

TENTH AVENUE PETROLEUM CORP.

**STATEMENT OF RESERVE DATA AND
OTHER OIL AND GAS INFORMATION**

EFFECTIVE DECEMBER 31, 2023

PREPARED ON APRIL 22, 2024

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ABBREVIATIONS AND CONVERSION

In this document, the abbreviations set forth below have the following meanings:

bbl	barrel	Mcf	thousand cubic feet
Mbbbl	thousand barrels	MMcf	million cubic feet
MMbbbl	million barrels	Mcf/d	thousand cubic feet per day
bbl/d	barrels per day	MMBtu	million British Thermal Units
NGLs	natural gas liquids	Bcf	billion cubic feet
boe/d	barrels of oil equivalent per day	GJ	gigajoule

AECO	EnCana Corp.'s natural gas storage facility located at Suffield, Alberta.
API	American Petroleum Institute
°API	an indication of the specific gravity of crude oil measured on the API gravity scale. Liquid petroleum with a specified gravity of 28° API or higher is generally referred to as light crude oil.
boe	barrel of oil equivalent on the basis of 1 boe to 6 Mcf of natural gas. Boe's may be misleading, particularly if used in isolation. A boe conversion ratio of 1 boe for 6 Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.
M\$	thousands of dollars
MM\$	millions of dollars
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade

NOTES AND DEFINITIONS

The determination of oil and gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved, probable and possible reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery.

The estimation and classification of reserves requires the application of professional judgment combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions.

“Reserves” are estimated remaining quantities of oil and natural gas and related substances anticipated to be economically recoverable from discovered resources, from a given date forward, based on (a) analysis of drilling, geological, geophysical, and engineering data; (b) the use of established technology; and (c) specified economic conditions, 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 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.

“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 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 are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., 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 classification (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 sub-divide 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 recorded from specific wells, facilities and completion intervals in the pool and their respective development and production status.

“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 + probable reserves. The following terms, used in the preparation of the Evaluator’s Report (as defined herein) and this document have the following meanings:

“Associated gas” means the gas cap overlying a crude oil accumulation in a reservoir.

“Constant prices and costs” means prices and costs used in an estimate that are:

- (a) the Corporation’s prices and costs as at the effective date of the estimation, held constant throughout the estimated lives of the properties to which the estimate applies;
- (b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the Corporation is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a).

For the purpose of paragraph (a), the reporting issuer’s prices will be the posted price for oil and the spot price for gas, after historical adjustments for transportation, gravity and other factors.

“Corporation” or **“TENTH AVENUE”** means TENTH AVENUE PETROLEUM CORP.

“Crude oil” or **“Oil”** means a mixture that consists mainly of pentanes and heavier hydrocarbons, which may contain sulphur and other non-hydrocarbon compounds, that is recoverable at a well from an underground reservoir and that is liquid at the conditions under which its volume is measured or estimated. It does not include solution gas or natural gas liquids.

“Development costs” means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas from the reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

- (a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves;
- (b) drill and equip development wells, development type stratigraphic test wells and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and the wellhead assembly;
- (c) acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and
- (d) provide improved recovery systems.

“Development well” means a well drilled inside the established limits of an oil or gas reservoir, or in close proximity to the edge of the reservoir, to the depth of a stratigraphic horizon known to be productive.

“Exploration costs” means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil and gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as “prospecting costs”) and after acquiring the property. Exploration costs, which include applicable operating costs of support equipment and facilities and other costs of exploration activities, are:

- (a) costs of topographical, geochemical, geological and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as “geological and geophysical costs”);
- (b) costs of carrying and retaining unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defense, and the maintenance of land and lease records;
- (c) dry hole contributions and bottom hole contributions;
- (d) costs of drilling and equipping exploratory wells; and
- (e) costs of drilling exploratory type stratigraphic test wells.

“Exploratory well” means a well that is not a development well, a service well or a stratigraphic test well.

“Field” means an area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field that are separated vertically by intervening impervious strata or laterally by local geologic barriers, or both. Reservoirs that are associated by being in overlapping or adjacent fields may be treated as a single or common operational field. The geological terms “structural feature” and “stratigraphic condition” are intended to denote localized geological features, in contrast to broader terms such as “basin”, “trend”, “province”, “play” or “area of interest”.

“Future prices and costs” means future prices and costs that are:

- (a) generally accepted as being a reasonable outlook of the future;
- (b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the Corporation issuer is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a).

“Future income tax expenses” means future income tax expenses estimated (generally, year-by-year):

- (a) making appropriate allocations of estimated unclaimed costs and losses carried forward for tax purposes, between oil and gas activities and other business activities;
- (b) without deducting estimated future costs (for example, Crown royalties) that are not deductible in computing taxable income;
- (c) taking into account estimated tax credits and allowances (for example, royalty tax credits); and
- (d) applying to the future pre-tax net cash flows relating to the reporting issuer’s oil and gas activities the appropriate year-end statutory tax rates, taking into account future tax rates already legislated.

“Future net revenue” means the estimated net amount to be received with respect to the development and production of reserves (including synthetic oil, coal bed methane and other non-conventional reserves) estimated using constant prices and costs or forecast prices and costs.

“Gross” means:

- (a) in relation to the Corporation’s interest in production or reserves, its “Corporation gross reserves”, which are its working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Corporation;
- (b) in relation to wells, the total number of wells in which the Corporation has an interest, and
- (c) in relation to properties, the total area of properties in which the Corporation has an interest.

“Natural gas” means the lighter hydrocarbons and associated non-hydrocarbon substances occurring naturally in an underground reservoir, which under atmospheric conditions are essentially gases but which may contain natural gas liquids. Natural gas can exist in a reservoir either dissolved in crude oil (solution gas) or in a gaseous phase (associated gas or non-associated gas). Non-hydrocarbon substances may include hydrogen sulphide, carbon dioxide and nitrogen.

“Natural gas liquids” means those hydrocarbon components that can be recovered from natural gas as liquids including, but not limited to, ethane, propane, butanes, pentanes plus, condensate and small quantities of non-hydrocarbons.

“Net” means:

- (a) in relation to the Corporation’s interest in production or reserves its working interest (operating or non operating) share after deduction of royalty obligations, plus its royalty interests in production or reserves;
- (b) in relation to the Corporation’s interest in wells, the number of wells obtained by aggregating the Corporation’s working interest in each of its gross wells; and
- (c) in relation to the Corporation’s interest in a property, the total area in which the Corporation has an interest multiplied by the working interest owned by the Corporation.

“Non-associated gas” means an accumulation of natural gas in a reservoir where there is no crude oil.

“Operating costs” or **“production costs”** means costs incurred to operate and maintain wells and related equipment and facilities, including applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities.

“Production” means recovering, gathering, treating, field or plant processing (for example, processing gas to extract natural gas liquids) and field storage of oil and gas.

“Property” includes:

- (a) fee ownership or a lease, concession, agreement, permit, license or other interest representing the right to extract oil or gas subject to such terms as may be imposed by the conveyance of that interest;
- (b) royalty interests, production payments payable in oil or gas, and other non-operating interests in properties operated by others; and
- (c) an agreement with a foreign government or authority under which a reporting issuer participates in the operation of properties or otherwise serves as “producer” of the underlying reserves (in contrast to being an independent purchaser, broker, dealer or importer).

A property does not include supply agreements, or contracts that represent a right to purchase, rather than extract, oil or gas.

“Property acquisition costs” means costs incurred to acquire a property (directly by purchase or lease or indirectly by acquiring another corporate entity with an interest in the property), including:

- (a) costs of lease bonuses and options to purchase or lease a property;
- (b) the portion of the costs applicable to hydrocarbons when land including rights to hydrocarbons is purchased in fee;
- (c) brokers’ fees, recording and registration fees, legal costs and other costs incurred in acquiring properties.

“Proved property” means a property or part of a property to which reserves have been specifically attributed.

“Reservoir” means a porous and permeable underground formation containing a natural accumulation of producible oil or gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.

“Service well” means a well drilled or completed for the purpose of supporting production in an existing field. Wells in this class are drilled for the following specific purposes: gas injection (natural gas, propane, butane or flue gas), water injection, steam injection, air injection, salt-water disposal, water supply for injection, observation, or injection for combustion.

“Solution gas” means natural gas dissolved in crude oil.

“Stratigraphic test well” means a drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Ordinarily, such wells are drilled without the intention of being completed for hydrocarbon production. They include wells for the purpose of core tests and all types of expendable holes related to hydrocarbon exploration. Stratigraphic test wells are classified as (a) exploratory type” if not drilled into a proved property; or (b) “development type”, if drilled into a proved property. Development type stratigraphic wells are also referred to as “evaluation wells”.

“Support equipment and facilities” means equipment and facilities used in oil and gas activities, including seismic equipment, drilling equipment, construction and grading equipment, vehicles, repair shops, warehouses, supply points, camps, and division, district or field offices.

“Unproved property” means a property or part of a property to which no reserves have been specifically attributed.

“Well abandonment costs” means costs of abandoning a well and preparing the surface lease to commence reclamation.

“Well abandonment and reclamation costs” means costs of abandoning a well and surface lease reclamation. They do not include costs of abandoning the gathering system, suspended wells, batteries, plants, or processing facilities.

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

In accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities, Trimble Engineering Associates Ltd. (“Evaluator”) prepared a report (the “Evaluator Report”) dated March 6, 2024. The Evaluator Report evaluated, as at December 31, 2023, Tenth Avenue Petroleum Corp.’s oil, NGL and natural gas reserves. The tables below are a summary of the oil, NGL and natural gas reserves of the Company and the net present value of future net revenue attributable to such reserves as evaluated in the Evaluator Report based on forecast price and cost assumptions. The tables summarize the data contained in the Evaluator Report and as a result may contain slightly different numbers than such report due to rounding. Also due to rounding, certain columns may not add exactly. **The net present value of future net revenue attributable to the Corporation’s reserves is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures, and well abandonment and reclamation costs for only those wells assigned reserves by Evaluator. It should not be assumed that the undiscounted or discounted net present value of future net revenue attributable to the Corporation’s reserves estimated by Evaluator represent the fair market value of those reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery and reserve estimates of the Corporation’s oil, NGL and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein.**

The Evaluator Report is based on certain factual data supplied by the Corporation and Evaluator’s opinion of reasonable practice in the industry. The extent and character of ownership and all factual data pertaining to the Corporation’s petroleum properties and contracts (except for certain information residing in the public domain) were supplied by the Corporation to Evaluator and accepted without any further investigation. Evaluator accepted this data as presented and neither title searches nor field inspections were conducted.

All properties are in Canada.

All monetary values are expressed in Canadian dollars unless stated otherwise.

2.1.1 SUMMARY OF OIL AND GAS RESERVES

FORECAST PRICES AND COSTS (Effective December 31, 2023)

RESERVE CATEGORY	SUMMARY OF OIL AND GAS RESERVES							
	LIGHT AND MEDIUM OIL		HEAVY OIL		NATURAL GAS		NATURAL GAS LIQUIDS	
	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)
Developed Producing	63.8	53.5	129.6	119.3	92.5	83.8	4.8	3.9
Developed Non-Producing	--	--	20.7	19.6	89.4	82.0	0.5	0.4
Undeveloped	--	--	--	--	--	--	--	--
TOTAL PROVED	63.8	53.5	150.3	138.9	181.9	165.7	5.3	4.3
Probable	47.0	38.2	141.3	126.3	132.6	121.6	1.1	1.0
TOTAL PROVED PLUS PROBABLE	110.8	91.8	291.6	265.2	314.4	287.3	6.3	5.3

(1) Estimates of reserves of natural gas include (i) associated and non-associated gas (combined) and (ii) solution gas.

2.1.2 SUMMARY OF NET PRESENT VALUES OF FUTURE NET REVENUE

FORECAST PRICES AND COSTS (Effective December 31, 2023)

RESERVE CATEGORY	NET PRESENT VALUES OF FUTURE NET REVENUE					
	BEFORE INCOME TAXES DISCOUNTED AT (%/YEAR)					UNIT VALUE
	0 (M\$)	5 (M\$)	10 (M\$)	15 (M\$)	20 (M\$)	Disc. 10 (\$/boe)
Developed Producing	3,428.4	3,137.1	2,887.9	2,675.4	2,493.4	15.15
Developed Non-Producing	91.4	106.7	106.1	98.6	88.4	3.15
Undeveloped	--	--	--	--	--	--
TOTAL PROVED	3,519.9	3,243.9	2,994.1	2,773.9	2,581.8	13.35
Probable	6,131.7	4,440.6	3,346.0	2,600.4	2,070.4	18.01
TOTAL PROVED PLUS PROBABLE	9,651.6	7,684.5	6,340.1	5,374.4	4,652.2	15.46
RESERVE CATEGORY	AFTER INCOME TAXES DISCOUNTED AT (%/YEAR)					
	0 (M\$)	5 (M\$)	10 (M\$)	15 (M\$)	20 (M\$)	
	Developed Producing	3,428.4	3,137.1	2,887.9	2,675.4	2,493.4
Developed Non-Producing	91.4	106.7	106.1	98.6	88.4	
Undeveloped	--	--	--	--	--	
TOTAL PROVED	3,519.9	3,243.9	2,994.1	2,773.9	2,581.8	
Probable	6,131.7	4,440.6	3,346.0	2,600.4	2,070.4	
TOTAL PROVED PLUS PROBABLE	9,651.6	7,684.5	6,340.1	5,374.4	4,652.2	

2.1.3 TOTAL FUTURE NET REVENUE (UNDISCOUNTED)

FORECAST PRICES AND COSTS (EFFECTIVE DECEMBER 31, 2023)

RESERVE CATEGORY	REVENUE (M\$)	ROYALTIES (M\$)	OP. COSTS (M\$)	DEV. COSTS (M\$)	WELL ABAND. AND RECLAM. COSTS (M\$)	FUTURE NET REVENUE BEFORE INCOME TAXES (M\$)	INCOME TAXES (M\$)	FUTURE NET REVENUE AFTER INCOME TAXES (M\$)
TOTAL PROVED	19,528.2	2,009.3	12,101.5	218.1	1,679.5	3,519.9	0.0	3,519.9
TOTAL PROVED PLUS PROBABLE	37,426.9	4,285.8	19,700.4	1,809.3	1,979.8	9,651.6	0.0	9,651.6

2.1.3(c) FUTURE NET REVENUE BY PRODUCTION GROUP

FORECAST PRICES AND COSTS (EFFECTIVE DECEMBER 31, 2023)

RESERVE CATEGORY	PRODUCTION GROUP	FUTURE NET REVENUE BEFORE INCOME TAXES (discounted at 10%/year) (M\$)	UNIT VALUE \$/Primary Product
Proved Reserves	Light and Medium Crude Oil (including solution gas and other by-products)	283.5	5.30
	Heavy Oil (including solution gas and other by-products)	2,817.9	20.29
	Natural Gas (including by-products but excluding solution gas and by-products from oil wells)	(107.4)	(1.28)
Proved Plus Probable Reserves	Light and Medium Crude Oil (including solution gas and other by-products)	1,137.6	12.40
	Heavy Oil (including solution gas and other by-products)	5,237.4	19.75
	Natural Gas (including by-products but excluding solution gas and by-products from oil wells)	(35.0)	(0.26)

3.1 PRICING ASSUMPTIONS OF FORECAST PRICES USED IN ESTIMATES

FORECAST PRICES AND COSTS (EFFECTIVE DECEMBER 31, 2023)

Evaluator employed the following pricing, exchange rate and inflation rate assumptions as of December 31, 2023, in estimating the Corporations' reserves data using forecast prices and costs.

Year	OIL ⁽¹⁾			INFLATION RATES ⁽²⁾ %/Year	EXCHANGE RATE (US/\$Cdn)
	WTI Cushing Oklahoma (\$US/bbl)	Canadian Light Sweet 40° API (\$Cdn/bbl)	Western Canada Select (\$Cdn/bbl)		
2023 ⁽³⁾	77.67	99.21	77.89	-	0.74
2024	75.00	93.00	78.00	-	0.75
2025	76.00	95.00	80.00	2.0	0.75
2026	77.00	97.00	82.00	2.0	0.75
Thereafter	+2.0% per year				

Year	NATURAL GAS AECO Gas Price (\$Cdn/MMBtu)	CONDENSATE (Edmonton) (\$Cdn/bbl)	BUTANE (Edmonton) (\$Cdn/bbl)	PROPANE (Edmonton) (\$Cdn/bbl)
2023 ⁽³⁾	2.64	103.38	48.65	31.39
2024	2.25	97.00	50.00	33.00
2025	3.25	99.00	51.00	34.00
2026	4.00	101.00	52.00	35.00
Thereafter	+2.0% per year			

(1) This summary table identifies the Evaluator's benchmark reference pricing schedules.

(2) Inflation rates for forecasting prices and costs.

(3) Actual benchmark prices for the most recent 12 month period (ending December 31, 2023).

4.1 RECONCILIATION OF GROSS RESERVES BY PRODUCT TYPE

FORECAST PRICES AND COSTS (EFFECTIVE DECEMBER 31, 2023)

FACTORS	LIGHT AND MEDIUM OIL			HEAVY OIL		
	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved Plus Probable (Mbbbl)	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved Plus Probable (Mbbbl)
DECEMBER 31, 2022	111.9	15.7	127.6	128.7	105.0	233.8
Extensions	-	35.8	35.8	-	-	-
Improved Recovery	-	-	-	-	-	-
Technical Revisions	(32.9)	(9.8)	(42.6)	43.0	34.2	77.2
Working Interest Errors	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-
Economic Factors	(0.1)	5.3	5.2	4.8	2.1	6.9
Production	(15.1)	-	(15.1)	(26.2)	-	(26.2)
DECEMBER 31, 2023	63.8	47.0	110.8	150.3	141.3	291.6
	NATURAL GAS ⁽¹⁾			NGL'S		
FACTORS	Gross Proved (MMcf)	Gross Probable (MMcf)	Gross Proved Plus Probable (MMcf)	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved Plus Probable (Mbbbl)
DECEMBER 31, 2022	503.7	229.0	732.6	22.4	5.9	28.3
Extensions	-	63.8	63.8	-	-	-
Improved Recovery	-	-	-	-	-	-
Technical Revisions	(237.7)	(165.7)	(403.4)	(15.8)	(5.5)	(21.3)
Working Interest Errors	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-
Economic Factors	(20.6)	5.5	(15.1)	(0.1)	0.7	0.6
Production	(63.5)	-	(63.5)	(1.2)	-	(1.2)
DECEMBER 31, 2023	181.8	132.6	314.4	5.3	1.1	6.3

(1) Includes solution gas.

5.1 UNDEVELOPED RESERVES

The following discussion generally describes the basis on which the Corporation attributes Proved and Probable Undeveloped Reserves and its plans for developing those Undeveloped Reserves. The following tables set forth the proved undeveloped and the probable undeveloped gross reserves by product type, attributable to the Corporation's assets for the years ended December 31, 2023.

Proved Undeveloped	L&M Oil		Heavy Oil		A&NA Gas	
	1st Attributed Mbbbl	Booked Mbbbl	1st Attributed Mbbbl	Booked Mbbbl	1st Attributed MMcf	Booked MMcf
Prior	--	--	--	--	--	--
2023	--	--	--	--	--	--
Total at 2023	--	--	--	--	--	--

Probable Undeveloped	1st Attributed Mbbbl	Booked Mbbbl	1st Attributed Mbbbl	Booked Mbbbl	1st Attributed MMcf	Booked MMcf
	Prior	--	--	71	71	--
2023	46	46	39	110	--	--
Total at 2023	46	--	110	--	--	--

Proved undeveloped reserves are assigned in accordance with COGEH and are predominantly those reserves tested or indicated by analogy to be productive.

Proved undeveloped reserves have not been assigned by the Evaluator. The Corporation's plans for development of undeveloped reserves are consistent with the Evaluator Report assumptions.

Probable undeveloped reserves are generally those reserves tested or indicated by analogy to be productive, infill drilling locations and lands contiguous to production.

At December 31, 2023, there are 2 gross (2 net) undeveloped locations in the Murray Lake property and 1 gross (1 net) undeveloped location in the Vulcan property with booked probable undeveloped reserves. The probable undeveloped reserves for the Murray Lake wells were first attributed effective December 31, 2022. The probable undeveloped reserves for the Vulcan well was first attributed effective December 31, 2023.

5.2 SIGNIFICANT FACTORS OR UNCERTAINTIES AFFECTING RESERVES DATA

The estimation of reserves requires significant judgment and decisions based on available geological, geophysical, engineering, and economic data. These estimates can change substantially as additional information from ongoing development activities and production performance becomes available and as economic and political conditions impact oil and gas prices and costs change. The Corporation's estimates are based on current production forecasts, prices and economic conditions. All of the Corporation's reserves are evaluated by Trimble Engineering Associates Ltd., an independent engineering firm.

As circumstances change and additional data becomes available, reserve estimates also change. Based on new information, reserve estimates are reviewed and revised, either upward or downward, as warranted. Although every reasonable effort has been made by the Corporation to ensure that reserve estimates are accurate, revisions arise as new information becomes available. As new geological, production and economic information is incorporated into the process of estimating reserves the accuracy of the reserve estimates improves.

As information is updated the Company will modify its plans as required.

5.3 FUTURE DEVELOPMENT COSTS

The table below sets out the development costs deducted in the estimation of future net revenue attributable to the proved reserves (using forecast prices and costs) and proved plus probable reserves (using forecast prices and costs only).

	Total Proved Estimated Using Forecast Prices and Costs (M\$)	Total Proved Plus Probable Estimated Using Forecast Prices and Costs (M\$)
2024	75.0	75.0
2025	143.1	1,734.3
2026	--	--
2027	--	--
2028	--	--
Remainder	--	--
Total for All Years Undiscounted	218.1	1,809.3

The Corporation has three sources of funding to finance its capital expenditure programs: internally generated cash flow from operations, debt financing when appropriate and new equity issues, if available on favourable terms. The Corporation expects to fund its total 2024 capital program from the cash resources internally generated cash flow from operations.

6.1 OIL AND GAS PROPERTIES AND WELLS

Hays, Alberta

The Corporation has a 100% interest in the Hays property. There are two (2) producing wells that have been assigned reserves. The wells are producing heavy oil from the Sawtooth formation.

Murray Lake, Alberta

The Corporation has a 100% interest in the Murray Lake property. There are eight (8) producing wells and four (4) non-producing wells that have been assigned reserves. The wells are producing heavy oil from the Sunburst formation. The Corporation has identified two (2) drilling locations in Murray Lake.

Swan Hills, Alberta

The Corporation has a 1.3089% interest in the Swan Hills Unit No. 1. There is currently interest in 71 producing wells. The wells are producing light oil from the Beaverhill Lake formation.

Vulcan, Alberta

The Corporation has a 100% interest in three (3) producing oil wells and one (1) drilling location in the Sunburst formation. The Corporation holds an 85% interest in two (2) gas wells. One (1) gas well is producing from the Bow Island formation and one (1) non-producing gas well has been tested from the Sunburst formation.

The following table sets forth the number of wells in which the Corporation held a working interest as at December 31, 2023:

	Oil Wells				Gas Wells			
	Producing		Non-Producing		Producing		Non-Producing	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Alberta	84	13.9	4	4	1	0.9	1	0.9

6.2 PROPERTIES WITH NO ATTRIBUTED RESERVES

	Gross Acres	Net Acres	Lands to Expire in 2024
Alberta	-	-	-

The Corporation does not hold any properties that do not have reserves attributed.

6.3 FORWARD CONTRACTS

The Corporation may, from time to time, enter into fixed price contracts and derivative financial instruments with respect to oil and gas sales, in order to secure a certain amount of cash flow to protect a level of capital spending.

As at December 31, 2023, the Corporation has a commodity price risk management contract in place to protect cash flows and project economics. This instrument is not used for trading or speculative purposes. The Corporation has not designated its financial derivative contract as effective accounting hedges, even though the Corporation considers all commodity contracts to be effective economic hedges. As a result, all such financial commodity contracts are recorded on the Consolidated Statements of Financial Position at fair value, with changes in the fair value being recognized as an unrealized gain or loss through the Consolidated Statements of Net Income and Comprehensive Income.

The Company had the following outstanding financial derivative commodity contracts as at December 31, 2023:

Financial WTI Crude Oil Contracts	Term	Volume (bbl/d)	CAD\$/US bbl ⁽²⁾
WTI Fixed Price Swap ⁽¹⁾	October 1, 2023 – March 31, 2024	50	\$ 116.50

(1) Swaps are settled no later than the 25th of the month following the calendar month in which delivery is made.

(2) Price is adjusted by Wadf, quality and transportation.

The fair value of forward swaps is determined by discounting the difference between the contracted prices and published forward price curves as at the statement of financial position date, using the remaining contracted oil volumes and a risk-free interest rate (based on published government rates). The fair value of the Company's outstanding Swaps resulted in a derivative financial instrument asset of \$68,603 (December 31, 2022 – N/A).

The fair values of derivative financial instruments are designated as Level 2 in the fair value hierarchy and are highly sensitive to changes in underlying commodity prices and thereby impact income. For financial derivative commodity contracts in place at December 31, 2023, it is estimated that a \$1.00 bbl change in the forward crude oil prices used to calculate the fair value of crude oil derivatives would result in a \$4,521 change in net income (loss) for the period.

6.4 ADDITIONAL INFORMATION CONCERNING ABANDONMENT AND RECLAMATION COSTS

Tenth Avenue estimates well abandonment and reclamation costs on an area-by-area basis. These costs are included for 93 gross (22.6 net) wells in the Evaluator Report as a deduction in arriving at future net revenue. The estimated total abandonment and reclamation costs included in the Evaluator Report for the properties included under the proved reserves category is \$1,679,450 undiscounted (\$1,036,710 discounted at 10%).

6.5 TAX HORIZON

The Corporation was not required to pay income taxes for the period ended December 31, 2023. Based on the strategy of re-investing all internally generated cash flow in an exploration and development program and based on the commodity prices used in the Evaluator Report, Tenth Avenue estimates that it will not be taxable for the duration of the forecast period in the Evaluator Report.

6.6 COSTS INCURRED

The following table summarizes the capital expenditures made by Tenth Avenue on oil and natural gas properties for the period ended December 31, 2023:

	Property Acquisition Costs		Exploration Costs	Development Costs
	Proved Properties	Unproved Properties		
	(M\$)	(M\$)		
Alberta	-	-	-	\$0.517

The Corporation completed the acquisition of Danzig in Q2/22, including the re-entry of two potential gas zones in the Bow Island and Sunburst zones associated with the 102/6-11-15-26W4 well, which was also awaiting pipeline construction and tie-in. The Corporation completed the permitting and construction throughout Q4/22, comprised of a 2.3km pipeline and surface equipment from the 11-11 pad site to the gather system. Following the connection of the pipeline into the gathering system, the Corporation then complete the tie-in of the 102/6-11-15-26W4 well and placed it on production January 30, 2023, for a total capital cost of \$517,575.

6.7 EXPLORATION AND DEVELOPMENT ACTIVITIES

The following table sets forth the number of exploratory and development wells that Tenth Avenue completed during the period ended December 31, 2023:

	Exploratory Wells		Development Wells	
	Gross	Net	Gross	Net
CANADA	-	-	-	-
Oil Wells	-	-	-	-

Gas Wells	-	-	1.0	0.85
Service Wells	-	-	-	-
Dry Holes	-	-	-	-
Total Completed Wells	-	-	1.0	0.85

On January 30, 2023, the Corporation completed the successful re-entry of the 102/6-11-15-26W4 (BPO 85%/APO 70%) natural gas well in the upper Bow Island formation located in Vulcan/Parkland, Alberta. The connection with the tie-in of the 102/6-11-15-26W4 well, in Q4/22 the Corporation also completed the construction of a 2.3 km pipeline and requirement instrumentation from the 11-11 pad site to the gathering system, which totaled \$517,575. A secondary potential zone exists in the Sunburst formation which has been recognized within the reserve report, however the Corporation has elected to defer the perforation of this zone until natural gas prices improve.

6.8 PRODUCTION ESTIMATES

The following table discloses for each product type the total volume of production estimated by Evaluator for 2024 in the estimates of future net revenue from the forecast case of proved plus probable reserves disclosed above under the heading "Oil and Natural Gas Reserves and Net Present Value of Future Net Revenue".

	L&M Oil bbl/d		Heavy Oil bbl/d		Natural Gas Mcf/d		NGL's bbl/d		Net boe/d
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	
Total Proved	41	33	80	75	63	56	2	2	119
Probable	-	1	1	1	1	1	-	-	1
Proved Plus Probable	41	34	81	76	64	57	2	2	120

The Murray Lake property accounts 56 boe/d (47%) of the estimated Net P+PB production.

The Vulcan property accounts for 25 boe/d (21%) of the estimated Net P+PB production.

6.9 PRODUCTION HISTORY

The following table sets forth certain information in respect of production, product prices received, royalties, production costs and netbacks received by Tenth Avenue for each quarter of its most recently completed financial period:

	2023			
	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Average Production				
L&M Oil (bbl/d)	128	109	117	96
Natural Gas (Mcf/d)	263	187	130	114
NGL's (bbl/d)	1	3	4	4
Selling Prices				
L&M Oil (\$/bbl)	78.89	85.11	91.10	87.33
Natural Gas (\$/Mcf)	4.13	2.37	3.70	2.49
NGL's (\$/bbl)	95.16	51.54	22.79	28.39
Royalties				
L&M Oil (\$/bbl)	10.75	12.76	9.16	13.02
Natural Gas (\$/Mcf)	0.03	0.96	(0.02)	0.05
NGL's (\$/bbl)	-	26.09	52.29	17.86
Production Costs				
L&M Oil (\$/bbl)	46.14	52.29	49.95	54.54
Natural Gas (\$/Mcf)	7.69	8.72	8.32	9.09
NGL's (\$/bbl)	46.14	52.29	49.95	54.54
Netbacks				
L&M Oil (\$/bbl)	22.78	20.05	31.99	19.76
Natural Gas (\$/Mcf)	(3.59)	(7.30)	(4.93)	(6.35)
NGL's (\$/bbl)	6.92	(26.85)	(79.45)	(44.01)

Production Volume by Field

The following table discloses for each important field and in total, Tenth Avenue's production volume for the period ended December 31, 2023, for each product type:

	L&M Oil	Heavy Oil	Natural Gas	NGL's	Totals – boe/d	
	bbl/d	bbl/d	Mcf/d	bbl/d	boe/d	%
Hays, AB	23	-	-	-	23	16.78
Murray Lake, AB	-	48	-	-	48	35.04
Swan Hills, AB	23	-	25	3	30	21.90
Vulcan, AB	19	-	97	-	36	26.28
Total	65	48	122	3	137	100.00