80.86 | 57.42 | 70.89 | 66.00 | 81.48 | 3.50 | 4.32 | 4.70 | 5.80 | 7.00 | 8.64 | |
| 2022 | 2.0 | 0.820 | 1.300 | 1.150 | 66.00 | 80.49 | 68.50 | 83.54 | 60.03 | 73.21 | 69.00 | 84.15 | 3.70 | 4.51 | 4.70 | 5.73 | 7.15 | 8.72 | |
| 2023 | 2.0 | 0.830 | 1.300 | 1.150 | 69.00 | 83.13 | 71.50 | 86.14 | 62.64 | 75.47 | 72.00 | 86.75 | 3.86 | 4.65 | 4.86 | 5.86 | 7.30 | 8.80 | |
| 2024 | 2.0 | 0.830 | 1.300 | 1.150 | 72.00 | 86.75 | 74.50 | 89.76 | 65.25 | 78.61 | 75.00 | 90.36 | 3.94 | 4.75 | 4.94 | 5.95 | 7.45 | 8.98 | |
| 2025 | 2.0 | 0.830 | 1.300 | 1.150 | 75.00 | 90.36 | 77.50 | 93.37 | 67.86 | 81.76 | 78.00 | 93.98 | 4.02 | 4.84 | 5.02 | 6.05 | 7.60 | 9.16 | |
| 2026 | 2.0 | 0.830 | 1.300 | 1.150 | 77.33 | 93.17 | 79.83 | 96.18 | 69.89 | 84.20 | 80.33 | 96.78 | 4.10 | 4.94 | 5.10 | 6.14 | 7.75 | 9.34 | |
| 2027 | 2.0 | 0.830 | 1.300 | 1.150 | 78.88 | 95.04 | 81.38 | 98.05 | 71.24 | 85.83 | 81.88 | 98.65 | 4.18 | 5.04 | 5.18 | 6.24 | 7.90 | 9.52 | |
| 2028+ | 2.0 | 0.830 | 1.300 | 1.150 | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr |

Historical futures contract price is an average of the daily settlement price of the near month contract over the calendar month

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Table 4
 GLJ Petroleum Consultants
US Liquids and Natural Gas
Price Forecast
 Effective January 1, 2018

| Year | US Natural Gas Liquids (Then Current Dollars) | | | | | US Natural Gas (Then Current Dollars) | | | | |
|---------|--|--------------------|-------------------|-----------------------|-------------------|--|-------------------|-----------------------|--------------------------|--------------------------|
| | Conway | | | Mont Belvieu | | Rockies | | | Algonquin City-Gates | |
| | 80%-20% E/P Mix USD/bbl | Propane USD/bbl | Butane USD/bbl | Condensate USD/bbl | Ethane USD/bbl | Propane USD/bbl | Butane USD/bbl | Condensate USD/bbl | Natural Gas USD/MMBtu | Natural Gas USD/MMBtu |
| 2018 Q1 | 8.40 | 35.40 | 44.25 | 57.23 | 9.10 | 36.58 | 44.25 | 57.82 | 2.50 | 4.20 |
| 2018 Q2 | 8.40 | 35.40 | 44.25 | 57.23 | 9.10 | 36.58 | 44.25 | 57.82 | 2.50 | 4.20 |
| 2018 Q3 | 8.70 | 35.40 | 44.25 | 57.23 | 9.42 | 36.58 | 44.25 | 57.82 | 2.60 | 4.30 |
| 2018 Q4 | 8.70 | 35.40 | 44.25 | 57.23 | 9.42 | 36.58 | 44.25 | 57.82 | 2.60 | 4.30 |
| 2018 | 8.55 | 35.40 | 44.25 | 57.23 | 9.26 | 36.58 | 44.25 | 57.82 | 2.55 | 4.25 |
| 2019 | 9.00 | 26.55 | 38.35 | 53.10 | 9.75 | 27.73 | 38.35 | 54.28 | 2.70 | 4.40 |
| 2020 | 9.75 | 27.00 | 39.00 | 54.00 | 10.56 | 28.20 | 39.00 | 55.20 | 2.95 | 4.65 |
| 2021 | 10.50 | 28.35 | 40.95 | 56.70 | 11.38 | 29.61 | 40.95 | 57.96 | 3.20 | 4.70 |
| 2022 | 11.10 | 29.70 | 42.90 | 59.40 | 12.03 | 31.02 | 42.90 | 60.72 | 3.40 | 4.70 |
| 2023 | 11.58 | 31.05 | 44.85 | 62.10 | 12.55 | 32.43 | 44.85 | 63.48 | 3.56 | 4.86 |
| 2024 | 11.82 | 32.40 | 46.80 | 64.80 | 12.81 | 33.84 | 46.80 | 66.24 | 3.64 | 4.94 |
| 2025 | 12.06 | 33.75 | 48.75 | 67.50 | 13.07 | 35.25 | 48.75 | 69.00 | 3.72 | 5.02 |
| 2026 | 12.30 | 34.80 | 50.26 | 69.60 | 13.32 | 36.35 | 50.26 | 71.14 | 3.80 | 5.10 |
| 2027 | 12.54 | 35.50 | 51.27 | 70.99 | 13.59 | 37.07 | 51.27 | 72.57 | 3.88 | 5.18 |
| 2028+ | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr |

Butane prices at Conway and Mont Belvieu represent a blended price of two thirds normal butane and one third iso-butane.

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SECURITIES REPORTING

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SECURITIES REPORTING OUTLINE

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- 6.3 Forward Contracts
- 6.5 Tax Horizon
- 6.8 Production Estimates

SECURITIES REPORTING DISCUSSION

The Canadian Securities Administrators (CSA) have set out disclosure standards for Canadian publicly traded oil and gas companies in National Instrument 51-101 (NI 51-101).

This section presents reserves data following the item numbering and formatting in CSA Form 51-101F1 and the sample tables contained in Appendix 1 to the NI 51-101 Companion Policy (51-101CP). This section has been provided to assist the Company in preparing the disclosure required by NI 51-101 and is not intended to be reproduced "as is" in order to satisfy those requirements. The information provided relates only to certain parts of the disclosure required by NI 51-101 and, as a whole, is not presented in a format suitable for compliance with those requirements. It is the Company's responsibility to prepare the format for its disclosure and to ensure compliance with the disclosure requirements of NI 51-101.

The Report on Reserves Data, Form 51-101F2, is provided separately.

Note Regarding Nomenclature:

Throughout this report, "Company Interest" reserves refers to the sum of royalty interest* and working interest reserves before deduction of royalty burdens payable. "Working Interest" reserves equate to those reserves that are referred to as "Company Gross" reserves by the Canadian Securities Administrators (CSA) in NI 51-101.

In this Securities Reporting section, Company Gross (or working interest) volumes are presented in tables to correspond to NI 51-101 disclosure requirements.

**Royalty interest reserves include royalty volumes derived only from other working interest owners.*

PART 1 DATE OF STATEMENT

Item 1.1 Relevant Dates

1. Effective Date:

The effective date of the reserves estimates and revenue projections in this report is December 31, 2017.

2. Data Date:

Estimates of reserves and projections of production were generally prepared using general well information and production data provided by the Company to

approximately December 31, 2017. In certain instances, the Company provided production and well information up to December 31, 2017. The Company has provided GLJ with a representation letter confirming that complete and correct information has been provided to GLJ.

3. Preparation Date:

The preparation date (the latest date of receipt of information relevant to this evaluation) of this report is March 22, 2018.

PART 2 DISCLOSURE OF RESERVES DATA

Item 2.1 Reserves Data (Forecast Prices and Costs)

1. Breakdown of Reserves (Forecast Case)
Refer to Table FP-1
2. Net Present Value of Future Net Revenue (Forecast Case)
Refer to Table FP-2
3. Additional Information Concerning Future Net Revenue (Forecast Case)
 - (a) and (b) Undiscounted Revenue and Costs
Refer to Table FP-3
 - (c) Discounted Future Net Revenue by Product Type
Refer to Table FP-4

PART 3 PRICING ASSUMPTIONS

Item 3.2 Forecast Prices Used in Estimates

1. (a) The forecast reference prices used in preparing the Company's reserves data are provided in Table FP-5.

This price forecast is GLJ's standard price forecast effective January 1, 2018.

PART 4 RECONCILIATION OF CHANGES IN RESERVES

Item 4.1 Reserves Reconciliation

Table FP-6 provides a reconciliation of Company Gross reserves based on forecast prices and costs for the current year-end evaluation.

PART 5 ADDITIONAL INFORMATION RELATING TO RESERVES DATA**Item 5.1 Undeveloped Reserves****1.(a) and 2.(a) Year First Attributed**

Table FP-7 provides a summary of the undeveloped reserves first attributed during the current fiscal year and the Company total at the current year-end effective date.

1.(b) and 2.(b) General Basis for Reserves and Timing of Development

Proved and probable undeveloped reserves have been estimated in accordance with procedures and standards contained in the COGE Handbook.

There are no undeveloped reserves associated with the Company's reserves assets.

Item 5.2 Significant Factors or Uncertainties

The evaluated oil and gas properties of the Company have no material extraordinary risks or uncertainties beyond those which are inherent of an oil and gas producing company.

Item 5.3 Future Development Costs

1. Table FP-8 summarizes capital development costs related to the recovery of the Company's reserves.

PART 6 OTHER OIL AND GAS INFORMATION**Item 6.3 Forward Contracts**

In accordance with the provisions in NI 51-101, the impact of the Company's financial hedges has not been included in this report.

Item 6.5 Tax Horizon

Based on after tax economic forecasts prepared by GLJ, income taxes are not payable by the Company in the total proved reserves category and are payable in 2029 in the total proved plus probable reserves category. After tax revenue projections are provided in the After Tax Analysis section of this report.

Item 6.8 Production Estimates

Table FP-9 presents a forecast of the Company's production by product type in the first year of forecast.

Production for properties which individually account for 20 percent or more of the Company's forecast production (total proved plus probable reserves, boe basis) in the first year of forecast has been identified separately in this table.

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary with After Tax**
 Currency: **\$US Dollars**

Table FP-1

Reserve Class: **Various**
 Development Class: **Classifications**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Summary Of Oil And Gas Reserves

| Reserves Category | Light & Medium Oil | | | Oil Equivalent | | |
|----------------------------|--------------------|-----------------------------|------------------|--------------------|-----------------------------|------------------|
| | Company Gross Mbbl | Company Before Royalty Mbbl | Company Net Mbbl | Company Gross Mboe | Company Before Royalty Mboe | Company Net Mboe |
| PROVED | | | | | | |
| Producing | 228 | 228 | 200 | 228 | 228 | 200 |
| Developed Non-Producing | 9 | 9 | 8 | 9 | 9 | 8 |
| Undeveloped | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL PROVED | 237 | 237 | 207 | 237 | 237 | 207 |
| TOTAL PROBABLE | 68 | 68 | 59 | 68 | 68 | 59 |
| TOTAL PROVED PLUS PROBABLE | 305 | 305 | 267 | 305 | 305 | 267 |
| TOTAL POSSIBLE | 64 | 64 | 56 | 64 | 64 | 56 |
| TOTAL PPP | 369 | 369 | 323 | 369 | 369 | 323 |

Table FP-2

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary with After Tax**
 Currency: **\$US Dollars**

Reserve Class: **Various**
 Development Class: **Classifications**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Summary Net Present Values of Future Net Revenue

| Reserves Category | Net Present Values of Future Net Revenue Before Income Taxes Discounted At (%/year) | | | | | Net Present Values of Future Net Revenue After Income Taxes Discounted At (%/year) | | | | | Unit Value Before Income Tax Discounted at 10%/year | | |
|----------------------------|--|-------|-------|-------|-------|---|-------|-------|-------|-------|--|--------|--|
| | 0% | 5% | 10% | 15% | 20% | 0% | 5% | 10% | 15% | 20% | \$/boe | \$/Mcf | |
| | M\$ | M\$ | M\$ | M\$ | M\$ | M\$ | M\$ | M\$ | M\$ | M\$ | | | |
| PROVED | | | | | | | | | | | | | |
| Producing | 4,542 | 3,976 | 3,527 | 3,168 | 2,877 | 4,542 | 3,976 | 3,527 | 3,168 | 2,877 | 17.67 | 2.95 | |
| Developed Non-Producing | 76 | 63 | 52 | 43 | 35 | 76 | 63 | 52 | 43 | 35 | 6.83 | 1.14 | |
| Undeveloped | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 | 0.00 | |
| TOTAL PROVED | 4,618 | 4,039 | 3,579 | 3,210 | 2,912 | 4,618 | 4,039 | 3,579 | 3,210 | 2,912 | 17.27 | 2.88 | |
| TOTAL PROBABLE | 1,621 | 1,155 | 849 | 644 | 503 | 1,586 | 1,135 | 837 | 637 | 499 | 14.30 | 2.38 | |
| TOTAL PROVED PLUS PROBABLE | 6,239 | 5,194 | 4,428 | 3,854 | 3,415 | 6,203 | 5,174 | 4,416 | 3,847 | 3,411 | 16.61 | 2.77 | |
| TOTAL POSSIBLE | 1,549 | 1,007 | 687 | 491 | 366 | 1,379 | 915 | 636 | 462 | 349 | 12.20 | 2.03 | |
| TOTAL PPP | 7,788 | 6,201 | 5,114 | 4,345 | 3,782 | 7,583 | 6,090 | 5,052 | 4,309 | 3,760 | 15.84 | 2.64 | |

Notes

1. Unit values are based on Company Net Reserves.

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary with After Tax**
 Currency: **\$US Dollars**

Table FP-3

Reserve Class: **Various**
 Development Class: **Classifications**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Total Future Net Revenue (Undiscounted)

| Reserves Category | Revenue M\$ | Royalties M\$ | Operating Costs M\$ | Capital Development Costs M\$ | Aband. & Recl. Costs M\$ | Future Net Revenue Before Income Taxes M\$ | Income Tax M\$ | Future Net Revenue After Income Taxes M\$ |
|-----------------------------------|----------------|------------------|---------------------------|--|--------------------------------|--|----------------------|---|
| Proved Producing | 15,039 | 1,880 | 8,464 | 0 | 153 | 4,542 | - | 4,542 |
| Proved Developed Non-Producing | 582 | 73 | 369 | 39 | 25 | 76 | - | 76 |
| Proved Undeveloped | 0 | 0 | 0 | 0 | 0 | 0 | - | - |
| Total Proved | 15,621 | 1,953 | 8,833 | 39 | 178 | 4,618 | - | 4,618 |
| Total Probable | 5,229 | 654 | 2,944 | 0 | 10 | 1,621 | 36 | 1,586 |
| Total Proved Plus Probable | 20,849 | 2,606 | 11,777 | 39 | 188 | 6,239 | 36 | 6,203 |
| Total Possible | 5,256 | 657 | 3,040 | 0 | 10 | 1,549 | - | - |
| Total PPP | 26,106 | 3,263 | 14,817 | 39 | 198 | 7,788 | 206 | 7,583 |

Notes

1. Disclosure is required for Total Proved and Proved Plus Probable reserves

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary with After Tax**
 Currency: **\$US Dollars**

Table FP-4

Reserve Class: **Various**
 Development Class: **Classifications**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Future Net Revenue by Product Type

| | Future Net Revenue Before Income Taxes [2] (Discounted at 10% per year) | | |
|--|--|--------------|-------------|
| | M\$ | \$/boe | \$/Mcfe |
| <i>Proved Producing</i> | | | |
| Light & Medium Oil [1] | 3,527 | 17.67 | 2.95 |
| Total: Proved Producing | 3,527 | 17.67 | 2.95 |
| <i>Total Proved</i> | | | |
| Light & Medium Oil [1] | 3,579 | 17.27 | 2.88 |
| Total: Total Proved | 3,579 | 17.27 | 2.88 |
| <i>Total Proved Plus Probable</i> | | | |
| Light & Medium Oil [1] | 4,428 | 16.61 | 2.77 |
| Total: Total Proved Plus Probable | 4,428 | 16.61 | 2.77 |
| <i>Total PPP</i> | | | |
| Light & Medium Oil [1] | 5,114 | 15.84 | 2.64 |
| Total: Total PPP | 5,114 | 15.84 | 2.64 |

Notes

- Including solution gas and other by-products
- Other company revenue and costs not related to a specific production group have been allocated proportionately to production groups. Unit values are based on Company Net Reserves.

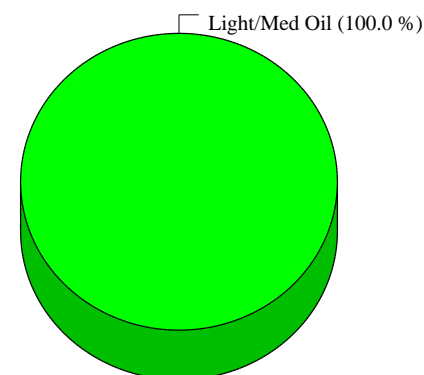
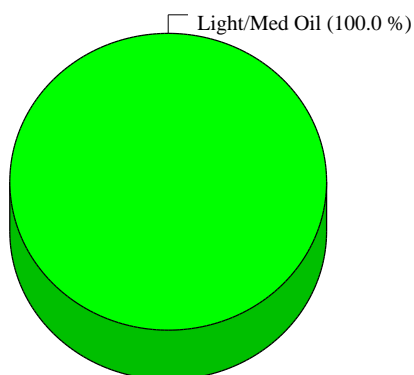
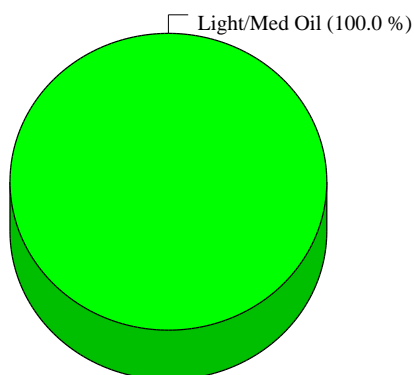
Percentage of Future Net Revenue (10% DCF)***Total Proved******Total Proved Plus Probable******Total PPP***

Table FP-5 (1 of 4)
GLJ Petroleum Consultants
Crude Oil and Natural Gas Liquids
GLJ (2018-01)
Effective January 1, 2018

| Year | Inflation % | CAD/USD Exchange Rate USD/CAD | NYMEX WTI Near Month Futures Contract Crude Oil at Cushing, Oklahoma | | Brent Blend Crude Oil FOB North Sea | Light, Sweet Crude Oil (40 API, 0.3%S) at Edmonton | Bow River Crude Oil Stream Quality at Hardisty | WCS Crude Oil Stream Quality at Hardisty | Heavy Crude Oil Proxy (12 API) at Hardisty | Light Sour Crude Oil (35 API, 1.2%S) at Cromer | Medium Crude Oil (29 API, 2.0%S) at Cromer | Alberta Natural Gas Liquids (Then Current Dollars) | | | |
|------|-------------|-------------------------------|--|----------------------|-------------------------------------|--|--|--|--|--|--|--|---------------------|--------------------------|-------------------------|
| | | | Constant 2018 \$ USD/bbl | Then Current USD/bbl | Then Current USD/bbl | Then Current CAD/bbl | Then Current CAD/bbl | Then Current CAD/bbl | Then Current CAD/bbl | Then Current CAD/bbl | Then Current CAD/bbl | Then Current CAD/bbl | Spec Ethane CAD/bbl | Edmonton Propane CAD/bbl | Edmonton Butane CAD/bbl |
| 2018 | 2.0 | 0.7900 | 59.00 | 59.00 | 65.50 | 70.25 | 49.39 | 48.89 | 39.63 | 68.85 | 65.34 | 6.75 | 40.40 | 53.74 | 76.42 |
| 2019 | 2.0 | 0.7900 | 57.84 | 59.00 | 63.50 | 70.25 | 53.66 | 53.16 | 45.71 | 68.85 | 65.34 | 7.95 | 36.53 | 49.18 | 74.68 |
| 2020 | 2.0 | 0.8000 | 57.67 | 60.00 | 63.00 | 70.31 | 56.75 | 56.25 | 49.81 | 68.91 | 65.39 | 9.12 | 35.93 | 49.22 | 74.38 |
| 2021 | 2.0 | 0.8100 | 59.37 | 63.00 | 66.00 | 72.84 | 59.76 | 59.26 | 52.89 | 71.38 | 67.74 | 10.34 | 36.06 | 50.99 | 77.16 |
| 2022 | 2.0 | 0.8200 | 60.97 | 66.00 | 69.00 | 75.61 | 62.70 | 62.20 | 55.89 | 74.10 | 70.32 | 11.14 | 36.29 | 52.93 | 79.88 |
| 2023 | 2.0 | 0.8300 | 62.50 | 69.00 | 72.00 | 78.31 | 65.56 | 65.06 | 58.82 | 76.75 | 72.83 | 11.51 | 37.59 | 54.82 | 82.53 |
| 2024 | 2.0 | 0.8300 | 63.93 | 72.00 | 75.00 | 81.93 | 69.17 | 68.67 | 62.43 | 80.29 | 76.19 | 11.76 | 39.33 | 57.35 | 86.14 |
| 2025 | 2.0 | 0.8300 | 65.29 | 75.00 | 78.00 | 85.54 | 72.79 | 72.29 | 66.05 | 83.83 | 79.55 | 12.02 | 41.06 | 59.88 | 89.76 |
| 2026 | 2.0 | 0.8300 | 66.00 | 77.33 | 80.33 | 88.35 | 75.60 | 75.10 | 68.86 | 86.58 | 82.16 | 12.27 | 42.41 | 61.84 | 92.57 |
| 2027 | 2.0 | 0.8300 | 66.00 | 78.88 | 81.88 | 90.22 | 77.46 | 76.96 | 70.72 | 88.41 | 83.90 | 12.53 | 43.30 | 63.15 | 94.43 |
| 2028 | 2.0 | 0.8300 | 66.00 | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr |

Historical futures contract price is an average of the daily settlement price of the near month contract over the calendar month.

Table FP-5 (2 of 4)
GLJ Petroleum Consultants
Natural Gas and Sulphur
GLJ (2018-01)
Effective January 1, 2018

| Year | NYMEX Henry Hub Near Month Contract | | Midwest Price at Chicago | AECO/NIT Spot | Alliance Transfer Pool Spot | Alberta Plant Gate | | | Saskatchewan Plant Gate | | | British Columbia | | Sulphur FOB Vancouver | Alberta Sulphur at Plant Gate |
|------|--|-----------------|--------------------------------|------------------|-----------------------------------|---------------------|-----------------|-----------|-------------------------|-----------|------------|------------------------|--------------------|-----------------------------|--|
| | Constant 2018 \$ | Then Current | Then Current | Then Current | Then Current | Constant 2018 \$ | Then Current | ARP | SaskEnergy | Spot | Sumas Spot | Westcoast Station 2 | Spot Plant Gate | USD/lt | CAD/lt |
| | USD/MMBtu | USD/MMBtu | USD/MMBtu | CAD/MMBtu | CAD/MMBtu | CAD/MMBtu | CAD/MMBtu | CAD/MMBtu | CAD/MMBtu | CAD/MMBtu | USD/MMBtu | CAD/MMBtu | CAD/MMBtu | USD/lt | CAD/lt |
| 2018 | 2.85 | 2.85 | 2.75 | 2.20 | 2.20 | 1.94 | 1.94 | 1.94 | 2.04 | 2.10 | 2.48 | 1.40 | 1.19 | 90.00 | 63.92 |
| 2019 | 2.94 | 3.00 | 2.90 | 2.54 | 2.54 | 2.24 | 2.28 | 2.28 | 2.38 | 2.44 | 2.50 | 1.99 | 1.78 | 100.00 | 76.58 |
| 2020 | 3.12 | 3.25 | 3.15 | 2.88 | 2.88 | 2.52 | 2.62 | 2.62 | 2.72 | 2.78 | 2.75 | 2.48 | 2.27 | 102.00 | 77.50 |
| 2021 | 3.30 | 3.50 | 3.40 | 3.24 | 3.24 | 2.80 | 2.97 | 2.97 | 3.07 | 3.14 | 3.00 | 2.94 | 2.73 | 104.04 | 78.44 |
| 2022 | 3.42 | 3.70 | 3.60 | 3.47 | 3.47 | 2.96 | 3.20 | 3.20 | 3.30 | 3.37 | 3.20 | 3.17 | 2.96 | 106.12 | 79.41 |
| 2023 | 3.50 | 3.86 | 3.76 | 3.58 | 3.58 | 3.00 | 3.31 | 3.31 | 3.41 | 3.48 | 3.36 | 3.28 | 3.06 | 108.24 | 80.41 |
| 2024 | 3.50 | 3.94 | 3.84 | 3.66 | 3.66 | 3.00 | 3.38 | 3.38 | 3.48 | 3.56 | 3.44 | 3.36 | 3.14 | 110.40 | 83.01 |
| 2025 | 3.50 | 4.02 | 3.92 | 3.73 | 3.73 | 3.01 | 3.45 | 3.45 | 3.55 | 3.63 | 3.52 | 3.43 | 3.21 | 112.62 | 85.69 |
| 2026 | 3.50 | 4.10 | 4.00 | 3.80 | 3.80 | 3.01 | 3.53 | 3.53 | 3.63 | 3.70 | 3.60 | 3.50 | 3.29 | 114.87 | 88.40 |
| 2027 | 3.50 | 4.18 | 4.08 | 3.88 | 3.88 | 3.01 | 3.60 | 3.60 | 3.70 | 3.78 | 3.68 | 3.58 | 3.36 | 117.17 | 91.17 |
| 2028 | 3.50 | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | 3.01 | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr |

Unless otherwise stated, the gas price reference point is the receipt point on the applicable provincial gas transmission system known as the plant gate.
The plant gate price represents the price before raw gathering and processing charges are deducted.

**Table FP-5 (3 of 4)
GLJ Petroleum Consultants
International and Frontier
GLJ (2018-01)
Effective January 1, 2018**

| Year | Inflation % | CADUSD Exchange Rate USD/CAD | GBPUSD Exchange Rate USD/GBP | EURUSD Exchange Rate USD/EUR | NYMEX WTI Near Month Futures Contract Crude Oil at Cushing, Oklahoma | | Light Louisiana Sweet Crude Oil | | Maya Crude Oil | | Brent Blend Crude Oil FOB North Sea | | NYMEX Henry Hub Near Month Contract | | Algonquin City-Gates | | National Balancing Point (UK) | |
|------|-------------|------------------------------|------------------------------|------------------------------|--|--------------|---------------------------------|--------------|----------------|--------------|-------------------------------------|--------------|-------------------------------------|--------------|----------------------|--------------|-------------------------------|-----------|
| | | | | | Then Current | Then Current | Then Current | Then Current | Then Current | Then Current | Then Current | Then Current | Then Current | Then Current | Then Current | Then Current | | |
| | | | | | USD/bbl | CAD/bbl | USD/bbl | CAD/bbl | USD/bbl | CAD/bbl | USD/bbl | CAD/bbl | USD/MMBtu | CAD/MMBtu | USD/MMBtu | CAD/MMBtu | USD/MMBtu | CAD/MMBtu |
| 2018 | 2.0 | 0.7900 | 1.3500 | 1.1750 | 59.00 | 74.68 | 62.00 | 78.48 | 56.98 | 72.13 | 65.50 | 82.91 | 2.85 | 3.61 | 4.25 | 5.38 | 6.25 | 7.91 |
| 2019 | 2.0 | 0.7900 | 1.3000 | 1.1500 | 59.00 | 74.68 | 61.50 | 77.85 | 55.25 | 69.93 | 63.50 | 80.38 | 3.00 | 3.80 | 4.40 | 5.57 | 6.50 | 8.23 |
| 2020 | 2.0 | 0.8000 | 1.3000 | 1.1500 | 60.00 | 75.00 | 62.50 | 78.13 | 54.81 | 68.51 | 63.00 | 78.75 | 3.25 | 4.06 | 4.65 | 5.81 | 6.75 | 8.44 |
| 2021 | 2.0 | 0.8100 | 1.3000 | 1.1500 | 63.00 | 77.78 | 65.50 | 80.86 | 57.42 | 70.89 | 66.00 | 81.48 | 3.50 | 4.32 | 4.70 | 5.80 | 7.00 | 8.64 |
| 2022 | 2.0 | 0.8200 | 1.3000 | 1.1500 | 66.00 | 80.49 | 68.50 | 83.54 | 60.03 | 73.21 | 69.00 | 84.15 | 3.70 | 4.51 | 4.70 | 5.73 | 7.15 | 8.72 |
| 2023 | 2.0 | 0.8300 | 1.3000 | 1.1500 | 69.00 | 83.13 | 71.50 | 86.14 | 62.64 | 75.47 | 72.00 | 86.75 | 3.86 | 4.65 | 4.86 | 5.86 | 7.30 | 8.80 |
| 2024 | 2.0 | 0.8300 | 1.3000 | 1.1500 | 72.00 | 86.75 | 74.50 | 89.76 | 65.25 | 78.61 | 75.00 | 90.36 | 3.94 | 4.75 | 4.94 | 5.95 | 7.45 | 8.98 |
| 2025 | 2.0 | 0.8300 | 1.3000 | 1.1500 | 75.00 | 90.36 | 77.50 | 93.37 | 67.86 | 81.76 | 78.00 | 93.98 | 4.02 | 4.84 | 5.02 | 6.05 | 7.60 | 9.16 |
| 2026 | 2.0 | 0.8300 | 1.3000 | 1.1500 | 77.33 | 93.17 | 79.83 | 96.18 | 69.89 | 84.20 | 80.33 | 96.78 | 4.10 | 4.94 | 5.10 | 6.14 | 7.75 | 9.34 |
| 2027 | 2.0 | 0.8300 | 1.3000 | 1.1500 | 78.88 | 95.04 | 81.38 | 98.05 | 71.24 | 85.83 | 81.88 | 98.65 | 4.18 | 5.04 | 5.18 | 6.24 | 7.90 | 9.52 |
| 2028 | 2.0 | 0.8300 | 1.3000 | 1.1500 | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr |

Historical futures contract price is an average of the daily settlement price of the near month contract over the calendar month.

Table FP-5 (4 of 4)
GLJ Petroleum Consultants
US Liquids and Natural Gas
GLJ (2018-01)
Effective January 1, 2018

US Natural Gas Liquids
(Then Current Dollars)

US Natural Gas
(Then Current Dollars)

| Year | Conway | | | | Mont Belvieu | | | | US Natural Gas | |
|------|-------------------------------|--------------------|-------------------|-----------------------|-------------------|--------------------|-------------------|-----------------------|-------------------------------------|---|
| | 80%-20% E/P Mix USD/bbl | Propane USD/bbl | Butane USD/bbl | Condensate USD/bbl | Ethane USD/bbl | Propane USD/bbl | Butane USD/bbl | Condensate USD/bbl | Rockies Natural Gas USD/MMBtu | Algonquin City-Gates Natural Gas USD/MMBtu |
| 2018 | 8.55 | 35.40 | 44.25 | 57.23 | 9.26 | 36.58 | 44.25 | 57.82 | 2.55 | 4.25 |
| 2019 | 9.00 | 26.55 | 38.35 | 53.10 | 9.75 | 27.73 | 38.35 | 54.28 | 2.70 | 4.40 |
| 2020 | 9.75 | 27.00 | 39.00 | 54.00 | 10.56 | 28.20 | 39.00 | 55.20 | 2.95 | 4.65 |
| 2021 | 10.50 | 28.35 | 40.95 | 56.70 | 11.38 | 29.61 | 40.95 | 57.96 | 3.20 | 4.70 |
| 2022 | 11.10 | 29.70 | 42.90 | 59.40 | 12.03 | 31.02 | 42.90 | 60.72 | 3.40 | 4.70 |
| 2023 | 11.58 | 31.05 | 44.85 | 62.10 | 12.55 | 32.43 | 44.85 | 63.48 | 3.56 | 4.86 |
| 2024 | 11.82 | 32.40 | 46.80 | 64.80 | 12.81 | 33.84 | 46.80 | 66.24 | 3.64 | 4.94 |
| 2025 | 12.06 | 33.75 | 48.75 | 67.50 | 13.07 | 35.25 | 48.75 | 69.00 | 3.72 | 5.02 |
| 2026 | 12.30 | 34.80 | 50.26 | 69.60 | 13.32 | 36.35 | 50.26 | 71.14 | 3.80 | 5.10 |
| 2027 | 12.54 | 35.50 | 51.27 | 70.99 | 13.59 | 37.07 | 51.27 | 72.57 | 3.88 | 5.18 |
| 2028 | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr | +2.0%/yr |

Butane prices at Conway and Mont Belvieu represent a blended price of two thirds normal butane and one third iso-butane.

TABLE FP-6
PARK PLACE ENERGY INC.
DECEMBER 31, 2017
RECONCILIATION OF COMPANY GROSS RESERVES
BY PRINCIPAL PRODUCT TYPE
FORECAST PRICES AND COSTS

| | Total Light and Medium Crude | | | Total Heavy Crude | | | Total Natural Gas | | | Total Natural Gas Liquids | | | BOE | | |
|--------------------------------|------------------------------|---------------------|---------------------------------|-------------------|---------------------|---------------------------------|-------------------|--------------------|--------------------------------|---------------------------|---------------------|---------------------------------|------------------|--------------------|--------------------------------|
| | Proved (Mbbbl) | Probable (Mbbbl) | Proved + Probable (Mbbbl) | Proved (Mbbbl) | Probable (Mbbbl) | Proved + Probable (Mbbbl) | Proved (MMcf) | Probable (MMcf) | Proved + Probable (MMcf) | Proved (Mbbbl) | Probable (Mbbbl) | Proved + Probable (Mbbbl) | Proved (Mboe) | Probable (Mboe) | Proved + Probable (Mboe) |
| COMPANY TOTAL GROSS | | | | | | | | | | | | | | | |
| December 31, 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Product Type Transfers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted December 31, 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Discoveries | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Extensions* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Infill Drilling* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Improved Recovery* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Technical Revisions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9 | 9 | 0 | 0 | 0 | 0 | 2 | 2 |
| Acquisitions | 282 | 68 | 350 | 0 | 0 | 0 | 9 | (9) | 0 | 0 | 0 | 0 | 284 | 66 | 350 |
| Dispositions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Economic Factors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | (45) | 0 | (45) | 0 | 0 | 0 | (9) | 0 | (9) | 0 | 0 | 0 | (47) | 0 | (47) |
| December 31, 2017 | 237 | 68 | 305 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 237 | 68 | 305 |
| Conventional Reservoirs | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| December 31, 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Product Type Transfers | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Adjusted December 31, 2016 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Discoveries | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Extensions* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Infill Drilling* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Improved Recovery* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Technical Revisions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9 | 9 | 0 | 0 | 0 | 0 | 2 | 2 |
| Acquisitions | 282 | 68 | 350 | 0 | 0 | 0 | 9 | (9) | 0 | 0 | 0 | 0 | 284 | 66 | 350 |
| Dispositions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Economic Factors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | (45) | 0 | (45) | 0 | 0 | 0 | (9) | 0 | (9) | 0 | 0 | 0 | (47) | 0 | (47) |
| December 31, 2017 | 237 | 68 | 305 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 237 | 68 | 305 |

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary with After Tax**

Table FP-7

Reserve Class: **Various**
 Development Class: **Classifications**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Undeveloped Reserves Attributed in Current Year

Proved Undeveloped

| Light & Medium Oil (Mbbbl) | | Heavy Oil (Mbbbl) | | Conventional Natural Gas (MMcf) | | Natural Gas Liquids (Mbbbl) | | BOE (Mboe) | |
|-------------------------------|------------------|-------------------------|------------------|---------------------------------------|------------------|--------------------------------|------------------|-------------------------|------------------|
| Attributed This Year* | Current Total | Attributed This Year | Current Total | Attributed This Year | Current Total | Attributed This Year | Current Total | Attributed This Year | Current Total |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Probable Undeveloped

| Light & Medium Oil (Mbbbl) | | Heavy Oil (Mbbbl) | | Conventional Natural Gas (MMcf) | | Natural Gas Liquids (Mbbbl) | | BOE (Mboe) | |
|-------------------------------|------------------|-------------------------|------------------|---------------------------------------|------------------|--------------------------------|------------------|-------------------------|------------------|
| Attributed This Year | Current Total | Attributed This Year | Current Total | Attributed This Year | Current Total | Attributed This Year | Current Total | Attributed This Year | Current Total |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

* Refers to reserves first attributed in this fiscal year ending on the effective date.

BOE Factors: HVY OIL 1.0 RES GAS 6.0 PROPANE 1.0 ETHANE 1.0
 COND 1.0 SLN GAS 6.0 BUTANE 1.0 SULPHUR 0.0

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary with After Tax**
 Currency: **\$US Dollars**

Table FP-8

Reserve Class: **Various**
 Development Class: **Classifications**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Company Annual Capital Expenditures (M\$)

| Entity Description | Year | | | | | | | | | | | | Totals | | | 10% Discounted | |
|----------------------------|------|------|------|------|------|------|------|------|------|------|------|------|----------|-----------|-------|-------------------|---|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | Subtotal | Remainder | Total | | |
| Proved Producing | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Proved | 39 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 39 | 0 | 39 | 37 | |
| Total Proved Plus Probable | 39 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 39 | 0 | 39 | 37 | |
| Total PPP | 39 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 39 | 0 | 39 | 37 | |

Company: Park Place Energy Inc.
 Property: Corporate
 Description: Summary with After Tax
 Currency: \$US Dollars

Table FP-9

Reserve Class: Various
 Development Class: Classifications
 Pricing: GLJ (2018-01)
 Effective Date: December 31, 2017

Summary of First Year Production

| Entity Description | Light & Medium Oil | | Oil Equivalent | |
|--|---------------------|-------------------|---------------------|-------------------|
| | Company Gross bbl/d | Company Net bbl/d | Company Gross boe/d | Company Net boe/d |
| Proved Producing | | | | |
| Cendere | 104 | 91 | 104 | 91 |
| Total: Proved Producing | 104 | 91 | 104 | 91 |
| Proved Developed Non-Producing | | | | |
| Cendere | 1 | 1 | 1 | 1 |
| Total: Proved Developed Non-Producing | 1 | 1 | 1 | 1 |
| Proved Undeveloped | | | | |
| Cendere | 0 | 0 | 0 | 0 |
| Total: Proved Undeveloped | 0 | 0 | 0 | 0 |
| Total Proved | | | | |
| Cendere | 106 | 92 | 106 | 92 |
| Total: Total Proved | 106 | 92 | 106 | 92 |
| Total Probable | | | | |
| Cendere | 2 | 1 | 2 | 1 |
| Total: Total Probable | 2 | 1 | 2 | 1 |
| Total Proved Plus Probable | | | | |
| Cendere | 107 | 94 | 107 | 94 |
| Total: Total Proved Plus Probable | 107 | 94 | 107 | 94 |
| Total Possible | | | | |
| Cendere | 1 | 1 | 1 | 1 |
| Total: Total Possible | 1 | 1 | 1 | 1 |
| Total PPP | | | | |
| Cendere | 108 | 95 | 108 | 95 |
| Total: Total PPP | 108 | 95 | 108 | 95 |

AFTER TAX ANALYSIS**TABLE OF CONTENTS**

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| Proved Developed Non-Producing | 75 |
| Proved Undeveloped | 78 |
| Total Proved | 79 |
| Total Probable | 82 |
| Total Proved Plus Probable | 85 |
| Total Possible | 88 |
| Total PPP | 90 |

AFTER TAX ANALYSIS

Turkish income taxes were calculated based on currently legislated tax rates, tax regulations and tax pool information provided by the Company. After tax values for reserves development status or production status subcategories (i.e. developed, undeveloped, producing, non-producing) are calculated by difference.

Tax Pools

The following tax pools as of the effective date were included in the income tax calculations:

| <u>Tax Pool Classification</u> | <u>Write-Off Rate (%)</u> | <u>Tax Pool (M\$)</u> |
|--------------------------------|---------------------------|-----------------------|
| Drilling and Facility Capital | STL* | 8,388.0 |
| Non-Capital Losses | 100 | 0.0 |

**Straight line depreciation method for fixed assets*

Tax Rates

The corporate income tax rate in Turkey is 22 percent.

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary with After Tax**
 Currency: **US Dollars**

Reserve Class: **Various**
 Development Class: **Classifications**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Summary of Reserves and Values

| | Proved Producing | Proved Developed Non- Producing | Proved Undevelope d | Total Proved | Total Probable | Total Proved Plus Probable | Total Possible | Total PPP |
|---------------------------------------|---------------------|--|---------------------------|-----------------|-------------------|-------------------------------------|-------------------|--------------|
| MARKETABLE RESERVES | | | | | | | | |
| Light & Medium Oil (Mbbbl) | | | | | | | | |
| Total Company Interest | 228 | 9 | 0 | 237 | 68 | 305 | 64 | 369 |
| Working Interest | 228 | 9 | 0 | 237 | 68 | 305 | 64 | 369 |
| Net After Royalty | 200 | 8 | 0 | 207 | 59 | 267 | 56 | 323 |
| Oil Equivalent (Mboe) | | | | | | | | |
| Total Company Interest | 228 | 9 | 0 | 237 | 68 | 305 | 64 | 369 |
| Working Interest | 228 | 9 | 0 | 237 | 68 | 305 | 64 | 369 |
| Net After Royalty | 200 | 8 | 0 | 207 | 59 | 267 | 56 | 323 |
| BEFORE TAX PRESENT VALUE (M\$) | | | | | | | | |
| 0% | 4,542 | 76 | 0 | 4,618 | 1,621 | 6,239 | 1,549 | 7,788 |
| 5% | 3,976 | 63 | 0 | 4,039 | 1,155 | 5,194 | 1,007 | 6,201 |
| 8% | 3,694 | 56 | 0 | 3,751 | 956 | 4,707 | 796 | 5,502 |
| 10% | 3,527 | 52 | 0 | 3,579 | 849 | 4,428 | 687 | 5,114 |
| 12% | 3,374 | 48 | 0 | 3,421 | 757 | 4,179 | 597 | 4,776 |
| 15% | 3,168 | 43 | 0 | 3,210 | 644 | 3,854 | 491 | 4,345 |
| 20% | 2,877 | 35 | 0 | 2,912 | 503 | 3,415 | 366 | 3,782 |
| AFTER TAX PRESENT VALUE (M\$) | | | | | | | | |
| 0% | 4,542 | 76 | 0 | 4,618 | 1,586 | 6,203 | 0 | 7,583 |
| 5% | 3,976 | 63 | 0 | 4,039 | 1,135 | 5,174 | 0 | 6,090 |
| 8% | 3,694 | 56 | 0 | 3,751 | 942 | 4,693 | 0 | 5,424 |
| 10% | 3,527 | 52 | 0 | 3,579 | 837 | 4,416 | 0 | 5,052 |
| 12% | 3,374 | 48 | 0 | 3,421 | 748 | 4,169 | 0 | 4,726 |
| 15% | 3,168 | 43 | 0 | 3,210 | 637 | 3,847 | 0 | 4,309 |
| 20% | 2,877 | 35 | 0 | 2,912 | 499 | 3,411 | 0 | 3,760 |

BOE Factors: HVY OIL 1.0 RES GAS 6.0 PROPANE 1.0 ETHANE 1.0
 COND 1.0 SLN GAS 6.0 BUTANE 1.0 SULPHUR 0.0

Run Date: April 05, 2018 09:52:30

1181620 Class (A,B1,B2,C,F,I,O,R), GLJ (2018-01), psum

April 09, 2018 11:12:25

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary with After Tax**
 Currency: **US Dollars**

Reserve Class: **Proved**
 Development Class: **Producing**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Economic Forecast

PRODUCTION FORECAST

Light & Medium Oil Production

| Year | Company Oil Wells | Company Daily bbl/d | Company Yearly Mbbl | Net Yearly Mbbl | Price \$/bbl |
|-------------|-------------------|---------------------|---------------------|-----------------|--------------|
| 2018 | 2 | 104 | 38 | 33 | 62.00 |
| 2019 | 2 | 89 | 33 | 28 | 59.93 |
| 2020 | 2 | 77 | 28 | 25 | 59.36 |
| 2021 | 2 | 67 | 24 | 21 | 62.29 |
| 2022 | 2 | 58 | 21 | 18 | 65.21 |
| 2023 | 2 | 51 | 19 | 16 | 68.14 |
| 2024 | 2 | 46 | 17 | 15 | 71.06 |
| 2025 | 2 | 40 | 15 | 13 | 73.98 |
| 2026 | 2 | 35 | 13 | 11 | 76.23 |
| 2027 | 2 | 30 | 11 | 10 | 77.70 |
| 2028 | 2 | 27 | 10 | 9 | 79.25 |
| 2029 | 0 | 0 | 0 | 0 | 0.00 |
| Sub. | | | 228 | 200 | 65.94 |
| Rem. | | | 0 | 0 | 0.00 |
| Tot. | | | 228 | 200 | 65.94 |

REVENUE AND EXPENSE FORECAST

Revenue Before Burdens

| Year | Working Interest | | | | Royalty Interest Total M\$ | Company Interest Total M\$ | Royalty Burdens Pre-Processing | | Gas Processing Allowance | | Total Royalty After Process. M\$ | Net Revenue After Royalty M\$ | Operating Expenses | | |
|-------------|------------------|----------|-------------|---------------|----------------------------|----------------------------|--------------------------------|-----------|--------------------------|-----------|----------------------------------|-------------------------------|--------------------|--------------|--------------|
| | Oil M\$ | Gas M\$ | NGL+Sul M\$ | Total M\$ | | | Crown M\$ | Other M\$ | Crown M\$ | Other M\$ | | | Fixed M\$ | Variable M\$ | Total M\$ |
| 2018 | 2,361 | 0 | 0 | 2,361 | 0 | 2,361 | 295 | 0 | 0 | 0 | 295 | 2,066 | 559 | 350 | 909 |
| 2019 | 1,949 | 0 | 0 | 1,949 | 0 | 1,949 | 244 | 0 | 0 | 0 | 244 | 1,705 | 553 | 305 | 858 |
| 2020 | 1,675 | 0 | 0 | 1,675 | 0 | 1,675 | 209 | 0 | 0 | 0 | 209 | 1,466 | 562 | 270 | 832 |
| 2021 | 1,519 | 0 | 0 | 1,519 | 0 | 1,519 | 190 | 0 | 0 | 0 | 190 | 1,329 | 565 | 238 | 803 |
| 2022 | 1,375 | 0 | 0 | 1,375 | 0 | 1,375 | 172 | 0 | 0 | 0 | 172 | 1,203 | 560 | 210 | 770 |
| 2023 | 1,278 | 0 | 0 | 1,278 | 0 | 1,278 | 160 | 0 | 0 | 0 | 160 | 1,118 | 569 | 190 | 760 |
| 2024 | 1,195 | 0 | 0 | 1,195 | 0 | 1,195 | 149 | 0 | 0 | 0 | 149 | 1,046 | 580 | 174 | 754 |
| 2025 | 1,083 | 0 | 0 | 1,083 | 0 | 1,083 | 135 | 0 | 0 | 0 | 135 | 947 | 574 | 155 | 729 |
| 2026 | 973 | 0 | 0 | 973 | 0 | 973 | 122 | 0 | 0 | 0 | 122 | 852 | 568 | 138 | 705 |
| 2027 | 862 | 0 | 0 | 862 | 0 | 862 | 108 | 0 | 0 | 0 | 108 | 754 | 560 | 122 | 682 |
| 2028 | 770 | 0 | 0 | 770 | 0 | 770 | 96 | 0 | 0 | 0 | 96 | 674 | 553 | 109 | 662 |
| 2029 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub. | 15,039 | 0 | 0 | 15,039 | 0 | 15,039 | 1,880 | 0 | 0 | 0 | 1,880 | 13,159 | 6,203 | 2,261 | 8,464 |
| Rem. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tot. | 15,039 | 0 | 0 | 15,039 | 0 | 15,039 | 1,880 | 0 | 0 | 0 | 1,880 | 13,159 | 6,203 | 2,261 | 8,464 |
| Disc | 10,237 | 0 | 0 | 10,237 | 0 | 10,237 | 1,280 | 0 | 0 | 0 | 1,280 | 8,958 | 3,837 | 1,551 | 5,388 |

| Year | Mineral Tax M\$ | Capital Tax M\$ | NPI Burden M\$ | Net Prod'n Revenue M\$ | Other Income M\$ | Aband. & Oper. | | Net Capital Investment | | | | Before Tax Cash Flow | | | |
|-------------|-----------------|-----------------|----------------|------------------------|------------------|-----------------|--------------|------------------------|-----------|-----------|-----------|----------------------|--------------|---------------|--------------|
| | | | | | | Recl. Costs M\$ | Income M\$ | Dev. M\$ | Plant M\$ | Tang. M\$ | Total M\$ | Annual M\$ | Cum. M\$ | 10.0% Def M\$ | |
| 2018 | 0 | 0 | 0 | 1,157 | 0 | 0 | 1,157 | 0 | 0 | 0 | 0 | 0 | 1,157 | 1,157 | 1,103 |
| 2019 | 0 | 0 | 0 | 847 | 0 | 0 | 847 | 0 | 0 | 0 | 0 | 0 | 847 | 2,004 | 1,837 |
| 2020 | 0 | 0 | 0 | 633 | 0 | 0 | 633 | 0 | 0 | 0 | 0 | 0 | 633 | 2,637 | 2,336 |
| 2021 | 0 | 0 | 0 | 526 | 0 | 0 | 526 | 0 | 0 | 0 | 0 | 0 | 526 | 3,163 | 2,713 |
| 2022 | 0 | 0 | 0 | 433 | 0 | 0 | 433 | 0 | 0 | 0 | 0 | 0 | 433 | 3,596 | 2,995 |
| 2023 | 0 | 0 | 0 | 358 | 0 | 11 | 347 | 0 | 0 | 0 | 0 | 0 | 347 | 3,943 | 3,201 |
| 2024 | 0 | 0 | 0 | 292 | 0 | 0 | 292 | 0 | 0 | 0 | 0 | 0 | 292 | 4,235 | 3,358 |
| 2025 | 0 | 0 | 0 | 218 | 0 | 0 | 218 | 0 | 0 | 0 | 0 | 0 | 218 | 4,454 | 3,464 |
| 2026 | 0 | 0 | 0 | 146 | 0 | 11 | 135 | 0 | 0 | 0 | 0 | 0 | 135 | 4,588 | 3,524 |
| 2027 | 0 | 0 | 0 | 73 | 0 | 0 | 73 | 0 | 0 | 0 | 0 | 0 | 73 | 4,661 | 3,554 |
| 2028 | 0 | 0 | 0 | 11 | 0 | 0 | 11 | 0 | 0 | 0 | 0 | 0 | 11 | 4,673 | 3,558 |
| 2029 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,673 | 3,558 |
| Sub. | 0 | 0 | 0 | 4,695 | 0 | 22 | 4,673 | 0 | 0 | 0 | 0 | 0 | 4,673 | 4,673 | 3,558 |
| Rem. | 0 | 0 | 0 | 0 | 0 | 131 | -131 | 0 | 0 | 0 | 0 | 0 | -131 | 4,542 | 3,527 |
| Tot. | 0 | 0 | 0 | 4,695 | 0 | 153 | 4,542 | 0 | 0 | 0 | 0 | 0 | 4,542 | 4,542 | 3,527 |
| Disc | 0 | 0 | 0 | 3,570 | 0 | 43 | 3,527 | 0 | 0 | 0 | 0 | 0 | 3,527 | 3,527 | 3,527 |

AFTER TAX ANALYSIS

| Year | Oper. Income M\$ | Tax Pool Balances Incl. Current Year Additions | | | | | Depreciation & Writeoffs | | | | | Total M\$ |
|-------------|------------------|--|--------------|-----------------|-----------------|-----------|--------------------------|--------------|-----------------|-----------------|-----------|--------------|
| | | Tangible M\$ | Property M\$ | Development M\$ | Exploration M\$ | Other M\$ | Tangible M\$ | Property M\$ | Development M\$ | Exploration M\$ | Other M\$ | |
| 2018 | 1,157 | 8,388 | 0 | 0 | 0 | 0 | 1,637 | 0 | 0 | 0 | 0 | 1,637 |
| 2019 | 847 | 6,751 | 0 | 0 | 0 | 0 | 1,588 | 0 | 0 | 0 | 0 | 1,588 |
| 2020 | 633 | 5,163 | 0 | 0 | 0 | 0 | 1,542 | 0 | 0 | 0 | 0 | 1,542 |
| 2021 | 526 | 3,621 | 0 | 0 | 0 | 0 | 834 | 0 | 0 | 0 | 0 | 834 |
| 2022 | 433 | 2,787 | 0 | 0 | 0 | 0 | 775 | 0 | 0 | 0 | 0 | 775 |
| 2023 | 347 | 2,012 | 0 | 0 | 0 | 0 | 751 | 0 | 0 | 0 | 0 | 751 |
| 2024 | 292 | 1,261 | 0 | 0 | 0 | 0 | 316 | 0 | 0 | 0 | 0 | 316 |
| 2025 | 218 | 945 | 0 | 0 | 0 | 0 | 272 | 0 | 0 | 0 | 0 | 272 |
| 2026 | 135 | 673 | 0 | 0 | 0 | 0 | 232 | 0 | 0 | 0 | 0 | 232 |
| 2027 | 73 | 442 | 0 | 0 | 0 | 0 | 225 | 0 | 0 | 0 | 0 | 225 |
| 2028 | 11 | 217 | 0 | 0 | 0 | 0 | 139 | 0 | 0 | 0 | 0 | 139 |
| 2029 | 0 | 78 | 0 | 0 | 0 | 0 | 23 | 0 | 0 | 0 | 0 | 23 |
| Sub. | 4,673 | 78 | 0 | 0 | 0 | 0 | 8,333 | 0 | 0 | 0 | 0 | 8,333 |
| Rem. | -131 | 78 | 0 | 0 | 0 | 0 | 49 | 0 | 0 | 0 | 0 | 49 |
| Tot. | 4,542 | 78 | 0 | 0 | 0 | 0 | 8,382 | 0 | 0 | 0 | 0 | 8,382 |
| Disc | 3,527 | | | | | | 6,269 | 0 | 0 | 0 | 0 | 6,269 |

| Year | Taxable Income M\$ | Federal | | State | | Income Tax Payable M\$ | Net Cash Flow Before Income Tax | | | Net Cash Flow After Income Tax | | |
|-------------|--------------------|------------|----------------|----------------|---------------------------|------------------------|---------------------------------|--------------|---------------|--------------------------------|--------------|---------------|
| | | Tax Rate % | Income Tax M\$ | Income Tax M\$ | ARTD & Investment Credits | | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ |
| 2018 | -480 | 22.0 | 0 | 0 | 0 | 0 | 1,157 | 1,157 | 1,103 | 1,157 | 1,157 | 1,103 |
| 2019 | -742 | 22.0 | 0 | 0 | 0 | 0 | 847 | 2,004 | 1,837 | 847 | 2,004 | 1,837 |
| 2020 | -909 | 22.0 | 0 | 0 | 0 | 0 | 633 | 2,637 | 2,336 | 633 | 2,637 | 2,336 |
| 2021 | -308 | 22.0 | 0 | 0 | 0 | 0 | 526 | 3,163 | 2,713 | 526 | 3,163 | 2,713 |
| 2022 | -341 | 22.0 | 0 | 0 | 0 | 0 | 433 | 3,596 | 2,995 | 433 | 3,596 | 2,995 |
| 2023 | -404 | 22.0 | 0 | 0 | 0 | 0 | 347 | 3,943 | 3,201 | 347 | 3,943 | 3,201 |
| 2024 | -24 | 22.0 | 0 | 0 | 0 | 0 | 292 | 4,235 | 3,358 | 292 | 4,235 | 3,358 |
| 2025 | -53 | 22.0 | 0 | 0 | 0 | 0 | 218 | 4,454 | 3,464 | 218 | 4,454 | 3,464 |
| 2026 | -97 | 22.0 | 0 | 0 | 0 | 0 | 135 | 4,588 | 3,524 | 135 | 4,588 | 3,524 |
| 2027 | -152 | 22.0 | 0 | 0 | 0 | 0 | 73 | 4,661 | 3,554 | 73 | 4,661 | 3,554 |
| 2028 | -128 | 22.0 | 0 | 0 | 0 | 0 | 11 | 4,673 | 3,558 | 11 | 4,673 | 3,558 |
| 2029 | -23 | 22.0 | 0 | 0 | 0 | 0 | 0 | 4,673 | 3,558 | 0 | 4,673 | 3,558 |
| Sub. | -3,661 | | 0 | 0 | 0 | 0 | 4,673 | 4,673 | 3,558 | 4,673 | 4,673 | 3,558 |
| Rem. | -179 | | 0 | 0 | 0 | 0 | -131 | 4,542 | 3,527 | -131 | 4,542 | 3,527 |
| Tot. | -3,840 | | 0 | 0 | 0 | 0 | 4,542 | 4,542 | 3,527 | 4,542 | 4,542 | 3,527 |
| Disc | -2,742 | | 0 | 0 | 0 | 0 | 3,527 | 3,527 | 3,527 | 3,527 | 3,527 | 3,527 |

SUMMARY OF RESERVES

| Product | Units | Remaining Reserves at Jan 01, 2018 | | | | Oil Equivalents | | | Reserve Life Indic. (yr) | | |
|----------------|-------|------------------------------------|------------------|---------------|-----|-----------------|--------------|------------|--------------------------|------------|-----------|
| | | Working Interest | Roy/NPI Interest | Total Company | Net | Oil Eq. Factor | Company Mboe | % of Total | Reserve Life | Life Index | Half Life |
| Light/Med Oil | Mbbl | 228 | 0 | 228 | 200 | 1.000 | 228 | 100 | 11.0 | 6.0 | 3.6 |
| Total: Oil Eq. | Mboe | 228 | 0 | 228 | 200 | 1.000 | 228 | 100 | 11.0 | 6.0 | 3.6 |

PRODUCT REVENUE AND EXPENSES

| Product | Units | Average First Year Unit Values | | | | Net Revenue After Royalties | | | | | | |
|----------------|--------|--------------------------------|---------------|----------------|-------------|-----------------------------|----------------|----------------|------------|------------|--------------|------------|
| | | Base Price | Price Adjust. | Wellhead Price | Net Burdens | Operating Expenses | Other Expenses | Prod'n Revenue | Undisc M\$ | % of Total | 10% Disc M\$ | % of Total |
| Light/Med Oil | \$/bbl | 70.25 | -8.25 | 62.00 | 7.75 | 23.87 | 0.00 | 30.38 | 13,159 | 100 | 8,958 | 100 |
| Total: Oil Eq. | \$/boe | 70.25 | -8.25 | 62.00 | 7.75 | 23.87 | 0.00 | 30.38 | 13,159 | 100 | 8,958 | 100 |

REVENUE BURDENS AND NET PRESENT VALUE SUMMARY

| Revenue Burdens (%) | Net Present Value Before Income Tax | | | | | | Net Present Value After Income Tax | | | | | |
|---------------------|-------------------------------------|---------|--------------|--------------------|----------------------|---------------------|------------------------------------|--------|----------------------|---------------------|-----------|--------|
| | Revenue Burdens (%) | | Disc. Rate % | Prod'n Revenue M\$ | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | |
| | Initial | Average | | | | | M\$ | \$/boe | | | M\$ | \$/boe |
| Crown Royalty | 12.5000 | 12.5000 | 0 | 4,695 | 4,542 | 0 | 4,542 | 19.92 | 4,542 | 0 | 4,542 | 19.92 |
| Non-crown Royalty | 0.0000 | 0.0000 | 5 | 4,055 | 3,976 | 0 | 3,976 | 17.43 | 3,976 | 0 | 3,976 | 17.43 |
| Mineral Tax | 0.0000 | 0.0000 | 8 | 3,749 | 3,694 | 0 | 3,694 | 16.20 | 3,694 | 0 | 3,694 | 16.20 |
| | | | 10 | 3,570 | 3,527 | 0 | 3,527 | 15.46 | 3,527 | 0 | 3,527 | 15.46 |
| | | | 12 | 3,408 | 3,374 | 0 | 3,374 | 14.79 | 3,374 | 0 | 3,374 | 14.79 |
| | | | 15 | 3,192 | 3,168 | 0 | 3,168 | 13.89 | 3,168 | 0 | 3,168 | 13.89 |
| | | | 20 | 2,892 | 2,877 | 0 | 2,877 | 12.62 | 2,877 | 0 | 2,877 | 12.62 |

Evaluator: Olenick, Patrick A.
Run Date: April 05, 2018 09:52:09

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary with After Tax**
 Currency: **US Dollars**

Reserve Class: **Proved**
 Development Class: **Developed Non-Producing**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Economic Forecast

PRODUCTION FORECAST

Light & Medium Oil Production

| Year | Company Oil Wells | Company Daily bbl/d | Company Yearly Mbbl | Net Yearly Mbbl | Price \$/bbl |
|-------------|-------------------|---------------------|---------------------|-----------------|--------------|
| 2018 | 0 | 1 | 0 | 0 | 62.00 |
| 2019 | 0 | 5 | 2 | 1 | 59.93 |
| 2020 | 0 | 4 | 1 | 1 | 59.36 |
| 2021 | 0 | 2 | 1 | 1 | 62.29 |
| 2022 | 0 | 2 | 1 | 1 | 65.21 |
| 2023 | 0 | 2 | 1 | 1 | 68.14 |
| 2024 | 0 | 2 | 1 | 1 | 71.06 |
| 2025 | 0 | 2 | 1 | 0 | 73.98 |
| 2026 | 0 | 1 | 1 | 0 | 76.23 |
| 2027 | 0 | 1 | 0 | 0 | 77.70 |
| 2028 | 0 | 1 | 0 | 0 | 79.25 |
| 2029 | 0 | 1 | 0 | 0 | 80.84 |
| Sub. | | | 9 | 8 | 66.91 |
| Rem. | | | 0 | 0 | 0.00 |
| Tot. | | | 9 | 8 | 66.91 |

REVENUE AND EXPENSE FORECAST

Revenue Before Burdens

| Year | Working Interest | | | | Royalty Interest Total M\$ | Company Interest Total M\$ | Royalty Burdens Pre-Processing | | Gas Processing Allowance | | Total Royalty After Process. M\$ | Net Revenue After Royalty M\$ | Operating Expenses | | |
|-------------|------------------|----------|-------------|------------|----------------------------|----------------------------|--------------------------------|-----------|--------------------------|-----------|----------------------------------|-------------------------------|--------------------|--------------|------------|
| | Oil M\$ | Gas M\$ | NGL+Sul M\$ | Total M\$ | | | Crown M\$ | Other M\$ | Crown M\$ | Other M\$ | | | Fixed M\$ | Variable M\$ | Total M\$ |
| 2018 | 30 | 0 | 0 | 30 | 0 | 30 | 4 | 0 | 0 | 0 | 4 | 26 | 9 | 4 | 14 |
| 2019 | 99 | 0 | 0 | 99 | 0 | 99 | 12 | 0 | 0 | 0 | 12 | 86 | 38 | 15 | 54 |
| 2020 | 79 | 0 | 0 | 79 | 0 | 79 | 10 | 0 | 0 | 0 | 10 | 69 | 39 | 13 | 52 |
| 2021 | 49 | 0 | 0 | 49 | 0 | 49 | 6 | 0 | 0 | 0 | 6 | 43 | 20 | 8 | 28 |
| 2022 | 47 | 0 | 0 | 47 | 0 | 47 | 6 | 0 | 0 | 0 | 6 | 41 | 20 | 7 | 28 |
| 2023 | 45 | 0 | 0 | 45 | 0 | 45 | 6 | 0 | 0 | 0 | 6 | 39 | 21 | 7 | 28 |
| 2024 | 44 | 0 | 0 | 44 | 0 | 44 | 5 | 0 | 0 | 0 | 5 | 38 | 21 | 6 | 28 |
| 2025 | 42 | 0 | 0 | 42 | 0 | 42 | 5 | 0 | 0 | 0 | 5 | 37 | 22 | 6 | 28 |
| 2026 | 40 | 0 | 0 | 40 | 0 | 40 | 5 | 0 | 0 | 0 | 5 | 35 | 22 | 6 | 28 |
| 2027 | 38 | 0 | 0 | 38 | 0 | 38 | 5 | 0 | 0 | 0 | 5 | 33 | 22 | 5 | 28 |
| 2028 | 36 | 0 | 0 | 36 | 0 | 36 | 4 | 0 | 0 | 0 | 4 | 31 | 23 | 5 | 28 |
| 2029 | 34 | 0 | 0 | 34 | 0 | 34 | 4 | 0 | 0 | 0 | 4 | 30 | 23 | 5 | 28 |
| Sub. | 582 | 0 | 0 | 582 | 0 | 582 | 73 | 0 | 0 | 0 | 73 | 509 | 282 | 87 | 369 |
| Rem. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tot. | 582 | 0 | 0 | 582 | 0 | 582 | 73 | 0 | 0 | 0 | 73 | 509 | 282 | 87 | 369 |
| Disc | 370 | 0 | 0 | 370 | 0 | 370 | 46 | 0 | 0 | 0 | 46 | 324 | 170 | 56 | 227 |

| Year | Mineral Tax M\$ | Capital Tax M\$ | NPI Burden M\$ | Net Prod'n Revenue M\$ | Other Income M\$ | Aband. & Recl. Costs M\$ | Oper. Income M\$ | Net Capital Investment | | | Before Tax Cash Flow | | | |
|-------------|-----------------|-----------------|----------------|------------------------|------------------|--------------------------|------------------|------------------------|-----------|-----------|----------------------|------------|-----------|---------------|
| | | | | | | | | Dev. M\$ | Plant M\$ | Tang. M\$ | Total M\$ | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ |
| 2018 | 0 | 0 | 0 | 12 | 0 | 0 | 12 | 39 | 0 | 0 | 39 | -27 | -27 | -26 |
| 2019 | 0 | 0 | 0 | 33 | 0 | 0 | 33 | 0 | 0 | 0 | 0 | 33 | 6 | 3 |
| 2020 | 0 | 0 | 0 | 17 | 0 | 0 | 17 | 0 | 0 | 0 | 0 | 17 | 23 | 17 |
| 2021 | 0 | 0 | 0 | 15 | 0 | 0 | 15 | 0 | 0 | 0 | 0 | 15 | 38 | 27 |
| 2022 | 0 | 0 | 0 | 14 | 0 | 0 | 14 | 0 | 0 | 0 | 0 | 14 | 52 | 36 |
| 2023 | 0 | 0 | 0 | 12 | 0 | 0 | 12 | 0 | 0 | 0 | 0 | 12 | 64 | 43 |
| 2024 | 0 | 0 | 0 | 11 | 0 | 0 | 11 | 0 | 0 | 0 | 0 | 11 | 74 | 49 |
| 2025 | 0 | 0 | 0 | 9 | 0 | 11 | -2 | 0 | 0 | 0 | 0 | -2 | 72 | 48 |
| 2026 | 0 | 0 | 0 | 7 | 0 | 0 | 7 | 0 | 0 | 0 | 0 | 7 | 79 | 51 |
| 2027 | 0 | 0 | 0 | 5 | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 5 | 84 | 53 |
| 2028 | 0 | 0 | 0 | 3 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 3 | 88 | 54 |
| 2029 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 89 | 55 |
| Sub. | 0 | 0 | 0 | 140 | 0 | 11 | 128 | 39 | 0 | 0 | 39 | 89 | 89 | 55 |
| Rem. | 0 | 0 | 0 | 0 | 0 | 13 | -13 | 0 | 0 | 0 | 0 | -13 | 76 | 52 |
| Tot. | 0 | 0 | 0 | 140 | 0 | 25 | 115 | 39 | 0 | 0 | 39 | 76 | 76 | 52 |
| Disc | 0 | 0 | 0 | 98 | 0 | 8 | 89 | 37 | 0 | 0 | 37 | 52 | 52 | 52 |

AFTER TAX ANALYSIS

| Year | Oper. Income M\$ | Tax Pool Balances Incl. Current Year Additions | | | | | Depreciation & Writeoffs | | | | | Total M\$ |
|-------------|------------------|--|--------------|-----------------|-----------------|-----------|--------------------------|--------------|-----------------|-----------------|-----------|-----------|
| | | Tangible M\$ | Property M\$ | Development M\$ | Exploration M\$ | Other M\$ | Tangible M\$ | Property M\$ | Development M\$ | Exploration M\$ | Other M\$ | |
| 2018 | 12 | 0 | 0 | 39 | 0 | 0 | 0 | 0 | 12 | 0 | 0 | 12 |
| 2019 | 33 | 0 | 0 | 27 | 0 | 0 | 0 | 0 | 12 | 0 | 0 | 12 |
| 2020 | 17 | 0 | 0 | 16 | 0 | 0 | 0 | 0 | 12 | 0 | 0 | 12 |
| 2021 | 15 | 0 | 0 | 4 | 0 | 0 | 0 | 0 | 4 | 0 | 0 | 4 |
| 2022 | 14 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2023 | 12 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2024 | 11 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2025 | -2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2026 | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2027 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2028 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2029 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub. | 128 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 39 | 0 | 0 | 39 |
| Rem. | -13 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| Tot. | 115 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 39 | 0 | 0 | 41 |
| Disc | 89 | | | | | | 0 | 0 | 33 | 0 | 0 | 34 |

| Year | Taxable Income M\$ | Federal | | State | | Income Tax Payable M\$ | Net Cash Flow Before Income Tax | | | Net Cash Flow After Income Tax | | |
|-------------|--------------------|------------|----------------|----------------|---------------------------|------------------------|---------------------------------|-----------|---------------|--------------------------------|-----------|---------------|
| | | Tax Rate % | Income Tax M\$ | Income Tax M\$ | ARTD & Investment Credits | | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ |
| 2018 | 1 | 22.0 | 0 | 0 | 0 | 0 | -27 | -27 | -26 | -27 | -27 | -26 |
| 2019 | 21 | 22.0 | 0 | 0 | 0 | 0 | 33 | 6 | 3 | 33 | 6 | 3 |
| 2020 | 6 | 22.0 | 0 | 0 | 0 | 0 | 17 | 23 | 17 | 17 | 23 | 17 |
| 2021 | 11 | 22.0 | 0 | 0 | 0 | 0 | 15 | 38 | 27 | 15 | 38 | 27 |
| 2022 | 14 | 22.0 | 0 | 0 | 0 | 0 | 14 | 52 | 36 | 14 | 52 | 36 |
| 2023 | 12 | 22.0 | 0 | 0 | 0 | 0 | 12 | 64 | 43 | 12 | 64 | 43 |
| 2024 | 11 | 22.0 | 0 | 0 | 0 | 0 | 11 | 74 | 49 | 11 | 74 | 49 |
| 2025 | -2 | 22.0 | 0 | 0 | 0 | 0 | -2 | 72 | 48 | -2 | 72 | 48 |
| 2026 | 7 | 22.0 | 0 | 0 | 0 | 0 | 7 | 79 | 51 | 7 | 79 | 51 |
| 2027 | 5 | 22.0 | 0 | 0 | 0 | 0 | 5 | 84 | 53 | 5 | 84 | 53 |
| 2028 | 3 | 22.0 | 0 | 0 | 0 | 0 | 3 | 88 | 54 | 3 | 88 | 54 |
| 2029 | 1 | 22.0 | 0 | 0 | 0 | 0 | 1 | 89 | 55 | 1 | 89 | 55 |
| Sub. | 89 | | 0 | 0 | 0 | 0 | 89 | 89 | 55 | 89 | 89 | 55 |
| Rem. | -15 | | 0 | 0 | 0 | 0 | -13 | 76 | 52 | -13 | 76 | 52 |
| Tot. | 74 | | 0 | 0 | 0 | 0 | 76 | 76 | 52 | 76 | 76 | 52 |
| Disc | 55 | | 0 | 0 | 0 | 0 | 52 | 52 | 52 | 52 | 52 | 52 |

SUMMARY OF RESERVES

| Product | Units | Remaining Reserves at Jan 01, 2018 | | | | | Oil Equivalents | | | Reserve Life Indic. (yr) | | |
|----------------|-------|------------------------------------|------------------|---------------|-----|----------------|-----------------|------------|--------------|--------------------------|-----------|------|
| | | Working Interest | Roy/NPI Interest | Total Company | Net | Oil Eq. Factor | Company Mboe | % of Total | Reserve Life | Life Index | Half Life | |
| | | Light/Med Oil | Mbbl | 9 | 0 | 9 | 8 | 1.000 | 9 | 100 | 12.0 | 17.8 |
| Total: Oil Eq. | Mboe | 9 | 0 | 9 | 8 | 1.000 | 9 | 100 | 12.0 | 17.8 | 4.1 | |

PRODUCT REVENUE AND EXPENSES

| Product | Units | Average First Year Unit Values | | | | | Net Revenue After Royalties | | | | | |
|----------------|--------|--------------------------------|---------------|----------------|-------------|--------------------|-----------------------------|----------------|------------|------------|--------------|------------|
| | | Base Price | Price Adjust. | Wellhead Price | Net Burdens | Operating Expenses | Other Expenses | Prod'n Revenue | Undisc M\$ | % of Total | 10% Disc M\$ | % of Total |
| Light/Med Oil | \$/bbl | 70.25 | -8.25 | 62.00 | 7.75 | 28.68 | 0.00 | 25.57 | 509 | 100 | 324 | 100 |
| Total: Oil Eq. | \$/boe | 70.25 | -8.25 | 62.00 | 7.75 | 28.68 | 0.00 | 25.57 | 509 | 100 | 324 | 100 |

REVENUE BURDENS AND NET PRESENT VALUE SUMMARY

| Revenue Burdens (%) | Net Present Value Before Income Tax | | | | | | Net Present Value After Income Tax | | | | | |
|---------------------|-------------------------------------|---------|--------------|--------------------|----------------------|---------------------|------------------------------------|--------|----------------------|---------------------|-----------|--------|
| | Revenue Burdens (%) | | Disc. Rate % | Prod'n Revenue M\$ | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | |
| | Initial | Average | | | | | M\$ | \$/boe | | | M\$ | \$/boe |
| Crown Royalty | 12.5000 | 12.5000 | 0 | 140 | 115 | 39 | 76 | 8.72 | 115 | 39 | 76 | 8.72 |
| Non-crown Royalty | 0.0000 | 0.0000 | 5 | 115 | 102 | 38 | 63 | 7.28 | 102 | 38 | 63 | 7.28 |
| Mineral Tax | 0.0000 | 0.0000 | 8 | 104 | 94 | 38 | 56 | 6.47 | 94 | 38 | 56 | 6.47 |
| | | | 10 | 98 | 89 | 37 | 52 | 5.98 | 89 | 37 | 52 | 5.98 |
| | | | 12 | 92 | 85 | 37 | 48 | 5.52 | 85 | 37 | 48 | 5.52 |
| | | | 15 | 84 | 79 | 37 | 43 | 4.89 | 79 | 37 | 43 | 4.89 |
| | | | 20 | 74 | 71 | 36 | 35 | 4.01 | 71 | 36 | 35 | 4.01 |

Evaluator: Olenick, Patrick A.
Run Date: April 05, 2018 09:52:10

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary with After Tax**
 Currency: **\$US Dollars**

Reserve Class: **Proved**
 Development Class: **Undeveloped**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Economic Forecast

REVENUE AND EXPENSE FORECAST

| Revenue Before Burdens | | | | | | | | | | | | | | | |
|------------------------|----------------------------|------------------|----------|-------------|----------------------------|-----------------|-----------|--------------------------|-----------|----------------------------------|-------------------------------|--------------------|--------------|-----------|----------|
| Year | Working Interest | | | | | Royalty Burdens | | Gas Processing Allowance | | Total Royalty After Process. M\$ | Net Revenue After Royalty M\$ | Operating Expenses | | | |
| | Working Interest Total M\$ | Royalty Interest | | | Company Interest Total M\$ | Pre-Processing | | Allowance | | | | Fixed M\$ | Variable M\$ | Total M\$ | |
| | | Oil M\$ | Gas M\$ | NGL+Sul M\$ | | Crown M\$ | Other M\$ | Crown M\$ | Other M\$ | | | | | | |
| 2018 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2019 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2025 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2026 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2027 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2028 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2029 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rem. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tot. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disc | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Year | Mineral Tax M\$ | Capital Tax M\$ | NPI Burden M\$ | Net Prod'n Revenue M\$ | Other Income M\$ | Aband. & Recl. Costs M\$ | Oper. Income M\$ | Net Capital Investment | | | Before Tax Cash Flow | | | | |
|-------------|-----------------|-----------------|----------------|------------------------|------------------|--------------------------|------------------|------------------------|-----------|-----------|----------------------|------------|----------|---------------|----------|
| | | | | | | | | Dev. M\$ | Plant M\$ | Tang. M\$ | Total M\$ | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ | |
| 2018 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2019 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2020 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2021 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2024 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2025 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2026 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2027 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2028 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2029 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rem. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tot. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Disc | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

REVENUE BURDENS AND NET PRESENT VALUE SUMMARY

| Net Present Value Before Income Tax | | | | | | | | | |
|-------------------------------------|---------|---------|--------------|--------------------|----------------------|---------------------|-----------|--------|------|
| Revenue Burdens (%) | Initial | Average | Disc. Rate % | Prod'n Revenue M\$ | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | | |
| | | | | | | | M\$ | \$/boe | |
| Crown Royalty | 0.0000 | 0.0000 | 0 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Non-crown Royalty | 0.0000 | 0.0000 | 5 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Mineral Tax | 0.0000 | 0.0000 | 8 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| | | | 10 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| | | | 12 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| | | | 15 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| | | | 20 | 0 | 0 | 0 | 0 | 0 | 0.00 |

Evaluator: Olenick, Patrick A.
 Run Date: April 05, 2018 09:52:10

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary with After Tax**
 Currency: **US Dollars**

Reserve Class: **Proved**
 Development Class: **Total**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Economic Forecast

PRODUCTION FORECAST

Light & Medium Oil Production

| Year | Company Oil Wells | Company Daily bbl/d | Company Yearly Mbbl | Net Yearly Mbbl | Price \$/bbl |
|-------------|-------------------|---------------------|---------------------|-----------------|--------------|
| 2018 | 3 | 106 | 39 | 34 | 62.00 |
| 2019 | 3 | 94 | 34 | 30 | 59.93 |
| 2020 | 3 | 81 | 30 | 26 | 59.36 |
| 2021 | 2 | 69 | 25 | 22 | 62.29 |
| 2022 | 2 | 60 | 22 | 19 | 65.21 |
| 2023 | 2 | 53 | 19 | 17 | 68.14 |
| 2024 | 2 | 48 | 17 | 15 | 71.06 |
| 2025 | 2 | 42 | 15 | 13 | 73.98 |
| 2026 | 2 | 36 | 13 | 12 | 76.23 |
| 2027 | 2 | 32 | 12 | 10 | 77.70 |
| 2028 | 2 | 28 | 10 | 9 | 79.25 |
| 2029 | 0 | 1 | 0 | 0 | 80.84 |
| Sub. | | | 237 | 207 | 65.98 |
| Rem. | | | 0 | 0 | 0.00 |
| Tot. | | | 237 | 207 | 65.98 |

REVENUE AND EXPENSE FORECAST

Revenue Before Burdens

| Year | Working Interest | | | | Royalty Interest Total M\$ | Company Interest Total M\$ | Royalty Burdens Pre-Processing | | Gas Processing Allowance | | Total Royalty After Process. M\$ | Net Revenue After Royalty M\$ | Operating Expenses | | |
|-------------|------------------|----------|-------------|---------------|----------------------------|----------------------------|--------------------------------|-----------|--------------------------|-----------|----------------------------------|-------------------------------|--------------------|--------------|--------------|
| | Oil M\$ | Gas M\$ | NGL+Sul M\$ | Total M\$ | | | Crown M\$ | Other M\$ | Crown M\$ | Other M\$ | | | Fixed M\$ | Variable M\$ | Total M\$ |
| 2018 | 2,392 | 0 | 0 | 2,392 | 0 | 2,392 | 299 | 0 | 0 | 0 | 299 | 2,093 | 568 | 355 | 923 |
| 2019 | 2,047 | 0 | 0 | 2,047 | 0 | 2,047 | 256 | 0 | 0 | 0 | 256 | 1,791 | 592 | 321 | 912 |
| 2020 | 1,754 | 0 | 0 | 1,754 | 0 | 1,754 | 219 | 0 | 0 | 0 | 219 | 1,535 | 601 | 283 | 884 |
| 2021 | 1,567 | 0 | 0 | 1,567 | 0 | 1,567 | 196 | 0 | 0 | 0 | 196 | 1,372 | 585 | 246 | 831 |
| 2022 | 1,422 | 0 | 0 | 1,422 | 0 | 1,422 | 178 | 0 | 0 | 0 | 178 | 1,244 | 580 | 217 | 797 |
| 2023 | 1,323 | 0 | 0 | 1,323 | 0 | 1,323 | 165 | 0 | 0 | 0 | 165 | 1,157 | 590 | 197 | 787 |
| 2024 | 1,239 | 0 | 0 | 1,239 | 0 | 1,239 | 155 | 0 | 0 | 0 | 155 | 1,084 | 601 | 181 | 781 |
| 2025 | 1,124 | 0 | 0 | 1,124 | 0 | 1,124 | 141 | 0 | 0 | 0 | 141 | 984 | 596 | 161 | 756 |
| 2026 | 1,013 | 0 | 0 | 1,013 | 0 | 1,013 | 127 | 0 | 0 | 0 | 127 | 886 | 590 | 143 | 733 |
| 2027 | 900 | 0 | 0 | 900 | 0 | 900 | 112 | 0 | 0 | 0 | 112 | 787 | 582 | 127 | 709 |
| 2028 | 806 | 0 | 0 | 806 | 0 | 806 | 101 | 0 | 0 | 0 | 101 | 705 | 576 | 114 | 690 |
| 2029 | 34 | 0 | 0 | 34 | 0 | 34 | 4 | 0 | 0 | 0 | 4 | 30 | 23 | 5 | 28 |
| Sub. | 15,621 | 0 | 0 | 15,621 | 0 | 15,621 | 1,953 | 0 | 0 | 0 | 1,953 | 13,668 | 6,485 | 2,349 | 8,833 |
| Rem. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tot. | 15,621 | 0 | 0 | 15,621 | 0 | 15,621 | 1,953 | 0 | 0 | 0 | 1,953 | 13,668 | 6,485 | 2,349 | 8,833 |
| Disc | 10,608 | 0 | 0 | 10,608 | 0 | 10,608 | 1,326 | 0 | 0 | 0 | 1,326 | 9,282 | 4,007 | 1,608 | 5,615 |

| Year | Mineral Tax M\$ | Capital Tax M\$ | NPI Burden M\$ | Net Prod'n Revenue M\$ | Other Income M\$ | Aband. & Oper. | | Net Capital Investment | | | | Before Tax Cash Flow | | | |
|-------------|-----------------|-----------------|----------------|------------------------|------------------|-----------------|--------------|------------------------|-----------|-----------|-----------|----------------------|--------------|---------------|--------------|
| | | | | | | Recl. Costs M\$ | Income M\$ | Dev. M\$ | Plant M\$ | Tang. M\$ | Total M\$ | Annual M\$ | Cum. M\$ | 10.0% Def M\$ | |
| 2018 | 0 | 0 | 0 | 1,169 | 0 | 0 | 1,169 | 39 | 0 | 0 | 0 | 39 | 1,130 | 1,130 | 1,078 |
| 2019 | 0 | 0 | 0 | 879 | 0 | 0 | 879 | 0 | 0 | 0 | 0 | 0 | 879 | 2,010 | 1,840 |
| 2020 | 0 | 0 | 0 | 651 | 0 | 0 | 651 | 0 | 0 | 0 | 0 | 0 | 651 | 2,660 | 2,353 |
| 2021 | 0 | 0 | 0 | 541 | 0 | 0 | 541 | 0 | 0 | 0 | 0 | 0 | 541 | 3,201 | 2,740 |
| 2022 | 0 | 0 | 0 | 447 | 0 | 0 | 447 | 0 | 0 | 0 | 0 | 0 | 447 | 3,648 | 3,031 |
| 2023 | 0 | 0 | 0 | 370 | 0 | 11 | 359 | 0 | 0 | 0 | 0 | 0 | 359 | 4,007 | 3,244 |
| 2024 | 0 | 0 | 0 | 302 | 0 | 0 | 302 | 0 | 0 | 0 | 0 | 0 | 302 | 4,310 | 3,407 |
| 2025 | 0 | 0 | 0 | 227 | 0 | 11 | 216 | 0 | 0 | 0 | 0 | 0 | 216 | 4,526 | 3,512 |
| 2026 | 0 | 0 | 0 | 153 | 0 | 11 | 142 | 0 | 0 | 0 | 0 | 0 | 142 | 4,668 | 3,575 |
| 2027 | 0 | 0 | 0 | 78 | 0 | 0 | 78 | 0 | 0 | 0 | 0 | 0 | 78 | 4,746 | 3,607 |
| 2028 | 0 | 0 | 0 | 15 | 0 | 0 | 15 | 0 | 0 | 0 | 0 | 0 | 15 | 4,760 | 3,612 |
| 2029 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 4,762 | 3,613 |
| Sub. | 0 | 0 | 0 | 4,835 | 0 | 34 | 4,801 | 39 | 0 | 0 | 0 | 39 | 4,762 | 4,762 | 3,613 |
| Rem. | 0 | 0 | 0 | 0 | 0 | 144 | -144 | 0 | 0 | 0 | 0 | 0 | -144 | 4,618 | 3,579 |
| Tot. | 0 | 0 | 0 | 4,835 | 0 | 178 | 4,657 | 39 | 0 | 0 | 39 | 4,618 | 4,618 | 4,618 | 3,579 |
| Disc | 0 | 0 | 0 | 3,667 | 0 | 51 | 3,616 | 37 | 0 | 0 | 37 | 3,579 | 3,579 | 3,579 | 3,579 |

AFTER TAX ANALYSIS

| Year | Oper. Income M\$ | Tax Pool Balances Incl. Current Year Additions | | | | | Depreciation & Writeoffs | | | | | Total M\$ |
|-------------|------------------|--|--------------|-----------------|-----------------|-----------|--------------------------|--------------|-----------------|-----------------|-----------|--------------|
| | | Tangible M\$ | Property M\$ | Development M\$ | Exploration M\$ | Other M\$ | Tangible M\$ | Property M\$ | Development M\$ | Exploration M\$ | Other M\$ | |
| 2018 | 1,169 | 8,388 | 0 | 39 | 0 | 0 | 1,637 | 0 | 12 | 0 | 0 | 1,648 |
| 2019 | 879 | 6,751 | 0 | 27 | 0 | 0 | 1,588 | 0 | 12 | 0 | 0 | 1,600 |
| 2020 | 651 | 5,163 | 0 | 16 | 0 | 0 | 1,542 | 0 | 12 | 0 | 0 | 1,554 |
| 2021 | 541 | 3,621 | 0 | 4 | 0 | 0 | 834 | 0 | 4 | 0 | 0 | 838 |
| 2022 | 447 | 2,787 | 0 | 0 | 0 | 0 | 775 | 0 | 0 | 0 | 0 | 775 |
| 2023 | 359 | 2,012 | 0 | 0 | 0 | 0 | 751 | 0 | 0 | 0 | 0 | 751 |
| 2024 | 302 | 1,261 | 0 | 0 | 0 | 0 | 316 | 0 | 0 | 0 | 0 | 316 |
| 2025 | 216 | 945 | 0 | 0 | 0 | 0 | 272 | 0 | 0 | 0 | 0 | 272 |
| 2026 | 142 | 673 | 0 | 0 | 0 | 0 | 232 | 0 | 0 | 0 | 0 | 232 |
| 2027 | 78 | 442 | 0 | 0 | 0 | 0 | 225 | 0 | 0 | 0 | 0 | 225 |
| 2028 | 15 | 217 | 0 | 0 | 0 | 0 | 139 | 0 | 0 | 0 | 0 | 139 |
| 2029 | 1 | 78 | 0 | 0 | 0 | 0 | 23 | 0 | 0 | 0 | 0 | 23 |
| Sub. | 4,801 | 78 | 0 | 0 | 0 | 0 | 8,333 | 0 | 39 | 0 | 0 | 8,373 |
| Rem. | -144 | 78 | 0 | 0 | 0 | 0 | 51 | 0 | 0 | 0 | 0 | 51 |
| Tot. | 4,657 | 78 | 0 | 0 | 0 | 0 | 8,384 | 0 | 39 | 0 | 0 | 8,423 |
| Disc | 3,616 | | | | | | 6,269 | 0 | 33 | 0 | 0 | 6,303 |

| Year | Taxable Income M\$ | Federal | | State | | Income Tax Payable M\$ | Net Cash Flow Before Income Tax | | | Net Cash Flow After Income Tax | | |
|-------------|--------------------|------------|----------------|----------------|---------------------------|------------------------|---------------------------------|--------------|---------------|--------------------------------|--------------|---------------|
| | | Tax Rate % | Income Tax M\$ | Income Tax M\$ | ARTD & Investment Credits | | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ |
| 2018 | -479 | 22.0 | 0 | 0 | 0 | 0 | 1,130 | 1,130 | 1,078 | 1,130 | 1,130 | 1,078 |
| 2019 | -721 | 22.0 | 0 | 0 | 0 | 0 | 879 | 2,010 | 1,840 | 879 | 2,010 | 1,840 |
| 2020 | -903 | 22.0 | 0 | 0 | 0 | 0 | 651 | 2,660 | 2,353 | 651 | 2,660 | 2,353 |
| 2021 | -297 | 22.0 | 0 | 0 | 0 | 0 | 541 | 3,201 | 2,740 | 541 | 3,201 | 2,740 |
| 2022 | -328 | 22.0 | 0 | 0 | 0 | 0 | 447 | 3,648 | 3,031 | 447 | 3,648 | 3,031 |
| 2023 | -392 | 22.0 | 0 | 0 | 0 | 0 | 359 | 4,007 | 3,244 | 359 | 4,007 | 3,244 |
| 2024 | -13 | 22.0 | 0 | 0 | 0 | 0 | 302 | 4,310 | 3,407 | 302 | 4,310 | 3,407 |
| 2025 | -56 | 22.0 | 0 | 0 | 0 | 0 | 216 | 4,526 | 3,512 | 216 | 4,526 | 3,512 |
| 2026 | -90 | 22.0 | 0 | 0 | 0 | 0 | 142 | 4,668 | 3,575 | 142 | 4,668 | 3,575 |
| 2027 | -147 | 22.0 | 0 | 0 | 0 | 0 | 78 | 4,746 | 3,607 | 78 | 4,746 | 3,607 |
| 2028 | -124 | 22.0 | 0 | 0 | 0 | 0 | 15 | 4,760 | 3,612 | 15 | 4,760 | 3,612 |
| 2029 | -22 | 22.0 | 0 | 0 | 0 | 0 | 1 | 4,762 | 3,613 | 1 | 4,762 | 3,613 |
| Sub. | -3,572 | | 0 | 0 | 0 | 0 | 4,762 | 4,762 | 3,613 | 4,762 | 4,762 | 3,613 |
| Rem. | -195 | | 0 | 0 | 0 | 0 | -144 | 4,618 | 3,579 | -144 | 4,618 | 3,579 |
| Tot. | -3,766 | | 0 | 0 | 0 | 0 | 4,618 | 4,618 | 3,579 | 4,618 | 4,618 | 3,579 |
| Disc | -2,687 | | 0 | 0 | 0 | 0 | 3,579 | 3,579 | 3,579 | 3,579 | 3,579 | 3,579 |

SUMMARY OF RESERVES

| Product | Units | Remaining Reserves at Jan 01, 2018 | | | | Oil Equivalents | | | Reserve Life Indic. (yr) | | |
|----------------|-------|------------------------------------|------------------|---------------|-----|-----------------|--------------|------------|--------------------------|------------|-----------|
| | | Working Interest | Roy/NPI Interest | Total Company | Net | Oil Eq. Factor | Company Mboe | % of Total | Reserve Life | Life Index | Half Life |
| Light/Med Oil | Mbbl | 237 | 0 | 237 | 207 | 1.000 | 237 | 100 | 12.0 | 6.1 | 3.6 |
| Total: Oil Eq. | Mboe | 237 | 0 | 237 | 207 | 1.000 | 237 | 100 | 12.0 | 6.1 | 3.6 |

PRODUCT REVENUE AND EXPENSES

| Product | Units | Average First Year Unit Values | | | | Net Revenue After Royalties | | | | | | | |
|----------------|--------|--------------------------------|---------------|----------------|-------------|-----------------------------|----------------|----------------|------------|------------|--------------|------------|--|
| | | Base Price | Price Adjust. | Wellhead Price | Net Burdens | Operating Expenses | Other Expenses | Prod'n Revenue | Undisc M\$ | % of Total | 10% Disc M\$ | % of Total | |
| Light/Med Oil | \$/bbl | 70.25 | -8.25 | 62.00 | 7.75 | 23.93 | 0.00 | 30.32 | 13,668 | 100 | 9,282 | 100 | |
| Total: Oil Eq. | \$/boe | 70.25 | -8.25 | 62.00 | 7.75 | 23.93 | 0.00 | 30.32 | 13,668 | 100 | 9,282 | 100 | |

REVENUE BURDENS AND NET PRESENT VALUE SUMMARY

| Revenue Burdens (%) | Net Present Value Before Income Tax | | | | | | Net Present Value After Income Tax | | | | | |
|---------------------|-------------------------------------|---------|--------------|--------------------|----------------------|---------------------|------------------------------------|--------|----------------------|---------------------|-----------|--------|
| | Revenue Burdens (%) | | Disc. Rate % | Prod'n Revenue M\$ | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | |
| | Initial | Average | | | | | M\$ | \$/boe | | | M\$ | \$/boe |
| Crown Royalty | 12.5000 | 12.5000 | 0 | 4,835 | 4,657 | 39 | 4,618 | 19.50 | 4,657 | 39 | 4,618 | 19.50 |
| Non-crown Royalty | 0.0000 | 0.0000 | 5 | 4,170 | 4,078 | 38 | 4,039 | 17.06 | 4,078 | 38 | 4,039 | 17.06 |
| Mineral Tax | 0.0000 | 0.0000 | 8 | 3,853 | 3,788 | 38 | 3,751 | 15.84 | 3,788 | 38 | 3,751 | 15.84 |
| | | | 10 | 3,667 | 3,616 | 37 | 3,579 | 15.12 | 3,616 | 37 | 3,579 | 15.12 |
| | | | 12 | 3,500 | 3,459 | 37 | 3,421 | 14.45 | 3,459 | 37 | 3,421 | 14.45 |
| | | | 15 | 3,277 | 3,247 | 37 | 3,210 | 13.56 | 3,247 | 37 | 3,210 | 13.56 |
| | | | 20 | 2,966 | 2,948 | 36 | 2,912 | 12.30 | 2,948 | 36 | 2,912 | 12.30 |

Evaluator: Olenick, Patrick A.
Run Date: April 05, 2018 09:52:10

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary with After Tax**
 Currency: **US Dollars**

Reserve Class: **Probable**
 Development Class: **Total**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Economic Forecast

PRODUCTION FORECAST

Light & Medium Oil Production

| Year | Company Oil Wells | Company Daily bbl/d | Company Yearly Mbbl | Net Yearly Mbbl | Price \$/bbl |
|-------------|-------------------|---------------------|---------------------|-----------------|--------------|
| 2018 | 0 | 2 | 1 | 0 | 62.00 |
| 2019 | 0 | 5 | 2 | 2 | 59.93 |
| 2020 | 0 | 6 | 2 | 2 | 59.36 |
| 2021 | 0 | 7 | 3 | 2 | 62.28 |
| 2022 | 0 | 8 | 3 | 3 | 65.22 |
| 2023 | 0 | 8 | 3 | 2 | 68.14 |
| 2024 | 0 | 8 | 3 | 3 | 71.06 |
| 2025 | 0 | 9 | 3 | 3 | 73.98 |
| 2026 | 0 | 11 | 4 | 3 | 76.23 |
| 2027 | 0 | 12 | 4 | 4 | 77.70 |
| 2028 | 0 | 11 | 4 | 4 | 79.25 |
| 2029 | 2 | 35 | 13 | 11 | 80.84 |
| Sub. | | | 44 | 39 | 73.64 |
| Rem. | | | 24 | 21 | 83.47 |
| Tot. | | | 68 | 59 | 77.05 |

REVENUE AND EXPENSE FORECAST

Revenue Before Burdens

| Year | Working Interest | | | | Royalty Interest Total M\$ | Company Interest Total M\$ | Royalty Burdens Pre-Processing | | Gas Processing Allowance | | Total Royalty After Process. M\$ | Net Revenue After Royalty M\$ | Operating Expenses | | |
|-------------|------------------|----------|-------------|--------------|----------------------------|----------------------------|--------------------------------|-----------|--------------------------|-----------|----------------------------------|-------------------------------|--------------------|--------------|--------------|
| | Oil M\$ | Gas M\$ | NGL+Sul M\$ | Total M\$ | | | Crown M\$ | Other M\$ | Crown M\$ | Other M\$ | | | Fixed M\$ | Variable M\$ | Total M\$ |
| 2018 | 35 | 0 | 0 | 35 | 0 | 35 | 4 | 0 | 0 | 0 | 4 | 31 | 0 | 5 | 6 |
| 2019 | 116 | 0 | 0 | 116 | 0 | 116 | 15 | 0 | 0 | 0 | 15 | 102 | 21 | 18 | 39 |
| 2020 | 126 | 0 | 0 | 126 | 0 | 126 | 16 | 0 | 0 | 0 | 16 | 110 | 2 | 20 | 22 |
| 2021 | 166 | 0 | 0 | 166 | 0 | 166 | 21 | 0 | 0 | 0 | 21 | 145 | 9 | 26 | 35 |
| 2022 | 197 | 0 | 0 | 197 | 0 | 197 | 25 | 0 | 0 | 0 | 25 | 172 | 16 | 30 | 46 |
| 2023 | 190 | 0 | 0 | 190 | 0 | 190 | 24 | 0 | 0 | 0 | 24 | 166 | 4 | 28 | 32 |
| 2024 | 207 | 0 | 0 | 207 | 0 | 207 | 26 | 0 | 0 | 0 | 26 | 181 | 5 | 30 | 35 |
| 2025 | 254 | 0 | 0 | 254 | 0 | 254 | 32 | 0 | 0 | 0 | 32 | 222 | 21 | 36 | 58 |
| 2026 | 296 | 0 | 0 | 296 | 0 | 296 | 37 | 0 | 0 | 0 | 37 | 259 | 39 | 42 | 81 |
| 2027 | 333 | 0 | 0 | 333 | 0 | 333 | 42 | 0 | 0 | 0 | 42 | 292 | 59 | 47 | 106 |
| 2028 | 324 | 0 | 0 | 324 | 0 | 324 | 40 | 0 | 0 | 0 | 40 | 283 | 58 | 46 | 104 |
| 2029 | 1,019 | 0 | 0 | 1,019 | 0 | 1,019 | 127 | 0 | 0 | 0 | 127 | 891 | 616 | 144 | 760 |
| Sub. | 3,263 | 0 | 0 | 3,263 | 0 | 3,263 | 408 | 0 | 0 | 0 | 408 | 2,855 | 850 | 474 | 1,324 |
| Rem. | 1,966 | 0 | 0 | 1,966 | 0 | 1,966 | 246 | 0 | 0 | 0 | 246 | 1,720 | 1,342 | 278 | 1,620 |
| Tot. | 5,229 | 0 | 0 | 5,229 | 0 | 5,229 | 654 | 0 | 0 | 0 | 654 | 4,575 | 2,192 | 752 | 2,944 |
| Disc | 2,119 | 0 | 0 | 2,119 | 0 | 2,119 | 265 | 0 | 0 | 0 | 265 | 1,854 | 705 | 308 | 1,013 |

| Year | Mineral Tax M\$ | Capital Tax M\$ | NPI Burden M\$ | Net Prod'n Revenue M\$ | Other Income M\$ | Aband. & Recl. Costs M\$ | | Oper. Income M\$ | Net Capital Investment | | | Before Tax Cash Flow | | |
|-------------|-----------------|-----------------|----------------|------------------------|------------------|--------------------------|--------------|------------------|------------------------|-----------|------------|----------------------|---------------|------------|
| | | | | | | Dev. M\$ | Plant M\$ | | Tang. M\$ | Total M\$ | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ | |
| 2018 | 0 | 0 | 0 | 25 | 0 | 0 | 25 | 0 | 0 | 0 | 0 | 25 | 25 | 24 |
| 2019 | 0 | 0 | 0 | 63 | 0 | 0 | 63 | 0 | 0 | 0 | 0 | 63 | 87 | 78 |
| 2020 | 0 | 0 | 0 | 88 | 0 | 0 | 88 | 0 | 0 | 0 | 0 | 88 | 176 | 147 |
| 2021 | 0 | 0 | 0 | 109 | 0 | 0 | 109 | 0 | 0 | 0 | 0 | 109 | 285 | 226 |
| 2022 | 0 | 0 | 0 | 127 | 0 | 0 | 127 | 0 | 0 | 0 | 0 | 127 | 412 | 308 |
| 2023 | 0 | 0 | 0 | 134 | 0 | -11 | 145 | 0 | 0 | 0 | 0 | 145 | 557 | 394 |
| 2024 | 0 | 0 | 0 | 147 | 0 | 11 | 136 | 0 | 0 | 0 | 0 | 136 | 692 | 467 |
| 2025 | 0 | 0 | 0 | 165 | 0 | 0 | 165 | 0 | 0 | 0 | 0 | 165 | 857 | 548 |
| 2026 | 0 | 0 | 0 | 178 | 0 | -11 | 189 | 0 | 0 | 0 | 0 | 189 | 1,046 | 632 |
| 2027 | 0 | 0 | 0 | 186 | 0 | 12 | 174 | 0 | 0 | 0 | 0 | 174 | 1,220 | 702 |
| 2028 | 0 | 0 | 0 | 179 | 0 | 0 | 179 | 0 | 0 | 0 | 0 | 179 | 1,399 | 768 |
| 2029 | 0 | 0 | 0 | 132 | 0 | 0 | 132 | 0 | 0 | 0 | 0 | 132 | 1,531 | 812 |
| Sub. | 0 | 0 | 0 | 1,531 | 0 | 0 | 1,531 | 0 | 0 | 0 | 0 | 1,531 | 1,531 | 812 |
| Rem. | 0 | 0 | 0 | 100 | 0 | 10 | 90 | 0 | 0 | 0 | 0 | 90 | 1,621 | 849 |
| Tot. | 0 | 0 | 0 | 1,631 | 0 | 10 | 1,621 | 0 | 0 | 0 | 0 | 1,621 | 1,621 | 849 |
| Disc | 0 | 0 | 0 | 841 | 0 | -8 | 849 | 0 | 0 | 0 | 0 | 849 | 849 | 849 |

AFTER TAX ANALYSIS

| Year | Oper. Income M\$ | Tax Pool Balances Incl. Current Year Additions | | | | | Depreciation & Writeoffs | | | | | Total M\$ |
|-------------|------------------|--|--------------|-----------------|-----------------|-----------|--------------------------|--------------|-----------------|-----------------|-----------|-----------|
| | | Tangible M\$ | Property M\$ | Development M\$ | Exploration M\$ | Other M\$ | Tangible M\$ | Property M\$ | Development M\$ | Exploration M\$ | Other M\$ | |
| 2018 | 25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2019 | 63 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2020 | 88 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2021 | 109 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2022 | 127 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2023 | 145 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2024 | 136 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2025 | 165 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2026 | 189 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2027 | 174 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2028 | 179 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2029 | 132 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub. | 1,531 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rem. | 90 | 0 | 0 | 0 | 0 | 0 | 4 | 0 | 0 | 0 | 0 | 4 |
| Tot. | 1,621 | 0 | 0 | 0 | 0 | 0 | 4 | 0 | 0 | 0 | 0 | 4 |
| Disc | 849 | | | | | | 1 | 0 | 0 | 0 | 0 | 1 |

| Year | Taxable Income M\$ | Federal | | State | | Income Tax Payable M\$ | Net Cash Flow Before Income Tax | | | Net Cash Flow After Income Tax | | |
|-------------|--------------------|------------|----------------|----------------|---------------------------|------------------------|---------------------------------|--------------|---------------|--------------------------------|--------------|---------------|
| | | Tax Rate % | Income Tax M\$ | Income Tax M\$ | ARTD & Investment Credits | | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ |
| 2018 | 25 | 22.0 | 0 | 0 | 0 | 0 | 25 | 25 | 24 | 25 | 25 | 24 |
| 2019 | 63 | 22.0 | 0 | 0 | 0 | 0 | 63 | 87 | 78 | 63 | 87 | 78 |
| 2020 | 88 | 22.0 | 0 | 0 | 0 | 0 | 88 | 176 | 147 | 88 | 176 | 147 |
| 2021 | 109 | 22.0 | 0 | 0 | 0 | 0 | 109 | 285 | 226 | 109 | 285 | 226 |
| 2022 | 127 | 22.0 | 0 | 0 | 0 | 0 | 127 | 412 | 308 | 127 | 412 | 308 |
| 2023 | 145 | 22.0 | 0 | 0 | 0 | 0 | 145 | 557 | 394 | 145 | 557 | 394 |
| 2024 | 136 | 22.0 | 0 | 0 | 0 | 0 | 136 | 692 | 467 | 136 | 692 | 467 |
| 2025 | 165 | 22.0 | 0 | 0 | 0 | 0 | 165 | 857 | 548 | 165 | 857 | 548 |
| 2026 | 189 | 22.0 | 0 | 0 | 0 | 0 | 189 | 1,046 | 632 | 189 | 1,046 | 632 |
| 2027 | 174 | 22.0 | 0 | 0 | 0 | 0 | 174 | 1,220 | 702 | 174 | 1,220 | 702 |
| 2028 | 179 | 22.0 | 0 | 0 | 0 | 0 | 179 | 1,399 | 768 | 179 | 1,399 | 768 |
| 2029 | 132 | 22.0 | 24 | 0 | 0 | 24 | 132 | 1,531 | 812 | 107 | 1,507 | 804 |
| Sub. | 1,531 | | 24 | 0 | 0 | 24 | 1,531 | 1,531 | 812 | 1,507 | 1,507 | 804 |
| Rem. | 86 | | 11 | 0 | 0 | 11 | 90 | 1,621 | 849 | 79 | 1,586 | 837 |
| Tot. | 1,617 | | 36 | 0 | 0 | 36 | 1,621 | 1,621 | 849 | 1,586 | 1,586 | 837 |
| Disc | 848 | | 12 | 0 | 0 | 12 | 849 | 849 | 849 | 837 | 837 | 837 |

SUMMARY OF RESERVES

| Product | Units | Remaining Reserves at Jan 01, 2018 | | | | Oil Equivalents | | | Reserve Life Indic. (yr) | | |
|----------------|-------|------------------------------------|------------------|---------------|-----|-----------------|--------------|------------|--------------------------|------------|-----------|
| | | Working Interest | Roy/NPI Interest | Total Company | Net | Oil Eq. Factor | Company Mboe | % of Total | Reserve Life | Life Index | Half Life |
| Light/Med Oil | Mbbl | 68 | 0 | 68 | 59 | 1.000 | 68 | 100 | 17.0 | 120.5 | 11.2 |
| Total: Oil Eq. | Mboe | 68 | 0 | 68 | 59 | 1.000 | 68 | 100 | 17.0 | 120.5 | 11.2 |

PRODUCT REVENUE AND EXPENSES

| Product | Units | Average First Year Unit Values | | | | Net Revenue After Royalties | | | | | | |
|----------------|--------|--------------------------------|---------------|----------------|-------------|-----------------------------|----------------|----------------|------------|------------|--------------|------------|
| | | Base Price | Price Adjust. | Wellhead Price | Net Burdens | Operating Expenses | Other Expenses | Prod'n Revenue | Undisc M\$ | % of Total | 10% Disc M\$ | % of Total |
| Light/Med Oil | \$/bbl | 70.25 | -8.25 | 62.00 | 7.75 | 9.92 | 0.00 | 44.33 | 4,575 | 100 | 1,854 | 100 |
| Total: Oil Eq. | \$/boe | 70.25 | -8.25 | 62.00 | 7.75 | 9.92 | 0.00 | 44.33 | 4,575 | 100 | 1,854 | 100 |

REVENUE BURDENS AND NET PRESENT VALUE SUMMARY

| Revenue Burdens (%) | Net Present Value Before Income Tax | | | | | | Net Present Value After Income Tax | | | | | |
|---------------------|-------------------------------------|---------|--------------|--------------------|----------------------|---------------------|------------------------------------|--------|----------------------|---------------------|-----------|--------|
| | Revenue Burdens (%) | | Disc. Rate % | Prod'n Revenue M\$ | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | |
| | Initial | Average | | | | | M\$ | \$/boe | | | M\$ | \$/boe |
| Crown Royalty | 12.5000 | 12.5000 | 0 | 1,631 | 1,621 | 0 | 1,621 | 23.89 | 1,586 | 0 | 1,586 | 23.37 |
| Non-crown Royalty | 0.0000 | 0.0000 | 5 | 1,148 | 1,155 | 0 | 1,155 | 17.02 | 1,135 | 0 | 1,135 | 16.72 |
| Mineral Tax | 0.0000 | 0.0000 | 8 | 948 | 956 | 0 | 956 | 14.09 | 942 | 0 | 942 | 13.88 |
| | | | 10 | 841 | 849 | 0 | 849 | 12.51 | 837 | 0 | 837 | 12.34 |
| | | | 12 | 750 | 757 | 0 | 757 | 11.16 | 748 | 0 | 748 | 11.02 |
| | | | 15 | 637 | 644 | 0 | 644 | 9.49 | 637 | 0 | 637 | 9.39 |
| | | | 20 | 499 | 503 | 0 | 503 | 7.42 | 499 | 0 | 499 | 7.36 |

Evaluator: Olenick, Patrick A.
Run Date: April 05, 2018 09:52:11

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary with After Tax**
 Currency: **US Dollars**

Reserve Class: **Proved Plus Probable**
 Development Class: **Total**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Economic Forecast

PRODUCTION FORECAST

Light & Medium Oil Production

| Year | Company Oil Wells | Company Daily bbl/d | Company Yearly Mbbl | Net Yearly Mbbl | Price \$/bbl |
|-------------|-------------------|---------------------|---------------------|-----------------|--------------|
| 2018 | 3 | 107 | 39 | 34 | 62.00 |
| 2019 | 3 | 99 | 36 | 32 | 59.93 |
| 2020 | 3 | 87 | 32 | 28 | 59.36 |
| 2021 | 2 | 76 | 28 | 24 | 62.29 |
| 2022 | 2 | 68 | 25 | 22 | 65.21 |
| 2023 | 2 | 61 | 22 | 19 | 68.14 |
| 2024 | 2 | 56 | 20 | 18 | 71.06 |
| 2025 | 2 | 51 | 19 | 16 | 73.98 |
| 2026 | 2 | 47 | 17 | 15 | 76.23 |
| 2027 | 2 | 43 | 16 | 14 | 77.70 |
| 2028 | 2 | 39 | 14 | 12 | 79.25 |
| 2029 | 2 | 36 | 13 | 11 | 80.84 |
| Sub. | | | 281 | 246 | 67.19 |
| Rem. | | | 24 | 21 | 83.47 |
| Tot. | | | 305 | 267 | 68.44 |

REVENUE AND EXPENSE FORECAST

Revenue Before Burdens

| Year | Working Interest | | | | Royalty Interest Total M\$ | Company Interest Total M\$ | Royalty Burdens Pre-Processing | | Gas Processing Allowance | | Total Royalty After Process. M\$ | Net Revenue After Royalty M\$ | Operating Expenses | | |
|-------------|------------------|----------|-------------|---------------|----------------------------|----------------------------|--------------------------------|-----------|--------------------------|-----------|----------------------------------|-------------------------------|--------------------|--------------|---------------|
| | Oil M\$ | Gas M\$ | NGL+Sul M\$ | Total M\$ | | | Crown M\$ | Other M\$ | Crown M\$ | Other M\$ | | | Fixed M\$ | Variable M\$ | Total M\$ |
| 2018 | 2,427 | 0 | 0 | 2,427 | 0 | 2,427 | 303 | 0 | 0 | 0 | 303 | 2,123 | 569 | 360 | 929 |
| 2019 | 2,164 | 0 | 0 | 2,164 | 0 | 2,164 | 270 | 0 | 0 | 0 | 270 | 1,893 | 613 | 339 | 951 |
| 2020 | 1,881 | 0 | 0 | 1,881 | 0 | 1,881 | 235 | 0 | 0 | 0 | 235 | 1,646 | 603 | 303 | 907 |
| 2021 | 1,733 | 0 | 0 | 1,733 | 0 | 1,733 | 217 | 0 | 0 | 0 | 217 | 1,517 | 594 | 272 | 866 |
| 2022 | 1,618 | 0 | 0 | 1,618 | 0 | 1,618 | 202 | 0 | 0 | 0 | 202 | 1,416 | 596 | 247 | 843 |
| 2023 | 1,513 | 0 | 0 | 1,513 | 0 | 1,513 | 189 | 0 | 0 | 0 | 189 | 1,324 | 594 | 226 | 820 |
| 2024 | 1,446 | 0 | 0 | 1,446 | 0 | 1,446 | 181 | 0 | 0 | 0 | 181 | 1,265 | 606 | 211 | 816 |
| 2025 | 1,378 | 0 | 0 | 1,378 | 0 | 1,378 | 172 | 0 | 0 | 0 | 172 | 1,206 | 617 | 197 | 814 |
| 2026 | 1,309 | 0 | 0 | 1,309 | 0 | 1,309 | 164 | 0 | 0 | 0 | 164 | 1,145 | 629 | 185 | 814 |
| 2027 | 1,233 | 0 | 0 | 1,233 | 0 | 1,233 | 154 | 0 | 0 | 0 | 154 | 1,079 | 641 | 175 | 815 |
| 2028 | 1,129 | 0 | 0 | 1,129 | 0 | 1,129 | 141 | 0 | 0 | 0 | 141 | 988 | 634 | 160 | 794 |
| 2029 | 1,053 | 0 | 0 | 1,053 | 0 | 1,053 | 132 | 0 | 0 | 0 | 132 | 921 | 639 | 149 | 788 |
| Sub. | 18,884 | 0 | 0 | 18,884 | 0 | 18,884 | 2,360 | 0 | 0 | 0 | 2,360 | 16,523 | 7,335 | 2,822 | 10,157 |
| Rem. | 1,966 | 0 | 0 | 1,966 | 0 | 1,966 | 246 | 0 | 0 | 0 | 246 | 1,720 | 1,342 | 278 | 1,620 |
| Tot. | 20,849 | 0 | 0 | 20,849 | 0 | 20,849 | 2,606 | 0 | 0 | 0 | 2,606 | 18,243 | 8,677 | 3,101 | 11,777 |
| Disc | 12,727 | 0 | 0 | 12,727 | 0 | 12,727 | 1,591 | 0 | 0 | 0 | 1,591 | 11,136 | 4,712 | 1,916 | 6,628 |

| Year | Mineral Tax M\$ | Capital Tax M\$ | NPI Burden M\$ | Net Prod'n Revenue M\$ | Other Income M\$ | Aband. & Oper. | | Net Capital Investment | | | | Before Tax Cash Flow | | | |
|-------------|-----------------|-----------------|----------------|------------------------|------------------|-----------------|--------------|------------------------|-----------|-----------|-----------|----------------------|--------------|---------------|--------------|
| | | | | | | Recl. Costs M\$ | Income M\$ | Dev. M\$ | Plant M\$ | Tang. M\$ | Total M\$ | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ | |
| 2018 | 0 | 0 | 0 | 1,194 | 0 | 0 | 1,194 | 39 | 0 | 0 | 0 | 39 | 1,155 | 1,155 | 1,101 |
| 2019 | 0 | 0 | 0 | 942 | 0 | 0 | 942 | 0 | 0 | 0 | 0 | 0 | 942 | 2,097 | 1,918 |
| 2020 | 0 | 0 | 0 | 739 | 0 | 0 | 739 | 0 | 0 | 0 | 0 | 0 | 739 | 2,836 | 2,500 |
| 2021 | 0 | 0 | 0 | 650 | 0 | 0 | 650 | 0 | 0 | 0 | 0 | 0 | 650 | 3,486 | 2,966 |
| 2022 | 0 | 0 | 0 | 573 | 0 | 0 | 573 | 0 | 0 | 0 | 0 | 0 | 573 | 4,060 | 3,339 |
| 2023 | 0 | 0 | 0 | 504 | 0 | 0 | 504 | 0 | 0 | 0 | 0 | 0 | 504 | 4,564 | 3,638 |
| 2024 | 0 | 0 | 0 | 449 | 0 | 11 | 438 | 0 | 0 | 0 | 0 | 0 | 438 | 5,002 | 3,874 |
| 2025 | 0 | 0 | 0 | 392 | 0 | 11 | 381 | 0 | 0 | 0 | 0 | 0 | 381 | 5,383 | 4,060 |
| 2026 | 0 | 0 | 0 | 331 | 0 | 0 | 331 | 0 | 0 | 0 | 0 | 0 | 331 | 5,714 | 4,207 |
| 2027 | 0 | 0 | 0 | 264 | 0 | 12 | 252 | 0 | 0 | 0 | 0 | 0 | 252 | 5,966 | 4,309 |
| 2028 | 0 | 0 | 0 | 194 | 0 | 0 | 194 | 0 | 0 | 0 | 0 | 0 | 194 | 6,160 | 4,380 |
| 2029 | 0 | 0 | 0 | 133 | 0 | 0 | 133 | 0 | 0 | 0 | 0 | 0 | 133 | 6,293 | 4,425 |
| Sub. | 0 | 0 | 0 | 6,366 | 0 | 34 | 6,332 | 39 | 0 | 0 | 0 | 39 | 6,293 | 6,293 | 4,425 |
| Rem. | 0 | 0 | 0 | 100 | 0 | 154 | -54 | 0 | 0 | 0 | 0 | 0 | -54 | 6,239 | 4,428 |
| Tot. | 0 | 0 | 0 | 6,466 | 0 | 188 | 6,278 | 39 | 0 | 0 | 39 | 6,239 | 6,239 | 6,239 | 4,428 |
| Disc | 0 | 0 | 0 | 4,508 | 0 | 43 | 4,465 | 37 | 0 | 0 | 37 | 4,428 | 4,428 | 4,428 | 4,428 |

AFTER TAX ANALYSIS

| Year | Oper. Income M\$ | Tax Pool Balances Incl. Current Year Additions | | | | | Depreciation & Writeoffs | | | | | Total M\$ |
|-------------|------------------|--|--------------|-----------------|-----------------|-----------|--------------------------|--------------|-----------------|-----------------|-----------|--------------|
| | | Tangible M\$ | Property M\$ | Development M\$ | Exploration M\$ | Other M\$ | Tangible M\$ | Property M\$ | Development M\$ | Exploration M\$ | Other M\$ | |
| 2018 | 1,194 | 8,388 | 0 | 39 | 0 | 0 | 1,637 | 0 | 12 | 0 | 0 | 1,648 |
| 2019 | 942 | 6,751 | 0 | 27 | 0 | 0 | 1,588 | 0 | 12 | 0 | 0 | 1,600 |
| 2020 | 739 | 5,163 | 0 | 16 | 0 | 0 | 1,542 | 0 | 12 | 0 | 0 | 1,554 |
| 2021 | 650 | 3,621 | 0 | 4 | 0 | 0 | 834 | 0 | 4 | 0 | 0 | 838 |
| 2022 | 573 | 2,787 | 0 | 0 | 0 | 0 | 775 | 0 | 0 | 0 | 0 | 775 |
| 2023 | 504 | 2,012 | 0 | 0 | 0 | 0 | 751 | 0 | 0 | 0 | 0 | 751 |
| 2024 | 438 | 1,261 | 0 | 0 | 0 | 0 | 316 | 0 | 0 | 0 | 0 | 316 |
| 2025 | 381 | 945 | 0 | 0 | 0 | 0 | 272 | 0 | 0 | 0 | 0 | 272 |
| 2026 | 331 | 673 | 0 | 0 | 0 | 0 | 232 | 0 | 0 | 0 | 0 | 232 |
| 2027 | 252 | 442 | 0 | 0 | 0 | 0 | 225 | 0 | 0 | 0 | 0 | 225 |
| 2028 | 194 | 217 | 0 | 0 | 0 | 0 | 139 | 0 | 0 | 0 | 0 | 139 |
| 2029 | 133 | 78 | 0 | 0 | 0 | 0 | 23 | 0 | 0 | 0 | 0 | 23 |
| Sub. | 6,332 | 78 | 0 | 0 | 0 | 0 | 8,333 | 0 | 39 | 0 | 0 | 8,373 |
| Rem. | -54 | 78 | 0 | 0 | 0 | 0 | 54 | 0 | 0 | 0 | 0 | 54 |
| Tot. | 6,278 | 78 | 0 | 0 | 0 | 0 | 8,388 | 0 | 39 | 0 | 0 | 8,427 |
| Disc | 4,465 | | | | | | 6,270 | 0 | 33 | 0 | 0 | 6,303 |

| Year | Taxable Income M\$ | Federal | | State | | Income Tax Payable M\$ | Net Cash Flow Before Income Tax | | | Net Cash Flow After Income Tax | | |
|-------------|--------------------|------------|----------------|----------------|---------------------------|------------------------|---------------------------------|--------------|---------------|--------------------------------|--------------|---------------|
| | | Tax Rate % | Income Tax M\$ | Income Tax M\$ | ARTD & Investment Credits | | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ |
| 2018 | -454 | 22.0 | 0 | 0 | 0 | 0 | 1,155 | 1,155 | 1,101 | 1,155 | 1,155 | 1,101 |
| 2019 | -658 | 22.0 | 0 | 0 | 0 | 0 | 942 | 2,097 | 1,918 | 942 | 2,097 | 1,918 |
| 2020 | -815 | 22.0 | 0 | 0 | 0 | 0 | 739 | 2,836 | 2,500 | 739 | 2,836 | 2,500 |
| 2021 | -188 | 22.0 | 0 | 0 | 0 | 0 | 650 | 3,486 | 2,966 | 650 | 3,486 | 2,966 |
| 2022 | -201 | 22.0 | 0 | 0 | 0 | 0 | 573 | 4,060 | 3,339 | 573 | 4,060 | 3,339 |
| 2023 | -247 | 22.0 | 0 | 0 | 0 | 0 | 504 | 4,564 | 3,638 | 504 | 4,564 | 3,638 |
| 2024 | 122 | 22.0 | 0 | 0 | 0 | 0 | 438 | 5,002 | 3,874 | 438 | 5,002 | 3,874 |
| 2025 | 109 | 22.0 | 0 | 0 | 0 | 0 | 381 | 5,383 | 4,060 | 381 | 5,383 | 4,060 |
| 2026 | 100 | 22.0 | 0 | 0 | 0 | 0 | 331 | 5,714 | 4,207 | 331 | 5,714 | 4,207 |
| 2027 | 27 | 22.0 | 0 | 0 | 0 | 0 | 252 | 5,966 | 4,309 | 252 | 5,966 | 4,309 |
| 2028 | 55 | 22.0 | 0 | 0 | 0 | 0 | 194 | 6,160 | 4,380 | 194 | 6,160 | 4,380 |
| 2029 | 110 | 22.0 | 24 | 0 | 0 | 24 | 133 | 6,293 | 4,425 | 109 | 6,269 | 4,417 |
| Sub. | -2,041 | | 24 | 0 | 0 | 24 | 6,293 | 6,293 | 4,425 | 6,269 | 6,269 | 4,417 |
| Rem. | -108 | | 11 | 0 | 0 | 11 | -54 | 6,239 | 4,428 | -65 | 6,203 | 4,416 |
| Tot. | -2,149 | | 36 | 0 | 0 | 36 | 6,239 | 6,239 | 4,428 | 6,203 | 6,203 | 4,416 |
| Disc | -1,838 | | 12 | 0 | 0 | 12 | 4,428 | 4,428 | 4,428 | 4,416 | 4,416 | 4,416 |

SUMMARY OF RESERVES

| Product | Units | Remaining Reserves at Jan 01, 2018 | | | | Oil Equivalents | | | Reserve Life Indic. (yr) | | |
|----------------|-------|------------------------------------|------------------|---------------|-----|-----------------|--------------|------------|--------------------------|------------|-----------|
| | | Working Interest | Roy/NPI Interest | Total Company | Net | Oil Eq. Factor | Company Mboe | % of Total | Reserve Life | Life Index | Half Life |
| Light/Med Oil | Mbbl | 305 | 0 | 305 | 267 | 1.000 | 305 | 100 | 17.0 | 7.8 | 4.7 |
| Total: Oil Eq. | Mboe | 305 | 0 | 305 | 267 | 1.000 | 305 | 100 | 17.0 | 7.8 | 4.7 |

PRODUCT REVENUE AND EXPENSES

| Product | Units | Average First Year Unit Values | | | | Net Revenue After Royalties | | | | | | | |
|----------------|--------|--------------------------------|---------------|----------------|-------------|-----------------------------|----------------|----------------|------------|------------|--------------|------------|--|
| | | Base Price | Price Adjust. | Wellhead Price | Net Burdens | Operating Expenses | Other Expenses | Prod'n Revenue | Undisc M\$ | % of Total | 10% Disc M\$ | % of Total | |
| Light/Med Oil | \$/bbl | 70.25 | -8.25 | 62.00 | 7.75 | 23.73 | 0.00 | 30.52 | 18,243 | 100 | 11,136 | 100 | |
| Total: Oil Eq. | \$/boe | 70.25 | -8.25 | 62.00 | 7.75 | 23.73 | 0.00 | 30.52 | 18,243 | 100 | 11,136 | 100 | |

REVENUE BURDENS AND NET PRESENT VALUE SUMMARY

| Revenue Burdens (%) | Net Present Value Before Income Tax | | | | | | Net Present Value After Income Tax | | | | | |
|---------------------|-------------------------------------|---------|--------------|--------------------|----------------------|---------------------|------------------------------------|--------|----------------------|---------------------|-----------|--------|
| | Revenue Burdens (%) | | Disc. Rate % | Prod'n Revenue M\$ | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | |
| | Initial | Average | | | | | M\$ | \$/boe | | | M\$ | \$/boe |
| Crown Royalty | 12.5000 | 12.5000 | 0 | 6,466 | 6,278 | 39 | 6,239 | 20.48 | 6,243 | 39 | 6,203 | 20.36 |
| Non-crown Royalty | 0.0000 | 0.0000 | 5 | 5,318 | 5,232 | 38 | 5,194 | 17.05 | 5,212 | 38 | 5,174 | 16.99 |
| Mineral Tax | 0.0000 | 0.0000 | 8 | 4,801 | 4,745 | 38 | 4,707 | 15.45 | 4,730 | 38 | 4,693 | 15.40 |
| | | | 10 | 4,508 | 4,465 | 37 | 4,428 | 14.53 | 4,453 | 37 | 4,416 | 14.50 |
| | | | 12 | 4,249 | 4,216 | 37 | 4,179 | 13.72 | 4,207 | 37 | 4,169 | 13.69 |
| | | | 15 | 3,914 | 3,891 | 37 | 3,854 | 12.65 | 3,884 | 37 | 3,847 | 12.63 |
| | | | 20 | 3,465 | 3,451 | 36 | 3,415 | 11.21 | 3,447 | 36 | 3,411 | 11.20 |

Evaluator: Olenick, Patrick A.
Run Date: April 05, 2018 09:52:11

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary with After Tax**
 Currency: **US Dollars**

Reserve Class: **Possible**
 Development Class: **Total**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Economic Forecast

PRODUCTION FORECAST

Light & Medium Oil Production

| Year | Company Oil Wells | Company Daily bbl/d | Company Yearly Mbbl | Net Yearly Mbbl | Price \$/bbl |
|-------------|-------------------|---------------------|---------------------|-----------------|--------------|
| 2018 | 0 | 1 | 0 | 0 | 62.00 |
| 2019 | 0 | 2 | 1 | 1 | 59.93 |
| 2020 | 0 | 4 | 1 | 1 | 59.36 |
| 2021 | 0 | 6 | 2 | 2 | 62.29 |
| 2022 | 0 | 6 | 2 | 2 | 65.20 |
| 2023 | 0 | 6 | 2 | 2 | 68.14 |
| 2024 | 0 | 5 | 2 | 2 | 71.06 |
| 2025 | 0 | 6 | 2 | 2 | 73.98 |
| 2026 | 0 | 6 | 2 | 2 | 76.23 |
| 2027 | 0 | 6 | 2 | 2 | 77.70 |
| 2028 | 0 | 7 | 3 | 2 | 79.25 |
| 2029 | 0 | 8 | 3 | 2 | 80.84 |
| Sub. | | | 22 | 20 | 71.78 |
| Rem. | | | 42 | 37 | 87.05 |
| Tot. | | | 64 | 56 | 81.74 |

REVENUE AND EXPENSE FORECAST

Revenue Before Burdens

| Year | Working Interest | | | | Royalty Interest Total M\$ | Company Interest Total M\$ | Royalty Burdens Pre-Processing | | Gas Processing Allowance | | Total Royalty After Process. M\$ | Net Revenue After Royalty M\$ | Operating Expenses | | |
|-------------|------------------|----------|-------------|--------------|----------------------------|----------------------------|--------------------------------|-----------|--------------------------|-----------|----------------------------------|-------------------------------|--------------------|--------------|--------------|
| | Oil M\$ | Gas M\$ | NGL+Sul M\$ | Total M\$ | | | Crown M\$ | Other M\$ | Crown M\$ | Other M\$ | | | Fixed M\$ | Variable M\$ | Total M\$ |
| 2018 | 20 | 0 | 0 | 20 | 0 | 20 | 3 | 0 | 0 | 0 | 3 | 18 | 0 | 3 | 3 |
| 2019 | 54 | 0 | 0 | 54 | 0 | 54 | 7 | 0 | 0 | 0 | 7 | 47 | 1 | 8 | 9 |
| 2020 | 77 | 0 | 0 | 77 | 0 | 77 | 10 | 0 | 0 | 0 | 10 | 67 | 1 | 12 | 13 |
| 2021 | 126 | 0 | 0 | 126 | 0 | 126 | 16 | 0 | 0 | 0 | 16 | 111 | 21 | 20 | 41 |
| 2022 | 134 | 0 | 0 | 134 | 0 | 134 | 17 | 0 | 0 | 0 | 17 | 117 | 12 | 20 | 32 |
| 2023 | 145 | 0 | 0 | 145 | 0 | 145 | 18 | 0 | 0 | 0 | 18 | 127 | 12 | 22 | 33 |
| 2024 | 137 | 0 | 0 | 137 | 0 | 137 | 17 | 0 | 0 | 0 | 17 | 120 | 2 | 20 | 22 |
| 2025 | 149 | 0 | 0 | 149 | 0 | 149 | 19 | 0 | 0 | 0 | 19 | 130 | 3 | 21 | 24 |
| 2026 | 158 | 0 | 0 | 158 | 0 | 158 | 20 | 0 | 0 | 0 | 20 | 139 | 3 | 22 | 25 |
| 2027 | 165 | 0 | 0 | 165 | 0 | 165 | 21 | 0 | 0 | 0 | 21 | 144 | 3 | 23 | 27 |
| 2028 | 211 | 0 | 0 | 211 | 0 | 211 | 26 | 0 | 0 | 0 | 26 | 185 | 23 | 30 | 53 |
| 2029 | 229 | 0 | 0 | 229 | 0 | 229 | 29 | 0 | 0 | 0 | 29 | 200 | 31 | 32 | 63 |
| Sub. | 1,606 | 0 | 0 | 1,606 | 0 | 1,606 | 201 | 0 | 0 | 0 | 201 | 1,405 | 112 | 235 | 347 |
| Rem. | 3,651 | 0 | 0 | 3,651 | 0 | 3,651 | 456 | 0 | 0 | 0 | 456 | 3,194 | 2,177 | 517 | 2,693 |
| Tot. | 5,256 | 0 | 0 | 5,256 | 0 | 5,256 | 657 | 0 | 0 | 0 | 657 | 4,599 | 2,288 | 752 | 3,040 |
| Disc | 1,688 | 0 | 0 | 1,688 | 0 | 1,688 | 211 | 0 | 0 | 0 | 211 | 1,477 | 553 | 244 | 797 |

| Year | Mineral Tax M\$ | Capital Tax M\$ | NPI Burden M\$ | Net Prod'n Revenue M\$ | Other Income M\$ | Aband. & Oper. | | Net Capital Investment | | | | Before Tax Cash Flow | | | |
|-------------|-----------------|-----------------|----------------|------------------------|------------------|-----------------|--------------|------------------------|-----------|-----------|-----------|----------------------|--------------|---------------|------------|
| | | | | | | Recl. Costs M\$ | Income M\$ | Dev. M\$ | Plant M\$ | Tang. M\$ | Total M\$ | Annual M\$ | Cum. M\$ | 10.0% Def M\$ | |
| 2018 | 0 | 0 | 0 | 15 | 0 | 0 | 15 | 0 | 0 | 0 | 0 | 0 | 15 | 15 | 14 |
| 2019 | 0 | 0 | 0 | 38 | 0 | 0 | 38 | 0 | 0 | 0 | 0 | 0 | 38 | 53 | 47 |
| 2020 | 0 | 0 | 0 | 54 | 0 | 0 | 54 | 0 | 0 | 0 | 0 | 0 | 54 | 107 | 89 |
| 2021 | 0 | 0 | 0 | 69 | 0 | 0 | 69 | 0 | 0 | 0 | 0 | 0 | 69 | 176 | 139 |
| 2022 | 0 | 0 | 0 | 85 | 0 | 0 | 85 | 0 | 0 | 0 | 0 | 0 | 85 | 261 | 194 |
| 2023 | 0 | 0 | 0 | 93 | 0 | 0 | 93 | 0 | 0 | 0 | 0 | 0 | 93 | 354 | 250 |
| 2024 | 0 | 0 | 0 | 98 | 0 | 0 | 98 | 0 | 0 | 0 | 0 | 0 | 98 | 452 | 302 |
| 2025 | 0 | 0 | 0 | 106 | 0 | -11 | 118 | 0 | 0 | 0 | 0 | 0 | 118 | 569 | 360 |
| 2026 | 0 | 0 | 0 | 113 | 0 | 11 | 102 | 0 | 0 | 0 | 0 | 0 | 102 | 671 | 405 |
| 2027 | 0 | 0 | 0 | 118 | 0 | -12 | 129 | 0 | 0 | 0 | 0 | 0 | 129 | 800 | 457 |
| 2028 | 0 | 0 | 0 | 132 | 0 | 12 | 120 | 0 | 0 | 0 | 0 | 0 | 120 | 921 | 501 |
| 2029 | 0 | 0 | 0 | 137 | 0 | 0 | 137 | 0 | 0 | 0 | 0 | 0 | 137 | 1,058 | 547 |
| Sub. | 0 | 0 | 0 | 1,058 | 0 | 0 | 1,058 | 0 | 0 | 0 | 0 | 0 | 1,058 | 1,058 | 547 |
| Rem. | 0 | 0 | 0 | 501 | 0 | 10 | 491 | 0 | 0 | 0 | 0 | 0 | 491 | 1,549 | 687 |
| Tot. | 0 | 0 | 0 | 1,559 | 0 | 10 | 1,549 | 0 | 0 | 0 | 0 | 0 | 1,549 | 1,549 | 687 |
| Disc | 0 | 0 | 0 | 680 | 0 | -6 | 687 | 0 | 0 | 0 | 0 | 0 | 687 | 687 | 687 |

SUMMARY OF RESERVES

| Product | Units | Remaining Reserves at Jan 01, 2018 | | | | Oil Equivalents | | | Reserve Life Indic. (yr) | | |
|----------------|-------|------------------------------------|------------------|---------------|-----|-----------------|--------------|------------|--------------------------|------------|-----------|
| | | Working Interest | Roy/NPI Interest | Total Company | Net | Oil Eq. Factor | Company Mboe | % of Total | Reserve Life | Life Index | Half Life |
| Light/Med Oil | Mbbl | 64 | 0 | 64 | 56 | 1.000 | 64 | 100 | 21.0 | 196.7 | 14.3 |
| Total: Oil Eq. | Mboe | 64 | 0 | 64 | 56 | 1.000 | 64 | 100 | 21.0 | 196.7 | 14.3 |

PRODUCT REVENUE AND EXPENSES

| Product | Units | Average First Year Unit Values | | | | | Net Revenue After Royalties | | | | | |
|----------------|--------|--------------------------------|---------------|----------------|-------------|--------------------|-----------------------------|----------------|------------|------------|--------------|------------|
| | | Base Price | Price Adjust. | Wellhead Price | Net Burdens | Operating Expenses | Other Expenses | Prod'n Revenue | Undisc M\$ | % of Total | 10% Disc M\$ | % of Total |
| Light/Med Oil | \$/bbl | 70.25 | -8.25 | 62.00 | 7.75 | 9.88 | 0.00 | 44.37 | 4,599 | 100 | 1,477 | 100 |
| Total: Oil Eq. | \$/boe | 70.25 | -8.25 | 62.00 | 7.75 | 9.88 | 0.00 | 44.37 | 4,599 | 100 | 1,477 | 100 |

REVENUE BURDENS AND NET PRESENT VALUE SUMMARY

| | Net Present Value Before Income Tax | | | | | | | | | |
|-------------------|-------------------------------------|---------|----|--------------|--------------------|----------------------|---------------------|-----------|--------|--|
| | Revenue Burdens (%) | | | Disc. Rate % | Prod'n Revenue M\$ | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | | |
| | Initial | Average | | | | | | M\$ | \$/boe | |
| Crown Royalty | 12.5000 | 12.5000 | 0 | 1,559 | 1,549 | 0 | 1,549 | 24.09 | | |
| Non-crown Royalty | 0.0000 | 0.0000 | 5 | 1,001 | 1,007 | 0 | 1,007 | 15.65 | | |
| Mineral Tax | 0.0000 | 0.0000 | 8 | 789 | 796 | 0 | 796 | 12.37 | | |
| | | | 10 | 680 | 687 | 0 | 687 | 10.68 | | |
| | | | 12 | 592 | 597 | 0 | 597 | 9.29 | | |
| | | | 15 | 487 | 491 | 0 | 491 | 7.64 | | |
| | | | 20 | 363 | 366 | 0 | 366 | 5.70 | | |

Evaluator: Olenick, Patrick A.
Run Date: April 05, 2018 09:52:30

Company: **Park Place Energy Inc.**
 Property: **Corporate**
 Description: **Summary with After Tax**
 Currency: **US Dollars**

Reserve Class: **PPP**
 Development Class: **Total**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Economic Forecast

PRODUCTION FORECAST

Light & Medium Oil Production

| Year | Company Oil Wells | Company Daily bbl/d | Company Yearly Mbbl | Net Yearly Mbbl | Price \$/bbl |
|-------------|-------------------|---------------------|---------------------|-----------------|--------------|
| 2018 | 3 | 108 | 39 | 35 | 62.00 |
| 2019 | 3 | 101 | 37 | 32 | 59.93 |
| 2020 | 3 | 90 | 33 | 29 | 59.36 |
| 2021 | 3 | 82 | 30 | 26 | 62.29 |
| 2022 | 2 | 74 | 27 | 24 | 65.21 |
| 2023 | 2 | 67 | 24 | 21 | 68.14 |
| 2024 | 2 | 61 | 22 | 19 | 71.06 |
| 2025 | 2 | 57 | 21 | 18 | 73.98 |
| 2026 | 2 | 53 | 19 | 17 | 76.23 |
| 2027 | 2 | 49 | 18 | 16 | 77.70 |
| 2028 | 2 | 46 | 17 | 15 | 79.25 |
| 2029 | 2 | 43 | 16 | 14 | 80.84 |
| Sub. | | | 303 | 266 | 67.52 |
| Rem. | | | 65 | 57 | 85.76 |
| Tot. | | | 369 | 323 | 70.76 |

REVENUE AND EXPENSE FORECAST

Revenue Before Burdens

| Year | Working Interest | | | | Royalty Interest Total M\$ | Company Interest Total M\$ | Royalty Burdens Pre-Processing | | Gas Processing Allowance | | Total Royalty After Process. M\$ | Net Revenue After Royalty M\$ | Operating Expenses | | |
|-------------|------------------|----------|-------------|---------------|----------------------------|----------------------------|--------------------------------|-----------|--------------------------|-----------|----------------------------------|-------------------------------|--------------------|--------------|---------------|
| | Oil M\$ | Gas M\$ | NGL+Sul M\$ | Total M\$ | | | Crown M\$ | Other M\$ | Crown M\$ | Other M\$ | | | Fixed M\$ | Variable M\$ | Total M\$ |
| 2018 | 2,447 | 0 | 0 | 2,447 | 0 | 2,447 | 306 | 0 | 0 | 0 | 306 | 2,141 | 569 | 363 | 932 |
| 2019 | 2,218 | 0 | 0 | 2,218 | 0 | 2,218 | 277 | 0 | 0 | 0 | 277 | 1,941 | 613 | 347 | 961 |
| 2020 | 1,958 | 0 | 0 | 1,958 | 0 | 1,958 | 245 | 0 | 0 | 0 | 245 | 1,713 | 604 | 316 | 920 |
| 2021 | 1,859 | 0 | 0 | 1,859 | 0 | 1,859 | 232 | 0 | 0 | 0 | 232 | 1,627 | 616 | 291 | 907 |
| 2022 | 1,752 | 0 | 0 | 1,752 | 0 | 1,752 | 219 | 0 | 0 | 0 | 219 | 1,533 | 607 | 268 | 875 |
| 2023 | 1,658 | 0 | 0 | 1,658 | 0 | 1,658 | 207 | 0 | 0 | 0 | 207 | 1,450 | 606 | 247 | 853 |
| 2024 | 1,583 | 0 | 0 | 1,583 | 0 | 1,583 | 198 | 0 | 0 | 0 | 198 | 1,385 | 608 | 231 | 839 |
| 2025 | 1,527 | 0 | 0 | 1,527 | 0 | 1,527 | 191 | 0 | 0 | 0 | 191 | 1,336 | 620 | 218 | 838 |
| 2026 | 1,467 | 0 | 0 | 1,467 | 0 | 1,467 | 183 | 0 | 0 | 0 | 183 | 1,284 | 632 | 207 | 839 |
| 2027 | 1,398 | 0 | 0 | 1,398 | 0 | 1,398 | 175 | 0 | 0 | 0 | 175 | 1,223 | 644 | 198 | 842 |
| 2028 | 1,341 | 0 | 0 | 1,341 | 0 | 1,341 | 168 | 0 | 0 | 0 | 168 | 1,173 | 657 | 190 | 847 |
| 2029 | 1,282 | 0 | 0 | 1,282 | 0 | 1,282 | 160 | 0 | 0 | 0 | 160 | 1,121 | 670 | 181 | 851 |
| Sub. | 20,489 | 0 | 0 | 20,489 | 0 | 20,489 | 2,561 | 0 | 0 | 0 | 2,561 | 17,928 | 7,446 | 3,057 | 10,504 |
| Rem. | 5,616 | 0 | 0 | 5,616 | 0 | 5,616 | 702 | 0 | 0 | 0 | 702 | 4,914 | 3,519 | 795 | 4,314 |
| Tot. | 26,106 | 0 | 0 | 26,106 | 0 | 26,106 | 3,263 | 0 | 0 | 0 | 3,263 | 22,843 | 10,965 | 3,852 | 14,817 |
| Disc | 14,415 | 0 | 0 | 14,415 | 0 | 14,415 | 1,802 | 0 | 0 | 0 | 1,802 | 12,613 | 5,265 | 2,160 | 7,425 |

| Year | Mineral Tax M\$ | Capital Tax M\$ | NPI Burden M\$ | Net Prod'n Revenue M\$ | Other Income M\$ | Aband. & Oper. | | Net Capital Investment | | | Before Tax Cash Flow | | | |
|-------------|-----------------|-----------------|----------------|------------------------|------------------|-----------------|--------------|------------------------|-----------|-----------|----------------------|--------------|--------------|---------------|
| | | | | | | Recl. Costs M\$ | Income M\$ | Dev. M\$ | Plant M\$ | Tang. M\$ | Total M\$ | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ |
| 2018 | 0 | 0 | 0 | 1,209 | 0 | 0 | 1,209 | 39 | 0 | 0 | 39 | 1,170 | 1,170 | 1,115 |
| 2019 | 0 | 0 | 0 | 980 | 0 | 0 | 980 | 0 | 0 | 0 | 0 | 980 | 2,150 | 1,965 |
| 2020 | 0 | 0 | 0 | 793 | 0 | 0 | 793 | 0 | 0 | 0 | 0 | 793 | 2,943 | 2,590 |
| 2021 | 0 | 0 | 0 | 720 | 0 | 0 | 720 | 0 | 0 | 0 | 0 | 720 | 3,662 | 3,105 |
| 2022 | 0 | 0 | 0 | 658 | 0 | 0 | 658 | 0 | 0 | 0 | 0 | 658 | 4,321 | 3,534 |
| 2023 | 0 | 0 | 0 | 597 | 0 | 0 | 597 | 0 | 0 | 0 | 0 | 597 | 4,918 | 3,887 |
| 2024 | 0 | 0 | 0 | 547 | 0 | 11 | 536 | 0 | 0 | 0 | 0 | 536 | 5,454 | 4,176 |
| 2025 | 0 | 0 | 0 | 498 | 0 | 0 | 498 | 0 | 0 | 0 | 0 | 498 | 5,952 | 4,420 |
| 2026 | 0 | 0 | 0 | 444 | 0 | 11 | 433 | 0 | 0 | 0 | 0 | 433 | 6,385 | 4,612 |
| 2027 | 0 | 0 | 0 | 381 | 0 | 0 | 381 | 0 | 0 | 0 | 0 | 381 | 6,766 | 4,766 |
| 2028 | 0 | 0 | 0 | 326 | 0 | 12 | 314 | 0 | 0 | 0 | 0 | 314 | 7,081 | 4,882 |
| 2029 | 0 | 0 | 0 | 270 | 0 | 0 | 270 | 0 | 0 | 0 | 0 | 270 | 7,351 | 4,972 |
| Sub. | 0 | 0 | 0 | 7,424 | 0 | 34 | 7,390 | 39 | 0 | 0 | 39 | 7,351 | 7,351 | 4,972 |
| Rem. | 0 | 0 | 0 | 601 | 0 | 163 | 437 | 0 | 0 | 0 | 0 | 437 | 7,788 | 5,114 |
| Tot. | 0 | 0 | 0 | 8,025 | 0 | 198 | 7,827 | 39 | 0 | 0 | 39 | 7,788 | 7,788 | 5,114 |
| Disc | 0 | 0 | 0 | 5,188 | 0 | 37 | 5,152 | 37 | 0 | 0 | 37 | 5,114 | 5,114 | 5,114 |

AFTER TAX ANALYSIS

| Year | Oper. Income M\$ | Tax Pool Balances Incl. Current Year Additions | | | | | Depreciation & Writeoffs | | | | | Total M\$ |
|-------------|------------------|--|--------------|-----------------|-----------------|-----------|--------------------------|--------------|-----------------|-----------------|-----------|--------------|
| | | Tangible M\$ | Property M\$ | Development M\$ | Exploration M\$ | Other M\$ | Tangible M\$ | Property M\$ | Development M\$ | Exploration M\$ | Other M\$ | |
| 2018 | 1,209 | 8,388 | 0 | 39 | 0 | 0 | 1,637 | 0 | 12 | 0 | 0 | 1,648 |
| 2019 | 980 | 6,751 | 0 | 27 | 0 | 0 | 1,588 | 0 | 12 | 0 | 0 | 1,600 |
| 2020 | 793 | 5,163 | 0 | 16 | 0 | 0 | 1,542 | 0 | 12 | 0 | 0 | 1,554 |
| 2021 | 720 | 3,621 | 0 | 4 | 0 | 0 | 834 | 0 | 4 | 0 | 0 | 838 |
| 2022 | 658 | 2,787 | 0 | 0 | 0 | 0 | 775 | 0 | 0 | 0 | 0 | 775 |
| 2023 | 597 | 2,012 | 0 | 0 | 0 | 0 | 751 | 0 | 0 | 0 | 0 | 751 |
| 2024 | 536 | 1,261 | 0 | 0 | 0 | 0 | 316 | 0 | 0 | 0 | 0 | 316 |
| 2025 | 498 | 945 | 0 | 0 | 0 | 0 | 272 | 0 | 0 | 0 | 0 | 272 |
| 2026 | 433 | 673 | 0 | 0 | 0 | 0 | 232 | 0 | 0 | 0 | 0 | 232 |
| 2027 | 381 | 442 | 0 | 0 | 0 | 0 | 225 | 0 | 0 | 0 | 0 | 225 |
| 2028 | 314 | 217 | 0 | 0 | 0 | 0 | 139 | 0 | 0 | 0 | 0 | 139 |
| 2029 | 270 | 78 | 0 | 0 | 0 | 0 | 23 | 0 | 0 | 0 | 0 | 23 |
| Sub. | 7,390 | 78 | 0 | 0 | 0 | 0 | 8,333 | 0 | 39 | 0 | 0 | 8,373 |
| Rem. | 437 | 78 | 0 | 0 | 0 | 0 | 54 | 0 | 0 | 0 | 0 | 54 |
| Tot. | 7,827 | 78 | 0 | 0 | 0 | 0 | 8,388 | 0 | 39 | 0 | 0 | 8,427 |
| Disc | 5,152 | | | | | | 6,270 | 0 | 33 | 0 | 0 | 6,303 |

| Year | Taxable Income M\$ | Federal | | State | | Income Tax Payable M\$ | Net Cash Flow Before Income Tax | | | Net Cash Flow After Income Tax | | |
|-------------|--------------------|------------|----------------|----------------|---------------------------|------------------------|---------------------------------|--------------|---------------|--------------------------------|--------------|---------------|
| | | Tax Rate % | Income Tax M\$ | Income Tax M\$ | ARTD & Investment Credits | | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ |
| 2018 | -439 | 22.0 | 0 | 0 | 0 | 0 | 1,170 | 1,170 | 1,115 | 1,170 | 1,170 | 1,115 |
| 2019 | -620 | 22.0 | 0 | 0 | 0 | 0 | 980 | 2,150 | 1,965 | 980 | 2,150 | 1,965 |
| 2020 | -761 | 22.0 | 0 | 0 | 0 | 0 | 793 | 2,943 | 2,590 | 793 | 2,943 | 2,590 |
| 2021 | -118 | 22.0 | 0 | 0 | 0 | 0 | 720 | 3,662 | 3,105 | 720 | 3,662 | 3,105 |
| 2022 | -116 | 22.0 | 0 | 0 | 0 | 0 | 658 | 4,321 | 3,534 | 658 | 4,321 | 3,534 |
| 2023 | -154 | 22.0 | 0 | 0 | 0 | 0 | 597 | 4,918 | 3,887 | 597 | 4,918 | 3,887 |
| 2024 | 220 | 22.0 | 0 | 0 | 0 | 0 | 536 | 5,454 | 4,176 | 536 | 5,454 | 4,176 |
| 2025 | 227 | 22.0 | 0 | 0 | 0 | 0 | 498 | 5,952 | 4,420 | 498 | 5,952 | 4,420 |
| 2026 | 201 | 22.0 | 0 | 0 | 0 | 0 | 433 | 6,385 | 4,612 | 433 | 6,385 | 4,612 |
| 2027 | 156 | 22.0 | 0 | 0 | 0 | 0 | 381 | 6,766 | 4,766 | 381 | 6,766 | 4,766 |
| 2028 | 175 | 22.0 | 32 | 0 | 0 | 32 | 314 | 7,081 | 4,882 | 283 | 7,049 | 4,870 |
| 2029 | 247 | 22.0 | 54 | 0 | 0 | 54 | 270 | 7,351 | 4,972 | 216 | 7,265 | 4,942 |
| Sub. | -983 | | 86 | 0 | 0 | 86 | 7,351 | 7,351 | 4,972 | 7,265 | 7,265 | 4,942 |
| Rem. | 383 | | 119 | 0 | 0 | 119 | 437 | 7,788 | 5,114 | 318 | 7,583 | 5,052 |
| Tot. | -600 | | 206 | 0 | 0 | 206 | 7,788 | 7,788 | 5,114 | 7,583 | 7,583 | 5,052 |
| Disc | -1,152 | | 62 | 0 | 0 | 62 | 5,114 | 5,114 | 5,114 | 5,052 | 5,052 | 5,052 |

SUMMARY OF RESERVES

| Product | Units | Remaining Reserves at Jan 01, 2018 | | | | | Oil Equivalents | | | Reserve Life Indic. (yr) | | |
|----------------|-------|------------------------------------|------------------|---------------|-----|----------------|-----------------|------------|--------------|--------------------------|-----------|-----|
| | | Working Interest | Roy/NPI Interest | Total Company | Net | Oil Eq. Factor | Company Mboe | % of Total | Reserve Life | Life Index | Half Life | |
| | | Light/Med Oil | Mbbl | 369 | 0 | 369 | 323 | 1.000 | 369 | 100 | 21.0 | 9.3 |
| Total: Oil Eq. | Mboe | 369 | 0 | 369 | 323 | 1.000 | 369 | 100 | 21.0 | 9.3 | 5.8 | |

PRODUCT REVENUE AND EXPENSES

| Product | Units | Average First Year Unit Values | | | | | Net Revenue After Royalties | | | | | | |
|----------------|--------|--------------------------------|---------------|----------------|-------------|--------------------|-----------------------------|----------------|------------|------------|--------------|------------|--|
| | | Base Price | Price Adjust. | Wellhead Price | Net Burdens | Operating Expenses | Other Expenses | Prod'n Revenue | Undisc M\$ | % of Total | 10% Disc M\$ | % of Total | |
| Light/Med Oil | \$/bbl | 70.25 | -8.25 | 62.00 | 7.75 | 23.62 | 0.00 | 30.63 | 22,843 | 100 | 12,613 | 100 | |
| Total: Oil Eq. | \$/boe | 70.25 | -8.25 | 62.00 | 7.75 | 23.62 | 0.00 | 30.63 | 22,843 | 100 | 12,613 | 100 | |

REVENUE BURDENS AND NET PRESENT VALUE SUMMARY

| Revenue Burdens (%) | Net Present Value Before Income Tax | | | | | | Net Present Value After Income Tax | | | | | |
|---------------------|-------------------------------------|---------|--------------|--------------------|----------------------|---------------------|------------------------------------|--------|----------------------|---------------------|-----------|--------|
| | Revenue Burdens (%) | | Disc. Rate % | Prod'n Revenue M\$ | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | |
| | Initial | Average | | | | | M\$ | \$/boe | | | M\$ | \$/boe |
| Crown Royalty | 12.5000 | 12.5000 | 0 | 8,025 | 7,827 | 39 | 7,788 | 21.11 | 7,622 | 39 | 7,583 | 20.55 |
| Non-crown Royalty | 0.0000 | 0.0000 | 5 | 6,319 | 6,239 | 38 | 6,201 | 16.81 | 6,128 | 38 | 6,090 | 16.51 |
| Mineral Tax | 0.0000 | 0.0000 | 8 | 5,590 | 5,540 | 38 | 5,502 | 14.91 | 5,462 | 38 | 5,424 | 14.70 |
| | | | 10 | 5,188 | 5,152 | 37 | 5,114 | 13.86 | 5,089 | 37 | 5,052 | 13.69 |
| | | | 12 | 4,841 | 4,813 | 37 | 4,776 | 12.95 | 4,763 | 37 | 4,726 | 12.81 |
| | | | 15 | 4,401 | 4,382 | 37 | 4,345 | 11.78 | 4,346 | 37 | 4,309 | 11.68 |
| | | | 20 | 3,828 | 3,818 | 36 | 3,782 | 10.25 | 3,796 | 36 | 3,760 | 10.19 |

Evaluator: Olenick, Patrick A.
Run Date: April 05, 2018 09:52:30

APPENDIX I
CERTIFICATES OF QUALIFICATION

Patrick A. Olenick
Graham P. Simpson

CERTIFICATION OF QUALIFICATION

I, Patrick A. Olenick, Professional Engineer, 4100, 400 - 3rd Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. That I am an employee of GLJ Petroleum Consultants Ltd., which company did prepare a detailed analysis of Turkish oil and gas properties of Park Place Energy Inc. (the “Company”). The effective date of this evaluation is December 31, 2017.
2. That I do not have, nor do I expect to receive any direct or indirect interest in the securities of the Company or its affiliated companies.
3. That I attended the University of Calgary where I graduated with a Bachelor of Science Degree in Mechanical Engineering in 2003; that I am a Registered Professional Engineer in the Province of Alberta; and, that I have in excess of sixteen years experience in engineering studies relating to oil and gas fields.
4. That a personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from public information and records, the files of the Company, and the appropriate provincial regulatory authorities.



CERTIFICATION OF QUALIFICATION

I, Graham P. Simpson, Professional Geoscientist, 4100, 400 - 3rd Avenue S.W., Calgary, Alberta, Canada hereby certify:

1. That I am an employee of GLJ Petroleum Consultants Ltd., which company did prepare a detailed analysis of Turkish oil and gas properties of Park Place Energy Inc. (the “Company”). The effective date of this evaluation is December 31, 2017.
2. That I do not have, nor do I expect to receive any direct or indirect interest in the securities of the Company or its affiliated companies.
3. That I attended the University of Calgary where I graduated with a Doctorate Degree in Geology in 1999; that I am a Registered Professional Geoscientist in the Province of Alberta; and, that I have in excess of twenty-five years experience in geological studies relating to oil and gas fields.
4. That a personal field inspection of the properties was not made; however, such an inspection was not considered necessary in view of the information available from public information and records, the files of the Company, and the appropriate provincial regulatory authorities.



PARK PLACE ENERGY INC.

CENDERE

Effective December 31, 2017

Prepared by
Katherine Unick
Patrick A. Olenick, P. Eng.

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Company: **Park Place Energy Inc.**
 Property: **Cendere**
 Currency: **\$US Dollars**

Reserve Class: **Various**
 Development Class: **Classifications**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Summary of Reserves and Values

| | Proved Producing | Proved Developed Non- Producing | Proved Undeveloped | Total Proved | Proved Plus Probable Producing | Proved Plus Developed Non- Producing | Proved Plus Probable Undeveloped | Total Proved Plus Probable |
|---|---------------------|--|-----------------------|-----------------|---|--|---|-------------------------------------|
| MARKETABLE RESERVES | | | | | | | | |
| Light & Medium Oil (Mbbbl) | | | | | | | | |
| Gross Lease | 1,383 | 44 | 0 | 1,428 | 1,763 | 60 | 0 | 1,823 |
| Total Company Interest | 228 | 9 | 0 | 237 | 293 | 12 | 0 | 305 |
| Net After Royalty | 200 | 8 | 0 | 207 | 256 | 10 | 0 | 267 |
| Oil Equivalent (Mboe) | | | | | | | | |
| Gross Lease | 1,383 | 44 | 0 | 1,428 | 1,763 | 60 | 0 | 1,823 |
| Total Company Interest | 228 | 9 | 0 | 237 | 293 | 12 | 0 | 305 |
| Net After Royalty | 200 | 8 | 0 | 207 | 256 | 10 | 0 | 267 |
| BEFORE TAX PRESENT VALUE (M\$) | | | | | | | | |
| 0% | 4,542 | 76 | 0 | 4,618 | 6,103 | 136 | 0 | 6,239 |
| 5% | 3,976 | 63 | 0 | 4,039 | 5,089 | 105 | 0 | 5,194 |
| 8% | 3,694 | 56 | 0 | 3,751 | 4,617 | 90 | 0 | 4,707 |
| 10% | 3,527 | 52 | 0 | 3,579 | 4,346 | 82 | 0 | 4,428 |
| 12% | 3,374 | 48 | 0 | 3,421 | 4,105 | 74 | 0 | 4,179 |
| 15% | 3,168 | 43 | 0 | 3,210 | 3,790 | 65 | 0 | 3,854 |
| 20% | 2,877 | 35 | 0 | 2,912 | 3,364 | 52 | 0 | 3,415 |
| FIRST 6 YEARS BEFORE TAX CASH FLOW (M\$) | | | | | | | | |
| 2018 | 1,157 | -27 | 0 | 1,130 | 1,182 | -27 | 0 | 1,155 |
| 2019 | 847 | 33 | 0 | 879 | 906 | 36 | 0 | 942 |
| 2020 | 633 | 17 | 0 | 651 | 716 | 23 | 0 | 739 |
| 2021 | 526 | 15 | 0 | 541 | 633 | 17 | 0 | 650 |
| 2022 | 433 | 14 | 0 | 447 | 557 | 16 | 0 | 573 |
| 2023 | 347 | 12 | 0 | 359 | 489 | 15 | 0 | 504 |

BOE Factors: HVY OIL 1.0 RES GAS 6.0 PROPANE 1.0 ETHANE 1.0
 COND 1.0 SLN GAS 6.0 BUTANE 1.0 SULPHUR 0.0

Run Date: March 21, 2018 08:01:57

1181620 Class (A,B1,B2,C,G,H1,H2,I), GLJ (2018-01), psum

March 23, 2018 09:04:00

Company: **Park Place Energy Inc.**
 Property: **Cendere**
 Currency: **\$US Dollars**

Reserve Class: **Various**
 Development Class: **Classifications**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Summary of Reserves and Values

| | PPP Producing | PPP Developed Non-Producing | PPP Undeveloped | Total PPP |
|---|------------------|-----------------------------------|--------------------|--------------|
| MARKETABLE RESERVES | | | | |
| <u>Light & Medium Oil (Mbbbl)</u> | | | | |
| Gross Lease | 2,121 | 76 | 0 | 2,197 |
| Total Company Interest | 354 | 15 | 0 | 369 |
| Net After Royalty | 310 | 13 | 0 | 323 |
| <u>Oil Equivalent (Mboe)</u> | | | | |
| Gross Lease | 2,121 | 76 | 0 | 2,197 |
| Total Company Interest | 354 | 15 | 0 | 369 |
| Net After Royalty | 310 | 13 | 0 | 323 |
| BEFORE TAX PRESENT VALUE (M\$) | | | | |
| 0% | 7,591 | 197 | 0 | 7,788 |
| 5% | 6,057 | 143 | 0 | 6,201 |
| 8% | 5,382 | 120 | 0 | 5,502 |
| 10% | 5,007 | 107 | 0 | 5,114 |
| 12% | 4,680 | 96 | 0 | 4,776 |
| 15% | 4,263 | 83 | 0 | 4,345 |
| 20% | 3,717 | 65 | 0 | 3,782 |
| FIRST 6 YEARS BEFORE TAX CASH FLOW (M\$) | | | | |
| 2018 | 1,196 | -26 | 0 | 1,170 |
| 2019 | 942 | 38 | 0 | 980 |
| 2020 | 767 | 26 | 0 | 793 |
| 2021 | 699 | 21 | 0 | 720 |
| 2022 | 640 | 18 | 0 | 658 |
| 2023 | 580 | 17 | 0 | 597 |

BOE Factors: HVY OIL 1.0 RES GAS 6.0 PROPANE 1.0 ETHANE 1.0
 COND 1.0 SLN GAS 6.0 BUTANE 1.0 SULPHUR 0.0

Run Date: March 21, 2018 08:01:56

1181620 Class (P,Q1,Q2,R), GLJ (2018-01), psum

March 23, 2018 09:04:01

Historical and Forecast Production

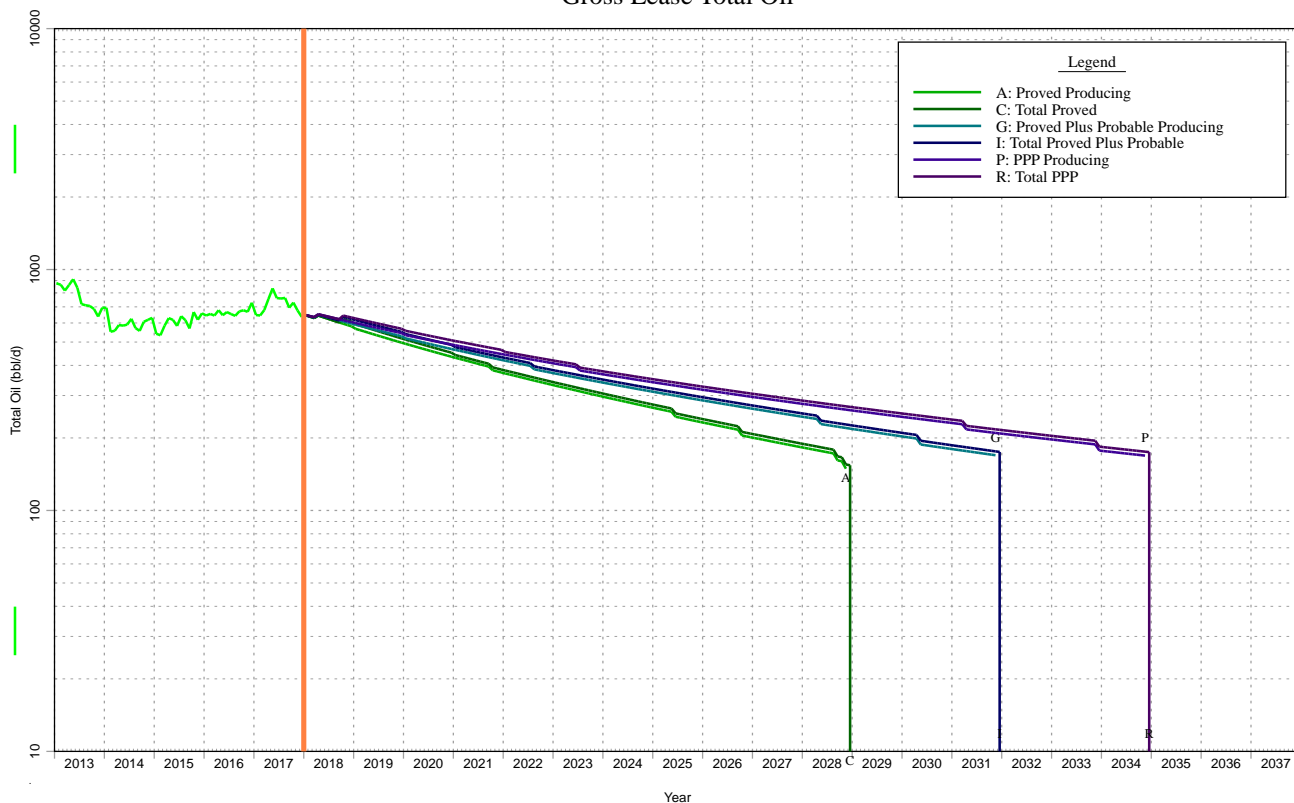
Company:
Property:

Park Place Energy Inc.
Cendere

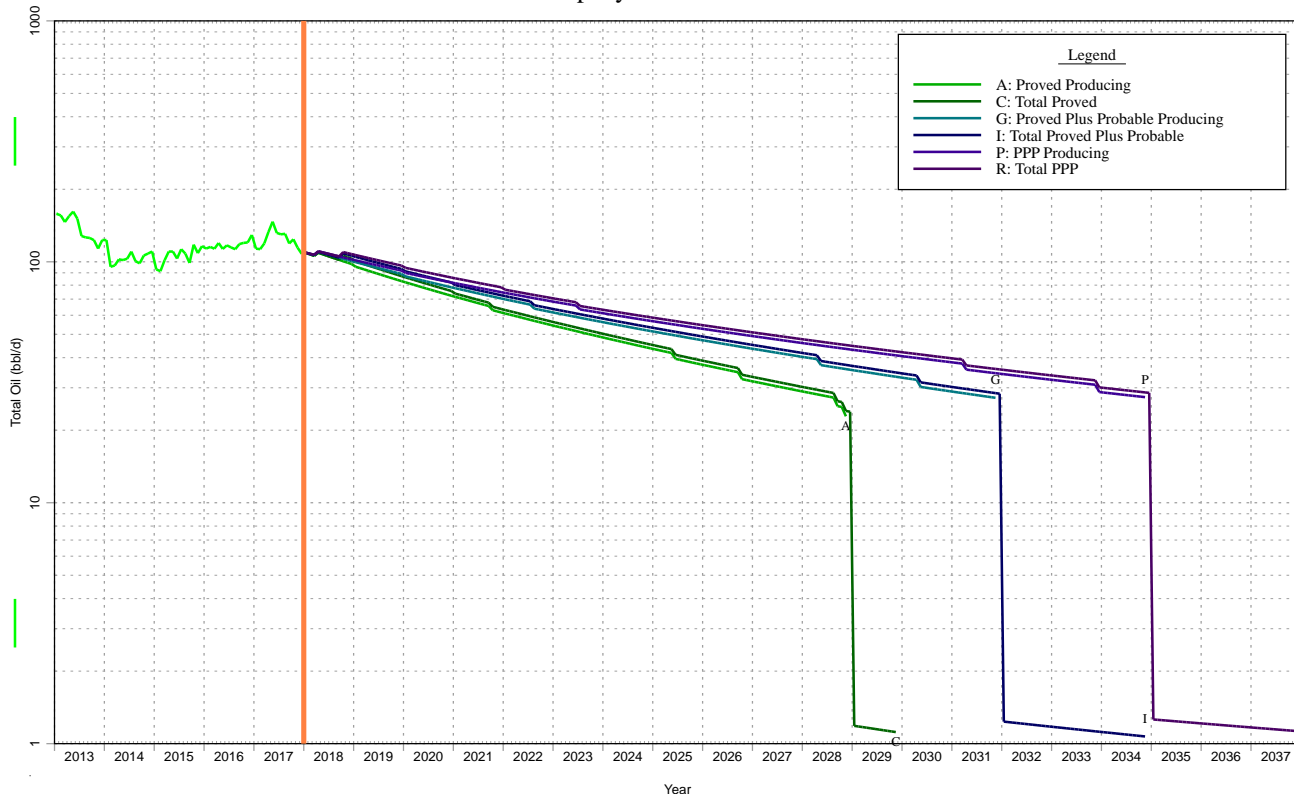
Pricing:
Effective Date:

GLJ (2018-01)
December 31, 2017

Gross Lease Total Oil



Company* Interest Total Oil



*Note: Historical company interest production is based on current interests in the evaluated reserves entities applied to reported actual gross lease production. Consequently, company actuals may differ from the history shown due to changes in ownership.

Company Interest Total Oil
1181620 / Mar 23, 2018

Company: **Park Place Energy Inc.**
Property: **Cendere**
Currency: **\$US Dollars**

Reserve Class: **Various**
Development Class: **Classifications**
Pricing: **GLJ (2018-01)**
Effective Date: **December 31, 2017**

Daily Production, Reserves and Present Value Summary

| Entity Description | Reserve Class | 2018 Gross Lease Production | | | | 2018 Company Interest Production | | | | Gross Lease Reserves | | | | | Company Interest Reserves | | | | | Before Tax 10% Dcf Present Value M\$ |
|---------------------------------------|---------------|-----------------------------|--------------|--------------|------------------|----------------------------------|--------------|--------------|------------------|----------------------|--------------|--------------|----------------|-----------------|---------------------------|--------------|--------------|----------------|-----------------|--|
| | | Gas Mcf/d | Oil bbl/d | NGL bbl/d | Oil Eq. boe/d | Gas Mcf/d | Oil bbl/d | NGL bbl/d | Oil Eq. boe/d | Gas MMcf | Oil Mbbbl | NGL Mbbbl | Sulphur Mlt | Oil Eq. Mboe | Gas MMcf | Oil Mbbbl | NGL Mbbbl | Sulphur Mlt | Oil Eq. Mboe | |
| Proved Producing | | | | | | | | | | | | | | | | | | | | |
| CENDERE-01 | A | 0 | 54 | 0 | 54 | 0 | 11 | 0 | 11 | 0 | 134 | 0 | 0 | 134 | 0 | 26 | 0 | 0 | 26 | 409 |
| CENDERE-03 | A | 0 | 66 | 0 | 66 | 0 | 13 | 0 | 13 | 0 | 146 | 0 | 0 | 146 | 0 | 29 | 0 | 0 | 29 | 480 |
| CENDERE-07 | A | 0 | 7 | 0 | 7 | 0 | 1 | 0 | 1 | 0 | 3 | 0 | 0 | 3 | 0 | 1 | 0 | 0 | 1 | -7 |
| CENDERE-09 | A | 0 | 29 | 0 | 29 | 0 | 6 | 0 | 6 | 0 | 79 | 0 | 0 | 79 | 0 | 16 | 0 | 0 | 16 | 175 |
| CENDERE-10 | A | 0 | 80 | 0 | 80 | 0 | 16 | 0 | 16 | 0 | 176 | 0 | 0 | 176 | 0 | 34 | 0 | 0 | 34 | 605 |
| CENDERE-13 | A | 0 | 122 | 0 | 122 | 0 | 12 | 0 | 12 | 0 | 300 | 0 | 0 | 300 | 0 | 29 | 0 | 0 | 29 | 550 |
| CENDERE-14 | A | 0 | 19 | 0 | 19 | 0 | 4 | 0 | 4 | 0 | 38 | 0 | 0 | 38 | 0 | 8 | 0 | 0 | 8 | 70 |
| CENDERE-16 | A | 0 | 49 | 0 | 49 | 0 | 5 | 0 | 5 | 0 | 139 | 0 | 0 | 139 | 0 | 14 | 0 | 0 | 14 | 206 |
| CENDERE-17 | A | 0 | 38 | 0 | 38 | 0 | 8 | 0 | 8 | 0 | 81 | 0 | 0 | 81 | 0 | 16 | 0 | 0 | 16 | 212 |
| CENDERE-19 | A | 0 | 17 | 0 | 17 | 0 | 3 | 0 | 3 | 0 | 48 | 0 | 0 | 48 | 0 | 9 | 0 | 0 | 9 | 94 |
| CENDERE-23 | A | 0 | 74 | 0 | 74 | 0 | 15 | 0 | 15 | 0 | 134 | 0 | 0 | 134 | 0 | 26 | 0 | 0 | 26 | 458 |
| CENDERE-24 | A | 0 | 39 | 0 | 39 | 0 | 8 | 0 | 8 | 0 | 82 | 0 | 0 | 82 | 0 | 16 | 0 | 0 | 16 | 213 |
| CENDERE-25 | A | 0 | 23 | 0 | 23 | 0 | 5 | 0 | 5 | 0 | 22 | 0 | 0 | 22 | 0 | 4 | 0 | 0 | 4 | 61 |
| Total: Proved Producing | | 0 | 618 | 0 | 618 | 0 | 104 | 0 | 104 | 0 | 1,383 | 0 | 0 | 1,383 | 0 | 228 | 0 | 0 | 228 | 3,527 |
| Total Proved | | | | | | | | | | | | | | | | | | | | |
| CENDERE-01 | A | 0 | 54 | 0 | 54 | 0 | 11 | 0 | 11 | 0 | 134 | 0 | 0 | 134 | 0 | 26 | 0 | 0 | 26 | 409 |
| CENDERE-03 | A | 0 | 66 | 0 | 66 | 0 | 13 | 0 | 13 | 0 | 146 | 0 | 0 | 146 | 0 | 29 | 0 | 0 | 29 | 480 |
| CENDERE-07 | A | 0 | 7 | 0 | 7 | 0 | 1 | 0 | 1 | 0 | 3 | 0 | 0 | 3 | 0 | 1 | 0 | 0 | 1 | -7 |
| CENDERE-09 | A | 0 | 29 | 0 | 29 | 0 | 6 | 0 | 6 | 0 | 79 | 0 | 0 | 79 | 0 | 16 | 0 | 0 | 16 | 175 |
| CENDERE-10 | A | 0 | 80 | 0 | 80 | 0 | 16 | 0 | 16 | 0 | 176 | 0 | 0 | 176 | 0 | 34 | 0 | 0 | 34 | 605 |
| CENDERE-11 | B1 | 0 | 3 | 0 | 3 | 0 | 1 | 0 | 1 | 0 | 37 | 0 | 0 | 37 | 0 | 7 | 0 | 0 | 7 | 60 |
| CENDERE-13 | A | 0 | 122 | 0 | 122 | 0 | 12 | 0 | 12 | 0 | 300 | 0 | 0 | 300 | 0 | 29 | 0 | 0 | 29 | 550 |
| CENDERE-14 | A | 0 | 19 | 0 | 19 | 0 | 4 | 0 | 4 | 0 | 38 | 0 | 0 | 38 | 0 | 8 | 0 | 0 | 8 | 70 |
| CENDERE-16 | A | 0 | 49 | 0 | 49 | 0 | 5 | 0 | 5 | 0 | 139 | 0 | 0 | 139 | 0 | 14 | 0 | 0 | 14 | 206 |
| CENDERE-17 | A | 0 | 38 | 0 | 38 | 0 | 8 | 0 | 8 | 0 | 81 | 0 | 0 | 81 | 0 | 16 | 0 | 0 | 16 | 212 |
| CENDERE-19 | A | 0 | 17 | 0 | 17 | 0 | 3 | 0 | 3 | 0 | 48 | 0 | 0 | 48 | 0 | 9 | 0 | 0 | 9 | 94 |
| CENDERE-22 | B1 | 0 | 3 | 0 | 3 | 0 | 1 | 0 | 1 | 0 | 7 | 0 | 0 | 7 | 0 | 1 | 0 | 0 | 1 | -8 |
| CENDERE-23 | A | 0 | 74 | 0 | 74 | 0 | 15 | 0 | 15 | 0 | 134 | 0 | 0 | 134 | 0 | 26 | 0 | 0 | 26 | 458 |
| CENDERE-24 | A | 0 | 39 | 0 | 39 | 0 | 8 | 0 | 8 | 0 | 82 | 0 | 0 | 82 | 0 | 16 | 0 | 0 | 16 | 213 |
| CENDERE-25 | A | 0 | 23 | 0 | 23 | 0 | 5 | 0 | 5 | 0 | 22 | 0 | 0 | 22 | 0 | 4 | 0 | 0 | 4 | 61 |
| Total: Total Proved | | 0 | 625 | 0 | 625 | 0 | 106 | 0 | 106 | 0 | 1,428 | 0 | 0 | 1,428 | 0 | 237 | 0 | 0 | 237 | 3,579 |
| Proved Plus Probable Producing | | | | | | | | | | | | | | | | | | | | |
| CENDERE-01 | G | 0 | 54 | 0 | 54 | 0 | 11 | 0 | 11 | 0 | 168 | 0 | 0 | 168 | 0 | 33 | 0 | 0 | 33 | 497 |
| CENDERE-03 | G | 0 | 68 | 0 | 68 | 0 | 13 | 0 | 13 | 0 | 201 | 0 | 0 | 201 | 0 | 39 | 0 | 0 | 39 | 635 |
| CENDERE-07 | G | 0 | 7 | 0 | 7 | 0 | 1 | 0 | 1 | 0 | 5 | 0 | 0 | 5 | 0 | 1 | 0 | 0 | 1 | -9 |
| CENDERE-09 | G | 0 | 29 | 0 | 29 | 0 | 6 | 0 | 6 | 0 | 101 | 0 | 0 | 101 | 0 | 20 | 0 | 0 | 20 | 221 |
| CENDERE-10 | G | 0 | 81 | 0 | 81 | 0 | 16 | 0 | 16 | 0 | 215 | 0 | 0 | 215 | 0 | 42 | 0 | 0 | 42 | 712 |
| CENDERE-13 | G | 0 | 123 | 0 | 123 | 0 | 12 | 0 | 12 | 0 | 365 | 0 | 0 | 365 | 0 | 36 | 0 | 0 | 36 | 643 |
| CENDERE-14 | G | 0 | 19 | 0 | 19 | 0 | 4 | 0 | 4 | 0 | 53 | 0 | 0 | 53 | 0 | 10 | 0 | 0 | 10 | 95 |
| CENDERE-16 | G | 0 | 49 | 0 | 49 | 0 | 5 | 0 | 5 | 0 | 172 | 0 | 0 | 172 | 0 | 17 | 0 | 0 | 17 | 244 |

Daily Production, Reserves and Present Value Summary

| Entity Description | Reserve Class | 2018 Gross Lease Production | | | | 2018 Company Interest Production | | | | Gross Lease Reserves | | | | | Company Interest Reserves | | | | | Before Tax |
|---|---------------|-----------------------------|------------|-----------|---------------|----------------------------------|------------|-----------|---------------|----------------------|--------------|-----------|-------------|--------------|---------------------------|------------|-----------|-------------|--------------|---------------------------|
| | | Gas Mcf/d | Oil bbl/d | NGL bbl/d | Oil Eq. boe/d | Gas Mcf/d | Oil bbl/d | NGL bbl/d | Oil Eq. boe/d | Gas MMcf | Oil Mbbbl | NGL Mbbbl | Sulphur Mlt | Oil Eq. Mboe | Gas MMcf | Oil Mbbbl | NGL Mbbbl | Sulphur Mlt | Oil Eq. Mboe | 10% Dcf Present Value M\$ |
| Proved Plus Probable Producing (Cont.) | | | | | | | | | | | | | | | | | | | | |
| CENDERE-17 | G | 0 | 39 | 0 | 39 | 0 | 8 | 0 | 8 | 0 | 106 | 0 | 0 | 106 | 0 | 21 | 0 | 0 | 21 | 265 |
| CENDERE-19 | G | 0 | 18 | 0 | 18 | 0 | 3 | 0 | 3 | 0 | 68 | 0 | 0 | 68 | 0 | 13 | 0 | 0 | 13 | 127 |
| CENDERE-23 | G | 0 | 76 | 0 | 76 | 0 | 15 | 0 | 15 | 0 | 174 | 0 | 0 | 174 | 0 | 34 | 0 | 0 | 34 | 575 |
| CENDERE-24 | G | 0 | 39 | 0 | 39 | 0 | 8 | 0 | 8 | 0 | 106 | 0 | 0 | 106 | 0 | 21 | 0 | 0 | 21 | 266 |
| CENDERE-25 | G | 0 | 24 | 0 | 24 | 0 | 5 | 0 | 5 | 0 | 27 | 0 | 0 | 27 | 0 | 5 | 0 | 0 | 5 | 74 |
| Total: Proved Plus Probable Producing | | 0 | 626 | 0 | 626 | 0 | 106 | 0 | 106 | 0 | 1,763 | 0 | 0 | 1,763 | 0 | 293 | 0 | 0 | 293 | 4,346 |
| Total Proved Plus Probable | | | | | | | | | | | | | | | | | | | | |
| CENDERE-01 | G | 0 | 54 | 0 | 54 | 0 | 11 | 0 | 11 | 0 | 168 | 0 | 0 | 168 | 0 | 33 | 0 | 0 | 33 | 497 |
| CENDERE-03 | G | 0 | 68 | 0 | 68 | 0 | 13 | 0 | 13 | 0 | 201 | 0 | 0 | 201 | 0 | 39 | 0 | 0 | 39 | 635 |
| CENDERE-07 | G | 0 | 7 | 0 | 7 | 0 | 1 | 0 | 1 | 0 | 5 | 0 | 0 | 5 | 0 | 1 | 0 | 0 | 1 | -9 |
| CENDERE-09 | G | 0 | 29 | 0 | 29 | 0 | 6 | 0 | 6 | 0 | 101 | 0 | 0 | 101 | 0 | 20 | 0 | 0 | 20 | 221 |
| CENDERE-10 | G | 0 | 81 | 0 | 81 | 0 | 16 | 0 | 16 | 0 | 215 | 0 | 0 | 215 | 0 | 42 | 0 | 0 | 42 | 712 |
| CENDERE-11 | HI | 0 | 3 | 0 | 3 | 0 | 1 | 0 | 1 | 0 | 52 | 0 | 0 | 52 | 0 | 10 | 0 | 0 | 10 | 84 |
| CENDERE-13 | G | 0 | 123 | 0 | 123 | 0 | 12 | 0 | 12 | 0 | 365 | 0 | 0 | 365 | 0 | 36 | 0 | 0 | 36 | 643 |
| CENDERE-14 | G | 0 | 19 | 0 | 19 | 0 | 4 | 0 | 4 | 0 | 53 | 0 | 0 | 53 | 0 | 10 | 0 | 0 | 10 | 95 |
| CENDERE-16 | G | 0 | 49 | 0 | 49 | 0 | 5 | 0 | 5 | 0 | 172 | 0 | 0 | 172 | 0 | 17 | 0 | 0 | 17 | 244 |
| CENDERE-17 | G | 0 | 39 | 0 | 39 | 0 | 8 | 0 | 8 | 0 | 106 | 0 | 0 | 106 | 0 | 21 | 0 | 0 | 21 | 265 |
| CENDERE-19 | G | 0 | 18 | 0 | 18 | 0 | 3 | 0 | 3 | 0 | 68 | 0 | 0 | 68 | 0 | 13 | 0 | 0 | 13 | 127 |
| CENDERE-22 | HI | 0 | 3 | 0 | 3 | 0 | 1 | 0 | 1 | 0 | 8 | 0 | 0 | 8 | 0 | 2 | 0 | 0 | 2 | -3 |
| CENDERE-23 | G | 0 | 76 | 0 | 76 | 0 | 15 | 0 | 15 | 0 | 174 | 0 | 0 | 174 | 0 | 34 | 0 | 0 | 34 | 575 |
| CENDERE-24 | G | 0 | 39 | 0 | 39 | 0 | 8 | 0 | 8 | 0 | 106 | 0 | 0 | 106 | 0 | 21 | 0 | 0 | 21 | 266 |
| CENDERE-25 | G | 0 | 24 | 0 | 24 | 0 | 5 | 0 | 5 | 0 | 27 | 0 | 0 | 27 | 0 | 5 | 0 | 0 | 5 | 74 |
| Total: Total Proved Plus Probable | | 0 | 633 | 0 | 633 | 0 | 107 | 0 | 107 | 0 | 1,823 | 0 | 0 | 1,823 | 0 | 305 | 0 | 0 | 305 | 4,428 |
| PPP Producing | | | | | | | | | | | | | | | | | | | | |
| CENDERE-01 | P | 0 | 55 | 0 | 55 | 0 | 11 | 0 | 11 | 0 | 202 | 0 | 0 | 202 | 0 | 40 | 0 | 0 | 40 | 568 |
| CENDERE-03 | P | 0 | 69 | 0 | 69 | 0 | 13 | 0 | 13 | 0 | 252 | 0 | 0 | 252 | 0 | 49 | 0 | 0 | 49 | 754 |
| CENDERE-07 | P | 0 | 8 | 0 | 8 | 0 | 1 | 0 | 1 | 0 | 5 | 0 | 0 | 5 | 0 | 1 | 0 | 0 | 1 | -8 |
| CENDERE-09 | P | 0 | 29 | 0 | 29 | 0 | 6 | 0 | 6 | 0 | 123 | 0 | 0 | 123 | 0 | 24 | 0 | 0 | 24 | 257 |
| CENDERE-10 | P | 0 | 81 | 0 | 81 | 0 | 16 | 0 | 16 | 0 | 251 | 0 | 0 | 251 | 0 | 49 | 0 | 0 | 49 | 796 |
| CENDERE-13 | P | 0 | 124 | 0 | 124 | 0 | 12 | 0 | 12 | 0 | 426 | 0 | 0 | 426 | 0 | 42 | 0 | 0 | 42 | 715 |
| CENDERE-14 | P | 0 | 19 | 0 | 19 | 0 | 4 | 0 | 4 | 0 | 68 | 0 | 0 | 68 | 0 | 13 | 0 | 0 | 13 | 116 |
| CENDERE-16 | P | 0 | 49 | 0 | 49 | 0 | 5 | 0 | 5 | 0 | 204 | 0 | 0 | 204 | 0 | 20 | 0 | 0 | 20 | 275 |
| CENDERE-17 | P | 0 | 39 | 0 | 39 | 0 | 8 | 0 | 8 | 0 | 128 | 0 | 0 | 128 | 0 | 25 | 0 | 0 | 25 | 311 |
| CENDERE-19 | P | 0 | 18 | 0 | 18 | 0 | 3 | 0 | 3 | 0 | 88 | 0 | 0 | 88 | 0 | 17 | 0 | 0 | 17 | 154 |
| CENDERE-23 | P | 0 | 77 | 0 | 77 | 0 | 15 | 0 | 15 | 0 | 212 | 0 | 0 | 212 | 0 | 42 | 0 | 0 | 42 | 671 |
| CENDERE-24 | P | 0 | 40 | 0 | 40 | 0 | 8 | 0 | 8 | 0 | 128 | 0 | 0 | 128 | 0 | 25 | 0 | 0 | 25 | 312 |
| CENDERE-25 | P | 0 | 24 | 0 | 24 | 0 | 5 | 0 | 5 | 0 | 32 | 0 | 0 | 32 | 0 | 6 | 0 | 0 | 6 | 86 |
| Total: PPP Producing | | 0 | 631 | 0 | 631 | 0 | 107 | 0 | 107 | 0 | 2,121 | 0 | 0 | 2,121 | 0 | 354 | 0 | 0 | 354 | 5,007 |
| Total PPP | | | | | | | | | | | | | | | | | | | | |
| CENDERE-01 | P | 0 | 55 | 0 | 55 | 0 | 11 | 0 | 11 | 0 | 202 | 0 | 0 | 202 | 0 | 40 | 0 | 0 | 40 | 568 |
| CENDERE-03 | P | 0 | 69 | 0 | 69 | 0 | 13 | 0 | 13 | 0 | 252 | 0 | 0 | 252 | 0 | 49 | 0 | 0 | 49 | 754 |

Daily Production, Reserves and Present Value Summary

| Entity Description | Reserve Class | 2018 Gross Lease Production | | | | 2018 Company Interest Production | | | | Gross Lease Reserves | | | | | Company Interest Reserves | | | | | Before Tax 10% Dcf Present Value M\$ | |
|--------------------------|---------------|-----------------------------|--------------|--------------|------------------|----------------------------------|--------------|--------------|------------------|----------------------|--------------|--------------|----------------|-----------------|---------------------------|--------------|--------------|----------------|-----------------|--|--|
| | | Gas Mcf/d | Oil bbl/d | NGL bbl/d | Oil Eq. boe/d | Gas Mcf/d | Oil bbl/d | NGL bbl/d | Oil Eq. boe/d | Gas MMcf | Oil Mbbbl | NGL Mbbbl | Sulphur Mlt | Oil Eq. Mboe | Gas MMcf | Oil Mbbbl | NGL Mbbbl | Sulphur Mlt | Oil Eq. Mboe | | |
| Total PPP (Cont.) | | | | | | | | | | | | | | | | | | | | | |
| CENDERE-07 | P | 0 | 8 | 0 | 8 | 0 | 1 | 0 | 1 | 0 | 5 | 0 | 0 | 5 | 0 | 1 | 0 | 0 | 1 | -8 | |
| CENDERE-09 | P | 0 | 29 | 0 | 29 | 0 | 6 | 0 | 6 | 0 | 123 | 0 | 0 | 123 | 0 | 24 | 0 | 0 | 24 | 257 | |
| CENDERE-10 | P | 0 | 81 | 0 | 81 | 0 | 16 | 0 | 16 | 0 | 251 | 0 | 0 | 251 | 0 | 49 | 0 | 0 | 49 | 796 | |
| CENDERE-11 | Q1 | 0 | 4 | 0 | 4 | 0 | 1 | 0 | 1 | 0 | 65 | 0 | 0 | 65 | 0 | 13 | 0 | 0 | 13 | 104 | |
| CENDERE-13 | P | 0 | 124 | 0 | 124 | 0 | 12 | 0 | 12 | 0 | 426 | 0 | 0 | 426 | 0 | 42 | 0 | 0 | 42 | 715 | |
| CENDERE-14 | P | 0 | 19 | 0 | 19 | 0 | 4 | 0 | 4 | 0 | 68 | 0 | 0 | 68 | 0 | 13 | 0 | 0 | 13 | 116 | |
| CENDERE-16 | P | 0 | 49 | 0 | 49 | 0 | 5 | 0 | 5 | 0 | 204 | 0 | 0 | 204 | 0 | 20 | 0 | 0 | 20 | 275 | |
| CENDERE-17 | P | 0 | 39 | 0 | 39 | 0 | 8 | 0 | 8 | 0 | 128 | 0 | 0 | 128 | 0 | 25 | 0 | 0 | 25 | 311 | |
| CENDERE-19 | P | 0 | 18 | 0 | 18 | 0 | 3 | 0 | 3 | 0 | 88 | 0 | 0 | 88 | 0 | 17 | 0 | 0 | 17 | 154 | |
| CENDERE-22 | Q1 | 0 | 3 | 0 | 3 | 0 | 1 | 0 | 1 | 0 | 11 | 0 | 0 | 11 | 0 | 2 | 0 | 0 | 2 | 3 | |
| CENDERE-23 | P | 0 | 77 | 0 | 77 | 0 | 15 | 0 | 15 | 0 | 212 | 0 | 0 | 212 | 0 | 42 | 0 | 0 | 42 | 671 | |
| CENDERE-24 | P | 0 | 40 | 0 | 40 | 0 | 8 | 0 | 8 | 0 | 128 | 0 | 0 | 128 | 0 | 25 | 0 | 0 | 25 | 312 | |
| CENDERE-25 | P | 0 | 24 | 0 | 24 | 0 | 5 | 0 | 5 | 0 | 32 | 0 | 0 | 32 | 0 | 6 | 0 | 0 | 6 | 86 | |
| Total: Total PPP | | 0 | 638 | 0 | 638 | 0 | 108 | 0 | 108 | 0 | 2,197 | 0 | 0 | 2,197 | 0 | 369 | 0 | 0 | 369 | 5,114 | |

BOE Factors: HVY OIL 1.0
COND 1.0

RES GAS 6.0
SLN GAS 6.0

PROPANE 1.0
BUTANE 1.0

ETHANE 1.0
SULPHUR 0.0

Company: **Park Place Energy Inc.**
 Property: **Cendere**

Reserve Class: **PPP**
 Development Class: **Total**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

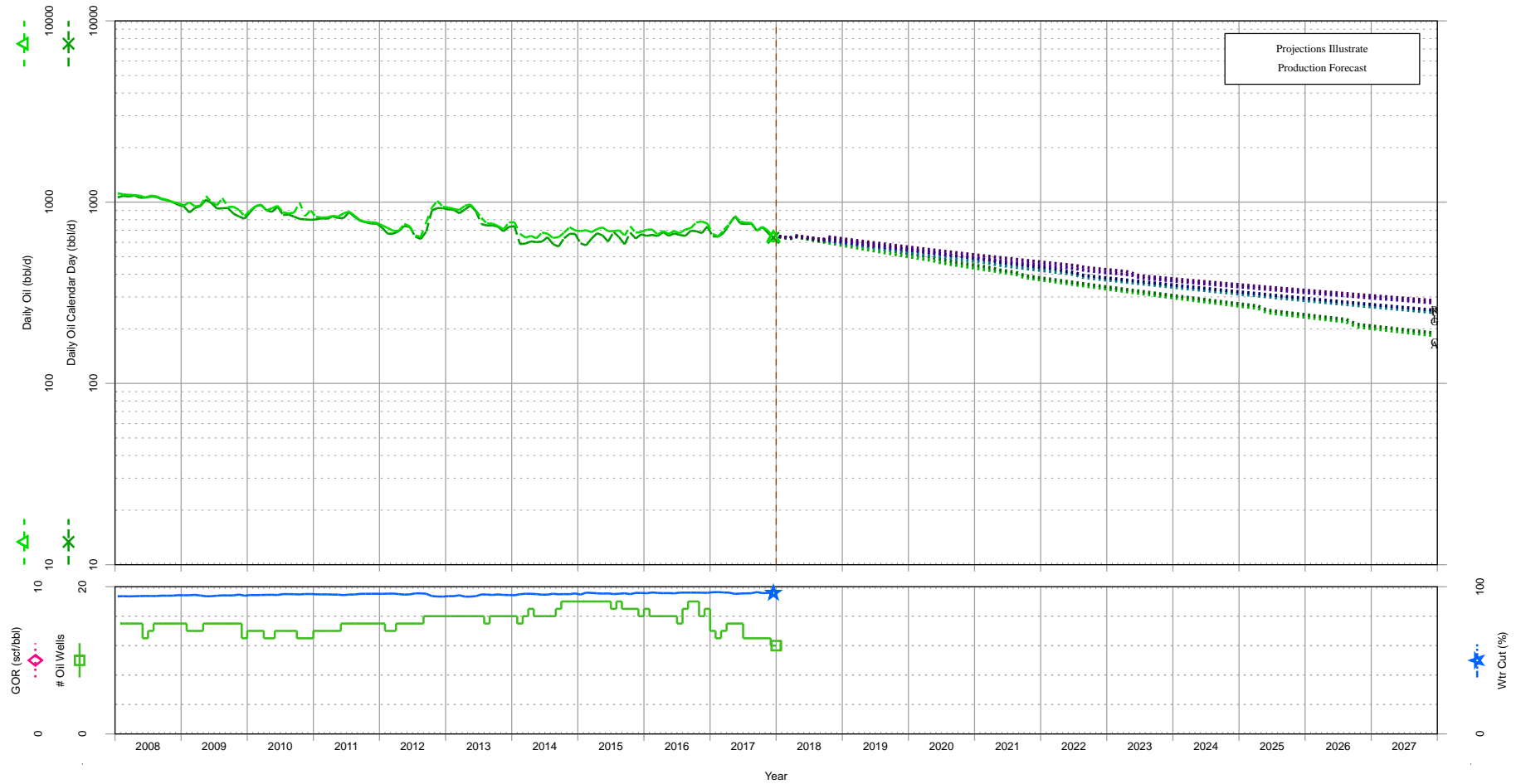
Summary of Well Interests and Burdens

| Entity Description | Working Interest | | | Type | Royalty Interest | | | Lessor Royalty | Other Royalty Burdens | | | |
|--------------------|------------------|-------|----------------|------|------------------|-------|----------------|------------------|-----------------------|-------|-------|----------------|
| | BPO % | APO % | Rem PO (000's) | | BPO % | APO % | Rem PO (000's) | | Type | BPO % | APO % | Rem PO (000's) |
| Cendere | | | | | | | | | | | | |
| CENDERE-01 | 19.600 | - | - | | - | - | - | FED CR ROY 12.5% | - | - | - | - |
| CENDERE-03 | 19.600 | - | - | | - | - | - | FED CR ROY 12.5% | - | - | - | - |
| CENDERE-07 | 19.600 | - | - | | - | - | - | FED CR ROY 12.5% | - | - | - | - |
| CENDERE-09 | 19.600 | - | - | | - | - | - | FED CR ROY 12.5% | - | - | - | - |
| CENDERE-10 | 19.600 | - | - | | - | - | - | FED CR ROY 12.5% | - | - | - | - |
| CENDERE-11 | 19.600 | - | - | | - | - | - | FED CR ROY 12.5% | - | - | - | - |
| CENDERE-13 | 9.800 | - | - | | - | - | - | FED CR ROY 12.5% | - | - | - | - |
| CENDERE-14 | 19.600 | - | - | | - | - | - | FED CR ROY 12.5% | - | - | - | - |
| CENDERE-16 | 9.800 | - | - | | - | - | - | FED CR ROY 12.5% | - | - | - | - |
| CENDERE-17 | 19.600 | - | - | | - | - | - | FED CR ROY 12.5% | - | - | - | - |
| CENDERE-19 | 19.600 | - | - | | - | - | - | FED CR ROY 12.5% | - | - | - | - |
| CENDERE-22 | 19.600 | - | - | | - | - | - | FED CR ROY 12.5% | - | - | - | - |
| CENDERE-23 | 19.600 | - | - | | - | - | - | FED CR ROY 12.5% | - | - | - | - |
| CENDERE-24 | 19.600 | - | - | | - | - | - | FED CR ROY 12.5% | - | - | - | - |
| CENDERE-25 | 19.600 | - | - | | - | - | - | FED CR ROY 12.5% | - | - | - | - |

Glossary
 APO=BPO interests unless otherwise specified
 CR: Crown Royalty
 ROY: Royalty Percent

Historical and Forecast Production Cendere - Total Property

Property : Cendere



Total Reserves Summary At 2018/01/01

| Reserves Classification | Reserves (Mbbl) | | |
|-------------------------|-------------------|----------------|-----------|
| | Ultimate | Cum Production | Remaining |
| Pv Prd A(R) | 21732 | 19957 | 1775 |
| Total Pv C(R) | 21781 | 19957 | 1824 |
| P + P Prd G(R) | 22254 | 19957 | 2297 |
| Total P + P I(R) | 22321 | 19957 | 2364 |
| PPP Prd P(R) | 22777 | 19957 | 2820 |
| Total PPP R(R) | 22862 | 19957 | 2905 |

Average Production Rates (Last 12 months ending 2017/12/31)

| | | | | |
|-----------|-------------|--------------|-----|--------------|
| Gas | 0.0 Mcf/d | 0.0 Mcf/cd | WGR | 0.0 bbl/MMcf |
| Oil | 725.1 bbl/d | 715.4 bbl/cd | GOR | 0.0 scf/stb |
| Avg Wells | 13.1 | | WC | 95.8% |

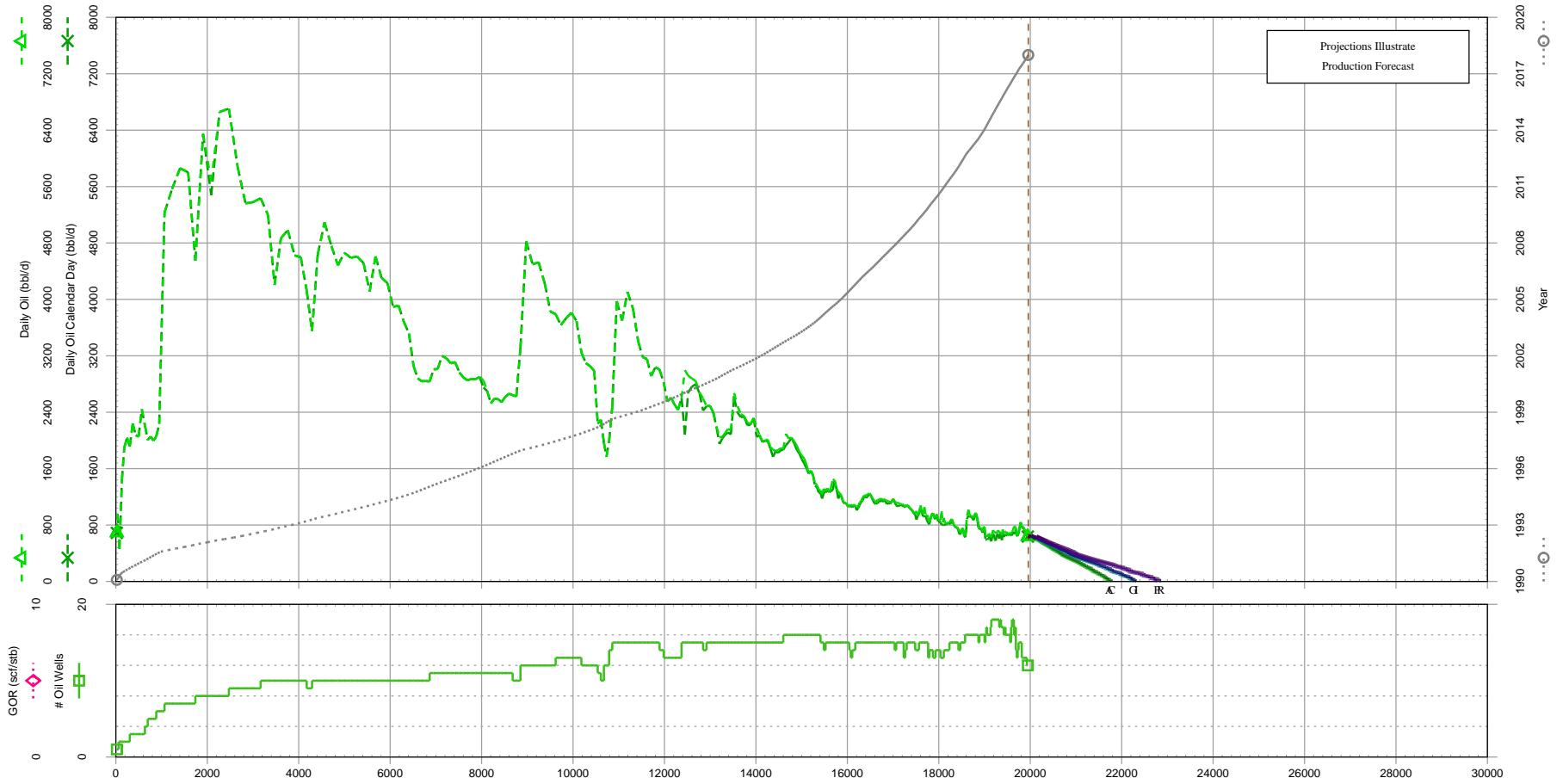
Cumulative Production

| | | | | | |
|-----|--------------|-----|----------|-------|---------------|
| Oil | 19957.0 Mbbl | Gas | 0.0 MMcf | Water | 115968.0 Mbbl |
|-----|--------------|-----|----------|-------|---------------|

Plot 1

Historical and Forecast Production Cendere - Total Property

Property : Cendere



Total Reserves Summary At 2018/01/01

| Reserves Classification | Reserves (Mbb) | | |
|-------------------------|------------------|----------------|-----------|
| | Ultimate | Cum Production | Remaining |
| Pv Prd A(R) | 21732 | 19957 | 1775 |
| Total Pv C(R) | 21781 | 19957 | 1824 |
| P + P Prd G(R) | 22254 | 19957 | 2297 |
| Total P + P I(R) | 22321 | 19957 | 2364 |
| PPP Prd P(R) | 22777 | 19957 | 2820 |
| Total PPP R(R) | 22862 | 19957 | 2905 |

Average Production Rates (Last 12 months ending 2017/12/31)

| | | | | |
|-----------|-------------|-------------|-----|-------------|
| Gas | 0.0Mcf/d | 0.0Mcf/cd | WGR | 0.0bbl/MMcf |
| Oil | 725.1 bbl/d | 715.4bbl/cd | GOR | 0.0scf/stb |
| Avg Wells | 13.1 | | WC | 95.8% |

Cumulative Production

| | | | | | |
|-----|-------------|-----|---------|-------|-------------|
| Oil | 19957.0 Mbb | Gas | 0.0MMcf | Water | 115968.0Mbb |
|-----|-------------|-----|---------|-------|-------------|

Plot 2

Well List and Production Summary

| # | Well Location | Regulatory Field Pool | Current Status | RigRel yr-mm | Production Dates | | | Last Quarter Production Statistics | | | | | | Cumulative Production | | | |
|--------------|---------------|-----------------------|----------------|-----------------|------------------|---------------|--------------|------------------------------------|--------------|--------------|----------------|----------------|-----------------|-----------------------|---------------|-------------|----------------|
| | | | | | First yr-mm | Last yr-mm | Inj yr-mm | Prod Days | Oil bbl/d | Gas Mcf/d | Water bbl/d | GOR scf/stb | WGR bbl/MMcf | WC % | Oil Mbbbl | Gas MMcf | Water Mbbbl |
| 1 | CENDERE-01 | | | | 1990-01 | 2017-12 | | 92 | 57 | 0 | 99 | 0 | 0 | 63 | 4,052 | 0 | 1,105 |
| 2 | CENDERE-02 | | | | 1990-04 | 2017-12 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 726 | 0 | 5,634 |
| 3 | CENDERE-03 | | | | 1990-10 | 2017-12 | | 92 | 74 | 0 | 3,622 | 0 | 0 | 98 | 1,646 | 0 | 25,504 |
| 4 | CENDERE-04 | | | | 1991-03 | 2017-12 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12 | 0 | 3 |
| 5 | CENDERE-05A | | | | 1991-06 | 2017-12 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,143 | 0 | 5,002 |
| 6 | CENDERE-06 | | | | 1991-07 | 2017-12 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 751 | 0 | 823 |
| 7 | CENDERE-07 | | | | 1992-05 | 2017-12 | | 85 | 7 | 0 | 160 | 0 | 0 | 96 | 1,323 | 0 | 11,090 |
| 8 | CENDERE-08 | | | | 1991-04 | 2017-12 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 321 | 0 | 534 |
| 9 | CENDERE-09 | | | | 1992-01 | 2017-12 | | 92 | 31 | 0 | 1,536 | 0 | 0 | 98 | 2,089 | 0 | 12,603 |
| 10 | CENDERE-10 | | | | 1991-09 | 2017-12 | | 92 | 93 | 0 | 33 | 0 | 0 | 26 | 1,326 | 0 | 292 |
| 11 | CENDERE-11 | | | | 1992-09 | 2017-12 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 390 | 0 | 403 |
| 12 | CENDERE-12 | | | | 1995-02 | 2017-12 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 816 | 0 | 356 |
| 13 | CENDERE-13 | | | | 1996-12 | 2017-12 | | 92 | 131 | 0 | 3,144 | 0 | 0 | 96 | 2,048 | 0 | 20,710 |
| 14 | CENDERE-14 | | | | 1997-07 | 2017-12 | | 92 | 24 | 0 | 3 | 0 | 0 | 10 | 382 | 0 | 7,958 |
| 15 | CENDERE-15 | | | | 1998-09 | 2017-12 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 561 | 0 | 782 |
| 16 | CENDERE-16 | | | | 1998-08 | 2017-12 | | 92 | 52 | 0 | 1,671 | 0 | 0 | 97 | 768 | 0 | 9,712 |
| 17 | CENDERE-17 | | | | 2001-04 | 2017-12 | | 92 | 44 | 0 | 2,140 | 0 | 0 | 98 | 369 | 0 | 4,029 |
| 18 | CENDERE-18 | | | | 1998-08 | 2017-12 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 108 | 0 | 821 |
| 19 | CENDERE-19 | | | | 2002-10 | 2017-12 | | 36 | 10 | 0 | 334 | 0 | 0 | 97 | 652 | 0 | 4,421 |
| 20 | CENDERE-22 | | | | 2009-05 | 2017-12 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 120 | 0 | 1,259 |
| 21 | CENDERE-23 | | | | 2012-09 | 2017-12 | | 92 | 87 | 0 | 427 | 0 | 0 | 83 | 233 | 0 | 390 |
| 22 | CENDERE-24 | | | | 2014-03 | 2017-12 | | 92 | 44 | 0 | 1,411 | 0 | 0 | 97 | 68 | 0 | 1,809 |
| 23 | CENDERE-25 | | | | 2014-06 | 2017-12 | | 92 | 26 | 0 | 755 | 0 | 0 | 97 | 53 | 0 | 729 |
| Total | | | | | | | | 92 | 681 | 0 | 15,334 | 0 | 0 | 96 | 19,957 | 0 | 115,968 |

Table 2

Company: Park Place Energy Inc.
Property: Cendere
Currency: \$US Dollars

Reserve Class: Various
Development Class: Classifications
Pricing: GLJ (2018-01)
Effective Date: December 31, 2017

Gross Lease Reserves Summary

| Entity Description | Reserve Class | Methodology | Oil (Mbbbl) | | | Non-Associated Gas (MMcf) | | | | Other Gross Lease Reserves | | | |
|---------------------------------------|---------------|-------------|---------------------|-----------------------|---------------|---------------------------|-----------------------|----------|----------|----------------------------|------------|-----------|-------------|
| | | | Initial Recoverable | Cumulative Production | Reserves | Initial Recoverable | Cumulative Production | Raw Gas | Reserves | Sol'n Gas MMcf | Cond Mbbbl | LPG Mbbbl | Sulphur Mlt |
| Proved Producing | | | | | | | | | | | | | |
| CENDERE-01 | A | Dec | 4,225 | 4,052 | 134* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-03 | A | Dec | 1,825 | 1,646 | 146* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-07 | A | Dec | 1,329 | 1,323 | 3* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-09 | A | Dec | 2,185 | 2,089 | 79* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-10 | A | Dec | 1,550 | 1,326 | 176* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-13 | A | Dec | 2,500 | 2,048 | 300* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-14 | A | Dec | 420 | 382 | 38 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-16 | A | Dec | 1,000 | 768 | 139* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-17 | A | Dec | 450 | 369 | 81 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-19 | A | Dec | 700 | 652 | 48* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-23 | A | Dec | 375 | 233 | 134* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-24 | A | Dec | 150 | 68 | 82 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-25 | A | Dec | 75 | 53 | 22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total: Proved Producing | | | 16,784 | 15,009 | 1,383* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Proved | | | | | | | | | | | | | |
| CENDERE-01 | A | Dec | 4,225 | 4,052 | 134* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-03 | A | Dec | 1,825 | 1,646 | 146* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-07 | A | Dec | 1,329 | 1,323 | 3* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-09 | A | Dec | 2,185 | 2,089 | 79* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-10 | A | Dec | 1,550 | 1,326 | 176* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-11 | B1 | Dec | 430 | 390 | 37* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-13 | A | Dec | 2,500 | 2,048 | 300* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-14 | A | Dec | 420 | 382 | 38 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-16 | A | Dec | 1,000 | 768 | 139* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-17 | A | Dec | 450 | 369 | 81 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-19 | A | Dec | 700 | 652 | 48* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-22 | B1 | Dec | 128 | 120 | 7* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-23 | A | Dec | 375 | 233 | 134* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-24 | A | Dec | 150 | 68 | 82 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-25 | A | Dec | 75 | 53 | 22 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total: Total Proved | | | 17,342 | 15,518 | 1,428* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Proved Plus Probable Producing | | | | | | | | | | | | | |
| CENDERE-01 | G | Dec | 4,275 | 4,052 | 168* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-03 | G | Dec | 1,925 | 1,646 | 201* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-07 | G | Dec | 1,331 | 1,323 | 5* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-09 | G | Dec | 2,215 | 2,089 | 101* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-10 | G | Dec | 1,600 | 1,326 | 215* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-13 | G | Dec | 2,600 | 2,048 | 365* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-14 | G | Dec | 435 | 382 | 53 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-16 | G | Dec | 1,050 | 768 | 172* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-17 | G | Dec | 475 | 369 | 106* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-19 | G | Dec | 720 | 652 | 68 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-23 | G | Dec | 425 | 233 | 174* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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Class (A.C.G.I.P.R), GLJ (2018-01), ult

March 23, 2018 09:04:12

Gross Lease Reserves Summary

| Entity Description | Reserve Class | Methodology | Oil (Mbbbl) | | | Non-Associated Gas (MMcf) | | | | Other Gross Lease Reserves | | | |
|---|---------------|-------------|---------------------|-----------------------|----------------|---------------------------|-----------------------|----------|----------|----------------------------|------------|-----------|-------------|
| | | | Initial Recoverable | Cumulative Production | Reserves | Initial Recoverable | Cumulative Production | Raw Gas | Reserves | Sol'n Gas MMcf | Cond Mbbbl | LPG Mbbbl | Sulphur Mlt |
| Proved Plus Probable Producing (Cont.) | | | | | | | | | | | | | |
| CENDERE-24 | G | Dec | 175 | 68 | 106 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-25 | G | Dec | 80 | 53 | 27 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total: Proved Plus Probable Producing | | | 17,306 | 15,009 | 1,763 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Proved Plus Probable | | | | | | | | | | | | | |
| CENDERE-01 | G | Dec | 4,275 | 4,052 | 168 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-03 | G | Dec | 1,925 | 1,646 | 201 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-07 | G | Dec | 1,331 | 1,323 | 5 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-09 | G | Dec | 2,215 | 2,089 | 101 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-10 | G | Dec | 1,600 | 1,326 | 215 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-11 | H1 | Dec | 445 | 390 | 52 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-13 | G | Dec | 2,600 | 2,048 | 365 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-14 | G | Dec | 435 | 382 | 53 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-16 | G | Dec | 1,050 | 768 | 172 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-17 | G | Dec | 475 | 369 | 106 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-19 | G | Dec | 720 | 652 | 68 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-22 | H1 | Dec | 131 | 120 | 8 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-23 | G | Dec | 425 | 233 | 174 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-24 | G | Dec | 175 | 68 | 106 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-25 | G | Dec | 80 | 53 | 27 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total: Total Proved Plus Probable | | | 17,882 | 15,518 | 1,823 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PPP Producing | | | | | | | | | | | | | |
| CENDERE-01 | P | Dec | 4,325 | 4,052 | 202 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-03 | P | Dec | 2,025 | 1,646 | 252 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-07 | P | Dec | 1,334 | 1,323 | 5 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-09 | P | Dec | 2,245 | 2,089 | 123 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-10 | P | Dec | 1,650 | 1,326 | 251 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-13 | P | Dec | 2,700 | 2,048 | 426 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-14 | P | Dec | 450 | 382 | 68 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-16 | P | Dec | 1,100 | 768 | 204 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-17 | P | Dec | 500 | 369 | 128 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-19 | P | Dec | 740 | 652 | 88 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-23 | P | Dec | 475 | 233 | 212 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-24 | P | Dec | 200 | 68 | 128 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-25 | P | Dec | 85 | 53 | 32 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total: PPP Producing | | | 17,829 | 15,009 | 2,121 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total PPP | | | | | | | | | | | | | |
| CENDERE-01 | P | Dec | 4,325 | 4,052 | 202 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-03 | P | Dec | 2,025 | 1,646 | 252 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-07 | P | Dec | 1,334 | 1,323 | 5 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-09 | P | Dec | 2,245 | 2,089 | 123 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-10 | P | Dec | 1,650 | 1,326 | 251 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-11 | Q1 | Dec | 460 | 390 | 65 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-13 | P | Dec | 2,700 | 2,048 | 426 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-14 | P | Dec | 450 | 382 | 68 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-16 | P | Dec | 1,100 | 768 | 204 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Gross Lease Reserves Summary

| Entity Description | Reserve Class | Methodology | Oil (MbbL) | | | Non-Associated Gas (MMcf) | | | | Other Gross Lease Reserves | | | | |
|--------------------------|---------------|-------------|---------------------|-----------------------|----------------|---------------------------|-----------------------|----------|----------|----------------------------|-----------|----------|-------------|----------|
| | | | Initial Recoverable | Cumulative Production | Reserves | Initial Recoverable | Cumulative Production | Raw Gas | Reserves | Sol'n Gas MMcf | Cond MbbL | LPG MbbL | Sulphur Mlt | |
| Total PPP (Cont.) | | | | | | | | | | | | | | |
| CENDERE-17 | P | Dec | 500 | 369 | 128 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-19 | P | Dec | 740 | 652 | 88 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-22 | Q1 | Dec | 134 | 120 | 11 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-23 | P | Dec | 475 | 233 | 212 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-24 | P | Dec | 200 | 68 | 128 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| CENDERE-25 | P | Dec | 85 | 53 | 32 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total: Total PPP | | | 18,423 | 15,518 | 2,197 * | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Notes

1. [*] Remaining reserves are less than the estimate due to economic limit.

Company: Park Place Energy Inc.
Property: Cendere

Table 2.1

Effective Date: December 31, 2017

Oil Decline Parameters

| Resource Entity | Zone | Method | Res. Class | Decline Type | Analysis Date | Analysis Data | | | | Oil Cut | | | Fluid Rate | | Reserve Life yrs | Original Recoverable Reserve Mbbl | Cum Production @ Analysis Mbbl | Cum Production 2018-01-01 Mbbl | Remaining Reserves 2017-12-31 Mbbl |
|---------------------------------------|------|---------|------------|--------------|---------------|---------------------------|--------------------|------------------|------------------|---------------------------|----------------|--------------|--------------------|------------------|------------------|-----------------------------------|--------------------------------|--------------------------------|------------------------------------|
| | | | | | | Initial Effective Decline | Initial Rate bbl/d | Final Rate bbl/d | Decline Exponent | Initial Effective Decline | Initial Rate % | Final Rate % | Initial Rate bbl/d | Final Rate bbl/d | | | | | |
| Proved Producing | | | | | | | | | | | | | | | | | | | |
| CENDERE-01 | | Decline | A | OR | 2018-01-01 | 11.20 | 57.0 | 10.0 | 0.30 | - | - | - | - | - | 18.9 | 4,225.0 | 4,051.8 | 4,051.8 | 173.2 |
| CENDERE-03 | | Decline | A | OC | 2018-01-01 | - | 72.0 | 10.0 | 0.40 | 15.14 | 1.6 | 0.2 | 4,500.0 | 4,500.0 | 17.7 | 1,825.0 | 1,645.8 | 1,645.8 | 179.2 |
| CENDERE-07 | | Decline | A | OR | 2018-01-01 | 18.49 | 8.0 | 5.0 | 0.40 | - | - | - | - | - | 2.4 | 1,329.0 | 1,323.4 | 1,323.4 | 5.6 |
| CENDERE-09 | | Decline | A | OC | 2018-01-01 | - | 30.0 | 10.0 | 0.40 | 8.62 | 2.0 | 0.7 | 1,500.0 | 1,500.0 | 15.0 | 2,185.0 | 2,089.0 | 2,089.0 | 96.0 |
| CENDERE-10 | | Decline | A | OR | 2018-01-01 | 15.31 | 87.0 | 10.0 | 0.40 | - | - | - | - | - | 20.0 | 1,550.0 | 1,326.1 | 1,326.1 | 223.9 |
| CENDERE-13 | | Decline | A | OC | 2018-01-01 | - | 130.0 | 10.0 | 0.30 | 11.56 | 4.0 | 0.3 | 3,250.0 | 3,250.0 | 30.8 | 2,500.0 | 2,048.3 | 2,048.3 | 451.7 |
| CENDERE-14 | | Decline | A | OR | 2018-01-01 | 9.80 | 20.0 | 10.0 | 0.30 | - | - | - | - | - | 7.4 | 420.0 | 381.7 | 381.7 | 38.3 |
| CENDERE-16 | | Decline | A | OC | 2018-01-01 | - | 51.0 | 10.0 | 0.40 | 7.89 | 3.0 | 0.6 | 1,700.0 | 1,700.0 | 27.5 | 1,000.0 | 768.3 | 768.3 | 231.7 |
| CENDERE-17 | | Decline | A | OR | 2018-01-01 | 16.08 | 42.0 | 10.0 | 0.40 | - | - | - | - | - | 10.7 | 450.0 | 368.8 | 368.8 | 81.2 |
| CENDERE-19 | | Decline | A | OC | 2018-01-01 | - | 24.0 | 10.0 | 0.30 | 10.98 | 3.0 | 1.3 | 800.0 | 800.0 | 8.5 | 700.0 | 651.6 | 651.6 | 48.4 |
| CENDERE-23 | | Decline | A | OC | 2018-01-01 | - | 84.0 | 10.0 | 0.40 | 21.88 | 16.0 | 1.9 | 525.0 | 525.0 | 12.9 | 375.0 | 233.0 | 233.0 | 142.0 |
| CENDERE-24 | | Decline | A | OR | 2018-01-01 | 15.96 | 42.0 | 10.0 | 0.40 | - | - | - | - | - | 10.8 | 150.0 | 68.1 | 68.1 | 81.9 |
| CENDERE-25 | | Decline | A | OC | 2018-01-01 | - | 27.0 | 10.0 | 0.40 | 26.68 | 3.0 | 1.1 | 900.0 | 900.0 | 3.7 | 75.0 | 52.7 | 52.7 | 22.3 |
| Total: Proved Producing | | | | | | | 674.0 | | | | | | | | 16,784.0 | 15,008.6 | 15,008.6 | 1,775.4 | |
| Total Proved | | | | | | | | | | | | | | | | | | | |
| CENDERE-01 | | Decline | A | OR | 2018-01-01 | 11.20 | 57.0 | 10.0 | 0.30 | - | - | - | - | - | 18.9 | 4,225.0 | 4,051.8 | 4,051.8 | 173.2 |
| CENDERE-03 | | Decline | A | OC | 2018-01-01 | - | 72.0 | 10.0 | 0.40 | 15.14 | 1.6 | 0.2 | 4,500.0 | 4,500.0 | 17.7 | 1,825.0 | 1,645.8 | 1,645.8 | 179.2 |
| CENDERE-07 | | Decline | A | OR | 2018-01-01 | 18.49 | 8.0 | 5.0 | 0.40 | - | - | - | - | - | 2.4 | 1,329.0 | 1,323.4 | 1,323.4 | 5.6 |
| CENDERE-09 | | Decline | A | OC | 2018-01-01 | - | 30.0 | 10.0 | 0.40 | 8.62 | 2.0 | 0.7 | 1,500.0 | 1,500.0 | 15.0 | 2,185.0 | 2,089.0 | 2,089.0 | 96.0 |
| CENDERE-10 | | Decline | A | OR | 2018-01-01 | 15.31 | 87.0 | 10.0 | 0.40 | - | - | - | - | - | 20.0 | 1,550.0 | 1,326.1 | 1,326.1 | 223.9 |
| CENDERE-11 | | Decline | B1 | OR | 2018-01-01 | 8.73 | 14.0 | 5.0 | 0.30 | - | - | - | - | - | 13.0 | 430.0 | 389.5 | 389.5 | 40.5 |
| CENDERE-13 | | Decline | A | OC | 2018-01-01 | - | 130.0 | 10.0 | 0.30 | 11.56 | 4.0 | 0.3 | 3,250.0 | 3,250.0 | 30.8 | 2,500.0 | 2,048.3 | 2,048.3 | 451.7 |
| CENDERE-14 | | Decline | A | OR | 2018-01-01 | 9.80 | 20.0 | 10.0 | 0.30 | - | - | - | - | - | 7.4 | 420.0 | 381.7 | 381.7 | 38.3 |
| CENDERE-16 | | Decline | A | OC | 2018-01-01 | - | 51.0 | 10.0 | 0.40 | 7.89 | 3.0 | 0.6 | 1,700.0 | 1,700.0 | 27.5 | 1,000.0 | 768.3 | 768.3 | 231.7 |
| CENDERE-17 | | Decline | A | OR | 2018-01-01 | 16.08 | 42.0 | 10.0 | 0.40 | - | - | - | - | - | 10.7 | 450.0 | 368.8 | 368.8 | 81.2 |
| CENDERE-19 | | Decline | A | OC | 2018-01-01 | - | 24.0 | 10.0 | 0.30 | 10.98 | 3.0 | 1.3 | 800.0 | 800.0 | 8.5 | 700.0 | 651.6 | 651.6 | 48.4 |
| CENDERE-22 | | Decline | B1 | OR | 2018-01-01 | 36.55 | 14.0 | 5.0 | 0.40 | - | - | - | - | - | 2.6 | 128.0 | 120.1 | 120.1 | 7.9 |
| CENDERE-23 | | Decline | A | OC | 2018-01-01 | - | 84.0 | 10.0 | 0.40 | 21.88 | 16.0 | 1.9 | 525.0 | 525.0 | 12.9 | 375.0 | 233.0 | 233.0 | 142.0 |
| CENDERE-24 | | Decline | A | OR | 2018-01-01 | 15.96 | 42.0 | 10.0 | 0.40 | - | - | - | - | - | 10.8 | 150.0 | 68.1 | 68.1 | 81.9 |
| CENDERE-25 | | Decline | A | OC | 2018-01-01 | - | 27.0 | 10.0 | 0.40 | 26.68 | 3.0 | 1.1 | 900.0 | 900.0 | 3.7 | 75.0 | 52.7 | 52.7 | 22.3 |
| Total: Total Proved | | | | | | | 702.0 | | | | | | | | 17,342.0 | 15,518.2 | 15,518.2 | 1,823.8 | |
| Proved Plus Probable Producing | | | | | | | | | | | | | | | | | | | |
| CENDERE-01 | | Decline | G | OR | 2018-01-01 | 9.40 | 57.0 | 10.0 | 0.40 | - | - | - | - | - | 25.0 | 4,275.0 | 4,051.8 | 4,051.8 | 223.2 |
| CENDERE-03 | | Decline | G | OC | 2018-01-01 | - | 72.0 | 10.0 | 0.50 | 10.84 | 1.6 | 0.2 | 4,500.0 | 4,500.0 | 28.5 | 1,925.0 | 1,645.8 | 1,645.8 | 279.2 |
| CENDERE-07 | | Decline | G | OR | 2018-01-01 | 14.32 | 8.0 | 5.0 | 0.50 | - | - | - | - | - | 3.3 | 1,331.0 | 1,323.4 | 1,323.4 | 7.6 |
| CENDERE-09 | | Decline | G | OC | 2018-01-01 | - | 30.0 | 10.0 | 0.50 | 6.96 | 2.0 | 0.7 | 1,500.0 | 1,500.0 | 19.9 | 2,215.0 | 2,089.0 | 2,089.0 | 126.0 |
| CENDERE-10 | | Decline | G | OR | 2018-01-01 | 13.73 | 87.0 | 10.0 | 0.50 | - | - | - | - | - | 25.4 | 1,600.0 | 1,326.1 | 1,326.1 | 273.9 |
| CENDERE-13 | | Decline | G | OC | 2018-01-01 | - | 130.0 | 10.0 | 0.40 | 10.43 | 4.0 | 0.3 | 3,250.0 | 3,250.0 | 39.7 | 2,600.0 | 2,048.3 | 2,048.3 | 551.7 |
| CENDERE-14 | | Decline | G | OR | 2018-01-01 | 7.36 | 20.0 | 10.0 | 0.40 | - | - | - | - | - | 10.3 | 435.0 | 381.7 | 381.7 | 53.3 |
| CENDERE-16 | | Decline | G | OC | 2018-01-01 | - | 51.0 | 10.0 | 0.50 | 6.98 | 3.0 | 0.6 | 1,700.0 | 1,700.0 | 34.1 | 1,050.0 | 768.3 | 768.3 | 281.7 |
| CENDERE-17 | | Decline | G | OR | 2018-01-01 | 13.29 | 42.0 | 10.0 | 0.50 | - | - | - | - | - | 14.2 | 475.0 | 368.8 | 368.8 | 106.2 |
| CENDERE-19 | | Decline | G | OC | 2018-01-01 | - | 24.0 | 10.0 | 0.40 | 8.21 | 3.0 | 1.3 | 800.0 | 800.0 | 12.0 | 720.0 | 651.6 | 651.6 | 68.4 |
| CENDERE-23 | | Decline | G | OC | 2018-01-01 | - | 84.0 | 10.0 | 0.50 | 18.04 | 16.0 | 1.9 | 525.0 | 525.0 | 18.1 | 425.0 | 233.0 | 233.0 | 192.0 |

Oil Decline Parameters

| Resource Entity | Zone | Method | Res. Class | Decline Type | Analysis Date | Analysis Data | | | | Oil Cut | | | Fluid Rate | | Reserve Life yrs | Original Recoverable Reserve Mbbl | Cum Production @ Analysis Mbbl | Cum Production 2018-01-01 Mbbl | Remaining Reserves 2017-12-31 Mbbl |
|---|------|---------|------------|--------------|---------------|---------------------------|--------------------|------------------|------------------|---------------------------|----------------|--------------|--------------------|------------------|------------------|-----------------------------------|--------------------------------|--------------------------------|------------------------------------|
| | | | | | | Initial Effective Decline | Initial Rate bbl/d | Final Rate bbl/d | Decline Exponent | Initial Effective Decline | Initial Rate % | Final Rate % | Initial Rate bbl/d | Final Rate bbl/d | | | | | |
| Proved Plus Probable Producing (Cont.) | | | | | | | | | | | | | | | | | | | |
| CENDERE-24 | | Decline | G | OR | 2018-01-01 | 13.21 | 42.0 | 10.0 | 0.50 | - | - | - | - | - | 14.3 | 175.0 | 68.1 | 68.1 | 106.9 |
| CENDERE-25 | | Decline | G | OC | 2018-01-01 | - | 27.0 | 10.0 | 0.50 | 23.22 | 3.0 | 1.1 | 900.0 | 900.0 | 4.6 | 80.0 | 52.7 | 52.7 | 27.3 |
| Total: Proved Plus Probable Producing | | | | | | | 674.0 | | | | | | | | 17,306.0 | 15,008.6 | 15,008.6 | 2,297.4 | |
| Total Proved Plus Probable | | | | | | | | | | | | | | | | | | | |
| CENDERE-01 | | Decline | G | OR | 2018-01-01 | 9.40 | 57.0 | 10.0 | 0.40 | - | - | - | - | - | 25.0 | 4,275.0 | 4,051.8 | 4,051.8 | 223.2 |
| CENDERE-03 | | Decline | G | OC | 2018-01-01 | - | 72.0 | 10.0 | 0.50 | 10.84 | 1.6 | 0.2 | 4,500.0 | 4,500.0 | 28.5 | 1,925.0 | 1,645.8 | 1,645.8 | 279.2 |
| CENDERE-07 | | Decline | G | OR | 2018-01-01 | 14.32 | 8.0 | 5.0 | 0.50 | - | - | - | - | - | 3.3 | 1,331.0 | 1,323.4 | 1,323.4 | 7.6 |
| CENDERE-09 | | Decline | G | OC | 2018-01-01 | - | 30.0 | 10.0 | 0.50 | 6.96 | 2.0 | 0.7 | 1,500.0 | 1,500.0 | 19.9 | 2,215.0 | 2,089.0 | 2,089.0 | 126.0 |
| CENDERE-10 | | Decline | G | OR | 2018-01-01 | 13.73 | 87.0 | 10.0 | 0.50 | - | - | - | - | - | 25.4 | 1,600.0 | 1,326.1 | 1,326.1 | 273.9 |
| CENDERE-11 | | Decline | H1 | OR | 2018-01-01 | 6.74 | 14.0 | 5.0 | 0.40 | - | - | - | - | - | 18.0 | 445.0 | 389.5 | 389.5 | 55.5 |
| CENDERE-13 | | Decline | G | OC | 2018-01-01 | - | 130.0 | 10.0 | 0.40 | 10.43 | 4.0 | 0.3 | 3,250.0 | 3,250.0 | 39.7 | 2,600.0 | 2,048.3 | 2,048.3 | 551.7 |
| CENDERE-14 | | Decline | G | OR | 2018-01-01 | 7.36 | 20.0 | 10.0 | 0.40 | - | - | - | - | - | 10.3 | 435.0 | 381.7 | 381.7 | 53.3 |
| CENDERE-16 | | Decline | G | OC | 2018-01-01 | - | 51.0 | 10.0 | 0.50 | 6.98 | 3.0 | 0.6 | 1,700.0 | 1,700.0 | 34.1 | 1,050.0 | 768.3 | 768.3 | 281.7 |
| CENDERE-17 | | Decline | G | OR | 2018-01-01 | 13.29 | 42.0 | 10.0 | 0.50 | - | - | - | - | - | 14.2 | 475.0 | 368.8 | 368.8 | 106.2 |
| CENDERE-19 | | Decline | G | OC | 2018-01-01 | - | 24.0 | 10.0 | 0.40 | 8.21 | 3.0 | 1.3 | 800.0 | 800.0 | 12.0 | 720.0 | 651.6 | 651.6 | 68.4 |
| CENDERE-22 | | Decline | H1 | OR | 2018-01-01 | 29.29 | 14.0 | 5.0 | 0.50 | - | - | - | - | - | 3.6 | 131.0 | 120.1 | 120.1 | 10.9 |
| CENDERE-23 | | Decline | G | OC | 2018-01-01 | - | 84.0 | 10.0 | 0.50 | 18.04 | 16.0 | 1.9 | 525.0 | 525.0 | 18.1 | 425.0 | 233.0 | 233.0 | 192.0 |
| CENDERE-24 | | Decline | G | OR | 2018-01-01 | 13.21 | 42.0 | 10.0 | 0.50 | - | - | - | - | - | 14.3 | 175.0 | 68.1 | 68.1 | 106.9 |
| CENDERE-25 | | Decline | G | OC | 2018-01-01 | - | 27.0 | 10.0 | 0.50 | 23.22 | 3.0 | 1.1 | 900.0 | 900.0 | 4.6 | 80.0 | 52.7 | 52.7 | 27.3 |
| Total: Total Proved Plus Probable | | | | | | | 702.0 | | | | | | | | 17,882.0 | 15,518.2 | 15,518.2 | 2,363.8 | |
| PPP Producing | | | | | | | | | | | | | | | | | | | |
| CENDERE-01 | | Decline | P | OR | 2018-01-01 | 8.30 | 57.0 | 10.0 | 0.50 | - | - | - | - | - | 31.3 | 4,325.0 | 4,051.8 | 4,051.8 | 273.2 |
| CENDERE-03 | | Decline | P | OC | 2018-01-01 | - | 72.0 | 10.0 | 0.60 | 8.79 | 1.6 | 0.2 | 4,500.0 | 4,500.0 | 39.9 | 2,025.0 | 1,645.8 | 1,645.8 | 379.2 |
| CENDERE-07 | | Decline | P | OR | 2018-01-01 | 10.76 | 8.0 | 5.0 | 0.60 | - | - | - | - | - | 4.6 | 1,334.0 | 1,323.4 | 1,323.4 | 10.6 |
| CENDERE-09 | | Decline | P | OC | 2018-01-01 | - | 30.0 | 10.0 | 0.60 | 5.94 | 2.0 | 0.7 | 1,500.0 | 1,500.0 | 24.9 | 2,245.0 | 2,089.0 | 2,089.0 | 156.0 |
| CENDERE-10 | | Decline | P | OR | 2018-01-01 | 12.73 | 87.0 | 10.0 | 0.60 | - | - | - | - | - | 31.2 | 1,650.0 | 1,326.1 | 1,326.1 | 323.9 |
| CENDERE-13 | | Decline | P | OC | 2018-01-01 | - | 130.0 | 10.0 | 0.50 | 9.75 | 4.0 | 0.3 | 3,250.0 | 3,250.0 | 49.5 | 2,700.0 | 2,048.3 | 2,048.3 | 651.7 |
| CENDERE-14 | | Decline | P | OR | 2018-01-01 | 5.98 | 20.0 | 10.0 | 0.50 | - | - | - | - | - | 13.2 | 450.0 | 381.7 | 381.7 | 68.3 |
| CENDERE-16 | | Decline | P | OC | 2018-01-01 | - | 51.0 | 10.0 | 0.60 | 6.37 | 3.0 | 0.6 | 1,700.0 | 1,700.0 | 41.1 | 1,100.0 | 768.3 | 768.3 | 331.7 |
| CENDERE-17 | | Decline | P | OR | 2018-01-01 | 11.57 | 42.0 | 10.0 | 0.60 | - | - | - | - | - | 17.8 | 500.0 | 368.8 | 368.8 | 131.2 |
| CENDERE-19 | | Decline | P | OC | 2018-01-01 | - | 24.0 | 10.0 | 0.50 | 6.67 | 3.0 | 1.3 | 800.0 | 800.0 | 15.6 | 740.0 | 651.6 | 651.6 | 88.5 |
| CENDERE-23 | | Decline | P | OC | 2018-01-01 | - | 84.0 | 10.0 | 0.60 | 15.83 | 16.0 | 1.9 | 525.0 | 525.0 | 23.7 | 475.0 | 233.0 | 233.0 | 242.0 |
| CENDERE-24 | | Decline | P | OR | 2018-01-01 | 11.51 | 42.0 | 10.0 | 0.60 | - | - | - | - | - | 17.9 | 200.0 | 68.1 | 68.1 | 131.9 |
| CENDERE-25 | | Decline | P | OC | 2018-01-01 | - | 27.0 | 10.0 | 0.60 | 20.78 | 3.0 | 1.1 | 900.0 | 900.0 | 5.4 | 85.0 | 52.7 | 52.7 | 32.3 |
| Total: PPP Producing | | | | | | | 674.0 | | | | | | | | 17,829.0 | 15,008.6 | 15,008.6 | 2,820.4 | |
| Total PPP | | | | | | | | | | | | | | | | | | | |
| CENDERE-01 | | Decline | P | OR | 2018-01-01 | 8.30 | 57.0 | 10.0 | 0.50 | - | - | - | - | - | 31.3 | 4,325.0 | 4,051.8 | 4,051.8 | 273.2 |
| CENDERE-03 | | Decline | P | OC | 2018-01-01 | - | 72.0 | 10.0 | 0.60 | 8.79 | 1.6 | 0.2 | 4,500.0 | 4,500.0 | 39.9 | 2,025.0 | 1,645.8 | 1,645.8 | 379.2 |
| CENDERE-07 | | Decline | P | OR | 2018-01-01 | 10.76 | 8.0 | 5.0 | 0.60 | - | - | - | - | - | 4.6 | 1,334.0 | 1,323.4 | 1,323.4 | 10.6 |
| CENDERE-09 | | Decline | P | OC | 2018-01-01 | - | 30.0 | 10.0 | 0.60 | 5.94 | 2.0 | 0.7 | 1,500.0 | 1,500.0 | 24.9 | 2,245.0 | 2,089.0 | 2,089.0 | 156.0 |
| CENDERE-10 | | Decline | P | OR | 2018-01-01 | 12.73 | 87.0 | 10.0 | 0.60 | - | - | - | - | - | 31.2 | 1,650.0 | 1,326.1 | 1,326.1 | 323.9 |
| CENDERE-11 | | Decline | Q1 | OR | 2018-01-01 | 5.59 | 14.0 | 5.0 | 0.50 | - | - | - | - | - | 23.1 | 460.0 | 389.5 | 389.5 | 70.5 |
| CENDERE-13 | | Decline | P | OC | 2018-01-01 | - | 130.0 | 10.0 | 0.50 | 9.75 | 4.0 | 0.3 | 3,250.0 | 3,250.0 | 49.5 | 2,700.0 | 2,048.3 | 2,048.3 | 651.7 |
| CENDERE-14 | | Decline | P | OR | 2018-01-01 | 5.98 | 20.0 | 10.0 | 0.50 | - | - | - | - | - | 13.2 | 450.0 | 381.7 | 381.7 | 68.3 |
| CENDERE-16 | | Decline | P | OC | 2018-01-01 | - | 51.0 | 10.0 | 0.60 | 6.37 | 3.0 | 0.6 | 1,700.0 | 1,700.0 | 41.1 | 1,100.0 | 768.3 | 768.3 | 331.7 |

Oil Decline Parameters

| Resource Entity | Zone | Method | Res. Class | Decline Type | Analysis Date | Analysis Data | | | | Oil Cut | | | Fluid Rate | | Reserve Life yrs | Original Recoverable Reserve Mbbl | Cum Production @ Analysis Mbbl | Cum Production 2018-01-01 Mbbl | Remaining Reserves 2017-12-31 Mbbl |
|--------------------------|------|---------|------------|--------------|---------------|---------------------------|--------------------|------------------|------------------|---------------------------|----------------|--------------|--------------------|------------------|------------------|-----------------------------------|--------------------------------|--------------------------------|------------------------------------|
| | | | | | | Initial Effective Decline | Initial Rate bbl/d | Final Rate bbl/d | Decline Exponent | Initial Effective Decline | Initial Rate % | Final Rate % | Initial Rate bbl/d | Final Rate bbl/d | | | | | |
| Total PPP (Cont.) | | | | | | | | | | | | | | | | | | | |
| CENDERE-17 | | Decline | P | OR | 2018-01-01 | 11.57 | 42.0 | 10.0 | 0.60 | - | - | - | - | - | 17.8 | 500.0 | 368.8 | 368.8 | 131.2 |
| CENDERE-19 | | Decline | P | OC | 2018-01-01 | - | 24.0 | 10.0 | 0.50 | 6.67 | 3.0 | 1.3 | 800.0 | 800.0 | 15.6 | 740.0 | 651.6 | 651.6 | 88.5 |
| CENDERE-22 | | Decline | Q1 | OR | 2018-01-01 | 24.81 | 14.0 | 5.0 | 0.60 | - | - | - | - | - | 4.6 | 134.0 | 120.1 | 120.1 | 13.9 |
| CENDERE-23 | | Decline | P | OC | 2018-01-01 | - | 84.0 | 10.0 | 0.60 | 15.83 | 16.0 | 1.9 | 525.0 | 525.0 | 23.7 | 475.0 | 233.0 | 233.0 | 242.0 |
| CENDERE-24 | | Decline | P | OR | 2018-01-01 | 11.51 | 42.0 | 10.0 | 0.60 | - | - | - | - | - | 17.9 | 200.0 | 68.1 | 68.1 | 131.9 |
| CENDERE-25 | | Decline | P | OC | 2018-01-01 | - | 27.0 | 10.0 | 0.60 | 20.78 | 3.0 | 1.1 | 900.0 | 900.0 | 5.4 | 85.0 | 52.7 | 52.7 | 32.3 |
| Total: Total PPP | | | | | | | 702.0 | | | | | | | | | 18,423.0 | 15,518.2 | 15,518.2 | 2,904.8 |

The reserves calculated above may not match the economic forecasts due to economic limit considerations.

Glossary

A: Proved Producing

B1: Proved Developed Non-Producing

G: Proved Plus Probable Producing

H1: Proved Plus Probable Developed Non-Producing

P: PPP Producing

Q1: PPP Developed Non-Producing

Table 3

Company: **Park Place Energy Inc.**
 Property: **Cendere**
 Currency: **\$US Dollars**

Reserve Class: **Various**
 Development Class: **Classifications**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Daily Production

| Entity Description | Reserve Class | Year | | | | | | | | | | | | Totals | | |
|---|---------------|------|------|------|------|------|------|------|------|------|------|------|------|----------|-----------|-------|
| | | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | Subtotal | Remainder | Total |
| Gross Lease Daily Oil Production (bbl/d) | | | | | | | | | | | | | | | | |
| Proved Producing | A | 618 | 531 | 464 | 403 | 351 | 314 | 282 | 248 | 218 | 191 | 169 | 0 | 1,383 | 0 | 1,383 |
| Total Proved | | 625 | 554 | 482 | 414 | 361 | 323 | 291 | 255 | 225 | 198 | 176 | 6 | 1,428 | 0 | 1,428 |
| Proved Plus Probable Producing | G | 626 | 559 | 494 | 442 | 396 | 355 | 326 | 298 | 275 | 254 | 230 | 210 | 1,630 | 132 | 1,763 |
| Total Proved Plus Probable | | 633 | 583 | 514 | 454 | 407 | 365 | 335 | 307 | 284 | 263 | 237 | 217 | 1,679 | 144 | 1,823 |
| PPP Producing | P | 631 | 572 | 512 | 465 | 426 | 387 | 355 | 329 | 306 | 286 | 269 | 252 | 1,748 | 372 | 2,121 |
| Total PPP | | 638 | 596 | 534 | 484 | 437 | 397 | 365 | 338 | 316 | 295 | 278 | 260 | 1,803 | 394 | 2,197 |
| Company Daily Oil Production (bbl/d) | | | | | | | | | | | | | | | | |
| Proved Producing | A | 104 | 89 | 77 | 67 | 58 | 51 | 46 | 40 | 35 | 30 | 27 | 0 | 228 | 0 | 228 |
| Total Proved | | 106 | 94 | 81 | 69 | 60 | 53 | 48 | 42 | 36 | 32 | 28 | 1 | 237 | 0 | 237 |
| Proved Plus Probable Producing | G | 106 | 94 | 83 | 74 | 66 | 59 | 54 | 49 | 45 | 42 | 38 | 34 | 271 | 21 | 293 |
| Total Proved Plus Probable | | 107 | 99 | 87 | 76 | 68 | 61 | 56 | 51 | 47 | 43 | 39 | 36 | 281 | 24 | 305 |
| PPP Producing | P | 107 | 97 | 86 | 78 | 71 | 65 | 59 | 55 | 51 | 48 | 45 | 42 | 293 | 61 | 354 |
| Total PPP | | 108 | 101 | 90 | 82 | 74 | 67 | 61 | 57 | 53 | 49 | 46 | 43 | 303 | 65 | 369 |

Company: **Park Place Energy Inc.**
 Property: **Cendere**
 Currency: **\$US Dollars**

Table 4

Effective Date: **December 31, 2017****Economic Parameters****A) Price Forecasts and By-Product Data**

| | |
|------------------|---------------|
| Scenario | GLJ (2018-01) |
| Oil Reference | BRENTUS |
| Price Adjustment | |
| Field Condensate | -3.50 \$/bbl |
| Oil | -3.50 \$/bbl |

B) Operating Costs (2018 \$US Dollars)

| | |
|-------------------------------|---------------------|
| Field Condensate Stream Costs | |
| Variable | 9.20 \$/bbl |
| Major Stream Costs | |
| Fixed | 8,000 \$/well/month |
| Oil Stream Costs | |
| Variable | 9.20 \$/bbl |

Notes

1. All variable costs are \$/product (sales).

| | | Major Stream Costs |
|---------|-------|-----------------------|
| | RC | Fixed M\$/yr |
| Cendere | A,G,P | 2,000 |

Notes

1. All variable costs are \$/product (sales).

C) Abandonment Costs (2018 \$US Dollars)

| | |
|-------------|---------------|
| Abandonment | |
| Well Costs | 30.0 M\$/well |
| Reclamation | |
| Well Costs | 20.0 M\$/well |

D) Capital Costs (2018 \$US Dollars)**Capital Summary (2018 \$US Dollars)**

| Year | On Stream | Well/Area | RC | Development Description | Gross Lease Capital Expenditures (M\$) | | | Company Capital Expenditures | Capital Interest % | |
|--|--------------|------------|----|----------------------------|---|----------|------------------|------------------------------------|--------------------------|--------------|
| | | | | | Development | Tangible | Plant & Gath. | Total M\$ | | |
| <i>Proved Producing</i> | | | | | | | | | | |
| 2018 | Apr | CENDERE-19 | A | | 0 | 0 | 0 | 0 | 0.00 | |
| Total: Proved Producing | | | | | 0 | 0 | 0 | 0 | 0.00 | |
| <i>Total Proved</i> | | | | | | | | | | |
| 2018 | Apr | CENDERE-19 | A | | 0 | 0 | 0 | 0 | 0.00 | |
| | Oct | CENDERE-11 | B1 | Workover | 100 | 0 | 0 | 100 | 19.60 | |
| | Oct | CENDERE-22 | B1 | Workover | 100 | 0 | 0 | 100 | 19.60 | |
| Total: Total Proved | | | | | 200 | 0 | 0 | 200 | 39 | 19.60 |
| <i>Proved Plus Probable Producing</i> | | | | | | | | | | |
| 2018 | Apr | CENDERE-19 | G | | 0 | 0 | 0 | 0 | 0.00 | |
| Total: Proved Plus Probable Producing | | | | | 0 | 0 | 0 | 0 | 0.00 | |
| <i>Total Proved Plus Probable</i> | | | | | | | | | | |
| 2018 | Apr | CENDERE-19 | G | | 0 | 0 | 0 | 0 | 0.00 | |

Table 4
Economic Parameters
Capital Summary (2018 \$US Dollars)

| Year | On Stream | Well/Area | RC | Development Description | Gross Lease Capital Expenditures (M\$) | | | Company Capital Expenditures | Capital Interest % | |
|---|-----------|------------|----|-------------------------|--|----------|---------------|------------------------------|--------------------|--------------|
| | | | | | Development | Tangible | Plant & Gath. | Total | | Total M\$ |
| <i>Total Proved Plus Probable (Cont.)</i> | | | | | | | | | | |
| 2018 | Oct | CENDERE-11 | H1 | Workover | 100 | 0 | 0 | 100 | 20 | 19.60 |
| | Oct | CENDERE-22 | H1 | Workover | 100 | 0 | 0 | 100 | 20 | 19.60 |
| Total: Total Proved Plus Probable | | | | | 200 | 0 | 0 | 200 | 39 | 19.60 |
| <i>PPP Producing</i> | | | | | | | | | | |
| 2018 | Apr | CENDERE-19 | P | | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Total: PPP Producing | | | | | 0 | 0 | 0 | 0 | 0 | 0.00 |
| <i>Total PPP</i> | | | | | | | | | | |
| 2018 | Apr | CENDERE-19 | P | | 0 | 0 | 0 | 0 | 0 | 0.00 |
| | Oct | CENDERE-11 | Q1 | Workover | 100 | 0 | 0 | 100 | 20 | 19.60 |
| | Oct | CENDERE-22 | Q1 | Workover | 100 | 0 | 0 | 100 | 20 | 19.60 |
| Total: Total PPP | | | | | 200 | 0 | 0 | 200 | 39 | 19.60 |

Company: **Park Place Energy Inc.**
 Property: **Cendere**
 Currency: **\$US Dollars**

Reserve Class: **Proved**
 Development Class: **Producing**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Economic Forecast

PRODUCTION FORECAST

Light & Medium Oil Production

| Year | Gross Oil Wells | Gross Daily bbl/d | Company Daily bbl/d | Company Yearly Mbbl | Net Yearly Mbbl | Price \$/bbl |
|-------------|-----------------|-------------------|---------------------|---------------------|-----------------|--------------|
| 2018 | 13 | 618 | 104 | 38 | 33 | 62.00 |
| 2019 | 12 | 531 | 89 | 33 | 28 | 59.93 |
| 2020 | 12 | 464 | 77 | 28 | 25 | 59.36 |
| 2021 | 12 | 403 | 67 | 24 | 21 | 62.29 |
| 2022 | 11 | 351 | 58 | 21 | 18 | 65.21 |
| 2023 | 11 | 314 | 51 | 19 | 16 | 68.14 |
| 2024 | 11 | 282 | 46 | 17 | 15 | 71.06 |
| 2025 | 11 | 248 | 40 | 15 | 13 | 73.98 |
| 2026 | 10 | 218 | 35 | 13 | 11 | 76.23 |
| 2027 | 9 | 191 | 30 | 11 | 10 | 77.70 |
| 2028 | 9 | 169 | 27 | 10 | 9 | 79.25 |
| 2029 | 0 | 0 | 0 | 0 | 0 | 0.00 |
| Sub. | | | | 228 | 200 | 65.94 |
| Rem. | | | | 0 | 0 | 0.00 |
| Tot. | | | | 228 | 200 | 65.94 |

REVENUE AND EXPENSE FORECAST

Revenue Before Burdens

| Year | Working Interest | | | | Royalty Interest Total M\$ | Company Interest Total M\$ | Royalty Burdens Pre-Processing | | Gas Processing Allowance | | Total Royalty After Process. M\$ | Net Revenue After Royalty M\$ | Operating Expenses | | |
|-------------|------------------|----------|-------------|---------------|----------------------------|----------------------------|--------------------------------|-----------|--------------------------|-----------|----------------------------------|-------------------------------|--------------------|--------------|--------------|
| | Oil M\$ | Gas M\$ | NGL+Sul M\$ | Total M\$ | | | Crown M\$ | Other M\$ | Crown M\$ | Other M\$ | | | Fixed M\$ | Variable M\$ | Total M\$ |
| 2018 | 2,361 | 0 | 0 | 2,361 | 0 | 2,361 | 295 | 0 | 0 | 0 | 295 | 2,066 | 559 | 350 | 909 |
| 2019 | 1,949 | 0 | 0 | 1,949 | 0 | 1,949 | 244 | 0 | 0 | 0 | 244 | 1,705 | 553 | 305 | 858 |
| 2020 | 1,675 | 0 | 0 | 1,675 | 0 | 1,675 | 209 | 0 | 0 | 0 | 209 | 1,466 | 562 | 270 | 832 |
| 2021 | 1,519 | 0 | 0 | 1,519 | 0 | 1,519 | 190 | 0 | 0 | 0 | 190 | 1,329 | 565 | 238 | 803 |
| 2022 | 1,375 | 0 | 0 | 1,375 | 0 | 1,375 | 172 | 0 | 0 | 0 | 172 | 1,203 | 560 | 210 | 770 |
| 2023 | 1,278 | 0 | 0 | 1,278 | 0 | 1,278 | 160 | 0 | 0 | 0 | 160 | 1,118 | 569 | 190 | 760 |
| 2024 | 1,195 | 0 | 0 | 1,195 | 0 | 1,195 | 149 | 0 | 0 | 0 | 149 | 1,046 | 580 | 174 | 754 |
| 2025 | 1,083 | 0 | 0 | 1,083 | 0 | 1,083 | 135 | 0 | 0 | 0 | 135 | 947 | 574 | 155 | 729 |
| 2026 | 973 | 0 | 0 | 973 | 0 | 973 | 122 | 0 | 0 | 0 | 122 | 852 | 568 | 138 | 705 |
| 2027 | 862 | 0 | 0 | 862 | 0 | 862 | 108 | 0 | 0 | 0 | 108 | 754 | 560 | 122 | 682 |
| 2028 | 770 | 0 | 0 | 770 | 0 | 770 | 96 | 0 | 0 | 0 | 96 | 674 | 553 | 109 | 662 |
| 2029 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sub. | 15,039 | 0 | 0 | 15,039 | 0 | 15,039 | 1,880 | 0 | 0 | 0 | 1,880 | 13,159 | 6,203 | 2,261 | 8,464 |
| Rem. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tot. | 15,039 | 0 | 0 | 15,039 | 0 | 15,039 | 1,880 | 0 | 0 | 0 | 1,880 | 13,159 | 6,203 | 2,261 | 8,464 |
| Disc | 10,237 | 0 | 0 | 10,237 | 0 | 10,237 | 1,280 | 0 | 0 | 0 | 1,280 | 8,958 | 3,837 | 1,551 | 5,388 |

| Year | Mineral Tax M\$ | Capital Tax M\$ | NPI Burden M\$ | Net Prod'n Revenue M\$ | Other Income M\$ | Aband. & Oper. | | Net Capital Investment | | | | Before Tax Cash Flow | | | |
|-------------|-----------------|-----------------|----------------|------------------------|------------------|-----------------|--------------|------------------------|-----------|-----------|-----------|----------------------|--------------|---------------|--------------|
| | | | | | | Recl. Costs M\$ | Income M\$ | Dev. M\$ | Plant M\$ | Tang. M\$ | Total M\$ | Annual M\$ | Cum. M\$ | 10.0% Def M\$ | |
| 2018 | 0 | 0 | 0 | 1,157 | 0 | 0 | 1,157 | 0 | 0 | 0 | 0 | 0 | 1,157 | 1,157 | 1,103 |
| 2019 | 0 | 0 | 0 | 847 | 0 | 0 | 847 | 0 | 0 | 0 | 0 | 0 | 847 | 2,004 | 1,837 |
| 2020 | 0 | 0 | 0 | 633 | 0 | 0 | 633 | 0 | 0 | 0 | 0 | 0 | 633 | 2,637 | 2,336 |
| 2021 | 0 | 0 | 0 | 526 | 0 | 0 | 526 | 0 | 0 | 0 | 0 | 0 | 526 | 3,163 | 2,713 |
| 2022 | 0 | 0 | 0 | 433 | 0 | 0 | 433 | 0 | 0 | 0 | 0 | 0 | 433 | 3,596 | 2,995 |
| 2023 | 0 | 0 | 0 | 358 | 0 | 11 | 347 | 0 | 0 | 0 | 0 | 0 | 347 | 3,943 | 3,201 |
| 2024 | 0 | 0 | 0 | 292 | 0 | 0 | 292 | 0 | 0 | 0 | 0 | 0 | 292 | 4,235 | 3,358 |
| 2025 | 0 | 0 | 0 | 218 | 0 | 0 | 218 | 0 | 0 | 0 | 0 | 0 | 218 | 4,454 | 3,464 |
| 2026 | 0 | 0 | 0 | 146 | 0 | 11 | 135 | 0 | 0 | 0 | 0 | 0 | 135 | 4,588 | 3,524 |
| 2027 | 0 | 0 | 0 | 73 | 0 | 0 | 73 | 0 | 0 | 0 | 0 | 0 | 73 | 4,661 | 3,554 |
| 2028 | 0 | 0 | 0 | 11 | 0 | 0 | 11 | 0 | 0 | 0 | 0 | 0 | 11 | 4,673 | 3,558 |
| 2029 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,673 | 3,558 |
| Sub. | 0 | 0 | 0 | 4,695 | 0 | 22 | 4,673 | 0 | 0 | 0 | 0 | 0 | 4,673 | 4,673 | 3,558 |
| Rem. | 0 | 0 | 0 | 0 | 0 | 131 | -131 | 0 | 0 | 0 | 0 | 0 | -131 | 4,542 | 3,527 |
| Tot. | 0 | 0 | 0 | 4,695 | 0 | 153 | 4,542 | 0 | 0 | 0 | 0 | 0 | 4,542 | 4,542 | 3,527 |
| Disc | 0 | 0 | 0 | 3,570 | 0 | 43 | 3,527 | 0 | 0 | 0 | 0 | 0 | 3,527 | 3,527 | 3,527 |

SUMMARY OF RESERVES

| Product | Units | Remaining Reserves at Jan 01, 2018 | | | | | Oil Equivalents | | | Reserve Life Indic. (yr) | | |
|----------------|-------|------------------------------------|------------------|------------------|---------------|-----|-----------------|--------------|------------|--------------------------|------------|-----------|
| | | Gross | Working Interest | Roy/NPI Interest | Total Company | Net | Oil Eq. Factor | Company Mboe | % of Total | Reserve Life | Life Index | Half Life |
| Light/Med Oil | Mbbl | 1,383 | 228 | 0 | 228 | 200 | 1.000 | 228 | 100 | 11.0 | 6.0 | 3.6 |
| Total: Oil Eq. | Mboe | 1,383 | 228 | 0 | 228 | 200 | 1.000 | 228 | 100 | 11.0 | 6.0 | 3.6 |

PRODUCT REVENUE AND EXPENSES

| Product | Units | Average First Year Unit Values | | | | | Net Revenue After Royalties | | | | |
|----------------|--------|--------------------------------|-------------|--------------------|----------------|----------------|-----------------------------|------------|--------------|------------|--|
| | | Wellhead Price | Net Burdens | Operating Expenses | Other Expenses | Prod'n Revenue | Undisc M\$ | % of Total | 10% Disc M\$ | % of Total | |
| Light/Med Oil | \$/bbl | 62.00 | 7.75 | 23.87 | 0.00 | 30.38 | 13,159 | 100 | 8,958 | 100 | |
| Total: Oil Eq. | \$/boe | 62.00 | 7.75 | 23.87 | 0.00 | 30.38 | 13,159 | 100 | 8,958 | 100 | |

INTEREST AND NET PRESENT VALUE SUMMARY

| | Net Present Value Before Income Tax | | | | | | | | | |
|-------------------|-------------------------------------|---------|----|--------------|--------------------|----------------------|---------------------|-----------|--------|--|
| | Revenue Interests and Burdens (%) | | | Disc. Rate % | Prod'n Revenue M\$ | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | | |
| | Initial | Average | | | | | | M\$ | \$/boe | |
| Working Interest | 16.8847 | 16.4582 | 0 | 4,695 | 4,542 | 0 | 4,542 | 19.92 | | |
| Capital Interest | 16.8847 | 16.4582 | 5 | 4,055 | 3,976 | 0 | 3,976 | 17.43 | | |
| Royalty Interest | 0.0000 | 0.0000 | 8 | 3,749 | 3,694 | 0 | 3,694 | 16.20 | | |
| Crown Royalty | 12.5000 | 12.5000 | 10 | 3,570 | 3,527 | 0 | 3,527 | 15.46 | | |
| Non-crown Royalty | 0.0000 | 0.0000 | 12 | 3,408 | 3,374 | 0 | 3,374 | 14.79 | | |
| Mineral Tax | 0.0000 | 0.0000 | 15 | 3,192 | 3,168 | 0 | 3,168 | 13.89 | | |
| | | | 20 | 2,892 | 2,877 | 0 | 2,877 | 12.62 | | |

Evaluator: Olenick, Patrick A.
Run Date: March 21, 2018 08:01:57

Company: **Park Place Energy Inc.**
 Property: **Cendere**
 Currency: **\$US Dollars**

Reserve Class: **Proved**
 Development Class: **Total**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Economic Forecast

PRODUCTION FORECAST

Light & Medium Oil Production

| Year | Gross Oil Wells | Gross Daily bbl/d | Company Daily bbl/d | Company Yearly Mbbl | Net Yearly Mbbl | Price \$/bbl |
|-------------|-----------------|-------------------|---------------------|---------------------|-----------------|--------------|
| 2018 | 15 | 625 | 106 | 39 | 34 | 62.00 |
| 2019 | 14 | 554 | 94 | 34 | 30 | 59.93 |
| 2020 | 14 | 482 | 81 | 30 | 26 | 59.36 |
| 2021 | 13 | 414 | 69 | 25 | 22 | 62.29 |
| 2022 | 12 | 361 | 60 | 22 | 19 | 65.21 |
| 2023 | 12 | 323 | 53 | 19 | 17 | 68.14 |
| 2024 | 12 | 291 | 48 | 17 | 15 | 71.06 |
| 2025 | 12 | 255 | 42 | 15 | 13 | 73.98 |
| 2026 | 11 | 225 | 36 | 13 | 12 | 76.23 |
| 2027 | 10 | 198 | 32 | 12 | 10 | 77.70 |
| 2028 | 10 | 176 | 28 | 10 | 9 | 79.25 |
| 2029 | 1 | 6 | 1 | 0 | 0 | 80.84 |
| Sub. | | | | 237 | 207 | 65.98 |
| Rem. | | | | 0 | 0 | 0.00 |
| Tot. | | | | 237 | 207 | 65.98 |

REVENUE AND EXPENSE FORECAST

Revenue Before Burdens

| Year | Working Interest | | | | Royalty Interest | Company Interest | Royalty Burdens Pre-Processing | | Gas Processing Allowance | | Total Royalty After Process. | Net Revenue After Royalty | Operating Expenses | | |
|-------------|------------------|----------|-------------|---------------|------------------|------------------|--------------------------------|-----------|--------------------------|-----------|------------------------------|---------------------------|--------------------|--------------|--------------|
| | Oil M\$ | Gas M\$ | NGL+Sul M\$ | Total M\$ | Total M\$ | Total M\$ | Crown M\$ | Other M\$ | Crown M\$ | Other M\$ | M\$ | M\$ | Fixed M\$ | Variable M\$ | Total M\$ |
| 2018 | 2,392 | 0 | 0 | 2,392 | 0 | 2,392 | 299 | 0 | 0 | 0 | 299 | 2,093 | 568 | 355 | 923 |
| 2019 | 2,047 | 0 | 0 | 2,047 | 0 | 2,047 | 256 | 0 | 0 | 0 | 256 | 1,791 | 592 | 321 | 912 |
| 2020 | 1,754 | 0 | 0 | 1,754 | 0 | 1,754 | 219 | 0 | 0 | 0 | 219 | 1,535 | 601 | 283 | 884 |
| 2021 | 1,567 | 0 | 0 | 1,567 | 0 | 1,567 | 196 | 0 | 0 | 0 | 196 | 1,372 | 585 | 246 | 831 |
| 2022 | 1,422 | 0 | 0 | 1,422 | 0 | 1,422 | 178 | 0 | 0 | 0 | 178 | 1,244 | 580 | 217 | 797 |
| 2023 | 1,323 | 0 | 0 | 1,323 | 0 | 1,323 | 165 | 0 | 0 | 0 | 165 | 1,157 | 590 | 197 | 787 |
| 2024 | 1,239 | 0 | 0 | 1,239 | 0 | 1,239 | 155 | 0 | 0 | 0 | 155 | 1,084 | 601 | 181 | 781 |
| 2025 | 1,124 | 0 | 0 | 1,124 | 0 | 1,124 | 141 | 0 | 0 | 0 | 141 | 984 | 596 | 161 | 756 |
| 2026 | 1,013 | 0 | 0 | 1,013 | 0 | 1,013 | 127 | 0 | 0 | 0 | 127 | 886 | 590 | 143 | 733 |
| 2027 | 900 | 0 | 0 | 900 | 0 | 900 | 112 | 0 | 0 | 0 | 112 | 787 | 582 | 127 | 709 |
| 2028 | 806 | 0 | 0 | 806 | 0 | 806 | 101 | 0 | 0 | 0 | 101 | 705 | 576 | 114 | 690 |
| 2029 | 34 | 0 | 0 | 34 | 0 | 34 | 4 | 0 | 0 | 0 | 4 | 30 | 23 | 5 | 28 |
| Sub. | 15,621 | 0 | 0 | 15,621 | 0 | 15,621 | 1,953 | 0 | 0 | 0 | 1,953 | 13,668 | 6,485 | 2,349 | 8,833 |
| Rem. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tot. | 15,621 | 0 | 0 | 15,621 | 0 | 15,621 | 1,953 | 0 | 0 | 0 | 1,953 | 13,668 | 6,485 | 2,349 | 8,833 |
| Disc | 10,608 | 0 | 0 | 10,608 | 0 | 10,608 | 1,326 | 0 | 0 | 0 | 1,326 | 9,282 | 4,007 | 1,608 | 5,615 |

| Year | Mineral Tax | Capital Tax | NPI Burden | Net Prod'n Revenue | Other Income | Aband. & Recl. Costs | Oper. Income | Net Capital Investment | | | | Before Tax Cash Flow | | |
|-------------|-------------|-------------|------------|--------------------|--------------|----------------------|--------------|------------------------|-----------|-----------|-----------|----------------------|--------------|---------------|
| | M\$ | M\$ | M\$ | M\$ | M\$ | M\$ | M\$ | Dev. M\$ | Plant M\$ | Tang. M\$ | Total M\$ | Annual M\$ | Cum. M\$ | 10.0% Def M\$ |
| 2018 | 0 | 0 | 0 | 1,169 | 0 | 0 | 1,169 | 39 | 0 | 0 | 39 | 1,130 | 1,130 | 1,078 |
| 2019 | 0 | 0 | 0 | 879 | 0 | 0 | 879 | 0 | 0 | 0 | 0 | 879 | 2,010 | 1,840 |
| 2020 | 0 | 0 | 0 | 651 | 0 | 0 | 651 | 0 | 0 | 0 | 0 | 651 | 2,660 | 2,353 |
| 2021 | 0 | 0 | 0 | 541 | 0 | 0 | 541 | 0 | 0 | 0 | 0 | 541 | 3,201 | 2,740 |
| 2022 | 0 | 0 | 0 | 447 | 0 | 0 | 447 | 0 | 0 | 0 | 0 | 447 | 3,648 | 3,031 |
| 2023 | 0 | 0 | 0 | 370 | 0 | 11 | 359 | 0 | 0 | 0 | 0 | 359 | 4,007 | 3,244 |
| 2024 | 0 | 0 | 0 | 302 | 0 | 0 | 302 | 0 | 0 | 0 | 0 | 302 | 4,310 | 3,407 |
| 2025 | 0 | 0 | 0 | 227 | 0 | 11 | 216 | 0 | 0 | 0 | 0 | 216 | 4,526 | 3,512 |
| 2026 | 0 | 0 | 0 | 153 | 0 | 11 | 142 | 0 | 0 | 0 | 0 | 142 | 4,668 | 3,575 |
| 2027 | 0 | 0 | 0 | 78 | 0 | 0 | 78 | 0 | 0 | 0 | 0 | 78 | 4,746 | 3,607 |
| 2028 | 0 | 0 | 0 | 15 | 0 | 0 | 15 | 0 | 0 | 0 | 0 | 15 | 4,760 | 3,612 |
| 2029 | 0 | 0 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 4,762 | 3,613 |
| Sub. | 0 | 0 | 0 | 4,835 | 0 | 34 | 4,801 | 39 | 0 | 0 | 39 | 4,762 | 4,762 | 3,613 |
| Rem. | 0 | 0 | 0 | 0 | 0 | 144 | -144 | 0 | 0 | 0 | 0 | -144 | 4,618 | 3,579 |
| Tot. | 0 | 0 | 0 | 4,835 | 0 | 178 | 4,657 | 39 | 0 | 0 | 39 | 4,618 | 4,618 | 3,579 |
| Disc | 0 | 0 | 0 | 3,667 | 0 | 51 | 3,616 | 37 | 0 | 0 | 37 | 3,579 | 3,579 | 3,579 |

SUMMARY OF RESERVES

| Product | Units | Remaining Reserves at Jan 01, 2018 | | | | | Oil Equivalents | | | Reserve Life Indic. (yr) | | |
|----------------|-------|------------------------------------|------------------|------------------|---------------|-----|-----------------|--------------|------------|--------------------------|------------|-----------|
| | | Gross | Working Interest | Roy/NPI Interest | Total Company | Net | Oil Eq. Factor | Company Mboe | % of Total | Reserve Life | Life Index | Half Life |
| Light/Med Oil | Mbbl | 1,428 | 237 | 0 | 237 | 207 | 1.000 | 237 | 100 | 12.0 | 6.1 | 3.6 |
| Total: Oil Eq. | Mboe | 1,428 | 237 | 0 | 237 | 207 | 1.000 | 237 | 100 | 12.0 | 6.1 | 3.6 |

PRODUCT REVENUE AND EXPENSES

| Product | Units | Average First Year Unit Values | | | | | Net Revenue After Royalties | | | | |
|----------------|--------|--------------------------------|-------------|--------------------|----------------|----------------|-----------------------------|------------|--------------|------------|--|
| | | Wellhead Price | Net Burdens | Operating Expenses | Other Expenses | Prod'n Revenue | Undisc M\$ | % of Total | 10% Disc M\$ | % of Total | |
| Light/Med Oil | \$/bbl | 62.00 | 7.75 | 23.93 | 0.00 | 30.32 | 13,668 | 100 | 9,282 | 100 | |
| Total: Oil Eq. | \$/boe | 62.00 | 7.75 | 23.93 | 0.00 | 30.32 | 13,668 | 100 | 9,282 | 100 | |

INTEREST AND NET PRESENT VALUE SUMMARY

| | Net Present Value Before Income Tax | | | | | | | | |
|-------------------|-------------------------------------|---------|-----|--------------|--------------------|----------------------|---------------------|-----------|--------|
| | Revenue Interests and Burdens (%) | | | Disc. Rate % | Prod'n Revenue M\$ | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | |
| | Initial | Average | M\$ | | | | | M\$ | \$/boe |
| Working Interest | 16.9143 | 16.5570 | 0 | 4,835 | 4,657 | 39 | 4,618 | 19.50 | |
| Capital Interest | 19.6000 | 19.6000 | 5 | 4,170 | 4,078 | 38 | 4,039 | 17.06 | |
| Royalty Interest | 0.0000 | 0.0000 | 8 | 3,853 | 3,788 | 38 | 3,751 | 15.84 | |
| Crown Royalty | 12.5000 | 12.5000 | 10 | 3,667 | 3,616 | 37 | 3,579 | 15.12 | |
| Non-crown Royalty | 0.0000 | 0.0000 | 12 | 3,500 | 3,459 | 37 | 3,421 | 14.45 | |
| Mineral Tax | 0.0000 | 0.0000 | 15 | 3,277 | 3,247 | 37 | 3,210 | 13.56 | |
| | | | 20 | 2,966 | 2,948 | 36 | 2,912 | 12.30 | |

Evaluator: Olenick, Patrick A.
Run Date: March 21, 2018 08:01:57

Company: **Park Place Energy Inc.**
 Property: **Cendere**
 Currency: **\$US Dollars**

Reserve Class: **Proved Plus Probable**
 Development Class: **Producing**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Economic Forecast

PRODUCTION FORECAST

Light & Medium Oil Production

| Year | Gross Oil Wells | Gross Daily bbl/d | Company | Company | Net Yearly Mbbl | Price \$/bbl |
|-------------|-----------------|-------------------|-------------|-------------|-----------------|--------------|
| | | | Daily bbl/d | Yearly Mbbl | | |
| 2018 | 13 | 626 | 106 | 39 | 34 | 62.00 |
| 2019 | 13 | 559 | 94 | 34 | 30 | 59.93 |
| 2020 | 12 | 494 | 83 | 30 | 26 | 59.36 |
| 2021 | 12 | 442 | 74 | 27 | 24 | 62.29 |
| 2022 | 12 | 396 | 66 | 24 | 21 | 65.21 |
| 2023 | 11 | 355 | 59 | 21 | 19 | 68.14 |
| 2024 | 11 | 326 | 54 | 20 | 17 | 71.06 |
| 2025 | 11 | 298 | 49 | 18 | 16 | 73.98 |
| 2026 | 11 | 275 | 45 | 17 | 14 | 76.23 |
| 2027 | 11 | 254 | 42 | 15 | 13 | 77.70 |
| 2028 | 11 | 230 | 38 | 14 | 12 | 79.25 |
| 2029 | 10 | 210 | 34 | 13 | 11 | 80.84 |
| Sub. | | | | 271 | 238 | 67.18 |
| Rem. | | | | 21 | 19 | 83.24 |
| Tot. | | | | 293 | 256 | 68.35 |

REVENUE AND EXPENSE FORECAST

Revenue Before Burdens

| Year | Working Interest | | | | Royalty Interest Total M\$ | Company Interest Total M\$ | Royalty Burdens Pre-Processing | | Gas Processing Allowance | | Total Royalty After Process. M\$ | Net Revenue After Royalty M\$ | Operating Expenses | | |
|-------------|------------------|----------|-------------|---------------|----------------------------|----------------------------|--------------------------------|-----------|--------------------------|-----------|----------------------------------|-------------------------------|--------------------|--------------|---------------|
| | Oil M\$ | Gas M\$ | NGL+Sul M\$ | Total M\$ | | | Crown M\$ | Other M\$ | Crown M\$ | Other M\$ | | | Fixed M\$ | Variable M\$ | Total M\$ |
| 2018 | 2,396 | 0 | 0 | 2,396 | 0 | 2,396 | 300 | 0 | 0 | 0 | 300 | 2,097 | 559 | 356 | 915 |
| 2019 | 2,060 | 0 | 0 | 2,060 | 0 | 2,060 | 258 | 0 | 0 | 0 | 258 | 1,803 | 574 | 323 | 897 |
| 2020 | 1,794 | 0 | 0 | 1,794 | 0 | 1,794 | 224 | 0 | 0 | 0 | 224 | 1,570 | 564 | 289 | 854 |
| 2021 | 1,681 | 0 | 0 | 1,681 | 0 | 1,681 | 210 | 0 | 0 | 0 | 210 | 1,471 | 574 | 264 | 838 |
| 2022 | 1,568 | 0 | 0 | 1,568 | 0 | 1,568 | 196 | 0 | 0 | 0 | 196 | 1,372 | 575 | 239 | 814 |
| 2023 | 1,463 | 0 | 0 | 1,463 | 0 | 1,463 | 183 | 0 | 0 | 0 | 183 | 1,280 | 573 | 218 | 792 |
| 2024 | 1,397 | 0 | 0 | 1,397 | 0 | 1,397 | 175 | 0 | 0 | 0 | 175 | 1,223 | 584 | 204 | 788 |
| 2025 | 1,330 | 0 | 0 | 1,330 | 0 | 1,330 | 166 | 0 | 0 | 0 | 166 | 1,164 | 595 | 190 | 785 |
| 2026 | 1,262 | 0 | 0 | 1,262 | 0 | 1,262 | 158 | 0 | 0 | 0 | 158 | 1,104 | 607 | 178 | 785 |
| 2027 | 1,188 | 0 | 0 | 1,188 | 0 | 1,188 | 149 | 0 | 0 | 0 | 149 | 1,040 | 618 | 168 | 787 |
| 2028 | 1,086 | 0 | 0 | 1,086 | 0 | 1,086 | 136 | 0 | 0 | 0 | 136 | 950 | 611 | 154 | 765 |
| 2029 | 1,011 | 0 | 0 | 1,011 | 0 | 1,011 | 126 | 0 | 0 | 0 | 126 | 885 | 616 | 143 | 759 |
| Sub. | 18,238 | 0 | 0 | 18,238 | 0 | 18,238 | 2,280 | 0 | 0 | 0 | 2,280 | 15,958 | 7,053 | 2,726 | 9,779 |
| Rem. | 1,777 | 0 | 0 | 1,777 | 0 | 1,777 | 222 | 0 | 0 | 0 | 222 | 1,554 | 1,218 | 251 | 1,469 |
| Tot. | 20,015 | 0 | 0 | 20,015 | 0 | 20,015 | 2,502 | 0 | 0 | 0 | 2,502 | 17,513 | 8,271 | 2,977 | 11,248 |
| Disc | 12,274 | 0 | 0 | 12,274 | 0 | 12,274 | 1,534 | 0 | 0 | 0 | 1,534 | 10,740 | 4,511 | 1,848 | 6,358 |

| Year | Mineral Tax M\$ | Capital Tax M\$ | NPI Burden M\$ | Net Prod'n Revenue M\$ | Other Income M\$ | Aband. & Oper. | | Net Capital Investment | | | | Before Tax Cash Flow | | | |
|-------------|-----------------|-----------------|----------------|------------------------|------------------|-----------------|--------------|------------------------|-----------|-----------|-----------|----------------------|--------------|---------------|--------------|
| | | | | | | Recl. Costs M\$ | Income M\$ | Dev. M\$ | Plant M\$ | Tang. M\$ | Total M\$ | Annual M\$ | Cum. M\$ | 10.0% Def M\$ | |
| 2018 | 0 | 0 | 0 | 1,182 | 0 | 0 | 1,182 | 0 | 0 | 0 | 0 | 0 | 1,182 | 1,182 | 1,127 |
| 2019 | 0 | 0 | 0 | 906 | 0 | 0 | 906 | 0 | 0 | 0 | 0 | 0 | 906 | 2,088 | 1,912 |
| 2020 | 0 | 0 | 0 | 716 | 0 | 0 | 716 | 0 | 0 | 0 | 0 | 0 | 716 | 2,804 | 2,476 |
| 2021 | 0 | 0 | 0 | 633 | 0 | 0 | 633 | 0 | 0 | 0 | 0 | 0 | 633 | 3,437 | 2,930 |
| 2022 | 0 | 0 | 0 | 557 | 0 | 0 | 557 | 0 | 0 | 0 | 0 | 0 | 557 | 3,994 | 3,293 |
| 2023 | 0 | 0 | 0 | 489 | 0 | 0 | 489 | 0 | 0 | 0 | 0 | 0 | 489 | 4,483 | 3,582 |
| 2024 | 0 | 0 | 0 | 435 | 0 | 11 | 423 | 0 | 0 | 0 | 0 | 0 | 423 | 4,907 | 3,810 |
| 2025 | 0 | 0 | 0 | 379 | 0 | 0 | 379 | 0 | 0 | 0 | 0 | 0 | 379 | 5,285 | 3,995 |
| 2026 | 0 | 0 | 0 | 319 | 0 | 0 | 319 | 0 | 0 | 0 | 0 | 0 | 319 | 5,604 | 4,137 |
| 2027 | 0 | 0 | 0 | 253 | 0 | 12 | 242 | 0 | 0 | 0 | 0 | 0 | 242 | 5,846 | 4,235 |
| 2028 | 0 | 0 | 0 | 185 | 0 | 0 | 185 | 0 | 0 | 0 | 0 | 0 | 185 | 6,031 | 4,303 |
| 2029 | 0 | 0 | 0 | 126 | 0 | 0 | 126 | 0 | 0 | 0 | 0 | 0 | 126 | 6,157 | 4,345 |
| Sub. | 0 | 0 | 0 | 6,180 | 0 | 23 | 6,157 | 0 | 0 | 0 | 0 | 0 | 6,157 | 6,157 | 4,345 |
| Rem. | 0 | 0 | 0 | 85 | 0 | 139 | -54 | 0 | 0 | 0 | 0 | 0 | -54 | 6,103 | 4,346 |
| Tot. | 0 | 0 | 0 | 6,265 | 0 | 162 | 6,103 | 0 | 0 | 0 | 0 | 0 | 6,103 | 6,103 | 4,346 |
| Disc | 0 | 0 | 0 | 4,381 | 0 | 35 | 4,346 | 0 | 0 | 0 | 0 | 0 | 4,346 | 4,346 | 4,346 |

SUMMARY OF RESERVES

| Product | Units | Remaining Reserves at Jan 01, 2018 | | | | | Oil Equivalents | | | Reserve Life Indic. (yr) | | |
|----------------|-------|------------------------------------|------------------|------------------|---------------|-----|-----------------|--------------|------------|--------------------------|------------|-----------|
| | | Gross | Working Interest | Roy/NPI Interest | Total Company | Net | Oil Eq. Factor | Company Mboe | % of Total | Reserve Life | Life Index | Half Life |
| Light/Med Oil | Mbbl | 1,763 | 293 | 0 | 293 | 256 | 1.000 | 293 | 100 | 14.0 | 7.6 | 4.7 |
| Total: Oil Eq. | Mboe | 1,763 | 293 | 0 | 293 | 256 | 1.000 | 293 | 100 | 14.0 | 7.6 | 4.7 |

PRODUCT REVENUE AND EXPENSES

| Product | Units | Average First Year Unit Values | | | | | Net Revenue After Royalties | | | | |
|----------------|--------|--------------------------------|-------------|--------------------|----------------|----------------|-----------------------------|------------|--------------|------------|--|
| | | Wellhead Price | Net Burdens | Operating Expenses | Other Expenses | Prod'n Revenue | Undisc M\$ | % of Total | 10% Disc M\$ | % of Total | |
| Light/Med Oil | \$/bbl | 62.00 | 7.75 | 23.67 | 0.00 | 30.58 | 17,513 | 100 | 10,740 | 100 | |
| Total: Oil Eq. | \$/boe | 62.00 | 7.75 | 23.67 | 0.00 | 30.58 | 17,513 | 100 | 10,740 | 100 | |

INTEREST AND NET PRESENT VALUE SUMMARY

| | Net Present Value Before Income Tax | | | | | | | | | |
|-------------------|-------------------------------------|---------|----|--------------|--------------------|----------------------|---------------------|-----------|--------|--|
| | Revenue Interests and Burdens (%) | | | Disc. Rate % | Prod'n Revenue M\$ | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | | |
| | Initial | Average | | | | | | M\$ | \$/boe | |
| Working Interest | 16.9051 | 16.5880 | 0 | 6,265 | 6,103 | 0 | 6,103 | 20.84 | | |
| Capital Interest | 16.9051 | 16.5880 | 5 | 5,162 | 5,089 | 0 | 5,089 | 17.38 | | |
| Royalty Interest | 0.0000 | 0.0000 | 8 | 4,664 | 4,617 | 0 | 4,617 | 15.77 | | |
| Crown Royalty | 12.5000 | 12.5000 | 10 | 4,381 | 4,346 | 0 | 4,346 | 14.84 | | |
| Non-crown Royalty | 0.0000 | 0.0000 | 12 | 4,132 | 4,105 | 0 | 4,105 | 14.02 | | |
| Mineral Tax | 0.0000 | 0.0000 | 15 | 3,808 | 3,790 | 0 | 3,790 | 12.94 | | |
| | | | 20 | 3,374 | 3,364 | 0 | 3,364 | 11.49 | | |

Evaluator: Olenick, Patrick A.
Run Date: March 21, 2018 08:01:57

Company: **Park Place Energy Inc.**
 Property: **Cendere**
 Currency: **\$US Dollars**

Reserve Class: **Proved Plus Probable**
 Development Class: **Total**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Economic Forecast

PRODUCTION FORECAST

Light & Medium Oil Production

| Year | Gross Oil Wells | Gross Daily bbl/d | Company Daily bbl/d | Company Yearly Mbbl | Net Yearly Mbbl | Price \$/bbl |
|-------------|-----------------|-------------------|---------------------|---------------------|-----------------|--------------|
| 2018 | 15 | 633 | 107 | 39 | 34 | 62.00 |
| 2019 | 15 | 583 | 99 | 36 | 32 | 59.93 |
| 2020 | 14 | 514 | 87 | 32 | 28 | 59.36 |
| 2021 | 13 | 454 | 76 | 28 | 24 | 62.29 |
| 2022 | 13 | 407 | 68 | 25 | 22 | 65.21 |
| 2023 | 12 | 365 | 61 | 22 | 19 | 68.14 |
| 2024 | 12 | 335 | 56 | 20 | 18 | 71.06 |
| 2025 | 12 | 307 | 51 | 19 | 16 | 73.98 |
| 2026 | 12 | 284 | 47 | 17 | 15 | 76.23 |
| 2027 | 12 | 263 | 43 | 16 | 14 | 77.70 |
| 2028 | 12 | 237 | 39 | 14 | 12 | 79.25 |
| 2029 | 11 | 217 | 36 | 13 | 11 | 80.84 |
| Sub. | | | | 281 | 246 | 67.19 |
| Rem. | | | | 24 | 21 | 83.47 |
| Tot. | | | | 305 | 267 | 68.44 |

REVENUE AND EXPENSE FORECAST

Revenue Before Burdens

| Year | Working Interest | | | | Royalty Interest Total M\$ | Company Interest Total M\$ | Royalty Burdens Pre-Processing | | Gas Processing Allowance | | Total Royalty After Process. M\$ | Net Revenue After Royalty M\$ | Operating Expenses | | |
|-------------|------------------|----------|-------------|---------------|----------------------------|----------------------------|--------------------------------|-----------|--------------------------|-----------|----------------------------------|-------------------------------|--------------------|--------------|---------------|
| | Oil M\$ | Gas M\$ | NGL+Sul M\$ | Total M\$ | | | Crown M\$ | Other M\$ | Crown M\$ | Other M\$ | | | Fixed M\$ | Variable M\$ | Total M\$ |
| 2018 | 2,427 | 0 | 0 | 2,427 | 0 | 2,427 | 303 | 0 | 0 | 0 | 303 | 2,123 | 569 | 360 | 929 |
| 2019 | 2,164 | 0 | 0 | 2,164 | 0 | 2,164 | 270 | 0 | 0 | 0 | 270 | 1,893 | 613 | 339 | 951 |
| 2020 | 1,881 | 0 | 0 | 1,881 | 0 | 1,881 | 235 | 0 | 0 | 0 | 235 | 1,646 | 603 | 303 | 907 |
| 2021 | 1,733 | 0 | 0 | 1,733 | 0 | 1,733 | 217 | 0 | 0 | 0 | 217 | 1,517 | 594 | 272 | 866 |
| 2022 | 1,618 | 0 | 0 | 1,618 | 0 | 1,618 | 202 | 0 | 0 | 0 | 202 | 1,416 | 596 | 247 | 843 |
| 2023 | 1,513 | 0 | 0 | 1,513 | 0 | 1,513 | 189 | 0 | 0 | 0 | 189 | 1,324 | 594 | 226 | 820 |
| 2024 | 1,446 | 0 | 0 | 1,446 | 0 | 1,446 | 181 | 0 | 0 | 0 | 181 | 1,265 | 606 | 211 | 816 |
| 2025 | 1,378 | 0 | 0 | 1,378 | 0 | 1,378 | 172 | 0 | 0 | 0 | 172 | 1,206 | 617 | 197 | 814 |
| 2026 | 1,309 | 0 | 0 | 1,309 | 0 | 1,309 | 164 | 0 | 0 | 0 | 164 | 1,145 | 629 | 185 | 814 |
| 2027 | 1,233 | 0 | 0 | 1,233 | 0 | 1,233 | 154 | 0 | 0 | 0 | 154 | 1,079 | 641 | 175 | 815 |
| 2028 | 1,129 | 0 | 0 | 1,129 | 0 | 1,129 | 141 | 0 | 0 | 0 | 141 | 988 | 634 | 160 | 794 |
| 2029 | 1,053 | 0 | 0 | 1,053 | 0 | 1,053 | 132 | 0 | 0 | 0 | 132 | 921 | 639 | 149 | 788 |
| Sub. | 18,884 | 0 | 0 | 18,884 | 0 | 18,884 | 2,360 | 0 | 0 | 0 | 2,360 | 16,523 | 7,335 | 2,822 | 10,157 |
| Rem. | 1,966 | 0 | 0 | 1,966 | 0 | 1,966 | 246 | 0 | 0 | 0 | 246 | 1,720 | 1,342 | 278 | 1,620 |
| Tot. | 20,849 | 0 | 0 | 20,849 | 0 | 20,849 | 2,606 | 0 | 0 | 0 | 2,606 | 18,243 | 8,677 | 3,101 | 11,777 |
| Disc | 12,727 | 0 | 0 | 12,727 | 0 | 12,727 | 1,591 | 0 | 0 | 0 | 1,591 | 11,136 | 4,712 | 1,916 | 6,628 |

| Year | Mineral Tax M\$ | Capital Tax M\$ | NPI Burden M\$ | Net Prod'n Revenue M\$ | Other Income M\$ | Aband. & Oper. | | Net Capital Investment | | | | Before Tax Cash Flow | | | |
|-------------|-----------------|-----------------|----------------|------------------------|------------------|-----------------|------------------|------------------------|-----------|-----------|-----------|----------------------|--------------|---------------|--------------|
| | | | | | | Recl. Costs M\$ | Oper. Income M\$ | Dev. M\$ | Plant M\$ | Tang. M\$ | Total M\$ | Annual M\$ | Cum. M\$ | 10.0% Def M\$ | |
| 2018 | 0 | 0 | 0 | 1,194 | 0 | 0 | 1,194 | 39 | 0 | 0 | 0 | 39 | 1,155 | 1,155 | 1,101 |
| 2019 | 0 | 0 | 0 | 942 | 0 | 0 | 942 | 0 | 0 | 0 | 0 | 0 | 942 | 2,097 | 1,918 |
| 2020 | 0 | 0 | 0 | 739 | 0 | 0 | 739 | 0 | 0 | 0 | 0 | 0 | 739 | 2,836 | 2,500 |
| 2021 | 0 | 0 | 0 | 650 | 0 | 0 | 650 | 0 | 0 | 0 | 0 | 0 | 650 | 3,486 | 2,966 |
| 2022 | 0 | 0 | 0 | 573 | 0 | 0 | 573 | 0 | 0 | 0 | 0 | 0 | 573 | 4,060 | 3,339 |
| 2023 | 0 | 0 | 0 | 504 | 0 | 0 | 504 | 0 | 0 | 0 | 0 | 0 | 504 | 4,564 | 3,638 |
| 2024 | 0 | 0 | 0 | 449 | 0 | 11 | 438 | 0 | 0 | 0 | 0 | 0 | 438 | 5,002 | 3,874 |
| 2025 | 0 | 0 | 0 | 392 | 0 | 11 | 381 | 0 | 0 | 0 | 0 | 0 | 381 | 5,383 | 4,060 |
| 2026 | 0 | 0 | 0 | 331 | 0 | 0 | 331 | 0 | 0 | 0 | 0 | 0 | 331 | 5,714 | 4,207 |
| 2027 | 0 | 0 | 0 | 264 | 0 | 12 | 252 | 0 | 0 | 0 | 0 | 0 | 252 | 5,966 | 4,309 |
| 2028 | 0 | 0 | 0 | 194 | 0 | 0 | 194 | 0 | 0 | 0 | 0 | 0 | 194 | 6,160 | 4,380 |
| 2029 | 0 | 0 | 0 | 133 | 0 | 0 | 133 | 0 | 0 | 0 | 0 | 0 | 133 | 6,293 | 4,425 |
| Sub. | 0 | 0 | 0 | 6,366 | 0 | 34 | 6,332 | 39 | 0 | 0 | 0 | 39 | 6,293 | 6,293 | 4,425 |
| Rem. | 0 | 0 | 0 | 100 | 0 | 154 | -54 | 0 | 0 | 0 | 0 | 0 | -54 | 6,239 | 4,428 |
| Tot. | 0 | 0 | 0 | 6,466 | 0 | 188 | 6,278 | 39 | 0 | 0 | 39 | 6,239 | 6,239 | 6,239 | 4,428 |
| Disc | 0 | 0 | 0 | 4,508 | 0 | 43 | 4,465 | 37 | 0 | 0 | 37 | 4,428 | 4,428 | 4,428 | 4,428 |

SUMMARY OF RESERVES

| Product | Units | Remaining Reserves at Jan 01, 2018 | | | | | Oil Equivalents | | | Reserve Life Indic. (yr) | | |
|----------------|-------|------------------------------------|------------------|------------------|---------------|-----|-----------------|--------------|------------|--------------------------|------------|-----------|
| | | Gross | Working Interest | Roy/NPI Interest | Total Company | Net | Oil Eq. Factor | Company Mboe | % of Total | Reserve Life | Life Index | Half Life |
| Light/Med Oil | Mbbl | 1,823 | 305 | 0 | 305 | 267 | 1.000 | 305 | 100 | 17.0 | 7.8 | 4.7 |
| Total: Oil Eq. | Mboe | 1,823 | 305 | 0 | 305 | 267 | 1.000 | 305 | 100 | 17.0 | 7.8 | 4.7 |

PRODUCT REVENUE AND EXPENSES

| Product | Units | Average First Year Unit Values | | | | | Net Revenue After Royalties | | | | |
|----------------|-------|--------------------------------|-------------|--------------------|----------------|----------------|-----------------------------|------------|--------------|------------|-----|
| | | Wellhead Price | Net Burdens | Operating Expenses | Other Expenses | Prod'n Revenue | Undisc M\$ | % of Total | 10% Disc M\$ | % of Total | |
| Light/Med Oil | | \$/bbl | 62.00 | 7.75 | 23.73 | 0.00 | 30.52 | 18,243 | 100 | 11,136 | 100 |
| Total: Oil Eq. | | \$/boe | 62.00 | 7.75 | 23.73 | 0.00 | 30.52 | 18,243 | 100 | 11,136 | 100 |

INTEREST AND NET PRESENT VALUE SUMMARY

| | Net Present Value Before Income Tax | | | | | | | | | |
|-------------------|-------------------------------------|---------|----|--------------|--------------------|----------------------|---------------------|-----------|--------|--|
| | Revenue Interests and Burdens (%) | | | Disc. Rate % | Prod'n Revenue M\$ | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | | |
| | Initial | Average | | | | | | M\$ | \$/boe | |
| Working Interest | 16.9343 | 16.6907 | 0 | 6,466 | 6,278 | 39 | 6,239 | 20.48 | | |
| Capital Interest | 19.6000 | 19.6000 | 5 | 5,318 | 5,232 | 38 | 5,194 | 17.05 | | |
| Royalty Interest | 0.0000 | 0.0000 | 8 | 4,801 | 4,745 | 38 | 4,707 | 15.45 | | |
| Crown Royalty | 12.5000 | 12.5000 | 10 | 4,508 | 4,465 | 37 | 4,428 | 14.53 | | |
| Non-crown Royalty | 0.0000 | 0.0000 | 12 | 4,249 | 4,216 | 37 | 4,179 | 13.72 | | |
| Mineral Tax | 0.0000 | 0.0000 | 15 | 3,914 | 3,891 | 37 | 3,854 | 12.65 | | |
| | | | 20 | 3,465 | 3,451 | 36 | 3,415 | 11.21 | | |

Evaluator: Olenick, Patrick A.
Run Date: March 21, 2018 08:01:57

Company: **Park Place Energy Inc.**
 Property: **Cendere**
 Currency: **\$US Dollars**

Reserve Class: **PPP**
 Development Class: **Producing**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Economic Forecast

PRODUCTION FORECAST

Light & Medium Oil Production

| Year | Gross Oil Wells | Gross Daily bbl/d | Company Daily bbl/d | Company Yearly Mbbl | Net Yearly Mbbl | Price \$/bbl |
|-------------|-----------------|-------------------|---------------------|---------------------|-----------------|--------------|
| 2018 | 13 | 631 | 107 | 39 | 34 | 62.00 |
| 2019 | 13 | 572 | 97 | 35 | 31 | 59.93 |
| 2020 | 12 | 512 | 86 | 31 | 28 | 59.36 |
| 2021 | 12 | 465 | 78 | 28 | 25 | 62.29 |
| 2022 | 12 | 426 | 71 | 26 | 23 | 65.21 |
| 2023 | 12 | 387 | 65 | 24 | 21 | 68.14 |
| 2024 | 11 | 355 | 59 | 22 | 19 | 71.06 |
| 2025 | 11 | 329 | 55 | 20 | 17 | 73.98 |
| 2026 | 11 | 306 | 51 | 19 | 16 | 76.23 |
| 2027 | 11 | 286 | 48 | 17 | 15 | 77.70 |
| 2028 | 11 | 269 | 45 | 16 | 14 | 79.25 |
| 2029 | 11 | 252 | 42 | 15 | 13 | 80.84 |
| Sub. | | | | 293 | 256 | 67.53 |
| Rem. | | | | 61 | 54 | 85.54 |
| Tot. | | | | 354 | 310 | 70.65 |

REVENUE AND EXPENSE FORECAST

Revenue Before Burdens

| Year | Working Interest | | | | Royalty Interest Total M\$ | Company Interest Total M\$ | Royalty Burdens Pre-Processing | | Gas Processing Allowance | | Total Royalty After Process. M\$ | Net Revenue After Royalty M\$ | Operating Expenses | | |
|-------------|------------------|----------|-------------|---------------|----------------------------|----------------------------|--------------------------------|-----------|--------------------------|-----------|----------------------------------|-------------------------------|--------------------|--------------|---------------|
| | Oil M\$ | Gas M\$ | NGL+Sul M\$ | Total M\$ | | | Crown M\$ | Other M\$ | Crown M\$ | Other M\$ | | | Fixed M\$ | Variable M\$ | Total M\$ |
| 2018 | 2,416 | 0 | 0 | 2,416 | 0 | 2,416 | 302 | 0 | 0 | 0 | 302 | 2,114 | 559 | 359 | 918 |
| 2019 | 2,112 | 0 | 0 | 2,112 | 0 | 2,112 | 264 | 0 | 0 | 0 | 264 | 1,848 | 575 | 331 | 906 |
| 2020 | 1,866 | 0 | 0 | 1,866 | 0 | 1,866 | 233 | 0 | 0 | 0 | 233 | 1,633 | 565 | 301 | 866 |
| 2021 | 1,775 | 0 | 0 | 1,775 | 0 | 1,775 | 222 | 0 | 0 | 0 | 222 | 1,553 | 576 | 278 | 854 |
| 2022 | 1,699 | 0 | 0 | 1,699 | 0 | 1,699 | 212 | 0 | 0 | 0 | 212 | 1,487 | 587 | 259 | 846 |
| 2023 | 1,605 | 0 | 0 | 1,605 | 0 | 1,605 | 201 | 0 | 0 | 0 | 201 | 1,404 | 585 | 239 | 824 |
| 2024 | 1,531 | 0 | 0 | 1,531 | 0 | 1,531 | 191 | 0 | 0 | 0 | 191 | 1,340 | 587 | 223 | 810 |
| 2025 | 1,476 | 0 | 0 | 1,476 | 0 | 1,476 | 184 | 0 | 0 | 0 | 184 | 1,291 | 598 | 211 | 809 |
| 2026 | 1,416 | 0 | 0 | 1,416 | 0 | 1,416 | 177 | 0 | 0 | 0 | 177 | 1,239 | 610 | 200 | 810 |
| 2027 | 1,349 | 0 | 0 | 1,349 | 0 | 1,349 | 169 | 0 | 0 | 0 | 169 | 1,180 | 622 | 191 | 813 |
| 2028 | 1,292 | 0 | 0 | 1,292 | 0 | 1,292 | 162 | 0 | 0 | 0 | 162 | 1,131 | 634 | 183 | 817 |
| 2029 | 1,235 | 0 | 0 | 1,235 | 0 | 1,235 | 154 | 0 | 0 | 0 | 154 | 1,080 | 647 | 175 | 821 |
| Sub. | 19,772 | 0 | 0 | 19,772 | 0 | 19,772 | 2,471 | 0 | 0 | 0 | 2,471 | 17,300 | 7,144 | 2,950 | 10,094 |
| Rem. | 5,237 | 0 | 0 | 5,237 | 0 | 5,237 | 655 | 0 | 0 | 0 | 655 | 4,583 | 3,286 | 741 | 4,027 |
| Tot. | 25,009 | 0 | 0 | 25,009 | 0 | 25,009 | 3,126 | 0 | 0 | 0 | 3,126 | 21,883 | 10,431 | 3,691 | 14,121 |
| Disc | 13,884 | 0 | 0 | 13,884 | 0 | 13,884 | 1,736 | 0 | 0 | 0 | 1,736 | 12,149 | 5,031 | 2,081 | 7,112 |

| Year | Mineral Tax M\$ | Capital Tax M\$ | NPI Burden M\$ | Net Prod'n Revenue M\$ | Other Income M\$ | Aband. & Oper. | | Net Capital Investment | | | | Before Tax Cash Flow | | | |
|-------------|-----------------|-----------------|----------------|------------------------|------------------|-----------------|--------------|------------------------|-----------|-----------|-----------|----------------------|--------------|---------------|--------------|
| | | | | | | Recl. Costs M\$ | Income M\$ | Dev. M\$ | Plant M\$ | Tang. M\$ | Total M\$ | Annual M\$ | Cum. M\$ | 10.0% Def M\$ | |
| 2018 | 0 | 0 | 0 | 1,196 | 0 | 0 | 1,196 | 0 | 0 | 0 | 0 | 0 | 1,196 | 1,196 | 1,141 |
| 2019 | 0 | 0 | 0 | 942 | 0 | 0 | 942 | 0 | 0 | 0 | 0 | 0 | 942 | 2,139 | 1,957 |
| 2020 | 0 | 0 | 0 | 767 | 0 | 0 | 767 | 0 | 0 | 0 | 0 | 0 | 767 | 2,905 | 2,562 |
| 2021 | 0 | 0 | 0 | 699 | 0 | 0 | 699 | 0 | 0 | 0 | 0 | 0 | 699 | 3,604 | 3,062 |
| 2022 | 0 | 0 | 0 | 640 | 0 | 0 | 640 | 0 | 0 | 0 | 0 | 0 | 640 | 4,244 | 3,479 |
| 2023 | 0 | 0 | 0 | 580 | 0 | 0 | 580 | 0 | 0 | 0 | 0 | 0 | 580 | 4,824 | 3,822 |
| 2024 | 0 | 0 | 0 | 530 | 0 | 11 | 519 | 0 | 0 | 0 | 0 | 0 | 519 | 5,343 | 4,102 |
| 2025 | 0 | 0 | 0 | 482 | 0 | 0 | 482 | 0 | 0 | 0 | 0 | 0 | 482 | 5,825 | 4,338 |
| 2026 | 0 | 0 | 0 | 429 | 0 | 0 | 429 | 0 | 0 | 0 | 0 | 0 | 429 | 6,254 | 4,528 |
| 2027 | 0 | 0 | 0 | 367 | 0 | 0 | 367 | 0 | 0 | 0 | 0 | 0 | 367 | 6,622 | 4,677 |
| 2028 | 0 | 0 | 0 | 314 | 0 | 12 | 302 | 0 | 0 | 0 | 0 | 0 | 302 | 6,924 | 4,788 |
| 2029 | 0 | 0 | 0 | 259 | 0 | 0 | 259 | 0 | 0 | 0 | 0 | 0 | 259 | 7,183 | 4,875 |
| Sub. | 0 | 0 | 0 | 7,206 | 0 | 23 | 7,183 | 0 | 0 | 0 | 0 | 0 | 7,183 | 7,183 | 4,875 |
| Rem. | 0 | 0 | 0 | 555 | 0 | 147 | 408 | 0 | 0 | 0 | 0 | 0 | 408 | 7,591 | 5,007 |
| Tot. | 0 | 0 | 0 | 7,761 | 0 | 170 | 7,591 | 0 | 0 | 0 | 0 | 0 | 7,591 | 7,591 | 5,007 |
| Disc | 0 | 0 | 0 | 5,037 | 0 | 30 | 5,007 | 0 | 0 | 0 | 0 | 0 | 5,007 | 5,007 | 5,007 |

SUMMARY OF RESERVES

| Product | Units | Remaining Reserves at Jan 01, 2018 | | | | | Oil Equivalents | | | Reserve Life Indic. (yr) | | |
|----------------|-------|------------------------------------|------------------|------------------|---------------|-----|-----------------|--------------|------------|--------------------------|------------|-----------|
| | | Gross | Working Interest | Roy/NPI Interest | Total Company | Net | Oil Eq. Factor | Company Mboe | % of Total | Reserve Life | Life Index | Half Life |
| Light/Med Oil | Mbbl | 2,121 | 354 | 0 | 354 | 310 | 1.000 | 354 | 100 | 17.0 | 9.1 | 5.7 |
| Total: Oil Eq. | Mboe | 2,121 | 354 | 0 | 354 | 310 | 1.000 | 354 | 100 | 17.0 | 9.1 | 5.7 |

PRODUCT REVENUE AND EXPENSES

| Product | Units | Average First Year Unit Values | | | | Net Revenue After Royalties | | | | | |
|----------------|-------|--------------------------------|-------------|--------------------|----------------|-----------------------------|------------|------------|--------------|------------|-----|
| | | Wellhead Price | Net Burdens | Operating Expenses | Other Expenses | Prod'n Revenue | Undisc M\$ | % of Total | 10% Disc M\$ | % of Total | |
| Light/Med Oil | | \$/bbl | 62.00 | 7.75 | 23.56 | 0.00 | 30.69 | 21,883 | 100 | 12,149 | 100 |
| Total: Oil Eq. | | \$/boe | 62.00 | 7.75 | 23.56 | 0.00 | 30.69 | 21,883 | 100 | 12,149 | 100 |

INTEREST AND NET PRESENT VALUE SUMMARY

| | Net Present Value Before Income Tax | | | | | | | | |
|-------------------|-------------------------------------|---------|----|--------------|--------------------|----------------------|---------------------|-----------|--------|
| | Revenue Interests and Burdens (%) | | | Disc. Rate % | Prod'n Revenue M\$ | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | |
| | Initial | Average | | | | | | M\$ | \$/boe |
| Working Interest | 16.9163 | 16.6699 | 0 | 7,761 | 7,591 | 0 | 7,591 | 21.44 | |
| Capital Interest | 16.9163 | 16.6699 | 5 | 6,125 | 6,057 | 0 | 6,057 | 17.11 | |
| Royalty Interest | 0.0000 | 0.0000 | 8 | 5,424 | 5,382 | 0 | 5,382 | 15.21 | |
| Crown Royalty | 12.5000 | 12.5000 | 10 | 5,037 | 5,007 | 0 | 5,007 | 14.14 | |
| Non-crown Royalty | 0.0000 | 0.0000 | 12 | 4,702 | 4,680 | 0 | 4,680 | 13.22 | |
| Mineral Tax | 0.0000 | 0.0000 | 15 | 4,278 | 4,263 | 0 | 4,263 | 12.04 | |
| | | | 20 | 3,725 | 3,717 | 0 | 3,717 | 10.50 | |

Evaluator: Olenick, Patrick A.
Run Date: March 21, 2018 08:01:56

Company: **Park Place Energy Inc.**
 Property: **Cendere**
 Currency: **\$US Dollars**

Reserve Class: **PPP**
 Development Class: **Total**
 Pricing: **GLJ (2018-01)**
 Effective Date: **December 31, 2017**

Economic Forecast

PRODUCTION FORECAST

Light & Medium Oil Production

| Year | Gross Oil Wells | Gross Daily bbl/d | Company Daily bbl/d | Company Yearly Mbbl | Net Yearly Mbbl | Price \$/bbl |
|-------------|-----------------|-------------------|---------------------|---------------------|-----------------|--------------|
| 2018 | 15 | 638 | 108 | 39 | 35 | 62.00 |
| 2019 | 15 | 596 | 101 | 37 | 32 | 59.93 |
| 2020 | 14 | 534 | 90 | 33 | 29 | 59.36 |
| 2021 | 14 | 484 | 82 | 30 | 26 | 62.29 |
| 2022 | 13 | 437 | 74 | 27 | 24 | 65.21 |
| 2023 | 13 | 397 | 67 | 24 | 21 | 68.14 |
| 2024 | 12 | 365 | 61 | 22 | 19 | 71.06 |
| 2025 | 12 | 338 | 57 | 21 | 18 | 73.98 |
| 2026 | 12 | 316 | 53 | 19 | 17 | 76.23 |
| 2027 | 12 | 295 | 49 | 18 | 16 | 77.70 |
| 2028 | 12 | 278 | 46 | 17 | 15 | 79.25 |
| 2029 | 12 | 260 | 43 | 16 | 14 | 80.84 |
| Sub. | | | | 303 | 266 | 67.52 |
| Rem. | | | | 65 | 57 | 85.76 |
| Tot. | | | | 369 | 323 | 70.76 |

REVENUE AND EXPENSE FORECAST

Revenue Before Burdens

| Year | Working Interest | | | | Royalty Interest Total M\$ | Company Interest Total M\$ | Royalty Burdens Pre-Processing | | Gas Processing Allowance | | Total Royalty After Process. M\$ | Net Revenue After Royalty M\$ | Operating Expenses | | |
|-------------|------------------|----------|-------------|---------------|----------------------------|----------------------------|--------------------------------|-----------|--------------------------|-----------|----------------------------------|-------------------------------|--------------------|--------------|---------------|
| | Oil M\$ | Gas M\$ | NGL+Sul M\$ | Total M\$ | | | Crown M\$ | Other M\$ | Crown M\$ | Other M\$ | | | Fixed M\$ | Variable M\$ | Total M\$ |
| 2018 | 2,447 | 0 | 0 | 2,447 | 0 | 2,447 | 306 | 0 | 0 | 0 | 306 | 2,141 | 569 | 363 | 932 |
| 2019 | 2,218 | 0 | 0 | 2,218 | 0 | 2,218 | 277 | 0 | 0 | 0 | 277 | 1,941 | 613 | 347 | 961 |
| 2020 | 1,958 | 0 | 0 | 1,958 | 0 | 1,958 | 245 | 0 | 0 | 0 | 245 | 1,713 | 604 | 316 | 920 |
| 2021 | 1,859 | 0 | 0 | 1,859 | 0 | 1,859 | 232 | 0 | 0 | 0 | 232 | 1,627 | 616 | 291 | 907 |
| 2022 | 1,752 | 0 | 0 | 1,752 | 0 | 1,752 | 219 | 0 | 0 | 0 | 219 | 1,533 | 607 | 268 | 875 |
| 2023 | 1,658 | 0 | 0 | 1,658 | 0 | 1,658 | 207 | 0 | 0 | 0 | 207 | 1,450 | 606 | 247 | 853 |
| 2024 | 1,583 | 0 | 0 | 1,583 | 0 | 1,583 | 198 | 0 | 0 | 0 | 198 | 1,385 | 608 | 231 | 839 |
| 2025 | 1,527 | 0 | 0 | 1,527 | 0 | 1,527 | 191 | 0 | 0 | 0 | 191 | 1,336 | 620 | 218 | 838 |
| 2026 | 1,467 | 0 | 0 | 1,467 | 0 | 1,467 | 183 | 0 | 0 | 0 | 183 | 1,284 | 632 | 207 | 839 |
| 2027 | 1,398 | 0 | 0 | 1,398 | 0 | 1,398 | 175 | 0 | 0 | 0 | 175 | 1,223 | 644 | 198 | 842 |
| 2028 | 1,341 | 0 | 0 | 1,341 | 0 | 1,341 | 168 | 0 | 0 | 0 | 168 | 1,173 | 657 | 190 | 847 |
| 2029 | 1,282 | 0 | 0 | 1,282 | 0 | 1,282 | 160 | 0 | 0 | 0 | 160 | 1,121 | 670 | 181 | 851 |
| Sub. | 20,489 | 0 | 0 | 20,489 | 0 | 20,489 | 2,561 | 0 | 0 | 0 | 2,561 | 17,928 | 7,446 | 3,057 | 10,504 |
| Rem. | 5,616 | 0 | 0 | 5,616 | 0 | 5,616 | 702 | 0 | 0 | 0 | 702 | 4,914 | 3,519 | 795 | 4,314 |
| Tot. | 26,106 | 0 | 0 | 26,106 | 0 | 26,106 | 3,263 | 0 | 0 | 0 | 3,263 | 22,843 | 10,965 | 3,852 | 14,817 |
| Disc | 14,415 | 0 | 0 | 14,415 | 0 | 14,415 | 1,802 | 0 | 0 | 0 | 1,802 | 12,613 | 5,265 | 2,160 | 7,425 |

| Year | Mineral Tax M\$ | Capital Tax M\$ | NPI Burden M\$ | Net Prod'n Revenue M\$ | Other Income M\$ | Aband. & Oper. | | Net Capital Investment | | | | Before Tax Cash Flow | | | |
|-------------|-----------------|-----------------|----------------|------------------------|------------------|-----------------|--------------|------------------------|-----------|-----------|-----------|----------------------|--------------|---------------|--------------|
| | | | | | | Recl. Costs M\$ | Income M\$ | Dev. M\$ | Plant M\$ | Tang. M\$ | Total M\$ | Annual M\$ | Cum. M\$ | 10.0% Dcf M\$ | |
| 2018 | 0 | 0 | 0 | 1,209 | 0 | 0 | 1,209 | 39 | 0 | 0 | 0 | 39 | 1,170 | 1,170 | 1,115 |
| 2019 | 0 | 0 | 0 | 980 | 0 | 0 | 980 | 0 | 0 | 0 | 0 | 0 | 980 | 2,150 | 1,965 |
| 2020 | 0 | 0 | 0 | 793 | 0 | 0 | 793 | 0 | 0 | 0 | 0 | 0 | 793 | 2,943 | 2,590 |
| 2021 | 0 | 0 | 0 | 720 | 0 | 0 | 720 | 0 | 0 | 0 | 0 | 0 | 720 | 3,662 | 3,105 |
| 2022 | 0 | 0 | 0 | 658 | 0 | 0 | 658 | 0 | 0 | 0 | 0 | 0 | 658 | 4,321 | 3,534 |
| 2023 | 0 | 0 | 0 | 597 | 0 | 0 | 597 | 0 | 0 | 0 | 0 | 0 | 597 | 4,918 | 3,887 |
| 2024 | 0 | 0 | 0 | 547 | 0 | 11 | 536 | 0 | 0 | 0 | 0 | 0 | 536 | 5,454 | 4,176 |
| 2025 | 0 | 0 | 0 | 498 | 0 | 0 | 498 | 0 | 0 | 0 | 0 | 0 | 498 | 5,952 | 4,420 |
| 2026 | 0 | 0 | 0 | 444 | 0 | 11 | 433 | 0 | 0 | 0 | 0 | 0 | 433 | 6,385 | 4,612 |
| 2027 | 0 | 0 | 0 | 381 | 0 | 0 | 381 | 0 | 0 | 0 | 0 | 0 | 381 | 6,766 | 4,766 |
| 2028 | 0 | 0 | 0 | 326 | 0 | 12 | 314 | 0 | 0 | 0 | 0 | 0 | 314 | 7,081 | 4,882 |
| 2029 | 0 | 0 | 0 | 270 | 0 | 0 | 270 | 0 | 0 | 0 | 0 | 0 | 270 | 7,351 | 4,972 |
| Sub. | 0 | 0 | 0 | 7,424 | 0 | 34 | 7,390 | 39 | 0 | 0 | 0 | 39 | 7,351 | 7,351 | 4,972 |
| Rem. | 0 | 0 | 0 | 601 | 0 | 163 | 437 | 0 | 0 | 0 | 0 | 0 | 437 | 7,788 | 5,114 |
| Tot. | 0 | 0 | 0 | 8,025 | 0 | 198 | 7,827 | 39 | 0 | 0 | 39 | 7,788 | 7,788 | 7,788 | 5,114 |
| Disc | 0 | 0 | 0 | 5,188 | 0 | 37 | 5,152 | 37 | 0 | 0 | 0 | 37 | 5,114 | 5,114 | 5,114 |

SUMMARY OF RESERVES

| Product | Units | Remaining Reserves at Jan 01, 2018 | | | | | Oil Equivalents | | | Reserve Life Indic. (yr) | | |
|----------------|-------|------------------------------------|------------------|------------------|---------------|-----|-----------------|--------------|------------|--------------------------|------------|-----------|
| | | Gross | Working Interest | Roy/NPI Interest | Total Company | Net | Oil Eq. Factor | Company Mboe | % of Total | Reserve Life | Life Index | Half Life |
| Light/Med Oil | Mbbl | 2,197 | 369 | 0 | 369 | 323 | 1.000 | 369 | 100 | 21.0 | 9.3 | 5.8 |
| Total: Oil Eq. | Mboe | 2,197 | 369 | 0 | 369 | 323 | 1.000 | 369 | 100 | 21.0 | 9.3 | 5.8 |

PRODUCT REVENUE AND EXPENSES

| Product | Units | Average First Year Unit Values | | | | | Net Revenue After Royalties | | | | |
|----------------|--------|--------------------------------|-------------|--------------------|----------------|----------------|-----------------------------|------------|--------------|------------|--|
| | | Wellhead Price | Net Burdens | Operating Expenses | Other Expenses | Prod'n Revenue | Undisc M\$ | % of Total | 10% Disc M\$ | % of Total | |
| Light/Med Oil | \$/bbl | 62.00 | 7.75 | 23.62 | 0.00 | 30.63 | 22,843 | 100 | 12,613 | 100 | |
| Total: Oil Eq. | \$/boe | 62.00 | 7.75 | 23.62 | 0.00 | 30.63 | 22,843 | 100 | 12,613 | 100 | |

INTEREST AND NET PRESENT VALUE SUMMARY

| | Net Present Value Before Income Tax | | | | | | | | |
|-------------------|-------------------------------------|---------|----|--------------|--------------------|----------------------|---------------------|-----------|--------|
| | Revenue Interests and Burdens (%) | | | Disc. Rate % | Prod'n Revenue M\$ | Operating Income M\$ | Capital Invest. M\$ | Cash Flow | |
| | Initial | Average | | | | | | M\$ | \$/boe |
| Working Interest | 16.9453 | 16.7753 | 0 | 8,025 | 7,827 | 39 | 7,788 | 21.11 | |
| Capital Interest | 19.6000 | 19.6000 | 5 | 6,319 | 6,239 | 38 | 6,201 | 16.81 | |
| Royalty Interest | 0.0000 | 0.0000 | 8 | 5,590 | 5,540 | 38 | 5,502 | 14.91 | |
| Crown Royalty | 12.5000 | 12.5000 | 10 | 5,188 | 5,152 | 37 | 5,114 | 13.86 | |
| Non-crown Royalty | 0.0000 | 0.0000 | 12 | 4,841 | 4,813 | 37 | 4,776 | 12.95 | |
| Mineral Tax | 0.0000 | 0.0000 | 15 | 4,401 | 4,382 | 37 | 4,345 | 11.78 | |
| | | | 20 | 3,828 | 3,818 | 36 | 3,782 | 10.25 | |

Evaluator: Olenick, Patrick A.
Run Date: March 21, 2018 08:01:56

APPENDIX

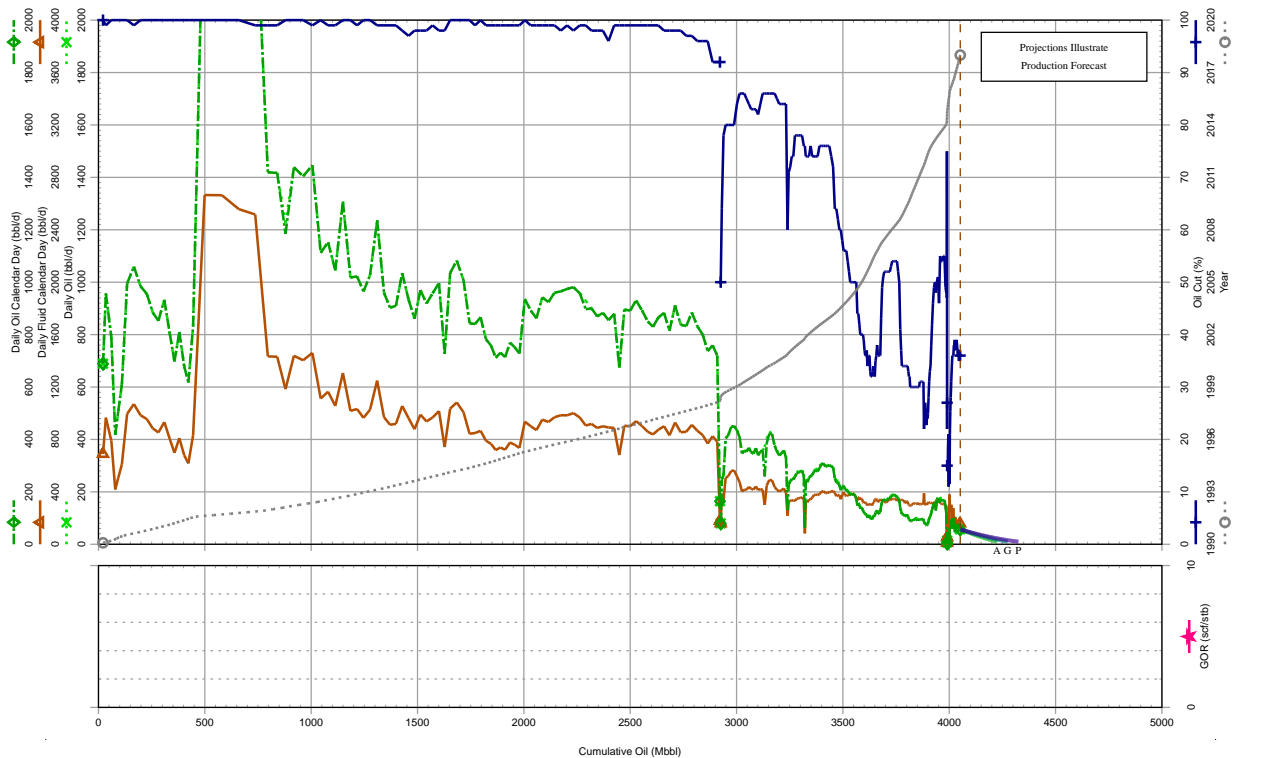
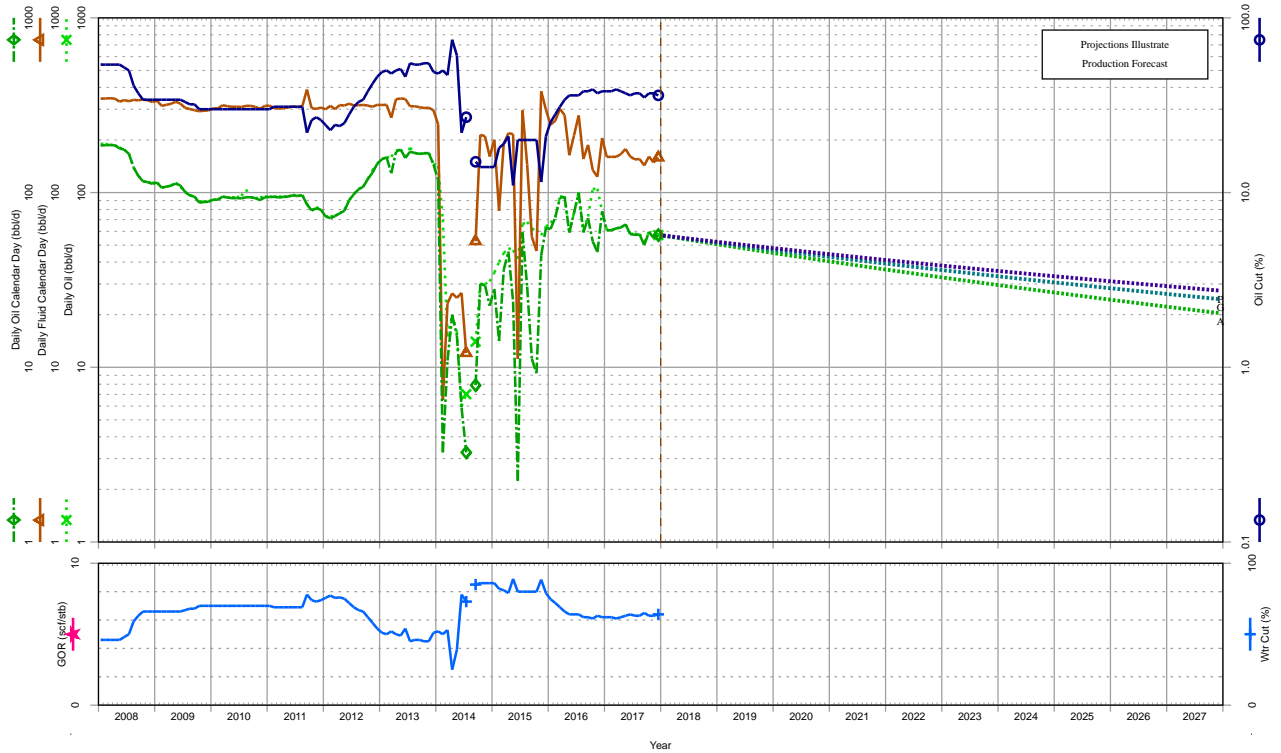
RESERVES ESTIMATION - SUPPORTING INFORMATION

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Historical and Forecast Production CENDERE-01

Property : Cendere
Well Name :

Regulatory Field :
Regulatory Pool :
Operator :



Decline Analysis Summary At 2018/01/01

| Reserves Classification | Reserves (Mbbl) | | | Rates (bbl/d) | | Decline | |
|-------------------------|-------------------|---------|--------|-----------------|-------|---------|------|
| | Ultimate | Cum Prd | Remain | Initial | Final | Initial | Expt |
| Pv Prd - A | 4225 | 4052 | 173 | 57 | 10 | 11.2 | 0.30 |
| P + P Prd - G | 4275 | 4052 | 223 | 57 | 10 | 9.4 | 0.40 |
| PPP Prd - P | 4325 | 4052 | 273 | 57 | 10 | 8.3 | 0.50 |

Average Production Rates (Last 12 months ending 2017/12/31)

| | | | | |
|---------|------------|-------------|-----|--------------|
| Gas | 0.0 Mcf/d | 0.0 Mcf/cd | WGR | 0.0 bbl/MMcf |
| Oil | 59.3 bbl/d | 58.9 bbl/cd | GOR | 0.0 scf/stb |
| On Prod | 362.6 days | | WC | 62.9 % |

Cumulative Production

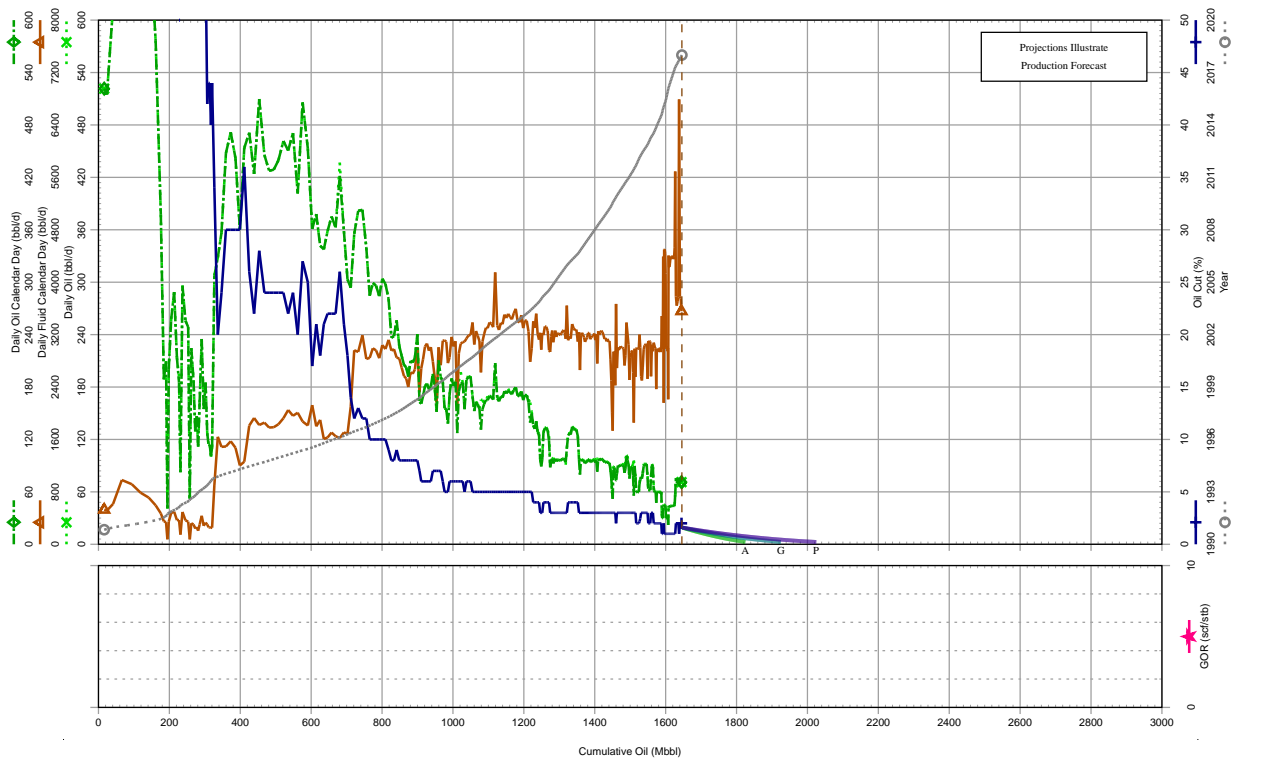
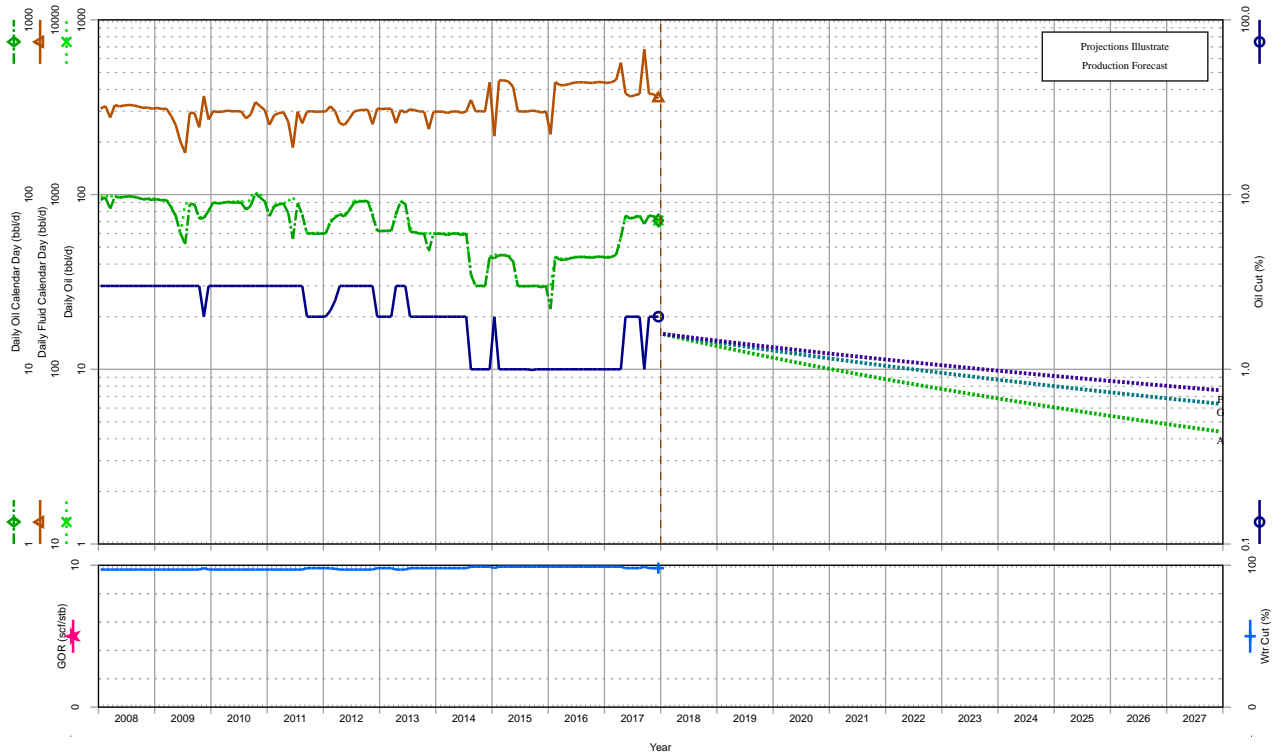
| | | | | | |
|-----|-------------|-----|----------|-------|-------------|
| Oil | 4051.8 Mbbl | Gas | 0.0 MMcf | Water | 1104.8 Mbbl |
|-----|-------------|-----|----------|-------|-------------|

CENDERE-01
1181620 / Mar 21, 2018

Historical and Forecast Production CENDERE-03

Property : Cendere
Well Name :

Regulatory Field :
Regulatory Pool :
Operator :



Decline Analysis Summary At 2018/01/01

| Reserves Classification | Reserves (Mbbbl) | | | Oil Cut % | | Decline | |
|-------------------------|--------------------|---------|--------|-----------|-------|---------|--------|
| | Ultimate | Cum Prd | Remain | Initial | Final | Initial | Expont |
| Pv Prd - A | 1825 | 1646 | 179 | 1.60 | 0.22 | 15.1 | 0.40 |
| P + P Prd - G | 1925 | 1646 | 279 | 1.60 | 0.22 | 10.8 | 0.50 |
| PPP Prd - P | 2025 | 1646 | 379 | 1.60 | 0.22 | 8.8 | 0.60 |

Average Production Rates (Last 12 months ending 2017/12/31)

| | | | | |
|---------|------------|-------------|-----|--------------|
| Gas | 0.0 Mcf/d | 0.0 Mcf/cd | WGR | 0.0 bbl/MMcf |
| Oil | 65.0 bbl/d | 64.9 bbl/cd | GOR | 0.0 scf/stb |
| On Prod | 363.5 days | | WC | 98.5 % |

Cumulative Production

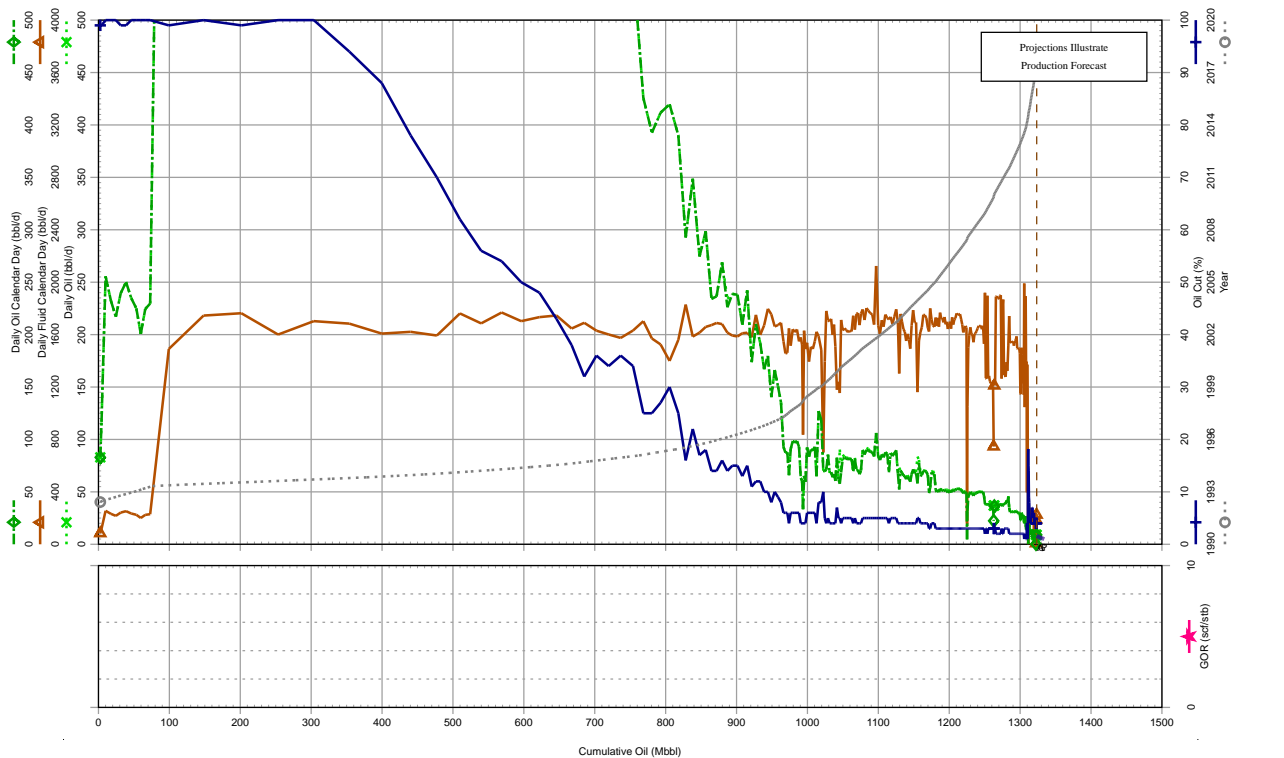
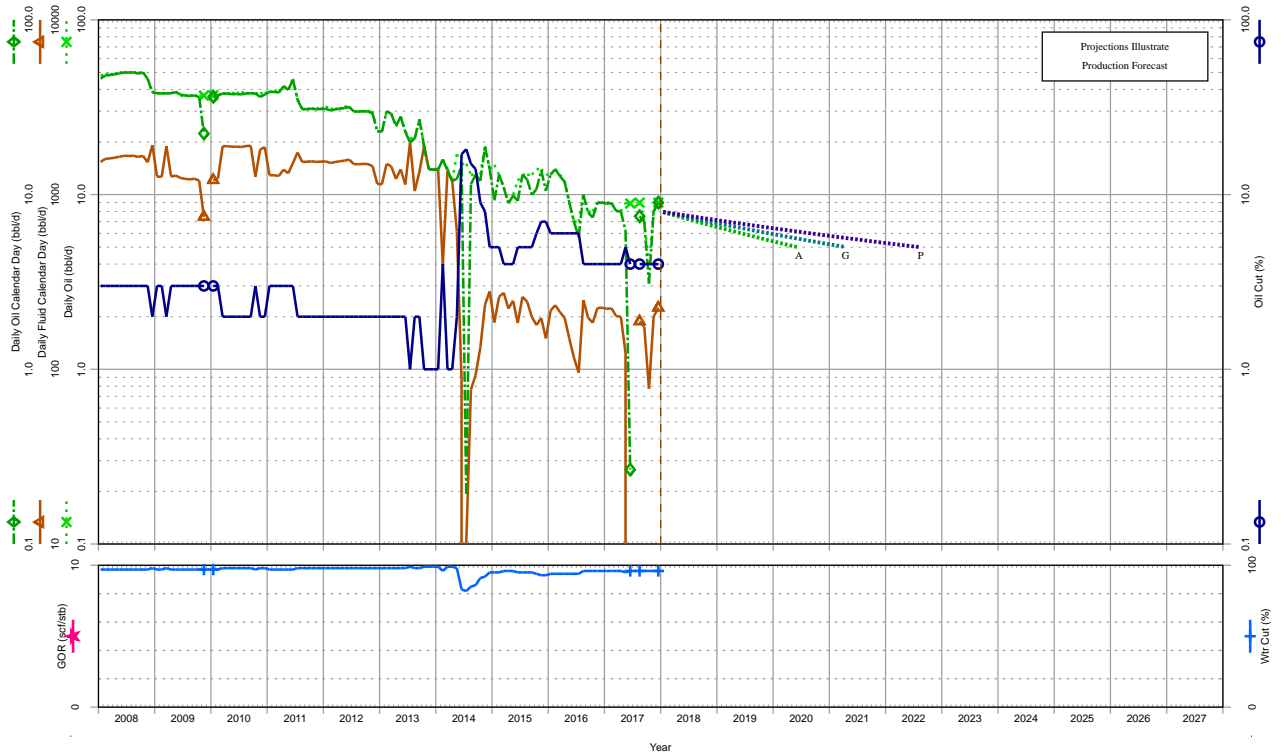
| | | | | | |
|-----|--------------|-----|----------|-------|---------------|
| Oil | 1645.8 Mbbbl | Gas | 0.0 MMcf | Water | 2550... Mbbbl |
|-----|--------------|-----|----------|-------|---------------|

CENDERE-03
1181620 / Mar 21, 2018

Historical and Forecast Production CENDERE-07

Property : Cendere
Well Name :

Regulatory Field :
Regulatory Pool :
Operator :



Decline Analysis Summary At 2018/01/01

| Reserves Classification | Reserves (Mbbbl) | | | Rates (bbl/d) | | | | Decline | |
|-------------------------|--------------------|---------|--------|-----------------|-------|---------|-------|---------|--|
| | Ultimate | Cum Prd | Remain | Initial | Final | Initial | Expon | | |
| Pv Prd - A | 1329 | 1323 | 6 | 8 | 5 | 18.5 | 0.40 | | |
| P + P Prd - G | 1331 | 1323 | 8 | 8 | 5 | 14.3 | 0.50 | | |
| PPP Prd - P | 1334 | 1323 | 11 | 8 | 5 | 10.8 | 0.60 | | |

Average Production Rates (Last 12 months ending 2017/12/31)

| | | | | |
|---------|------------|------------|-----|--------------|
| Gas | 0.0 Mcf/d | 0.0 Mcf/cd | WGR | 0.0 bbl/MMcf |
| Oil | 8.1 bbl/d | 6.2 bbl/cd | GOR | 0.0 scf/stb |
| On Prod | 282.4 days | | WC | 95.9 % |

Cumulative Production

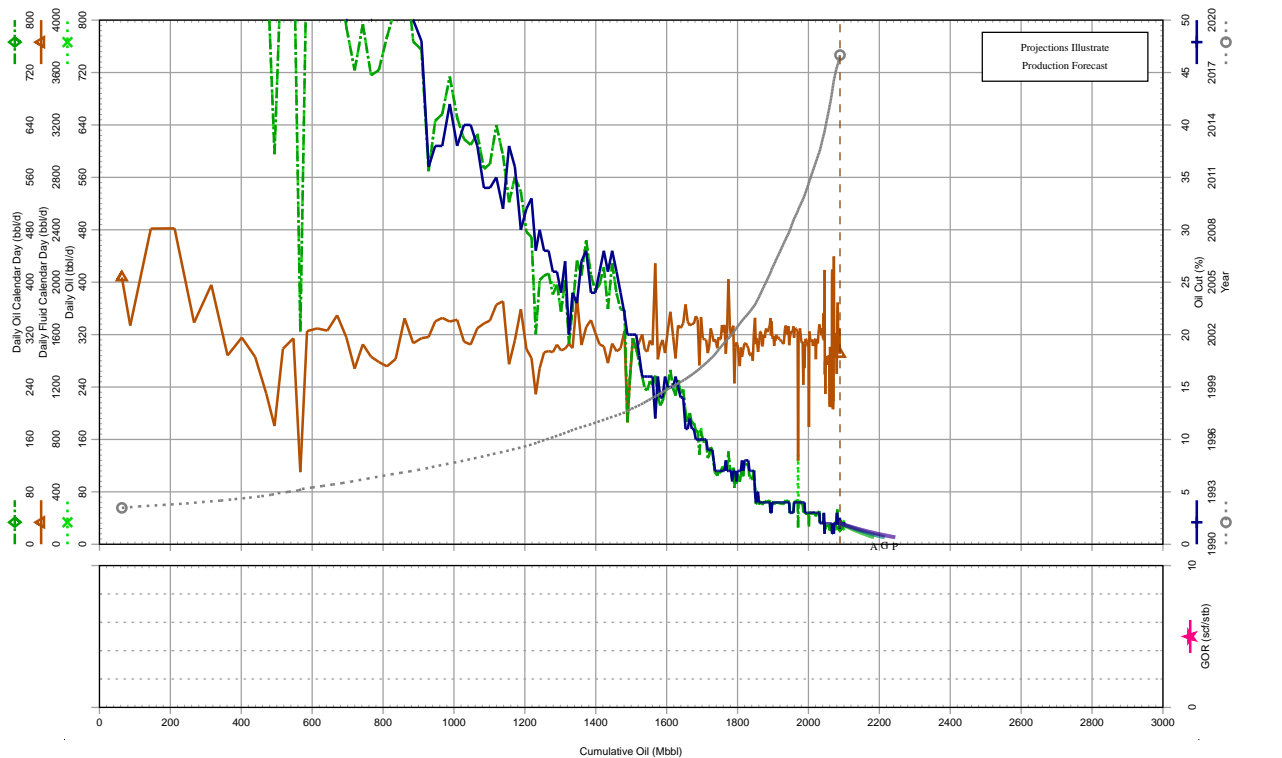
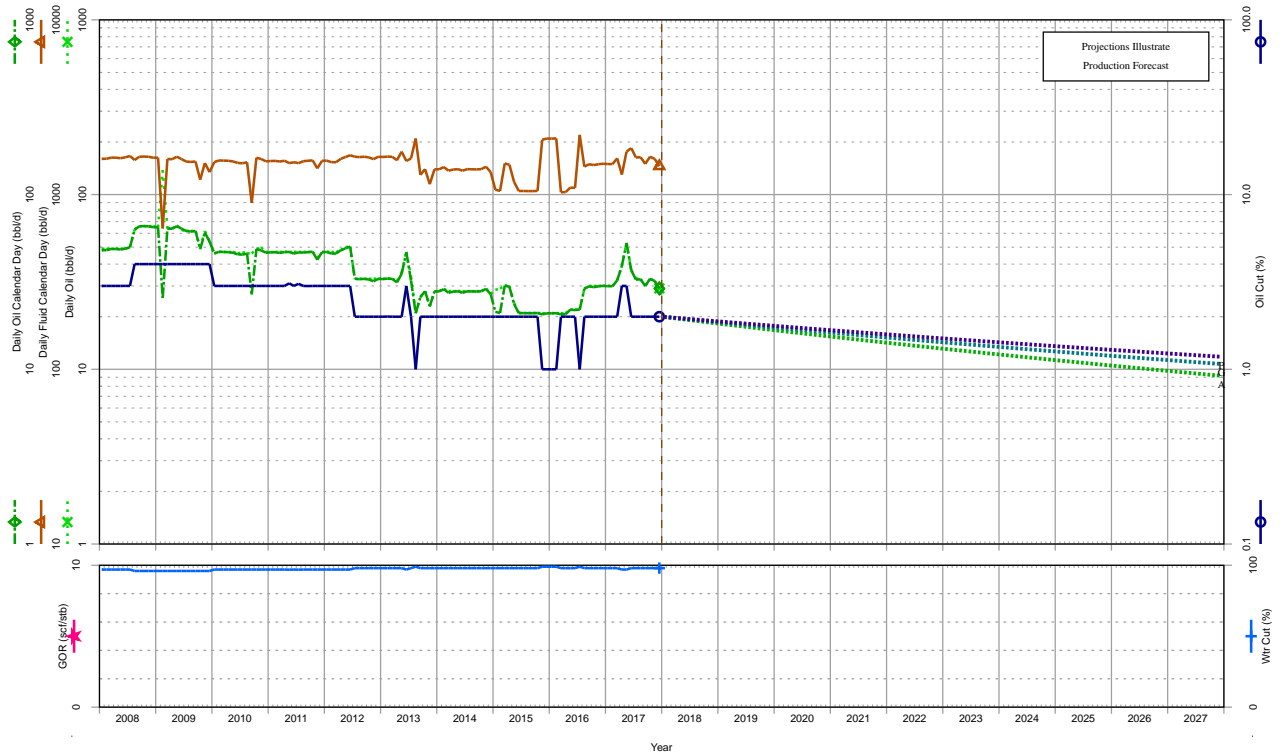
| | | | | | |
|-----|--------------|-----|----------|-------|---------------|
| Oil | 1323.4 Mbbbl | Gas | 0.0 MMcf | Water | 1108... Mbbbl |
|-----|--------------|-----|----------|-------|---------------|

CENDERE-07
1181620 / Mar 21, 2018

Historical and Forecast Production CENDERE-09

Property : Cendere
Well Name :

Regulatory Field :
Regulatory Pool :
Operator :



Decline Analysis Summary At 2018/01/01

| Reserves Classification | Reserves (Mbbbl) | | | Oil Cut % | | Decline | |
|-------------------------|--------------------|---------|--------|-----------|-------|---------|--------|
| | Ultimate | Cum Prd | Remain | Initial | Final | Initial | Expont |
| Pv Prd - A | 2185 | 2089 | 96 | 2.00 | 0.67 | 8.6 | 0.40 |
| P + P Prd - G | 2215 | 2089 | 126 | 2.00 | 0.67 | 7.0 | 0.50 |
| PPP Prd - P | 2245 | 2089 | 156 | 2.00 | 0.67 | 5.9 | 0.60 |

Average Production Rates (Last 12 months ending 2017/12/31)

| | | | | |
|---------|------------|-------------|-----|--------------|
| Gas | 0.0 Mcf/d | 0.0 Mcf/cd | WGR | 0.0 bbl/MMcf |
| Oil | 34.3 bbl/d | 34.2 bbl/cd | GOR | 0.0 scf/stb |
| On Prod | 363.8 days | | WC | 97.8 % |

Cumulative Production

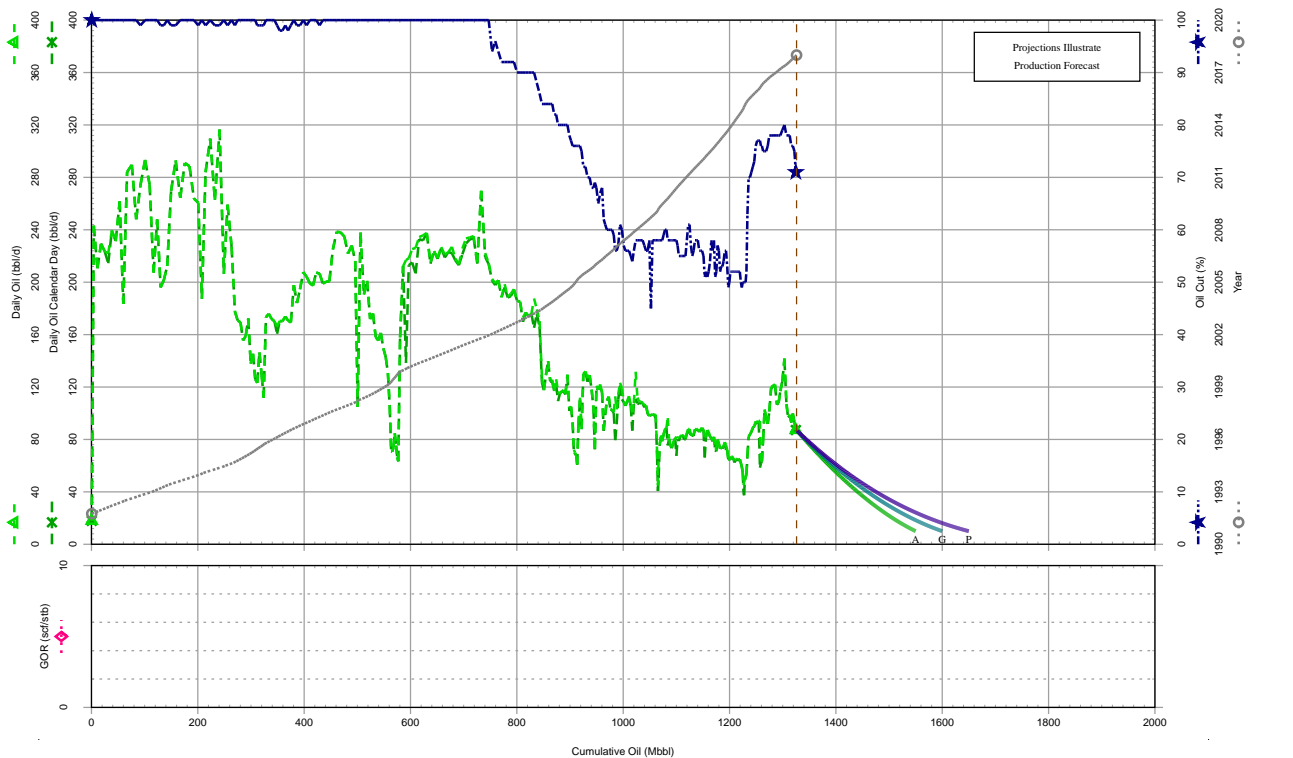
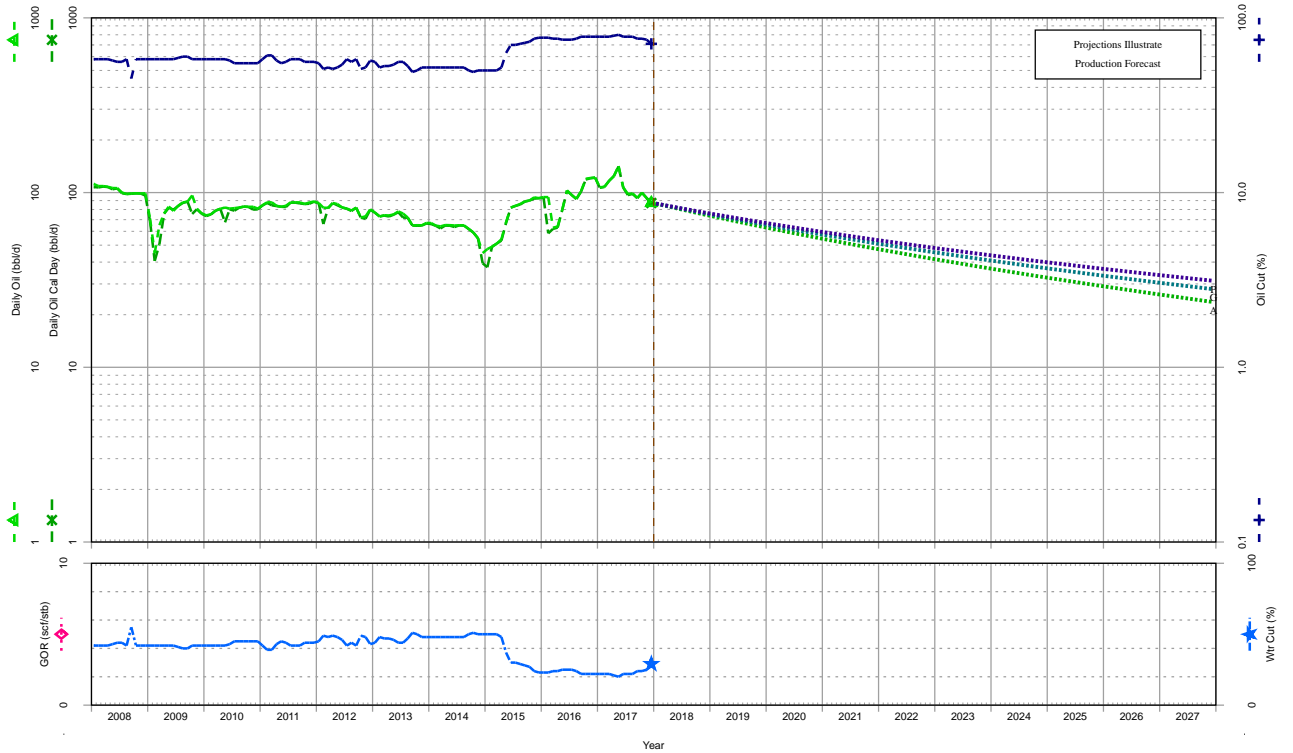
| | | | | | |
|-----|--------------|-----|----------|-------|---------------|
| Oil | 2089.0 Mbbbl | Gas | 0.0 MMcf | Water | 1260... Mbbbl |
|-----|--------------|-----|----------|-------|---------------|

CENDERE-09
1181620 / Mar 21, 2018

Historical and Forecast Production CENDERE-10

Property : Cendere
Well Name :

Regulatory Field :
Regulatory Pool :
Operator :



Decline Analysis Summary At 2018/01/01

| Reserves Classification | Reserves (Mbbl) | | | Rates (bbl/d) | | Decline | |
|-------------------------|-------------------|---------|--------|-----------------|-------|---------|-------|
| | Ultimate | Cum Prd | Remain | Initial | Final | Initial | Expon |
| Pv Prd - A | 1550 | 1326 | 224 | 87 | 10 | 15.3 | 0.40 |
| P + P Prd - G | 1600 | 1326 | 274 | 87 | 10 | 13.7 | 0.50 |
| PPP Prd - P | 1650 | 1326 | 324 | 87 | 10 | 12.7 | 0.60 |

Average Production Rates (Last 12 months ending 2017/12/31)

| | | | | |
|---------|-------------|--------------|-----|--------------|
| Gas | 0.0 Mcf/d | 0.0 Mcf/cd | WGR | 0.0 bbl/MMcf |
| Oil | 106.3 bbl/d | 105.9 bbl/cd | GOR | 0.0 scf/stb |
| On Prod | 363.8 days | | WC | 22.8 % |

Cumulative Production

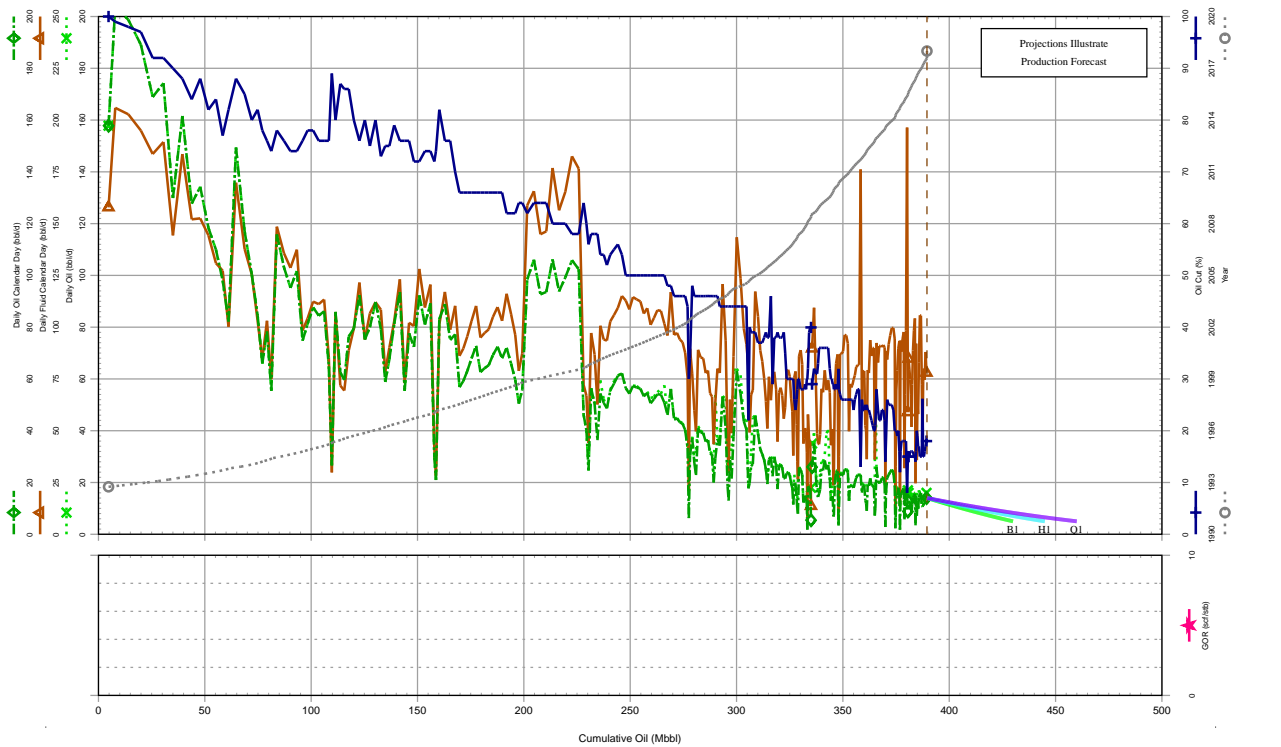
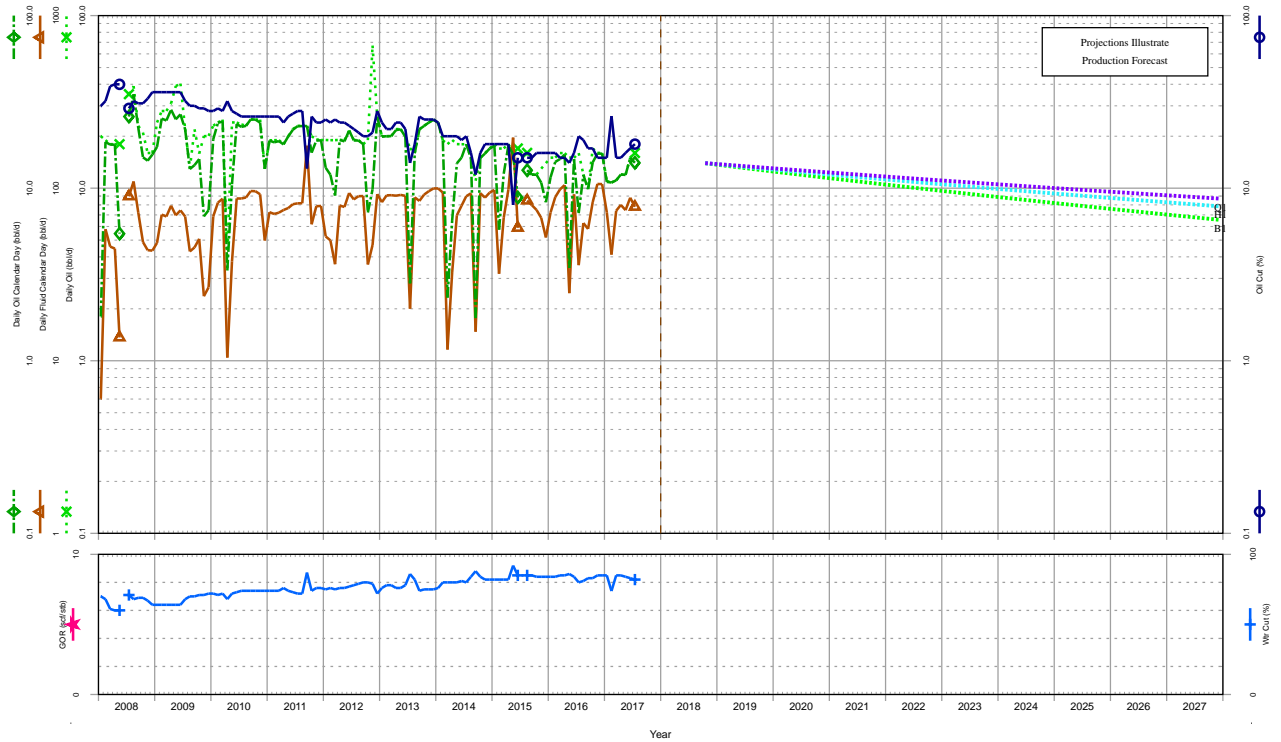
| | | | | | |
|-----|-------------|-----|----------|-------|------------|
| Oil | 1326.1 Mbbl | Gas | 0.0 MMcf | Water | 292.1 Mbbl |
|-----|-------------|-----|----------|-------|------------|

CENDERE-10
1181620 / Mar 21, 2018

Historical and Forecast Production CENDERE-11

Property : Cendere
Well Name :

Regulatory Field :
Regulatory Pool :
Operator :



Decline Analysis Summary At 2018/01/01

| Reserves Classification | Reserves (Mbbl) | | | Rates (bbl/d) | | Decline | |
|-------------------------|-------------------|---------|--------|-----------------|-------|---------|------|
| | Ultimate | Cum Prd | Remain | Initial | Final | Initial | Expt |
| Pv Dev NPrd — B1 | 430 | 390 | 40 | 14 | 5 | 8.7 | 0.30 |
| P + PDev — NPrd H1 | 445 | 390 | 55 | 14 | 5 | 6.7 | 0.40 |
| PPP Dev NPrd — Q1 | 460 | 390 | 70 | 14 | 5 | 5.6 | 0.50 |

Average Production Rates (Last 12 months ending 2017/12/31)

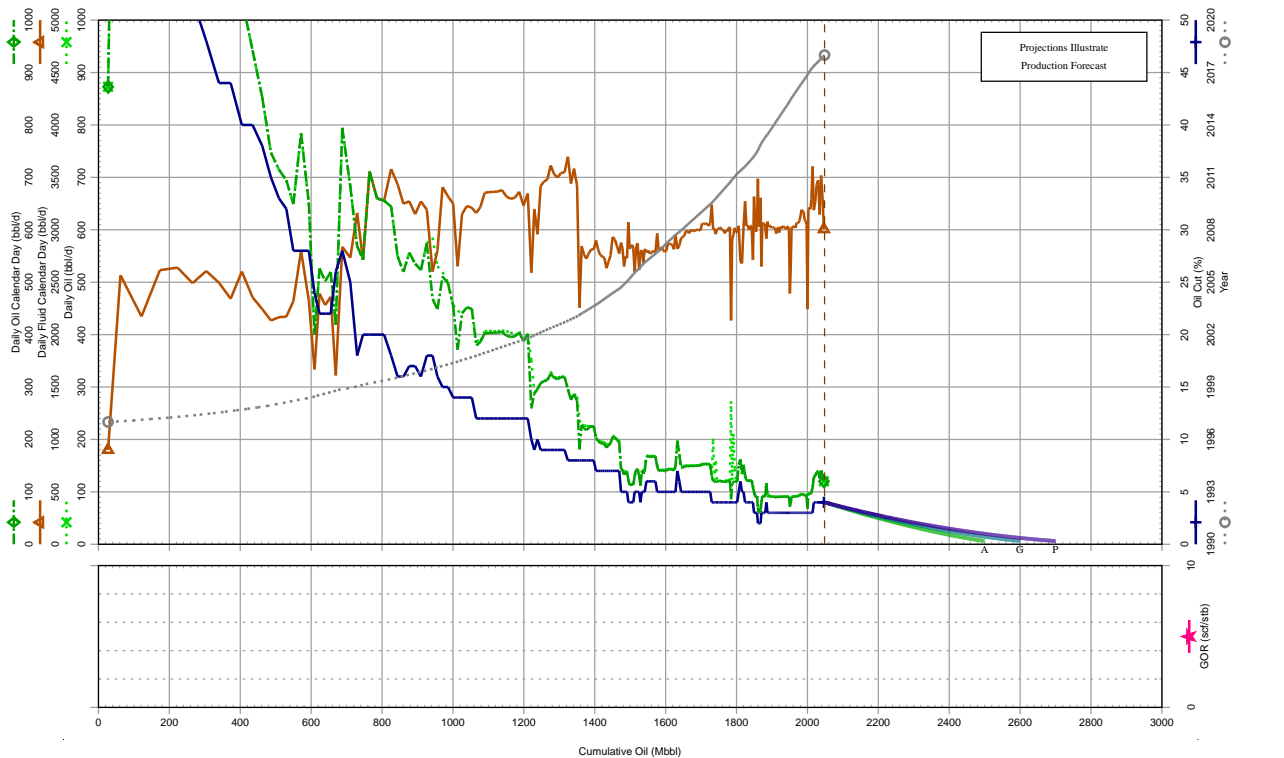
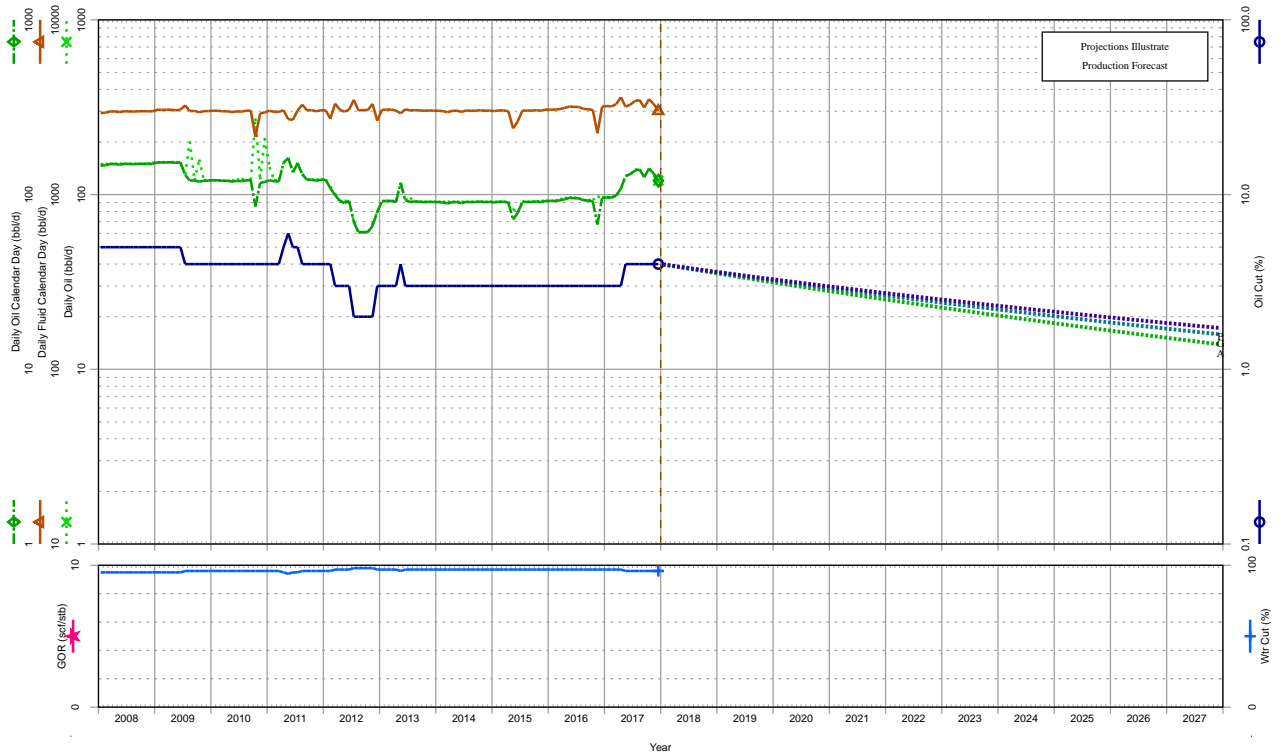
| | | | | | |
|-----------------------|------------|------------|----------|--------------|------------|
| Gas | 0.0 Mcf/d | 0.0 Mcf/cd | WGR | 0.0 bbl/MMcf | |
| Oil | 12.6 bbl/d | 7.1 bbl/cd | GOR | 0.0 scf/stb | |
| On Prod | 207.6 days | | WC | 83.2 % | |
| Cumulative Production | | | | | |
| Oil | 389.5 Mbbl | Gas | 0.0 MMcf | Water | 402.5 Mbbl |

CENDERE-11
1181620 / Mar 21, 2018

Historical and Forecast Production CENDERE-13

Property : Cendere
Well Name :

Regulatory Field :
Regulatory Pool :
Operator :



Decline Analysis Summary At 2018/01/01

| Reserves Classification | Reserves (Mbbbl) | | | Oil Cut % | | Decline | |
|-------------------------|--------------------|---------|--------|-----------|-------|---------|--------|
| | Ultimate | Cum Prd | Remain | Initial | Final | Initial | Expont |
| Pv Prd - A | 2500 | 2048 | 452 | 4.00 | 0.31 | 11.6 | 0.30 |
| P + P Prd - G | 2600 | 2048 | 552 | 4.00 | 0.31 | 10.4 | 0.40 |
| PPP Prd - P | 2700 | 2048 | 652 | 4.00 | 0.31 | 9.7 | 0.50 |

Average Production Rates (Last 12 months ending 2017/12/31)

| | | | | |
|---------|-------------|--------------|-----|--------------|
| Gas | 0.0 Mcf/d | 0.0 Mcf/cd | WGR | 0.0 bbl/MMcf |
| Oil | 121.5 bbl/d | 121.2 bbl/cd | GOR | 0.0 scf/stb |
| On Prod | 363.7 days | | WC | 96.3 % |

Cumulative Production

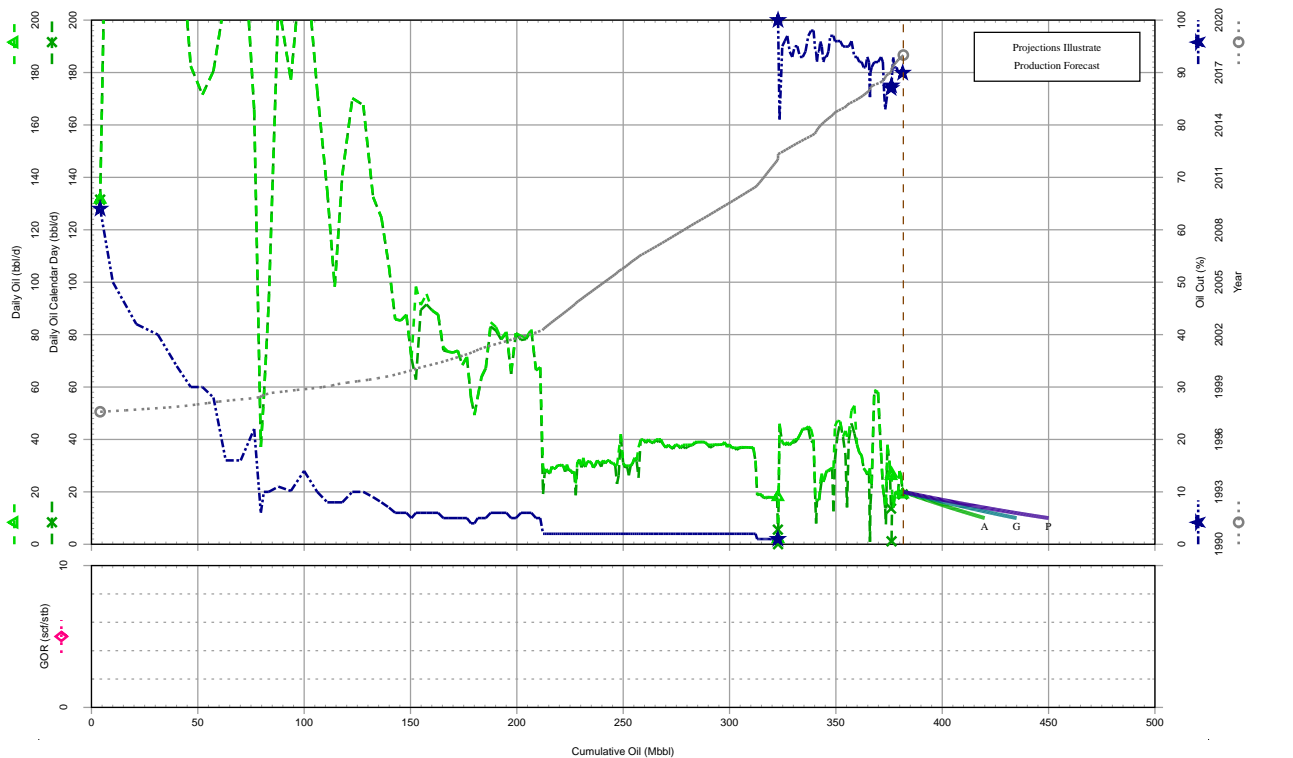
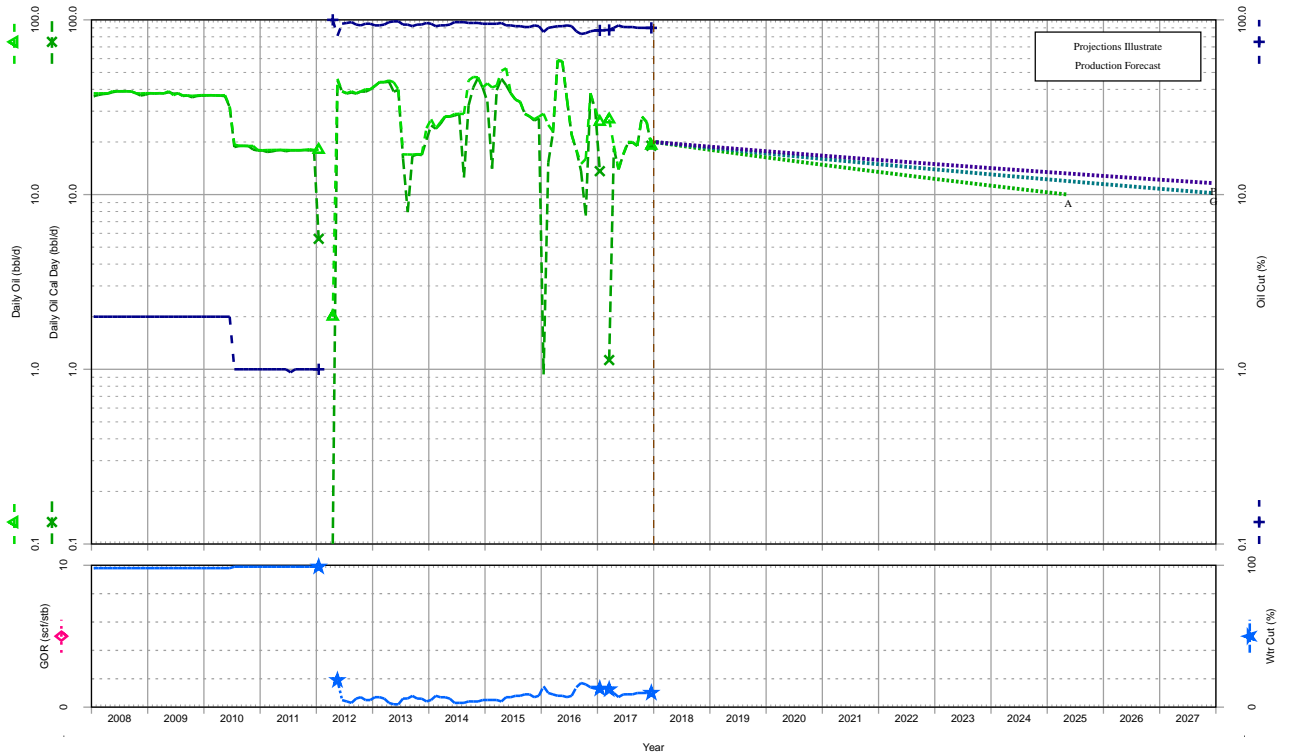
| | | | | | |
|-----|--------------|-----|----------|-------|---------------|
| Oil | 2048.3 Mbbbl | Gas | 0.0 MMcf | Water | 2070... Mbbbl |
|-----|--------------|-----|----------|-------|---------------|

CENDERE-13
1181620 / Mar 21, 2018

Historical and Forecast Production CENDERE-14

Property : Cendere
Well Name :

Regulatory Field :
Regulatory Pool :
Operator :



Decline Analysis Summary At 2018/01/01

| Reserves Classification | Reserves (Mbbbl) | | | Rates (bbl/d) | | Decline | |
|-------------------------|--------------------|---------|--------|-----------------|-------|---------|-------|
| | Ultimate | Cum Prd | Remain | Initial | Final | Initial | Expon |
| Pv Prd — A | 420 | 382 | 38 | 20 | 10 | 9.8 | 0.30 |
| P + P Prd — G | 435 | 382 | 53 | 20 | 10 | 7.4 | 0.40 |
| PPP Prd — P | 450 | 382 | 68 | 20 | 10 | 6.0 | 0.50 |

Average Production Rates (Last 12 months ending 2017/12/31)

| | | | | |
|---------|------------|-------------|-----|--------------|
| Gas | 0.0 Mcf/d | 0.0 Mcf/cd | WGR | 0.0 bbl/MMcf |
| Oil | 21.4 bbl/d | 16.4 bbl/cd | GOR | 0.0 scf/stb |
| On Prod | 290.5 days | | WC | 9.7 % |

Cumulative Production

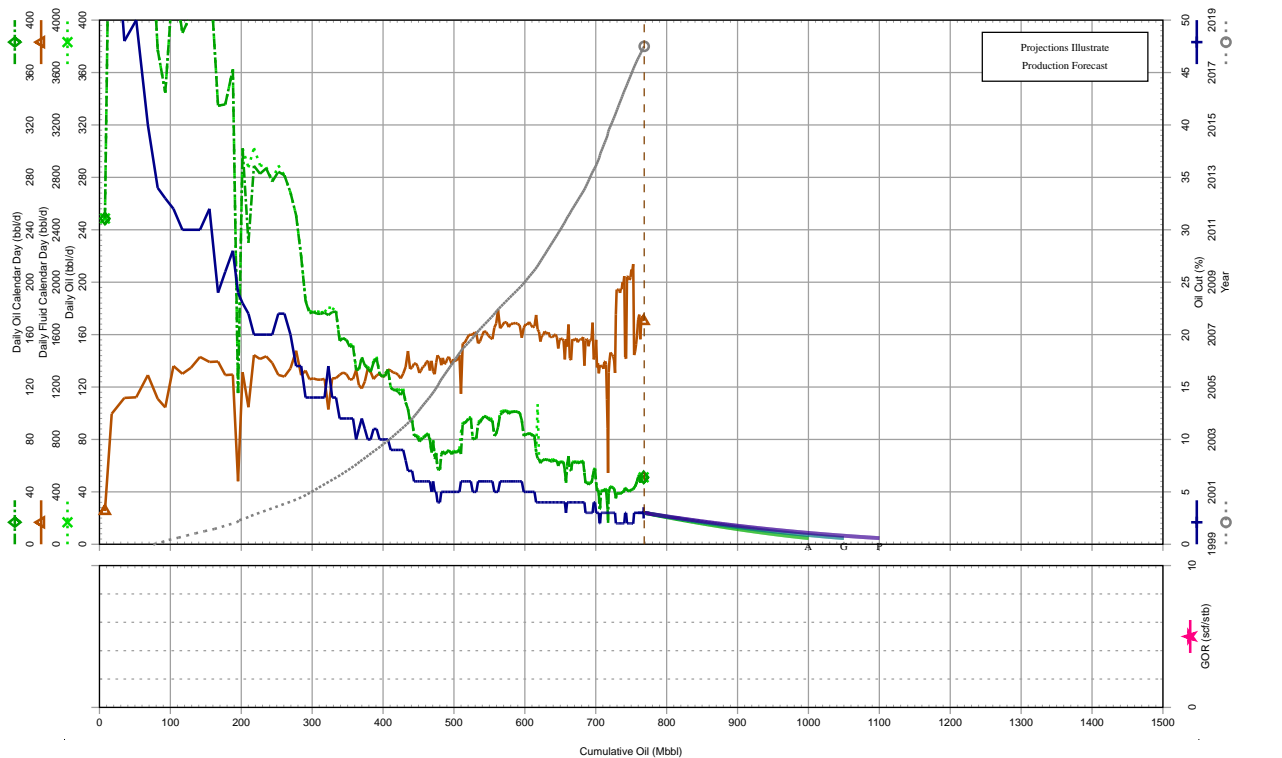
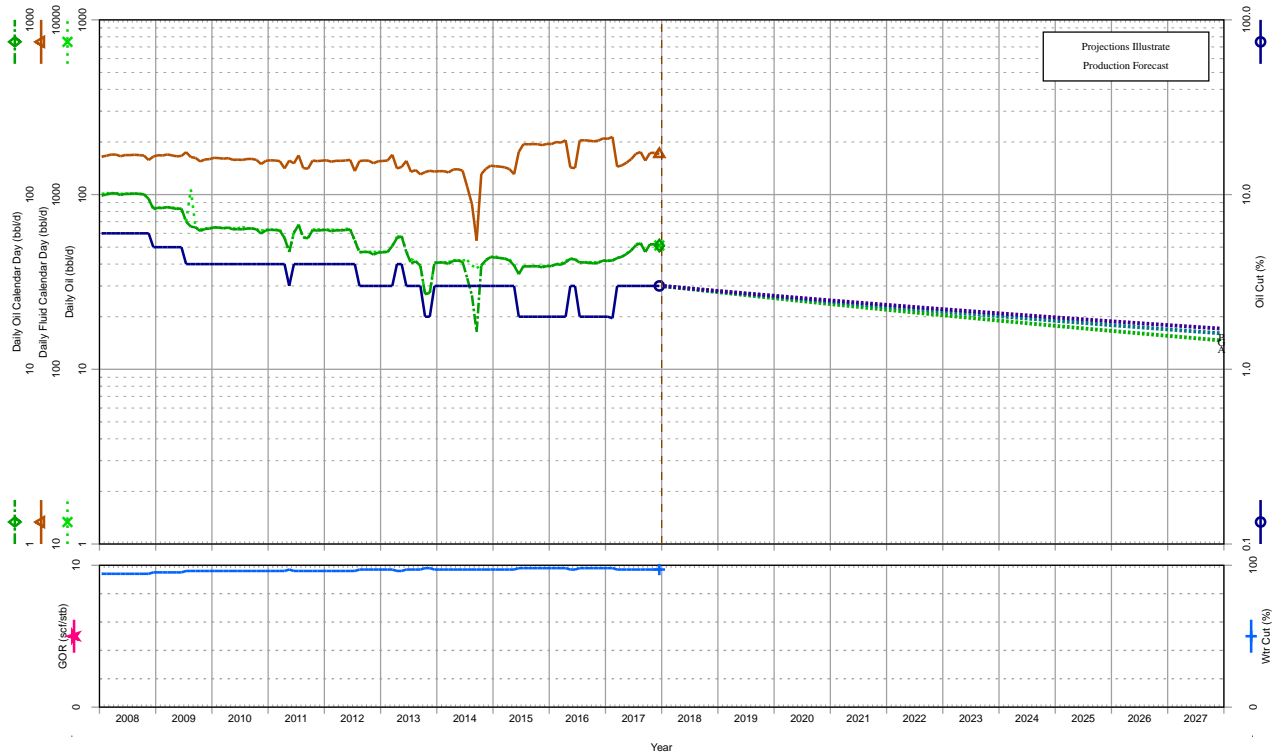
| | | | | | |
|-----|-------------|-----|----------|-------|--------------|
| Oil | 381.7 Mbbbl | Gas | 0.0 MMcf | Water | 7958.3 Mbbbl |
|-----|-------------|-----|----------|-------|--------------|

CENDERE-14
1181620 / Mar 21, 2018

Historical and Forecast Production CENDERE-16

Property : Cendere
Well Name :

Regulatory Field :
Regulatory Pool :
Operator :



Decline Analysis Summary At 2018/01/01

| Reserves Classification | Reserves (Mbbbl) | | | Oil Cut % | | | | Decline | |
|-------------------------|--------------------|---------|--------|-----------|-------|---------|-------|---------|--|
| | Ultimate | Cum Prd | Remain | Initial | Final | Initial | Expon | | |
| Pv Prd - A | 1000 | 768 | 232 | 3.00 | 0.59 | 7.9 | 0.40 | | |
| P + P Prd - G | 1050 | 768 | 282 | 3.00 | 0.59 | 7.0 | 0.50 | | |
| PPP Prd - P | 1100 | 768 | 332 | 3.00 | 0.59 | 6.4 | 0.60 | | |

Average Production Rates (Last 12 months ending 2017/12/31)

| | | | | |
|---------|------------|-------------|-----|--------------|
| Gas | 0.0 Mcf/d | 0.0 Mcf/cd | WGR | 0.0 bbl/MMcf |
| Oil | 47.7 bbl/d | 47.6 bbl/cd | GOR | 0.0 scf/stb |
| On Prod | 363.8 days | | WC | 97.2 % |

Cumulative Production

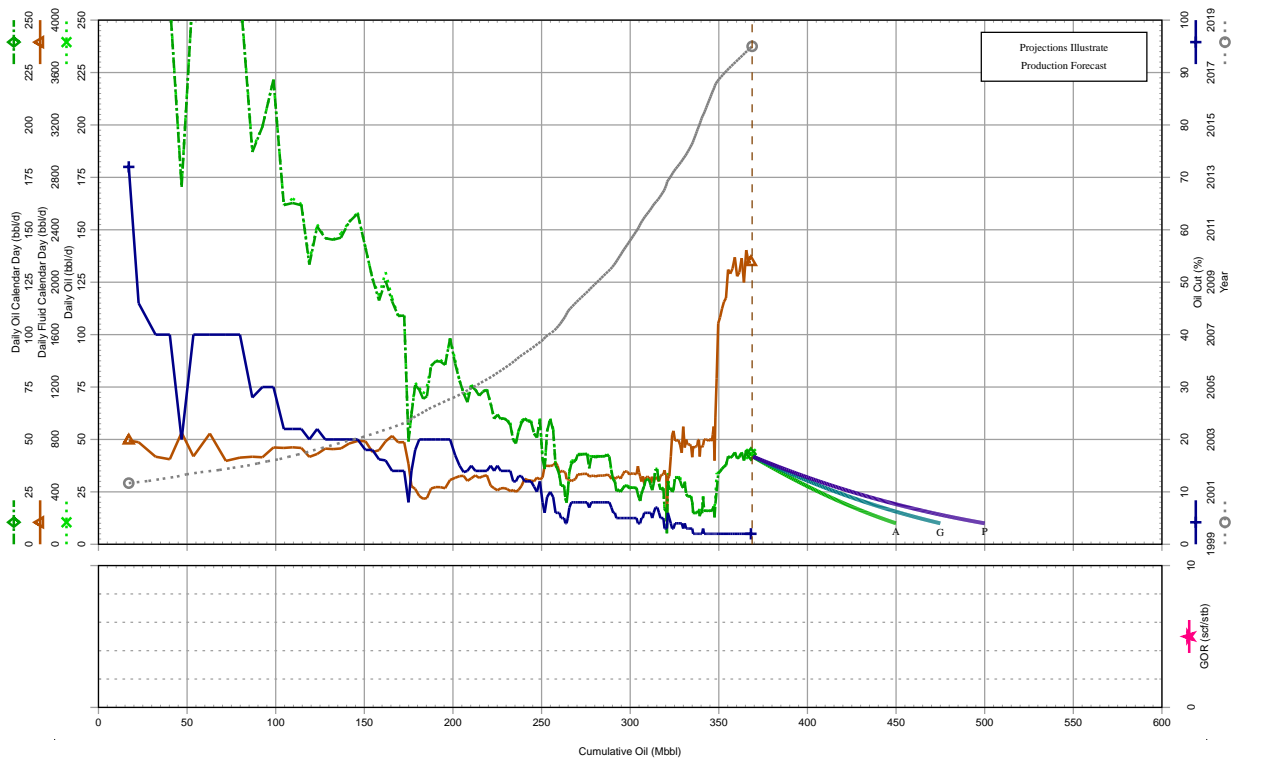
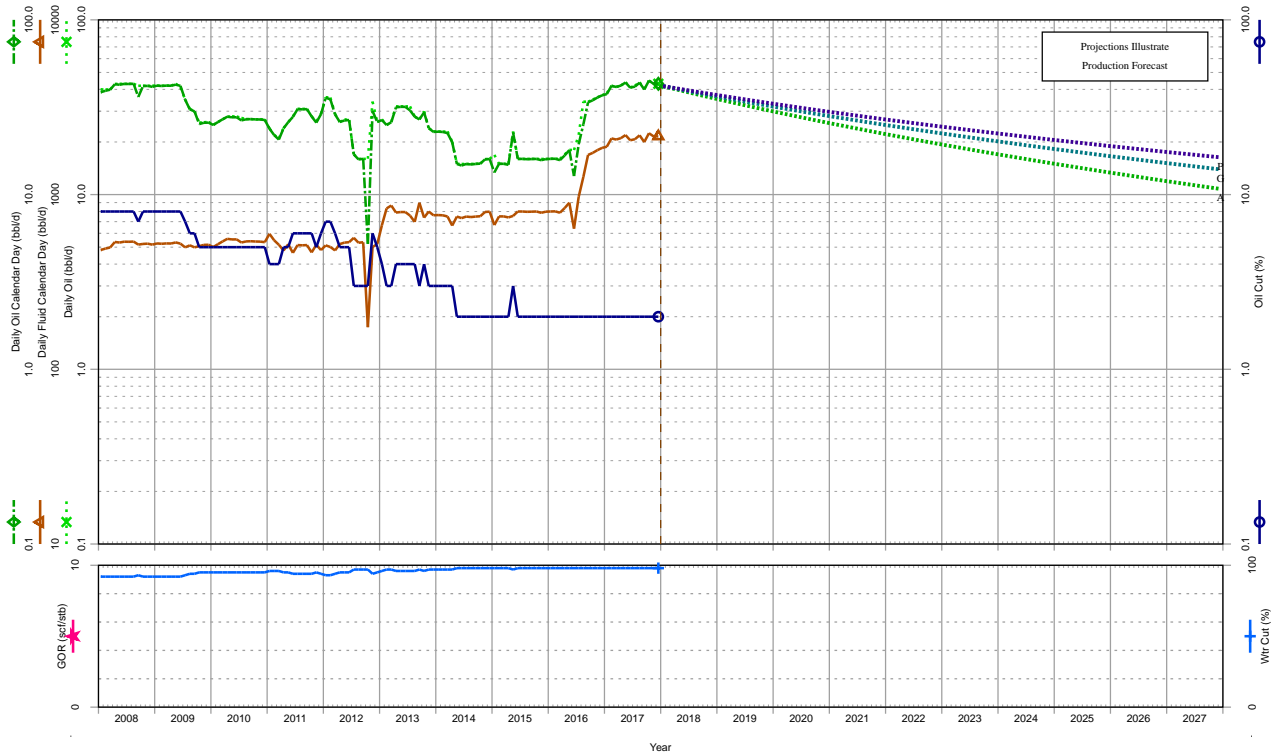
| | | | | | |
|-----|-------------|-----|----------|-------|--------------|
| Oil | 768.3 Mbbbl | Gas | 0.0 MMcf | Water | 9712.4 Mbbbl |
|-----|-------------|-----|----------|-------|--------------|

CENDERE-16
1181620 / Mar 21, 2018

Historical and Forecast Production CENDERE-17

Property : Cendere
Well Name :

Regulatory Field :
Regulatory Pool :
Operator :



Decline Analysis Summary At 2018/01/01

| Reserves Classification | Reserves (Mbbbl) | | | Rates (bbl/d) | | Decline | |
|-------------------------|--------------------|---------|--------|-----------------|-------|---------|--------|
| | Ultimate | Cum Prd | Remain | Initial | Final | Initial | Expont |
| Pv Prd - A | 450 | 369 | 81 | 42 | 10 | 16.1 | 0.40 |
| P + P Prd - G | 475 | 369 | 106 | 42 | 10 | 13.3 | 0.50 |
| PPP Prd - P | 500 | 369 | 131 | 42 | 10 | 11.6 | 0.60 |

Average Production Rates (Last 12 months ending 2017/12/31)

| | | | | |
|---------|------------|-------------|-----|--------------|
| Gas | 0.0 Mcf/d | 0.0 Mcf/cd | WGR | 0.0 bbl/MMcf |
| Oil | 42.1 bbl/d | 42.0 bbl/cd | GOR | 0.0 scf/stb |
| On Prod | 363.7 days | | WC | 98.0 % |

Cumulative Production

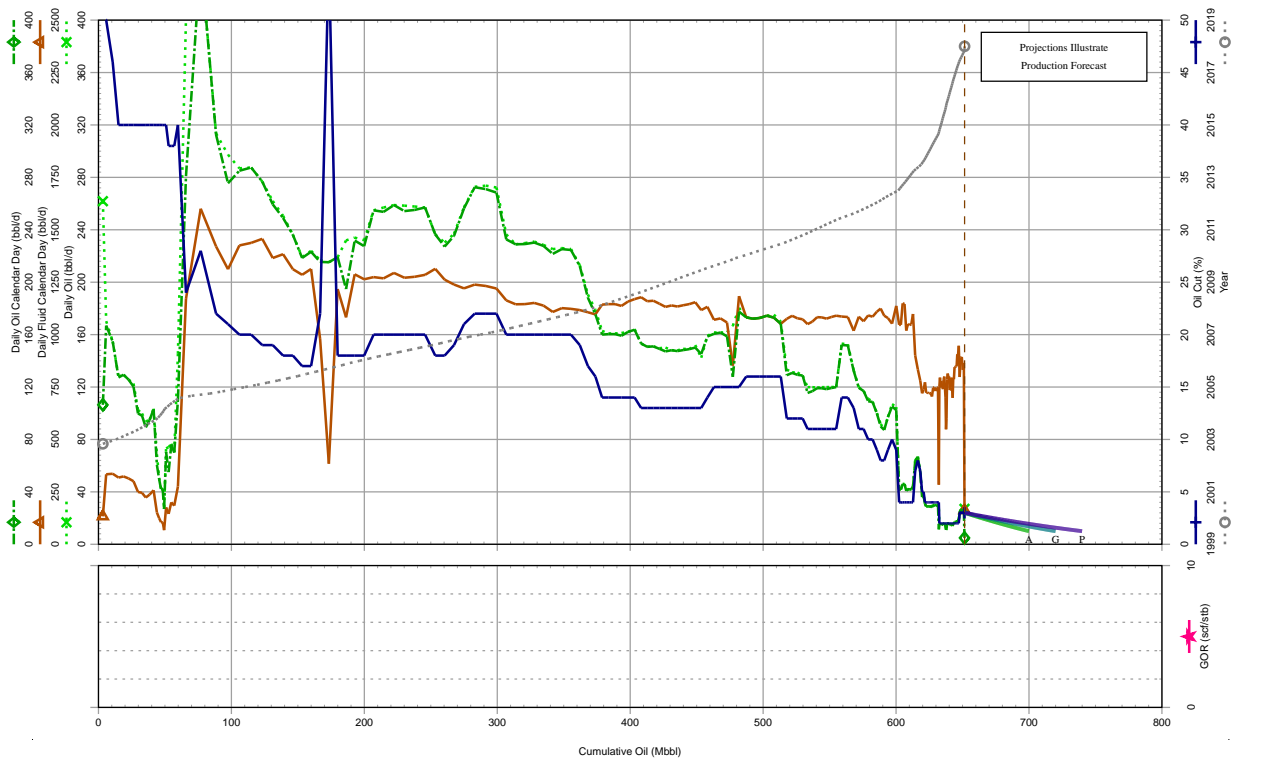
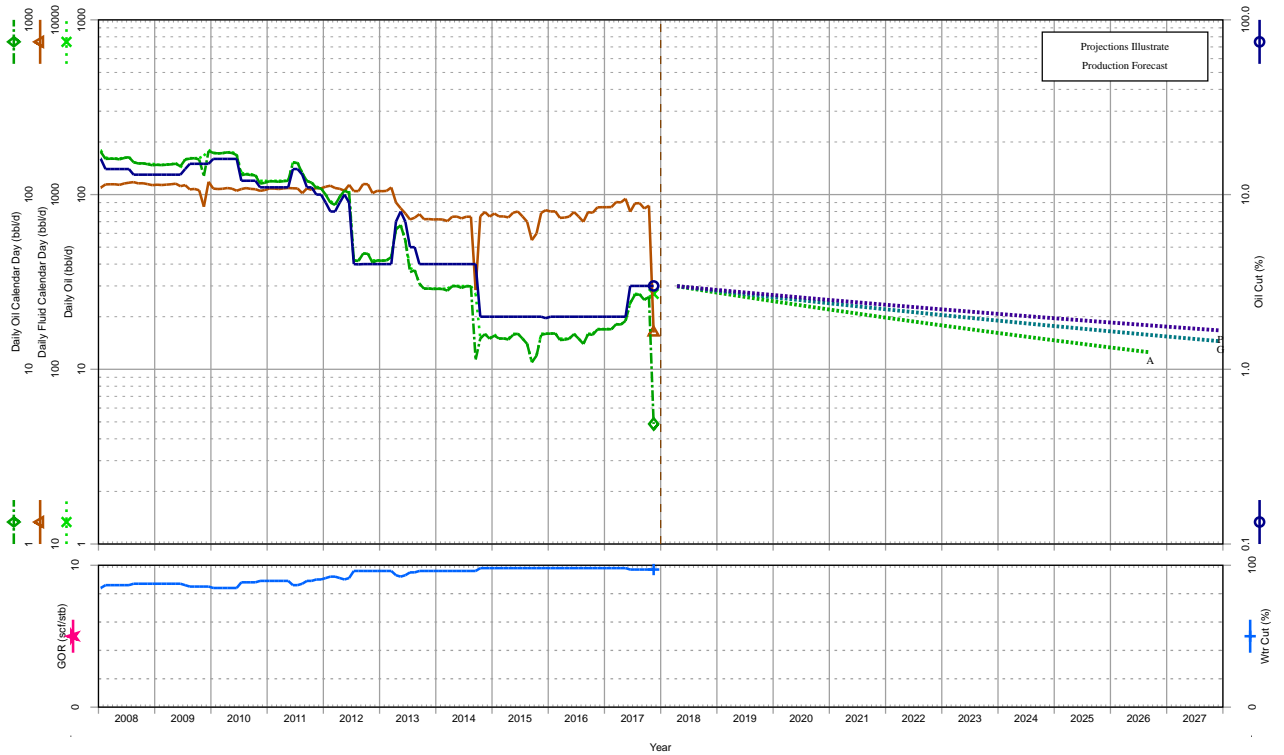
| | | | | | |
|-----|-------------|-----|----------|-------|--------------|
| Oil | 368.8 Mbbbl | Gas | 0.0 MMcf | Water | 4029.5 Mbbbl |
|-----|-------------|-----|----------|-------|--------------|

CENDERE-17
1181620 / Mar 21, 2018

Historical and Forecast Production CENDERE-19

Property : Cendere
Well Name :

Regulatory Field :
Regulatory Pool :
Operator :



Decline Analysis Summary At 2018/01/01

| Reserves Classification | Reserves (Mbbbl) | | | Decline | | | |
|-------------------------|--------------------|---------|--------|---------|-------|---------|-------|
| | Ultimate | Cum Prd | Remain | Initial | Final | Initial | Expon |
| Pv Prd - A | 700 | 652 | 48 | 3.00 | 1.25 | 11.0 | 0.30 |
| P + P Prd - G | 720 | 652 | 68 | 3.00 | 1.25 | 8.2 | 0.40 |
| PPP Prd - P | 740 | 652 | 88 | 3.00 | 1.25 | 6.7 | 0.50 |

Average Production Rates (Last 12 months ending 2017/12/31)

| | | | | |
|---------|------------|-------------|-----|--------------|
| Gas | 0.0 Mcf/d | 0.0 Mcf/cd | WGR | 0.0 bbl/MMcf |
| Oil | 22.3 bbl/d | 18.5 bbl/cd | GOR | 0.0 scf/stb |
| On Prod | 308.3 days | | WC | 97.5 % |

Cumulative Production

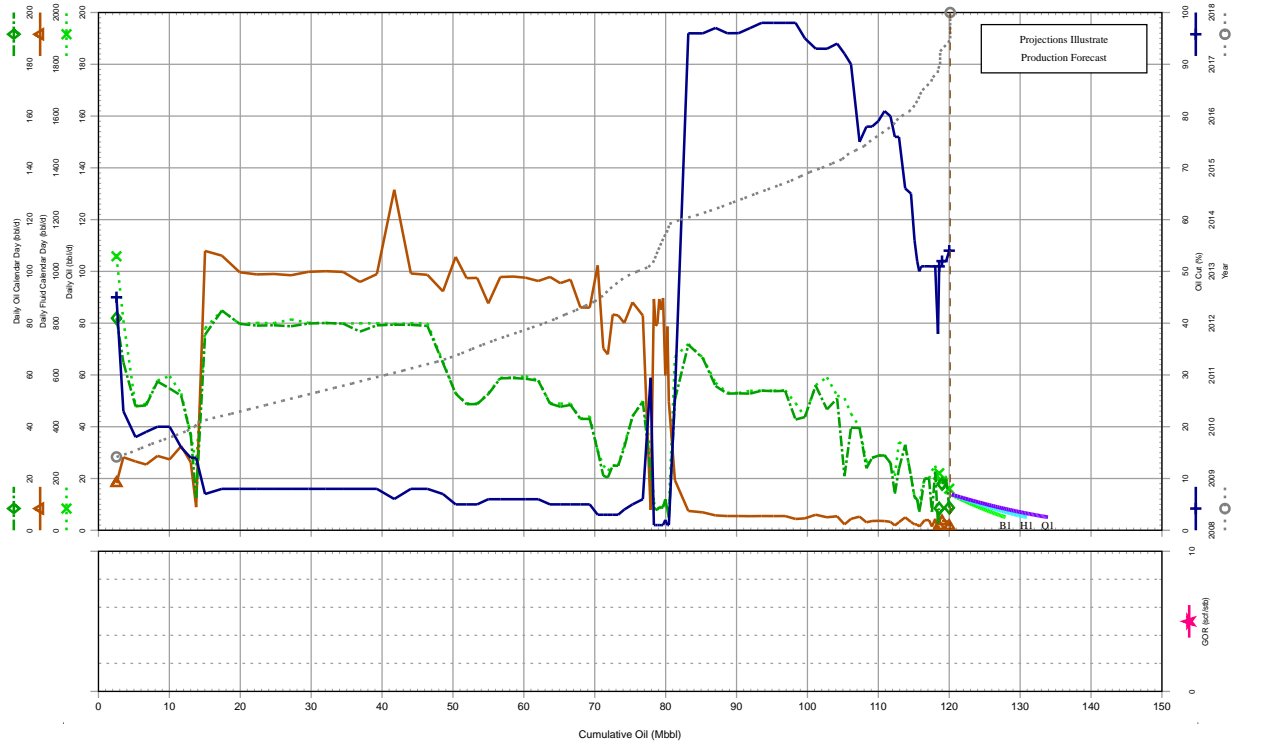
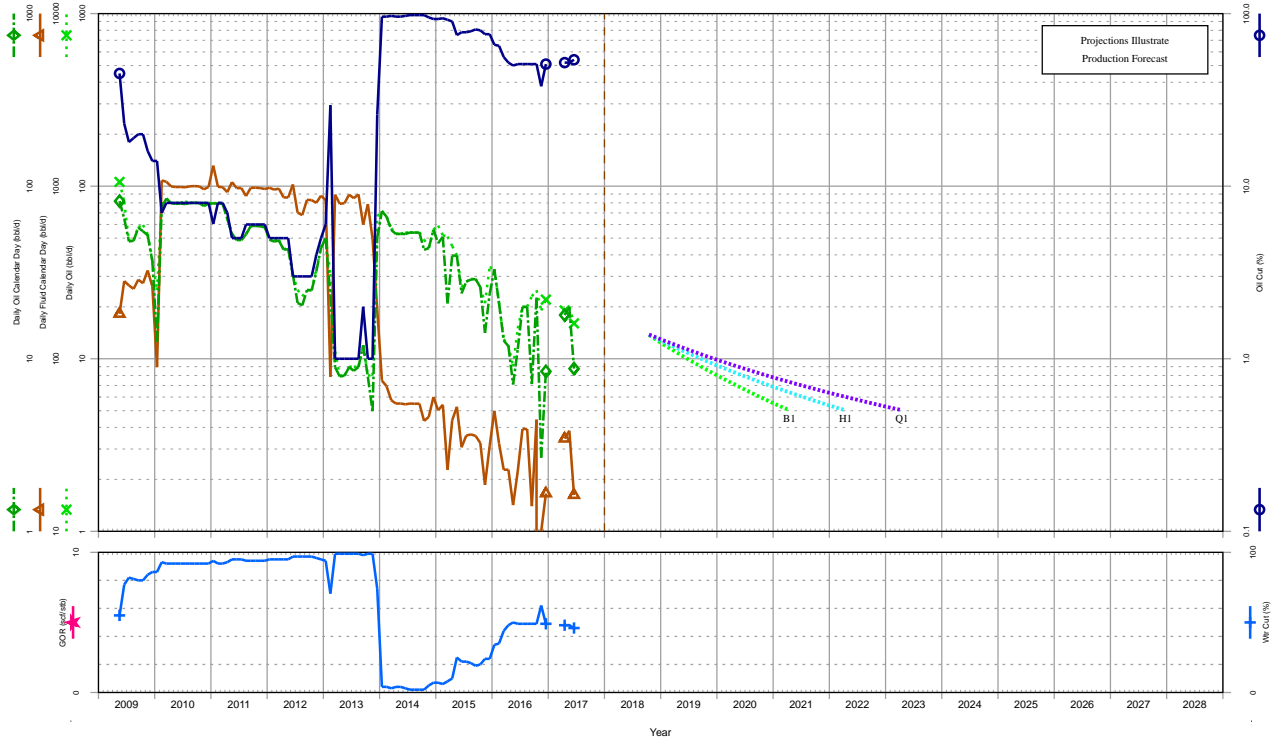
| | | | | | |
|-----|-------------|-----|----------|-------|--------------|
| Oil | 651.6 Mbbbl | Gas | 0.0 MMcf | Water | 4421.0 Mbbbl |
|-----|-------------|-----|----------|-------|--------------|

CENDERE-19
1181620 / Mar 21, 2018

Historical and Forecast Production CENDERE-22

Property : Cendere
Well Name :

Regulatory Field :
Regulatory Pool :
Operator :



Decline Analysis Summary At 2018/01/01

| Reserves Classification | Reserves (Mbbbl) | | | Rates (bbl/d) | | Decline | |
|-------------------------|--------------------|---------|--------|-----------------|-------|---------|--------|
| | Ultimate | Cum Prd | Remain | Initial | Final | Initial | Expont |
| Pv Dev NPrd B1 | 128 | 120 | 8 | 14 | 5 | 36.5 | 0.40 |
| P + PDev NPrd H1 | 131 | 120 | 11 | 14 | 5 | 29.3 | 0.50 |
| PPP Dev NPrd Q1 | 134 | 120 | 14 | 14 | 5 | 24.8 | 0.60 |

Average Production Rates (Last 12 months ending 2017/12/31)

| | | | | |
|---------|------------|------------|-----|--------------|
| Gas | 0.0 Mcf/d | 0.0 Mcf/cd | WGR | 0.0 bbl/MMcf |
| Oil | 18.3 bbl/d | 3.9 bbl/cd | GOR | 0.0 scf/stb |
| On Prod | 75.5 days | | WC | 47.7 % |

Cumulative Production

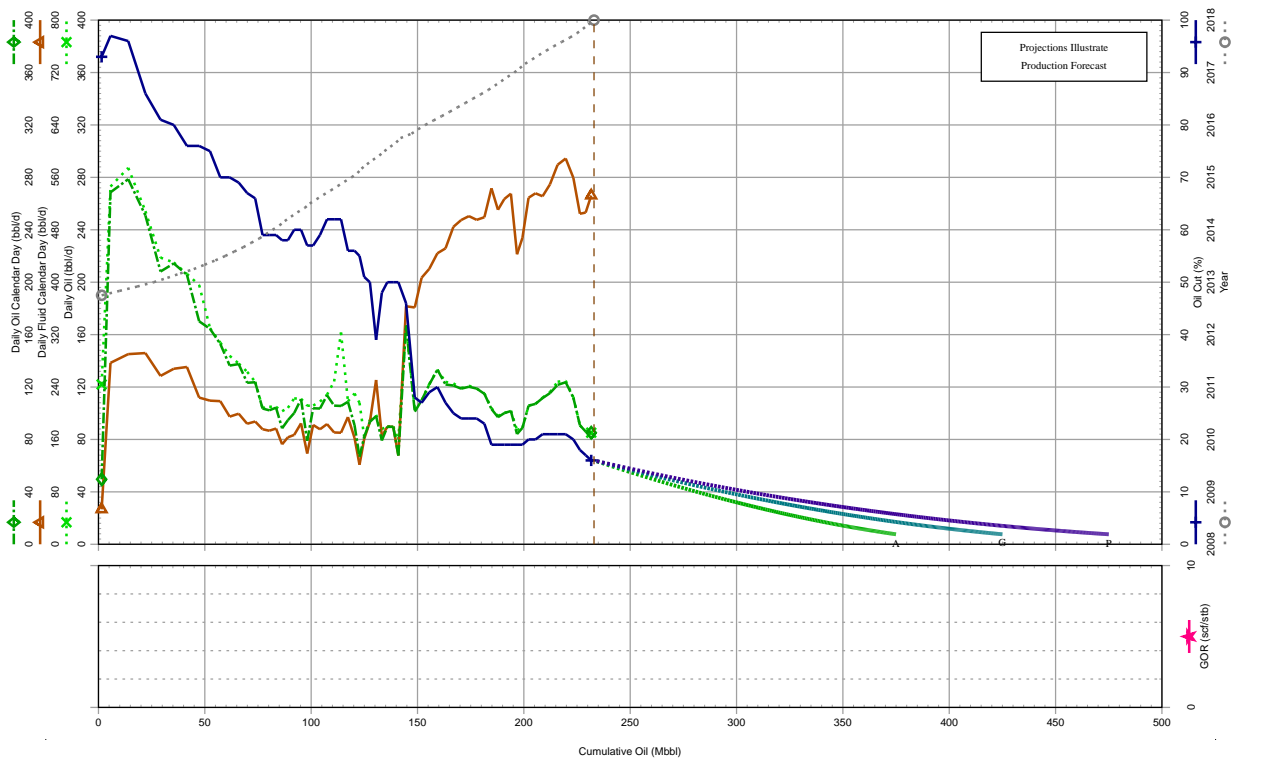
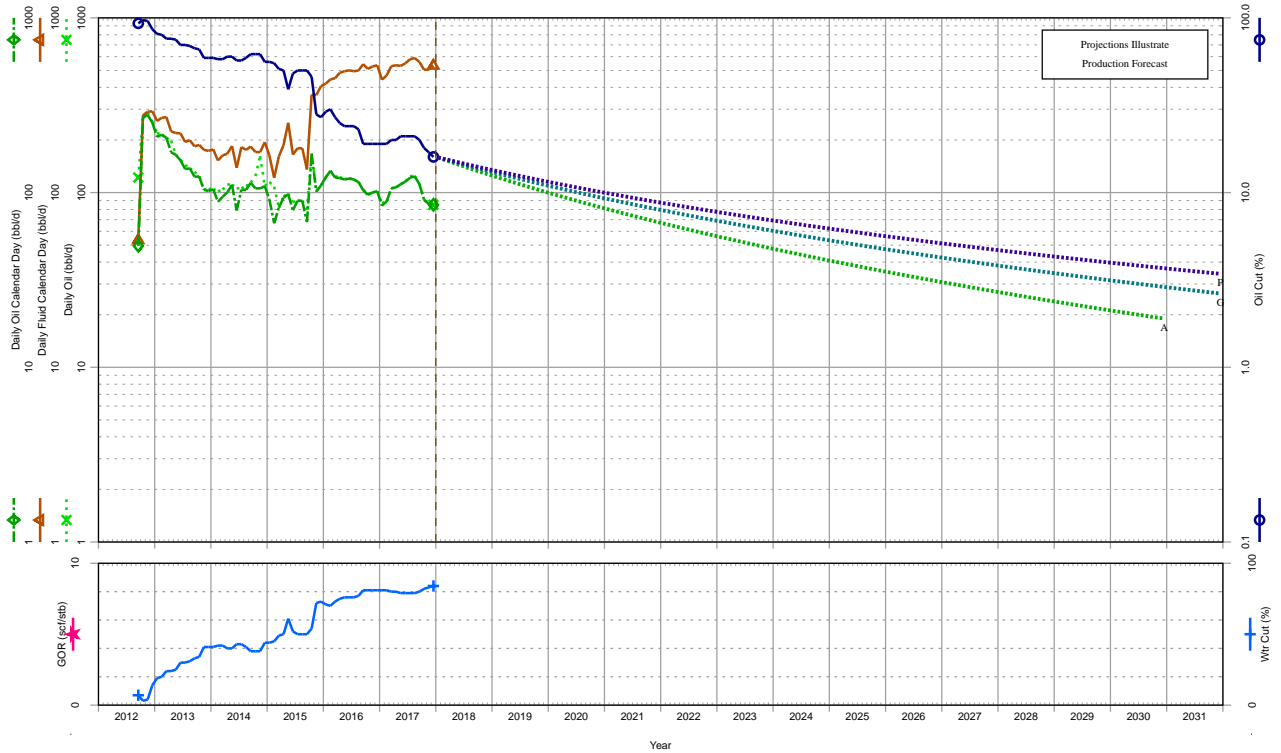
| | | | | | |
|-----|-------------|-----|----------|-------|--------------|
| Oil | 120.1 Mbbbl | Gas | 0.0 MMcf | Water | 1259.3 Mbbbl |
|-----|-------------|-----|----------|-------|--------------|

CENDERE-22
1181620 / Mar 21, 2018

Historical and Forecast Production CENDERE-23

Property : Cendere
Well Name :

Regulatory Field :
Regulatory Pool :
Operator :



Decline Analysis Summary At 2018/01/01

| Reserves Classification | Reserves (Mbbbl) | | | Oil Cut % | | Decline | |
|-------------------------|--------------------|---------|--------|-----------|-------|---------|--------|
| | Ultimate | Cum Prd | Remain | Initial | Final | Initial | Exprot |
| Pv Prd - A | 375 | 233 | 142 | 16.00 | 1.90 | 21.9 | 0.40 |
| P + P Prd - G | 425 | 233 | 192 | 16.00 | 1.90 | 18.0 | 0.50 |
| PPP Prd - P | 475 | 233 | 242 | 16.00 | 1.90 | 15.8 | 0.60 |

Average Production Rates (Last 12 months ending 2017/12/31)

| | | | | |
|---------|-------------|--------------|-----|--------------|
| Gas | 0.0 Mcf/d | 0.0 Mcf/cd | WGR | 0.0 bbl/MMcf |
| Oil | 103.3 bbl/d | 102.7 bbl/cd | GOR | 0.0 scf/stb |
| On Prod | 362.6 days | | WC | 80.5 % |

Cumulative Production

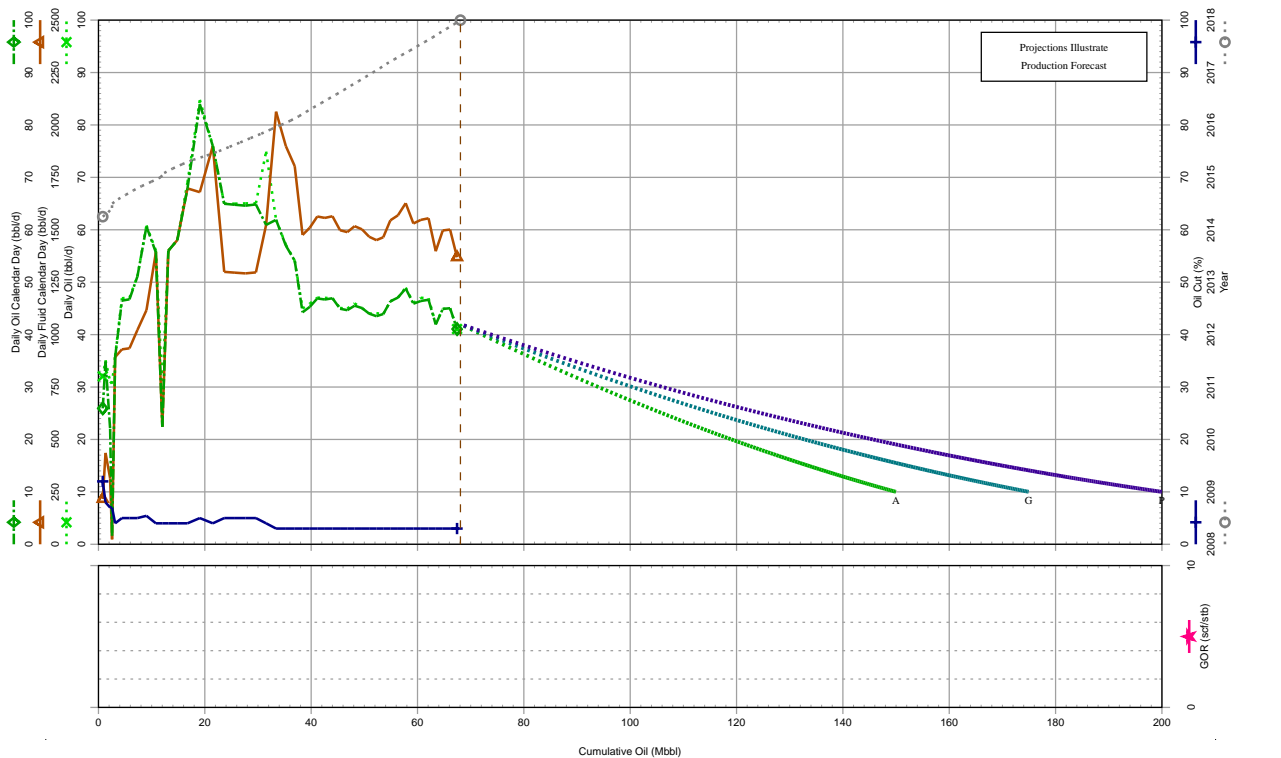
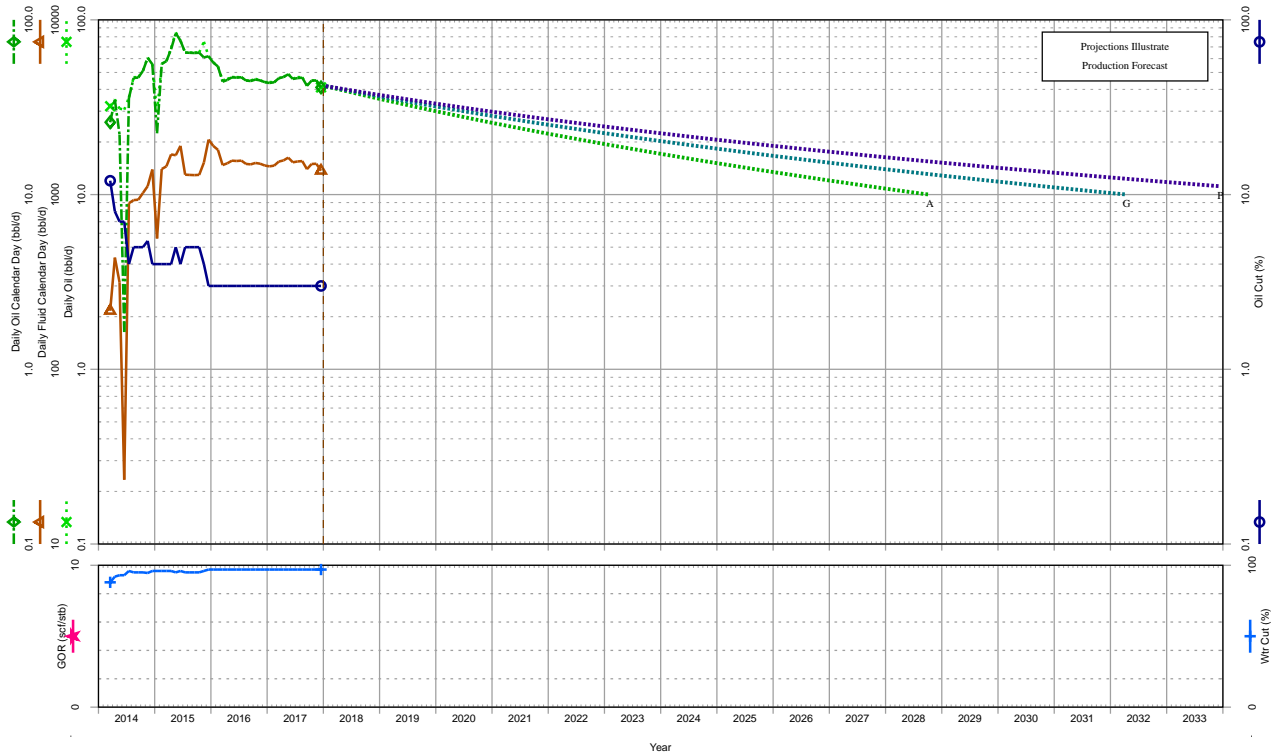
| | | | | | |
|-----|-------------|-----|----------|-------|-------------|
| Oil | 233.0 Mbbbl | Gas | 0.0 MMcf | Water | 390.1 Mbbbl |
|-----|-------------|-----|----------|-------|-------------|

CENDERE-23
1181620 / Mar 21, 2018

Historical and Forecast Production CENDERE-24

Property : Cendere
Well Name :

Regulatory Field :
Regulatory Pool :
Operator :



Decline Analysis Summary At 2018/01/01

| Reserves Classification | Reserves (Mbbbl) | | | Rates (bbl/d) | | Decline | |
|-------------------------|--------------------|---------|--------|-----------------|-------|---------|--------|
| | Ultimate | Cum Prd | Remain | Initial | Final | Initial | Expont |
| Pv Prd - A | 150 | 68 | 82 | 42 | 10 | 16.0 | 0.40 |
| P + P Prd - G | 175 | 68 | 107 | 42 | 10 | 13.2 | 0.50 |
| PPP Prd - P | 200 | 68 | 132 | 42 | 10 | 11.5 | 0.60 |

Average Production Rates (Last 12 months ending 2017/12/31)

| | | | | |
|---------|------------|-------------|-----|--------------|
| Gas | 0.0 Mcf/d | 0.0 Mcf/cd | WGR | 0.0 bbl/MMcf |
| Oil | 45.3 bbl/d | 45.1 bbl/cd | GOR | 0.0 scf/stb |
| On Prod | 363.7 days | | WC | 97.0 % |

Cumulative Production

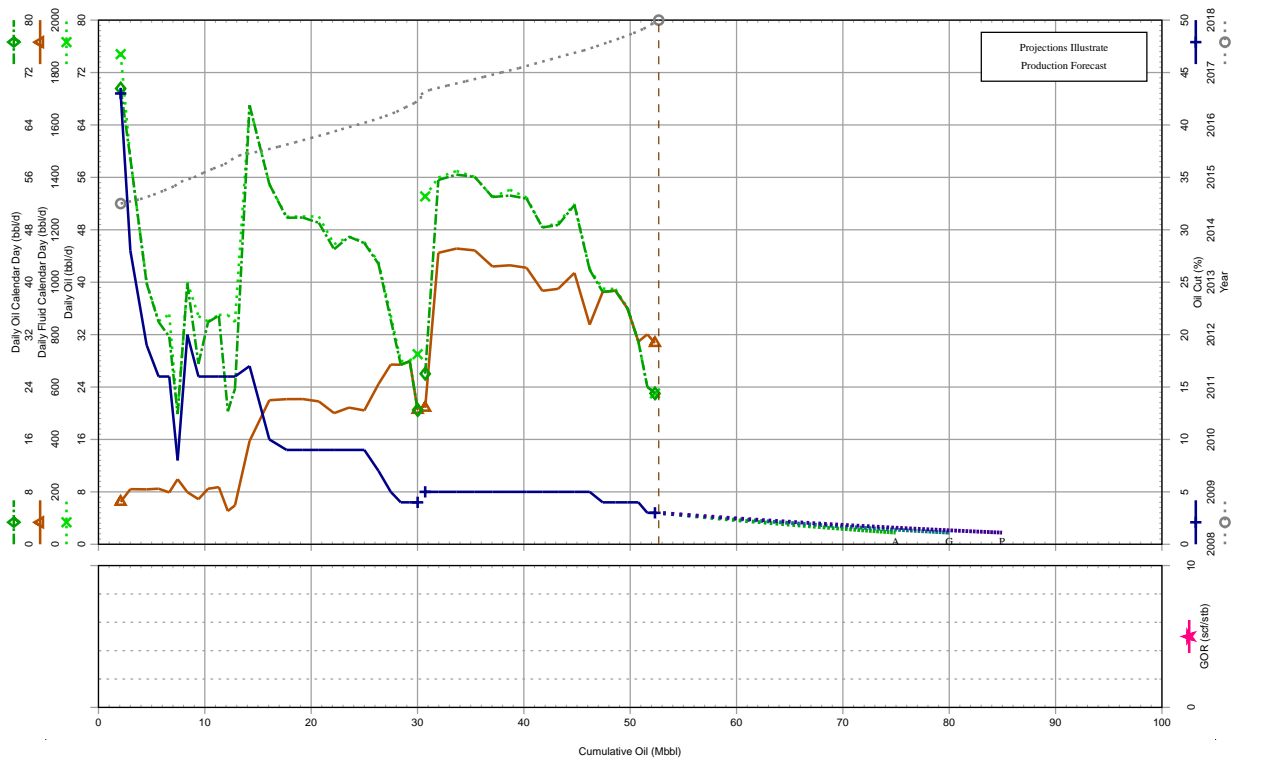
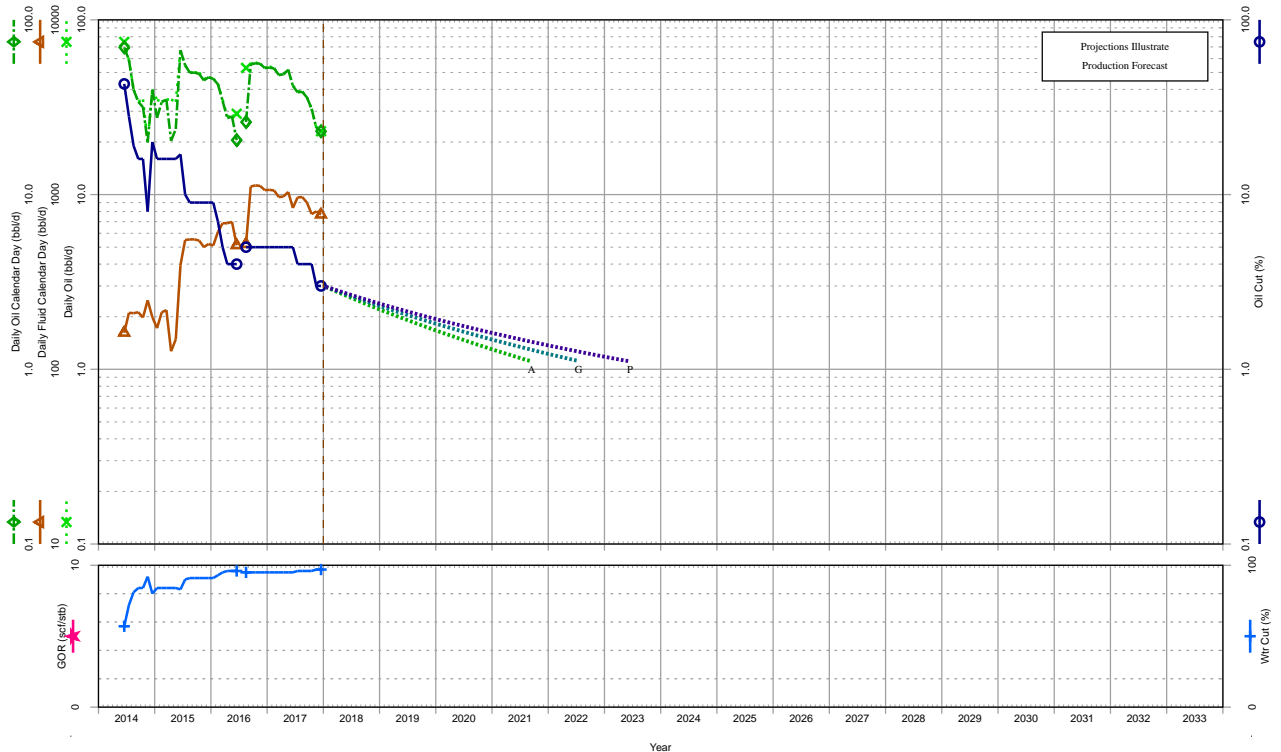
| | | | | | |
|-----|------------|-----|----------|-------|--------------|
| Oil | 68.1 Mbbbl | Gas | 0.0 MMcf | Water | 1809.4 Mbbbl |
|-----|------------|-----|----------|-------|--------------|

CENDERE-24
1181620 / Mar 21, 2018

Historical and Forecast Production CENDERE-25

Property : Cendere
Well Name :

Regulatory Field :
Regulatory Pool :
Operator :



Decline Analysis Summary At 2018/01/01

| Reserves Classification | Reserves (Mbbl) | | | Oil Cut % | | Decline | |
|-------------------------|-------------------|---------|--------|-----------|-------|---------|------|
| | Ultimate | Cum Prd | Remain | Initial | Final | Initial | Expt |
| Pv Prd - A | 75 | 53 | 22 | 3.00 | 1.11 | 26.7 | 0.40 |
| P + P Prd - G | 80 | 53 | 27 | 3.00 | 1.11 | 23.2 | 0.50 |
| PPP Prd - P | 85 | 53 | 32 | 3.00 | 1.11 | 20.8 | 0.60 |

Average Production Rates (Last 12 months ending 2017/12/31)

| | | | | |
|---------|------------|-------------|-----|--------------|
| Gas | 0.0 Mcf/d | 0.0 Mcf/cd | WGR | 0.0 bbl/MMcf |
| Oil | 40.9 bbl/d | 40.6 bbl/cd | GOR | 0.0 scf/stb |
| On Prod | 363.3 days | | WC | 95.6 % |

Cumulative Production

| | | | | | |
|-----|-----------|-----|----------|-------|------------|
| Oil | 52.7 Mbbl | Gas | 0.0 MMcf | Water | 729.5 Mbbl |
|-----|-----------|-----|----------|-------|------------|

CENDERE-25
1181620 / Mar 21, 2018